

Offered: 3/9/88
Referred: Judiciary, Resources and
Finance

go0737X

Original sponsor: Rules/Governor

1 IN THE HOUSE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 185 (L&C)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act repealing certain state loan programs and
7 provisions of certain state loan programs; creating a
8 special foreclosure expense account; making miscella-
9 neous changes to the fisheries enhancement loan
10 program, the Alaska World War II veterans' loan
11 program, the mining loan program, the outdoor
12 recreational, open space, and historic properties
13 development program, the child care facility loan
14 program, the alternative energy revolving loan pro-
15 gram, the residential energy conservation program,
16 the tourism revolving loan program, the small busi-
17 ness revolving loan program, and the historical
18 district revolving loan program; and providing for an
19 effective date."
20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
21 * Section 1. AS 16.10.500 is amended to read:
22 ARTICLE 9. SALMON [FISHERIES] ENHANCEMENT LOAN PROGRAM.
23 Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the
24 state, under AS 16.10.500 - 16.10.560, to promote the enhancement of
25 the state's salmon fisheries by means of grants for organizational and
26 planning purposes to regional associations described in AS 16.10.510
27 which have qualified under AS 16.10.380, and by means of long-term,
28 low interest loans for hatchery planning, construction, and operation
29 [AND FOR PLANNING AND IMPLEMENTATION OF ENHANCEMENT AND REHABILITATION

1 ACTIVITIES INCLUDING, BUT NOT LIMITED TO, LAKE FERTILIZATION AND
2 HABITAT IMPROVEMENT].

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

4 Sec. 16.10.505. SALMON [FISHERIES] ENHANCEMENT REVOLVING LOAN
5 FUND. There is created within the Department of Commerce and Economic
6 Development a revolving loan fund to be known as the salmon [FISHER-
7 IES] enhancement revolving loan fund. The fund shall be used to carry
8 out the purposes of AS 16.10.500 - 16.10.560 and for no other purpose.
9 All principal and interest payments and all money chargeable to prin-
10 cipal or interest that is collected through liquidation by foreclosure
11 or other process on loans made under AS 16.10.500 - 16.10.620, shall
12 be paid into the salmon enhancement revolving loan fund.

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

14 (a) There is established as a special account within the salmon
15 [FISHERIES] enhancement revolving loan fund the foreclosure expense
16 account. This account is established as a reserve from fund equity.

17 * Sec. 4. AS 16.10.510 is repealed and reenacted to read:

18 Sec. 16.10.510. POWERS AND DUTIES OF THE DEPARTMENT. The
19 department may

20 (1) make loans to permit holders, qualified under AS 16.-
21 10.400 - 16.10.475, for the preconstruction activities, construction,
22 and operation of salmon hatchery facilities;

23 (2) make loans for preconstruction activities necessary to
24 obtain a salmon hatchery permit under AS 16.10.400 - 16.10.475;

25 (3) designate agents and delegate powers to them as neces-
26 sary;

27 (4) adopt regulations necessary to carry out its functions;

28 (5) establish loan terms;

29 (6) establish regional and local offices and advisory

1 groups to carry out, or assist in carrying out, the duties and author-
2 ity of the department;

3 (7) make grants for organizational and planning purposes to
4 qualified regional associations that have formed a nonprofit corpora-
5 tion, in amounts not exceeding \$100,000 per region;

6 (8) make grants to qualified regional associations that
7 have formed nonprofit corporations in amounts not exceeding the
8 amounts appropriated by the legislature from salmon enhancement taxes
9 collected under AS 43.76.010 and 43.76.011.

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

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

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

20 Sec. 16.10.518. LOAN TERMS. (a) All loans shall be secured by
21 collateral satisfactory to the department, including a first deed of
22 trust, an assignment of lease and leasehold improvements, an assign-
23 ment of future revenue from the sale of aquaculture products, or tax
24 assessments from fishermen collected under AS 43.76.

