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Offered: 4/14/75
Referred: Finance

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 171

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

NINTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to creation of a water resources

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revolving loan fund; and providing for an effective

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date."

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

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CHAPTER 86. WATER RESOURCES REVOLVING LOAN FUND.

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Sec. 45.86.010. FUND ESTABLISHED. There is established as a

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separate fund the water resources revolving loan fund. Loans from this

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fund are to be used to develop and conserve in the public interest the

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water resources of Alaska, using state revenues from mineral development.

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Sec. 45.86.020. FUND UTILIZATION. (a) Loans from this fund shall

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be long term and at low interest, and shall be utilized for capital

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improvement projects for hydroelectric generation and water supply.

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Loans shall be made to eligible borrowers for new projects, and for

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rehabilitation and expansion of existing hydroelectric and water supply

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projects if the rehabilitation and expansion is a capital improvement

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project.

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(b) Loans shall be made available for design and construction of

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development of potable water supply sources including surface storage

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and groundwater sources and transmission of water from surface storage

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to the existing distribution system, and development of hydroelectric

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generating facilities including transmission of power to the load center.

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(c) Loans shall be repaid to the fund by the utility from revenue

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derived from sales of electric power or water.

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Sec. 45.86.030. LOAN FUND SOURCE. Receipts from mineral rentals

1 and royalties and from the Alaska mineral lease bonus permanent fund,
2 shall be appropriated annually and deposited in the water resources
3 revolving loan fund.

4 Sec. 45.86.040. ADMINISTRATION OF LOANS. (a) Administration of
5 the water resources revolving loan fund shall be performed by the Depart-
6 ment of Commerce which is empowered to adopt procedures and promulgate
7 the regulations necessary to carry out the provisions of this chapter.

8 (b) The department shall forward all loan applications it recom-
9 mends for approval to the Water Resources Revolving Loan Fund Committee
10 which is made up of the commissioner of community and regional affairs,
11 the commissioner of commerce, the commissioner of natural resources, the
12 commissioner of administration and the commissioner of revenue.

13 (c) Priority of loans shall be established by the department and
14 shall be subject to review by, and appeal to, the Water Resources
15 Revolving Loan Fund Committee.

16 Sec. 45.86.050. ELIGIBILITY FOR PROJECT LOANS. A public utility is
17 an eligible borrower for a project loan under this chapter if

18 (1) it is a public utility as defined in AS 42.05.701(2)(A),
19 and (C);

20 (2) it has been an operating utility in the state for at
21 least two years or is an entity formed by one or more utilities for the
22 purpose of construction and operation of the proposed project, each of
23 which utility has operated in the state for at least two years;

24 (3) The utility can demonstrate in its loan application that
25 the project is technically feasible and taking into account the low
26 interest on loans under this chapter is the most economical means of
27 furnishing the proposed service.

28 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-

29 070(c).