

Introduced: 4/11/64
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 HOUSE BILL NO 441

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRD LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to emergency business loans,
7 and providing for an effective date."

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

9 * Section 1. PURPOSE. In order to assist private business
10 undertakings in the state to recover from the effects of the natur-
11 al disaster of March 27, 1964, it is the policy of the state to
12 lend money to them as may be necessary to protect life and proper-
13 ty, continue the operation of their businesses, and prevent or
14 minimize deterioration, contamination, or loss of capital improve-
15 ments, goods, wares, and merchandise.

16 * Sec. 2. EMERGENCY BUSINESS LOANS. In any area which has
17 been designated a natural disaster area by the governor, a person
18 who is the owner of a trade or business or is engaged in a pro-
19 fession or occupation may apply for a loan under this Act.

20 * Sec. 3. CONTENTS OF APPLICATION. (a) The person applying
21 for a loan shall state in his application

22 (1) an itemized account of the uses to which he will
23 put the money loaned if the loan is granted;

24 (2) the amount of money requested;

25 (3) the nature of the trade, business, occupation, or
26 profession in which he is engaged;

27 (4) the manner in which his trade, business, occupation,
28 or profession was injured by the natural disaster;

29 (5) that he has been unable to obtain a loan to put to

1 the uses itemized under (a)(1) of this section from other sources.

2 (b) In addition to the information required to be contained
3 in the application by (a) of this section, the agency to which
4 the application is made may require any additional relevant in-
5 formation.

6 * Sec. 4. PROCEDURE FOR APPLYING FOR AND APPROVING A LOAN.

7 (a) A person desiring a loan under this Act shall present his
8 application to

9 (1) the governing body of the city in which his trade,
10 business, occupation, or profession is located, if it is located
11 in a city;

12 (2) the governing body of the borough in which his
13 trade, business, occupation, or profession is located, if it is
14 located in a borough but not in a city; or

15 (3) the Office of the Governor, if his trade, business,
16 occupation, or profession is not located in a city or borough.

17 (b) The agency to which the application is submitted shall
18 approve the application and forward it to the Office of the
19 Governor if, after investigation,

20 (1) it finds that all required statements have been
21 made in the application and has no reason to believe that any of
22 the statements are false;

23 (2) it has no facts showing that the applicant will
24 fail to use the loan for the purposes for which it is requested.

25 (c) Upon receipt of an application approved by the agency
26 to which it was properly submitted, the Office of the Governor
27 shall approve the loan if it is satisfied that the applicant is
28 entitled to receive the loan and that the amount of the loan
29 requested is reasonable. The Office of the Governor shall

1 equitably allocate available money among the various parts of the
2 state directly affected by the natural disaster, and shall pro-
3 rate available money among applicants from an area.

4 * Sec. 5. DELIVERY OF LOAN MONEY. The Office of the Governor
5 shall deliver the loan money to the applicant in two payments.
6 The first payment is in the amount of 30 per cent of the amount
7 requested, and is made immediately after the application is
8 approved. The second payment is of the remainder of the loan,
9 and is made immediately after the Office of the Governor is
10 satisfied that the first payment is being used for the purposes
11 for which the loan was requested.

12 * Sec. 6. TERMS AND CONDITIONS OF LOANS. The maximum amount
13 of a loan to a person under this Act is \$25,000, for not more
14 than seven years. The interest rate on loans under this Act is
15 three per cent a year on the unpaid balance.

16 * Sec. 7. FEDERAL MATCHING MONEY. The Office of the Governor
17 may make a loan which will be used to match federal money and may
18 comply with all terms and conditions of a federal loan matching
19 money law consistent with this Act, but may not delay the payment
20 of a loan pending the availability of federal money.

21 * Sec. 8. SECURITY. The Office of the Governor shall obtain
22 security for a loan made under this Act, but may by regulation
23 establish conditions for full or partial waiver of security
24 requirements if it is difficult or impossible for the borrower to
25 obtain an appreciable amount of security. The state's security
26 interest is subordinate to a security interest acquired at or
27 before the time the loan is made, but superior to a security in-
28 terest acquired after the time the loan is made.

29 * Sec. 9. MODIFICATION OF AGREEMENT. The Office of the

1 Governor may upon application from the borrower modify the terms
2 of the loan agreement in a manner consistent with the purposes of
3 this Act.

4 * Sec. 10. DEPOSIT IN GENERAL FUND. The Office of the
5 Governor shall deposit all money collected under this Act in the
6 general fund.

7 * Sec. 11. TIME LIMIT FOR APPLYING FOR A LOAN. No person may
8 apply for a loan under this Act more than 60 days after the effec-
9 tive date of this Act.

10 * Sec. 12. This Act expires on the day after all loans made
11 under this Act have been repayed, compromised, or found to be
12 uncollectible.

13 * Sec. 13. This Act takes effect on the day after its passage
14 and approval or on the day it becomes law without such approval.

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