

SCOMM

#34:9

STATE OF ALASKA
FISCAL NOTE

APR 27 1983

Revision Date _____, 1983

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

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

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

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POSITIONS:

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

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

IV. ANALYSIS: Attach a separate page for any Analysis

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

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

Distribution:

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

3/8/83

HB Fiscal Note Analysis

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

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

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AGENCY Commerce & Economic Development
PROGRAM Economic Development
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1.	POSITION TITLE Loan Closer I			RANGE/STEP 10 A	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL	ADDITION	JUSTIFICATION						
4.	TYPE OF EXPENDITURE		AMOUNT						
	1	2	3						
	PERSONAL SERVICES								
5.	Salary	1,673/mo.	20,076						
6.	Benefits		3,112						
7.	Supplemental Benefits		1,231						
8.	Fixed Benefits		2,880						
9.	TOTAL PERSONAL SERVICES	01	27,299						
10.	Travel	02	6,840						
11.	Contractual	03	1,450						
12.	Commodities	04	520						
13.	Equipment	05	5,089						
14.	Other	Space Rental	2,700						
15.	TOTAL COST		43,898						
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts	1002						
17.		G.F. Match	1003						
18.		General Funds	1004	43,898					
19.		I-A Receipts	1005						
20.		Program Receipts	1028						
21.		Other							
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1.	POSITION TITLE Loan Examiner III				RANGE/STEP 19 A	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPRDV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL		ADDITION		JUSTIFICATION					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	3,475/mo.	41,700							
6.	Benefits		6,464							
7.	Supplemental Benefits		2,556							
8.	Fixed Benefits		2,880							
9.	TOTAL PERSONAL SERVICES		01	53,600						
10.	Travel		02	4,204						
11.	Contractual		03	3,103						
12.	Commodities		04	520						
13.	Equipment		05	5,300						
14.	Other	Space Rental		2,700						
15.	TOTAL COST			69,427						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		69,427						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
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1.	POSITION TITLE Loan Examiner III				RANGE/STEP 19 A	BARC. UNIT G	FORM 12 PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEC.		

3.	CONTINUATION LEVEL	ADDITION	
4.	TYPE OF EXPENDITURE		AMOUNT
	1	2	3
	PERSONAL SERVICES		
5.	Salary 3,041/mo.	36,492	
6.	Benefits	5,656	
7.	Supplemental Benefits	2,237	
8.	Fixed Benefits	2,880	
9.	TOTAL PERSONAL SERVICES	01	47,265
10.	Travel	02	4,204
11.	Contractual	03	3,103
12.	Commodities	04	520
13.	Equipment	05	5,300
14.	Other Space Rental		2,700
15.	TOTAL COST		63,092

JUSTIFICATION

	RECEIPT CODE	FUNDING SOURCE	
16.		Federal Receipts 1002	
17.		G.F. Match 1003	
18.		General Funds 1004	63,092
19.		I-A Receipts 1005	
20.		Program Receipts 1028	
21.		Other	

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1.	POSITION TITLE Loan Examiner III				RANGE/STEP 19A	BARG. UNIT G	FORM 12 PAGE/LINE	GOV.	APPRDV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				ADDITION		JUSTIFICATION			
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	3041/month	36,492							
6.	Benefits		5,656							
7.	Supplemental Benefits		2,237							
8.	Fixed Benefits		2,880							
9.	TOTAL PERSONAL SERVICES		01	47,265						
10.	Travel		02	4,204						
11.	Contractual		03	3,103						
12.	Commodities		04	520						
13.	Equipment		05	5,300						
14.	Other			2,700						
15.	TOTAL COST			63,092						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		63,092						
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____ BILL NO. ____
IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE - FIRST SESSION
A BILL

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

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

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

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

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

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

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

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

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

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

(2) in the judgment of the commissioner

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

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

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

Sec. 45.95.085. DEFINITIONS. In this chapter

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

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

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

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