

Article 08. ALASKA CAPSTONE AVIONICS REVOLVING LOAN FUND

Sec. 44.33.650. Declaration of policy.

It is the policy of the state, under [AS 44.33.650](#) - 44.33.690, to increase the safety of air carrier, air taxi, and general aviation intrastate air transportation in the state by providing low interest loans to qualified applicants for the purpose of purchasing and installing capstone avionics equipment.

Sec. 44.33.655. Alaska capstone avionics revolving loan fund.

(a) There is created in the Department of Commerce, Community, and Economic Development a revolving loan fund to be known as the Alaska capstone avionics revolving loan fund to carry out the purposes of [AS 44.33.650](#) - 44.33.690.

(b) The Alaska capstone avionics revolving loan fund consists of the following:

(1) money appropriated to, transferred to, or received by gift, devise, bequest, or donation to the fund;

(2) principal and interest payments or other income earned on loans or investments of the fund;

(3) money chargeable to principal or interest that is collected through liquidation by foreclosure or other process on loans made under [AS 44.33.650](#) - 44.33.690.

(c) Money in the fund may be used by the legislature to make appropriations for costs of administering [AS 44.33.650](#) - 44.33.690.

Sec. 44.33.660. Powers and duties of the department.

The department may

(1) make loans to eligible applicants under [AS 44.33.665](#) for the purchase and installation of capstone avionics equipment;

(2) receive, take, hold, and administer any appropriation, gift, grant, bequest, devise, or donation of money for the fund;

(3) establish amortization plans for repayment of loans, including extensions of the terms of loans;

(4) allow an assumption of a loan if the applicant meets the requirements established under this section;

(5) establish the rate of interest for loans consistent with law;

(6) charge and collect fees for services provided under [AS 44.33.650](#) - 44.33.690;

(7) adopt regulations under AS 44.62 necessary to carry out the provisions of [AS 44.33.650](#) - 44.33.690, including regulations to establish reasonable fees for services provided; and

(8) designate agents and delegate powers as necessary to the agents.

Sec. 44.33.665. Eligibility.

(a) For an applicant to be eligible for a loan under AS 44.33.650 - 44.33.690, the applicant must be the owner of an aircraft that logs a substantial percentage of flight hours in the state as determined by the department. For purposes of this subsection, an applicant may be an individual, corporation, partnership, limited liability corporation, limited liability partnership, limited liability company, joint venture, or nonfederal governmental entity.

(b) After consultation with the Department of Transportation and Public Facilities, the Department of Commerce, Community, and Economic Development shall establish by regulation the standards for capstone avionics equipment eligible for loans.

Sec. 44.33.670. Limitations on loans.

A loan established under [AS 44.33.650](#) - 44.33.690

(1) may not exceed a term of 10 years, except for extensions under AS 44.33.660;

(2) may not bear interest less than four percent per year;

(3) must be secured by collateral acceptable to the department; and

(4) may not exceed 80 percent of the cost of the eligible capstone avionics equipment purchased with proceeds of the loan.

Sec. 44.33.675. Special account established.

(a) There is established as a special account within the Alaska capstone avionics revolving loan fund the foreclosure expense account.

(b) The department may expend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans granted under [AS 44.33.665](#) or to defray expenses incurred during foreclosure proceedings after a default by an obligor.

Sec. 44.33.680. Disposal of property acquired by default or foreclosure.

The department shall dispose of property acquired through default or foreclosure of a loan made under [AS 44.33.650](#) - 44.33.690. Disposal must be made in a manner that serves the best interest of the state and may include the amortization of payments over a term of years.

Sec. 44.33.690. Definitions.

In AS 44.33.650 - 44.33.690,

(1) "capstone avionics equipment"

(A) means aviation navigation performance and safety technological equipment eligible for financing through the capstone program;

(B) includes global positioning system-based avionics equipment and data link communications suites;

(2) "capstone program" means a technology-focused aviation program administered by the Federal Aviation Administration in this state;

(3) "department" means the Department of Commerce, Community, and Economic Development.