

COMMITTEE REPORT  
SENATE

FURTHER:

4/29/85

Date 5/1/85

Mr. President

The Committee on FINANCE considered SB 279

Special Appropriations for Economic Development and  
Construction and Employment Development in the Economic Development  
Fund and the Commercial Industry Involvement Fund; 1985.

and (a majority of the committee) (the committee) reports it back with  
the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/~~or adopt~~ CS for SB 279 (Finance)
- new title
- ~~same title and recommends~~ individual recommendations
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTES
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

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Chairman

\_\_\_\_\_  
Chairman recommendation

Offered: 4/29/85  
Referred: Finance

Original sponsor: Resources Committee

1 IN THE SENATE

*Finance*  
BY THE RESOURCES COMMITTEE

2

CS FOR SENATE BILL NO. 279 (*Finance*) (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act transferring and appropriating certain loans  
7 to the economic development fund and the commercial  
8 fishing revolving loan fund; and providing for an  
9 effective date."

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

11 \* Section 1. (a) All right, title, and interest in loans of the type  
12 described in (b) of this section, and all right, title, and interest in all  
13 mortgages, notes, and other instruments of security made in connection with  
14 those loans, purchased or acquired by the Department of Revenue and held in  
15 the general fund on July 1, 1985, are transferred and appropriated to the  
16 economic development fund (AS 44.88.172) of the Alaska Industrial Develop-  
17 ment Authority for the DeLong Mountain transportation projec. However, if  
18 the amount in unpaid principal of the loans exceeds \$112,000,000 as of  
19 July 1, 1985, only loans and instruments of security totaling \$112,000,000  
20 in unpaid principal are transferred and appropriated under this section.

21 (b) This section transfers and appropriates

- 22 (1) veterans loans acquired or made under AS 26.15;  
23 (2) small business loans acquired or made under AS 45.95;  
24 (3) tourism loans acquired or made under AS 45.90;  
25 (4) fisheries enhancement loans acquired or made under AS 16.10;  
26 (5) child care loans acquired or made under AS 44.33; and  
27 (6) historical district loans acquired or made under AS 45.98.

28 \* Sec. 2. All right, title, and interest in commercial fishing loans  
29 acquired or made under AS 16.10.300 - 16.10.370 and all right, title, and

1 interest in all mortgages, notes and other instruments of security made in  
2 connection with those loans, purchased or acquired by the Department of  
3 Revenue and held in the general fund on July 1, 1985, are transferred and  
4 appropriated from the general fund to the commercial fishing revolving loan  
5 fund (AS 16.10.340) for the purposes of AS 16.10.300 - 16.10.370. However,  
6 if the amount in unpaid principal of the loans exceeds \$30,000,000 as of  
7 July 1, 1985, only loans and instruments of security totaling \$30,000,000  
8 in unpaid principal are transferred and appropriated under this section.

9 \* Sec. 3. All right, title, and interest in loans that are not secured  
10 by limited entry permits in an amount equal to the principal balance of  
11 loans appropriated under sec. 2 of this Act, and all right, title, and  
12 interest in all mortgages, notes and other instruments of security made in  
13 connection with those loans, are transferred and appropriated from the  
14 commercial fishing revolving loan fund (AS 16.10.340), the small business  
15 revolving loan fund (AS 45.95.060), and the Alaska World War II Veterans'  
16 revolving fund (AS 26.15.090) to the economic development fund (AS 44.88.-  
17 172) of the Alaska Industrial Development Authority for the DeLong Mountain  
18 transportation project.

19 *Insert new 3005. 445*  
\* Sec. 4. The appropriation made by sec. 2 of this Act is for capitali-  
20 zation of a loan fund and does not lapse in accordance with AS 37.25.010.

21 \* Sec. 5. The appropriations made by secs. 1 and 3 of this Act are for  
22 a capital project and are subject to AS 37.25.020.

