

5/15/75

# COMMITTEE REPORT

## SENATE

Mr. President:

Date 5-15-75

The Committee on FINANCE has had CSHB 173 (Fin) relating to creation of water and electric power resources revolving loan fund under consideration. A Majority of the members of the Committee

- recommends it DO PASS
- recommends it DO NOT PASS
- recommends it DO PASS WITH ATTACHED AMENDMENT(S)
- recommends it BE REPLACED WITH CS FOR 50501111 AND THAT CS FOR 50501111 DO PASS *and approved by committee back with minor changes*
- "and" recommends it BE REFERRED TO THE \_\_\_\_\_ COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>[Signature]</u>	_____
<u>[Signature]</u>	<u>" "</u>	_____
<u>[Signature]</u>	<u>" "</u>	_____

Members NOT concurring in the Majority report:

[Signature] recommends: Do Pass

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_  
Chairman

Original sponsor: Gardiner, Duncan,  
Eliason, et al

Offered: 5/15/75  
Referred: Finance

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 171

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to creation of a water resources  
7 revolving loan fund; and providing for an effective  
8 date."

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

10 \* Section 1. AS 45 is amended by adding a new chapter to read:

11 CHAPTER 86. WATER RESOURCES REVOLVING LOAN FUND.

12 Sec. 45.86.010. FUND ESTABLISHED. There is established as a  
13 separate fund the water resources revolving loan fund. Loans from this  
14 fund are to be used to develop and conserve in the public interest the  
15 water resources of Alaska, using state revenues from mineral development.

16 Sec. 45.86.020. FUND UTILIZATION. (a) Loans from this fund shall  
17 be long term and at low interest, and shall be utilized for capital  
18 improvement projects for hydroelectric generation and water supply.  
19 Loans shall be made to eligible borrowers for new projects, and for  
20 rehabilitation and expansion of existing hydroelectric and water supply  
21 projects if the rehabilitation and expansion is a capital improvement  
22 project.

23 (b) Loans shall be made available for design and construction of  
24 development of potable water supply sources including surface storage  
25 and groundwater sources and transmission of water from surface storage  
26 to the existing distribution system, and development of hydroelectric  
27 generating facilities including transmission of power to the load center.

28 (c) Loans shall be repaid to the fund by the utility from revenue  
29 derived from sales of electric power or water.

1           Sec. 45.86.030. LOAN FUND SOURCE. Receipts from mineral rentals  
2 and royalties and from the Alaska mineral lease bonus permanent fund,  
3 shall be appropriated annually and deposited in the water resources  
4 revolving loan fund.

5           Sec. 45.86.040. ADMINISTRATION OF LOANS. (a) Administration of  
6 the water resources revolving loan fund shall be performed by the Depart-  
7 ment of Commerce which is empowered to adopt procedures and promulgate  
8 the regulations necessary to carry out the provisions of this chapter.

9           (b) The department shall forward all loan applications it recom-  
10 mends for approval to the Water Resources Revolving Loan Fund Committee  
11 which is made up of the commissioner of community and regional affairs,  
12 the commissioner of commerce, the commissioner of administration and the  
13 commissioner of revenue.

14           (c) Priority of loans shall be established by the department and  
15 shall be subject to review by, and appeal to, the Water Resources  
16 Revolving Loan Fund Committee.

17           Sec. 45.86.050. ELIGIBILITY FOR PROJECT LOANS. A public utility is  
18 an eligible borrower for a project loan under this chapter if

19           (1) it is a public utility as defined in AS 42.05.701(2)(A),  
20 and (C);

21           (2) it has been an operating utility in the state for at  
22 least two years or is an entity formed by one or more utilities for the  
23 purpose of construction and operation of the proposed project, each of  
24 which utility has operated in the state for at least two years;

25           (3) The utility can demonstrate in its loan application that  
26 the project is technically feasible and taking into account the low  
27 interest on loans under this chapter is the most economical means of  
28 furnishing the proposed service.

29 \* Sec. 2. This Act takes effect immediately in accordance with

1 AS 01.10.070(c).

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Original sponsor: Gardiner, Duncan,  
Eliason, et al

Offered: 4/23/75  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 171 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to creation of a water and electric  
7 power resources revolving loan fund; and providing for  
8 an effective date."

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

10 \* Section 1. AS 45 is amended by adding a new chapter to read:

11 CHAPTER 86. WATER AND ELECTRIC POWER RESOURCES  
12 REVOLVING LOAN FUND.

13 Sec. 45.86.010. FUND ESTABLISHED. There is established as a  
14 separate fund the water and electric power resources revolving loan  
15 fund. Loans from this fund are to be used to develop and conserve in  
16 the public interest the water and electric power resources of Alaska.

17 Sec. 45.86.020. FUND UTILIZATION. (a) Loans from this fund shall  
18 be long term and at low interest, and shall be utilized for capital  
19 improvement projects for generation of electric power and water supply.  
20 Loans shall be made to eligible borrowers for new projects, and for  
21 rehabilitation and expansion of existing electric power and water supply  
22 projects if the rehabilitation and expansion is a capital improvement  
23 project.

24 (b) Loans shall be made available for design and construction of  
25 development of potable water supply sources including surface storage  
26 and groundwater sources and transmission of water from surface storage  
27 to the existing distribution system, and development of hydroelectric  
28 generating facilities including transmission of power to the load  
29 center.

1 (c) Loans shall be repaid to the fund by the utility from revenue  
2 derived from sales of electric power or water.

3 Sec. 45.86.030. LOAN FUND SOURCE. The fund shall consist of money  
4 appropriated to the water and electric power resources revolving loan  
5 fund. In addition, loans under this chapter are eligible for investment  
6 by the Alaska mineral lease bonus permanent fund as an investment.

7 Sec. 45.86.040. ADMINISTRATION OF LOANS. (a) Administration of  
8 the water and electric power resources revolving loan fund shall be  
9 performed by the Department of Commerce which is empowered to adopt  
10 procedures and promulgate the regulations necessary to carry out the  
11 provisions of this chapter.

12 (b) The department shall forward all loan applications it recom-  
13 mends for approval to the Water and Electric Power Resources Revolving  
14 Loan Fund Committee which is made up of the commissioner of community  
15 and regional affairs, the commissioner of commerce, the commissioner of  
16 administration and the commissioner of environmental conservation and  
17 the commissioner of revenue.

18 (c) Priority of loans shall be established by the department and  
19 shall be subject to review by, and appeal to, the Water and Electric  
20 Power Resources Revolving Loan Fund Committee.

21 Sec. 45.86.050. ELIGIBILITY FOR PROJECT LOANS. A public utility  
22 is an eligible borrower for a project loan under this chapter if

23 (1) it is a public utility as defined in AS 42.05.701(2)(A),  
24 and (C);

25 (2) it has been an operating utility in the state for at  
26 least two years or is an entity formed by one or more utilities for the  
27 purpose of construction and operation of the proposed project, each of  
28 which utility has operated in the state for at least two years;

29 (3) The utility can demonstrate in its loan application that

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the project is technically feasible and taking into account the low interest on loans under this chapter is the most economical means of furnishing the proposed service.

\* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-070(c).