

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 185

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act repealing certain state loan programs and
7 making miscellaneous changes to other state loan
8 programs; and providing for an effective date."

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

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* Section 1. AS 16.10.500 is amended to read:

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ARTICLE 9. SALMON [FISHERIES] ENHANCEMENT LOAN PROGRAM.

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Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the

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state, under AS 16.10.500 -- 16.10.560, to promote the enhancement of

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the state's salmon fisheries by means of grants for organizational and

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planning purposes to regional associations described in AS 16.10.510

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which have qualified under AS 16.10.380, and by means of long-term,

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low interest loans for hatchery planning, construction, and operation

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[AND FOR PLANNING AND IMPLEMENTATION OF ENHANCEMENT AND REHABILITATION

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ACTIVITIES INCLUDING, BUT NOT LIMITED TO, LAKE FERTILIZATION AND

20

HABITAT IMPROVEMENT].

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* Sec. 2. AS 16.10.505 is amended to read:

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Sec. 16.10.505. SALMON [FISHERIES] ENHANCEMENT REVOLVING LOAN

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FUND. There is created within the Department of Commerce and Economic

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Development a revolving fund to be known as the salmon [FISHERIES]

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enhancement revolving loan fund. The fund must [SHALL] be used to

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carry out the purposes of AS 16.10.500 -- 16.10.560 and for no other

27

purpose.

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* Sec. 3. AS 16.10.507(a) is amended to read:

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(a) There is established as a special account within the salmon

1 [FISHERIES] enhancement revolving loan fund the foreclosure expense
2 account. This account is established as a reserve from fund equity.

3 * Sec. 4. AS 16.10.510 is amended to read:

4 Sec. 16.10.510. POWERS AND DUTIES OF THE DEPARTMENT [COMMIS-
5 SIONER]. The department [COMMISSIONER] may

6 (1) make loans to permit holders, qualified under AS 16.-
7 10.400 -- 16.10.475 [16.10.470, INCLUDING THOSE HOLDERS ISSUED PERMITS
8 BEFORE JUNE 24, 1977], for the preconstruction activities [PLANNING],
9 construction, and operation of salmon hatchery facilities;

10 (2) make loans [TO QUALIFIED REGIONAL ASSOCIATIONS WHICH
11 HAVE FORMED A NONPROFIT CORPORATION OR A LOCAL NONPROFIT CORPORATION
12 APPROVED BY A QUALIFIED REGIONAL ASSOCIATION,] for preconstruction
13 activities necessary to obtain a salmon hatchery permit under AS 16.-
14 10.400 -- 16.10.475;

15 (3) designate agents and delegate powers to them as neces-
16 sary;

17 (4) adopt regulations necessary to carry out its [HIS]
18 functions;

19 (5) establish loan terms [AMORTIZATION PLANS FOR REPAYMENT
20 OF LOANS, NOT TO EXCEED 30 YEARS];

21 (6) establish the rate of interest for loans [NOT TO EXCEED
22 NINE AND ONE-HALF PER CENT A YEAR];

23 (7) establish regional and local offices and advisory
24 groups to carry out, or assist in carrying out, the duties and author-
25 ity of the department [COMMISSIONER];

26 (8) [Repealed, sec. 77, ch 106, SLA 1980.]

27 (9) make grants for organizational and planning purposes to
28 qualified regional associations that [WHICH] have formed a nonprofit
29 corporation, in amounts not exceeding \$100,000 per region [AND UP TO

1 AN ADDITIONAL \$100,000 ON A 50/50 CASH MATCHING BASIS WITH THE REGION-
2 AL ASSOCIATIONS WHICH HAVE AN AUTHORIZED ROYALTY ASSESSMENT UNDER AS
3 16.10.530 OR 16.10.540. THE STATE PORTION OF THE MATCHING SHARE SHALL
4 BE AVAILABLE WHEN A FINAL VOTE FOR ASSESSMENTS IS MADE UNDER AS 16.-
5 10.530 OR 16.10.540. THIS PROVISION ALSO APPLIES TO QUALIFIED REGION-
6 AL ASSOCIATIONS WHICH HAVE FORMED A NONPROFIT CORPORATION BEFORE JUNE
7 24, 1977;

8 (10) MAKE LOANS TO QUALIFIED REGIONAL ASSOCIATIONS WHICH
9 HAVE FORMED A NONPROFIT CORPORATION OR TO LOCAL NONPROFIT CORPORATIONS
10 APPROVED BY QUALIFIED REGIONAL ASSOCIATIONS FOR PLANNING AND IMPLEMEN-
11 TATION OF FISHERIES ENHANCEMENT AND REHABILITATION ACTIVITIES INCLUD-
12 ING, BUT NOT LIMITED TO, LAKE FERTILIZATION AND HABITAT IMPROVEMENT].

