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PARR, RUDD, SMITH, SNIDER
AND SPECKING

1 IN THE HOUSE

2 CS HOUSE BILL NO. 72 *AMS*

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the creation of historical dis-
7 tricts within municipalities."

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

9 * Section 1. INTENT. It is the intent of the legislature to foster an
10 awareness of the need to preserve our historic past; to protect those visible
11 aspects of our invaluable heritage so that present and future generations may
12 continue to be enriched by the originality and strength of Alaska's architec-
13 tural and cultural beginnings.

14 * Sec. 2. AS 29.48 is amended by adding new sections to read:

15 Sec. 29.48.108. CREATION OF HISTORICAL DISTRICT COMMISSIONS. The
16 governing body of a general law or home rule municipality may establish
17 a historical district commission or designate the planning and zoning
18 commission or itself to serve as the historical district commission.

19 Sec. 29.48.110. ESTABLISHMENT OF HISTORICAL DISTRICTS. (a) In
20 addition to existing municipal authority providing for the preservation,
21 protection, and maintenance of historic sites, the local historical
22 district commission established under sec. 108 of this chapter, in
23 consultation with the Historic Sites Advisory Committee within the
24 Department of Natural Resources, may establish a historical district
25 within the boundaries of the municipality.

26 (b) A historical district shall be a reasonably compact area of
27 historical significance in which two or more structures important in
28 state or national history, and related by physical proximity or histori-
29 cal association, are located. For purposes of this section, "structures

1 important in state or national history" means properties recommended by
2 historical district commissions, which are listed in the National Regis-
3 ter of Historic Places or are characteristic of the Russian-American
4 period before October 18, 1867, the early territorial period before
5 1920, or early Native heritage, reflecting the indigenous characteristics
6 of Native culture in Alaska. Upon recommendation of the Historic Sites
7 Advisory Committee, the Department of Natural Resources may by regula-
8 tion formulate additional criteria for the designation of historical
9 districts not inconsistent with this subsection.

10 (c) The establishment of a historical district under this section
11 shall be consistent with any applicable comprehensive plan for the
12 municipality.

13 * Sec. 3. AS 45 is amended by adding a new chapter to read:

14 CHAPTER 98. HISTORICAL DISTRICT REVOLVING LOAN FUND.

15 Sec. 45.98.010. CREATION OF HISTORICAL DISTRICT REVOLVING LOAN
16 FUND. There is created in the Department of Commerce and Economic
17 Development a historical district revolving loan fund.

18 Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and
19 plan approval by a local historical district commission established
20 under AS 29.48.108 and the recommendation of a majority of the members
21 of the Historic Sites Advisory Committee, the Department of Commerce and
22 Economic Development may make loans to a person, firm or business for
23 the restoration, improvement, rehabilitation, or maintenance of a struc-
24 ture which is

25 (1) within the boundaries of a historical district estab-
26 lished under AS 29.48.110;

27 (2) identified as important in state or national history as
28 provided for in AS 29.48.110(b); and

29 (3) another building or structure within a historical district,

1 and suitable for superficial modification so that it can conform to the
2 period or motif of the surrounding buildings or structures that are the
3 reason for the area's designation as a historical district.

4 Sec. 45.98.030. POWERS AND DUTIES OF THE DEPARTMENT. For purposes
5 of administering this chapter, the Department of Commerce and Economic
6 Development may

7 (1) prescribe the form and procedure for submitting loan
8 applications under this chapter;

9 (2) designate agents and delegate powers to them as is
10 necessary;

11 (3) in consultation with the Historic Sites Advisory Commit-
12 tee, adopt regulations necessary to carry out its functions, including
13 regulations for plan approval by the committee;

14 (4) establish amortization plans for the repayment of loans
15 not to exceed 30 years;

16 (5) take an amount annually from the fund not to exceed an
17 amount equal to five per cent of the loans made in that year to pay for
18 the cost to the department of administering the fund and to reimburse
19 the Historic Sites Advisory Committee for its costs in cooperating with
20 the department.

21 Sec. 45.98.040. LIMITATIONS ON LOANS. Loans made under this chap-
22 ter are subject to the following limitations:

23 (1) state participation in a loan for any one historical dis-
24 trict qualifying under this chapter may not exceed \$1,500,000;

25 (2) state participation in a loan for the restoration, im-
26 provement, rehabilitation or maintenance of any one building or struc-
27 ture qualifying under this chapter may not exceed \$100,000;

28 (3) the loan shall be secured by acceptable collateral and
29 may not exceed 85 per cent of the appraised value of the collateral

1 offered as security;

2 (4) the rate of interest may not exceed five per cent a year
3 on the unpaid balance of the state's share of the loan;

4 (5) a loan of \$150,000 or more under this chapter for any one
5 structure must be participated in by a financial institution in an
6 amount which is not less than 20 per cent of the total amount of the
7 loan; a loan of less than \$150,000 for any one structure does not
8 require participation by a financial institution;

9 (6) the participating financial institution shall administer
10 and service the loan for a reasonable fee not exceeding one-half of one
11 per cent;

12 (7) the lien of the state is a first lien to the extent of
13 its portion of the total loan, and the participating institution shall
14 have a first lien to the extent of its portion of the total loan.

15 Sec. 45.98.050. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The
16 commissioner of commerce and economic development or his designee may
17 sell or transfer at par value or at a premium or discount to any bank or
18 other private purchaser for cash or other consideration the mortgages
19 and notes held by the Department of Commerce and Economic Development as
20 security for loans made under this chapter.

21 (b) The commissioner of commerce and economic development or his
22 designee may sell or transfer at par value to the Department of Revenue,
23 the mortgages and notes held by the Department of Commerce and Economic
24 Development as security for loans made under this chapter. The Depart-
25 ment of Revenue shall purchase the mortgages and notes offered.

26 Sec. 45.98.060. PENALTY PROVISION. After a project for which a
27 loan is granted is commenced, if the Department of Commerce and Economic
28 Development or a local historical district commission, in consultation
29 with the Historic Sites Advisory Committee, determines that the project

1 is inconsistent with the guidelines or stipulations for construction, or
2 otherwise fails to conform to the requirements of the loan, the interest
3 rate on the state's share of the loan shall be increased to the highest
4 rate of interest allowed at that time as provided in AS 45.45.010. In
5 addition, a penalty in the amount of two per cent of the balance of the
6 loan shall be assessed by the Department of Commerce and Economic
7 Development.

8 Sec. 45.98.070. SHORT TITLE. This chapter may be cited as the
9 Historical District Loan Act.

10 * Sec. 4. AS 41.35.180 is amended by adding a new paragraph to read:

11 (5) consult with local historical district commissions re-
12 garding the establishment of historical districts under AS 29.48.108 -
13 29.48.110 and the approval of project alterations under AS 45.98.040;
14 recommend, if appropriate, the formulation of additional criteria for
15 the designation of historical districts under AS 29.48.110(b); approve
16 plans for and evaluate the suitability of specific structures for
17 purposes of loan eligibility and continuance under the historical
18 district revolving loan fund (AS 45.98); and consult with the Department
19 of Commerce and Economic Development relative to the adoption of regu-
20 lations for historical district loans under AS 45.98.