

LEG. FINANCE - BILLS 1979 - 1980 1210

HB 1012 thru HB 1021 • • 4210



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

*James O. Smith*  
Signature of Camera Operator

*3/20/90*  
Date

Funding Information  
General Fund \$367,000  
Other Funds -0-  
\$367,000

Introduced: 4/17/80  
Referred: Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2

HOUSE BILL NO. 1012

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

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For an Act entitled: "An Act making a special appropriation to the Department of Natural Resources for historical preservation projects; and providing for an effective date."

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

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\* Section 1. The sum of \$367,000 is appropriated from the general fund to the Department of Natural Resources, division of parks, for the payment of grants under AS 41.35.040 to persons recommended by the state Historic Sites Advisory Committee to receive federal grants for historical preservation projects during fiscal year 1980 to replace federal money which is no longer available for this purpose.

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

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THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 1012

Title Historic Preservation Projects Grant

Requested by Legislative Finance Date 4/23/80

II. FISCAL DETAIL

Agency Affected Department of Natural Resources

Program Category Affected NRMEC

BRU, Program, or Subprogram(s) Affected Historic Resources Mngmt, Parks & Rec, Historic

(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)

Preservation grants

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		0				
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		-0-				
PART TIME						
TEMPORARY						

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

This bill replaces \$367.0 in anticipated federal revenues with a General Fund appropriation. The federal funds will be unavailable due to federal budget balancing efforts.

IV. DATE 4.24.80

PREPARED BY [Signature]

AGENCY Natural Resources

PHONE 465-2400

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

**CATEGORY:** NATURAL RESOURCES MANAGEMENT AND ENVIRONMENTAL CONSERVATION

**PROGRAM:** PARKS AND RECREATION

**AGENCY:** NATURAL RESOURCES

**BRU (s):** YOUTH EMPLOYMENT/EDUCATION; HISTORIC RESOURCE MANAGEMENT; PARK OPERATIONS

This program includes the Youth Employment/Education, Historic Resource Management and Park Operations BRUs.

The Youth Employment/Education BRU, which encompasses the Alaska Conservation Action Corps, employs youth of the State to pickup litter, build and maintain trails and perform light park maintenance through summer camp programs.

The Historic Resource Management BRU identifies, evaluates, and recommends preservation action for historic and prehistoric resources. This BRU also conducts historical and archeological surveys and monitors public construction projects to prevent the destruction or damage of archeological resources.

The Park Operations BRU seeks the development of a system of Parks and Recreation facilities for the enjoyment of Alaskan citizens and attraction of visitors to the State. The Park Design/Development component is involved in statewide park planning, land acquisitions and trades for park facilities and the supervision of the numerous park construction projects. The Park Maintenance and Operations component manages and maintains 3.4 million acres of park land within 80 developed park areas. The Parks Administration component contains the Director's Office and provides coordination and direction to the operating components.

-265-

Phone Contact for more information: Tom Bergstran 465-2442

SERVICE MEASURES	FY 79		FY 80	FY 81	
	Plan	Actual	Plan	Continuation	Total
Number of Historic Sites Nominated for Listing in the National Register of Historic Places	150	145	150	150	150
% of Park Area Visitors Satisfied with Visitor Services	33%	22%	31%	31%	31%
% of Facilities Receiving Man-caused Damage or Vandalism	25%	25%	33%	33%	33%
Number of Highway Rest Areas Maintained	150	150	150	150	150



COMMITTEE REPORT

HOUSE

FURTHER: FIN

Date: 4-16-80

Mr. Speaker:

The Committee on State Affairs has had HB1012

"An Act making a special appropriation to the Department of Natural Resources for historical preservation projects; and providing for an effective date."

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

- [X] do pass [ ] do not pass
[ ] do pass with attached amendments(s) [ ] same title
[ ] replace with CS for [ ] new title
and recommends
[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note
[ ] reports it back without recommendation
[ ] referred to the Committee

MEMBERS SIGNING DO PASS

Handwritten signatures: Bill Will, Bill Mason, Ben Paul, Terry Gardner, John Fuller

MEMBERS HAVING OTHER RECOMMENDATIONS:

Handwritten signature: Terry Gardner - No pass

Handwritten signature: Bill Will CHAIRMAN

8485  
Clenoweth

Funding Information	
General Fund	\$367,000
Other Funds	-0-
	<u>\$367,000</u>

Introduced: 4/17/80  
Referred: Finance

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

2 HOUSE BILL NO. 1012

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Natural Resources for historical preservation  
8 projects; and providing for an effective date."

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

10 \* Section 1. The sum of \$367,000 is appropriated from the general fund to  
11 the Department of Natural Resources, division of parks, for the payment of  
12 grants under AS 41.35.040 to persons recommended by the state Historic Sites  
13 Advisory Committee to receive federal grants for historical preservation  
14 projects during fiscal year 1980 to replace federal money which is no longer  
15 available for this purpose.

16 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

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ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

HOUSE ... BILL ..... NO. ... 1012  
By ... THE STATE AFFAIRS COMMITTEE

"An Act making a special appropriation to the Department of Natural Resources for historical preservation projects; and providing for an effective date."

Spec appro, historical preservation projects

Introduced in the House 4/17, 19.80

HISTORY IN THE HOUSE

10 80

Apr 17

Read first time and referred to Committee on 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. ....



# RECORDS CERTIFICATION



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James O. Smith  
Signature of Camera Operator

3/20/90  
Date

Funding Information  
General Fund \$5,000,000  
Other Funds -0-  
\$5,000,000

Introduced: 4/21/80  
Referred: State Affairs and  
Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 HOUSE BILL NO. 1013

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
7 ment of Commerce and Economic Development for a loan to  
8 the White Pass and Yukon Corporation for upgrade of the  
9 White Pass and Yukon route; and providing for an effec-  
10 tive date."

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

12 \* Section 1. The sum of \$5,000,000 is appropriated from the general fund  
13 to the Department of Commerce and Economic Development for a loan to the  
14 White Pass and Yukon Corporation upon terms set by the commissioner of com-  
15 merce and economic development, including the following:

16 (1) that the loan be used exclusively to upgrade the White Pass  
17 and Yukon route;

18 (2) that the loan become immediately due for repayment in full if  
19 a loan is offered to the White Pass and Yukon Corporation by the United  
20 States for upgrade of the White Pass and Yukon route.

21 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
22 070(c).

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FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 1013

Title Spec. approp./Dept. Commerce & Econ. Dev./White Pass & Yukon Railroad

Requested by Legislative Finance Date April 28, 1980

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development

Program Category Affected Development

BRJ, 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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	-0-	-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

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

No fiscal impact is associated with passage of this bill.

IV. DATE April 28, 1980

PREPARED BY Sharon R. Traylor, Director

AGENCY Division of Business Loans

PHONE 465-2510

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

**CATEGORY:** DEVELOPMENT  
**PROGRAM:** ECONOMIC DEVELOPMENT

**AGENCY:** COMMERCE AND ECONOMIC DEVELOPMENT  
**BRU(s):** BUSINESS LOANS

The Business Loans BRU provides Alaskan businesses and residents with long term, low interest financing which is usually not available from private lending institutions. Specific loan programs include:

Small Business Loans These loans are generally too risky or too small to interest private lending institutions.

Commercial Fishing Loans provide commercial fishermen with capital for purchase or upgrade of vessels needed to remain competitive. Due to high risk and unpredictable fish seasons, local banks have been reluctant to make these loans.

Tourism Loans provide capital for the expansion of tourist facilities.

Fisheries Enhancement Loans provide long-term, low interest loans for hatchery planning and construction, in support of private ownership of hatcheries by qualified nonprofit corporations.

Child Care Facilities Loans provide financing for the development of licensed child care facilities which helps stabilize that portion of the work force dependent on these services.

Water Resources Loans provide funds for hydroelectric and water supply projects. With the exception of certain previously conceived projects, this program has been replaced by the Power Project Loan Fund.

Historical Districts The intent of these loans is to foster an awareness of the need to preserve our historical past.

Residential Care Facilities provides residential care facilities with financing needed for renovation or equipment needed to comply with licensing standards. Loans are often not available from private lending institutions.

Alternative Technology and Power Resource Loans This loan fund assists in the development of energy production utilizing sources other than fossil fuel.

The Division has decentralized it's operations with the opening of offices in Anchorage and Fairbanks. As a result, the number of applicants has doubled. This outreach effort will continue in FY 81.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPPL	80 RP	GOVERNOR
LOAN FUND ADM	882.6	916.8	836.6	860.4			916.5
** TOTAL	882.6	916.8	836.6	860.4			916.5
** CHANGE VERSUS 80 AUTH							6.5%
OBJECT DESCRIPTION							
PERS. SERV.	646.9	675.2	652.9	675.7			712.8
TRAVEL	121.0	121.0	42.5	90.8			70.9
CONTRACTUAL	71.0	76.9	90.7	60.4			90.7
COMMODITIES	7.0	7.0	6.9	6.0			7.5
EQUIPMENT	13.3	13.3	10.2				
LANDS/BLDGS	23.4	23.4	33.4	27.5			34.6
FUNDING SOURCE							
GENERAL FUND	882.6	916.8	836.6	860.4			916.5
** GENERAL FUND CHANGE VS. 80 AUTH							6.5%
POSITIONS							
FULL-TIME	23.0	23.0	23.0	23.0			23.0
STAFF MONTHS	276.0	276.0	276.0	276.0			276.0

(11)

# COMMITTEE REPORT

## HOUSE

4/23/80

FURTHER:

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

Mr. Speaker:

The Committee on FINANCE has had HB 1013

"An Act making a special appropriation to the Department of Commerce and Economic Development for a loan to the White Pass and Yukon Corporation for upgrade of the White Pass and Yukon route; and providing for an effective date."

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

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title
- new title
- and recommends \_\_\_\_\_
- AND attaches "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
CHAIRMAN



8476  
Cook

Funding Information	
General Fund	\$5,000,000
Other Funds	-0-
	<u>\$5,000,000</u>

Introduced: 4/21/80  
 Referred: State Affairs and  
 Finance

1 IN THE HOUSE BY THE STATE AFFAIRS COMMITTEE

2 HOUSE BILL NO. 1013

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-  
 7 ment of Commerce and Economic Development for a loan to  
 8 the White Pass and Yukon Corporation for upgrade of the  
 9 White Pass and Yukon route; and providing for an effec-  
 10 tive date."

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

12 \* Section 1. The sum of \$5,000,000 is appropriated from the general fund  
 13 to the Department of Commerce and Economic Development for a loan to the  
 14 White Pass and Yukon Corporation upon terms set by the commissioner of com-  
 15 merce and economic development, including the following:

16 (1) that the loan be used exclusively to upgrade the White Pass  
 7 and Yukon route;

8 (2) that the loan become immediately due for repayment in full if  
 9 a loan is offered to the White Pass and Yukon Corporation by the United  
 10 States for upgrade of the White Pass and Yukon route.

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

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

HOUSE BILL NO. 1013

By THE STATE AFFAIRS COMMITTEE

"An Act making a special appropriation to the Department of Commerce and Economic Development for a loan to the White Pass and Yukon Corporation for upgrade of the White Pass and Yukon route; and providing for an effective date."

Spec appro, upgrade of White Pass and Yukon route

Introduced in the House 4/21, 1980

HISTORY IN THE HOUSE

19 80  
Apr 21  
Read first time and referred to Committee on State Affairs 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. ....



# RECORDS CERTIFICATION



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James O. Smith  
Signature of Camera Operator

3/20/90  
Date

Introduced: 4/22/80  
Referred: Health, Education &  
Social Services

BY THE FINANCE COMMITTEE  
BY REQUEST

1 IN THE HOUSE

2 HOUSE BILL NO. 1019

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to day care for children; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 44.47 is amended by adding a new section to read:

10 Sec. 44.47.305. REIMBURSEMENT FOR SERVICES. (a) The benefits  
11 paid to a day care facility under AS 44.47.300(b) shall reimburse the  
12 day care facility for the cost of providing the service.

