

S B

200

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY  
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

*House Judiciary:*

*1988 - May 4*

# HOUSE COMMITTEE REPORT

(7)

Date referred: 4/22/88

FURTHER REFERRALS: Finance

DATE: May 4, 1988

The Judiciary Committee has considered CSSB 200(Res)

"An Act amending the mining loan fund law."

**RECOMMENDS:**

- replace with \_\_\_\_\_  the same title
- attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

**ADOPTS:**  \_\_\_\_\_ letter of intent

**ATTACHES NEW FISCAL NOTE(S):**

- fiscal impact  same as previous fiscal note published \_\_\_\_\_
- zero fiscal note  same as previous zero fiscal note published 4/22/88
- zero with analysis

**SIGNING TO PASS:**

*[Handwritten signatures]*

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**SIGNING OTHER RECOMMENDATIONS:**

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Chairman's signature

Original sponsors: Coghill, Fahrenkamp,  
Bennett and Faiks

1 IN THE SENATE BY THE RESOURCES COMMITTEE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 200 (Resources)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act amending the mining loan fund law."

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

8 \* Section 1. AS 27.09.040(a) is amended to read:

9 (a) A loan granted under this chapter

10 (1) may not exceed \$5,000,000;

11 (2) may not exceed a term of 15 years except for an exten-  
12 sion or modification under AS 27.09.048;

13 (3) may not bear interest exceeding 10 percent; and

14 (4) may not exceed 75 percent of the appraised value of the  
15 collateral used to secure the loan.

16 \* Sec. 2. AS 27.09 is amended by adding a new section to read:

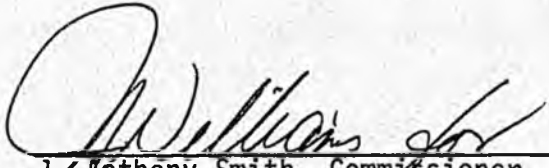
17 Sec. 27.09.048. EXTENSION OR MODIFICATION-OF LOAN. The depart-  
18 ment may grant an extension on a loan or modify the conditions of a  
19 loan when the borrower is able to show to the satisfaction of the  
20 commissioner that the borrower's opportunity to mine has been adverse-  
21 ly affected by circumstances beyond the control of the borrower, such  
22 as a poor mining season or legal injunctions against the federal or  
23 state government. An extension or modification of the terms of the  
24 loan under this section, including a postponement of payments of  
25 interest and repayments of principal due under the loan, may not  
26 include a reduction in the amount of the interest owed or a cancel-  
27 lation of the amount of the interest due under the loan, although the  
28 payment of interest and principal under the loan may be extended or  
29 postponed beyond the original term of the loan. During the period of

HCS CSSB 200 (RESOURCES): "An Act amending the mining loan fund law."

This legislation authorizes the Department of Commerce and Economic Development to grant an extension or modification of a mining loan provided it can be shown that the borrower's opportunity to mine was adversely affected by circumstances beyond the borrower's control. The bill provides that these extensions may exceed a term of 15 years; however, interest continues to accrue during the extension.

This essentially allows the department the ability to extend a loan beyond the current statutory limit of 15 years.

The Department of Commerce and Economic Development supports this bill because of the added flexibility it provides in dealing with delinquent borrowers.

  
J. Anthony Smith, Commissioner  
Department of Commerce and  
Economic Development

Date 5/2/88

GW/dg11565D  
042888a

STATISTICS ON DEFERRED LOAN PROGRAMS  
(Thousands of Dollars)

