

ETHICS COMMITTEE MEETING

January 16, 2013

ITEM 7 (i) Annual Benefit and Loan Review – AS 24.60.050(b)

2012 Review for 2013 Listing in the Standards of Conduct Handbook

- Pursuant to AS 24.60.050, State Programs and Loans. All state departments were contacted and asked if any state benefit or loan program in their department had been deleted, added, or changed.
 - Attached is a “sample” letter and the evaluation form that was mailed to each department on October 9, 2012. All fourteen departments responded.
 - Updates received were applied to the annual list of reportable state benefit or loan programs for 2013, and also attached for your reference.
 - Reportable programs are those awarded on a discretionary basis or those not generally available to members of the public.
 - Participation in any listed program must be disclosed within 30 days.

The following changes were made for 2013:

- The Department of Commerce, Community, and Economic Development “added” five new loan funds under the **Division of Economic Development**:
 - Mariculture Loan Fund
 - Community Quota Entity Loan Fund
 - Microloan Loan Fund
 - Alternative Energy Conservation Loan Fund
 - Commercial Charter Fisheries Loan Fund
- The Department of Commerce, Community, and Economic Development “added” a new loan program under the **AIDEA (Alaska Industrial Development and Export Authority & Alaska Energy Authority) Agency**:
 - ASSETS (Alaska Sustainable Strategy for Energy Transmission & Supply) Loan Program
- The Department of Public Safety “moved” the **ABC (Alcoholic Beverage Control) Board Liquor License** to The Department of Commerce, Community & Economic Development Programs.
- The Department of Commerce, Community, and Economic Development “deleted” the Division of Banking, Securities, and Corporations, as it no longer exists. The items that were listed under the old division now fall under the Division of Banking and Securities, which already exists.

Alaska State Legislature

Select Committee on Legislative Ethics

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CURRENT DATE (Usually 1st week in October)

FIRST & LAST NAME, Commissioner
DEPT NAME
ADDRESS
CITY, AK ZIP

RE: STATE BENEFIT AND LOAN PROGRAMS under AS 24.60.050

Dear Commissioner LAST NAME:

The Select Committee on Legislative Ethics is required to review the state of Alaska Benefit Programs and Loan programs, under AS 24.60.050, for disclosure of participation by legislators, legislative employees, and others affected by the Legislative Ethics Act. Participation in state programs which do not meet certain standards and have a certain degree of discretion in the awarding process must be disclosed.

Attached is a list of benefit and loan programs which were previously determined as "not meeting the standards":

1. generally available to members of the public;
2. subject to fixed, objective eligibility standards; and
3. minimal in discretion in determining qualification

Please review the list. If you have a new program to add or have changes to make to an existing program, please fill out the enclosed (UPCOMING YEAR) BENEFIT OR LOAN REVIEW FORM and return to us in the enclosed envelope.

If you *do not* have a new program to add or do not have changes to make, simply send us an e-mail stating just that. Our email address is ethics_committee@legis.state.ak.us.

NAME, Commissioner

Page 2

DATE

If you wish to *remove* a program from the list, please fill out the enclosed (UPCOMING YEAR) BENEFIT OR LOAN REVIEW FORM and return to us in the enclosed envelope. Also, if you are removing a program you must provide documentation showing us one of the following:

1. The standards have changed; or
2. The program no longer exists; or
3. The program has been transferred to another department

Remember, this is to protect your employees from any potential undue legislative influence.

Regardless of the type of action you are taking, please respond to us by **(NOVEMBER DATE, YEAR)**. This will allow us ample time to update the list for distribution to legislators and legislative staff on January 2, (UPCOMING YEAR).

If you have any questions, please contact the Ethics Committee office. Thank you for your cooperation in this matter.

