

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILE 8672

1332 SCOMM 50: HOUSE SPECIAL COMMITTEE ON STATE LOANS 1985-86



# RECORDS CERTIFICATION



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4/10

# COMMITTEE REPORT

## HOUSE

(5)

FURTHER: FINANCE

3/13/85

Date: 4/9/85

The Committee on HOUSE SPECIAL COMMITTEE  
ON STATE LOANS has had HB 283  
"An Act relating to historical property loans."

under consideration and recommends:

- ☒ 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 *Sept 45*
- ☐ reports it back without recommendation ☐ Zero Fiscal Note Attached
- ☐ referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Sam Carter

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

Rob Kelly

Just info

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
CHAIRMAN



# Telegram

04017

NL ANCHORAGE AK 68 04-08 1410 AST

PMS

REP JOHN L. SUND

RM 411 CAPITOL BLDG

JUNEAU AK 99801

85 APR 8 PM 4 06

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THE ALASKA ASSOCIATION FOR HISTORIC PRESERVATION  
STRONGLY SUPPORTS HOUSE BILL 283. THE BILL EXPANDS  
THE USEABILITY OF AN OTHERWISE EXCELLENT PROGRAM.

NO NEW FUNDING IS REQUESTED.

BOARD MEMBERS

TOM BECK

ROBERT GOLDBERG

CHARLES HAWKES

JUDITH BITTNER

JANE HAIGH

KIM HUNTER

PAUL CHATTEY

MIKE KENNEDY

DONNA LANE

NANCY DAVIS

BILL LISTON

TOM LIVINGSTON

JIM EDE

WILDA MARSTON

JANET MATHESON

JOAQLIN ESTUS

JANE MCCABE

STEVE PETERSON

JIM RAPP

TIM SMITH

MIKE YARBOROUGH

L-0167-0 1601876

## FISCAL NOTE

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

## REQUEST

Bill/Resolution No.: HB 283  
 Title: Historic Property Loans

Sponsor: M.M. Miller  
 Requestor: Loans Committee  
 Date of Request: 4/4/85

## FISCAL DETAIL

Agency Affected: Natural Resources  
 Program Category Affected: NRMEC

BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

## EXPENDITURES/REVENUES: (Thousands of Dollars)

|                        | FY 85 | FY 86  | FY 87  | FY 88  | FY 89  | FY 90  |
|------------------------|-------|--------|--------|--------|--------|--------|
| <b>OPERATING</b>       |       |        |        |        |        |        |
| 100 PERSONAL SERVICES  |       | \$12.0 | \$12.0 | \$13.0 | \$13.0 | \$14.0 |
| 200 TRAVEL             |       | \$ 3.0 | \$ 3.0 | \$ 4.0 | \$ 4.0 | \$ 5.0 |
| 300 CONTRACTUAL        |       | \$ .2  | \$ .2  | \$ .3  | \$ .3  | \$ .4  |
| 400 SUPPLIES           |       | \$ .2  | .2     | .3     | .3     | .4     |
| 500 EQUIPMENT          |       |        |        |        |        |        |
| 600 LAND & STRUCTURES  |       |        |        |        |        |        |
| 700 GRANTS, CLAIMS     |       |        |        |        |        |        |
| 800 MISCELLANEOUS      |       |        |        |        |        |        |
| <b>TOTAL OPERATING</b> |       | \$15.4 | \$15.4 | \$17.6 | \$17.6 | \$19.8 |

|                |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|
| <b>CAPITAL</b> |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|

|                |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|
| <b>REVENUE</b> |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|

## FUNDING: (Thousands of Dollars)

|               |  |        |        |        |        |        |
|---------------|--|--------|--------|--------|--------|--------|
| GENERAL FUND  |  | \$15.4 | \$15.4 | \$17.6 | \$17.6 | \$19.8 |
| FEDERAL FUNDS |  |        |        |        |        |        |
| OTHER         |  |        |        |        |        |        |
| <b>TOTAL</b>  |  | \$15.4 | \$15.4 | \$17.6 | \$17.6 | \$19.8 |

## POSITIONS:

|           |  |     |     |     |     |     |
|-----------|--|-----|-----|-----|-----|-----|
| FULL-TIME |  | 1/6 | 1/6 | 1/6 | 1/6 | 1/6 |
| PART-TIME |  |     |     |     |     |     |
| TEMPORARY |  |     |     |     |     |     |

## ANALYSIS: Attach a separate page if necessary

The Historic Sites Advisory Committee, chaired by the State Historic Preservation Officer within the DNR Division of Parks and Outdoor Recreation, reviews plans for projects that are under consideration for historic district loans. If the loans become available to properties that are not within historic districts, the number of loans and therefore the number of plans to review could increase to as many as 20 or 30 a year from the current 1 or 2. Approximately 2 months of an

Prepared By: Carol Wilson

Phone: 465-2400

Division: Commissioner's Office

Date: 4/8/85

Approved by Commissioner: Wm. D. Amos

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

Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

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

7/1/84

Continuation of Fiscal Note Analysis

HB 283

historical architect's time would be required for each fiscal year to review the plans for proposed projects. Travel money would be used by the architect to travel to the site of the historic propoerty for any necessary pre-loan examinations and to travel to the property after the work is completed to inspect results. A small amount of contractual and supplies money is needed for the purchase of film and film processing, for use in photographing historic property projects.

