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Offered: 6/6/75

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 171 (Rules)

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 public utility, water
7 and electric power resources revolving loan fund; and
8 providing for 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. PUBLIC UTILITY, WATER AND ELECTRIC POWER
12 RESOURCES REVOLVING LOAN FUND.

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

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

25 (b) Loans shall be made available for design and construction of
26 public utilities.

27 Sec. 45.86.030. LOAN FUND SOURCE. The fund shall consist of money
28 appropriated to the public utility, water and electric power resources
29 revolving loan fund. In addition, loans under this chapter are eligible

1 for investment by the Alaska mineral lease bonus permanent fund as an
2 investment.

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

7 (b) The department shall forward all loan applications it recom-
8 ments for approval to the Revolving Loan Fund Committee which is made up
9 of the commissioner of community and regional affairs, the commissioner
10 of commerce, the commissioner of administration and the commissioner of
11 environmental conservation and the commissioner of revenue. Interest
12 charges and terms of loans shall be determined at the time the loan is
13 committed and shall be set at a level reasonably estimated to permit
14 loans to be marketed in the then existing market without discount.

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

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

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

22 (2) The utility can demonstrate in its loan application that
23 the project is technically and economically feasible.

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

25 070(c).
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