

AMENDMENT

*Replacement
#2*

OFFERED IN THE HOUSE
TO: HB 287

OFFERED BY: GARA

1 Page 1, line 1, following "Act":

2 Insert "creating a loan program for certain in-state oil refineries;"

3

4 Page 1, following line 4:

5 Insert a new bill section to read:

6 "* **Section 1.** AS 44.88 is amended by adding a new section to read:

7 **Article 9A. In-State Refiner Loan Program.**

8 **Sec. 44.88.800. In-state refiner loan program.** (a) The authority may make
9 loans of up to \$20,000,000 to a person that owns an in-state oil refinery south of 68
10 degrees North latitude if the primary function is the manufacturing and sale of refined
11 petroleum products to third parties in arm's length transactions. A loan under this
12 section may be used for working capital, equipment, construction, or other commercial
13 purposes. A loan under this section may be made only if the authority finds that

14 (1) the loan is required to maintain profitability of the in-state refiner
15 and the refinery would otherwise be in financial distress; and

16 (2) the primary function of the in-state refiner is to engage in the
17 manufacture of refined petroleum products in the state, and the in-state refiner is not
18 affiliated with the lessee or with a subsequent purchaser of more than 10 percent of the
19 in-state refiner's product; the parties to a contract or purchase are affiliated if, in the
20 judgment of the authority, one of the parties to the contract or purchase exercises
21 substantial influence over the policies and actions of the other as evidenced by a
22 relationship based on common ownership or family interest or by action taken in
23 concert whether or not that influence is based on stockholdings, stockholders, officers,

1 or directors.

2 (b) A loan made under this section

3 (1) may not exceed a term of 10 years; and

4 (2) may not bear interest exceeding the prime rate, as defined by
5 AS 44.88.599, plus two percentage points.

6 (c) Repayment of a loan issued under this section may begin as late as July 1,
7 2019, if the loan is secured by sufficient collateral or a guarantor.

8 (d) The application for a loan under this section must be received by the
9 authority before December 31, 2015.

10 (e) The legislature may appropriate the money required to make a loan issued
11 under this section prudent for the authority.

12 (f) The authority by regulation may establish other conditions for loans under
13 this section."

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15 Page 1, line 5:

16 Delete "**Section 1**"

17 Insert "**Sec. 2**"

18

19 Renumber the following bill section accordingly.