13 (b) The costs of providing day care in each community in which a  
14 day care facility is located shall be determined annually. Adjustments  
15 shall be made in the benefits paid by the department to reflect antici-  
16 pated increases in the cost of living for the fiscal year for which the  
17 cost of providing day care is being determined.

18 \* Sec. 2. AS 44.47.290 is amended by adding a new subsection to read:

19 (b) The sliding fee scale shall be reviewed and may be revised  
20 annually by the department in consideration of changes in the statewide  
21 median income and the cost of living.

22 \* Sec. 3. AS 44.47.300(b) is amended to read:

23 (b) Benefits shall be paid by the department directly to the  
24 municipality contracting with the day care facility or, outside of a  
25 municipality, to the facility upon receipt of a billing from a munici-  
26 pality or facility for the number of days that a child is enrolled at a  
27 facility.

28 \* Sec. 4. This Act takes effect July 1, 1980.

29

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

**REVISED**

HB 1019

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 1019  
 Title An Act relating to Daycare for children  
 Requested by House H&SS Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Community & Regional Affairs  
 Program Category Affected Social Services  
 BRU, Program, or Subprogram(s) Affected Childcare

(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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		45.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		370.0				
<b>TOTAL</b>		<b>415.0</b>				

FUNDING (Thousands of Dollars)

GENERAL FUND		415.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

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

The 45.0 on line 300 (contractual) would provide for a contracted study of the current costs of providing daycare. This study will provide needed data to make reasonable estimate: by February 1, 1981, of cost for Section 1 and 2 of HB 1019. It is anticipated that the contract would also require the establishment of procedures for annual update. The annual update could then be accomplished by existing office personnel.

Sec. 3 of HB 1019 requires payment based on enrollment instead of the present method of payment based on attendance. The 370.0 on line 700 will pay for this absentee factor based on the current estimated absentee (vacancy) rate of 20%.

IV. DATE 5-9-80 PREPARED BY Lianne Wesley  
 AGENCY Community & Regional Affairs  
 PHONE (907) 276-1721  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)



(7)

# COMMITTEE REPORT

## HOUSE

4/22/80

FURTHER:

5/12  
FINANCE

Date:

5/9/80

Mr. Speaker:

The Committee on HEALTH, EDUCATION AND SOCIAL SERVICES has had HB 1019

"An Act relating to day care for children; and providing for an effective date."

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

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_

AND attaches a "Letter of Intent"  ~~NEW~~ Fiscal Note

reports it back without <sup>individual</sup> recommendation

<sup>further</sup> referred to the Finance Committee

MEMBERS SIGNING  
DO PASS

Bob Hatterton

Paul

Joyce Wharton

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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

Glenn - No Rec.

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\_\_\_\_\_

\_\_\_\_\_

Joyce Wharton V. Chair  
CHAIRMAN

8352  
Brodley

Introduced: 4/22/80  
Referred: Health, Education &  
Social Services

BY THE FINANCE COMMITTEE  
BY REQUEST

1 IN THE HOUSE

2 HOUSE BILL NO. 1019

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to day care for children; and pro-  
7 viding for an effective date."

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11 paid to a day care facility under AS 44.47.300(b) shall reimburse the  
12 day care facility for the cost of providing the service.

13 (b) The costs of providing day care in each community in which a  
14 day care facility is located shall be determined annually. Adjustments  
15 shall be made in the benefits paid by the department to reflect antici-  
16 pated increases in the cost of living for the fiscal year for which the  
17 cost of providing day care is being determined.

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20 annually by the department in consideration of changes in the statewide  
21 median income and the cost of living.

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23 (b) Benefits shall be paid by the department directly to the  
24 municipality contracting with the day care facility or, outside of a  
25 municipality, to the facility upon receipt of a billing from a munici-  
26 pality or facility for the number of days that a child is enrolled at a  
27 facility.

28 \* Sec. 4. This Act takes effect July 1, 1980.

7 note 5/12/80

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HB 1019  
 Title An Act relating to Daycare for children  
 Requested by House H&SS Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Community & Regional Affairs  
 Program Category Affected Social Services  
 BRU, Program, or Subprogram(s) Affected Childcare  
 (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 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		45.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		370.0				
TOTAL		415.0				

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		415.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)  
 The 45.0 on line 300 (contractual) would provide for a contracted study of the current cost of providing daycare. This study will provide needed data to make reasonable estimates by February 1, 1981, of cost for Section 1 and 2 of HB 1019. It is anticipated that the contract would also require the establishment of procedures for annual update. The annual update could then be accomplished by existing office personnel.

Sec. 3 of HB 1019 requires payment based on enrollment instead of the present method of payment based on attendance. The 370.0 on line 700 will pay for this absentee factor based on the current estimated absentee (vacancy) rate of 20%.

IV. DATE 5-9-80 PREPARED BY Lianne Wesley JW  
 AGENCY Community & Regional Affairs  
 PHONE (907) 276-1721  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

ALASKA STATE LEGISLATURE

ELLEVENTH Legislature SECOND Session

HOUSE ...BILL..... NO. ...1019

By THE FINANCE COMMITTEE.....  
BY REQUEST

"An Act relating to day care for children; and providing for an effective date."

Day care for children

Introduced in the House .4/22....., 19..80

HISTORY IN THE HOUSE

19 80

Apr 22 HESS

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 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  
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Reconsideration  
PASS Effective Date  
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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. ....



# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O Smith  
Signature of Camera Operator

3/20/70  
Date



Introduced: 4/23/80  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 HOUSE BILL NO. 1021

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act granting authority to the Alaska Renewable  
7 Resources Corporation to exceed investment limits by  
8 investing \$3,500,000 in Ball Brothers, Inc.; and provid-  
9 ing for an effective date."

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

11 \* Section 1. The legislature finds that the Alaska Renewable Resources  
12 Corporation has complied with all requirements for an investment of \$3,500,000  
13 in Ball Brothers, Inc., an Alaska corporation, except for the requirement in  
14 AS 37.12.080(b) that no financial assistance of more than \$1,500,000 may be  
15 provided to a single project or applicant unless the legislature has approved  
16 the investment by concurrent resolution. The legislature further finds that  
17 approval of the investment is in the public interest. Notwithstanding the  
18 provisions of AS 37.12.080(b) requiring approval by concurrent resolution,  
19 the investment in the amount of \$3,500,000 is approved and the corporation is  
20 authorized to make the proposed investment in Ball Brothers, Inc., an Alaska  
21 corporation.

22 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
23 070(c).

24  
25  
26  
27  
28  
29

Introduced: 4/23/80  
Referred: Finance

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James O. Smith  
Signature of Camera Operator

3/23/90  
Date

# COMMITTEE REPORT

## SENATE

5/13/80

FURTHER: None

Date: May June 1, 1980 xxx

Mr. President:

The Committee on FINANCE has had HB 1021 granting authority to the Alaska Renewable Resourced Corp. to exceed investment limits by investing \$3,500,000 in Bell Brothers, Inc.

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

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 1021  same title  
 new title
- and recommends individual recommendations
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]  
[Signature]  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]  
CHAIRMAN  
[Signature]

Original sponsor: Rules Committee

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR HOUSE BILL NO. 1021

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska Development Authority;  
7 consolidating certain state loan programs and placing  
8 those loan programs under the administration of the  
9 Alaska Development Authority; eliminating the lending  
10 powers of certain state agencies relating to loans  
11 which the Alaska Development Authority may make; pro-  
12 viding for the financing of certain state loans by the  
13 issuance of revenue bonds; creating in the Department  
14 of Revenue a division of collections for delinquent  
15 state loans; and providing for an effective date."

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

17 CHAPTER 96. ALASKA DEVELOPMENT AUTHORITY.

18 ARTICLE 1. ORGANIZATION.

19 Sec. 45.96.005. CREATION OF AUTHORITY. There is created the  
20 Alaska Development Authority. The authority is a public corporation of  
21 the state in the Department of Commerce and Economic Development, but  
22 with separate and independent legal existence.

23 Sec. 45.96.010. MEMBERSHIP OF AUTHORITY. (a) The membership of  
24 the authority consists of the lieutenant governor who shall be the chief  
25 executive officer of the authority and two additional members who are  
26 heads of principal departments of the executive branch of state govern-  
27 ment appointed by the governor.

28 (b) By June 30, 1982, the governor shall appoint two additional  
29 members of the authority who are residents of the state and who are not

1 public officers or employees of the state.

2 (c) The members of the authority shall conduct the business of the  
3 authority. If a member who is the head of a principal department of the  
4 executive branch is unable to attend a meeting of the authority, he may  
5 file with the authority an appointment in writing of his deputy or  
6 assistant to act in his place as a member at the meeting. For all  
7 purposes of this chapter, the designee is a member of the authority at  
8 the meeting.

9 (d) A member of the authority who is not the head of a principal  
10 executive department serves for a term of four years. Initial appoint-  
11 ments of the public members shall be one member serving for three years  
12 and one member serving for four years. Members of the authority who are  
13 heads of principal departments of the executive branch serve at the  
14 pleasure of the governor.

15 (e) If a vacancy occurs in the membership of the authority, the  
16 governor shall make an appointment, effective immediately, for the  
17 unexpired portion of the term.

18 (f) A member of the authority who is not the head of a principal  
19 executive department shall receive \$100 compensation for each day spent  
20 on official business of the authority and may be reimbursed by the  
21 authority for actual and necessary expenses at the same rate paid to  
22 members of state boards under AS 39.20.180.

23 Sec. 45.96.015. QUORUM. Three members of the authority constitute  
24 a quorum for the transaction of business of the authority.

25 Sec. 45.96.020. EXECUTIVE DIRECTOR; PERSONNEL. (a) The members  
26 of the authority shall employ and determine the salary of an executive  
27 director to manage the authority. The members may delegate powers and  
28 duties to the executive director. The executive director may employ  
29 other personnel of the authority with the approval of the members of the

1 authority.

2 (b) The executive director is in the exempt service under AS 39.25.  
3 Other employees of the authority are in the classified service under  
4 AS 39.25.

5 Sec. 45.96.025. ALASKA LOAN PROGRAMS FUND. There is established  
6 in the authority the Alaska loan programs fund. The fund shall be  
7 administered by the authority except as otherwise provided in this  
8 chapter. The fund consists of money and assets appropriated to it by  
9 the legislature and money deposited in it by the authority from other  
10 sources. Money in the fund may be used by the authority only for the  
11 purpose of making or purchasing loans in accordance with this chapter.

12 ARTICLE 2. FINANCIAL PROVISIONS.

13 Sec. 45.96.030. REVENUE BONDS AND BOND ANTICIPATION NOTES. (a)  
14 The authority may issue revenue bonds and revenue bond anticipation  
15 notes to provide financing to carry out its purposes under this chapter.

16 (b) The principal and interest on these bonds or bond anticipation  
17 notes are payable from assets of the authority. Bond anticipation notes  
18 may be payable from the proceeds of the sale of bonds or from the pro-  
19 ceeds of sale of other bond anticipation notes or, if bond or bond  
20 anticipation note proceeds are not available, the bond anticipation  
21 notes may be paid from other assets of the authority. Bonds or bond  
22 anticipation notes may also be secured by a pledge of a grant or con-  
23 tribution from the federal or state government, a corporation, asso-  
24 ciation, institution or person, or a pledge of money, income, or reve-  
25 nues of the authority from any source.