13 * Sec. 5. AS 16.10 is amended by adding new sections to read:

14 Sec. 16.10.515. LOAN ELIGIBILITY. (a) In order to be eligible
15 for a salmon hatchery preconstruction loan, the applicant must be a
16 nonprofit corporation whose permit application under AS 16.10.400 --
17 16.10.475 has been accepted or approved by the Department of Fish and
18 Game.

19 (b) In order to be eligible for a salmon hatchery construction
20 or operation loan, the applicant must be a nonprofit corporation and
21 hold a permit under AS 16.10.400 -- 16.10.475 for the project for
22 which funding is requested.

23 Sec. 16.10.518. LOAN TERMS. (a) All loans must be secured by
24 collateral satisfactory to the department, including a first deed of
25 trust, an assignment of lease and leasehold improvements, an assign-
26 ment of future revenues from the sale of aquaculture products, or tax
27 assessments from fishermen collected under AS 43.76.010 -- 43.76.040.

28 (b) The interest rate on loans made under AS 16.10.500 -- 16.-
29 10.560 is nine and one-half percent a year.

1 (c) The maximum loan term is 30 years.

2 (d) The department may defer principal and interest payments up
3 to 10 years for the purpose of allowing the borrower to establish
4 sufficient cash flow while brood stock or harvest schedules are being
5 developed.

6 * Sec. 6. AS 16.10.520(a) is repealed and reenacted to read:

7 (a) The total of all preconstruction and construction loans for
8 a single salmon hatchery made to a regional aquaculture association or
9 to a nonprofit corporation whose hatchery project has been approved by
10 a regional aquaculture association may not exceed \$10,000,000.

11 * Sec. 7. AS 16.10.520(b) is repealed and reenacted to read:

12 (b) The total of all preconstruction and construction loans for
13 a single salmon hatchery made to a nonprofit corporation not approved
14 by a regional aquaculture association may not exceed \$2,000,000.

15 * Sec. 8. AS 16.10.560 is amended to read:

16 Sec. 16.10.560. DEFINITIONS. In AS 16.10.500 -- 16.10.560

17 (1) "commissioner" means the commissioner of commerce and
18 economic development;

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

21 (3) "regional aquaculture association" means an association
22 that has been certified by the commissioner of fish and game as quali-
23 fying under AS 16.10.380;

24 (4) "salmon hatchery" means a private, nonprofit facility,
25 holding a permit under AS 16.10.400 -- 16.10.475, for the artificial
26 incubation of salmon eggs, which may include means for the rearing of
27 juvenile salmon, for release in the natural waters of Alaska for
28 common use.

29 * Sec. 9. AS 26.15.040(d) is amended to read:

1 (d) [MONEY LOANED SHALL BE DELIVERED TO THE BORROWER IN THE FORM
2 OF A WARRANT DRAWN ON THE TREASURY, VOUCHERED IN THE MANNER PRESCRIBED
3 FOR STATE DISBURSING OFFICERS, AND CHARGED AGAINST THE ALASKA WORLD
4 WAR II VETERANS' REVOLVING FUND. EACH VOUCHER SHALL BE APPROVED BY
5 THE COMMISSIONER OF COMMERCE AND ECONOMIC DEVELOPMENT OR ANY BONDED
6 DEPUTY AUTHORIZED TO ACT AS A CERTIFYING OFFICER.] Upon repayment of
7 loans by installments, or otherwise, in accordance with the prescribed
8 terms, or upon liquidation by foreclosure or other process, or upon
9 receipt of interest or other revenue, the money so received must
10 [SHALL] be turned over to the commissioner of revenue for deposit in
11 the Alaska World War II veterans' revolving fund.