Sincerely,

Joyce Anderson
Administrator

Enclosures: Current List (PRESENT YEAR) of State Benefit and Loan Programs
(UPCOMING YEAR) Benefit or Loan Review Form

cc: (If applicable)

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2013 BENEFIT OR LOAN REVIEW FORM
AS 24.60.050

DEPARTMENT: _____ DIVISION: _____
AGENCY: _____
Contact person: _____ Phone : _____

NAME OF (*NEW* or *EXISTING*) STATE BENEFIT OR LOAN PROGRAM (*ADDING* or *CHANGING*):

PURPOSE: _____

METHOD FOR APPLICATION TO RECEIVE BENEFIT OR LOAN: _____

ELIGIBILITY REQUIREMENTS: _____

TERMS: (minimum/maximum amounts, interest rates, assumable loan, collateral required, maximum term, fees, etc.) _____

The (New or Existing) Program **does not meet** one or more of the following standards: (Check all that apply)

- ☐ The benefit program or loan is generally available to members of the public; OR
- ☐ Is subject to fixed, objective eligibility standard; OR
- ☐ Requires minimal discretion in determining qualification

NAME OF STATE BENEFIT OR LOAN PROGRAM YOU ARE ***REMOVING*** (*if applicable*):

If removing a program, please check applicable reason:

- ☐ The standards have changed. EXPLAIN & PROVIDE DOCUMENTATION:

_____; OR

- ☐ The program no longer exists; OR

- ☐ The program has been transferred to another department. PLEASE PROVIDE
NAME OF DEPT: _____

NAME

TITLE

DATE

APPENDIX C

2013

Alaska State Benefit and Loan Programs under AS 24.60.050(c)

Participation in the following State Benefit and Loan Programs during the *preceding* year and for the *current* year must be reported. Disclosure forms are available in Appendix B.

Department of Administration Programs

Violent Crimes Compensation Board:

Violent Crimes Compensation (please reference Advisory Opinion 94-07 for an explanation of disclosure requirements)

Department of Commerce, Community and Economic Development Loans

Division of Economic Development:

Alaska Capstone Avionics Revolving Loan Fund
Commercial Fishing Revolving Loan Fund
Fisheries Enhancement Revolving Loan Fund
Rural Development Initiative Fund
Small Business Economic Development Revolving Loan Fund
Mariculture Loan Fund
Community Quota Entity Loan Fund
Microloan Loan Fund
Alternative Energy Conservation Loan Fund
Commercial Charter Fisheries Loan Fund

Alaska Industrial Development and Export Authority and Alaska Energy Authority:

AIDEA Loans
ASSETS (Alaska Sustainable Strategy for Energy Transmission & Supply) Loan Program

Department of Commerce, Community & Economic Development Programs

Alcoholic Beverage Control Board:

Liquor License

Alaska Railroad Corporation:

Real Estate Lease - Negotiated
Sale of Surplus Property - Negotiated
Railroad Permit
Rail Transportation Contract – Negotiated

Division of Banking and Securities:

Deferred Deposit Advances

Approval of Articles of Incorporation, Bank Charters, and Certificates of Authority
for: State Chartered Banks, Mutual Savings Banks,
Savings Associations, and Credit Unions
License to Engage in the Business of Making Loans
Premium Finance Company License
Business Industrial Development Corporation License

Department of Environmental Conservation

Alaska Clean Water Revolving Loan Fund
Alaska Drinking Water Revolving Loan Fund

Department of Health and Social Services Programs

Various Divisions:

Licensing of Health Care Facilities
Health Facilities Operating License
Construction License
Certificate of Need

Department of Military and Veterans Affairs

Alaska Aerospace Development Corporation:
Scholarship Program

Department of Natural Resources Programs

Division of Forestry:

Timber Sales – Negotiated
Personal Use Permits

Division of Mining, Land and Water:

Preference Right Land Sales AS 38.05
Agricultural Land Lottery Sale Program
Additional Non-competitive Land Leases - Negotiated
Approving Easement Vacations in the Unorganized Borough and Certain
Other Areas
Exchange of State Land
Homesite Entry Program
Homestead Entry Program
Land Use Permit
Material Sale - Negotiated
Upland, Tideland, or Grazing Lease - Negotiated
Right-of-Way or Easement
Water Authorizations
Trapping Cabin Permit
Offshore Prospecting Permit
Coal Prospecting Permit
Mining Reclamation Plan Approval
Coal Surface Mining Reclamation Program
Mineral Discovery Bonus
Exploration Incentive Credits

Substantial Compliance Determination (re: Mining Locations)
State Pipeline Coordinator's Office:
Pipeline Right-of-Way Lease
Division of Oil and Gas:
In-Kind Royalty Gas or Oil Sale
Exploration Incentive Credits
Division of Parks and Outdoor Recreation:
Free Disabled Veterans State Park Camping Permit

Department of Natural Resources Loans

Division of Agriculture:
Agricultural Revolving Loan Fund

Department of Transportation and Public Facilities Programs

Division of Design and Engineering:
Disposal of Excess Right-of-Way Land
Right-of-Way Acquisition
Right-of-Way Permit
Encroachment, Driveway or Airspace Permit
Utility Permit on State Right-of-Way
Right-of-Way Rental

University of Alaska

Land Management Division
Real Property Transactions – Negotiated Non-Competitive

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2013 BENEFIT OR LOAN REVIEW FORM
AS 24.60.050

DEPARTMENT: Commerce, Community and Economic Development DIVISION: Economic Development
AGENCY: _____

Contact person: Wanetta Ayers, Division Director Phone : 269-4048

NAME OF (NEW or EXISTING) STATE BENEFIT OR LOAN PROGRAM (ADDING or CHANGING):
Mariculture

PURPOSE: - Loans may be made for the planning, construction, and operation of a mariculture business.

METHOD FOR APPLICATION TO RECEIVE BENEFIT OR LOAN: By application form

ELIGIBILITY REQUIREMENTS:

General Requirements

- Loan must be for the planning, construction, and operation of a mariculture business.
- Must have a permitted mariculture farm location in Alaska.
- Must have experience or training in the mariculture industry.
- Alaska resident for 24 consecutive months preceding the date of application.
- Loans may not be made to pay costs that were incurred more than 12 months before receipt of loan application.
- Applicant(s) may not have any child support arrearage.

TERMS: (minimum/maximum amounts, interest rates, assumable loan, collateral required, maximum term, fees, etc.):

- Maximum loan amount is \$100,000 per year with a maximum aggregate balance of \$300,000 per borrower.
- A letter of denial from a financial institution, stating the reason(s) for denial, or confirmation that a financial institution is only willing to finance a portion of the project.
- Maximum loan term is 20 years.
- Payments may be deferred for up to the first six years of the loan.
- Interest rate will be fixed at the time of loan approval, contact us for current interest rates.
- All loans must be adequately secured and include a priority lien.

Fees

- A \$100 application fee (non-refundable) must accompany all applications.
- A 1% origination fee is due at closing.
- Borrower is responsible to pay all direct costs incurred in processing an application including title reports and title insurance, recording fees, appraisals, travel or other direct costs.

The (New or Existing) Program **does not meet** one or more of the following standards: (Check all that apply)

☐ The benefit program or loan is generally available to members of the public; OR

☐ Is subject to fixed, objective eligibility standard; OR

☒ Requires minimal discretion in determining qualification

NAME OF STATE BENEFIT OR LOAN PROGRAM YOU ARE REMOVING:

NAME

If removing a program, please check applicable reason:

☐ The standards have changed. EXPLAIN & PROVIDE DOCUMENTATION:

_____; OR

☐ The program no longer exists; OR

☐ The program has been transferred to another department. PLEASE PROVIDE

Wanetta Ayers
Name

Division Director
Title

10/23/2012
Date

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2013 BENEFIT OR LOAN REVIEW FORM
AS 24.60.050

DEPARTMENT: Commerce, Community and Economic Development DIVISION: Economic Development
AGENCY: _____

Contact person: Wanetta Ayers, Division Director Phone : 269-4048

NAME OF (NEW or EXISTING) STATE BENEFIT OR LOAN PROGRAM (ADDING or CHANGING):
Community Quota Entity

PURPOSE: - To provide long-term, low interest loans to Community Quota Entities for the purchase of halibut and sable fish quota shares through the National Marine Fisheries Service program, and then lease the quota back to local resident fishermen.