March 31, 1988

	Veterans	Small Business	Commercial Fish	Tourism	Bulk Fuel	Child Care	Hist Dist	Mining	Alternative Energy	Resid. Energy	Fish Enhance	Power Dev.	Water Resource	Total
<b>COMMITMENTS</b>														
Total No. Loans														
Committed FY 72-88	7,718	1,338	3,356 <sup>3</sup>	59	268	83	12	73	2,944	2,232	148	5	5	18,219
Total Dollar Amount														
Committed FY 72-88	371,795.2	202,529.3	195,225.8 <sup>3</sup>	29,874.7	9,751.8	2,200.6	1,345.4	28,597.4	19,299.6	8,346.5	54,734.5	193,847.0	2,500.0	1,120,047.8
Total No. Loans														
Committed FY 88	-0-	-0-	128 <sup>3</sup>	-0-	20	-0-	-0-	-0-	-0-	-0-	8	-0-	-0-	154
Total Dollar Amount														
Committed FY 88	-0-	-0-	7,389.9 <sup>3</sup>	-0-	754.8	-0-	-0-	-0-	-0-	-0-	2,690.0	-0-	-0-	10,814.7
<b>APPROPRIATIONS</b>														
FY 85	-0-	-0-	3,500.0	-0-	-0-	-0-	-0-	-0-	1,000.0	-0-	5,000.0	210,000.0	-0-	219,500.0
FY 86	-0-	-0-	3,710.0	-0-	-0-	-0-	-0-	-0-	845.0	-0-	612.0	-0-	-0-	5,367.0
FY 87	-0-	-0-	-0-	-0-	64.0	-0-	400.0	-0-	-0-	-0-	-0-	-0-	-0-	464.0
FY 88	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,200.0	-0-	-0-	2,200.0
<b>LOANS OUTSTANDING</b>														
<b>Owned by Fund</b>														
Number of Loans														
Outstanding	24	18	1,464	2	51	36	6	44	1,387	1,062	126	1	1	4,222
Principal Amount														
Outstanding	1,342.4	2,678.0	60,696.0	1,019.9	783.6	1,316.2	969.4	12,119.5	9,438.4	2,385.9	48,221.2	186,104.1	835.9	327,908.5
Average Loan Amount														
Outstanding	55.9	148.7	41.5	510.0	15.4	36.7	161.8	275.4	6.8	2.3	382.7	186,104.1	835.9	77.5
<b>Serviced for AIDEA</b>														
Number of Loans														
Outstanding	1,475	179	253	7	N/A	1	3	N/A	N/A	N/A	11	N/A	N/A	1,929
Principal Amount														
Outstanding	62,486.7	14,822.6	8,009.2	941.3		4.9	80.7				5,909.6			91,935.0
Average Loan Amount														
Outstanding	42.4	81.7	31.7	120.2		4.9	26.9				537.2			47.7
<b>Summary</b>														
Total No. of Loans														
Outstanding	1,499	197	1,717	9	51	37	9	44	1,387	1,062	137	1	1	6,151
Total Principal														
Amount Outstanding	63,800.1	17,298.6	68,705.2	1,861.2	783.6	1,321.1	1,050.1	12,119.5	9,438.4	2,385.9	54,130.8	186,104.1	835.9	419,843.5
<b>DELINQUENCY RATES AND DEFAULT STATISTICS</b>														
<b>Statistics Based on Balances Outstanding</b>														
% Delinquent <sup>1</sup>	6.5%	16.2%	4.7%	5.3%	10.4%	-0-	-0-	42.9%	3.2%	6.7%	0.07%	-0-	-0-	3.9%
% in Default <sup>2</sup>	2.8%	23.5%	4.0%	5.2%	14.1%	18.4%	-0-	44.4%	6.8%	4.9%	2.9%	-0-	-0-	4.6%
<b>Statistics Based on Number of Loans</b>														
% Delinquent <sup>1</sup>	5.7%	17.3%	4.0%	11.1%	9.8%	-0-	-0-	40.9%	3.0%	5.5%	3.7%	-0-	-0-	5.2%
% in Default <sup>2</sup>	2.2%	18.3%	3.0%	22.2%	15.6%	13.5%	-0-	34.0%	6.5%	3.6%	1.5%	-0-	-0-	4.6%

<sup>1</sup> Delinquent is defined as 60 days or more past due, not in litigation.

<sup>2</sup> Default is defined as in litigation.

