

Original sponsor: Rules/Governor

Offered: 5/2/80  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR 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 establishing a fuel  
7 emergency fund; and providing for an effective date."

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

9 \* Section 1. AS 44.19 is amended by adding a new section to read:

10 ARTICLE 3A. DISASTER AND EMERGENCY RELIEF FUNDS [FUND].

11 Sec. 44.19.179. FUEL EMERGENCY FUND. There is established in the  
12 Office of the Governor the fuel emergency fund. When the governor  
13 determines that a shortage of fuel is sufficiently severe to justify  
14 state assistance he may make a grant from the fuel emergency fund to a  
15 city or borough, or to a village or unincorporated community, to pur-  
16 chase emergency supplies of fuel.

17 \* Sec. 2. AS 44.47.130 is amended by adding new paragraphs to read:

18 (7) make grants to communities for bulk fuel storage facili-  
19 ties;

20 (8) cooperate with the Department of Environmental Conserva-  
21 tion and other agencies to provide technical assistance to communities  
22 in the installation, operation and management of bulk fuel storage  
23 facilities.

24 \* Sec. 3. AS 44.47.140 is amended to read:

25 Sec. 44.47.140. LIMITATIONS. The programs of the department under  
26 AS 44.47.130 in rural areas are subject to the following limitations:

27 (1) no program for any one community may exceed \$40,000 in  
28 cost a year, except that a grant of not more than \$60,000 may be made  
29 under AS 44.47.145 for a bulk fuel storage facility; and

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

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

4                   Sec. 44.47.145. BULK FUEL STORAGE FACILITIES GRANT FUND. (a)

5                   There is established in the Department of Community and Regional Affairs  
6                   the bulk fuel storage facilities grant fund. Grants may be made by the  
7                   department from this fund to a community to acquire and install community  
8                   bulk storage facilities.

9                   (b) Grants made under this section for the acquisition and instal-  
10                   lation of a bulk fuel storage facility may not exceed \$60,000 per commun-  
11                   ity.

12                   (c) If the governing body of two or more communities determine  
13                   that their fuel requirements may be served by a single bulk fuel storage  
14                   facility, the communities may jointly apply for grants to acquire and  
15                   install a single bulk fuel storage facility, and the \$60,000 limitation  
16                   in (b) of this section applies cumulatively for all communities which  
17                   submit the joint application.

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

19                   CHAPTER 87. BULK FUEL.

20                   Sec. 45.87.010. BULK FUEL REVOLVING LOAN FUND ESTABLISHED. There  
21                   is established in the Department of Commerce and Economic Development  
22                   the bulk fuel revolving loan fund to assist communities in purchasing  
23                   bulk fuel. A community, or a private individual who has written endorse-  
24                   ment from the governing body of the community, is eligible for a loan  
25                   from the bulk fuel revolving loan fund for a bulk fuel purchase.

26                   Sec. 45.87.020. LOAN TERMS FOR BULK FUEL PURCHASES. (a) Loans  
27                   made from the bulk fuel revolving loan fund to one borrower in any  
28                   fiscal year

29                   (1) may not exceed \$50,000;

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(2) shall be repaid in one year or less; and

(3) may not exceed 90 percent of the wholesale price of the fuel purchased;

(b) Interest may not be charged on a loan made from the bulk fuel revolving loan fund.

(c) Repayments of the principal on a loan from the bulk fuel revolving loan fund shall be paid by the commissioner of commerce and economic development into the bulk fuel revolving loan fund.

Sec. 45.87.030. POWERS OF THE DEPARTMENT. The department may contract for the administration of the bulk fuel loan program established in this chapter.

Sec. 45.87.040. DEFINITIONS. In this chapter

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

(2) "community" means an organized municipality or an unincorporated village which is a social unit, with a population under 2,000;

(3) "department" means the Department of Commerce and Economic Development.

\* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-070(c).