

Original sponsors: Ferguson, Croft  
and Sackett

Offered: 5/14/76  
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 392

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND 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 critical due to acts of God, lack of fuel storage,  
15 rising costs of fuel products, higher transportation costs, failure to  
16 develop alternate fuel sources, and community development which is  
17 creating a need for more energy. The purpose of this Act is to assist  
18 rural communities to overcome these problems.

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

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

26 (1) make loans to a qualified entity for purposes of con-  
27 structing, equipping, and the initial filling of fuel storage facili-  
28 ties, and for other energy requirements, including but not limited to  
29 electrical utilities, geothermal, solar, hydroelectric, or wind-power

1 energy production, or for natural gas line construction;

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

3 (3) designate agents and delegate powers to them as neces-  
4 sary;

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

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

8 (6) in cooperation with the Alaska Energy Office and in  
9 consultation with the Department of Community and Regional Affairs  
10 promulgate regulations necessary to carry out its functions.

11 (b) The department shall process and issue loans and establish  
12 procedures for repayment of loans in accordance with terms indicated in  
13 a certificate of need issued by the Alaska State Energy Office; however,  
14 no loan may exceed a term of 12 years.

15 Sec. 44.33.150. DUTIES OF ALASKA ENERGY OFFICE. (a) The Alaska  
16 Energy Office in the Office of the Governor may issue certificates of  
17 need which recommend loans to qualified applicants for the cost of  
18 constructing, equipping, and the initial filling of fuel storage facili-  
19 ties, and for other energy requirements, including but not limited to  
20 electrical utilities, geothermal, solar, hydroelectric, or wind-power  
21 energy production, or for natural gas line construction.

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

28 (c) The Alaska Energy Office shall, in cooperation with the depart-  
29 ment and in consultation with the Department of Community and Regional

1 Affairs, promulgate the regulations necessary to carry out its functions  
2 under this section including the establishment of eligibility standards  
3 for loans.

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

8 \* Sec. 2. TERMINATION DATE. No new loans may be made under the provi-  
9 sions of AS 44.33.140 and 44.33.150 after five years from the effective date  
10 of this Act.

11 \* Sec. 3. EFFECTIVE DATE. This Act takes effect immediately in accor-  
12 dance with AS 01.10.070(c).

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