23 \* Sec. 6. This Act takes effect on the effective date of an Act enti-  
24 tled "An Act relating to the authorization of bonds or notes for the DeLong  
25 Mountain transportation project, establishing conditions under which the  
26 bonds or notes may be issued; and providing for an effective date."

Amendment to SB279

A BILL

For an Act entitled: "An Act \_\_\_\_\_; and providing for an effective date."

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

\* Section 1. <sup>H</sup> The sum of \$12,000,000 is appropriated from the multifamily housing loans security fund (AS 44.38.156) to the economic development fund (AS 44.38.172) for the purpose of financing the DeLong Mountain transportation project.

\* Sec. 2. <sup>5</sup> ~~This Act takes effect on the date that the board of directors of the Alaska Industrial Development Authority adopts a resolution which provides that there exists a surplus of at least \$12,000,000 in the multifamily housing loans security fund, and that the funds are available for transfer to the economic development fund.~~ *The appropriation made in Sec. 4 takes*

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST  
 Bill/Resolution No.: SB 279  
 Title: Special approp. to econ. development fund of AIDA.  
 Sponsor: Resources Committee  
 Requestor: \_\_\_\_\_  
 Date of Request: 4/16/85

FISCAL DETAIL  
 Agency Affected: Commerce & Econ. Dev.  
 Program Category Affected: Economic Development  
 BRU, Program or Subprogram(s) Affected: Accounting & Collections

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		6.8				
400 SUPPLIES						
500 EQUIPMENT						
500 L. D & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	6.8	-0-	-0-	-0-	-0-
<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
<b>REVENUE</b>	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER Interagency receipts	-0-	6.8	-0-	-0-	-0-	-0-
<b>TOTAL</b>	-0-	6.8	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

See attached.

Prepared By: Margaret I. Hamley, Director Phone: 465-2555  
 Division: Accounting & Collections Date: 4-19-85  
 Approved by Commissioner: Loren H. Lounsbury Date: 4/19/85  
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

SB 279

Approximately 2,600 loans will be affected by the reappropriations proposed in SB 279.

The following assumptions are made:

- Effective date is July 1, 1985.
- AIDA will not service the transferred loans.
- Division of Accounting & Collections will continue to service these loans under contract with AIDA. If this legislation is enacted, service fees currently received from the Department of Revenue will be received from AIDA instead. There will be a net zero fiscal impact for the service fee portion of this fiscal note as the service fees retained by the Department of Commerce and Economic Development will remain the same.

Given these assumptions:

- the ability of the loan funds to meet future loan demand is not affected.
- effect on borrowers would be minimal; an information letter and new payment cards would be mailed to borrowers. Changes in policy are not anticipated.
- FY '86 budget requests for Division of Accounting & Collections and Division of Investments would not be affected. (Cash flow from these loans is remitted to the investor on a monthly basis, net of service fees, late fees, NSF fees and application and assumption fees which are retained by the fund. Veterans and commercial fish fees are appropriated by the Legislature to fund operating efforts in Division of Accounting & Collections and Division of Investments.)

Operating costs that will be incurred:

Contractual

Postage for information letter 2,500 x .22 ea. =	\$ 550
Postage for payment cards 1,800 x .71 ea. (bulk rate) = 700 x .18 ea. (bulk rate) =	1,278 126
Increased long distance charges Estimated 20% of borrowers will contact the division with additional inquiries/questions 560 calls x 5 minutes (ave. \$4.25)	2,380
Filing fees for assignment of First Preferred Ship Mortgage for commercial fish portfolio 500 filings x \$5.00 ea.	<u>2,500</u>

TOTAL

\$6,834

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date \_\_\_\_\_

REQUEST

Bill/Resolution No: SB 279  
 Title: Appropriations to AIDA Economic Development Fund  
 Sponsor: Resources  
 Requestor: Senate Resources  
 Date of Request: April 12, 1985

FISCAL DETAIL

Agency Affected: General Fund  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program of Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	-	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>CASH FLOW</u>	-	(17,800)	(17,300)	(16,500)	(14,900)	(14,300)