25 (b) The interest rate on loans made under AS 16.10.500 - 16.-
26 10.560 is nine and one-half percent a year.

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

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

29 (a) The total of all loans for a single salmon hatchery made to

1 a regional aquaculture association or to a nonprofit corporation whose
2 hatchery project has been approved by a regional aquaculture associa-
3 tion may not exceed \$10,000,000 in a single fiscal year.

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

5 (b) The total of all loans for a single salmon hatchery made to
6 a nonprofit corporation not approved by a regional aquaculture asso-
7 ciation may not exceed \$1,000,000 in a single fiscal year.

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

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

10 (1) "commissioner" means the commissioner of commerce and
11 economic development;

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

14 (3) "regional aquaculture association" means an association
15 that has been certified by the commissioner of fish and game as qual-
16 ified under AS 16.10.380;

17 (4) "salmon hatchery" means a private, nonprofit facility,
18 holding a permit under AS 16.10.400 - 16.10.475, for the artificial
19 incubation of salmon eggs, which may include means for the rearing of
20 juvenile salmon, for release in the natural waters of the state for
21 common use.

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

23 (d) [MONEY LOANED SHALL BE DELIVERED TO THE BORROWER IN THE FORM
24 OF A WARRANT DRAWN ON THE TREASURY, VOUCHERED IN THE MANNER PRESCRIBED
25 FOR STATE DISBURSING OFFICERS, AND CHARGED AGAINST THE ALASKA WORLD
26 WAR II VETERANS' REVOLVING FUND. EACH VOUCHER SHALL BE APPROVED BY
27 THE COMMISSIONER OF COMMERCE AND ECONOMIC DEVELOPMENT OR ANY BONDED
28 DEPUTY AUTHORIZED TO ACT AS A CERTIFYING OFFICER.] Upon repayment of
29 loans by installments, or otherwise, in accordance with the prescribed

1 terms, or upon liquidation by foreclosure or other process, or upon
2 receipt of interest [OR OTHER REVENUE], the money so received shall be
3 turned over to the commissioner of revenue for deposit in the Alaska
4 World War II veterans' revolving fund.

5 * Sec. 10. AS 26.15.040(d) is repealed and reenacted to read:

6 (d) Upon repayment of loans by installments, or otherwise, in
7 accordance with the prescribed terms, or upon liquidation by foreclo-
8 sure or other process, or upon receipt of interest, the money so
9 received shall be turned over to the commissioner of revenue for
10 deposit in the general fund.

11 * Sec. 11. AS 26.15.040(e) is amended to read:

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

24 * Sec. 12. AS 27.09.010(b) is repealed and reenacted to read:

25 (b) The mining loan fund is a revolving loan fund. Upon repay-
26 ment of loans by installments, or otherwise, in accordance with the
27 prescribed terms, or upon liquidation by foreclosure or other process,
28 or upon receipt of interest, the money so received shall be deposited
29 in the mining loan fund.

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

2 (a) In addition to uses of fund money authorized in AS 41.98.-
3 170, money of the fund shall be used [UTILIZED] to make grants to
4 municipalities of up to one-half the nonfederal share of costs of
5 projects described in AS 41.98.170 which are initiated by a municipal-
6 ity [, AND LOANS OF AMOUNTS NECESSARY TO ENABLE MUNICIPALITIES TO MAKE
7 OPTION PAYMENTS ON PARKS AND OPEN SPACE LAND FOR THE ACQUISITION OF
8 WHICH FEDERAL FUNDS ARE ANTICIPATED].

9 * Sec. 14. AS 44.33 is amended by adding a new section to read:

10 Sec. 44.33.024. SPECIAL ACCOUNT ESTABLISHED. There is estab-
11 lished as a special account, administered by the Department of Com-
12 merce and Economic Development, the foreclosure expense account. The
13 department may expend money appropriated to the foreclosure expense
14 account when necessary to protect the state's security interest in
15 collateral on loans made by the department, or to defray expenses
16 incurred during foreclosure proceedings after a default by an obligor.