METHOD FOR APPLICATION TO RECEIVE BENEFIT OR LOAN: By application form

ELIGIBILITY REQUIREMENTS:

General Requirements

- Community Quota Entity (CQE) is certified by National Marine Fisheries Service (NMFS) and is eligible to hold Quota Shares.
- CQE is in good standing with the State and Federal Government.
- CQE is not eligible for financing from other recognized commercial lending institutions.
- Applicant(s) may not have any child support arrearage.

Program Requirements

- Purchases – Loans are available to CQEs for the purchase of Quota Shares and reimbursement of Quota Share purchases less than 12 months from the date the application is received.
- Collateral – The item being financed will be held as the collateral for the loan, and generally, a priority lien must be obtained. The maximum loan amount for a loan secured by Quota Shares is 95% of the purchase price. Other types of collateral may also be offered to reduce the down payment requirement.

TERMS: (minimum/maximum amounts, interest rates, assumable loan, collateral required, maximum term, fees, etc.):

- Maximum loan is \$1 million for each eligible community. The total outstanding balances on all loans under CQE may not exceed \$1 million.
- Maximum loan term is 25 years.
- May defer interest payments for up to two years.
- Interest rate will be fixed at the time of loan approval, contact us for current rate.
- A \$100 application fee (non-refundable) must accompany all applications, if you have located the shares you wish to purchase.
- A \$200 pre-qualification application fee must accompany all applications, if you have not located Quota Shares to purchase, but wish to obtain conditional approval by submitting a pre-qualification application. The following are some advantages of pre-qualification:
 - You know your loan limit;
 - Seller is assured of a qualified buyer;
 - Faster loan processing after finding the quota shares; and
 - Pre-qualification approval is valid for 60 days.
- A 1% origination fee is due at closing.

- Borrower is responsible for all direct costs incurred in processing an application including surveys, inspections, appraisals, title insurance, etc.

The (New or Existing) Program does not meet one or more of the following standards: (Check all that apply)

☐ The benefit program or loan is generally available to members of the public; OR

☐ Is subject to fixed, objective eligibility standard; OR

☒ Requires minimal discretion in determining qualification

NAME OF STATE BENEFIT OR LOAN PROGRAM YOU ARE REMOVING:
NAME

If removing a program, please check applicable reason:

☐ The standards have changed. EXPLAIN & PROVIDE DOCUMENTATION:

OR

☐ The program no longer exists; OR

☐ The program has been transferred to another department. PLEASE PROVIDE

Wanetta Avers
Name

Division Director
Title

10/23/2012
Date

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2013 BENEFIT OR LOAN REVIEW FORM
AS 24.60.050

DEPARTMENT: Commerce, Community and Economic Development DIVISION: Economic Development
AGENCY: _____

Contact person: Wanetta Ayers, Division Director Phone : 269-4048

NAME OF (NEW or EXISTING) STATE BENEFIT OR LOAN PROGRAM (ADDING or CHANGING):
Microloan

PURPOSE: - Loan funds may be used for short term loans to Alaska businesses for working capital, purchasing machinery, equipment and inventory and leasehold improvements.

METHOD FOR APPLICATION TO RECEIVE BENEFIT OR LOAN: By application form

ELIGIBILITY REQUIREMENTS: Must meet 2 year residency requirement and may not be used to refinance debt or pay costs incurred more than 12 months before date of application.

