

Original sponsors: Warwick, Meland
and M. Miller

Offered: 6/16/72

1 IN THE HOUSE BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR SENATE CS FOR CS FOR HOUSE BILL NO. 312

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a tourism revolving fund in the
7 Department of Commerce; and providing for an effective
8 date."

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

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

11 CHAPTER 90. TOURISM REVOLVING FUND.

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

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

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

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

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

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

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

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

29 (b) The loan shall be secured by acceptable collateral and may

1 not exceed 75 per cent of the appraised value of the collateral offered
2 as security.

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

5 (d) A loan of \$150,000 or more under this chapter must be partici-
6 pated in by a financial institution in an amount which is not less than
7 20 per cent of the total amount of the loan. A loan of less than
8 \$150,000 does not require participation by a financial institution.

9 (e) The participating financial institution shall administer and
10 service the loan for a reasonable fee not exceeding one-half of one
11 per cent.

12 (f) The lien of the state is a first lien to the extent of its
13 portion of the total loan and the participating financial institution
14 shall have a first lien to the extent of its portion of the total loan.

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

20 (b) The commissioner of commerce may sell or transfer at par
21 value to the Department of Revenue the mortgages and notes held by the
22 Department of Commerce as security for loans made under this chapter.
23 The Department of Revenue may purchase all the mortgages and notes
24 offered and shall purchase the mortgages and notes offered until the
25 current principal amount of all the mortgages and notes purchased and
26 held by the Department of Revenue equals \$5,000,000.

27 * Sec. 2. This Act shall be effective until May 1, 1973.

28 * Sec. 3. This Act takes effect on the day after its passage and approval
29 or on the day it becomes law without approval.