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Offered: 1/23/80
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 33

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 Requesting the Governor to direct
6 action relating to the investment of
7 the state general fund surplus and to
8 the participation of financial insti-
9 tutions with the division of business
10 loans in loan programs of benefit to
11 the state's economy.

12 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

13 WHEREAS the state's economy, like that of the nation, is sluggish, with
14 business and private investment at levels which are well below investment
15 rates that characterized the second half of the 1970's; and

16 WHEREAS Congressional deliberation on the continued use of tax-exempt
17 state and local government revenue bonds has halted issuance of bonds for
18 purposes of financing housing construction and purchase; and

19 WHEREAS, while the Second Session of the Eleventh Legislature considers
20 alternatives by which state government investment may overcome the economic
21 slack and assist in making additional money for mortgages available at
22 reasonable interest rates, an interim response to current conditions should
23 be formulated and placed in operation;

24 BE IT RESOLVED by the Alaska State Legislature that the Governor is
25 respectfully requested to direct the commissioner of revenue and the commis-
26 sioner of commerce and economic development to take action that will, until
27 the legislature completes action on a comprehensive economic assistance
28 program during the Second Session of the Eleventh Legislature or until
29 June 30, 1980, whichever is later,

1 (1) require that in accordance with authority granted by AS 37.-
2 10.070(a)(10) and (11), the state purchase not more than \$35,000,000 of resi-
3 dential mortgages each month beginning with the month during which this
4 resolution is adopted, subject to the following conditions:

5 (A) mortgage purchases should be made only from the state
6 general fund;

7 (B) only mortgages on Alaska residences may be purchased;

8 (C) mortgage purchases should include only loans entered into
9 between a financial institution and a borrower after the date of adoption of
10 this resolution;

11 (D) a mortgage loan may not be purchased from a financial
12 institution on a basis other than the order in which loan applications were
13 submitted to the state; and

14 (E) mortgage purchases should be made on terms so that net
15 mortgage cost to the borrower may not exceed 9.5 percent annual interest;

16 (2) require that in accordance with AS 37.10.075, the state im-
17 mediately place on deposit or invest in federal credit unions doing business
18 in Alaska not less than \$35,000,000 from the state general fund at the rates
19 and terms which were applied to the placement of surplus state funds on
20 November 15, 1979; and

21 (3) waive the current loan policy of the Department of Commerce
22 and Economic Development, division of business loans, by which financial
23 institutions must participate with the division in the provision of loans.
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