<sup>3</sup> Prequalifications NOT included

Prepared by: Division of Investments, Accounting Branch

4/12/88

STATISTICS ON DCED LOAN PROGRAMS  
(Thousands of Dollars)

March 31, 1988

	Veterans	Small Business	Commercial Fish	Tourism	Bulk Fuel	Child Care	Hist Dist	Mining	Alternative Energy	Resid. Energy	Fish Enhance	Power Dev.	Water Resource	Total
<b>COMMITMENTS</b>														
Total No. Loans														
Committed FY 72-88	7,118	1,338	3,356 <sup>3</sup>	59	268	63	12	73	2,944	2,232	148	5	5	18,219
Total Dollar Amount														
Committed FY 72-88	371,795.2	202,529.3	195,225.8 <sup>3</sup>	29,874.7	9,751.8	2,200.6	1,345.4	28,597.4	19,299.6	8,346.5	54,734.5	193,847.0	2,500.0	1,120,047.6
Total No. Loans														
Committed FY 88	-0-	-0-	126 <sup>3</sup>	-0-	20	-0-	-0-	-0-	-0-	-0-	8	-0-	-0-	154
Total Dollar Amount														
Committed FY 88	-0-	-0-	7,389.9 <sup>3</sup>	-0-	754.8	-0-	-0-	-0-	-0-	-0-	2,690.0	-0-	-0-	10,814.7
<b>APPROPRIATIONS</b>														
FY 85	-0-	-0-	3,500.0	-0-	-0-	-0-	-0-	-0-	1,000.0	-0-	5,000.0	210,000.0	-0-	219,500.0
FY 86	-0-	-0-	3,710.0	-0-	-0-	-0-	-0-	-0-	845.0	-0-	812.0	-0-	-0-	5,367.0
FY 87	-0-	-0-	-0-	-0-	64.0	-0-	400.0	-0-	-0-	-0-	-0-	-0-	-0-	464.0
FY 88	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,200.0	-0-	-0-	2,200.0
<b>LOANS OUTSTANDING</b>														
<b>Owned by Fund</b>														
Number of Loans														
Outstanding	24	18	1,484	2	51	36	6	44	1,387	1,062	126	1	1	4,222
Principal Amount														
Outstanding	1,342.4	2,676.0	60,696.0	1,019.9	783.6	1,316.2	969.4	12,119.5	9,438.4	2,385.9	48,221.2	186,104.1	835.9	327,908.5
Average Loan Amount														
Outstanding	55.9	148.7	41.5	510.0	15.4	36.7	161.6	275.4	6.8	2.3	382.7	186,104.1	835.9	77.5
<b>Serviced for AIDEA</b>														
Number of Loans														
Outstanding	1,475	179	253	7	N/A	1	3	N/A	N/A	N/A	11	N/A	N/A	1,929
Principal Amount														
Outstanding	62,466.7	14,822.6	8,009.2	841.3		4.9	80.7				5,909.8			91,935.0
Average Loan Amount														
Outstanding	42.4	81.7	31.7	120.2		4.9	26.9				537.2			47.7
<b>Summary</b>														
Total No. of Loans														
Outstanding	1,489	197	1,717	9	51	37	9	44	1,387	1,062	137	1	1	6,151
Total Principal														
Amount Outstanding	63,809.1	17,298.6	68,705.2	1,861.2	783.6	1,321.1	1,050.1	12,119.5	9,438.4	2,385.9	54,130.8	186,104.1	835.9	419,843.5
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% in Default <sup>2</sup>	2.6%	23.5%	4.0%	5.2%	14.1%	18.4%	-0-	41.4%	6.8%	4.9%	2.8%	-0-	-0-	4.6%
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Prepared by: Division of Investments, Accounting Branch

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March 31, 1988

(Thousands of Dollars)

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<b>APPROPRIATIONS</b>														
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FY 87	-0-	-0-	-0-	-0-	84.0	-0-	400.0	-0-	-0-	-0-	-0-	-0-	-0-	484.0
FY 88	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	2,200.0	-0-	-0-	2,200.0
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Prepared by: Division of Investments, Accounting Branch

4/12/88