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Referred: State Affairs and
Finance

1 IN THE SENATE

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HCS

2 SENATE BILL NO. 392 *am*

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating an energy needs revolving loan fund;
7 and providing for an effective date."

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

9 * Section 1. AS 44.33 is amended by adding new sections to read:

10 ARTICLE 4. ENERGY NEEDS REVOLVING LOAN FUND.

11 Sec. 44.33.120. DECLARATION OF PURPOSE. The legislature finds
12 that a need exists to assist many of Alaska's small communities to
13 overcome energy-related problems. The legislature further finds that
14 these problems are becoming more critical annually due to lack of fuel
15 storage, rising costs of fuel products, higher transportation costs,
16 and community development which is creating a need for more energy. The
17 purpose of this Act is to assist rural communities to overcome these
18 problems.

19 Sec. 44.33.130. RURAL ENERGY NEEDS REVOLVING LOAN FUND. There is
20 created within the Department of Commerce a rural energy needs revolving
21 loan fund to carry out the purposes of secs. 120 - 160 of this chapter.
22 The fund shall be used for no other purpose.

23 Sec. 44.33.140. POWERS AND DUTIES OF THE DEPARTMENT. (a) The
24 department may

25 (1) make loans to an entity which is qualified to receive the
26 loans for constructing, equipping and operating fuel storage facilities
27 and for fuel purchase;

28 (2) designate agents and delegate powers to them as necessary;

29 (3) promulgate regulations necessary to carry out its

1 function.

2 (b) The department shall process and issue loans and establish
3 procedures for repayment of loans in accordance with terms indicated in
4 a certificate of need issued by the Alaska State Energy Office.

5 Sec. 44.33.150. DUTIES OF ALASKA ENERGY OFFICE. (a) The Alaska
6 Energy Office in the Office of the Governor may issue certificates of
7 need which approve loans to qualified applicants for the cost of instal-
8 lation, operation and maintenance of bulk storage facilities for fuel,
9 for installation, operation and maintenance of other fuel product
10 storage installations and for bulk purchases of fuel for resale.

11 (b) A certificate of need may issue only if the application
12 demonstrates that the loan sought is not otherwise available from private
13 lenders on reasonably equivalent terms and conditions and that the appli-
14 cation has broad based community support in the area to be served.

15 (c) The Alaska Energy Office shall, in cooperation with the
16 department, promulgate the regulations necessary to carry out its
17 functions under this section. The regulations shall include:

- 18 (1) eligibility standards for loans,
19 (2) guidelines for determination of loan terms,
20 (3) the rate, or rates, of interest to be charged.

21 Sec. 44.33.160. ELIGIBILITY FOR LOANS. Cities, boroughs, village
22 corporations, village councils and nonprofit marketing cooperatives are
23 eligible for loans under secs. 140 and 150 of this chapter if they
24 qualify under the standards established by regulations.

25 * Sec. 2. TERMINATION DATE. No new loans may be made under the provisions
26 of AS 44.33.140 and 44.33.150 after five years from the effective date of this
27 Act.

28 * Sec. 3. EFFECTIVE DATE. This Act takes effect immediately in accordance
29 with AS 01.10.070(c).