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	(17,800)	(17,300)	(16,500)	(14,900)	(14,300)
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker *MB*  
 Division: Treasury

Phone: 465-2350  
 Date: April 12, 1985

Approved by Commissioner: *[Signature]*  
 Agency: Department of Revenue

Date: 4/16/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

SB 279  
Fiscal Note Analysis

The cash flow figures shown in the fiscal note reflect the reduction in general funds available for appropriation arising from SB 279. These figures are based on the scheduled loan payments shown in the attached Table I after netting out service fees as calculated in Table II. Table II also provides a breakdown of the reduction into interest and principal.

Due to loan prepayments, actual receipts may be greater than scheduled in early years and less than scheduled in later years. This is the main reason why the FY 86 budget actually contains \$31.3 million estimated loan cash flow, made up of \$13.3 million interest and \$18 million principal. The difference between the budget estimate and scheduled cash flow for FY 86, which is \$13.5 million, will be a downward adjustment to ~~the~~ next revenue estimates in June.

Table I

General Fund Loans to be Appropriated to AIDA  
 Estimated Cash Flow (Principal and Interest)  
 (\$ 000)

Fiscal Year	Veterans	Small Business	Commercial Fish	Tourism	Child Care	Historical District	Fisheries Enhancement	Total
1986	9,247	2,855	6,105	308	5	22	N/A	18,542
1987	9,034	2,783	5,786	308	4	22		17,937
1988	8,784	2,613	5,409	308	3	22		17,139
1989	8,554	2,404	4,243	308	2	18		15,529
1990	8,379	2,279	3,870	282	1	14		14,825
1991	8,343	2,134	3,233	243		14		13,967
1992	8,042	1,946	2,037	229		14		12,268
1993	7,409	1,551	837	221		14		10,032
1994	6,955	907	214	212		7		8,295
1995	6,851	344	34	208				7,437
1996	6,814	59		201				7,074
1997	6,532			186				6,718
1998	6,174			85				6,259
1999	6,038							6,038
2000	5,998							5,998
2001	5,899							5,899
2002	5,096							5,096
2003	4,254							4,254
2004	4,035							4,035
2005	3,925							3,925
2006	3,865							3,865
2007	3,182							3,182
2008	1,709							1,709
2009	521							521
2010	98							98
2011	20							20
Total	145,758	19,875	31,768	3,099	15	147	6,804 (principal only)	207,466

- This table represents the cash flow to the Department of Commerce and Economic Development. Cash flow to the general fund would be further reduced by .5% service fee on loans serviced by Commerce and .125% service fee to Commerce on loans serviced by banks.
- Cash flow has not been adjusted for delinquency or default. Except for commercial fish non-permit loans, the state expects complete recovery on defaults. Thus, delinquency and default merely produce lags in receipts.

Table II

Scheduled Cash Flow From State Loans  
Held by General Fund  
(\$ Millions)

	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
Balance at Start of Year	135.9	128.7	120.9	113.3	106.8
<u>Interest @ 7.89%</u>					
Service Fee to Commerce @ .5%	.7	.6	.6	.6	.5
General Fund Revenue @ 7.39%	<u>10.0</u>	<u>9.5</u>	<u>8.9</u>	<u>8.4</u>	<u>7.9</u>
Total	10.7	10.1	9.5	9.0	8.4
Principal Repayment	7.8	7.8	7.6	6.5	6.4
Balance at End of Year	128.1	120.9	113.3	106.8	100.4

Original sponsor: Resources Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 279 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act transferring and appropriating certain loans  
7 to the economic development fund and the commercial  
8 fishing revolving loan fund, transferring and appro-  
9 priating money to the economic development fund; and  
10 providing for an effective date."

