

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2

HOUSE BILL NO. 419

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act establishing the community economic disaster
7 revolving loan fund; and providing for an effective
8 date."

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

10 * Section 1. AS 44.47 is amended by adding a new section in article 2
11 to read:

12 Sec. 44.47.060. COMMUNITY ECONOMIC DISASTER REVOLVING LOAN FUND.

13 (a) There is established in the Department of Community and Regional
14 Affairs the community economic disaster revolving loan fund, consist-
15 ing of appropriations by the legislature and repayments of principal
16 of loans made from the loan fund. The commissioner may make loans
17 from the fund to a municipality, or, in the case of an unincorporated
18 community, to a qualified entity, for the purpose of assisting a
19 community to overcome an economic disaster.

20 (b) A loan made from the fund is subject to the terms estab-
21 lished by regulations adopted by the commissioner. Except as provided
22 in (c) of this section, the total amount of all loans made from the
23 fund to a municipality or unincorporated community in one state fiscal
24 year may not exceed 50 percent of the aid provided to that municipali-
25 ty or community under AS 29.60.010 -- 29.60.375 for the state fiscal
26 year ending June 30, 1987.

27 (c) The total amount of all loans made from the fund to a munic-
28 ipality or unincorporated community that did not receive aid under
29 AS 29.60.010 -- 29.60.375 for the state fiscal year ending June 30,

1 1987, may not exceed \$50,000 in one state fiscal year.

2 (d) The department shall adopt regulations to implement this
3 section.

4 (e) In this section,

5 (1) "economic disaster" means the occurrence or imminent
6 threat of an event that adversely affects the financial condition of a
7 municipality or unincorporated community so that the ability of the
8 municipality or community to provide residents with essential services
9 or perform functions assigned by law or required by contract is sub-
10 stantially impaired;

11 (2) "fund" means the community economic disaster revolving
12 loan fund;

13 (3) "qualified entity" means an incorporated nonprofit
14 entity or a Native village council;

15 (4) "unincorporated community" means a place in the unorga-
16 nized borough that is not incorporated as a city and in which 25 or
17 more persons reside as a social unit.

18 * Sec. 2. This Act takes effect July 1, 1988.