

Original sponsor: Labor and Commerce  
Committee

1 IN THE HOUSE

BY THE LABOR AND  
COMMERCE COMMITTEE

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CS FOR HOUSE JOINT RESOLUTION NO. 37 (L&C)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTEENTH LEGISLATURE - FIRST SESSION

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Requesting repeal or modification of a

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recent order of the Small Business

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Administration so that the agency may

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continue to assist small businesses in

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Alaska through use of loan guarantees.

10 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 WHEREAS, citing excessive demand for loans and a shortage of money to

12 loan, the Small Business Administration recently adopted an order placing a

13 temporary limitation on the use of section 7(a) Small Business Administra-

14 tion loan proceeds for the refinancing of debt; and

15 WHEREAS, under the order, announced in the Small Business Adminis-

16 tration's notice number 5000-242 and valid for the remainder of the federal

17 fiscal year, existing Small Business Administration loans will not be

18 refinanced with new loans, and any restructuring will require that the

19 existing loan will remain outstanding; and

20 WHEREAS small businesses and financial institutions in Alaska are

21 already suffering from the current economic recession; and

22 WHEREAS the state's economic stability depends primarily on the health

23 and productivity of small businesses; and

24 WHEREAS small businesses in Alaska are a major source of stable em-

25 ployment for the citizens of the state; and

26 WHEREAS the restrictions on the ability to refinance loans announced

27 by the Small Business Administration will further delay recovery of small

28 businesses and financial institutions in the state, and the delay and

29 detrimental effect of these changes, including resultant closures, on these

1 businesses will result in a significant loss of employment opportunities  
2 for the citizens of the state;

3 BE IT RESOLVED that the Alaska State Legislature respectfully requests  
4 the Small Business Administration to repeal or modify its recent order so  
5 that the Administration may continue to assist the state's small businesses  
6 through use of loan guarantees in conjunction with refinancing initiatives.

7 COPIES of this resolution shall be sent to the Honorable George Bush,  
8 President of the United States; the Honorable Robert A. Mosbacher, Secre-  
9 tary of the U.S. Department of Commerce; the Honorable James Abdnor, Admin-  
10 istrator of the Small Business Administration; Frank Cox, District Director  
11 for Alaska of the Small Business Administration; and to the Honorable Ted  
12 Stevens and the Honorable Frank Murkowski, U.S. Senators, and the Honorable  
13 Don Young, U.S. Representative, members of the Alaska delegation in Con-  
14 gress.