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Referred: State Affairs
and Finance

1 IN THE HOUSE

BY DUNCAN

2 HOUSE BILL NO. 488

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act redefining economic disaster areas and pro-
7 viding preferential treatment under state loan programs."

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

9 *Section 1. AS 44.33.285 is repealed and re-enacted to read:

10 Sec. 44.33.285. ACTION BY GOVERNOR. (a) The governor may, upon
11 recommendation made by the delegation of state officers under (b) of
12 this section, designate by proclamation an area as an economic disaster
13 area. When an area is so designated, assistance grants shall be made by
14 the Department of Commerce and Economic Development as provided in
15 AS 37.11.100, and the governor may recommend in his budget submission
16 that capital projects planned for the area be accelerated and that new
17 projects be funded for the area. The proclamation may provide that
18 waivers of capital projects requirements, as authorized in sec. 300 of
19 this chapter, become effective only to the extent set out in the procla-
20 mation. An area designated as an economic disaster area is eligible for
21 the benefits prescribed in AS 03.10.035, AS 16.10.325, AS 44.60.320,
22 AS 45.90.030, and AS 45.95.075.

23 (b) The commissioner of community and regional affairs, the com-
24 missioner of commerce and economic development, and a special assistant
25 from the Office of the Governor shall inspect any area under considera-
26 tion for designation as an economic disaster area and make a recommenda-
27 tion to the governor as to whether the area should be designated an
28 economic disaster area.

29 (c) An area is an economic disaster area if a sudden and

1 significant change in the economic indicators for the area establishes
2 that a major disruption of the economic livelihood of a majority of the
3 area's residents has occurred or is occurring.

4 (d) The economic indicators which may be used in making a deter-
5 mination under (c) of this section include, but are not limited to,
6 employment, unemployment, new unemployment insurance claims, business
7 closures, family income, wage and salary income, and resource output.

8 (e) Indicators to be accorded particular weight in determining
9 whether a rural area is an economic disaster area are

10 (1) decline in quantities and availability of wildlife for
11 subsistence;

12 (2) increase in the proportion of the whole population re-
13 ceiving public assistance, particularly food stamps.

14 (f) Indicators to be accorded particular weight in determining
15 whether an urban area is an economic disaster area are

16 (1) extent of job loss;

17 (2) severity of wage and salary decline.

18 (g) The governor shall respond within 15 days to any petition by
19 residents requesting that their area be designated an economic disaster
20 area under this chapter.

21 * Sec. 2. AS 03.10 is amended by adding a new section to read:

22 Sec. 03.10.035. LOANS IN ECONOMIC DISASTER AREAS. Otherwise
23 qualified residents of an area designated an economic disaster area by
24 the governor under AS 44.33.285 shall be accorded priority in the making
25 of loans under this chapter. If loans cannot otherwise be made to the
26 residents of an economic disaster area, the department is authorized to
27 defer payments of interest and principal longer than permitted by sec.
28 20(4) of this chapter, and may charge no interest or interest at a rate
29 less than would otherwise be imposed.

1 * Sec. 3. AS 16.10 is amended by adding a new section to read:

2 Sec. 16.10.325. LOANS IN ECONOMIC DISASTER AREAS. Otherwise
3 qualified residents of an area designated an economic disaster area by
4 the governor under AS 44.33.285 shall be accorded priority in the making
5 of loans under this chapter. If loans cannot otherwise be made to the
6 residents of an economic disaster area, the corporation shall establish
7 amortization plans for the repayment of loans which provide for delayed
8 payment of principal and interest and shall charge interest at a rate
9 less than would otherwise be charged.

10 * Sec. 4. AS 44.60.320 is amended by adding a new subsection to read:

11 (d) Otherwise qualified residents of an area designated an econo-
12 mic disaster area by the governor under AS 44.33.285 shall be accorded
13 priority in the making of loans under this chapter. If loans cannot
14 otherwise be made to the residents of an economic disaster area, the
15 corporation shall establish amortization plans for the repayment of
16 loans which provide for delayed payment of principal and interest and
17 shall charge interest at a rate less than would otherwise be charged.

18 * Sec. 5. AS 45.95 is amended by adding a new section to read:

19 Sec. 45.95.075. LOANS IN ECONOMIC DISASTER AREAS. Otherwise
20 qualified residents of an area designated an economic disaster area by
21 the governor under AS 44.33.285 shall be accorded priority in the making
22 of loans under this chapter. If loans cannot otherwise be made to the
23 residents of an economic disaster area, the corporation shall establish
24 amortization plans for the repayment of loans which provide for delayed
25 payment of principal and interest and shall charge interest at a rate
26 less than would otherwise be charged.

27 * Sec. 6. AS 45.90.030 is amended by adding a new subsection to read:

28 (g) Otherwise qualified residents of an area designated an econo-
29 mic disaster area by the governor under AS 44.33.285 shall be accorded

1 priority in the making of loans under this chapter. If loans cannot
2 otherwise be made to the residents of an economic disaster area, the
3 corporation shall establish amortization plans for the repayment of
4 loans which provide for delayed payment of principal and interest and
5 shall charge interest at a rate less than would otherwise be charged.

6 * Sec. 7. AS 44.33.290(a) is amended to read:

7 (a) In the performance of contracts awarded by the state in an
8 [AREA IMPACTED BY AN] economic disaster area, residents of the area
9 shall be employed where they are available and qualified so that the
10 economic effects of alleviating the disaster will be maximized. If
11 resident labor is not available, the contractor shall inform the Depart-
12 ment of Labor of the number of additional workers needed, the positions
13 to be filled, and the efforts made at recruitment in the area. If the
14 Department of Labor is satisfied that a good faith effort has been made
15 by the contractor to hire residents of the area, it may issue a certi-
16 ficate allowing other hire for designated positions. A clause requiring
17 these provisions shall be part of each state contract awarded.

18 * Sec. 8. AS 44.33.295 is amended to read:

19 Sec. 44.33.295. CONTRACTORS' PREFERENCE. If the Department of
20 Commerce and Economic Development [DEPARTMENT] determines that there are
21 contractors in an area designated as an [AREA IMPACTED BY AN] economic
22 disaster area and who are qualified to perform a contract, preference to
23 the extent feasible shall be given to those contractors under regula-
24 tions adopted by the department.

25 * Sec. 9. AS 44.33.300 is amended to read:

26 Sec. 44.33.300. WAIVER OF CERTAIN PROVISIONS. When the governor
27 has by proclamation declared an [AREA IMPACTED BY AN] economic disaster
28 area, the following provisions regarding public contracts may be waived
29 to the extent specified in the proclamation:

1 (1) the requirement of a contractor's bond as prescribed in
2 AS 36.25.010 may be waived if the contract amount does not exceed
3 \$100,000;

4 (2) the public bid requirements as contained in AS 19.10.170,
5 19.10.190, 19.30.191(b), and AS 35.15.010 - 35.15.030 may be waived if
6 the contract is to be performed by a contractor whose principal office
7 is in the designated area and the contract amount does not exceed
8 \$50,000;

9 (3) the general policy to require all construction to be
10 under bid contract as contained in AS 35.15.010 may be waived if the
11 contract is to be performed by the state, another governmental entity,
12 or a nonprofit entity.

13 * Sec. 10. AS 44.33.305 is amended to read:

14 Sec. 44.33.305. REGULATIONS. The Department of Commerce and
15 Economic Development [DEPARTMENT], after consultation with the Depart-
16 ment of Labor, may adopt regulations to implement secs. 285 - 310 of
17 this chapter.

18 * Sec. 11. AS 44.33.310 is repealed.
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