

Original sponsor: Hensley and Kerttula

Offered: 5/8/70
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 723

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the division of cooperatives within
7 the Rural Development Agency."

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

9 * Section 1. AS 44.19 is amended by adding new sections to read:

10 Sec. 44.19.630. COOPERATIVES DIVISION. The cooperatives division
11 shall

12 (1) provide technical assistance to potential cooperatives
13 by drawing on professional, specialized, and technical employees of
14 the Department of Commerce and other agencies;

15 (2) encourage the people of the state's rural areas to form
16 cooperatives to improve their living conditions;

17 (3) make loans to cooperatives from the cooperative loan
18 fund for the purpose of carrying out the functions of cooperatives
19 in marketing and production of goods;

20 (4) carry out project feasibility analyses to serve as
21 bases for ascertaining whether a cooperative should be formed.

22 Sec. 44.19.640. RURAL COOPERATIVE LOAN FUND. There is established
23 a rural cooperative loan fund which shall be administered by the divi-
24 sion. The fund is composed of money appropriated by the legislature
25 to the division for the purposes of secs. 630 - 660 of this chapter.
26 Expenditures may be made from this fund for the administration of
27 secs. 630 - 660 of this chapter as well as for the loans authorized
28 by the provisions of sec. 630(3) of this chapter.

29 Sec. 44.19.650. REPAYMENT TO THE GENERAL FUND. All money made

1 available to the rural cooperative loan fund from the general fund of
2 the state is a loan from the general fund. All surplus at the end of
3 a fiscal year over amounts made available to the fund from the general
4 fund of the state shall be repaid to the general fund until the loan
5 is repaid in full.

6 Sec. 44.19.660. GENERAL LIMITATIONS ON LOANS. (a) In making
7 loans, the division shall consider the proposed purpose of the loan
8 and the integrity and management ability of the borrowers.

9 (b) Loans shall not bear an interest rate that exceeds five per
10 cent a year, and may not be in an amount that exceeds \$100,000. Repay-
11 ments of principal and interest by borrowing cooperatives may be
12 deferred for up to three calendar years after the date of the loan.
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