12 * Sec. 10. AS 26.15.040(e) is amended to read:

13 (e) If a loan made under the veterans' loan program [(a)(3) OF
14 THIS SECTION] is assigned by the borrower or if the real property that
15 secures a loan made under the veterans' loan program [FORMER (a)(2) OR
16 UNDER (a)(4) OF THIS SECTION] is transferred by the borrower, the
17 commissioner of commerce and economic development shall allow the
18 assignee or transferee to assume the outstanding indebtedness on the
19 loan unless the commissioner determines in writing that the credit of
20 the assignee or transferee is not satisfactory to assure repayment of
21 the loan. The assignee or transferee may assume the outstanding
22 indebtedness on the loan at the existing interest rate on the loan.
23 An assignee or transferee is eligible for more than one type of loan,
24 but the total may not exceed \$125,000 at any one time.

25 * Sec. 11. AS 27.09.010 is amended to read:

26 Sec. 27.09.010. MINING LOAN FUND. (a) There is established in
27 the Department of Commerce and Economic Development the mining loan
28 fund. [THE DEPARTMENT MAY MAKE LOANS FROM THE FUND TO UNDERWRITE
29 ADVANCED MINERAL EXPLORATION, DEVELOPMENT, OR MINING IN THE STATE.]

1 (b) The mining loan fund is a revolving fund [CONSISTING OF
2 APPROPRIATIONS MADE TO THE FUND BY THE LEGISLATURE AND REPAYMENTS OF
3 PRINCIPAL AND INTEREST ON LOANS MADE FROM THE FUND. MONEY APPROPRI-
4 ATED TO OR REPAYED INTO THE FUND DOES NOT LAPSE UNDER AS 37.25.010].
5 Upon repayment of loans by installments, or otherwise, in accordance
6 with the prescribed terms, or upon liquidation by foreclosure or other
7 process, or upon receipt of interest or other revenue, the money so
8 received must be deposited in the mining loan fund.

9 * Sec. 12. AS 27.09.050 is amended to read:

10 Sec. 27.09.050. REGULATIONS. The department may adopt regu-
11 lations in accordance with the Administrative Procedure Act (AS 44.62)
12 to administer this chapter. [REGULATIONS ADOPTED UNDER THIS SECTION
13 SHALL BE PREPARED AFTER CONSULTATION WITH THE DEPARTMENT OF NATURAL
14 RESOURCES OR AFTER CONSULTATION WITH A PERSON WHO, IN THE OPINION OF
15 THE COMMISSIONER OF COMMERCE AND ECONOMIC DEVELOPMENT OR A DESIGNEE,
16 HAS BROAD EXPERIENCE IN AND IS HIGHLY QUALIFIED IN ADVANCED MINERAL
17 EXPLORATION, DEVELOPMENT, AND MINING.]

18 * Sec. 13. AS 41.98.175(a) is amended to read:

19 (a) In addition to uses of fund money authorized in AS 41.98.-
20 170, money of the fund must [SHALL] be used [UTILIZED] to make grants
21 to municipalities of up to one-half the nonfederal share of costs of
22 projects described in AS 41.98.170 which are initiated by a municipal-
23 ity[, AND LOANS OF AMOUNTS NECESSARY TO ENABLE MUNICIPALITIES TO MAKE
24 OPTION PAYMENTS ON PARKS AND OPEN SPACE LAND FOR THE ACQUISITION OF
25 WHICH FEDERAL FUNDS ARE ANTICIPATED].

26 * Sec. 14. AS 44.33.245(a) is amended to read:

27 (a) The department may
28 [(1) MAKE LOANS FOR THE CONSTRUCTION, RENOVATION, AND
29 EQUIPPING OF CHILD CARE FACILITIES, INCLUDING PRIVATE NONPROFIT CHILD

1 CARE FACILITIES;

2 (2)] adopt regulations necessary to carry out the pro-
3 visions of AS 44.33.240 -- 44.33.275.

4 * Sec. 15. AS 44.33.255(d) is amended to read:

5 (d) All principal and interest payments, and all money received
6 upon liquidation by foreclosure or other process, on loans made under
7 AS 44.33.240 -- 44.33.275 shall be paid into the child care facility
8 revolving loan fund.

9 * Sec. 16. AS 45.88.030(d) is amended to read:

10 (d) Upon repayment of loans by installments, or otherwise, in
11 accordance with the prescribed terms, or upon liquidation by foreclo-
12 sure or other process, or upon receipt of interest or other revenue,
13 the money so received must [ALL PRINCIPAL AND INTEREST PAYMENTS ON
14 LOANS MADE UNDER THIS CHAPTER SHALL] be paid into the alternative
15 [TECHNOLOGY AND] energy revolving loan fund.

