

Offered: 4/22/88
Referred: Judiciary and
Finance

5-0900L

Original sponsors: Coghill, Fahrenkamp,
Bennett and Faiks

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 200 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act amending the mining loan fund law."
7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
8 * Section 1. AS 27.09.040(a) is amended to read:
9 (a) A loan granted under this chapter
10 (1) may not exceed \$5,000,000;
11 (2) may not exceed a term of 15 years except for an exten-
12 sion or modification under AS 27.09.048;
13 (3) may not bear interest exceeding 10 percent; and
14 (4) may not exceed 75 percent of the appraised value of the
15 collateral used to secure the loan.
16 * Sec. 2. AS 27.09 is amended by adding a new section to read:
17 Sec. 27.09.048. EXTENSION OR MODIFICATION OF LOAN. The depart-
18 ment may grant an extension on a loan or modify the conditions of a
19 loan when the borrower is able to show to the satisfaction of the
20 commissioner that the borrower's opportunity to mine has been adverse-
21 ly affected by circumstances beyond the control of the borrower, such
22 as a poor mining season or legal injunctions against the federal or
23 state government. An extension or modification of the terms of the
24 loan under this section, including a postponement of payments of
25 interest and repayments of principal due under the loan, may not
26 include a reduction in the amount of the interest owed or a cancel-
27 lation of the amount of the interest due under the loan, although the
28 payment of interest and principal under the loan may be extended or
29 postponed beyond the original term of the loan. During the period of

1 an extension, interest continues to accrue.