## STATE OF ALASKA 1985 LEGISLATIVE SESSION

## FISCAL NOTE

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

REQUEST

Bill/Resolution No.: HB 283

Title: "An Act relating to  
historical property loans."

Sponsor: Rep. M.M. Miller

Requestor: \_\_\_\_\_

Date of Request: \_\_\_\_\_

FISCAL DETAIL

Agency Affected: Commerce &amp; Econ. Dev.

Program Category Affected: \_\_\_\_\_

Development

BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

Division of Investments

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                        | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|------------------------|-------|-------|-------|-------|-------|-------|
| <b>OPERATING</b>       |       |       |       |       |       |       |
| 100 PERSONAL SERVICES  |       |       |       |       |       |       |
| 200 TRAVEL             |       | 2.0   | 2.0   | 2.0   | 2.0   | 2.0   |
| 300 CONTRACTUAL        |       | 2.0   | 2.0   | 2.0   | 2.0   | 2.0   |
| 400 SUPPLIES           |       |       |       |       |       |       |
| 500 EQUIPMENT          |       |       |       |       |       |       |
| 600 LAND & STRUCTURES  |       |       |       |       |       |       |
| 700 GRANTS, CLAIMS     |       |       |       |       |       |       |
| 800 MISCELLANEOUS      |       |       |       |       |       |       |
| <b>TOTAL OPERATING</b> |       | 4.0   | 4.0   | 4.0   | 4.0   | 4.0   |

|                |         |         |         |         |         |
|----------------|---------|---------|---------|---------|---------|
| LOANS XXXXXXXX | 2,000.0 | 2,000.0 | 2,000.0 | 2,000.0 | 2,000.0 |
|----------------|---------|---------|---------|---------|---------|

|         |  |  |  |  |  |
|---------|--|--|--|--|--|
| REVENUE |  |  |  |  |  |
|---------|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

|               |     |     |     |     |     |
|---------------|-----|-----|-----|-----|-----|
| GENERAL FUND  | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| FEDERAL FUNDS |     |     |     |     |     |
| OTHER         |     |     |     |     |     |
| <b>TOTAL</b>  | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

See attached.

Prepared By: Paul B. Arnoldt, Director

Division: Investments

Phone: 465-2510

Date: 4/9/85

Approved by Commissioner: Loren H. Lounsbury

Agency: Commerce and Economic Development

Date: 4/9/85

Distribution (by Agency preparing fiscal note):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

7/1/84

2018W4885b

HB 283  
Analysis

An increased fiscal expenditure will be needed to handle the additional loans applied for and processed by the department, for the associated staff required to expeditiously and properly provide this service to the public. It is estimated that between 20 to 30 applications will be processed each year. The division's existing loan examiners will assume the burden of these extra loans.

Consideration of these applications would also require more meetings of the division's loan committees, additional management and clerical responsibilities, and extra work for the loan closers. This fiscal note assumes that these additional burdens will be absorbed.

Fiscal costs:

|                                                                       |       |
|-----------------------------------------------------------------------|-------|
| Travel to inspect collateral, interview applicants, and inform public | 2,000 |
|-----------------------------------------------------------------------|-------|

|                                                                                                                        |       |
|------------------------------------------------------------------------------------------------------------------------|-------|
| \$2,000 is included for modification and reprinting of the existing loan application packets, the State Loan Pamphlet. | 2,000 |
|------------------------------------------------------------------------------------------------------------------------|-------|

**STATE OF ALASKA 1985 LEGISLATIVE SESSION**  
**FISCAL NOTE**

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

**REQUEST**

Bill/Resolution No.: HB 283  
Title: "An Act relating to  
historical property loans."  
Sponsor: M.M. Miller  
Requestor: \_\_\_\_\_  
Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

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

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

|                        | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|------------------------|-------|-------|-------|-------|-------|-------|
| <b>OPERATING</b>       |       |       |       |       |       |       |
| 100 PERSONNEL SERVICES |       |       |       |       |       |       |
| 200 TRAVEL             |       |       |       |       |       |       |
| 300 CONTRACTUAL        |       |       |       |       |       |       |
| 400 SUPPLIES           |       |       |       |       |       |       |
| 500 EQUIPMENT          |       |       |       |       |       |       |
| 600 LAND & STRUCTURES  |       |       |       |       |       |       |
| 700 GRANTS, CLAIMS     |       |       |       |       |       |       |
| 800 MISCELLANEOUS      |       |       |       |       |       |       |
| <b>TOTAL OPERATING</b> | -0-   | -0-   | -0-   | -0-   | -0-   | -0-   |

|                |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|
| <b>CAPITAL</b> | -0- | -0- | -0- | -0- | -0- | -0- |
|----------------|-----|-----|-----|-----|-----|-----|

|                |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|
| <b>REVENUE</b> | -0- | -0- | -0- | -0- | -0- | -0- |
|----------------|-----|-----|-----|-----|-----|-----|

**FUNDING: (Thousands of Dollars)**

|                      |     |     |     |     |     |     |
|----------------------|-----|-----|-----|-----|-----|-----|
| <b>GENERAL FUND</b>  |     |     |     |     |     |     |
| <b>FEDERAL FUNDS</b> |     |     |     |     |     |     |
| <b>OTHER</b>         |     |     |     |     |     |     |
| <b>TOTAL</b>         | -0- | -0- | -0- | -0- | -0- | -0- |

**POSITIONS:**

|                  |  |  |  |  |  |  |
|------------------|--|--|--|--|--|--|
| <b>FULL-TIME</b> |  |  |  |  |  |  |
| <b>PART-TIME</b> |  |  |  |  |  |  |
| <b>TEMPORARY</b> |  |  |  |  |  |  |

**ANALYSIS:** Attach a separate page if necessary

As the Division of Investments anticipates minimal increased loan demand, the Division of Accounting & Collections is submitting a zero fiscal note.