26 (c) Bonds or bond anticipation notes may be issued under (a) of  
27 this section as provided by resolution of the authority, in one or more  
28 series and shall (1) be dated; (2) bear interest at the prescribed rate  
29 per year or within the maximum rate; (3) be in a certain denomination or

1 form, either coupon or registered; (4) carry the conversion or registra-  
2 tion provisions; (5) have rank or priority; (6) be executed in a certain  
3 manner and form; (7) be payable from the sources in the medium of pay-  
4 ment and place or places inside or outside the state; (8) be subject to  
5 authentication by a fiscal agent; and (9) be subject to terms of redemp-  
6 tion, with or without premium as the resolution of the authority may  
7 provide. Bonds and bond anticipation notes mature at a time determined  
8 by the authority. Before the preparation of definitive bonds or bond  
9 anticipation notes, the authority may issue interim receipts or tempo-  
10 rary bonds or bond anticipation notes, with or without coupons, exchange-  
11 able for bonds or bond anticipation notes when the definitive bonds or  
12 bond anticipation notes have been executed and are available for de-  
13 livery.

14 (d) Bonds or bond anticipation notes may be sold in the manner, on  
15 the terms, and at the price the authority determines.

16 (e) If an officer whose actual or facsimile signature appears on  
17 bonds or notes or coupons attached to them ceases to be an officer before  
18 the delivery of the bond, note or coupon, his signature is valid as if he  
19 had remained in office until delivery.

20 (f) In authorizing or issuing bonds or bond anticipation notes,  
21 the authority may, with holders of the bonds or bond anticipation notes,  
22 make covenants as may be necessary or desirable, to better secure bonds  
23 or notes or which, in the discretion of the authority, will tend to make  
24 bonds or notes more marketable and shall, for each issue, create a  
25 principal and interest account for repayment of the principal and in-  
26 terest of that issue.

27 Sec. 45.96.040. VALIDITY OF PLEDGE. The pledge of assets or  
28 revenues of the authority to the payment of the principal or interest of  
29 obligations of the authority is valid and binding from the time the

1 pledge is made, and assets or revenues pledged are immediately subject  
2 to the lien of the pledge without physical delivery or further action.  
3 The lien of a pledge is valid and binding against all parties having  
4 claims of any kind in tort, contract, or otherwise against the authority,  
5 regardless of whether those parties have notice of the lien of the  
6 pledge. Nothing prohibits sale of assets of the authority subject to a  
7 pledge, except that a sale may be restricted by the resolution providing  
8 for the issuance of the obligations.

9 Sec. 45.96.050. REMEDIES. A holder of obligations issued under  
10 the provisions of this chapter or coupons attached to them if not re-  
11 stricted by the resolution, either at law or in equity, may enforce all  
12 rights granted under the coupons or under any other contract executed by  
13 the authority under this chapter, and may enforce and compel the per-  
14 formance of all duties required by this chapter to be performed by the  
15 authority or by an officer of it.

16 Sec. 45.96.060. NEGOTIABLE INSTRUMENTS. All obligations of the  
17 authority and interest coupons attached to the obligations are nego-  
18 tiable instruments under the laws of this state, subject only to appli-  
19 cable registration provisions.

20 Sec. 45.96.070. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations  
21 of the authority issued under this chapter are securities in which all  
22 public officers and public entities of the state and its political sub-  
23 divisions, all insurance companies, trust companies, banking associ-  
24 ations, investment companies, executors, administrators, trustees, and  
25 other fiduciaries may properly and legally invest funds, including  
26 capital in their control or belonging to them. These obligations may be  
27 deposited with the state or municipal officer of an agency or political  
28 subdivision of the state for any purpose for which the deposit of bonds,  
29 notes, or obligations of the state is authorized by law.

1           Sec. 45.96.080. REFUNDING OBLIGATIONS. (a) The authority may  
2 provide for the issuance of refunding obligations for the purpose of  
3 refunding outstanding obligations issued under this chapter, or bonds  
4 issued by the state, political subdivisions of the state, or agencies or  
5 instrumentalities of the state, including the payment of redemption  
6 premium on them and interest accrued or to accrue to the date of redemp-  
7 tion of the obligations. The issuance of the obligations, the maturi-  
8 ties and other details of them, the rights of the holders of them, and  
9 the rights, duties and obligations of the authority in respect of them  
10 are governed by the provisions of this chapter which relate to the  
11 issuance of appropriate obligations.

12           (b) Refunding obligations may be sold or exchanged for outstanding  
13 obligations issued under this chapter. If sold, the proceeds may be  
14 applied, in addition to other authorized purposes, to the purchase,  
15 redemption or payment of the outstanding obligations. Pending the  
16 application of the proceeds of refunding obligations, with any other  
17 available funds, to the payment of the principal (accrued interest and  
18 any redemption premium on the obligations being refunded, and if so  
19 provided or permitted in the authorization for issuance of the refunding  
20 obligations, to the payment of any interest on the refunding obligations  
21 and any expenses in connection with the refunding), the proceeds may be  
22 invested in direct obligations of, or obligations the principal of and  
23 the interest on which are unconditionally guaranteed by, the United  
24 States of America which mature or which will be subject to redemption,  
25 at the option of the holders of them, not later than the respective  
26 dates when the proceeds, together with the interest accruing on them,  
27 will be required for the purposes intended.

28           Sec. 45.96.090. CREDIT OF STATE NOT PLEDGED. Obligations issued  
29 under this chapter are not a debt, liability, or obligation of the state

1 but are payable solely from the revenues or assets of the authority.  
2 Each obligation issued under this chapter shall contain on its face a  
3 statement that the authority is not obligated to pay it nor the interest  
4 on it except from the revenues or assets pledged for it and that neither  
5 the faith and credit nor the taxing power of the state or of a political  
6 subdivision of the state is pledged to the payment of the principal of  
7 or interest on the obligation.

8 Sec. 45.96.100. TAX EXEMPTION. All property of the authority is  
9 public property devoted to an essential public and governmental function  
10 and purpose and is exempt from all taxes of the state or a political  
11 subdivision of the state. Bonds issued under this chapter are issued by  
12 a body corporate and public of this state and for an essential public  
13 and governmental purpose, and the bonds and the interest and income on  
14 and from the bonds and all income of the authority are exempt from  
15 taxation except for transfer, inheritance, and estate taxes.

16 Sec. 45.96.110. SALE OF BONDS. (a) The authority may sell bonds  
17 at public or private sale until July 1, 1984. After July 1, 1984, the  
18 authority may sell bonds only at public sale.

19 (b) Before selling an issue or series of bonds at public sale, the  
20 authority shall give notice inviting sealed bids in the manner it may  
21 prescribe. If satisfactory bids are received, the bonds offered for  
22 sale shall be awarded to the highest responsible bidder. If the author-  
23 ity determines that the bids received are not satisfactory as to price  
24 or responsibility of the bidders, it may reject all bids received.

25 Sec. 45.96.120. ALLOCATED RESERVE ACCOUNT. (a) For the purpose  
26 of securing obligations of the authority, a special account in the  
27 authority called the allocated reserve account is established. The  
28 allocated reserve account consists of money transferred to it as pro-  
29 vided in (b) of this section. The authority shall pay the amounts

1 necessary to finance the capital reserve account established under AS  
2 45.96.140, the fire insurance and liability reserve account under AS 45.-  
3 96.155, and the loss reserve account under AS 45.96.150 from the allo-  
4 cated reserve account. All other expenditures from the allocated re-  
5 serve account shall be in accordance with annual appropriations.

6 (b) The commissioner of revenue shall annually transfer to the  
7 allocated reserve account established by (a) of this section

8 (1) 15 percent of the annual receipts paid the state from  
9 mineral lease rentals for state land and from royalties derived from  
10 minerals produced on state land; and

11 (2) 50 percent of the annual income from the Alaska permanent  
12 fund (art. IX, sec. 15 of the state constitution) which is available for  
13 distribution under AS 37.13.140.

14 Sec. 45.96.125. UNALLOCATED RESERVE ACCOUNT. (a) For the purpose  
15 of securing obligations of the authority, a special account within the  
16 general fund called the unallocated reserve account is established.  
17 The unallocated reserve account consists of all money in excess of  
18 \$150,000,000 remaining in the general fund at the end of a fiscal year  
19 which has not been obligated and all other assets remaining in the  
20 general fund at the end of a fiscal year which have not been obligated.

21 (b) The legislature may, by appropriation, finance the allocated  
22 reserve account created in AS 45.96.120 from money in the unallocated  
23 reserve account.

24 Sec. 45.96.130. DEBT SERVICE RESERVE ACCOUNT. For the purpose of  
25 securing each issue of its obligations, the authority shall establish a  
26 special account called the debt service reserve account and shall pay  
27 into the account from the proceeds of the sale of that issue of its  
28 obligations the maximum amount permissible under federal law and regu-  
29 lations for tax-exempt obligations which may be invested without limi-

1 tation as to yield. All money held in a debt service reserve account  
2 may be used as required, when money is not available from the principal  
3 and interest account or the capital reserve account, only for (1) the  
4 payment of the principal of obligations, (2) the purchase or redemption  
5 of obligations, (3) the payment of interest on obligations, or (4) the  
6 payment of any redemption premium required to be paid when those obli-  
7 gations are redeemed before maturity. An amount remaining in a debt  
8 service reserve account when the issue the account secures is fully  
9 retired shall be paid to the allocated reserve account.

10 Sec. 45.96.140. CAPITAL RESERVE ACCOUNT. For the purpose of se-  
11 curing each issue of its obligations, the authority shall establish a  
12 special account called the capital reserve account. The authority shall  
13 pay into the capital reserve account from the allocated reserve account  
14 upon its establishment, an amount equal to five percent of the principal  
15 amount of the obligations issued and sold and upon subsequent sales, if  
16 any, of obligations of the issue secured, an additional amount equal to  
17 five percent of the principal amount of the obligations sold. At the  
18 end of each fiscal year the authority shall withdraw from each capital  
19 reserve account and pay to the allocated reserve account any amount in  
20 the capital reserve account in excess of five percent of the remaining  
21 principal balance of the obligations secured or, if the amount in the  
22 capital reserve account is less than five percent of the remaining  
23 principal balance of the obligations secured, pay into the capital  
24 reserve account from the allocated reserve account the amount necessary  
25 to bring the reserve to five percent. All money held in a capital  
26 reserve account may be used as required, when money is not available  
27 from the principal and interest account, only for (1) the payment of the  
28 principal of obligations, (2) the purchase or redemption of obligations,  
29 (3) the payment of interest on obligations, or (4) the payment of any

1 redemption premium required to be paid when those obligations are re-  
2 deemed before maturity. Income or interest earned by a capital reserve  
3 account shall be paid to the allocated reserve account. Any amount  
4 remaining in a capital reserve account when the issue the account se-  
5 cures is fully retired shall be paid to the allocated reserve account.

6 Sec. 45.96.150. LOSS RESERVE ACCOUNT. (a) For the purpose of  
7 protecting the financial integrity of the authority, a special account  
8 called the loss reserve account is established in the authority. The  
9 authority shall pay into the loss reserve account from the allocated  
10 reserve account an amount equal to five percent of the estimated total  
11 amount of all loans to be made by the authority during the first fiscal  
12 year of operation. At the first of the succeeding fiscal year and each  
13 fiscal year thereafter, the authority shall pay into the loss reserve  
14 account from the allocated reserve account the amount necessary to bring  
15 the balance of the loss reserve account to five percent of the total  
16 amount of loans projected to be outstanding during that fiscal year.

17 (b) If during the fiscal year the total amount of loans outstanding  
18 exceeds the amount projected to be outstanding, the authority shall pay  
19 into the loss reserve account from the allocated reserve account the  
20 amount needed to bring the balance of the loss reserve account to five  
21 percent of the amount of loans outstanding.

22 (c) Money in the loss reserve account may only be used for losses  
23 realized from loans made under this chapter, except when, at the begin-  
24 ning of a fiscal year, the balance of the loss reserve account exceeds  
25 five percent of the remaining principal balance of the total amount of  
26 loans projected to be outstanding during the fiscal year, the amount in  
27 excess of five percent shall be paid to the allocated reserve account  
28 until all amounts paid to the loss reserve account and the capital  
29 reserve account from the allocated reserve account have been repaid and

1 then to the earned income account of the authority.