TERMS: (minimum/maximum amounts, interest rates, assumable loan, collateral required, maximum term, fees, etc.):

- Maximum loan amount is up to \$35,000 to a person or up to \$70,000 to two or more. If amount is \$35,000 or more, applicant must provide a letter from state financial institution stating applicant has been denied a loan for the same purpose or a loan from the institution is contingent on applicant also receiving a loan from the fund.
- Maximum loan term is 6 years.
- Interest rate is prime rate plus one with a floor of 6% and a ceiling of 8%.
- Interest rate is fixed at time of loan approval.
- Must be adequately secure and must include a first lien.
- Loans may be assumed.

The (New or Existing) Program **does not meet** one or more of the following standards: (Check all that apply)

- ☐ The benefit program or loan is generally available to members of the public; OR
☐ Is subject to fixed, objective eligibility standard; OR
☒ Requires minimal discretion in determining qualification

NAME OF STATE BENEFIT OR LOAN PROGRAM YOU ARE REMOVING:
NAME

If removing a program, please check applicable reason:

☐ The standards have changed. EXPLAIN & PROVIDE DOCUMENTATION: _____; OR

☐ The program no longer exists; OR

☐ The program has been transferred to another department. PLEASE PROVIDE

Wanetta Ayers
Name

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AS 24.60.050

DEPARTMENT: Commerce, Community and Economic Development DIVISION: Economic Development
AGENCY: _____

Contact person: Wanetta Avers, Division Director Phone : 269-4048

NAME OF (NEW or EXISTING) STATE BENEFIT OR LOAN PROGRAM (ADDING or CHANGING):

Alternative Energy Conservation Loan Fund

PURPOSE: -to purchase, construct and install alternative energy systems or energy conservation improvements in commercial buildings.

METHOD FOR APPLICATION TO RECEIVE BENEFIT OR LOAN: By application form

ELIGIBILITY REQUIREMENTS:

- Loan must be for the purchase, construction, and installation of alternative energy systems or energy conservation improvement in commercial buildings.
- Alaska Resident for the 12 months preceding the date of application.
- Loans may not be made to pay costs that were incurred more than four months before receipt of loan application.
- Loans must result in alternative energy production or energy conservation.
- Applicant(s) may not have any child support arrearage.

TERMS: (minimum/maximum amounts, interest rates, assumable loan, collateral required, maximum term, fees, etc.):

- Maximum loan amount is \$50,000. Loan requests over \$30,000 require a letter of denial from a financial institution, stating the reason(s) for denial, or confirmation that a loan from a financial institution is contingent on the applicant receiving a loan from the fund.
- Maximum loan term is 20 years.
- Interest rate will be fixed at the time of loan approval; contact us for current rates.
- All loans must be adequately secured, include a lien on real property, and the improvements financed.
- A \$100 application fee (non-refundable) must accompany all applications.
- A 1% origination fee is due at closing.
- Borrower is responsible to pay all direct costs incurred in processing an application including title reports and title insurance, recording fees, appraisals, travel or other direct costs.

The (New or Existing) Program **does not meet** one or more of the following standards: (Check all that apply)

- ☐ The benefit program or loan is generally available to members of the public; OR
☐ Is subject to fixed, objective eligibility standard; OR
☒ Requires minimal discretion in determining qualification

NAME OF STATE BENEFIT OR LOAN PROGRAM YOU ARE REMOVING:
NAME

If removing a program, please check applicable reason:

- ☐ The standards have changed. EXPLAIN & PROVIDE DOCUMENTATION OR
☐ The program no longer exists; OR
☐ The program has been transferred to another department. PLEASE PROVIDE

Division Director

10/23/2012

Wanetta Ayers

Name

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**2013 BENEFIT OR LOAN REVIEW FORM
AS 24.60.050**

DEPARTMENT: Commerce, Community and Economic Development DIVISION: Economic Development
AGENCY: _____

Contact person: Wanetta Avers, Division Director Phone : 269-4048

NAME OF (NEW or EXISTING) STATE BENEFIT OR LOAN PROGRAM (ADDING or CHANGING):
Commercial Charter Fisheries

