

Original sponsor: Miller, Cotten,
Duncan, et al

Offered: 2/24/77
Referred: Finance

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2

CS FOR HOUSE BILL NO. 72 am S

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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 and
7 tourism revolving loans; and providing for an effective
8 date."

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

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

15

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

16

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

20

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

27

(b) A historical district shall be a reasonably compact area of
28 historical significance in which two or more structures important in
29 state or national history, and related by physical proximity or histori-

1 cal association, are located. For purposes of this section, "structures
2 important in state or national history" means properties recommended by
3 historical district commissions, which are listed in the National Regis-
4 ter of Historic Places or are characteristic of the Russian-American
5 period before October 18, 1867, the early territorial period before
6 1930, or early Native heritage, reflecting the indigenous characteristics
7 of Native culture in Alaska. Upon recommendation of the governing body
8 of a general law or home rule municipality and the Historic Sites
9 Advisory Committee, the Department of Natural Resources may by regula-
10 tion formulate additional criteria for the establishment of historical
11 districts not inconsistent with this subsection.

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

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

16 CHAPTER 98. HISTORICAL DISTRICT REVOLVING LOAN FUND.

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

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

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

29 (2) identified as important in state or national history as

1 provided for in AS 29.48.110(b); and

2 (3) another building or structure within a historical district,
3 and suitable for superficial modification so that it can conform to the
4 period or motif of the surrounding buildings or structures that are the
5 reason for the area's designation as a historical district.

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

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

11 (2) designate agents and delegate powers to them as is
12 necessary;

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

16 (4) establish amortization plans for the repayment of loans
17 not to exceed 30 years.

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

20 (1) state participation in all loans in the aggregate, for any
21 one historical district qualifying under this chapter may not exceed
22 \$1,500,000;

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

26 (3) the loan shall be secured by acceptable collateral and
27 may not exceed 85 per cent of the appraised value of the collateral
28 offered as security;

29 (4) the rate of interest may not exceed six and one-half per

1 cent a year on the unpaid balance of the state's share of the loan;

2 (5) a participating financial institution shall administer
3 and service the loan for a reasonable fee not exceeding one-quarter of
4 one per cent;

5 (6) the state has a lien on the property accepted as colla-
6 teral to the extent of its portion of the loan; when the lien or notice
7 of the lien is properly recorded it is superior to all other liens
8 except those for taxes and special assessments; a lien of the participa-
9 ting financial institution, to the extent of its portion of the loan
10 after it is properly recorded, is superior to all other liens except
11 liens for taxes, special assessments, and the lien of the state.

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

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

23 Sec. 45.98.060. PENALTY PROVISION. After a project for which a
24 loan is granted is commenced, if the Department of Commerce and Economic
25 Development or a local historical district commission, in consultation
26 with the Historic Sites Advisory Committee, determines that the project
27 is inconsistent with the guidelines or stipulations for construction, or
28 otherwise fails to conform to the requirements of the loan, the interest
29 rate on the state's share of the loan shall be increased to the highest

1 rate of interest allowed at that time as provided in AS 45.45.010. In
2 addition, a penalty in the amount of two per cent of the balance of the
3 loan shall be assessed by the Department of Commerce and Economic
4 Development.

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

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

8 (5) consult with local historical district commissions re-
9 garding the establishment of historical districts under AS 29.48.108 -
10 29.48.110 and the approval of project alterations under AS 45.98.040;
11 recommend, if appropriate, the formulation of additional criteria for
12 the designation of historical districts under AS 29.48.110(b); approve
13 plans for and evaluate the suitability of specific structures for
14 purposes of loan eligibility and continuance under the historical
15 district revolving loan fund (AS 45.98); and consult with the Department
16 of Commerce and Economic Development relative to the adoption of regu-
17 lations for historical district loans under AS 45.98.

18 * Sec. 5. AS 45.90.030(a) is amended to read:

19 (a) State participation in a loan to a business may not be more
20 than \$3,000,000 [\$1,000,000].

21 * Sec. 6. AS 45.95.020(a) is amended to read:

22 (a) The commissioner shall, under regulations and policies adopted
23 by him, make small business loans to acquire, finance or refinance or
24 equip businesses, including farming equipment, mining and fishing, not
25 exceeding \$300,000 [\$100,000]. The loans shall be secured by acceptable
26 collateral and may not exceed 75 per cent of the appraised value of the
27 collateral offered as security. The rate of interest may not exceed
28 eight per cent a year on the unpaid balance.

29 * Sec. 7. Sec. 5 takes effect immediately in accordance with 01.10.070(c).