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

12 \* Section 1. (a) All right, title, and interest in loans of the type  
13 described in (b) of this section, and all right, title, and interest in all  
14 mortgages, notes, and other instruments of security made in connection with  
15 those loans, purchased or acquired by the Department of Revenue and held in  
16 the general fund on July 1, 1985, are transferred and appropriated to the  
17 economic development fund (AS 44.88.172) of the Alaska Industrial Develop-  
18 ment Authority for the DeLong Mountain transportation project. However, if  
19 the amount in unpaid principal of the loans exceeds \$112,000,000 as of  
20 July 1, 1985, only loans and instruments of security totaling \$112,000,000  
21 in unpaid principal are transferred and appropriated under this section.

22 (b) This section transfers and appropriates

- 23 (1) veterans loans acquired or made under AS 26.15;  
24 (2) small business loans acquired or made under AS 45.95;  
25 (3) tourism loans acquired or made under AS 45.90;  
26 (4) fisheries enhancement loans acquired or made under AS 16.10;  
27 (5) child care loans acquired or made under AS 44.33; and  
28 (6) historical district loans acquired or made under AS 45.98.

29 \* Sec. 2. All right, title, and interest in commercial fishing loans

1 acquired or made under AS 16.10.300 - 16.10.370 and all right, title, and  
2 interest in all mortgages, notes and other instruments of security made in  
3 connection with those loans, purchased or acquired by the Department of  
4 Revenue and held in the general fund on July 1, 1985, are transferred and  
5 appropriated from the general fund to the commercial fishing revolving loan  
6 fund (AS 16.10.340) for the purposes of AS 16.10.300 - 16.10.370. However,  
7 if the amount in unpaid principal of the loans exceeds \$30,000,000 as of  
8 July 1, 1985, only loans and instruments of security totaling \$30,000,000  
9 in unpaid principal are transferred and appropriated under this section.

10 \* Sec. 3. All right, title, and interest in loans that are not secured  
11 by limited entry permits in an amount equal to the principal balance of  
12 loans appropriated under sec. 2 of this Act, and all right, title, and  
13 interest in all mortgages, notes and other instruments of security made in  
14 connection with those loans, are transferred and appropriated from the  
15 commercial fishing revolving loan fund (AS 16.10.340), the small business  
16 revolving loan fund (AS 45.95.060), and the Alaska World War II Veterans'  
17 revolving fund (AS 26.15.090) to the economic development fund (AS 44.88.-  
18 172) of the Alaska Industrial Development Authority for the DeLong Mountain  
19 transportation project.

20 \* Sec. 4. The sum of \$12,000,000 is transferred and appropriated from  
21 the multifamily housing loans security fund (AS 44.88.156(h)) to the eco-  
22 nomic development fund (AS 44.88.172) for the purpose of financing the  
23 DeLong Mountain transportation project.

24 \* Sec. 5. The appropriation made by sec. 2 of this Act is for capitali-  
25 zation of a loan fund and does not lapse in accordance with AS 37.25.010.

26 \* Sec. 6. The appropriations made by secs. 1 and 3 of this Act are for  
27 a capital project and are subject to AS 37.25.020.

28 \* Sec. 7. The appropriation made by sec. 4 of this Act is for a capital  
29 project and is subject to AS 37.25.020.

1 \* Sec. 8. Sections 1 - 3, 5 and 6 of this Act take effect on the effec-  
2 tive date of an Act entitled "An Act relating to the authorization of bonds  
3 or notes for the DeLong Mountain transportation project, establishing  
4 conditions under which the bonds or notes may be issued; and providing for  
5 an effective date."

6 \* Sec. 9. Sections 4 and 7 of this Act take effect on the date the  
7 board of directors of the Alaska Industrial Development Authority adopts a  
8 resolution that declares there exists a surplus of at least \$12,000,000 in  
9 the multifamily housing loans security fund (AS 44.88.156(h)) and that  
10 \$12,000,000 is available for transfer to the economic development fund  
11 (AS 44.88.172).

