

Introduced: 2/26/64
Referred: Commerce and
Resources

1 IN THE HOUSE

BY THE RULES COMMITTEE
BY REQUEST

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 board of directors
16 of the Alaska State Development Corporation shall administer
17 this chapter. The duties and powers imposed on the board of
18 directors by this chapter are entirely separate and apart
19 from the duties and powers imposed on the board of directors
20 by AS 44.59. The board of directors is entitled to trans-
21 portation expenses and per diem authorized by law.

22 Sec. 41.30.020. POWERS OF THE BOARD OF DIRECTORS. The
23 board of directors may, in making loans under sec. 040 of
24 this chapter;

25 (1) cooperate with political subdivisions,
26 communities, and area development organizations, industries,
27 enterprises, and persons in their efforts to promote the
28 expansion of industrial and commercial activities in a
29 redevelopment area;

1 (2) in the manner most advantageous to the state,
2 dispose of an evidence of debt, a contract, a claim, personal
3 property, or a security assigned to or held by it in connec-
4 tion with a loan made or an evidence of indebtedness purchased
5 by it;

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

9 (4) manage, improve, or sell real property acquired
10 by it.

11 Sec. 41.30.030. BOARD OF DIRECTOR REGULATIONS. (a)
12 The board of directors shall adopt procedural regulations
13 describing

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

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

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

20 (b) The board of directors shall adopt substantive
21 regulations implementing the conditions in secs. 40 and 50
22 of this chapter.

23 Sec. 41.30.040. LOANS. The board of directors may
24 purchase evidence of indebtedness and make loans to aid in
25 financing a project in a redevelopment area for industrial or
26 commercial usage approved under federal law and qualifying
27 for federal area redevelopment assistance.

28 Sec. 41.30.050. LIMITATIONS ON LOANS. (a) The board
29 of directors may not purchase evidences of indebtedness

1 or make loans to assist establishments to relocate from one
2 area of the state to another.

3 (b) The board of directors may purchase evidences of
4 indebtedness and make loans only if

5 (1) redevelopment projects for which assistance is
6 requested have been approved by the board of directors;

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

11 (3) the board of directors receives reasonable
12 assurance of repayment.

13 (c) The board of directors shall not provide assistance
14 in an amount that is more than 10 per cent of the aggregate
15 cost, or more than \$50,000, to the applicant for the particu-
16 lar project.

17 (d) The board of directors may not make loans at an
18 interest rate of less than four per cent.

19 (e) Assistance extended by the state under this Act
20 shall in no event exceed the total aggregate of \$2,000,000.

21 Sec. 41.30.050. AREA REDEVELOPMENT REVOLVING FUND.
22 There is established an area redevelopment revolving fund
23 which shall be administered by the board of directors ex-
24 clusively for the purposes of this chapter. The fund is
25 composed of money appropriated by the legislature to it and
26 any other money made available for the purposes of this
27 chapter.

28 Sec. 41.30.060. ACCOUNTS AND DEPOSIT. The commissioner
29 of revenue is ex officio the treasurer and custodian of the

1 fund and shall administer it as directed by the board of
2 directors. The commissioner of revenue may make prudent
3 investments of money in the fund which the board of directors
4 decides is not immediately needed for the purposes of this
5 chapter.

6 Sec. 41.30.070. REPAYMENT TO GENERAL FUND. All money
7 made available to the fund from the general fund or a special
8 fund is a loan from the general fund or the special fund.
9 All surplus at the end of a fiscal year over amounts made
10 available to the fund from the general fund or from any spe-
11 cial fund shall be repaid to the general fund or the special
12 fund until the loan is repaid in full. Repayments need not
13 begin until after the first five complete fiscal years after
14 the fund is created.

15 Sec. 41.30.080. TRANSFER OF FUNDS UPON DISCONTINUANCE
16 OF FEDERAL PROGRAM OF AREA REDEVELOPMENT ASSISTANCE. If the
17 federal program of area redevelopment assistance is discon-
18 tinued for any reason, or if this chapter is repealed, the
19 money within the area redevelopment revolving loan fund shall
20 revert to any special fund from which money was made avail-
21 able, in the amount that was made available, and the remain-
22 der to the general fund.

23 * Sec. 2. This Act takes effect on the day after its passage
24 and approval or on the day it becomes law without such approval.
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