17 * Sec. 15. AS 44.33.245(a) is amended to read:

18 (a) The department may

19 [(1) MAKE LOANS FOR THE CONSTRUCTION, RENOVATION, AND
20 EQUIPPING OF CHILD CARE FACILITIES, INCLUDING PRIVATE NONPROFIT CHILD
21 CARE FACILITIES;

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

24 * Sec. 16. AS 44.33.255(d) is amended to read:

25 (d) All principal and interest payments, and all money charge-
26 able to principal or interest that is collected through liquidation by
27 foreclosure or other process on loans made under AS 44.33.240 - 44.-
28 33.275, shall be paid into the child care facility revolving loan
29 fund.

- 1 * Sec. 17. AS 44.33.255(d) is repealed and reenacted to read:
2 (d) All principal and interest payments, and all money charge-
3 able to principal or interest that is collected through liquidation by
4 foreclosure or other process on loans made under AS 44.33.240 - 44.-
5 33.275, shall be paid into the general fund.
- 6 * Sec. 18. AS 45.88.030(d) is amended to read:
7 (d) Upon repayment of loans by installments, or otherwise, in
8 accordance with the prescribed terms, or upon liquidation by foreclo-
9 sure or other process, or upon receipt of interest, the money so
10 received [ALL PRINCIPAL AND INTEREST PAYMENTS ON LOANS MADE UNDER THIS
11 CHAPTER] shall be paid into the alternative energy revolving loan
12 fund.
- 13 * Sec. 19. AS 45.88.030(d) is repealed and reenacted to read:
14 (d) Upon repayment of loans by installments, or otherwise, in
15 accordance with the prescribed terms, or upon liquidation by foreclo-
16 sure or other process, or upon receipt of interest, the money so
17 received shall be paid into the general fund.
- 18 * Sec. 20. AS 45.89.030(h) is amended to read:
19 (h) Upon repayment of loans by installments, or otherwise, in
20 accordance with the prescribed terms, or upon liquidation by foreclo-
21 sure or other process, or upon receipt of interest, the money so
22 received [AMOUNTS REPAID ON A LOAN MADE UNDER THIS SECTION] shall be
23 deposited to the residential energy conservation fund.
- 24 * Sec. 21. AS 45.89.030(h) is repealed and reenacted to read:
25 (h) Upon repayment of loans by installments, or otherwise, in
26 accordance with the prescribed terms, or upon liquidation by foreclo-
27 sure or other process, or upon receipt of interest, the money so
28 received shall be deposited to the general fund.
- 29 * Sec. 22. AS 45.90.010 is amended to read:

1 Sec. 45.90.010. CREATION OF A TOURISM REVOLVING FUND. There is
2 created in the Department of Commerce and Economic Development a
3 tourism revolving fund. All principal and interest payments, and all
4 money chargeable to principal or interest that is collected through
5 liquidation by foreclosure or other process on loans made under this
6 chapter, shall be paid into the tourism revolving fund.

7 * Sec. 23. AS 45.90.010 is repealed and reenacted to read:

8 Sec. 45.90.010. LOAN REPAYMENTS. All principal and interest
9 payments, and all money chargeable to principal or interest that is
10 collected through liquidation by foreclosure or other process on loans
11 made under this chapter, shall be paid into the general fund.

12 * Sec. 24. AS 45.95.020(d) is amended to read:

13 (d) [MONEY LOANED SHALL BE DELIVERED TO THE BORROWER IN THE FORM
14 OF A WARRANT DRAWN ON THE TREASURY, VOUCHERED IN THE MANNER PRESCRIBED
15 FOR STATE DISBURSING OFFICERS, AND CHARGED AGAINST THE SMALL BUSINESS
16 REVOLVING LOAN FUND. EACH VOUCHER SHALL BE APPROVED BY THE COMMIS-
17 SIONER OR ANY BONDED DEPUTY AUTHORIZED TO ACT AS A CERTIFYING OFFI-
18 CER.] Upon repayment of loans by installments, or otherwise, in
19 accordance with the prescribed terms, or upon liquidation by foreclo-
20 sure or other process, or upon receipt of interest [OR OTHER REVENUE],
21 the money so received shall be turned over to the commissioner of
22 revenue for deposit in the small business revolving loan fund.