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Rec'd 5/2/85  
After mail  
R/O

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date \_\_\_\_\_

REQUEST

Bill/Resolution No: CSSB 279 (Resources)  
 Title: Appropriations to AIDA Economic  
Development Fund  
 Sponsor: Resources  
 Requestor: Senate Finance  
 Date of Request: April 30, 1985

FISCAL DETAIL

Agency Affected: General Fund  
 Program Category Affected: \_\_\_\_\_  
 BRU, Program of Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
<u>OPERATING</u>						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
<u>TOTAL OPERATING</u>	-	-	-	-	-	-
<u>CAPITAL</u>	-	-	-	-	-	-
<u>CASH FLOW</u>	-	(17,800)	(17,300)	(16,500)	(14,900)	(14,300)

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	(17,800)	(17,300)	(16,500)	(14,900)	(14,300)
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
<u>TOTAL</u>	-	-	-	-	-	-

POSITIONS:

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

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker MB  
 Division: Treasury

Phone: 465-2350  
 Date: May 1, 1985

Approved by Commissioner: [Signature]  
 Agency: Department of Revenue

Date: 5/1/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CS SB 279 (Resources)  
Fiscal Note Analysis

The cash flow figures shown in the fiscal note reflect the reduction in general funds available for appropriation arising from CS SB 279. These figures are based on the scheduled loan payments shown in the attached Table I after netting out service fees as calculated in Table II. Table II also provides a breakdown of the reduction into interest and principal.

Due to loan prepayments, actual receipts may be greater than scheduled in early years and less than scheduled in later years. This is the main reason why the FY 86 budget actually contains \$31.3 million estimated loan cash flow, made up of \$13.3 million interest and \$18 million principal. The difference between the budget estimate and scheduled cash flow for FY 86, which is \$13.5 million, will be a downward adjustment to the next revenue estimates in June.

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2006	3,865							3,865
2007	3,182							3,182
2008	1,709							1,709
2009	521							521
2010	98							98
2011	20							20
<b>Total</b>	<b>145,758</b>	<b>19,875</b>	<b>31,768</b>	<b>3,099</b>	<b>15</b>	<b>147</b>	<b>6,804 (principal only)</b>	<b>207,466</b>

