

SCOMM

#34:9

STATE OF ALASKA
FISCAL NOTE

APR 27 1983

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: HB 208
Title: Small Business Loans
Sponsor: Duncan, Miller, Clocksin & Koponen
Requestor:

II. FISCAL DETAIL

Commerce &
Agency Affected: Economic Development
Program Category Affected: Development
BRU, Program of Subprogram(s) Affected:
Loans & Veterans' Affairs

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		205.9	218.3	231.4	245.3	260.0
200 TRAVEL		19.4	20.6	21.8	23.1	24.5
300 CONTRACTUAL		10.8	11.4	12.1	12.8	13.6
400 COMMODITIES		2.6	1.0	1.1	1.2	1.3
500 EQUIPMENT		26.1	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES		13.5	14.3	15.2	16.1	17.1
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		278.3	265.6	281.6	298.5	316.5
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	278.3	265.6	281.6	298.5	316.5
FEDERAL FUNDS					
OTHER (Specify Source)					

POSITIONS:

FULL-TIME	5	5	5	5	5
PART-TIME					
TEMPORARY					

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: D. A. Hostak
Division: Loans & Veterans' Affairs
Approved by Commissioner: Richard A. Lyon
Department: Commerce & Economic Development

Phone: 465-2510
Date: 4-5-83
Date: 4/22/83

Distribution:

Original to Legislative Finance
Copy to Office of Management and Budget (for Legislature introduced bills)
Copy to Department (for Governor introduced bills)
Copy to Sponsor
Copy to Requestor (if different from Sponsor)

3/8/83

HB Fiscal Note Analysis

Provides for three Loan Examiner III positions, a Loan Closer I and an Accounting Tech I. The loan examiner positions would be responsible for processing loan applications. The loan closer position would handle the documentation and loan closings and the accounting position would handle the loan set-up, accounting and payment processing. These positions are based on the assumption that there will be an open-ended appropriation. All figures are based on a 6% inflation increase per year. FY '85 figures are lower than FY '84 due to the elimination of one-time expenditures for equipment and commodities.

1.	POSITION TITLE Accounting Technician I				RANGE/STEP 12 A	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPRDV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				AMOUNT					
	1		2		3					
	PERSONAL SERVICES									
5.	Salary	1,889/mo.	22,668							
6.	Benefits		3,514							
7.	Supplemental Benefits		1,390							
8.	Fixed Benefits		2,880							
9.	TOTAL PERSONAL SERVICES		01	30,452						
10.	Travel		02							
11.	Contractual		03							
12.	Commodities		04	520						
13.	Equipment		05	5,089						
14.	Other	Space Rental		2,700						
15.	TOTAL COST			38,761						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		38,761						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
4A KEY NUMBER - - - - -										

**13 REQUEST FOR
NEW POSITION**

AGENCY Commerce & Economic Development

PROGRAM Economic Development

BRU Loans & Veterans' Affairs

COMPONENT _____

FY 84

Page 1 of 5

Revised Date _____

1.	POSITION TITLE Loan Closer I	RANGE/STEP 10 A	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.		
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT		
3.	CONTINUATION LEVEL	ADDITION	JUSTIFICATION						
4.	TYPE OF EXPENDITURE							AMOUNT	
	1	2						3	
	PERSONAL SERVICES								
5.	Salary	1,673/mo.						20,076	
6.	Benefits							3,112	
7.	Supplemental Benefits							1,231	
8.	Fixed Benefits							2,880	
9.	TOTAL PERSONAL SERVICES	01						27,299	
10.	Travel	02						6,840	
11.	Contractual	03						1,450	
12.	Commodities	04						520	
13.	Equipment	05						5,089	
14.	Other	Space Rental						2,700	
15.	TOTAL COST							43,898	
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts 1002							
17.		G.F. Match 1003							
18.		General Funds 1004		43,898					
19.		I-A Receipts 1005							
20.		Program Receipts 1028							
21.		Other							
FOR B&M USE ONLY									
4A KEY NUMBER									

