

Introduced: 3/31/81
Referred: Labor & Commerce and
Finance

1 IN THE SENATE

BY FERGUSON

2 SENATE BILL NO. 349

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an office of cottage industries
7 in the Office of the Governor."

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

9 * Section 1. PURPOSE. The purpose of this Act is to provide venture
10 capital and technical assistance for persons wishing to begin a business to
11 bring Alaskan goods and services to market.

12 * Sec. 2. AS 44.19 is amended by adding new sections to read:

13 ARTICLE 16. OFFICE OF COTTAGE INDUSTRIES.

14 Sec. 44.19.190. OFFICE OF COTTAGE INDUSTRIES. (a) The office of
15 cottage industries is established in the Office of the Governor.

16 (b) The office shall exercise its power and perform its duties
17 through an executive director to be appointed by the governor. The
18 executive director serves at the pleasure of the governor.

19 (c) The office shall

20 (1) establish eligibility standards for loans under AS 44.-
21 19.192;

22 (2) administer or supervise the administration of loans made
23 under AS 44.19.192;

24 (3) coordinate its activities and cooperate with private
25 individuals, companies, corporations, or others interested in furthering
26 the goals of the office;

27 (4) prepare, publish, evaluate and disseminate material
28 dealing with cottage industries in the state;

29 (5) keep records and gather relevant statistics;

1 (6) develop a training program to assist individuals in
2 starting cottage industries;

3 (7) assist in establishing markets for goods produced by
4 cottage industries;

5 (8) act as a coordinator for intermediaries to bring together
6 individual producers and market retailers for the sale of goods and
7 services;

8 (9) assist the governor to prepare a comprehensive plan to
9 implement the program;

10 (10) submit an annual report to the legislature on the acti-
11 vities of the office;

12 (11) develop and maintain an administrative relationship with
13 the Department of Revenue to facilitate the lending activities of the
14 office under AS 44.19.192;

15 (12) employ staff.

16 Sec. 44.19.192. COTTAGE INDUSTRIES REVOLVING LOAN FUND. (a) The
17 cottage industries revolving loan fund is established in the office.
18 The Department of Revenue is the custodian of the fund.

19 (b) Loans may be made from the fund to persons for the purpose of
20 assisting the establishment of new cottage industries in the state.

21 (c) A loan made under this section

22 (1) may not exceed \$250,000;

23 (2) shall be used for venture capital;

24 (3) shall be made at an interest rate of three percent or
25 more;

26 (4) may not be for a term of more than 10 years unless the
27 executive director of the office determines that a longer term is
28 necessary to insure the survival of a cottage industry.

29 (d) The fund shall consist of money appropriated to it by the

1 legislature. The initial loan may not be made until there is at least
2 \$10,000,000 in the fund.

3 Sec. 44.19.195. DEFINITIONS. In AS 44.19.190 - 44.19.195

- 4 (1) "fund" means the cottage industries revolving loan fund;
5 (2) "office" means office of cottage industries.

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