2 Sec. 45.96.155. FIRE INSURANCE AND LIABILITY RESERVE ACCOUNT. For  
3 the purpose of protecting the authority against loss resulting from fire  
4 or liability, a special account called the fire insurance and liability  
5 reserve account is established in the authority. The authority may  
6 issue loans without requiring proof of insurance against fire and liabil-  
7 ity if an additional charge of six-tenths of one percent per year is  
8 made. The receipts from this charge shall be deposited in the fire  
9 insurance and liability reserve account and may only be used to reim-  
10 burse the authority for losses which occur on property for which the  
11 charge provided by this section was in effect at the time of loss.

12 Sec. 45.96.160. INVESTMENTS. (a) All investments of the author-  
13 ity's cash balances and of reserves for specific bond issues or statu-  
14 torily required reserves are managed for the authority by the director  
15 of the division of treasury in the Department of Revenue. The director  
16 shall determine investment policy and manage the investments under the  
17 same criteria applicable to other state investments he manages except as  
18 provided in AS 45.96.170.

19 (b) The director of the division of treasury shall provide monthly  
20 reports to the Legislative Budget and Audit Committee relating to the  
21 investments described in (a) of this section, including

- 22 (1) a summary of long-range and short-term investment policy;  
23 (2) a list of investments made during the previous month;  
24 (3) an evaluation of the performance of investments made;  
25 (4) other information requested by the Legislative Budget and  
26 Audit Committee.

27 Sec. 45.96.170. INVESTMENT OF RESERVE ACCOUNTS. (a) The director  
28 of the division of treasury in the Department of Revenue shall invest  
29 money in the reserve accounts established by this chapter, other than

1 money in the debt service reserve account, only in

2 (1) obligations of, or obligations insured or guaranteed by  
3 the United States or agencies or instrumentalities of the United States;

4 (2) obligations secured by reserves paid in by the United  
5 States or agencies or instrumentalities of the United States or obliga-  
6 tions of corporations in which the United States is a shareholder or  
7 member; or

8 (3) corporate bonds rated "A" or better by a nationally  
9 recognized rating service.

10 (b) Money in the debt service reserve account may only be invested  
11 in obligations described in (a)(1) or (2) of this section.

12 Sec. 45.96.180. BUDGET. The operating budget of the authority is  
13 by appropriation from the general fund unless the legislature specifi-  
14 cally appropriates from the unallocated reserve account. The operating  
15 budget is subject to the Executive Budget Act (AS 37.07).

16 Sec. 45.96.190. ACCOUNTING AND REPORTS. Accounting for the author-  
17 ity shall be provided by the Department of Commerce and Economic Develop-  
18 ment. Reports shall be made by the department to the Legislative Budget  
19 and Audit Committee at least once a month. These reports shall include  
20 an itemization of each loan which has been in default for a period in  
21 excess of 30 days and the measures taken for each to insure compliance  
22 with terms and conditions of the loan. The Legislative Budget and Audit  
23 Committee shall provide quarterly reports to the legislature summarizing  
24 the information it receives under this section and under AS 45.96.160(b)  
25 and including comments and suggestions the committee determines to be of  
26 interest to the legislature relating to the administration of the loan  
27 program. Other reports shall be made as prescribed by the Department of  
28 Commerce and Economic Development.

29 ARTICLE 3. LOANS.

1           Sec. 45.96.200. LOAN PROCEDURES. (a) The authority shall estab-  
2           lish district loan offices in Juneau, Fairbanks, and Anchorage and may  
3           establish other loan offices as necessary which shall be managed by  
4           district directors. Each loan office shall provide information con-  
5           cerning the loan programs under this chapter, other state loan programs  
6           or grant programs, federal loan or grant programs, and, to the extent  
7           feasible, private loan information.

8           (b) For loans not exceeding \$350,000 exclusive of interest and  
9           charges, a district loan committee consisting of the district director  
10          of the district loan office and two loan officers other than the loan  
11          officer processing the loan may approve the loan.

12          (c) For loans exceeding \$350,000, the loan must be approved by an  
13          executive loan committee consisting of the executive director of the  
14          authority, the commissioner of commerce and economic development or his  
15          designee, and the director of the division of economic enterprise of the  
16          Department of Commerce and Economic Development or his designee.

17          Sec. 45.96.210. ALASKA LOAN PROGRAMS EVALUATION COMMITTEE. (a)  
18          There is established in the Department of Commerce and Economic Develop-  
19          ment the Alaska Loan Programs Evaluation Committee consisting of the  
20          executive director of the authority and the directors, or their desig-  
21          nees, of the following divisions: (1) the division of economic enter-  
22          prise in the Department of Commerce and Economic Development, and (2)  
23          the division of collections in the Department of Revenue.

24          (b) The Alaska Loan Programs Evaluation Committee shall notify  
25          recipients of loans under this chapter who have been delinquent in their  
26          loan repayments for a period in excess of 30 days. Upon notice of  
27          delinquency, a borrower may request reevaluation and assistance from the  
28          committee. If a borrower requests reevaluation, the committee shall  
29          consider the terms and conditions of the loan as well as all other

1 pertinent information to determine whether there are feasible alterna-  
2 tive terms and conditions which will protect the interest of the state  
3 and prevent the default of the loan.

4 (c) In performing the duties described in (b) of this section, the  
5 Alaska Loan Programs Evaluation Committee has access to all nonconfiden-  
6 tial records, data, information, and statistics of all departments,  
7 boards, commissions, agencies, and institutions of the state. The  
8 committee also has access to the records or other information of a  
9 borrower which are pertinent to its investigation. Failure on the part  
10 of a borrower to provide the records or information is grounds for  
11 refusal by the committee to reevaluate the loan.

12 (d) If the Alaska Loan Programs Evaluation Committee determines  
13 that alternative terms and conditions are available which will protect  
14 the interest of the state and prevent default of a loan, it may re-  
15 negotiate the loan in accordance with those terms.

16 Sec. 45.96.220. DIVISION OF COLLECTIONS. There is established in  
17 the Department of Revenue the division of collections. The director of  
18 the division of collections is in the classified service under AS 39.25  
19 and shall receive an annual salary within range 27 of the salary schedule  
20 established in AS 39.27.011 or within one range below the range on which  
21 the highest paid deputy commissioner in the department is paid if that  
22 range is higher than range 27. In order to qualify for the position of  
23 director, a person must be an attorney licensed to practice in this  
24 state with at least four years of practice in business law.

25 Sec. 45.96.225. COLLECTION POLICY. If a borrower who received  
26 notice of delinquency in accordance with AS 45.96.210 does not request  
27 reevaluation, or if the Alaska Loan Programs Evaluation Committee deter-  
28 mines that renegotiation of the existing terms and conditions is not  
29 feasible or justified, and the loan is not brought current within 30

1 days after the notice of delinquency is mailed, the loan shall be trans-  
2 ferred to the loss reserve account and transmitted for collection to the  
3 division of collections. A monthly report of the status of the collec-  
4 tion effort shall be made by the director of the division of collections  
5 to the Legislative Budget and Audit Committee. The total principal and  
6 interest due shall be transferred from the loss reserve account estab-  
7 lished in AS 45.96.150 to the fund upon assignment of a loan to the  
8 division of collections.

9 Sec. 45.96.240. RESIDENTIAL HOUSING. Subject to AS 45.96.427, the  
10 authority may, for the purpose of providing housing for persons who meet  
11 the eligibility requirements of AS 45.96.360,

12 (1) make or participate in the making of construction loans  
13 to sponsors, developers, and builders for land development projects or  
14 residential housing;

15 (2) make or participate in the making of mortgage loans from  
16 the fund to sponsors, developers, builders, and purchasers of residen-  
17 tial housing;

18 (3) purchase or participate in the purchase of mortgage loans  
19 made to sponsors, developers, builders, owners, and purchasers of resi-  
20 dential housing;

21 (4) acquire real property, or an interest in real property,  
22 in the name of the authority, by purchase, transfer or foreclosure, when  
23 the acquisition is necessary or appropriate to protect a loan in which  
24 the authority has an interest; sell, transfer and convey that property  
25 to a buyer; and, if the sale, transfer or conveyance cannot be effected  
26 with reasonable promptness or at a reasonable price, rent or lease the  
27 property to a tenant pending the sale, transfer or conveyance;

28 (5) sell, at public or private sale, to any purchaser, in-  
29 cluding the Federal National Mortgage Association, all or any part of a

1 mortgage or other instrument securing a construction, land development,  
2 mortgage or temporary loan of any type permitted by this section;

3 (6) purchase, in order to meet the requirements of the sale  
4 of its mortgages to the Federal National Mortgage Association, stock of  
5 the Federal National Mortgage Association;

6 (7) sell all or any part of a mortgage or other instrument or  
7 document securing a construction, land development, mortgage or tempo-  
8 rary loan of any type permitted by this section to the teachers' re-  
9 tirement system (AS 14.25) if the borrower is a teacher subject to the  
10 provisions of AS 14.25 or to the public employees' retirement system  
11 (AS 39.35) if the borrower is a public employee included in the system;  
12 a security instrument sold under this paragraph must be fully guaranteed  
13 as to payment of principal and interest by the authority.

14 Sec. 45.96.242. NONCONFORMING HOUSING LOANS. (a) The authority  
15 may make or purchase

16 (1) nonconforming housing mortgage loans;

17 (2) loans made for building materials for nonconforming  
18 housing;

19 (3) loans made for renovations or improvements to noncon-  
20 forming housing.

21 (b) The authority may not

22 (1) make or purchase a nonconforming housing mortgage loan  
23 under this section

24 (A) which exceeds \$125,000; or

25 (B) the term of which exceeds 30 years;

26 (2) make or purchase a loan for building materials for non-  
27 conforming housing

28 (A) which exceeds

29 (i) 80 percent of the appraised value of the work

1 completed on the nonconforming housing for which the loan is  
2 made if the nonconforming housing is pledged as collateral for  
3 the loan; or

4 (ii) 80 percent of the value of other property which  
5 is pledged as security for the loan and which is satisfactory  
6 to the director as collateral;

7 (B) unless the terms of the loan agreement require  
8 inspections and certifications, as required by the authority, at  
9 the expense of the borrower; and

10 (C) unless the period of time allowed for repayment of  
11 the loan is equal to or less than the lesser of

12 (i) three years; or

13 (ii) the maximum period of time established by the  
14 authority based on the prevailing practice among private  
15 financial institutions in the general area in which the loan  
16 is made for loans for the purchase of building materials;

17 (3) make or purchase construction loans for nonconforming  
18 housing.

19 (c) "Nonconforming housing" means housing which does not conform  
20 to minimum building standards under any other state or federal program  
21 that provides loans for housing purchases.

