

Introduced: 1/31/80
Referred: Resources and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 653

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to bulk fuel; and providing for an
7 effective date."

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

9 * Section 1. AS 44 is amended by adding a new article to read:

10 ARTICLE 3B. COMMUNITY FUEL EMERGENCY FUND.

11 Sec. 44.19.179. COMMUNITY FUEL EMERGENCY FUND. There is estab-
12 lished in the Office of the Governor the Community Fuel Emergency
13 Fund. Grants from this fund may be made to communities, as defined in
14 AS 44.47.170, when the governor determines that the fuel emergency is
15 sufficiently severe to justify state action.

16 * Sec. 2. AS 44.47.130 is amended by adding a new paragraph to read:

17 (7) make grants to communities for bulk fuel storage facili-
18 ty feasibility studies.

19 * Sec. 3. AS 44.47.140 is amended to read:

20 Sec. 44.47.140. LIMITATIONS. The programs of the department are
21 subject to the following limitations:

22 (1) no program for any one community may exceed \$40,000 in
23 cost a year, except that an additional maximum grant of \$5,000 may be
24 made under AS 44.47.145 for a bulk fuel storage facility feasibility
25 study; and

26 (2) no first class city of over 2,000 population is eligible
27 for assistance.

28 * Sec. 4. AS 44.47 is amended by adding a new section to read:

29 Sec. 44.47.145. BULK FUEL STUDY GRANT FUND. (a) There is

1 established in the Department of Community and Regional Affairs the
2 Bulk Fuel Study Grant Fund. Grants may be made to communities from
3 this fund for bulk fuel storage facility feasibility studies.

4 (b) A grant made under this section may not exceed \$5,000. No
5 community may receive more than one grant under this section.

6 * Sec. 5. AS 45 is amended by adding a new chapter to read:

7 CHAPTER 87. BULK FUEL REVOLVING FUNDS.

8 ARTICLE 1. STORAGE FACILITIES.

9 Sec. 45.87.010. LOAN AND GRANT FUND ESTABLISHED; BASIC ELIGI-
10 BILITY. There is established in the Department of Commerce and Eco-
11 nomic Development the Bulk Fuel Storage Facilities Revolving Loan and
12 Grant Fund. Loans and grants may be made from this fund to acquire
13 and install community bulk storage facilities. A community, as defined
14 in AS 45.87.910, is eligible for a loan and grant for a bulk fuel
15 storage facility.

16 Sec. 45.87.020. LOAN TERMS FOR BULK FUEL STORAGE FACILITIES.

17 (a) A loan made under this chapter for the acquisition and installa-
18 tion of a community bulk fuel storage facility may not exceed \$50,000
19 per community, or 50 per cent of the total cost of the bulk fuel
20 storage facility, whichever is less. No community is eligible for a
21 second loan for a bulk fuel storage facility until the balance of the
22 first loan for a bulk fuel facility has been paid in full.

23 (b) The period for repayment of the loan may not exceed 15 years.

24 (c) The loan must be secured by collateral which the commissioner
25 determines is acceptable.

26 (d) The rate of interest may not exceed nine and one half per
27 cent a year on the unpaid balance of the loan.

28 (e) All payments of principal and interest must be paid into the
29 Bulk Fuel Storage Facilities Revolving Loan and Grant Fund.

1 Sec. 45.87.030. GRANT TERMS FOR BULK FUEL STORAGE FACILITIES. A
2 grant made under this chapter for the acquisition and installation of
3 a bulk fuel storage facility may not exceed \$25,000 per community or
4 25 per cent of the total cost of the bulk fuel storage facility,
5 whichever is less. No community is eligible for more than one grant
6 under AS 45.87.010.

7 Sec. 45.87.040. LOCAL PARTICIPATION. To be eligible for a loan
8 or grant under this chapter for the acquisition and installation of a
9 bulk fuel storage facility, a community must participate in financing
10 the project.

11 ARTICLE 2. BULK FUEL.

12 Sec. 45.87.060. LOAN FUND ESTABLISHED; BASIC ELIGIBILITY. There
13 is established in the Department of Commerce and Economic Development
14 the Bulk Fuel Revolving Loan Fund to assist communities in purchasing
15 large yearly supplies of fuel at one time. A community, or a private
16 individual who has written endorsement from the governing body of the
17 community, is eligible for a loan for a bulk fuel purchase.

18 Sec. 45.87.070. LOAN TERMS FOR BULK FUEL PURCHASES. (a) A loan
19 made under this chapter for supplies of fuel may not exceed \$50,000.

20 (b) The period for repayment of the loan may not exceed one
21 year.

22 (c) The loan must be secured by collateral which the commissioner
23 determines is acceptable.

24 (d) The amount of the loan may not exceed 90 per cent of the
25 wholesale price of the product.

26 (e) All payments of principal and interest must be paid into the
27 Bulk Fuel Revolving Loan Fund.

28 ARTICLE 3. GENERAL PROVISIONS.

29 Sec. 45.87.900. POWERS AND DUTIES OF THE DEPARTMENT. The depart-

1 ment may adopt regulations necessary to implement this chapter, includ-
2 ing eligibility standards for loans and grants made under this chapter
3 and guidelines for the determination of loan terms and grant terms.
4 It may also hold hearings and may subpoena witnesses and documents and
5 administer oaths in connection with hearings.

6 Sec. 45.87.910. DEFINITIONS. In this chapter

7 (1) "bulk fuel storage facility" means a storage tank
8 capable of holding at least 10,000 gallons of petroleum fuels;

9 (2) "commissioner" means the commissioner of commerce and
10 economic development;

11 (3) "community" means home rule cities and boroughs, cities
12 and boroughs of any class, and unincorporated villages which are
13 social units, but does not include any first class city of over 2,000
14 population;

15 (4) "department" means the Department of Commerce and
16 Economic Development.

17 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).