Prepared By: Margaret I. Hamley, Director *MH* Phone: 465-2555  
Division: Accounting & Collections Date: 4-8-85  
Approved by Commissioner: Loren H. Lounsbury  
Agency: Commerce and Economic Development Date: 4/9/85

Distribution (by Agency preparing fiscal note):

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

7/1/84

House Bill 283

"An Act relating to historical property loans."

Legislation would expand the Historical District Loan Program by: (1) allowing structures, buildings, sites, or objects identified as important in State or national history to be considered for loans without being in a Historical District as is currently required, and (2) the removal of first lien requirement.

Currently the Department of Commerce and Economic Development is averaging about one loan per year under the existing Historical District Loan Act. With the passage of this bill, additional properties will qualify for these loans across the State, including properties not in the Historical Districts. The actual number of increased applications for loans will depend on the approval criteria of the Historic Sites Advisory Committee, as their approval is required before a loan may be processed. This bill opens up the historical property loan money to the rural areas of the State. This bill is anticipated to increase the number of applications processed, and will impact upon the Historical District Loan Fund.

After careful review of the changes to the Historical District Loan Act, as proposed by the Alaska Association for Historic Preservation, the Alaska State Historic Preservation Officer and the City and Borough of Juneau, the Department of Commerce and Economic Development recommends the following:

AS 45.98.020 should be rewritten to clarify its purpose

1. to incorporate the changes recommended in SB 78;
2. to merge proposed new subsection (b) into section 020; and
3. to clarify what is meant by "identified as important in state or national history" by limiting eligibility to structures on the National Register of Historic Places, as was proposed by the State Historic Preservation Officer.

AS 45.98.020 as proposed would then read:

Sec. 45.98.020 HISTORICAL PROPERTY [DISTRICT] LOANS. Upon endorsement and plan approval by a local historical landmark or district commission established under AS 29.48.108, if the property is within its jurisdiction, and the approval [RECOMMENDATION] of a majority of the members of the Historic Sites Advisory Committee, the Department of Commerce and Economic Development may make loans to a person, firm, business or municipality subject to applicable laws for the restoration, improvement, rehabilitation, or maintenance of a historic [A] structure, building, site, or object that [WHICH] is

(1) [WITHIN THE BOUNDARIES OF A HISTORICAL DISTRICT ESTABLISHED UNDER AS 29.48.110;

(2)] listed in the National Register of Historic Places [IDENTIFIED AS IMPORTANT IN STATE OR NATIONAL HISTORY AS PROVIDED FOR IN AS 29.48.110(b)]; or [AND]

(2)a [(3) ANOTHER] building or structure within a historical district, that is [AND] suitable for superficial modification so that it can conform to the period or motif of the surrounding buildings or structures that are the reason for the areas designation as a historical district;

The result of these amendments would be to expand the Historic Property Loans to include over 200 places on the National Register of Historic Places, and still provide loans to properties in Historic Districts. They also allow for an orderly administrative process for dealing with loans. Since there is currently only about \$913,000 in the loan fund, appropriations to the fund should be considered or the current balance will be easily expended.

If 10% of the 200 places on the National Register of Historic Places apply for loans each year, at an average loan value of \$150,000, then an additional \$2 million will be needed in the loan budget.

  
for Loren H. Lounsbury, Commissioner  
Date: 4/9/85

Offered: 3/12/85  
Referred: Finance

Original sponsor: Rules/Governor

BY THE LABOR AND  
COMMERCE COMMITTEE

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 78 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making miscellaneous amendments to state loan  
7 programs administered by the Department of Commerce  
8 and Economic Development; and providing for an effective date."  
9

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

11 \* Section 1. AS 16.10.310(a) is amended to read:

12 (a) The department may

13 (1) make loans to

14 (A) individual commercial fishermen who have been  
15 state residents for a continuous period of two years immediately  
16 preceding the date of application for a loan under AS 16.10.300 -  
17 16.10.370 and have had a crewmember or commercial fishing license  
18 under AS 16.05.480 or a permit under AS 16.43 for the year immediately  
19 preceding the date of application and any other two of  
20 the past five years, and who actively participated in the fishery  
21 during those periods, for the purchase of entry permits;

22 (B) an individual for the repair, restoration, or up-  
23 grading of existing vessels and gear, for the purchase of entry  
24 permits and gear, and for the construction and purchase of ves-  
25 sels, if the individual [AN INDIVIDUAL WHO] has been a state  
26 resident for a continuous period of two years immediately pre-  
27 ceding the date of application for a loan under AS 16.10.300 -  
28 16.10.370, and either [WHO]

29 (i) because of lack of training or lack of

1 employment opportunities in the area of residence does not  
2 have occupational opportunities available other than commer-  
3 cial fishing; or