22 Sec. 45.96.250. COMMERCIAL LOANS. (a) Subject to AS 45.96.427,  
23 the authority may make loans from the fund to

24 (1) individual farmers, homesteaders, and partnerships or  
25 corporations composed of farmers and homesteaders, for development of  
26 farms, for storage and processing of farm produce, for livestock, ma-  
27 chinery and equipment, for farm irrigation, and for working capital for  
28 farm operations;

29 (2) an individual commercial fisherman who has had a commer-

1 cial fishing license for at least one of the previous five years, for  
2 the repair, restoration or upgrading of existing vessels and gear and  
3 for the purchase of entry permits and gear and the construction and  
4 purchase of vessels; loans made under this paragraph are subject to the  
5 provisions of AS 45.96.270 and 45.96.280;

6 (3) local development companies to assist the new financing  
7 of industrial and manufacturing plant construction, conversion or ex-  
8 pansion, including the acquisition of land, to the extent necessary to  
9 secure a loan for a portion of the cost from the Small Business Adminis-  
10 tration under 15 U.S.C. sec. 696 (section 502 of the Act of Congress  
11 entitled "Small Business Investment Company Act of 1958" as amended);

12 (4) develop, rehabilitate, and expand business activities in  
13 the state;

14 (5) child care facilities in the state to comply with the  
15 appropriate licensing standards for child care facilities or to comply  
16 with the requirements for certification by the Department of Education  
17 subject to the following conditions:

18 (A) the applicant shall submit to the authority a plan  
19 for the use of the loan which is approved by the commissioner of  
20 commerce and economic development;

21 (B) the applicant shall demonstrate that the proposed  
22 loan will enable the child care facility to obtain a license from  
23 the Department of Health and Social Services or a certificate from  
24 the Department of Education;

25 (C) the applicant shall apply to the Department of  
26 Community and Regional Affairs for and receive a certificate of  
27 need;

28 (6) small businesses to acquire, finance or refinance or  
29 equip businesses;

1 (7) loggers and forest products manufacturers and processors  
2 for logging operations and equipment, forest products manufacturing or  
3 processing plants, and for working capital for logging operations and  
4 forest products manufacturing or processing;

5 (8) public utilities (except publicly owned or nonprofit  
6 utilities), as defined in AS 42.05.701(2)(A) and (C), for the following  
7 purposes and under the following conditions:

8 (A) loans may be used for capital construction projects  
9 relating to hydroelectric generation or to potable water supply,  
10 including surface storage and groundwater sources, transmission of  
11 water from surface storage to the existing distribution system, and  
12 development of hydroelectric generating facilities including trans-  
13 mission of power to a load center; loans may also be used to con-  
14 struct, acquire, finance, and operate power production facilities  
15 limited to fossil fuel, wind power, tidal, geothermal, or solar  
16 energy production and waste energy conservation facilities;

17 (B) loans may be made to applicants for new or existing  
18 projects including expenses incurred in securing necessary permits  
19 and licenses, design of the project, and construction of capital  
20 improvements;

21 (C) existing hydroelectric and water supply projects may  
22 be expanded or rehabilitated with loans under this paragraph if the  
23 rehabilitation and expansion is a capital improvement project;

24 (D) loans shall be repaid to the authority by the public  
25 utilities from revenue derived from the sale of electric power or  
26 water;

27 (E) the utility shall demonstrate in its loan appli-  
28 cation that the project is economically and technically feasible  
29 and, taking into account the low interest on loans under this chap-

1 ter, is the most economical means of furnishing the proposed ser-  
2 vice;

3 (9) other businesses for equipment and operations related to  
4 harvesting, manufacturing and processing other resources in the state.

5 (b) Notwithstanding AS 45.96.400 and 45.96.410, a loan under  
6 (a)(2) of this section may not run longer than 15 years or exceed 90  
7 percent of the appraised value of the collateral used to secure the loan.

8 Sec. 45.96.260. CERTIFICATE OF NEED FOR CHILD CARE FACILITIES.

9 (a) The Department of Community and Regional Affairs shall determine  
10 whether to award a certificate of need to a child care facility applying  
11 for a loan under AS 45.96.250(a)(5) on the basis of the following  
12 criteria:

13 (1) the number of existing slots in licensed child care  
14 facilities in the geographic area of the applicant;

15 (2) the number of children in the geographic area who need  
16 child care;

17 (3) the proposed capacity of the applicant facility;

18 (4) other factors determined to be relevant by the department  
19 and set out in regulations adopted by the Department of Community and  
20 Regional Affairs.

21 (b) The Department of Community and Regional Affairs shall submit  
22 its decision and the reasons for it to the applicant within 60 days of  
23 receipt of the application.

24 Sec. 45.96.270. LOANS TO COMMERCIAL FISHERMEN. A loan under  
25 AS 45.96.250(a)(2) shall be secured by a first lien and appropriate  
26 security agreements, except that a lien in favor of the state is not  
27 required for a loan guaranteed fully by the federal government under the  
28 Federal Ship Financing Act of 1972 (46 U.S.C. secs. 1271 - 1279b; 86  
29 Stat. 909), as amended. In the case of a security agreement given to

1 secure a loan made under AS 45.95.270(a)(2) and covering a vessel docu-  
2 mented under the laws of the United States and so long as the Ship  
3 Mortgage Act of 1920 (46 U.S.C. secs. 911 - 984; 41 Stat. 1000), as  
4 amended, and the Shipping Act of 1916 (46 U.S.C. secs. 801 - 842; 39  
5 Stat. 728), as amended, remain ambiguous with respect to whether or not  
6 a state or state agency qualifies as a citizen of the United States for  
7 purposes of those Acts, the first lien requirement of this section may  
8 be satisfied by the recordation and endorsement of a first preferred  
9 ship mortgage under the Ship Mortgage Act of 1920, and by perfection of  
10 a security interest under the Uniform Commercial Code - Secured Trans-  
11 actions (AS 45.05.690 - 45.05.794), if the approval of the United States  
12 Secretary of Commerce is obtained under 46 U.S.C. sec. 839 for the  
13 transfer to the department of the interest in a vessel documented under  
14 the laws of the United States. In the case of a security agreement  
15 given to secure a loan made under AS 45.96.250(a)(2) and covering a  
16 vessel documente... under the laws of the United States, the first lien  
17 requirement of this section may also be satisfied by use of a trust deed  
18 and bond issue under it, if the trustee is a citizen of the United  
19 States and obtains a first preferred ship mortgage on the vessel under  
20 the Ship Mortgage Act of 1920, and the approval of the United States  
21 Secretary of Commerce is obtained under 46 U.S.C. secs. 839 and 961 for  
22 the transfer of the bond or bonds to the department if the trustee is  
23 not a trustee approved by the Secretary of Commerce under 46 U.S.C.  
24 secs. 808, 835 and 961.

25 Sec. 45.96.280. LOANS FOR PURCHASE OF LIMITED ENTRY PERMITS. (a)  
26 A loan under AS 45.96.250(a)(2) for the purchase of a limited entry  
27 permit may be made only upon certification by the Alaska Commercial  
28 Fisheries Entry Commission (AS 16.43.020) that the fisherman is a person  
29 who qualifies as a transferee for the permit under AS 16.43 and the

1 regulations adopted by the commission.

2 (b) Upon approval by the authority, the permit to be purchased may  
3 be pledged as security for a loan for the purchase of a limited entry  
4 permit, if

5 (1) the certificate for the pledged permit lists the author-  
6 ity as the legal owner of the permit;

7 (2) the certificate for the pledged permit lists the debtor  
8 as the equitable owner of the permit;

9 (3) all annual permit cards issued under the pledged permit  
10 list the name of the debtor;

11 (4) all obligations and responsibilities of a permit owner  
12 are assumed by the debtor;

13 (5) co-signers or other sureties for performance under the  
14 note are not vested with any rights in the pledged limited entry permit  
15 and their obligation is limited to satisfaction of the note and payment  
16 of costs directly incurred by the authority in administering the loan.

17 (c) The authority is not liable for an act or omission resulting  
18 from limited entry permit ownership nor will that act or omission affect  
19 the authority's title to the limited entry permit or the authority's  
20 rights under it.

21 (d) Upon satisfaction of the note by the debtor, the authority  
22 shall certify to the Alaska Commercial Fisheries Entry Commission that  
23 the note has been satisfied.

24 (e) Upon certification as provided in (d) of this section, the  
25 Alaska Commercial Fisheries Entry Commission shall amend the limited  
26 entry permit certificate to list the debtor as the legal owner.

27 Sec. 45.96.290. PUBLIC PURPOSES. (a) The authority may lend  
28 money to municipalities with populations of less than 5,000 according to  
29 the most recent survey conducted by the United States Bureau of the

1 Census and to those corporations eligible under (d) of this section.  
2 Loans to municipalities shall be made through the purchase by the  
3 authority of municipal bonds. Loans to nonprofit corporations shall be  
4 made through purchase by the authority of revenue bonds issued on behalf  
5 of the nonprofit corporation by the municipality in which the project to  
6 be financed by the loan is constructed. If the loan to a nonprofit  
7 corporation is for construction outside a municipality, the revenue  
8 bonds to be purchased by the authority shall be issued by the state bond  
9 committee on behalf of the nonprofit corporation. The cost of a loan  
10 made under this subsection shall be the same as the cost of borrowing to  
11 the authority. A loan made under this subsection may not exceed  
12 \$5,000,000 and is subject to the following conditions:

13 (1) The borough or city attorney shall certify that all legal  
14 requirements relating to required bond elections, if necessary, and to  
15 bond issuance have been met, or if the bonds are issued outside a muni-  
16 cipality, the certification shall be made by the Department of Law.

17 (2) The bonds shall be prepared by the municipality's attor-  
18 ney, approved by the attorney general, and need not be in definitive  
19 form.

20 (3) The bonds shall be for a term commensurate with purpose,  
21 but in no event for more than 30 years average life.

22 (b) The authority may submit a bid for all general obligation  
23 bonds offered on a competitive basis by a home rule borough or city or  
24 general law borough or city of any class incorporated under the laws of  
25 the state if the borough or city provides its bid form to the director  
26 at least 10 days before the opening of the bid. The request for bids  
27 and the bid proposal shall provide for issuing all or a portion of the  
28 bonds based upon the best combination of bids. The bid shall be deter-  
29 mined on the basis of the Daily Bond Buyer 20 bond average as follows:

1 (1) For general obligation bonds with a rating of "A" or  
2 higher, the bid shall be

3 (A) 100 points under the average for the first five  
4 years maturity;

5 (B) 75 Points under the average for the next five years  
6 maturity;

7 (C) 50 points under the average for the next five years  
8 maturity;

9 (D) 25 points under the average for the next five years  
10 maturity;

11 (E) 0 points under the average for the next five years  
12 maturity;

13 (F) 25 points above the average for the next five years  
14 maturity.

15 (2) For general obligation bonds with a rating of "Baa" or  
16 lower or which are unrated, the bid shall be

17 (A) 50 points under the average for the first five years  
18 maturity;

19 (B) 25 points under the average for the next five years  
20 maturity;

21 (C) 0 points under the average for the next five years  
22 maturity;

23 (D) 25 points above the average for the next five years  
24 maturity;

25 (E) 50 points above the average for the next five years  
26 maturity;

27 (F) 75 points above the average for the next five years  
28 maturity.

29 (3) If there are no bids, the authority may shall purchase

1 the bonds at a six percent interest rate for all maturities.

2 (c) The authority may submit a bid for all revenue bonds offered  
3 (1) on a competitive basis by a home rule borough or city or general law  
4 borough or city of any class; (2) on behalf of a nonprofit corporation  
5 performing any of the functions described in AS 29.48 for which revenue  
6 sharing is received directly or indirectly by the nonprofit corporation;  
7 or (3) on behalf of a nonprofit corporation described in (d) of this  
8 section if the borough, city, or nonprofit corporation provides its bid  
9 form to the authority at least 10 days before the opening of the bid.  
10 The request for bids and the bid proposal shall provide for issuing all  
11 or a portion of the bonds based upon the best combination of bids. The  
12 bid shall be determined on the basis of the Daily Bond Buyer 20 bond  
13 average as follows:

14 (1) 50 points under the average for the first five years  
15 maturity;

16 (2) 25 points under the average for the next five years  
17 maturity;

18 (3) 0 points under the average for the next five years matur-  
19 ity;

20 (4) 25 points above the average for the next five years  
21 maturity;

22 (5) 50 points above the average for the next five years  
23 maturity;

24 (6) 75 points above the average for the next five years  
25 maturity;

26 (d) A nonprofit corporation is eligible for a loan under this  
27 section if

28 (1) it is designated as tax exempt under sec. 501(c)(3) and  
29 (4) of the Internal Revenue Code of 1954; or

1 (2) it is created by statute and performs a state function.