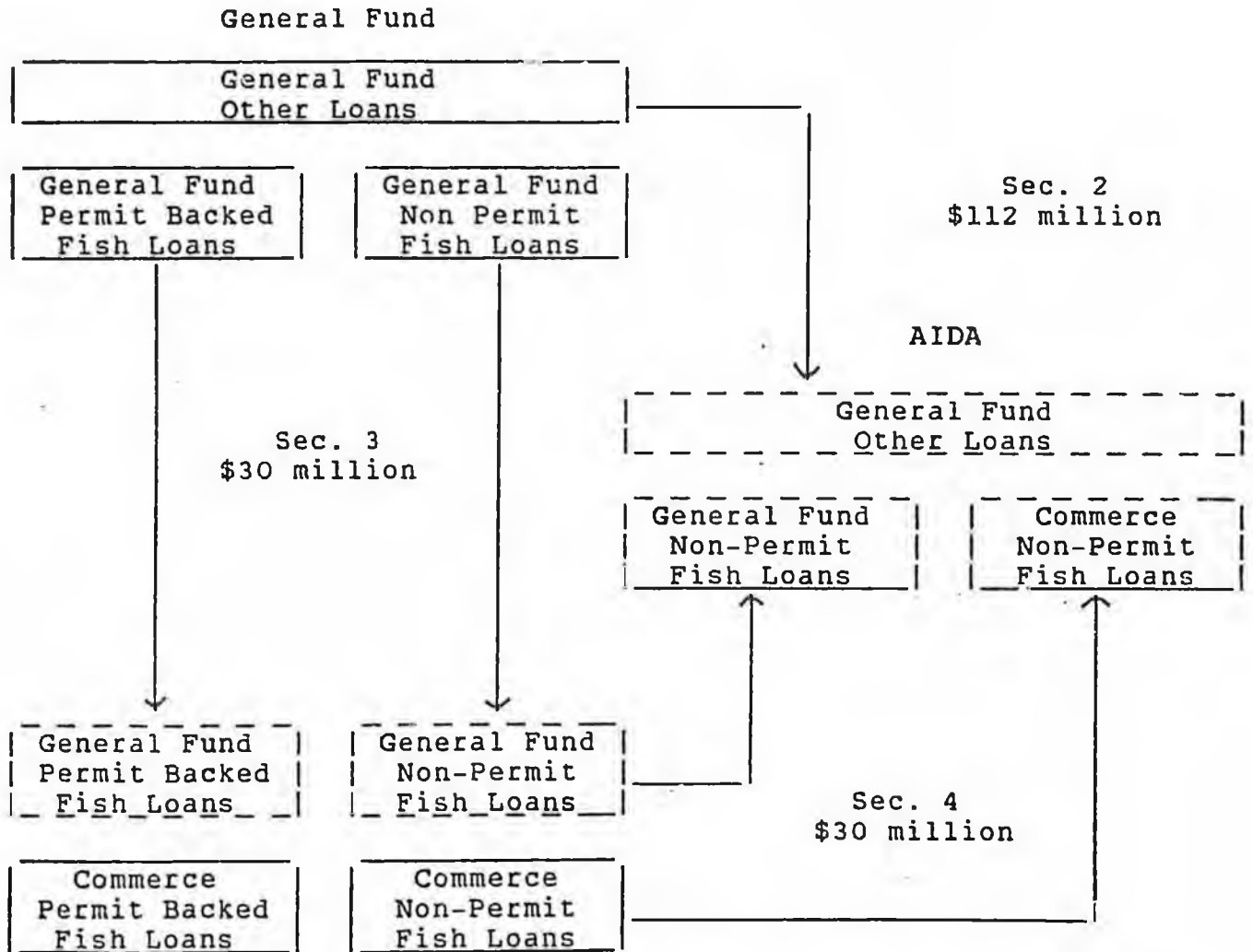
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Table II

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Held by General Fund  
(\$ Millions)

	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
Balance at Start of Year	135.9	128.7	120.9	113.3	106.8
<u>Interest @ 7.89%</u>					
Service Fee to Commerce @ .5%	.7	.6	.6	.6	.5
General Fund Revenue @ 7.39%	<u>10.0</u>	<u>9.5</u>	<u>8.9</u>	<u>8.4</u>	<u>7.9</u>
Total	10.7	10.1	9.5	9.0	8.4
Principal Repayment	7.8	7.8	7.6	6.5	6.4
Balance at End of Year	128.1	120.9	113.3	106.8	100.4

DeLong Mountains Transportation Project  
 Loan Appropriations  
 Administration Proposal



Department of Commerce  
& Economic Development

Offered: 4/29/85  
Referred: Finance

Original sponsor: Resources Committee

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SEN TE BILL NO. 279 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act transferring and appropriating certain loans  
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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 \* Section 1. (a) All right, title, and interest in loans of the type  
12 described in (b) of this section, and all right, title, and interest in all  
13 mortgages, notes, and other instruments of security made in connection with  
14 those loans, purchased or acquired by the Department of Revenue and held in  
15 the general fund on July 1, 1985, are transferred and appropriated to the  
16 economic development fund (AS 44.88.172) of the Alaska Industrial Develop-  
17 ment Authority for the DeLong Mountain transportation project. However, if  
18 the amount in unpaid principal of the loans exceeds \$112,000,000 as of  
19 July 1, 1985, only loans and instruments of security totaling \$112,000,000  
20 in unpaid principal are transferred and appropriated under this section.

21 (b) This section transfers and appropriates

- 22 (1) veterans loans acquired or made under AS 26.15;  
23 (2) small business loans acquired or made under AS 45.95;  
24 (3) tourism loans acquired or made under AS 45.90;  
25 (4) fisheries enhancement loans acquired or made under AS 16.10;  
26 (5) child care loans acquired or made under AS 44.33; and  
27 (6) historical district loans acquired or made under AS 45.98.

