

Introduced: 1/11/82
Referred: Labor & Commerce,
Judiciary and Finance

BY RANDOLPH, BEIRNE
AND FANNING

1 IN THE HOUSE

2 HOUSE BILL NO. 641

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a personal loan program for Alaska
7 residents; and providing for an effective date."

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

9 * Section 1. PURPOSE AND INTENT. The major problem facing Alaska today
10 is that state government has surplus wealth that occurs as a result of its
11 ownership and control of land and other natural resources including sub-
12 surface minerals. Estimates by legislative fiscal analysts project about
13 \$327 billion in revenues from the Prudhoe Bay oil fields alone, or more than
14 \$800,000 for each man, woman, and child presently in Alaska. This surplus
15 wealth threatens the well-being of Alaskans by making them dependent on
16 government programs, by encouraging the rampant growth of government, by
17 depriving the private economy of the wealth, and by replacing individual
18 consumer choice in the free market with governmental allocation of resources
19 based on political rather than economic criteria. While ultimately this
20 problem can only be resolved by transferring the ownership of natural re-
21 sources to the private ownership of individual Alaskans, interim steps must
22 be taken to divest state government of this threatening surplus wealth in a
23 manner that will benefit Alaskans in an equitable manner. While "handouts"
24 are distasteful to all self-respecting individuals, this Act is designed as a
25 necessary and efficient interim step in the process of returning unwarranted
26 state government surplus wealth to a free and prosperous economy of private
27 individuals.

28 * Sec. 2. AS 45 is amended by adding a new chapter to read:

29 CHAPTER 85. PERSONAL LOAN PROGRAM FOR ALASKA RESIDENTS.

1 Sec. 45.85.010. PERSONAL LOAN PROGRAM ESTABLISHED. A personal
2 loan program is established in the Department of Commerce and Economic
3 Development. The department shall make personal loans to persons who
4 are eligible under AS 45.85.040. Repayments of personal loans made
5 under this chapter shall be paid into the general fund.

6 Sec. 45.85.020. ADMINISTRATION. The commissioner shall administer
7 the personal loan program according to regulations adopted under the
8 Administrative Procedure Act (AS 44.62).

9 Sec. 45.85.030. CONDITIONS OF PERSONAL LOANS. (a) A personal
10 loan made under this chapter shall be for \$10,000.

11 (b) Interest may not be charged on a personal loan made under this
12 chapter.

13 (c) Repayment of a personal loan shall begin within five years
14 from the date of the loan, and the personal loan shall be fully repaid
15 within 15 years from the date of the loan.

16 (d) Security may not be required for a personal loan made under
17 this chapter, and an eligible applicant may not be subjected to a credit
18 investigation as a condition of obtaining a personal loan.

19 (e) All or a portion of a loan shall be forgiven if the borrower
20 continues to reside in the state after receiving the loan. Twenty
21 percent of a loan shall be forgiven for each year of residence in the
22 state in the five years immediately following the date of the loan.

23 Sec. 45.85.040. ELIGIBILITY FOR PERSONAL LOAN. A person is
24 eligible to receive a personal loan under this chapter if the person

25 (1) is a resident of Alaska;

26 (2) is 18 years or older.

27 Sec. 45.85.050. DEFINITIONS. In this chapter

28 (1) "commissioner" means the commissioner of the Department of
29 Commerce and Economic Development;

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(2) "department" means the Department of Commerce and Economic Development;

(3) "resident" means an individual domiciled in the state who has been a resident for at least one year immediately preceding the application for a loan under this chapter.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-070(c).