

Original sponsor: Gardiner, Duncan,
Eliason, et al

Offered: 4/23/75
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 171 (Finance)

3 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 and electric
7 power resources revolving loan fund; and providing for
8 an effective 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 86. WATER AND ELECTRIC POWER RESOURCES
12 REVOLVING LOAN FUND.

13 Sec. 45.86.010. FUND ESTABLISHED. There is established as a
14 separate fund the water and electric power resources revolving loan
15 fund. Loans from this fund are to be used to develop and conserve in
16 the public interest the water and electric power resources of Alaska.

17 Sec. 45.86.020. FUND UTILIZATION. (a) Loans from this fund shall
18 be long term and at low interest, and shall be utilized for capital
19 improvement projects for generation of electric power and water supply.
20 Loans shall be made to eligible borrowers for new projects, and for
21 rehabilitation and expansion of existing electric power and water supply
22 projects if the rehabilitation and expansion is a capital improvement
23 project.

24 (b) Loans shall be made available for design and construction of
25 development of potable water supply sources including surface storage
26 and groundwater sources and transmission of water from surface storage
27 to the existing distribution system, and development of hydroelectric
28 generating facilities including transmission of power to the load
29 center.

1 (c) Loans shall be repaid to the fund by the utility from revenue
2 derived from sales of electric power or water.

3 Sec. 45.86.030. LOAN FUND SOURCE. The fund shall consist of money
4 appropriated to the water and electric power resources revolving loan
5 fund. In addition, loans under this chapter are eligible for investment
6 by the Alaska mineral lease bonus permanent fund as an investment.

7 Sec. 45.86.040. ADMINISTRATION OF LOANS. (a) Administration of
8 the water and electric power resources revolving loan fund shall be
9 performed by the Department of Commerce which is empowered to adopt
10 procedures and promulgate the regulations necessary to carry out the
11 provisions of this chapter.

12 (b) The department shall forward all loan applications it recom-
13 ments for approval to the Water and Electric Power Resources Revolving
14 Loan Fund Committee which is made up of the commissioner of community
15 and regional affairs, the commissioner of commerce, the commissioner of
16 administration and the commissioner of environmental conservation and
17 the commissioner of revenue.

18 (c) Priority of loans shall be established by the department and
19 shall be subject to review by, and appeal to, the Water and Electric
20 Power Resources Revolving Loan Fund Committee.

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

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

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

29 (3) The utility can demonstrate in its loan application that

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the project is technically feasible and taking into account the low interest on loans under this chapter is the most economical means of furnishing the proposed service.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.070(c).