28 \* Sec. 2. All right, title, and interest in commercial fishing loans  
29 acquired or made under AS 16.10.300 - 16.10.370 and all right, title, and

1 interest in all mortgages, notes and other instruments of security made in  
2 connection with those loans, purchased or acquired by the Department of  
3 Revenue and held in the general fund on July 1, 1985, are transferred and  
4 appropriated from the general fund to the commercial fishing revolving loan  
5 fund (AS 16.10.340) for the purposes of AS 16.10.300 - 16.10.370. However,  
6 if the amount in unpaid principal of the loans exceeds \$30,000,000 as of  
7 July 1, 1985, only loans and instruments of security totaling \$30,000,000  
8 in unpaid principal are transferred and appropriated under this section.

9 \* Sec. 3. All right, title, and interest in loans that are not secured  
10 by limited entry permits in an amount equal to the principal balance of  
11 loans appropriated under sec. 2 of this Act, and all right, title, and  
12 interest in all mortgages, notes and other instruments of security made in  
13 connection with those loans, are transferred and appropriated from the  
14 commercial fishing revolving loan fund (AS 16.10.340), the small business  
15 revolving loan fund (AS 45.95.060), and the Alaska World War II Veterans'  
16 revolving fund (AS 26.15.090) to the economic development fund (AS 44.88.-  
17 172) of the Alaska Industrial Development Authority for the DeLong Mountain  
18 transportation project.

19 \* Sec. 4. The appropriation made by sec. 2 of this Act is for capitali-  
20 zation of a loan fund and does not lapse in accordance with AS 37.25.010.

21 \* Sec. 5. The appropriations made by secs. 1 and 3 of this Act are for  
22 a capital project and are subject to AS 37.25.020.

23 \* Sec. 6. This Act takes effect on the effective date of an Act enti-  
24 tled "An Act relating to the authorization of bonds or notes for the DeLong  
25 Mountain transportation project, establishing conditions under which the  
26 bonds or notes may be issued; and providing for an effective date."

## SECTIONAL ANALYSIS FOR SENATE BILL 279

An Act transferring and appropriating certain loans to the economic development fund and the commercial fishing revolving loan fund

### Section 1

Currently, the Department of Revenue holds the right, title and interest in loans made for:

- 1) Veterans
- 2) Small Business
- 3) Tourism
- 4) Fisheries Enhancement
- 5) Child Care
- 6) Historical Districts

This section would transfer those loans from the Department of Revenue to the economic development fund of the Alaska Industrial Development Authority for the DeLong Mountain transportation project. However, the unpaid principal of outstanding loans being transferred cannot exceed \$112 million. These loans would then be used by AIDA to capitalize the economic development fund and allow them to sell the bonds or notes stipulated in Senate Bill 280.

### Section 2

Currently the Department of Revenue holds the right, title and interest in loans made for Commercial Fishing in which the collateral for some of those loans is a limited entry permit (held by the borrower). This section would transfer those loans from the Department of Revenue to the Department of Commerce commercial fishing revolving loan fund. However, the unpaid principal of the outstanding loans being transferred cannot exceed \$30 million.

### Section 3

This section transfers the unpaid principal of the Commercial Fishing loans that are not secured by limited entry permits from the Department of Commerce to the economic development fund of AIDA. In addition, it also transfers from Commerce, the unpaid principal of loans made from the small business revolving fund and the World War II veteran revolving fund to the economic development fund of AIDA for the DeLong Mountain transportation project.

### Section 4

Section 2 appropriations are for capitalization of a loan fund and do not lapse.

Section 5

Appropriations in sections 1 and 3 are for capital projects and are therefore valid for the life of the project.

Section 6

Effective date of this act is contingent upon passage of SB 280 which has an effective date of July 1, 1985.