2 (e) The major part of the proceeds of a bond issue purchased by  
3 the authority under this section shall be used for purposes which are  
4 tax exempt under federal law and regulation in effect at the time the  
5 bonds are issued.

6 (f) The limitations in AS 45.96.370 - 45.96.410 do not apply to  
7 loans or purchases made under this section.

8 Sec. 45.96.300. DEFAULT ON MUNICIPAL BONDS. (a) Notwithstanding  
9 any provision of law, if a department or agency of the state is the  
10 custodian of money payable to a municipality, after written notice to  
11 the department or agency head from the commissioner of revenue that the  
12 municipality is in default on the payment of principal or interest on  
13 municipal bonds held or owned by the authority, the department or agency  
14 shall withhold the payment of the money from that municipality and pay  
15 over the money to the authority for the purpose of paying principal of  
16 and interest on bonds held or owned by the authority.

17 (b) If money is not available to make any payment of principal and  
18 interest when due on a bond issue, the chief executive officer of the  
19 municipality which issued the bonds shall notify the commissioner of  
20 revenue at least 20 days in advance of the pending default that a de-  
21 fault is pending.

22 Sec. 45.96.310. MUNICIPAL BOND CAPITAL RESERVE ACCOUNT. For the  
23 purpose of securing each tax-exempt bond issue of municipalities of the  
24 state guaranteed or issued under this chapter, there is established a  
25 special account called the municipal bond capital reserve account. The  
26 commissioner of revenue shall make written requests to the legislature  
27 for appropriations from the unallocated reserve account to a municipal  
28 bond capital reserve account established under this section, upon its  
29 establishment, in amounts equal to five percent of the obligations

1 issued and sold after July 1, 1980, and upon subsequent sales, if any,  
2 of obligations of the issue secured additional amounts equal to five  
3 percent of the obligations sold. At the end of each fiscal year the  
4 commissioner of revenue shall withdraw from each municipal bond capital  
5 reserve account and pay to the unallocated reserve account any amount in  
6 the municipal bond capital reserve account in excess of five percent of  
7 the obligations secured. If the amount in the municipal bond capital  
8 reserve account is less than five percent of the obligations secured,  
9 the commissioner of revenue shall make a written request to the legisla-  
10 ture for an appropriation to the municipal bond capital reserve account  
11 from the unallocated reserve account in an amount necessary to bring the  
12 reserve to five percent. All money held in a municipal bond capital  
13 reserve account shall be used as required, when money is not available  
14 from the principal and interest account, only for (1) the payment of the  
15 principal of obligations, (2) the purchase or redemption of obligations,  
16 (3) the payment of interest on obligations, or (4) the payment of any  
17 redemption premium required to be paid when those obligations are re-  
18 deemed before maturity. Income or interest earned by a municipal bond  
19 capital reserve account shall be paid to the unallocated reserve account.  
20 Any amount remaining in a municipal bond capital reserve account when  
21 the issue the account secures is fully retired shall be paid to the  
22 unallocated reserve account.

23 Sec. 45.96.320. INDUSTRIAL DEVELOPMENT LOANS. (a) The authority  
24 may lend money from the fund to a business conducting exempt activities  
25 under sec. 103(b)(4), (5), and (6) of the Internal Revenue Code of 1954  
26 for those activities, either directly or through purchase by the author-  
27 ity of industrial development bonds issued on behalf of the business by  
28 the state bond committee.

29 (b) A loan may be made under this section only if upon payment of

1 the loan the project financed by the loan will be the property of

2 (1) the municipality in which the activity is conducted,  
3 unless the municipality has provided otherwise by a resolution adopted  
4 before approval of the loan; or

5 (2) the state if the activity is not conducted within a  
6 municipality.

7 (c) A corporation, partnership, or firm doing business in the  
8 state is eligible for a loan under this section if

9 (1) the governing body of the municipality in which the  
10 activity is conducted has been given notice of the project and the  
11 application for loan or purchase and has approved the project and appli-  
12 cation, or has not notified the authority in writing that it disapproves  
13 the loan within 60 days of receipt of notice; or

14 (2) if the activity to be financed by the loan is not to be  
15 conducted in a municipality, the commissioner of community and regional  
16 affairs approves the project.

17 (d) A corporation, partnership, or firm which requests a loan of  
18 at least \$5,000,000 but not more than \$10,000,000 for a project under  
19 this section may request the issuance of a special series of bonds for  
20 its project if it has a credit rating of "A" or better. The authority  
21 may request the state bond committee to issue the special series of  
22 bonds on behalf of the corporation, partnership, or firm instead of  
23 making a direct loan for the project.

24 Sec. 45.96.330. PROJECT COSTS ELIGIBLE FOR BONDING. All costs of  
25 a qualified project are eligible for bonding under AS 45.96.290 - 45.96.-  
26 320. These costs include, but are not limited to, (1) the cost of neces-  
27 sary studies, surveys, plans and specifications, architectural, engineer-  
28 ing or other special services; (2) the cost of real property acquisition,  
29 site preparation and development; (3) the cost of purchasing, construc-

1 ting, reconstructing and improving real property; (4) the cost of acquir-  
2 ing machinery and equipment necessary to a project; (5) an allocable por-  
3 tion of the administrative and operating expenses of the issuer of the  
4 bonds; (6) the cost of financing the project, including interest on  
5 bonds; (7) the cost of other items, including indemnity and surety bonds  
6 and premiums on insurance, legal fees, fees and expenses of trustees,  
7 depositaries, and financial advisors, and the cost of paying agents for  
8 the bonds issued as the issuer of the bonds considers necessary.

9 Sec. 45.96.340. EDUCATION. (a) The authority may make scholar-  
10 ship loans to students who have graduated from an accredited high  
11 school.

12 (b) Proceeds from a scholarship loan may only be used for trans-  
13 portation, books, tuition and required fees, and for room and board.  
14 The loan may only be used to attend a career education program approved  
15 by the Alaska Commission on Postsecondary Education or a college or  
16 university accredited by the accreditation association for the region in  
17 which the college or university is located.

18 (c) To maintain a scholarship loan a student must continue to be  
19 enrolled as a full-time student in good standing in a work study program  
20 approved by the Department of Education, in a career education program,  
21 or in a college or university designated under (b) of this section.

22 (d) A scholarship loan is noninterest bearing while a student is  
23 enrolled under (c) of this section or is receiving a deferment of pay-  
24 ments under (g) of this section if appropriated money is available for  
25 payment of the interest to the authority.

26 (e) The repayment period for a scholarship loan is 10 years.  
27 Unless a deferment of payments has been granted under (g) of this sec-  
28 tion, repayment shall begin when the student terminates his studies. In  
29 case of hardship, the Alaska Loan Programs Evaluation Committee may

1 extend repayment of a loan for an additional period of up to five years.

2 (f) If, upon completion of the course of study for which a scholar-  
3 ship loan was granted, the borrower repays 60 percent of the principal  
4 amount of the loan with interest with no delinquency, the remaining  
5 40 percent owing shall be forgiven if appropriated money is available  
6 for payment of the amount forgiven to the authority.

7 (g) The Alaska Loan Programs Evaluation Committee shall defer  
8 repayment of a scholarship loan during any of the following:

9 (1) the first year after a student terminates his studies;

10 (2) return by the student to student status as provided in  
11 (c) of this section;

12 (3) performance by the student of military or required alter-  
13 native service; or

14 (4) 50 percent or greater disability of the student, as  
15 certified by competent medical authority.

16 Sec. 45.96.350. TOURISM, HISTORICAL AND OUTDOOR RECREATION LOANS.

17 (a) The authority may make loans from the fund to a business directly  
18 involved in the tourist industry.

19 (b) Upon endorsement and plan approval by a local historical  
20 district commission established under AS 29.48.108 and the recommen-  
21 dation of a majority of the members of the Historic Sites Advisory Com-  
22 mittee, a loan may be made from the fund to a person, firm, business, or  
23 municipality subject to applicable laws for the restoration, improve-  
24 ment, rehabilitation, or maintenance of a structure which is

25 (1) within the boundaries of an historical district estab-  
26 lished under AS 29.48.110;

27 (2) identified as important in state or national history as  
28 provided in AS 29.48.110(b); or

29 (3) another building or structure within an historical dis-

1 trict that is suitable for superficial modification so that it can  
2 conform to the period or motif of the surrounding buildings or struc-  
3 tures that are the reason for the area's designation as an historical  
district.

5 (c) Loans may be made from the fund for the nonfederal share of  
6 costs of a project to acquire, develop, or extend an outdoor recreation  
7 site and facility.

8 Sec. 45.96.360. ELIGIBILITY FOR LOANS. To be eligible for a loan  
9 under this chapter, a person must have been a resident of the state for  
10 at least five years on the date of application for the loan and must be  
11 18 years of age or older. A corporation is eligible for a loan under  
12 this chapter if more than 60 percent of its shareholders have been  
13 residents of the state for at least five years on the date of the appli-  
14 cation for the loan, the chief executive officer and all members of the  
15 governing board of the corporation have been residents of the state for  
16 at least five years on the date of application for the loan, and the  
17 chief executive officer and members of the governing board assume full  
18 individual liability for repayment of the loan. A loan to a corporation  
19 is immediately due and payable if the corporation ceases to meet the  
20 eligibility requirements of this section. The eligibility requirements  
21 of this section do not apply to loans made under AS 45.96.320. An  
22 individual is ineligible for a loan under this chapter if

23 (1) an earlier loan to him from the state or from an agency  
24 of the state has been discharged in bankruptcy unless the defaulted loan  
25 was repaid in full and 10 years have elapsed from the date of repayment;  
26 or

27 (2) he is 60 days or more delinquent on a loan from the state  
28 or from an agency of the state on the effective date of this Act or on a  
29 loan made under this chapter, but if the delinquency is cured eligibil-

1       ity of the individual is restored 10 years after the delinquency is  
2       cured.

3               Sec. 45.96.370.   MAXIMUM LOAN AMOUNTS.   (a)   A loan made under  
4       AS 45.96.240 for the purchase or construction of residential housing may  
5       not exceed (1) \$90,000 for a single-family dwelling; (2) \$130,000 for a  
6       duplex; (3) \$170,000 for a triplex; (4) \$210,000 for a fourplex. A loan  
7       made for the purchase or construction of residential housing in excess  
8       of four units shall be created as a commercial building loan subject to  
9       the limitations in (b)(1) of this section.

10              (b)   A commercial loan made under AS 45.96.250 may not exceed

11                      (1)   \$1,000,000 to a borrower for business activities; farm  
12       development; agricultural irrigation systems; purchase, construction,  
13       renovation, or repair of commercial buildings; fish processing; fishing  
14       vessels and gear; logging operations and equipment; timber manufacturing  
15       and processing; nonrenewable resource extraction; or other commercial  
16       activity not specifically provided for in this section;

17                      (2)   \$350,000 to a borrower for farm chattels other than  
18       irrigation systems;

19                      (3)   10 percent of the gross receipts of the farm for the  
20       previous fiscal year up to a maximum of \$250,000 for farm working capi-  
21       tal;

22                      (4)   10 percent of the gross receipts of the fisherman for the  
23       previous fiscal year up to a maximum of \$250,000 for working capital for  
24       fishing.

25              (c)   A loan for a single project described in (b)(1) or (2) of this  
26       section may exceed the maximum limit but may not exceed \$10,000,000 for  
27       a loan described in (b)(1) or \$1,100,000 for a loan described in (b)(2)  
28       if

29                      (1)   the loan is made to more than one but not more than 10

1 individuals participating in the project and the loan to each individual  
2 does not exceed the applicable maximum limit; or

3 (2) the loan is made to a corporation and more than one but  
4 not more than 10 individuals owning stock in that corporation assume  
5 personal liability for the loan in an amount which as to each individual  
6 does not exceed the applicable maximum limit.

