

Original sponsor: Resources Committee

Offered: 5/20/81
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 581 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the mining loan fund; and provid-
7 ing for an effective date."

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

9 * Section 1. AS 27.09.010 is amended to read:

10 Sec. 27.09.010. MINING LOAN FUND. There is established in the
11 Department of Commerce and Economic Development the mining loan fund.
12 Subject to the limitations of AS 27.09.040, the [THE] department may
13 make loans from the fund to underwrite advanced mineral exploration,
14 development, or mining in the state. A loan may not be made under this
15 chapter unless the loan applicant demonstrates to the satisfaction of
16 the commissioner that a private lending institution has made or is
17 committed to make a loan to the applicant in an amount of at least 10
18 percent of the principal amount which the applicant seeks to borrow.

19 * Sec. 2. AS 27.09.030(f) is amended to read:

20 (f) Information acquired under this section is confidential and
21 may not be disclosed except to the person who supplied the information,
22 or to a private lending institution considering or making a loan for
23 advanced mineral exploration in conjunction with an application for a
24 loan under this chapter, or except by order of the court.

25 * Sec. 3. AS 27.09.040(a)(1) is amended to read:

26 (1) may not exceed \$1,000,000 [\$5,000,000];

27 * Sec. 4. AS 27.09.040(a)(4) is amended to read:

28 (4) may not exceed 62.5 [75] percent of the appraised value
29 of the collateral used to secure the loan.

1 * Sec. 5. AS 27.09.040(b) is amended to read:

2 (b) A loan may not be made under this chapter if it would result
3 in an outstanding debt of the borrower to the fund in excess of
4 \$1,000,000 [\$5,000,000].

5 * Sec. 6. AS 27.09.040(c)(2) is amended to read:

6 (2) a second priority lien or mortgage which is subordinate
7 to a valid first priority lien or mortgage in favor of a private lend-
8 ing institution if the total of the financing by the private lending
9 institution and by the loan made under this chapter does not exceed
10 62.5 [75] percent of the appraised value of the collateral used to
11 secure the loan.

12 * Sec. 7. This Act takes effect July 1, 1981.
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