4 (ii) is economically dependent on commercial  
5 fishing for a livelihood and for whom commercial fishing has  
6 been a traditional way of life [FOR THE INDIVIDUAL] in  
7 Alaska [, FOR THE REPAIR, RESTORATION OR UPGRADING OF EXIST-  
8 ING VESSELS AND GEAR, FOR THE PURCHASE OF ENTRY PERMITS AND  
9 GEAR, AND FOR THE CONSTRUCTION AND PURCHASE OF VESSELS;

10 (C) CORPORATIONS, PARTNERSHIPS, OR JOINT VENTURES, 100  
11 PERCENT OF WHICH ARE OWNED BY INDIVIDUAL COMMERCIAL FISHERMEN WHO  
12 HAVE BEEN STATE RESIDENTS FOR A CONTINUOUS PERIOD OF TWO YEARS  
13 IMMEDIATELY PRECEDING THE DATE OF APPLICATION FOR A LOAN UNDER  
14 AS 16.10.310(a)(1)(B) AND HAVE HAD A CREWMEMBER OR COMMERCIAL  
15 FISHING LICENSE UNDER AS 16.05.480 OR A PERMIT UNDER AS 16.43 FOR  
16 THE YEAR IMMEDIATELY PRECEDING THE DATE OF APPLICATION AND ANY  
17 OTHER TWO OF THE PAST FIVE YEARS, AND WHO ACTIVELY PARTICIPATED  
18 IN THE FISHERY DURING THAT PERIOD, FOR THE REPAIR, RESTORATION OR  
19 UPGRADING OF EXISTING VESSELS AND GEAR, FOR THE PURCHASE OF GEAR,  
20 AND FOR THE CONSTRUCTION AND PURCHASE OF VESSELS];

21 (2) designate agents and delegate its powers to them as  
22 necessary;

23 (3) adopt regulations necessary to carry out its functions;

24 (4) establish amortization plans for repayment of loans,  
25 which may include extensions for poor fishing seasons or for adverse  
26 market conditions for Alaskan products;

27 (5) enter into agreements with private lending intuitions,  
28 other state agencies, or agencies of the federal government, to carry  
29 out the purposes of AS 16.10.300 - 16.10.370;

1 (6) enter into agreements with other agencies or organiza-  
2 tions to create an outreach program to make loans under AS 16.10.300 -  
3 16.10.370 in rural areas of the state;

4 (7) allow an assumption of a loan if

5 (A) the applicant has been a state resident for a  
6 continuous period of two years immediately preceding the date of  
7 the request for an assumption; and

8 (B) approval of the assumption would be consistent  
9 with the purposes of AS 16.10.300 - 16.10.370; it is not neces-  
10 sarily inconsistent with the purposes of AS 16.10.300 - 16.10.370  
11 to approve an assumption by an applicant who does not meet the  
12 loan eligibility requirements as they exist at the time of the  
13 application;

14 (8) prequalify loan applicants and charge a fee not to  
15 exceed \$100 for prequalification.

16 \* Sec. 2. AS 16.10.310 is amended by adding a new subsection to read:

17 (c) In determining whether an individual commercial fisherman is  
18 reasonably likely to be able to repay a loan made under AS 16.10.300 -  
19 16.10.370, the commissioner shall consider the individual commercial  
20 fisherman's income from commercial fishing and from all other sources.

21 \* Sec. 3. AS 16.10.315 is amended to read:

22 Sec. 16.10.315. ALLOCATION OF LOANS. The department shall  
23 allocate at least 10 percent of the money that is appropriated for a  
24 state fiscal year to make loans under AS 16.10.310 for loans of  
25 \$35,000 or less made under AS 16.10.310(a)(1)(B) [AND (C)]. An allo-  
26 cation made under this section terminates on April 15 of the state  
27 fiscal year for which the allocation is made.

28 \* Sec. 4. AS 16.10.320(a) is amended to read:

29 (a) Except as permitted in (h) of this section, a [A] loan

1 under AS 16.10.300 - 16.10.370 [16.10.310 - 16.10.370]

2 (1) may not exceed a term of 15 years, except for exten-  
3 sions under AS 16.10.310(a)(4);

4 (2) may not bear interest exceeding 10-1/2 percent;

5 (3) must [SHALL] be secured by a first priority lien and  
6 appropriate security agreement; and

7 (4) may not exceed 90 percent of the appraised value of the  
8 collateral used to secure the loan[, EXCEPT THAT A LOAN GRANTED UNDER  
9 AS 16.10.333 FOR THE PURCHASE OF AN ALASKA LIMITED ENTRY PERMIT MAY  
10 NOT EXCEED AN AMOUNT DETERMINED IN ACCORDANCE WITH (f) OR (h) OF THIS  
11 SECTION].

