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Referred: Community and Regional Affairs
Labor and Commerce and Finance

6-1416E

1 IN THE SENATE

BY KERTTULA, SZYMANSKI
AND BINKLEY

2

SENATE BILL NO. 331

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act authorizing loan refinancing for certain
7 persons affected by the Exxon Valdez oil spill disaster;
8 and providing for an effective date."

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

10 * Section 1. LOAN REFINANCING PROGRAM AUTHORIZED. (a) The provisions
11 of this Act apply to a person who has received a loan in conjunction with
12 the operation of a business and whose property, if it secures the loan, or
13 business operations that are supported by that loan have been or will be
14 detrimentally affected by the oil spill disaster of March 24, 1989.

15 (b) A person who qualifies under (a) of this section may apply to the
16 department for a loan under this Act. To be eligible for relief under this
17 Act, an applicant must apply to the department not later than December 31,
18 1990.

19 * Sec. 2. LOAN REFINANCING PROGRAM. (a) The department shall estab-
20 lish a refinancing loan program. Under the program, the department may
21 refinance loans by purchasing existing loans in order to provide relief to
22 persons qualifying under sec. 1 of this Act under circumstances prescribed
23 by regulations adopted by the department.

24 (b) Subject to (c) of this section, the interest rate on a refinanc-
25 ing loan made under (a) of this section is three percent less than the rate
26 of interest determined by the commissioner to be the prime rate of interest
27 prevailing at the date of issuance of the refinanced loan.

28 (c) If the refinancing loan is an adjustable rate loan, the depart-
29 ment may establish a minimum interest rate applicable to the loan. The

1 interest rate on the adjustable rate refinancing loan may not be less than
2 the minimum interest rate established.

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

4 (e) There is created the oil spill disaster business revolving loan
5 fund to carry out the purpose of this Act. The oil spill disaster business
6 revolving loan fund shall be managed in the same manner as the small busi-
7 ness revolving loan fund established in AS 45.95.060.

8 (f) The commissioner shall administer the loan program authorized by
9 this section so that equity extraction is not allowed.

10 (g) In this section, "refinancing loan" means a loan refinancing
11 another loan given for the operation of a business, whether or not the
12 refinanced loan was made by the department.

13 * Sec. 3. DEFINITIONS. In this Act

14 (1) "commissioner" means the commissioner of commerce and eco-
15 nomic development;

16 (2) "department" means the Department of Commerce and Economic
17 Development;

18 (3) "oil spill disaster" means the disaster following the dis-
19 charge of oil from the oil tanker Exxon Valdez in Prince William Sound
20 beginning March 24, 1989;

21 (4) "person" has the meaning given in AS 01.10.060;

22 (5) "prime rate" has the meaning given in AS 44.88.599.

23 * Sec. 4. This Act is repealed January 1, 1991.

24 * Sec. 5. This Act takes effect immediately under AS 01.10.070(c).