

Introduced: 3/10/81  
Referred: Labor & Commerce and  
Finance

1 IN THE HOUSE

BY MALONE, BROWN AND BEIRNE

2 HOUSE BILL NO. 308

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing assistance to businesses in the form  
7 of partial payment of interest on inventory and operat-  
8 ing capital loans; and providing for an effective  
9 date."

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

11 \* Section 1. AS 45 is amended by adding a new chapter to read:

12 CHAPTER 99. MISCELLANEOUS.

13 Sec. 45.99.001. INTEREST ASSISTANCE PAYMENTS FOR BUSINESS LOANS.

14 (a) Subject to appropriations for that purpose, businesses operating  
15 in the state that obtain loans, not exceeding \$100,000 for working  
16 capital or to purchase inventory, from banks or other financial institu-  
17 tions in the state, are entitled to have the Department of Commerce and  
18 Economic Development pay 50 percent of the interest charged on the  
19 loans.

20 (b) At the request of a business obtaining a loan, the bank or  
21 financial institution making the loan shall submit to the department,  
22 on an application form provided by the department, the name of the loan  
23 recipient, the amount of the loan, the interest rate charged on the  
24 loan, and other information as may be required by the department for  
25 the administration of the interest assistance program. The department  
26 shall process the application to determine the eligibility of the loan  
27 recipient for interest assistance and notify the business and the bank  
28 or financial institution of its determination. If the determination is  
29 favorable to the business, the department shall set up an interest

1 payment schedule in accordance with the terms of the loan and remit to  
2 the bank or financial institution 50 percent of each interest payment  
3 due the institution not later than the due date for each respective  
4 interest payment.

5 (c) A business that obtains loans totaling more than \$100,000 to  
6 purchase inventory or operating capital is eligible for interest assist-  
7 ance only for that amount of interest which would be due on a \$100,000  
8 portion of the loans.

9 (d) The department shall adopt regulations providing for the  
10 operation and administration of the business interest assistance  
11 program.

12 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
13 070(c).