12 \* Sec. 5. AS 16.10.320(d) is amended to read:

13 (d) The total of balances outstanding on loans [LOANS] made to a  
14 borrower under AS 16.10.310(a)(1)(A) may not exceed [A TOTAL OF]  
15 \$300,000. The total of balances outstanding on loans [LOANS] made to  
16 a borrower under AS 16.10.310(a)(1)(B) [OR (C)] may not exceed [A  
17 TOTAL OF] \$100,000. [A LOAN TO AN ASSOCIATE OF THE BORROWER IS CON-  
18 sidered to be a loan to the borrower. FOR THE PURPOSES OF THIS SEC-  
19 tion, "ASSOCIATE OF THE BORROWER" MEANS

20 (1) A CORPORATION OR OTHER ORGANIZATION OF WHICH THE BOR-  
21 ROWER IS AN OFFICER, DIRECTOR OR PARTNER, OR IS, DIRECTLY OR INDI-  
22 RECTLY, THE BENEFICIAL OWNER OF 10 PERCENT OR MORE ON ANY CLASS OF  
23 EQUITY SECURITIES;

24 (2) A PERSON WHO IS, DIRECTLY OR INDIRECTLY, THE BENEFICIAL  
25 OWNER OF 10 PERCENT OR MORE OF ANY CLASS OF EQUITY SECURITIES OF THE  
26 BORROWER;

27 (3) A TRUST OR OTHER ESTATE IN WHICH THE BORROWER HAS A  
28 SUBSTANTIAL BENEFICIAL INTEREST OR AS TO WHICH THE BORROWER SERVES AS  
29 TRUSTEE OR IN A SIMILAR FIDUCIARY CAPACITY.]

1     \* Sec. 6. AS 16.10.320(e) is amended to read:

2             (e) Two or more individual commercial fishermen who each satisfy  
3     the requirements specified in AS 16.10.310(a)(1)(B) may jointly,  
4     whether operating as a corporation, partnership, joint venture, or  
5     otherwise, obtain a commercial fishing loan for the repair, restora-  
6     tion, or upgrading of an existing vessel and gear, for the purchase of  
7     gear, and for the construction [OF A FISHING VESSEL] or the purchase  
8     of a [AN EXISTING] fishing vessel. Loans granted under this subsec-  
9     tion

10            [(1)] may not exceed the amount specified in (d) of this  
11     section multiplied by the number of qualified commercial fishermen  
12     applying for the loan [;

13            (2) MAY NOT EXCEED A TERM OF 15 YEARS;

14            (3) SHALL BE SECURED BY A FIRST PRIORITY LIEN AND APPRO-  
15     PRIATE SECURITY AGREEMENT;

16            (4) MAY NOT BEAR INTEREST EXCEEDING 10-1/2 PERCENT;

17     AND

18            (5) MAY NOT EXCEED 90 PERCENT OF THE APPRAISED VALUE OF  
19     THE COLLATERAL USED TO SECURE THE LOAN].

20     \* Sec. 7. AS 16.10.320(i) is amended to read:

21            (i) If a loan is made to a borrower under AS 16.10.310(a)(1)(A),  
22     a subsequent loan may not be made to the borrower [OR AN ASSOCIATE OF  
23     THE BORROWER] under AS 16.10.310(a)(1)(B) [OR (C)]. If a loan is made  
24     to a borrower under AS 16.10.310(a)(1)(B) [OR (C)], a subsequent loan  
25     may be made to the borrower [OR AN ASSOCIATE OF THE BORROWER] under  
26     AS 16.10.310(a)(1)(A) if the total of the balances outstanding on  
27     loans received by the borrower [OR THE ASSOCIATE] under AS 16.10.310  
28     does not exceed \$300,000.

29     \* Sec. 8. AS 16.10.333(a) is amended to read:

1           (a) Loans under AS 16.10.310(a) [AS 16.10.320(a)] may be made to  
2       an individual commercial fisherman for the purchase of a limited entry  
3       permit upon certification by the commission that the fisherman is a  
4       person who qualifies as a transferee for the permit under AS 16.43 and  
5       the regulations adopted by the commission.

6       \* Sec. 9. AS 16.10.335 is amended to read:

7           Sec. 16.10.335. DEFAULT AND FORECLOSURE. (a) If the debtor  
8       defaults upon a note for which a limited entry permit has been pledged  
9       as security under AS 16.10.333 or [UNDER AS] 16.10.338, the commis-  
10      sioner shall provide the debtor, by both [REGISTERED OR] certified and  
11      first class mail sent to the debtor's last known address on file with  
12      the commissioner, with a notice of default that [WHICH] includes

13           (1) a description of the security given for the note in-  
14      cluding the number assigned to the pledged permit by the commission;

15           (2) the date upon which the default occurred;

16           (3) the amount of arrearages as of the date of the notice,  
17      the total amount remaining on the note less unearned interest, and the  
18      amount of daily interest;

19           (4) a statement that the debtor may, within 15 days after  
20      [OF] the postmark date of the notice, request a hearing to submit  
21      evidence showing the debtor has not defaulted;

22           (5) a statement that the note may be reinstated if brought  
23      current within 60 days after [FROM] the postmark date of the notice;

24           (6) a statement that the note may be paid in full less  
25      unearned interest within 120 days after [FROM] the postmark date of  
26      the notice;

27           (7) the place where reinstatement or payment in full may be  
28      made; and

29           (8) a notice in at least 10-point bold type stating:

1 "IMPORTANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE  
2 DATE SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT  
3 AND THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

4 (b) In each case of a limited entry permit being pledged as  
5 security under AS 16.10.333 or 16.10.338, the debtor shall maintain on  
6 file with the department an address where notice of default is to be  
7 sent, if necessary, and where that notice will be timely received by  
8 the debtor.

