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LOTTSELDT, MCCOMBE, MOSELEY, PEARSON,
RADER, M. REED, STALKER, TAYLOR,
WHITEHEAD AND MRS. SWEENEY

1 IN THE HOUSE

2 HOUSE BILL NO. 355

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act to create permanent employment op-
7 portunities in redevelopment areas in the
8 state by establishing industrial development
9 projects in the areas; to promote and assist
10 economic development by private enterprise;
11 and providing for an effective date."

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

13 * Section 1. AS 41 is amended by adding a new chapter to read:

14 CHAPTER 30. AREA REDEVELOPMENT.

15 Sec. 41.30.010. ADMINISTRATOR. The Department of
16 Commerce shall administer this chapter.

17 Sec. 41.30.020. POWERS OF THE DEPARTMENT. The depart-
18 ment may

19 (1) cooperate with political subdivisions,
20 communities, and area development organizations, industries,
21 enterprises, and persons in their efforts to promote the
22 expansion of industrial and commercial activities in a
23 redevelopment area;

24 (2) in the manner most advantageous to the state,
25 dispose of an evidence of debt, a contract, a claim,
26 personal property, or a security assigned to or held by it
27 in connection with a loan made or an evidence of indebt-
28 edness purchased by it;

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1 (3) collect or compromise obligations assigned to
2 or held by it, or refer them to the Department of Law for
3 suit or collection;

4 (4) manage, improve, or sell real property acquir-
5 ed by it under this chapter.

6 Sec. 41.30.030. DEPARTMENT REGULATIONS. (a) The
7 department shall adopt procedural regulations describing

8 (1) how a person applies for a loan under this
9 chapter, and his recourse if an application is disapproved;

10 (2) how it disposes of property under sec. 20(2)
11 or (4) of this chapter;

12 (3) how it collects or compromises obligations
13 under sec. 20(3) of this chapter.

14 (b) The department shall adopt substantive regulations
15 implementing the conditions in secs. 40 and 50 of this
16 chapter.

17 Sec. 41.30.040. LOANS. The department may purchase
18 evidence of indebtedness and make loans to aid in financing
19 a project in a redevelopment area for industrial or commer-
20 cial usage approved under federal law and qualifying for
21 federal area redevelopment assistance.

22 Sec. 41.30.050. LIMITATIONS ON LOANS. (a) The depart-
23 ment may not purchase evidences of indebtedness or make loans
24 to assist establishments to relocate from one area of the
25 state to another.

26 (b) The department may purchase evidences of indebted-
27 ness and make loans only if

28 (1) the applicants for assistance have been
29 approved by the department;

1 (2) the project for which assistance is sought is
2 reasonably calculated to provide more than a temporary
3 alleviation of unemployment or under-employment within the
4 redevelopment area;

5 (3) the department receives reasonable assurance
6 of repayment.

7 (c) The department may not provide assistance in an
8 amount that is more than 10 per cent of the aggregate cost
9 to the applicant of the particular project.

10 (d) Assistance extended under this chapter is only
11 repayable after all other loans made in connection with the
12 project have been repaid in full.

13 (e) If assistance extended under this chapter is
14 secured, its security is subordinated to a lien securing
15 any other loan made in connection with the same project.

16 * Sec. 2. This Act takes effect on July 1, 1964.

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