

Original sponsors: Ferguson,
Croft and Sackett

Offered: 5/7/75
Referred: Finance

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

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CS FOR SENATE BILL NO. 392

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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NINTH LEGISLATURE - FIRST SESSION

5

A BILL

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For an Act entitled: "An Act creating an energy needs revolving loan fund;

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and providing for an effective date."

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

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

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ARTICLE 4. ENERGY NEEDS REVOLVING LOAN FUND.

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Sec. 44.33.120. DECLARATION OF PURPOSE. The legislature finds

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that a need exists to assist many of Alaska's small communities to

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overcome energy-related problems. The legislature further finds that

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these problems are critical due to acts of God, lack of fuel storage,

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rising costs of fuel products, higher transportation costs, failure to

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develop alternate fuel sources, and community development which is

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creating a need for more energy. The purpose of this Act is to assist

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rural communities to overcome these problems.

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Sec. 44.33.130. RURAL ENERGY NEEDS REVOLVING LOAN FUND. There is

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created within the Department of Commerce a rural energy needs revolving

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loan fund to carry out the purposes of secs. 120 - 160 of this chapter.

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The fund shall be used for no other purpose.

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Sec. 44.33.140. POWERS AND DUTIES OF THE DEPARTMENT. (a) The

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department may

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(1) make loans to a qualified entity for purposes of construc-

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tion, equipping, and operating fuel storage facilities, and for fuel

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purchases, including fuel for resale; for other energy requirements,

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including but not limited to electrical utilities, geothermal, hydro-

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electric, or wind-power energy production, or for natural gas line con-

1 struction;

2 (2) establish the rates of interest to be charged;

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

4 (4) establish guidelines for determination of loan terms;

5 (5) evaluate and approve loans recommended in certificates of
6 need;

7 (6) in cooperation with the Alaska Energy Office promulgate
8 regulations necessary to carry out its functions.

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

12 Sec. 44.33.150. DUTIES OF ALASKA ENERGY OFFICE. (a) The Alaska
13 Energy Office in the Office of the Governor may issue certificates of
14 need which recommend loans to qualified applicants for the cost of
15 construction, equipping, and operating fuel storage facilities, and for
16 fuel purchases, including fuel for resale; for other energy require-
17 ments, including but not limited to electrical utilities, geothermal,
18 hydroelectric, or wind-power energy production, or for natural gas line
19 construction.

20 (b) A certificate of need may issue only if the application
21 demonstrates that the loan sought is to assist in meeting the energy
22 needs of rural communities of 3,000 or less people, is not otherwise
23 available from private lenders on reasonably equivalent terms and condi-
24 tions and that the application has broad based community support in the
25 area to be served.

26 (c) The Alaska Energy Office shall, in cooperation with the depart-
27 ment, promulgate the regulations necessary to carry out its functions
28 under this section including the establishment of eligibility standards
29 for loans.

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

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

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

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