9 (c) Upon presentation of evidence of mailing in accordance with  
10 (a) of this section, the receipt of the notice of default by the  
11 debtor will be presumed for all purposes. This presumption is rebut-  
12 table by presentation of evidence sufficient to demonstrate lack of  
13 receipt of notice through no fault of the debtor. Upon presentation  
14 of evidence sufficient to prove lack of receipt of notice through no  
15 fault of the debtor, the notice is a nullity.

16 (d) Upon good cause shown, the commissioner may waive any of the  
17 time limits in (a) of this section, if the department receives from  
18 the debtor or the debtor's representative a request for the waiver  
19 before the expiration of the time limit for which the waiver is  
20 sought.

21 (e) Except as otherwise provided in (c) and (d) of this section,  
22 upon [UPON] the debtor's failure to satisfy the note within the time  
23 specified in (a)(6) of this section, the debtor's interest in the  
24 permit is terminated by operation of law without further notice. Any  
25 entry permit cards issued to the debtor under the permit must [SHALL]  
26 be cancelled immediately upon receipt by the commission of a certifi-  
27 cate of termination containing a copy of the notice required by (a) of  
28 this section issued by the commissioner.

29 \* Sec. 10. AS 16.10.339 is amended to read:

1           Sec. 16.10.339. REGULATIONS. The [COMMISSION, WITH THE APPROVAL  
2   OF THE] department[,] shall adopt regulations to implement AS 16.10.-  
3   333 - 16.10.337.

4   \* Sec. 11. AS 16.10 is amended by adding a new section to read:

5           Sec. 16.10.355. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR FORE-  
6   CLOSURE. The department shall dispose of property acquired through  
7   default or foreclosure of a loan made under AS 16.10.300 - 16.10.370  
8   or former AS 16.10.650 - 16.10.720. Disposal shall be made in a  
9   manner that serves the best interests of the state, and may include  
10  the amortization of payments over a period of years, but may not be by  
11  lease.

12  \* Sec. 12. AS 16.10 is amended by adding a new section to read:

13           Sec. 16.10.507. SPECIAL ACCOUNT ESTABLISHED. (a) There is  
14   established as a special account within the fisheries enhancement  
15   revolving loan fund the foreclosure expense account. This account is  
16   established as a reserve from fund equity.

17           (b) The commissioner may expend money credited to the foreclo-  
18   sure expense account when necessary to protect the state's security  
19   interest in collateral on loans made under AS 16.10.520 or to defray  
20   expenses incurred during foreclosure proceedings after a default by an  
21   obligor.

22  \* Sec. 13. AS 16.10 is amended by adding a new section to read:

23           Sec. 16.10.555. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR  
24   FORECLOSURE. The Department of Commerce and Economic Development  
25   shall dispose of property acquired through default or foreclosure of a  
26   loan made under AS 16.10.500 - 16.10.620. Disposal shall be made in a  
27   manner that serves the best interests of the state, and may include  
28   the amortization of payments over a period of years.

29  \* Sec. 14. AS 26.15 is amended by adding a new section to read:

1           Sec. 26.15.085. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR  
2 FORECLOSURE. The Department of Commerce and Economic Development  
3 shall dispose of property acquired through default or foreclosure of a  
4 loan made under this chapter. Disposal shall be made in a manner that  
5 serves the best interests of the state, and may include the amortiza-  
6 tion of payments over a period of years.

7 \* Sec. 15. AS 26.15 is amended by adding a new section to read:

8           Sec. 26.15.095. SPECIAL ACCOUNT ESTABLISHED. (a) There is  
9 established as a special account within the Alaska World War II veter-  
10 ans' revolving fund the foreclosure expense account. This account is  
11 established as a reserve from fund equity.

12           (b) The commissioner of commerce and economic development may  
13 expend money credited to the foreclosure expense account when neces-  
14 sary to protect the state's security interest in collateral on loans  
15 made under AS 26.15.040 or to defray expenses incurred during fore-  
16 closure proceedings after a default by an obligor.

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

18           Sec. 27.09.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is  
19 established as a special account within the mining loan fund the fore-  
20 closure expense account. This account is established as a reserve  
21 from fund equity.

22           (b) The commissioner of commerce and economic development may  
23 expend money credited to the foreclosure expense account when neces-  
24 sary to protect the state's security interest in collateral on loans  
25 made under AS 27.09.010 or to defray expenses incurred during fore-  
26 closure proceedings after a default by an obligor.

27 \* Sec. 17. AS 27.09 is amended by adding a new section to read:

28           Sec. 27.09.055. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR  
29 FORECLOSURE. The department shall dispose of property acquired

1 through default or foreclosure of a loan made under this chapter.  
2 Disposal shall be made in a manner that serves the best interests of  
3 the state, and may include the amortization of payments over a period  
4 of years.

5 \* Sec. 18. AS 44.33 is amended by adding a new section to read:

6 Sec. 44.33.242. SPECIAL ACCOUNT ESTABLISHED. (a) There is  
7 established as a special account within the child care facility re-  
8 volving loan fund the foreclosure expense account. This account is  
9 established as a reserve from fund equity.

10 (b) The commissioner of commerce and economic development may  
11 expend money credited to the foreclosure expense account when neces-  
12 sary to protect the state's security interest in collateral on loans  
13 made under AS 44.33.245 or to defray expenses incurred during fore-  
14 closure proceedings after a default by an obligor.