Introduced: 4/11/85  
Referred: Resources  
and Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

SENATE BILL NO. 279

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation to the economic development fund of the Alaska Industrial Development Authority, transferring and appropriating certain loans to the economic development fund and the commercial fishing revolving loan fund; and providing for an effective date."

11

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

13 \* Section 1. The sum of \$18,000,000 is appropriated from the general  
14 fund to the economic development fund (AS 44.88.172) of the Alaska Industrial  
15 Development Authority for the DeLong Mountain transportation project.

16 \* Sec. 2. (a) All right, title, and interest in loans of the type  
17 described in (b) of this section, and all right, title, and interest in all  
18 mortgages, notes, and other instruments of security made in connection with  
19 those loans, purchased or acquired by the Department of Revenue and held in  
20 the general fund on July 1, 1985, are transferred and appropriated to the  
21 economic development fund (AS 44.88.172) of the Alaska Industrial Development  
22 Authority for the DeLong Mountain transportation project. However, if  
23 the amount in unpaid principal of the loans exceeds \$112,000,000 as of  
24 July 1, 1985, only loans and instruments of security totaling \$112,000,000  
25 in unpaid principal are transferred and appropriated under this section.

26 (b) This section transfers and appropriates

27 (1) veterans loans acquired or made under AS 26.15;

28 (2) small business loans acquired or made under AS 45.95;

29 (3) tourism loans acquired or made under AS 45.90;

- 1           (4) fisheries enhancement loans acquired or made under AS 16.10;  
2           (5) child care loans acquired or made under AS 44.33; and  
3           (6) historical district loans acquired or made under AS 45.98.

4       \* Sec. 3. All right, title, and interest in commercial fishing loans  
5 acquired or made under AS 16.10.300 - 16.10.370 that are secured by limited  
6 entry permits, and all right, title, and interest in all mortgages, notes  
7 and other instruments of security made in connection with those loans,  
8 purchased or acquired by the Department of Revenue and held in the general  
9 fund on July 1, 1985, are transferred and appropriated from the general  
10 fund to the commercial fishing revolving loan fund (AS 16.10.340) for the  
11 purposes of AS 16.10.300 - 16.10.370. However, if the amount in unpaid  
12 principal of the loans exceeds \$30,000,000 as of July 1, 1985, only loans  
13 and instruments of security totaling \$30,000,000 in unpaid principal are  
14 transferred and appropriated under this section.

15       \* Sec. 4. All right, title, and interest in commercial fishing loans  
16 that are not secured by limited entry permits, in an amount equal to the  
17 principal balance of loans appropriated under sec. 3 of this Act, and all  
18 right, title, and interest in all mortgages, notes and other instruments of  
19 security made in connection with those loans, are transferred and appropri-  
20 ated from the commercial fishing revolving loan fund (AS 16.10.340) to the  
21 economic development fund (AS 44.88.172) of the Alaska Industrial Develop-  
22 ment Authority for the DeLong Mountain transportation project.

23       \* Sec. 5. The appropriation made by sec. 3 of this Act is for capitali-  
24 zation of a loan fund and does not lapse in accordance with AS 37.25.010.

25       \* Sec. 6. The appropriations made by secs. 1, 2 and 4 of this Act are  
26 for a capital project and are subject to AS 37.25.020.

27       \* Sec. 7. This Act takes effect July 1, 1985.

COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

4/11/85

Date 4/26/85

Mr. President

The Committee on Resources considered SB 279

special appropriation to the economic development fund of AIDA, transferring and appropriating certain loans to the economic development fund and the commercial fishing revolving loan fund; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 279 (Res)
- new title
- ~~same title and~~ recommends individual recommendations
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*Arthur Stupalewski*  
*[Signature]*  
*[Signature]*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS

*2 Rick Halford do not pass*  
*3 [Signature] no rec.*  
 \_\_\_\_\_  
 \_\_\_\_\_

*Arthur Stupalewski*  
 Chairman  
*[Signature]*  
 Chairman recommendation