

1 IN THE SENATE

BY COGHILL AND FRANK

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SENATE BILL NO. 64

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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SIXTEENTH LEGISLATURE - FIRST SESSION

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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:

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(a) A loan granted under this chapter may not

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(1) [MAY NOT] exceed \$5,000,000;

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(2) [MAY NOT] exceed a term of 15 years except for an

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extension or modification under AS 27.09.048;

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(3) [MAY NOT] bear interest exceeding 10 percent; [AND]

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(4) [MAY NOT] exceed 75 percent of the appraised value of

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the collateral used to secure the loan.

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* Sec. 2. AS 27.09 is amended by adding a new section to read:

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Sec. 27.09.048. EXTENSION OR MODIFICATION OF LOAN. The depart-

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ment may grant an extension on a loan or may modify the conditions of

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a loan when a borrower shows that

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(1) the borrower has experienced poor mining seasons; or

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(2) regulations of the state or the federal government that

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regulate the mining operation for which the loan was granted have been

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changed by the state or the federal government and prevent the borrow-

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er from fulfilling the terms of the loan.