

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 581 (Resources)
 Title An Act relating to the mining loan fund.
 Requested by _____ Date _____

II. FISCAL DETAIL

Agency Affected Commerce & Economic Development
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Division of Business Loans
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		76.9	84.6	93.1	102.4	112.6
200 TRAVEL		10.2	11.2	12.3	13.5	14.9
300 CONTRACTUAL		23.4	25.7	28.3	31.1	34.2
400 COMMODITIES		.8	.9	1.0	1.1	1.2
500 EQUIPMENT		2.8	-0-			
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		114.1	122.4	134.7	148.1	162.9

FUNDING (Thousands of Dollars)

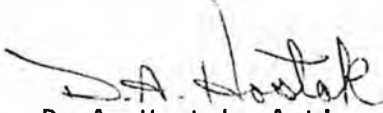
	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		114.1	122.4	134.7	148.1	162.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Fiscal Note detail attached.

IV. DATE May 28, 1981 PREPARED BY  D. A. Hostak, Acting Director
 AGENCY Commerce & Economic Dev., Div. of Business Loans
 PHONE 465-2510
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

FISCAL NOTE DETAIL

CSHB 581 - Mining Loan Fund

100	1 Loan Examiner III, Fairbanks @ \$3,260/mo.		\$ 39.1
	1 Accounting Technician I @ \$1,761/mo.		<u>21.1</u>
	Total Wages		\$ 60.2
	Standard Benefits (Wages x .1555)		9.4
	Supplemental Benefits (Wages x .061)		3.7
	Health Insurance (Man months x \$150)		<u>3.6</u>
	Total Personal Services		\$ 76.9
200	Trips to inspect collateral and close loans:		
	16 trips @ \$500	\$ 8.0	
	32 days per diem @ \$70	<u>2.2</u>	10.2
300	Telephone and Postage	\$ 6.6	
	Printing of Applications, Advertising	1.0	
	Office Space (1 @ \$3,067, 1 @ \$2,700)	5.8	
	Consultant Fees	<u>10.0</u>	23.4
400	Office Supplies		<u>.8</u>
	Twelve Months Operating Cost		\$111.3
500	Equipment:		
	2 Desks @ \$300	.7	
	2 Side Tables @ \$165	.3	
	1 Executive Chair	.2	
	1 Secretarial Chair	.2	
	3 Side Chairs @ \$100	.3	
	2 File Cabinets @ \$325	.7	
	2 Calculators @ \$200	<u>.4</u>	<u>2.8</u>
	TOTAL		\$114.1

Note: If some existing positions phased out per budget, no new equipment would be required.

10% inflation for succeeding years



Alaska State Legislature

House of Representatives

Committee on Resources

Terry Gardiner, Co-Chairman
Fred F. Zharoff, Co-Chairman
465-3715

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: Representative Sam Cotten, Chairman
House Finance Committee

FROM: Representative Terry Gardiner, Co-Chairman
Representative Fred Zharoff, Co-Chairman
House Resources Committee

RE: Technical Amendment to CSHB 581 (Res.)

May 22, 1981

It has come to our attention that an error was made in the drafting of CSHB 581 (Res.) and that the following technical amendment is required:

Page 1, line 28 - change 62.5 to 67.5
Page 2, line 10 - change 62.5 to 67.5

This amendment would correct the bill and bring it into line with the Resources Committee intent.

It was the intent of the Committee that loans granted from the Mining Loan Fund be limited to not more than 90 percent State participation. In addition the Committee intended that the State loan may not exceed 67.5% of the collateral used to secure the loan.

Original sponsor: Resources Committee

Offered: 5/20/81
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 581 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the mining loan fund; and provid-
7 ing for an effective date."

