

Introduced: 3/18/80
Referred: Finance

1 IN THE HOUSE

BY RANDOLPH AND ROGERS

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 822

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska resident loan fund; and
7 providing for an effective date."

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

9 * Section 1. ALASKA RESIDENT LOAN FUND. There is established in the
10 Department of Commerce and Economic Development the Alaska resident loan
11 fund. The commissioner of commerce and economic development shall administer
12 the fund. The fund consists of money appropriated to the fund by the legis-
13 lature.

14 * Sec. 2. LOAN PURPOSES. The commissioner shall make loans from the fund
15 in accordance with the provisions of this Act.

16 * Sec. 3. ELIGIBILITY. An individual who has filed an application for a
17 loan in accordance with the provisions of this Act is eligible for a loan
18 from the fund if he is at least 19 years of age and has been a resident of
19 the state for at least 30 days before the effective date of this Act.

20 * Sec. 4. APPLICATIONS FOR LOANS. (a) Not more than 30 days after the
21 effective date of this Act, the commissioner shall begin accepting applica-
22 tions for loans from the fund and shall at least weekly notify the public of
23 the availability of the loans and of the method for qualifying and applying
24 for the loans. The notice shall be by publication in newspapers in all
25 regions of the state, by radio and television announcements, and by other
26 means the commissioner determines to be appropriate and reasonable. The
27 notice shall continue for six months.

28 (b) The commissioner shall prepare and make available to the public a
29 standard application form for loans from the fund. However, the commissioner

1 shall accept an application which is not made on the standard form if the
2 application includes the information needed to determine eligibility for a
3 loan.

4 (c) An individual cannot qualify for a loan from the fund if his appli-
5 cation is received by the commissioner more than six months after the
6 beginning of the application period.

7 * Sec. 5. DISQUALIFICATION. The authority to disqualify an applicant for
8 a loan from the fund rests solely with the commissioner. The administrative
9 procedures for disqualification shall be provided in regulations adopted
10 under sec. 11 of this Act.

11 * Sec. 6. DEPARTMENTAL HEARING. The department shall hold a hearing, in
12 accordance with the Administrative Procedure Act (AS 44.62), on the request
13 of an applicant who has been disqualified under sec. 5 of this Act. Before
14 the hearing, the department shall, by certified mail, notify an applicant in
15 plain and comprehensive language of the exact reason for his disqualification.
16 A form letter using only references to state statutes or departmental regula-
17 tions, or which is otherwise vague in detail, may not be considered compli-
18 ance by the department with this section.

19 * Sec. 7. LEGAL REMEDY. A legal remedy from disqualification may be
20 sought by an applicant in the superior court only after the conclusion of the
21 departmental hearing provided for in sec. 6 of this Act. The burden of proof
22 rests solely on the applicant, and any costs related to a verdict upholding
23 the disqualification of the applicant may be recovered by the attorney
24 general from the applicant or from an agency representing the applicant which
25 is supported in whole or in part by state appropriations.

26 * Sec. 8. DETERMINATION OF AMOUNT OF LOANS; GRANTING OF LOANS. (a) As
27 soon as practicable after January 1, 1981, the commissioner shall prepare a
28 list of individuals qualified to receive a loan from the fund and a list of
29 individuals whose qualifications to receive a loan are, at that time, under

1 review by the department or by a state court. Upon completion of the lists,
2 the commissioner shall immediately grant loans from the fund to the qualified
3 individuals as provided under (c) of this section.

4 (b) The commissioner shall deduct and segregate as a reserve, an amount
5 from the fund sufficient to grant loans to individuals whose qualifications
6 to receive a loan are under review by the department or by a state court.

7 (c) The amount of a loan granted under (a) of this section is the
8 quotient of the balance of the fund, after deduction of the reserve required
9 under (b) of this section, divided by the number of individuals listed by the
10 commissioner as qualified to receive a loan.

11 (d) After all disqualification reviews have been concluded, without
12 possibility of further review, the commissioner shall grant loans from the
13 Alaska resident loan fund reserve required by (b) of this section to all
14 individuals whose qualifications to receive loans were upheld after
15 January 1, 1981. Loans granted to these individuals shall be in an amount
16 equal to the amount computed under (c) of this section.

17 (e) If, after granting the loans under (a) and (d) of this section,
18 money still remains in the fund or in the reserve required by (b) of this
19 section, the commissioner shall transfer the money to the general fund.

20 * Sec. 9. TERMS OF LOANS. A loan granted under sec. 8(a) or (d) of this
21 Act

- 22 (1) may not bear interest; and
- 23 (2) shall have a term of 10 years.

24 (b) The commissioner may not

- 25 (1) require security for a loan under this Act;
- 26 (2) consider an applicant's credit history in determining the
27 applicant's qualifications for a loan; or

28 (3) require an applicant to state the purpose for which the loan
29 will be used.

1 (c) Repayment of a loan granted under sec. 8(a) or (d) of this Act
2 shall begin five years after the granting of the loan. However, the recip-
3 ient of a loan under sec. 8(a) or (d) of this Act may prepay all or a part of
4 the loan at any time.

5 * Sec. 10. EXEMPTION FROM TAXATION. The receipt of a loan under
6 sec. 8(a) or (d) of this Act is not income for state or local tax purposes.

7 * Sec. 11. REGULATIONS. The commissioner shall adopt regulations, in
8 accordance with the Administrative Procedure Act (AS 44.62), to implement
9 this Act.

10 * Sec. 12. PENALTY FOR FALSE STATEMENTS. A person who wilfully or
11 knowingly makes a false statement, or falsifies or permits to be falsified a
12 record or application required by this Act, is guilty of a class B misde-
13 meanor and, upon conviction, forfeits all rights under this Act in addition
14 to any fine or sentence of imprisonment which may be imposed.

15 * Sec. 13. DEFINITIONS. In this Act,

16 (1) "commissioner" means the commissioner of commerce and economic
17 development;

18 (2) "deparment" means the Department of Commerce and Economic
19 Development;

20 (3) "fund" means the Alaska resident loan fund;

21 (4) "resident" means an individual who maintains a permanent place
22 of abode in the state with the intention of making the state his permanent
23 place of residence and who resides in the state continuously for at least 30
24 days except for temporary purposes only and with the intent of returning.

25 * Sec. 14. This Act takes effect immediately in accordance with AS 01.10.
26 070(c).