PURPOSE: - To provide affordable loans to Alaskan commercial charter operators to promote Alaskan ownership of charter halibut permits

METHOD FOR APPLICATION TO RECEIVE BENEFIT OR LOAN: By application form

ELIGIBILITY REQUIREMENTS:

General Requirements

- Loans may be made to purchase charter halibut permits or refinance vessels or gear purchased more than 12 months before receipt of the application.
- Alaska resident for the 24 consecutive months preceding the date of application.
- Loans may not be made to pay costs that were incurred more than 12 months before receipt of loan application.
- Applicant(s) may not have any child support arrearage.

TERMS: (minimum/maximum amounts, interest rates, assumable loan, collateral required, maximum term, fees, etc.):

Terms and Conditions

- Maximum loan amount \$200,000 for a permit loan and \$100,000 per year for other loan types, with maximum aggregate outstanding loan balances of \$200,000 made to a borrower.
- A letter of denial from a financial institution, stating the reason(s) for denial, or confirmation that a loan from a financial institution is contingent on the applicant receiving a loan from the fund.
- Maximum loan term is 15 years.
- Interest rate will be fixed at the time of loan approval, contact us for current interest rates.
- All loans must be adequately secured, include a priority lien, and the items financed.

Fees

- A \$100 application fee (non-refundable) must accompany all applications.
- A 1% origination fee is due at closing.
- Borrower is responsible to pay all direct costs incurred in processing an application, including title reports and title insurance, recording fees, appraisal, travel or other direct costs.

The (New or Existing) Program **does not meet** one or more of the following standards: (Check all that apply)

☐ The benefit program or loan is generally available to members of the public; OR

☐ Is subject to fixed, objective eligibility standard; OR

☒ Requires minimal discretion in determining qualification

NAME OF STATE BENEFIT OR LOAN PROGRAM YOU ARE REMOVING:
NAME

If removing a program, please check applicable reason:

☐ The standards have changed. EXPLAIN & PROVIDE DOCUMENTATION

☐ The program no longer exists; OR

☐ The program has been transferred to another department. PLEASE PROVIDE

Wanetta Ayers
Name

Division Director
Title

10/23/2012
Date

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2013 BENEFIT OR LOAN REVIEW FORM
AS 24.60.050

DEPARTMENT: DCCED DIVISION: Infrastructure
AGENCY: AIDEA
Contact person: Mark Davis Phone: 907-271-3000

NAME OF (NEW or EXISTING) STATE BENEFIT OR LOAN PROGRAM (ADDING or CHANGING):

ASSETS Energy Development Loan Program SB 25

PURPOSE: AIDEA authorized to make energy develop-
ment loans from a new fund under SB 25

METHOD FOR APPLICATION TO RECEIVE BENEFIT OR LOAN: A Written pro-
application and written bank application

ELIGIBILITY REQUIREMENTS: Must be for an energy develop-
ment project as defined in AS 44.88-0900

TERMS: (minimum/maximum amounts, interest rates, assumable loan, collateral required, maximum term, fees, etc.) Interest rates by statute are the same for
AIDEA's existing loan participation program

The (New or Existing) Program does not meet one or more of the following standards: (Check all that apply)

- ☐ The benefit program or loan is generally available to members of the public; OR
- ☒ Is subject to fixed, objective eligibility standard; OR
- ☐ Requires minimal discretion in determining qualification

NAME OF STATE BENEFIT OR LOAN PROGRAM YOU ARE REMOVING:

None

If removing a program, please check applicable reason:

- ☐ The standards have changed. EXPLAIN & PROVIDE DOCUMENTATION:

_____; OR

- ☐ The program no longer exists; OR

- ☐ The program has been transferred to another department. PLEASE PROVIDE
NAME OF DEPT: _____

Mark Davis Deputy Director AIDEA 10/23/2012
NAME TITLE DATE