**13 REQUEST FOR
NEW POSITION**

AGENCY Commerce & Economic Development

PROGRAM Economic Development

BRU Loans & Veterans' Affairs

COMPONENT _____

Page 2 of 5

Revised Date _____

FY 84

1.	POSITION TITLE Loan Examiner III				RANGE/STEP 19 A	BARG. UNIT G	FORM 12 PAGE/LINE	COV.	APPRDV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				AMOUNT					
	1		2		3					
	PERSONAL SERVICES									
5.	Salary	3,475/mo.	41,700							
6.	Benefits		6,464							
7.	Supplemental Benefits		2,556							
8.	Fixed Benefits		2,880							
9.	TOTAL PERSONAL SERVICES		01		53,600					
10.	Travel		02		4,204					
11.	Contractual		03		3,103					
12.	Commodities		04		520					
13.	Equipment		05		5,300					
14.	Other	Space Rental			2,700					
15.	TOTAL COST				69,427					
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		69,427						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
4A KEY NUMBER										

**13 REQUEST FOR
NEW POSITION**

AGENCY Commerce & Economic Development

PROGRAM Economic Development

BRU Loans & Veterans' Affairs

COMPONENT _____

FY 84

Page 3 of 5

Revised Date _____

1.	POSITION TITLE Loan Examiner III				RANGE/STEP 19 A	BARC. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEC.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				AMOUNT					
	1		2		3					
	PERSONAL SERVICES									
5.	Salary 3,041/mo.		36,492							
6.	Benefits		5,656							
7.	Supplemental Benefits		2,237							
8.	Fixed Benefits		2,880							
9.	TOTAL PERSONAL SERVICES		01		47,265					
10.	Travel		02		4,204					
11.	Contractual		03		3,103					
12.	Commodities		04		520					
13.	Equipment		05		5,300					
14.	Other Space Rental				2,700					
15.	TOTAL COST				63,092					
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004			63,092					
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
4A KEY NUMBER										

**13 REQUEST FOR
NEW POSITION**

AGENCY Commerce & Economic Development

PROGRAM Economic Development

BRU Loans & Veterans' Affairs

COMPONENT _____

Page 4 of 5

Revised Date _____

FY 84

____ BILL NO. ____
IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE - FIRST SESSION
A BILL

For an Act entitled: "An Act providing for a Small Business Development
Loan program for certain small businesses."

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

* Section 1. AS 45.95 is amended by adding new sections to read:

FILE COPY

Sec. 45.95.025. Small business development loans. (a) The commissioner shall, under regulations and policies adopted by him, make or participate with an Alaska financial institution in making, small business development loans for the purposes of acquiring, refinancing, operating and equipping businesses, excluding farming, mining and fishing, not to exceed \$100,000. The loans shall be secured by acceptable collateral and may not exceed 80 percent of the fair market value of the collateral offered as security. The rate of interest shall be equal to the Federal Discount Rate in effect on the first day of the month prior to the date of closing the loan plus three points and shall be adjusted annually.

(b) Money loaned shall be delivered to the borrower as provided under regulations and policies adopted by the commissioner. Upon repayment of loans by installments, or otherwise, in accordance with the prescribed terms, or upon liquidation by foreclosure or other process, or upon receipt of interest or other revenue, the money so received shall be turned over to the commissioner of revenue for deposit in the small business development revolving loan fund.

(c) The commissioner may not disqualify an applicant for, or prejudice an applicant's privilege to receive, a loan for any authorized purpose solely because the applicant already has received a loan under this chapter provided the total original loan amounts all outstanding loans does not exceed the stipulated maximum loan amount.

Sec. 45.95.055. POWER OF COMMISSIONER TO ASSIGN AND SELL MORTGAGES. The commissioner may assign and sell small business development loan mortgages to the Alaska Permanent Fund, Alaska Department of Revenue, any bank or any other private purchaser in consideration of receiving its cash, bonds, debentures and notes upon conditions which he considers advantageous to the state small business development lending program.

Sec. 45.95.065. CREATION OF FUND. There is created the small business development revolving loan fund to carry out the purposes of this chapter. This fund shall be used for no other purpose.

Sec. 45.95.075. ELIGIBILITY FOR LOANS. A small business is eligible for a loan under this chapter if it

(1) can demonstrate capacity for financial responsibility and the ability to provide sufficient collateral; and

(2) in the judgment of the commissioner

(A) the business shows a definite potential for growth;

(B) the borrower will be able to repay the loan; and

(C) the loan will potentially create more jobs and provide additional services in the community.

Sec. 45.95.085. DEFINITIONS. In this chapter

(1) "commissioner" means the commissioner of commerce and economic development; and

(2) "small business" means a sole proprietorship, partnership or corporation operating solely within the state which is not a subsidiary of another business and which employs ten or less full time employees.

* Section 2. AS 45.95.020, and 45.95.050 - 45.95.080 are repealed.

* Section 3. This Act takes effect immediately in accordance with AS 01.10.070(c).