15 \* Sec. 19. AS 44.33 is amended by adding a new section to read:

16 Sec. 44.33.272. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR  
17 FORECLOSURE. The department shall dispose of property acquired  
18 through default or foreclosure of a loan made under AS 44.33.240 -  
19 44.33.275. Disposal shall be made in a manner that serves the best  
20 interests of the state, and may include the amortization of payments  
21 over a period of years.

22 \* Sec. 20. AS 45.87 is amended by adding a new section to read:

23 Sec. 45.87.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is  
24 established as a special account within the bulk fuel revolving loan  
25 fund the foreclosure expense account. This account is established as  
26 a reserve from fund equity.

27 (b) The commissioner of commerce and economic development may  
28 expend money credited to the foreclosure expense account when neces-  
29 sary to protect the state's security interest in collateral on loans

1       made under this chapter or to defray expenses incurred during fore-  
2       closure proceedings after a default by an obligor.

3       \* Sec. 21. AS 45.87 is amended by adding new sections to read:

4               Sec. 45.87.040. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR  
5       FORECLOSURE. The department shall dispose of property acquired  
6       through default or foreclosure of a loan made under this chapter.  
7       Disposal shall be made in a manner that serves the best interests of  
8       the state, and may include the amortization of payments over a period  
9       of years.

10              Sec. 45.87.060. REGULATIONS. The department shall adopt regu-  
11       lations to implement this chapter.

12       \* Sec. 22. AS 45.88 is amended by adding a new section to read:

13              Sec. 45.88.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is  
14       established, as a special account within the revolving loan fund  
15       established under AS 45.88.010, the foreclosure expense account. This  
16       account is established as a reserve from fund equity.

17              (b) The commissioner of commerce and economic development may  
18       expend money credited to the foreclosure expense account when neces-  
19       sary to protect the state's security interest in collateral on loans  
20       made under AS 45.88.020 or to defray expenses incurred during fore-  
21       closure proceedings after a default by an obligor.

22       \* Sec. 23. AS 45.88 is amended by adding a new section to read:

23              Sec. 45.88.050. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR  
24       FORECLOSURE. The Department of Commerce and Economic Development  
25       shall dispose of property acquired through default or foreclosure of a  
26       loan made under this chapter. Disposal shall be made in a manner that  
27       serves the best interests of the state, and may include the amortiza-  
28       tion of payments over a period of years.

29       \* Sec. 24. AS 45.89 is amended by adding a new section to read:

1           Sec. 45.89.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is  
2 established as a special account within the residential energy conser-  
3 vation fund the foreclosure expense account. This account is estab-  
4 lished as a reserve from fund equity.

5           (b) The commissioner may expend money credited to the foreclo-  
6 sure expense account when necessary to protect the state's security  
7 interest in collateral on loans made under AS 45.89.030 or to defray  
8 expenses incurred during foreclosure proceedings after a default by an  
9 obligor.

10 \* Sec. 25. AS 45.89 is amended by adding new sections to read:

11           Sec. 45.89.050. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR  
12 FORECLOSURE. The department shall dispose of property acquired  
13 through default or foreclosure of a loan made under this chapter.  
14 Disposal shall be made in a manner that serves the best interests of  
15 the state, and may include the amortization of payments over a period  
16 of years.

17           Sec. 45.89.070. REGULATIONS. The department shall adopt regu-  
18 lations to implement this chapter.

19 \* Sec. 26. AS 45.90 is amended by adding a new section to read:

20           Sec. 45.90.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is  
21 established as a special account within the tourism revolving fund the  
22 foreclosure expense account. This account is established as a reserve  
23 from fund equity.

24           (b) The commissioner of commerce and economic development may  
25 expend money credited to the foreclosure expense account when neces-  
26 sary to protect the state's security interest in collateral on loans  
27 made under AS 45.90.020 or to defray expenses incurred during fore-  
28 closure proceedings after a default by an obligor.

29 \* Sec. 27. AS 45.90 is amended by adding a new section to read:

1           Sec. 45.90.050. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR  
2 FORECLOSURE. The Department of Commerce and Economic Development  
3 shall dispose of property acquired through default or foreclosure of a  
4 loan made under this chapter. Disposal shall be made in a manner that  
5 serves the best interests of the state, and may include the amortiza-  
6 tion of payments over a period of years.

7 \* Sec. 28. AS 45.95 is amended by adding a new section to read:

8           Sec. 45.95.055. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR  
9 FORECLOSURE. The Department of Commerce and Economic Development  
10 shall dispose of property acquired through default or foreclosure of a  
11 loan made under this chapter. Disposal shall be made in a manner that  
12 serves the best interests of the state, and may include the amortiza-  
13 tion of payments over a period of years.

14 \* Sec. 29. AS 45.95 is amended by adding a new section to read:

15           Sec. 45.95.065. SPECIAL ACCOUNT ESTABLISHED. (a) There is  
16 established as a special account within the small business revolving  
17 loan fund the foreclosure expense account. This account is estab-  
18 lished as a reserve from fund equity.

19           (b) The commissioner may expend money credited to the foreclo-  
20 sure expense account when necessary to protect the state's security  
21 interest in collateral on loans made under AS 45.95.020 or to defray  
22 expenses incurred during foreclosure proceedings after a default by an  
23 obligor.