7 (d) A loan may not be made under (c) of this section if a bor-  
8 rower or an owner of stock in a corporate borrower has unpaid debt on a  
9 loan made under (c) of this section.

10 (e) A loan to an associate of the borrower is considered to be a  
11 loan to the borrower. For the purposes of this section, "associate of  
12 the borrower" means

13 (1) a corporation or other organization of which the borrower  
14 is an officer, director or partner, or is, directly or indirectly, the  
15 beneficial owner of 10 percent or more of any class of equity securi-  
16 ties;

17 (2) a person who is, directly or indirectly, the beneficial  
18 owner of 10 percent or more of any class of equity securities of the  
19 borrower;

20 (3) a trust or other estate in which the borrower has a  
21 substantial beneficial interest or as to which the borrower serves as  
22 trustee or in a similar fiduciary capacity;

23 (4) a relative or spouse of the borrower or a relative of the  
24 spouse, who has the same home as the borrower;

25 (5) a person directly or indirectly controlling, controlled  
26 by, or under common control with, the borrower.

27 (f) The maximum loan amounts established in (a) - (d) of this  
28 section shall increase in proportion to increases in the consumer price  
29 index for Anchorage. The consumer price index for Anchorage for July 1,

1 1978, is the basis for determining annual percentage increases in the  
2 maximum loan amounts.

3 (g) A loan made under AS 45.96.340 may not exceed

4 (1) \$4,000 per year for undergraduate students; or

5 (2) \$8,000 per year for graduate students;

6 Sec. 45.96.380. AREA COST DIFFERENTIAL. (a) The maximum loan  
7 amounts established in AS 45.96.370(a) and (b) shall be increased by the  
8 area cost differential (ACD) determined by the formula  $ACD = LCC/BCC \times$   
9  $LCOL/BCOL$  where

10 (1) LCC is the cost of construction in the area in which the  
11 facility to be financed by the loan is located;

12 (2) BCC is the cost of construction in the city or borough  
13 having the lowest cost of construction in the state;

14 (3) LCOL is the cost of living in the area in which the  
15 facility to be financed by the loan is located;

16 (4) BCOL is the cost of living in the city or borough having  
17 the lowest cost of living in the state.

18 (b) For purposes of this section the Department of Transportation  
19 and Public Facilities shall annually determine the cost of construction  
20 and the cost of living in each area of the state under regulations  
21 promulgated by the department establishing standards for the determi-  
22 nation.

23 Sec. 45.96.390. ADDITIONAL LOAN LIMITATIONS. The maximum loan  
24 amounts established in AS 45.96.370(b) and 45.96.380 shall be further  
25 limited, based upon the actual technical and managerial experience in  
26 Alaska of the borrower relating to the project or activity for which the  
27 loan is made, as follows:

28 (1) if the borrower's experience in Alaska is less than two  
29 years, he may receive up to 50 percent of the maximum amount;

1 (2) if the borrower's experience in Alaska is two to three  
2 years, he may receive up to 70 percent of the maximum amount;

3 (3) if the borrower's experience in Alaska is three to four  
4 years, he may receive up to 80 percent of the maximum amount;

5 (4) if the borrower's experience in Alaska is four to five  
6 years, he may receive up to 90 percent of the maximum amount;

7 (5) if the borrower's experience in Alaska is five years or  
8 more, he may receive 100 percent of the maximum amount.

9 Sec. 45.96.400. VALUE LIMITATION. Notwithstanding the provisions  
10 of AS 45.96.370 - 45.96.390, a loan made under this chapter, unless it  
11 is a loan made under AS 45.96.320 or 45.96.340, may not exceed

12 (1) 90 percent of the appraised value of real property  
13 pledged as security for the loan;

14 (2) 95 percent of the appraised value of real property  
15 pledged as security for the loan if

16 (A) the loan is for residential housing and is made in  
17 an area where Federal Housing Administration mortgage insurance is  
18 not available; or

19 (B) the loan is for an owner-occupied, single-family  
20 dwelling;

21 (3) 80 percent of the appraised value of the tangible personal  
22 property pledged as security for the loan.

23 Sec. 45.96.410. MAXIMUM TERMS OF LOANS. Except as provided in  
24 AS 45.96.340(e), the term of a loan made under this chapter may not  
25 exceed the useful life of the property pledged as security for the loan  
26 or

27 (1) 30 years on a loan secured by real property;

28 (2) 15 years or the life of the equipment on a loan secured  
29 by equipment used for production of income;

1 (3) seven years on a loan secured by tangible personal pro-  
2 perty or on a loan made under AS 45.96.340;

3 (4) one year on a loan for working capital.

4 Sec. 45.96.420. RATE OF INTEREST. (a) The rate of interest  
5 charged to borrowers under this chapter shall be the amount determined  
6 by the authority to be sufficient to cover anticipated cost of money to  
7 the authority and, for borrowers other than municipalities, one percent  
8 over the anticipated cost of money to the authority to be deposited in  
9 the loss reserve account plus the amount required for any necessary  
10 insurance. However, the rate of interest charged a municipality may be  
11 lower if necessary to prevent bonds issued under this chapter from being  
12 arbitrage bonds under sec. 10<sup>3</sup>(c) of the Internal Revenue Code of 1954,  
13 as amended. The determination of the anticipated cost of money to the  
14 authority made by the authority is conclusive. Rates of interest less  
15 than the rate established by this subsection may be charged if the  
16 renewable resource development fund or another state fund pays the  
17 difference between the cost of money to the authority and the interest  
18 rate charged or if an appropriation is made to pay the difference.

19 (b) The rate of interest determined in accordance with (a) of this  
20 section shall be reduced by one percent if the loan is made to a veteran  
21 or is made for agricultural purposes. If the loan is made to a veteran,  
22 the World War II veterans' revolving fund, created in AS 26.15.090,  
23 shall pay the difference between the rate determined in (a) of this  
24 section and the rate charged to the borrower. If the loan is made fo-  
25 agricultural purposes, the agricultural revolving loan fund, created in  
26 AS 03.10.040, shall pay the the difference between the rate determined  
27 in (a) of this section and the rate charged to the borrower. If the  
28 loan is made to a veteran and for agricultural purposes, the rate of  
29 interest shall be reduced by two percent and each fund shall pay one-

1 half the difference.

2 (c) When the World War II veterans' revolving fund's assets become  
3 depleted so that it can no longer pay the difference, the provisions of  
4 (b) of this section relating to loans made to veterans apply only if  
5 appropriation is made for the purpose of paying the difference. When  
6 the agricultural revolving loan fund's assets become depleted so that it  
7 can no longer pay the difference, the renewable resources development  
8 fund shall pay a portion of the interest determined by the division of  
9 treasury to be appropriate.

10 Sec. 45.96.425. ELIGIBILITY FOR VETERANS' INTEREST RATES. (a)  
11 The following persons are eligible for special interest rates for  
12 veterans established in AS 45.96.420(b):

13 (1) a person who served in the armed forces of the United  
14 States for 90 days or more, or whose service was for less than 90 days  
15 because of injury or disability incurred in the line of duty, after  
16 April 6, 1917,

17 (A) who at the time of induction into the service was a  
18 resident of the territory or state, who had been a resident for not  
19 less than one year immediately before his induction, and who re-  
20 turned to the territory or state within one year after discharge as  
21 a resident with the intention of remaining in the territory or  
22 state; or

23 (B) who, not being a resident of the territory or state  
24 at the time of his entry into the service, has been a resident of  
25 the state for at least one year at the time of the loan application  
26 and has been a resident of the territory or state for a total of at  
27 least five years; and

28 (C) whose discharge was other than dishonorable;

29 (2) the widow or widower of a member of the armed forces or

1 an eligible veteran if

2 (A) the member or veteran was a resident of the terri-  
3 tory or state for one year before induction into the service;

4 (B) the member or veteran served in the armed forces for  
5 at least 90 days after April 6, 1917; and

6 (C) his discharge was other than dishonorable;

7 (3) a person who has served in the Alaska Army National  
8 Guard, the Alaska Air National Guard, or the Alaska Naval Militia for  
9 not less than five years or who has served in a reserve unit of the  
10 United States armed forces in Alaska if the reserve unit required, as a  
11 minimum, one weekend each month of duty and 15 consecutive days of  
12 active duty training each year for five years and who has received a  
13 discharge other than dishonorable.

14 Sec. 45.96.427. LIMITATION ON POWER TO MAKE LOANS. (a) The  
15 authority may purchase a loan described in AS 45.96.240 or 45.96.250  
16 made in a rural or urban area of the state if, after reasonable efforts,  
17 the lender is unable to sell the loan to any other purchaser.

18 (b) The authority may make a loan described in AS 45.96.240 or  
19 45.96.250 in an urban area of the state if the borrower, after reason-  
20 able efforts, is unable to obtain the loan from any other lender in that  
21 area.

22 (c) In this section

23 (1) "rural area of the state" means the unorganized borough  
24 or a city of any class with a population of less than 5,000 or an or-  
25 ganized borough of any class with a population of less than 10,000;

26 (2) "urban area of the state" means an area of the state  
27 which is not a rural area of the state.

28 Sec. 45.96.430. EMPLOYMENT PRACTICES. (a) In the performance of  
29 contracts let by a recipient of a loan under this chapter for construc-

1 tion, repair, preliminary surveys, engineering studies, consulting,  
2 maintenance work or any other retention of services necessary to com-  
3 plete any project for which the loan was made, 95 percent residents  
4 shall be employed if they are available and qualified. If 10 or fewer  
5 persons are employed under the contract, then 90 percent residents shall  
6 be employed if they are available and qualified.

7 (b) The authority shall incorporate into all lending instruments  
8 issued under this chapter the provisions of (a) of this section and a  
9 provision calling for immediate foreclosure of the loan for violation of  
10 the provisions of (a) of this section.

11 (c) In addition to immediate foreclosure of his loan, as provided  
12 in (b) of this section, a borrower who violates the provisions of (a) of  
13 this section is ineligible for any loan under this chapter for 10 years  
14 following the violation.

15 (d) Municipalities and state agencies and departments when con-  
16 tracting for services concerning any aspects of administration and  
17 financing of the authority shall comply with AS 36.10.

18 Sec. 45.96.440. COOPERATION WITH OTHER AGENCIES. All departments,  
19 agencies and public corporations of the state shall provide information,  
20 services and facilities to the authority on request. The authority  
21 shall reimburse the department, agency or corporation for expenses  
22 reasonably incurred under this section.

23 Sec. 45.96.450. BANK PARTICIPATION. (a) Loans made under this  
24 chapter may be made in participation with a financial institution. The  
25 participating financial institution may act as agent for the authority  
26 in the initial processing of applications for loans. Fees for such  
27 services shall be agreed upon.

28 (b) If a financial institution participates in a loan, the author-  
29 ity and the participating institution shall share the same ratable

1 interest in the collateral securing the loan. Loan payments made by the  
2 borrower shall be distributed between the financial institution and the  
3 authority on a pro rata basis.

4 (c) The participating financial institution shall fix the rate of  
5 interest charged by it but may not exceed the legal contract rate of  
6 interest prescribed by law.

7 (d) The maximum service fee for administering a loan which may be  
8 charged by a participating financial institution is one-half of one  
9 percent.

10 Sec. 45.96.460. ASSURANCE REQUIRED. (a) For each loan made by  
11 the authority, the loan agreement shall include an assurance by the  
12 borrower that no person who provides services to the borrower in pre-  
13 liminary phases of a project for which the loan is made, including all  
14 studies made in connection with the project,

15 (1) will participate in the implementation stages of that  
16 project; or

17 (2) will represent more than one interest in connection with  
18 the project.

19 (b) A list of all persons performing preliminary services for a  
20 loan applicant shall be furnished to the authority as part of the loan  
21 application, and a list of all persons with whom the borrower has con-  
22 tractual relations in respect to the project after the application for  
23 loan is made shall be submitted to the authority at intervals set by the  
24 authority.

