

BY REP. FINKELSTEIN, Ulmer

1 IN THE HOUSE

2

HOUSE BILL NO. 388

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act establishing a tourism loan fund and repeal-
7 ing the tourism revolving fund; and providing for an
8 effective date."

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

10 * Section 1. AS 45.90 is amended by adding new sections to read:

11 Sec. 45.90.100. ESTABLISHMENT OF TOURISM LOAN FUND. There is
12 created in the Department of Commerce and Economic Development a
13 tourism loan fund. The fund shall be administered by the commis-
14 sioner.

15 Sec. 45.90.110. POWERS AND DUTIES OF THE COMMISSIONER. (a) The
16 commissioner may

17 (1) from annual appropriations made to the loan fund,
18 purchase loans made by financial institutions to persons directly
19 engaged in tourism or visitor travel in order to promote or expand
20 tourism or visitor travel;

21 (2) appoint agents and delegate to them powers consistent
22 with this chapter as necessary; and

23 (3) adopt regulations necessary to carry out the depart-
24 ment's functions under this chapter.

25 (b) Before adopting, amending, or repealing regulations under
26 this chapter, the commissioner shall consult with officials of the
27 state division or department having jurisdiction over tourism.

28 Sec. 45.90.120. LIMITATIONS ON LOANS. (a) A loan that the
29 department purchases under this chapter

- 1 (1) may not exceed \$50,000;
- 2 (2) must be secured by acceptable collateral as security
3 for the loan, and may not exceed 90 percent of the appraised value of
4 the collateral;
- 5 (3) must be participated in by a financial institution in
6 an amount of not less than 10 percent of the amount of the loan; and
- 7 (4) must be amortized in not more than 20 years in accor-
8 dance with a plan of repayment approved by the commissioner.
- 9 (b) The rate of interest charged by the department on a loan
10 that is purchased under this chapter may not exceed
- 11 (1) for a loan bearing a fixed rate of interest, a rate
12 that is two percent higher than the prime rate of interest charged by
13 the participating financial institution on other loans made at the
14 time when the purchased loan was made; and
- 15 (2) for a loan bearing a variable rate of interest, a rate
16 that varies with the change in the rate of interest on the loan and
17 that is two percent higher than the prime rate of interest charged by
18 the participating financial institution for the applicable payment
19 period.
- 20 (c) The financial institution from which the loan is purchased
21 shall administer and service the loan for a reasonable fee not exceed-
22 ing one-half of one percent.
- 23 (d) When a loan is purchased by the department under this chap-
24 ter, the lien of the state is a first lien to the extent of its por-
25 tion of the total loan and the participating financial institution
26 shall have a first lien to the extent of its portion of the total
27 loan.
- 28 Sec. 45.90.130. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
29 FORECLOSURE. The department shall dispose of property acquired

1 through default or foreclosure of a loan made under this chapter.
2 Disposal shall be made in a manner that serves the best interests of
3 the state, and may include the amortization of payments over a period
4 of years.

5 Sec. 45.90.900. DEFINITIONS. In this chapter

6 (1) "commissioner" means the commissioner of commerce and
7 economic development;

8 (2) "department" means the Department of Commerce and
9 Economic Development;

10 (3) "fund" means the tourism loan fund established by
11 AS 45.90.100;

12 (4) "loan" means a loan to a person from the tourism loan
13 fund.

14 * Sec. 2. AS 45.90.010, 45.90.015, 45.90.020, 45.90.030, 45.90.040, and
15 45.90.050 are repealed.

16 * Sec. 3. TERMINATION OF TOURISM REVOLVING FUND. (a) The commissioner
17 of commerce and economic development shall continue to administer the
18 tourism revolving fund, repealed by sec. 2 of this Act, but may not make
19 additional loans under AS 45.90.010 - 45.90.050, repealed by sec. 2 of this
20 Act.

21 (b) On or after the effective date of this Act, when the commissioner
22 of commerce and economic development receives loan payments from borrowers
23 under AS 45.90.010 - 45.90.050, repealed by sec. 2 of this Act, that are
24 not required to meet obligations relating to the administration of the
25 tourism revolving fund incurred by the Department of Commerce and Economic
26 Development before the effective date of this Act, the commissioner shall
27 deposit the money into the general fund.

28 * Sec. 4. This Act takes effect July 1, 1990.