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

9 * Section 1. AS 27.09.010 is amended to read:

10 Sec. 27.09.010. MINING LOAN FUND. There is established in the
11 Department of Commerce and Economic Development the mining loan fund.
12 Subject to the limitations of AS 27.09.040, the [THE] department may
13 make loans from the fund to underwrite advanced mineral exploration,
14 development, or mining in the state. A loan may not be made under this
15 chapter unless the loan applicant demonstrates to the satisfaction of
16 the commissioner that a private lending institution has made or is
17 committed to make a loan to the applicant in an amount of at least 10
18 percent of the principal amount which the applicant seeks to borrow.

19 * Sec. 2. AS 27.09.030(f) is amended to read:

20 (f) Information acquired under this section is confidential and
21 may not be disclosed except to the person who supplied the information,
22 or to a private lending institution considering or making a loan for
23 advanced mineral exploration in conjunction with an application for a
24 loan under this chapter, or except by order of the court.

25 * Sec. 3. AS 27.09.040(a)(1) is amended to read:

26 (1) may not exceed \$1,000,000 [\$5,000,000];

27 * Sec. 4. AS 27.09.040(a)(4) is amended to read:

28 (4) may not exceed 62.5 [75] percent of the appraised value
29 of the collateral used to secure the loan.

1 * Sec. 5. AS 27.09.040(b) is amended to read:

2 (b) A loan may not be made under this chapter if it would result
3 in an outstanding debt of the borrower to the fund in excess of
4 \$1,000,000 [\$5,000,000].

5 * Sec. 6. AS 27.09.040(c)(2) is amended to read:

6 (2) a second priority lien or mortgage which is subordinate
7 to a valid first priority lien or mortgage in favor of a private lend-
8 ing institution if the total of the financing by the private lending
9 institution and by the loan made under this chapter does not exceed
10 62.5 [75] percent of the appraised value of the collateral used to
11 secure the loan.

12 * Sec. 7. This Act takes effect July 1, 1981.
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Introduced: 5/18/81
Referred: Resources and
Finance

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23 (1) may not exceed \$1,000,000 [\$5,000,000];

24 * Sec. 4. AS 27.09.040(a)(4) is amended to read:

25 (4) may not exceed 37.5 [75] percent of the appraised value
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COMMITTEE REPORT

5/20

HOUSE

5/18/81

FURTHER: FINANCE

(11)

Date: MAY 18, 1981

Mr. Speaker:

The Committee on RESOURCES has had HB 581

"An Act relating to the mining loan fund; and providing for an effective date."

under consideration and reports it back as follows:

[] do pass [] do not pass

[] do pass with attached amendments(s)

[] replace with CS for HB 581 (Res) [] same title
new title

and recommends DO PASS

[] AND attaches a "Letter of Intent" [] New Fiscal Note

[] reports it back without recommendation

[] referred to the _____ Committee

MEMBERS SIGNING

DO PASS

Tony Guadagni
Frank P. Johnson
Paul ...
Derron ...
Ben ...
D. Smith

MEMBERS HAVING

OTHER RECOMMENDATIONS:

Tom ... No Rec
Eric ... No Rec
R. B. ... No Rec
Rich ... No Rec
R. Barnes ... No Rec

Tony Guadagni
CO-CHAIRMAN
Frank P. Johnson

Chenoweth
12-1733

Original sponsor: Resources Committee

Offered: 5/20/81
Referred: Finance

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Chenoweth
12-1733

Introduced: 5/16/81
Referred: Resources and
Finance

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ALASKA STATE LEGISLATURE

TWELFTH... Legislature FIRST... Session

HOUSEBILL..... NO. ...581.

By THE RESOURCES COMMITTEE...

An Act relating to the mining loan fund; and providing for an effective date."

Mining loan fund

Introduced in the House ..5/18..., 19.81

HISTORY IN THE HOUSE

19 81

May 18

Read first time and referred to Committee on

Resources and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Concurred in Senate amendment thus adopting:
VOTE

Failed to concur in Senate amendment; asked Senate to recede
VOTE

Senate receded from amendment
VOTE

Senate failed to recede from amendment
VOTE

CC appointed by House

CC appointed by Senate

CC adopted by House
VOTE

CC adopted by Senate
VOTE

To enrolling
Reported correctly enrolled
Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.