

Original sponsors: Warwick, Meland
and M. Miller

Offered: 6/2/72
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

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SENATE CS FOR CS FOR HOUSE BILL NO. 312

FCC

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act establishing a tourism revolving fund in the

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Department of Commerce; and providing for an effective

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date."

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

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* Section 1. AS 45 is amended by adding a new chapter to read:

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CHAPTER 90. TOURISM REVOLVING FUND.

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Sec. 45.90.010. CREATION OF A TOURISM REVOLVING FUND. There is
created in the Department of Commerce a tourism revolving fund.

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Sec. 45.90.015. TOURISM LOANS. The department shall, under
established regulations, make loans to persons engaged in the tourist
industry.

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Sec. 45.90.020. POWERS OF THE DEPARTMENT. (a) The department
may

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(1) make loans to a business directly involved in the
tourist industry;

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(2) designate agents and delegate powers to them as neces-
sary;

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(3) promulgate rules and regulations necessary to carry
out its functions;

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(4) establish amortization plans for the repayment of loans
not to exceed 20 years.

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(b) The Department of Commerce shall consult with the state
division or department having jurisdiction over tourism on regulations
and procedures established under this chapter.

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1 Sec. 45.90.030. LIMITATIONS ON LOANS. (a) No loan to a business
2 may be more than \$1,000,000.

3 (b) The loan shall be secured by acceptable collateral and may
4 not exceed 75 per cent of the appraised value of the collateral offered
5 as security.

6 (c) The rate of interest may not exceed eight per cent a year
7 on the unpaid balance.

8 (d) No loan may be granted to refinance an existing financial
9 obligation.

10 (e) A loan under this chapter must be participated in by a
11 financial institution in an amount which is not less than 25 per cent
12 of the total amount of the loan.

13 (f) The participating financial institution shall administer and
14 service the loan for a reasonable fee not exceeding one-half of one
15 per cent.

16 (g) The lien of the state is a first lien to the extent of its
17 portion of the total loan and the participating financial institution
18 shall have a first lien to the extent of its portion of the total loan.

19 Sec. 45.90.040. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a)
20 The commissioner of commerce may sell or transfer at par value or
21 at a premium or discount to any bank or other private purchaser for
22 cash or other consideration the mortgages and notes held by the Depart-
23 ment of Commerce as security for loans made under this chapter.

24 (b) The commissioner of commerce may sell or transfer at par
25 value to the Department of Revenue the mortgages and notes held by the
26 Department of Commerce as security for loans made under this chapter.
27 The Department of Revenue may purchase all the mortgages and notes
28 offered and shall purchase the mortgages and notes offered until the
29 current principal amount of all the mortgages and notes purchased and

1 held by the Department of Revenue equals \$5,000,000.

2 Sec. 45.90.050. TOURISM LOAN BOARD. There is created the
3 tourism loan board consisting of the commissioners of commerce, economic
4 development and revenue. A majority of the board must approve all
5 loans before they are made by the department.

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

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