#### 25 ARTICLE 4. ALLOCATION OF MONEY TO AGENCIES.

26 Sec. 45.96.470. ALLOCATION OF MONEY TO AGENCIES. (a) Beginning  
27 July 1, 1980, and annually thereafter, the authority shall allocate a  
28 portion of its proceeds from bonds and bond anticipation notes to the  
29 following agencies to enable those agencies to carry out their purposes:

- 1 (1) Alaska State Housing Authority (AS 18.55);  
2 (2) regional housing authorities created under AS 18.55.-  
3 996(b);  
4 (3) Alaska Gas Pipeline Financing Authority (AS 44.55);  
5 (4) Alaska Power Authority (AS 44.56).

6 (b) Beginning July 1, 1981, and annually thereafter, the authority  
7 shall allocate a portion of its proceeds from bonds and bond anticipa-  
8 tion notes to the following agencies to enable those agencies to carry  
9 out their purposes:

- 10 (1) Alaska Medical Facility Authority (AS 18.26);  
11 (2) Alaska Municipal Bond Bank Authority (AS 44.58).

12 (c) The authority shall determine the amount, if any, which shall  
13 be allocated under (a) and (b) of this section to the agencies listed in  
14 (a) and (b) of this section based upon the authority's determination of  
15 the amount needed by each agency, the amount needed by the authority to  
16 perform its functions, and the amount available for allocation.

17 ARTICLE 5. GENERAL PROVISIONS.

18 Sec. 45.96.480. REPORTS. The authority shall prepare and submit  
19 to the legislature by January 30 of each year a report summarizing its  
20 activities under this chapter and suggesting legislation relating to the  
21 operation of its program under this chapter.

22 Sec. 45.96.490. DEFINITIONS. In this chapter,

- 23 (1) "authority" means the Alaska Development Authority;  
24 (2) "the fund" means the Alaska loan programs fund created in  
25 AS 45.96.025.

26 \* Sec. 2. AS 03.10.050 is repealed and re-enacted to read:

27 Sec. 03.10.050. ADMINISTRATION OF FUND. The commissioner shall  
28 administer the loan fund.

29 \* Sec. 3. AS 18.100.050 is amended to read:

1           Sec. 18.100.050. ELIGIBILITY FOR GRANTS [LOANS]. Only public or  
2 nonprofit private corporations are eligible for grants [LOANS] under  
3 this chapter. The nonprofit corporations must be designated as tax  
4 exempt under sec. 501(c)(3) and (4) [501(e)(3) AND (4)] of the Internal  
5 Revenue Code of 1954.

6 \* Sec. 4. AS 18.100.070(a) is amended to read:

7           (a) There is created within the Department of Community and Re-  
8 gional Affairs a senior citizens housing development fund. Subject to  
9 direct appropriation [OR THROUGH PROCEEDS OF A BONDING ISSUE] the de-  
10 partment shall make grants [OR LOANS] to municipalities or to corpora-  
11 tions designated as tax exempt under sec. 501(c)(3) and (4) of the  
12 Internal Revenue Code of 1954 [ELIGIBLE FOR LOANS UNDER AS 18.100.050]  
13 for the purpose of developing senior citizen housing. [A GRANT FROM THE  
14 PROCEEDS OF A BOND ISSUE MAY BE MADE ONLY TO MUNICIPALITIES.]

15 \* Sec. 5. AS 18.100.070(b) is amended to read:

16           (b) Application for a grant [OR LOAN] under (a) of this section  
17 shall be in the form prescribed by the department. The application  
18 shall demonstrate the need for senior citizen housing in the area to be  
19 served, the feasibility of the proposed project, and an adequate manage-  
20 ment plan which shall demonstrate the ability of the eligible recipient  
21 to sustain the proposed project.

22 \* Sec. 6. AS 37.10.070(a)(9) is amended to read:

23           (9) loans made under the provisions of AS 45.96 [AS 03.10 AND  
24 AS 26.15];

25 \* Sec. 7. AS 41.22.020(a) is amended to read:

26           (a) In addition to uses of fund money authorized in AS 41.22.010,  
27 money of the fund shall be utilized to make grants to municipalities, of  
28 up to one-half the nonfederal share of costs of projects described in  
29 AS 41.22.010 which are initiated by a municipality [, AND LOANS OF

1 AMOUNTS NECESSARY TO ENABLE MUNICIPALITIES TO MAKE OPTION PAYMENTS ON  
2 PARKS AND OPEN SPACE LAND FOR THE ACQUISITION OF WHICH FEDERAL FUNDS ARE  
3 ANTICIPATED].

4 \* Sec. 8. AS 41.35.180(5) is repealed and re-enacted to read:

5 (5) consult with local historical district commissions re-  
6 garding the establishment of historical districts under AS 29.48.108 -  
7 29.48.110 and recommend, if appropriate, the formulation of additional  
8 criteria for the designation of historical districts under AS 29.48.-  
9 110(b).

10 \* Sec. 9. AS 39.25.120(2) is amended to read:

11 (2) the directors, division of personnel, division of public  
12 health, division of medical assistance, and those other directors of the  
13 major divisions of the principal departments of the executive branch as  
14 are specifically designated by the governor, except the director of the  
15 division of collections is in the classified service and may not be  
16 designated as partially exempt;

17 \* Sec. 10. AS 45.96.120(a) is amended to read:

18 (a) For the purpose of securing obligations of the authority, a  
19 special account in the authority called the allocated reserve account is  
20 established. The allocated reserve account consists of money appro-  
21 priated [TRANSFERRED] to it as provided in (b) of this section. The  
22 authority shall pay the amounts necessary to finance the capital reserve  
23 account established under AS 45.96.140, the fire insurance and liability  
24 reserve account under AS 45.96.155, and the loss reserve account under  
25 AS 45.96.150 from the allocated reserve account. All other expenditures  
26 from the allocated reserve account shall be in accordance with annual  
27 appropriations.

28 \* Sec. 11. AS 45.96.120(b) is repealed and re-enacted to read:

29 (b) It is the intention of the legislature to appropriate to the

1 allocated reserve account on an annual basis an amount equal to (1) 15  
2 percent of the annual receipts paid the state from mineral lease rentals  
3 for state land and from royalties derived from minerals produced on  
4 state land; and (2) one-half of the income from the Alaska permanent  
5 fund established in AS 37.13.010.

6 \* Sec. 12. TERMINATION OF REVENUE BONDING ACTIVITIES OF AGENCIES. (a)  
7 After June 30, 1980, the following agencies may not issue revenue bonds other  
8 than refunding bonds:

- 9 (1) Alaska State Housing Authority (AS 18.55);
- 10 (2) regional housing authorities created under AS 18.55.996(b);
- 11 (3) Alaska Gas Pipeline Financing Authority (AS 44.55);
- 12 (4) Alaska Power Authority (AS 44.56).

13 (b) After June 30, 1981, the following agencies may not issue revenue  
14 bonds other than refunding bonds:

- 15 (1) Alaska Medical Facility Authority (AS 18.26);
- 16 (2) Alaska Municipal Bond Bank Authority (AS 44.58).

17 \* Sec. 13. (a) All state agencies, departments, commissions, corpora-  
18 tions, divisions or other instrumentalities administering or having authority  
19 over or control of a loan program or loan fund affected by secs. 2 - 5, 7, 8,  
20 and 15 of this Act shall stop accepting applications for loans no later than  
21 January 1, 1981. The Alaska Development Authority shall accept applications  
22 for loans from the Alaska loan programs fund beginning January 1, 1981.

23 (b) Appropriations, state employees, records, equipment, and other  
24 property of state agencies administering a loan program affected by secs. 2 -  
25 5, 7, 8, and 15 of this Act are transferred to the Alaska Development  
26 Authority. The Alaska Development Authority shall assign the state  
27 employees transferred to it from other state agencies to staff the district  
28 and subdistrict offices of the authority.

29 \* Sec. 14. The Alaska Development Authority may not issue bonds and bond

1 anticipation notes in a total amount greater than \$250,000,000. The Alaska  
2 Development Authority shall include in its annual report to the legislature  
3 under AS 45.96.480 enacted in sec. 1 of this Act a statement of the total  
4 amount of bonds and bond anticipation notes issued by the Alaska Development  
5 Authority and may also include in the report suggestions to increase, de-  
6 crease or remove the limitation imposed by this section and the reasons for  
7 the suggestions.

8 \* Sec. 15. The following laws are repealed: AS 03.10.010, 03.10.020(1),  
9 (4), and (5), 03.10.030, 03.10.054; AS 16.10.300, 16.10.310(a)(1), (4), and  
10 (5), 16.10.320; AS 18.100.030(1) and (4), 18.100.040 - 18.100.060; AS 26.15.-  
11 010(b) - (d), 26.15.040 - 26.15.060, 26.15.110 - 26.15.160; AS 37.10.079;  
12 AS 41.22.020(b) - (c); AS 41.30.010 - 41.30.080; AS 44.33.245(a)(1), 44.33.-  
13 245(b), 44.33.250 - 44.33.260; AS 45.86.010 - 45.86.030, 45.86.040(b) - (c),  
14 45.86.050 - 45.86.060; AS 45.88.010 - 45.88.040; AS 45.90.020(a)(1), (4),  
15 45.90.030; AS 45.95.020 - 45.95.030, 45.95.070; AS 45.98.020 - 45.98.040,  
16 45.98.060.

17 \* Sec. 16. The unobligated general fund surplus as of June 30, 1980, in  
18 excess of \$150,000,000 shall lapse into a special account in the general  
19 fund. Notwithstanding AS 37.10.070, the commissioner of revenue shall direct  
20 the director of the division of treasury to invest money in the special  
21 account from June 30, 1980, to December 31, 1980, in purchases of evidences  
22 of indebtedness acquired or to be acquired after June 30, 1980, and before  
23 December 31, 1980, from state loan programs which were in existence on  
24 January 1, 1980. Loans purchased with money in the special account must bear  
25 interest at an annual rate of nine and one-half percent. Notwithstanding the  
26 provisions in existing loan programs, all state loans to be purchased with  
27 money in the special account bear interest at an annual rate of nine and  
28 one-half percent. Before January 31, 1981, the governor shall certify to the  
29 legislature the balance remaining in the special account and that balance may

1 be appropriated to the principal of the Alaska permanent fund established by  
2 AS 37.13.010.

3 \* Sec. 17. Sections 10 and 11 of this Act take effect on the date that  
4 the Alaska Supreme Court decides that AS 45.96.120 enacted by sec. 1 of this  
5 Act provides for an unconstitutional dedication of revenue under art. IX,  
6 sec. 7 of the state constitution.

7 \* Sec. 18. Sections 2 - 5, 7, 8, and 15 of this Act take effect June 30,  
8 1981.

9 \* Sec. 19. Sections 1, 6, 9, 12 - 14, and 16 - 19 of this Act take effect  
10 June 30, 1980.

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Introduced: 4/23/80  
Referred: Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE

2

HOUSE BILL NO. 1021

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act granting authority to the Alaska Renewable

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Resources Corporation to exceed investment limits by

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investing \$3,500,000 in Ball Brothers, Inc.; and provid-

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ing for an effective date "

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

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\* Section 1. The legislature finds that the Alaska Renewable Resources

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Corporation has complied with all requirements for an investment of \$3,500,000

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in Ball Brothers, Inc., an Alaska corporation, except for the requirement in

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AS 37.12.080(b) that no financial assistance of more than \$1,500,000 may be

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provided to a single project or applicant unless the legislature has approved

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the investment by concurrent resolution. The legislature further finds that

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approval of the investment is in the public interest. Notwithstanding the

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provisions of AS 37.12.080(b) requiring approval by concurrent resolution,

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the investment in the amount of \$3,500,000 is approved and the corporation is

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authorized to make the proposed investment in Ball Brothers, Inc., an Alaska

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corporation.

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

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070(c).

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