16 * Sec. 17. AS 45.89.030(h) is amended to read:

17 (h) Upon repayment of loans by installments, or otherwise, in
18 accordance with the prescribed terms, or upon liquidation by foreclo-
19 sure or other process, or upon receipt of interest or other revenue,
20 the money so received must [AMOUNTS REPAID ON A LOAN MADE UNDER THIS
21 SECTION SHALL] be deposited to the residential energy conservation
22 fund.

23 * Sec. 18. AS 45.95.020(d) is amended to read:

24 (d) [MONEY LOANED SHALL BE DELIVERED TO THE BORROWER IN THE FORM
25 OF A WARRANT DRAWN ON THE TREASURY, VOUCHERED IN THE MANNER PRESCRIBED
26 FOR STATE DISBURSING OFFICERS, AND CHARGED AGAINST THE SMALL BUSINESS
27 REVOLVING LOAN FUND. EACH VOUCHER SHALL BE APPROVED BY THE COMMIS-
28 SIONER OR ANY BONDED DEPUTY AUTHORIZED TO ACT AS A CERTIFYING OFFI-
29 CER.] Upon repayment of loans by installments, or otherwise, in

1 accordance with the prescribed terms, or upon liquidation by foreclo-
2 sure or other process, or upon receipt of interest or other revenue,
3 the money so received must [SHALL] be turned over to the commissioner
4 of revenue for deposit in the small business revolving loan fund.

5 * Sec. 19. AS 45.98.010 is amended to read:

6 Sec. 45.98.010. CREATION OF HISTORICAL DISTRICT REVOLVING LOAN
7 FUND. There is created in the Department of Commerce and Economic
8 Development a historical district revolving loan fund. Upon repayment
9 of loans made under this chapter by installments, or otherwise, in
10 accordance with the prescribed terms, or upon liquidation by foreclo-
11 sure or other process, or upon receipt of interest or other revenue,
12 the money so received must be deposited to the historical district
13 revolving loan fund.

14 * Sec. 20. AS 45.98.030 is amended to read:

15 Sec. 45.98.030. POWERS AND DUTIES OF THE DEPARTMENT. For pur-
16 poses of administering this chapter, the Department of Commerce and
17 Economic Development may

18 (1) [PRESCRIBE THE FORM AND PROCEDURE FOR SUBMITTING LOAN
19 APPLICATIONS UNDER THIS CHAPTER;]

20 (2) designate agents and delegate powers to them as is
21 necessary;

22 (3) [IN CONSULTATION WITH THE HISTORIC SITES ADVISORY
23 COMMITTEE,] adopt regulations necessary to carry out its functions[,
24 INCLUDING REGULATIONS FOR THE PROCESS OF PLAN APPROVAL BY THE COMMIT-
25 TEE];

26 (4) establish amortization plans for the repayment of loans
27 not to exceed 30 years.

28 * Sec. 21. AS 16.10.320(b), 16.10.520(c) and (e), 16.10.525, 16.10.540;
29 AS 26.15.010(b) and (c), 26.15.030(c)(6) and (7), 26.15.040(a), (b), and

1 (c), 26.15.050, 26.15.060, 26.15.130, 26.15.140, 26.15.160; AS 27.09.020,
2 27.09.030, 27.09.040, 27.09.045, 27.09.060(1), (2), (4), and (6); AS 41.30;
3 AS 41.98.175(b) and (c); AS 44.33.245(b), 44.33.255(a), (b), and (c),
4 44.33.260; AS 44.62.330(a)(46); AS 45.88.020(a)(1), (b), and (c), 45.-
5 88.030(a), (b), (c), and (e), 45.88.500; AS 45.89.030(a), (b), (c), (d),
6 (e), (f), (g), (i), (j), and (k), 45.89.500(3) and (4); AS 45.90.020(a)(1)
7 and (4), and (b), 45.90.030; AS 45.92; AS 45.94; AS 45.95.010(b) and (c),
8 45.95.020(a) and (e), 45.95.030, 45.95.070; AS 45.98.020, 45.98.040(1),
9 (2), (3), and (4); and secs. 3 and 4, ch. 156, SLA 1984 are repealed.

10 * Sec. 22. This Act takes effect immediately under AS 01.10.070(c).