23 * Sec. 25. AS 45.95.020(d) is repealed to reenacted to read:

24 (d) Upon repayment of loans by installments, or otherwise, in
25 accordance with the prescribed terms, or upon liquidation by foreclo-
26 sure or other process, or upon receipt of interest, the money so
27 received shall be turned over to the commissioner of revenue for
28 deposit in the general fund.

29 * Sec. 26. AS 45.98.010 is amended to read:

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

9 * Sec. 27. AS 45.98.010 is repealed and reenacted to read:

10 Sec. 45.98.010. LOAN REPAYMENTS. Upon repayment of loans made
11 under this chapter by installments, or otherwise, in accordance with
12 the prescribed terms, or upon liquidation by foreclosure or other
13 process, or upon receipt of interest, the money so received shall be
14 deposited to the general fund.

15 * Sec. 28. AS 45.98.030 is amended to read:

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

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

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

23 (2) [(3) IN CONSULTATION WITH THE HISTORIC SITES ADVISORY
24 COMMITTEE,] adopt regulations necessary to carry out its functions [,
25 INCLUDING REGULATIONS FOR THE PROCESS OF PLAN APPROVAL BY THE COMMIT-
26 TEE];

27 (3) [(4)] establish amortization plans for the repayment of
28 loans not to exceed 30 years.

29 * Sec. 29. AS 16.10.320(b), 16.10.520(c), 16.10.520(e), 16.10.540;

1 AS 26.15.010(b), 26.15.010(c), 26.15.030(c)(6), 26.15.030(c)(7), 26.15.-
2 040(a), 26.15.040(b), 26.15.040(c), 26.15.050, 26.15.060, 26.15.130, 26.-
3 15.140, 26.15.160; AS 41.30; AS 41.98.175(b), 41.98.175(c); AS 44.33.-
4 020(5), 44.33.245(b), 44.33.255(a), 44.33.255(b), 44.33.255(c), 44.33.260;
5 AS 45.88.020(a)(1), 45.88.020(b), 45.88.020(c), 45.88.030(a), 45.88.030(b),
6 45.88.030(c), 45.88.030(e), 45.88.500; AS 45.89.030(a), 45.89.030(b),
7 45.89.030(c), 45.89.030(d), 45.89.030(e), 45.89.030(f), 45.89.030(g),
8 45.89.030(i), 45.89.030(j), 45.89.030(k), 45.89.500(3), 45.89.500(4);
9 AS 45.90.020(a)(1), 45.90.020(a)(4), 45.90.020(b), 45.90.030; AS 45.92;
10 AS 45.94; AS 45.95.010(b), 45.95.010(c), 45.95.020(a), 45.95.020(e); 45.-
11 95.030, 45.95.070; AS 45.98.020, 45.98.040(1), 45.98.040(2), 45.98.040(3);
12 45.98.040(4); and secs. 3 - 4, ch. 156, SLA 1984, are repealed.

13 * Sec. 30. AS 26.15.090, 26.15.095; AS 44.33.240, 44.33.242; AS 45.-
14 88.010, 45.88.015; AS 45.89.010, 45.89.015; AS 45.90.015; AS 45.95.060,
15 45.95.065; and AS 45.98.015 are repealed.

16 * Sec. 31. Sections 1 - 9, 11 - 13, 15, 16, 18, 20, 22, 24, 26, 28, and
17 29 of this Act take effect immediately under AS 01.10.070(c).

18 * Sec. 32. Sections 10, 14, 17, 19, 21, 23, 25, 27, and 30 of this Act
19 take effect July 1, 1989.