



# LAWS OF ALASKA

2018

**Source**

SCS CSHB 304(FIN)

**Chapter No.**

\_\_\_\_\_

**AN ACT**

Relating to the Alaska microloan revolving loan fund and loans from the fund.

\_\_\_\_\_

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

THE ACT FOLLOWS ON PAGE 1



**AN ACT**

1 Relating to the Alaska microloan revolving loan fund and loans from the fund.

2

3 \* **Section 1.** AS 44.33.960(a) is amended to read:

4 (a) For an applicant to be eligible for a loan under AS 44.33.950 - 44.33.990,  
5 the applicant shall

6 (1) be a resident of the state, as determined under (b) of this section;

7 (2) provide a reasonable amount of money from other nonstate sources  
8 for use on any project or enterprise for which money from a loan will be used; and

9 (3) if the requested loan amount is **more than** \$35,000 [OR MORE],  
10 provide to the department a document from a state financial institution stating that

11 (A) the applicant has been denied a loan for the same purpose;

12 or

13 (B) a loan from the financial institution is contingent on the  
14 applicant also receiving a loan from the fund.

15 \* **Sec. 2.** AS 44.33.965(b) is amended to read:

1 (b) A loan under AS 44.33.950 - 44.33.990

2 (1) may not exceed a term of **12** [SIX] years, except for extensions  
3 under AS 44.33.955;

4 (2) may not bear interest at a rate greater than the prime rate, as  
5 defined in AS 44.88.599, plus **two** [ONE] percentage **points** [POINT], but **that**  
6 [WHICH] may not be less than **four** [SIX] percent a year or more than eight percent a  
7 year;

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

9 (4) may not be made to a person who has a past due child support  
10 obligation established by court order or by the child support services agency under  
11 AS 25.27.160 - 25.27.220 at the time of application.

12 \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to  
13 read:

14 REPORT TO LEGISLATURE. The Department of Commerce, Community, and  
15 Economic Development shall provide a written report to the legislature on the activity,  
16 effectiveness, and suggestions for improvement of the Alaska microloan revolving loan fund  
17 established under AS 44.33.950. The Department of Commerce, Community, and Economic  
18 Development shall deliver the report to the senate secretary and the chief clerk of the house of  
19 representatives not later than January 15, 2022, and notify the legislature that the report is  
20 available.

21 \* **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to  
22 read:

23 APPLICABILITY. AS 44.33.960(a), as amended by sec. 1 of this Act, and  
24 AS 44.33.965(b), as amended by sec. 2 of this Act, apply to applications for loans under  
25 AS 44.33.950 - 44.33.990 made on or after the effective date of this Act.