

Introduced: 3/27/80  
Referred: State Affairs and  
Finance

BY THE RESOURCES COMMITTEE  
BY REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 538

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 economic disasters and providing  
7 for extensions under state insurance and welfare and  
8 loan programs."

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

10 \* Section 1. AS 44.33.285 is amended by adding new subsections to read:

11 (b) The governor may direct that residents of an economic disaster  
12 area may receive the loan extensions described in AS 03.10.030(f);  
13 AS 16.10.320(h); AS 18.56.105; AS 26.15.040(e); AS 44.60.320(d); AS 45.-  
14 90.030(g); and AS 45.95.020(e).

15 (c) The governor may direct that benefits payable under state  
16 public assistance programs be extended for qualified recipients who are  
17 residents of an economic disaster area.

18 (d) The governor may direct the department to deposit money from  
19 the Alaska economic disaster impact fund (AS 37.11.100) in lending  
20 institutions servicing the economic disaster area as provided in AS 37.-  
21 11.110.

22 \* Sec. 2. AS 44.33.310(3) is amended to read:

23 (3) "economic disaster" means that

24 (A) the annual income to workers in the designated area  
25 dropped below the average annual income for the base period for  
26 workers in the designated area and the drop in income is of such  
27 magnitude that the average family income of all residents of the  
28 designated area as determined by the department is below the Federal  
29 Social Security Administration Poverty Guideline, adjusted by the

1 department to reflect subsistence economic patterns and appropriate  
2 cost-of-living differentials; the availability of alternate employ-  
3 ment shall be considered in determining whether an economic disaster  
4 has occurred under this paragraph;

5 (B) the number of foreclosures per year on mortgages in  
6 the designated area increased by more than 10 percent during the  
7 preceding year;

8 (C) the number of businesses per year which failed in the  
9 designated area increased by more than 10 percent during the preced-  
10 ing year;

11 (D) the level of unemployment in the designated area  
12 increased by more than 10 percent during the preceding year; or

13 (E) the number of people in the designated area re-  
14 ceiving public assistance increased by more than 10 percent during  
15 the preceding year.

16 \* Sec. 3. AS 37.11 is amended by adding new sections to read:

17 Sec. 37.11.110. ASSISTANCE TO INDIVIDUALS. (a) The governor may  
18 direct the department to deposit money from the fund in lending insti-  
19 tutions servicing an economic disaster area.

20 (b) Money deposited under (a) of this section shall be used:

21 (1) to provide money for local stimulus loans made to persons  
22 in the economic disaster area; and

23 (2) to provide money to permit the extension of private loans  
24 made to persons in the economic disaster area for a period up to 12  
25 months.

26 (c) The state shall be reimbursed by the lending institutions  
27 receiving money from the fund as follows:

28 (1) money used for local stimulus loans shall be reimbursed  
29 quarterly to the extent of the payments made by the recipients of local

1 stimulus loans minus a reasonable service charge agreed to by the depart-  
2 ment and the lending institution;

3 (2) money used for extending private loans shall be credited  
4 to the account of the debtor at the lending institution during the  
5 period equal to the extension period in which payments by the debtor are  
6 suspended; the extended payments shall be made by the debtor under the  
7 same terms as the original loan for a period of time beyond the original  
8 date of maturity equal to the period during which payments were sus-  
9 pended; the lending institution shall quarterly reimburse the state the  
10 amount of money which it receives from extended payments on private  
11 loans.

12 Sec. 37.11.120. DEFINITIONS. In AS 37.11.100 - 37.11.120,

13 (1) "department" means the Department of Commerce and Econo-  
14 mic Development;

15 (2) "fund" means the Alaska economic disaster impact fund;

16 (3) "lending institution" means banks, credit unions, and  
17 savings and loan associations which provide private loans to residents  
18 of economic disaster areas;

19 (4) "local stimulus loans" means loans made to residents of  
20 economic disaster areas to stimulate the economy or provide increased  
21 employment through assistance to individuals or businesses;

22 (5) "private loans" means loans to residents of economic  
23 disaster areas for household or business purposes.

24 \* Sec. 4. AS 03.10.030 is amended by adding a new subsection to read:

25 (f) A loan under this section made to a resident of an area desig-  
26 nated an economic disaster area by the governor under AS 44.33.285 may  
27 be extended under AS 44.33.285(b) for a period not exceeding two years.  
28 Payments due on the loan shall be suspended beginning with the payment  
29 next due for a period equal to the length of the extension period. At

1 the end of the suspension period, payments due on the loan shall resume  
2 until the principal and interest are paid in full.

3 \* Sec. 5. AS 16.10.320 is amended by adding a new subsection to read:

4 (h) A loan under this section made to a resident of an area desig-  
5 nated an economic disaster area by the governor under AS 44.33.285 may  
6 be extended under AS 44.33.285(b) for a period not exceeding two years.  
7 Payments due on the loan shall be immediately suspended for the extension  
8 period. At the end of the extension period, payments due on the loan  
9 shall resume until the principal and interest are paid in full.

10 \* Sec. 6. AS 18.56 is amended by adding a new section to read:

11 Sec. 18.56.105. LOAN EXTENSIONS DUE TO ECONOMIC DISASTER. A loan  
12 under AS 18.56.090 or 18.56.100 made to a resident of an area designated  
13 an economic disaster area by the governor under AS 44.33.285 may be  
14 extended under AS 44.33.285(b) for a period not exceeding two years.  
15 Payments due on the loan shall be immediately suspended for the extension  
16 period. At the end of the extension period, payments due on the loan  
17 shall resume until the principal and interest are paid in full.

18 \* Sec. 7. AS 26.15.040 is amended by adding a new subsection to read:

19 (e) A loan under this section made to a resident of an area desig-  
20 nated an economic disaster area by the governor under AS 44.33.285 may  
21 be extended under AS 44.33.285(b) for a period not exceeding two years.  
22 Payments due on the loan shall be immediately suspended beginning with  
23 the payment next due for a period equal to the length of the extension  
24 period. At the end of the suspension period, payments due on the loan  
25 shall resume until the principal and interest are paid in full.

26 \* Sec. 8. AS 44.60.320 is amended by adding a new subsection to read:

27 (d) A loan under this section made to a resident of an area desig-  
28 nated an economic disaster area by the governor under AS 44.33.285 may  
29 be extended under AS 44.33.285(b) for a period not exceeding two years.

1        Payments due on the loan shall be immediately suspended beginning with  
2        the payment next due for a period equal to the length of the extension  
3        period. At the end of the suspension period payments due on the loan  
4        shall resume until the principal and interest are paid in full.

5        \* Sec. 9. AS 45.90.030 is amended by adding a new subsection to read:

6                (g) A loan under this section made to a resident of an area desig-  
7                nated an economic disaster area by the governor under AS 44.33.285 may  
8                be extended under AS 44.33.285(b) for a period not exceeding two years.  
9                Payments due on the loan shall be immediately suspended beginning with  
10              the payment next due for a period equal to the length of the extension  
11              period. At the end of the suspension period, payments due on the loan  
12              shall resume until the principal and interest are paid in full.

13        \* Sec. 10. AS 45.95.020 is amended by adding a new subsection to read:

14              (e) A loan under this section made to a resident of an area desig-  
15              nated an economic disaster area by the governor under AS 44.33.285 may  
16              be extended under AS 44.33.285(b) for a period not exceeding two years.  
17              Payments due on the loan shall be immediately suspended beginning with  
18              the payment next due for a period equal to the length of the extension  
19              period. At the end of the suspension period, payments due on the loan  
20              shall resume until the principal and interest are paid in full.

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