24 \* Sec. 30. AS 45.98 is amended by adding a new section to read:

25           Sec. 45.98.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is  
26 established as a special account within the historical district re-  
27 volving loan fund the foreclosure expense account. This account is  
28 established as a reserve from fund equity.

29           (b) The commissioner of commerce and economic development may

1        expend money credited to the foreclosure expense account when neces-  
2        sary to protect the state's security interest in collateral on loans  
3        made under this chapter, or to defray expenses incurred during fore-  
4        closure proceedings after a default by an obligor.

5        \* Sec. 31. AS 45.98.020 is amended to read:

6               Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and  
7        plan approval by a local historical district commission established  
8        under AS 29.48.108 and the recommendation of a majority of the members  
9        of the Historic Sites Advisory Committee, the Department of Commerce  
10       and Economic Development may make loans to a person, firm, business or  
11       municipality subject to applicable laws for the restoration, improve-  
12       ment, rehabilitation, or maintenance of

13                (1) a structure which is [(1)] within the boundaries of a  
14       historical district established under AS 29.48.110 and [;]

15                [(2)] identified as important in state or national history as  
16       provided for in AS 29.48.110(b); or [AND]

17                (2) a [(3) ANOTHER] building or structure within a histor-  
18       ical district, that is [AND] suitable for superficial modification so  
19       that it can conform to the period or motif of the surrounding build-  
20       ings or structures that are the reason for the area's designation as a  
21       historical district.

22        \* Sec. 32. AS 45.98 is amended by adding a new section to read:

23               Sec. 45.98.055. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR  
24        FORECLOSURE. The Department of Commerce and Economic Development  
25        shall dispose of property acquired through default or foreclosure of a  
26        loan made under this chapter. Disposal shall be made in a manner that  
27        serves the best interests of the state, and may include the amortiza-  
28        tion of payments over a period of years.

29        \* Sec. 33. AS 16.10.310(b), 16.10.320(f), and 16.10.333(f) are

1 repealed.

2 \* Sec. 34. This Act takes effect July 1, 1985.

# Alaska State Legislature



## House of Representatives House Judiciary Committee

Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4990

MEMO: March 13, 1985

TO: Rep. John Sund  
Chairman, House Committee on Loans

FROM: Rep. M. Mike Miller *mm*

RE: HB 283/Historical properties loans

This bill was introduced today's date, and would revise the eligibility for loans under the existing historical district loan program. Attached is a letter of explanation from Ms. Janet McCabe explaining the reasons for introducing the bill.

I would appreciate your scheduling of this bill at your committee's convenience, understanding that more pressing issues may occupy your committee as the session deadline approaches.

At such time as you may schedule a hearing on this bill, the following people should be notified:

Janet McCabe (Anchorage): 272-2119  
Alaska Association for Historic Preservation

Steve Peterson (Anchorage): 272-3567 (days)  
Chairman, Anchorage Landmarks Commission  
1835 Northwestern, Anch.

Judy Bittner (Anchorage): 265-4140 (days)  
State historical preservation officer  
Office of History and Archaeology

Laurie Bender (Anchorage):  
Planner  
Municipality of Anchorage

Greg Winegar (Juneau): 465-2510  
Juneau Regional Office  
Division of investments/Commerce & Ec. Development

Bob Speed of my office will be dealing with this bill for me, if you or your staff have any questions. Please feel free to discuss this with me about the bill at any time.

# THE ALASKA ASSOCIATION

OLD CITY HALL 524 WEST FOURTH AVENUE SUITE 203 ANCHORAGE ALASKA 99501 TELEPHONE (907) 274-2311

Honorable Mike Miller (Juneau)  
Alaska State Legislature  
Pouch V (MS 3100)  
Juneau, Alaska 99811

Dear Mike:

As follow-up to our discussion about amending the historic properties loan legislation I'm enclosing a suggested draft which could be used by Legislative Affairs as they develop a bill for your introduction.

Basically, AAHP would like to see the following accomplished:

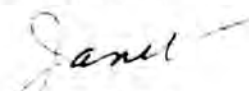
1. Amend the AS 45.98 so that historic structures outside of districts can also qualify for state loans. Eligibility should be based on the recommendation of the local landmarks commission and the State Historic Sites Advisory Commission or, where there is no local commission, on the recommendation of the State Historic Sites Advisory Commission alone. We feel that this last provision is important because a number of Alaska's historic structures, particularly roadhouses and churches, are outside the jurisdiction of a municipality with an historic landmarks commission.
2. Delete Sec. 45.98.040(6) which requires that the state loan be in first lien position and amend Sec. 45.98.040(3) so that the total of all loans may not exceed 85 percent of the appraised value. This change would be consistent with other state loan programs which do not require a first lien position. The first lien requirement has been a major obstacle to use of the program.

We have discussed these changes with staff in the Department of Commerce and Economic Development. They have not identified any problem with the changes and have indicated that they would give the program a wider useability.

I understand from them that the amount currently available in the loan fund is about \$950,000. We recommend that this level be sustained annually.

Your interest and support is much appreciated. Please let me know if AAHP can be of assistance after the bill is introduced. I'll be in Juneau March 7 and 8 and will stop by to see you at that time.

Sincerely,



Janet McCabe  
Executive Director

Enclosure

cc:

Greg Winegar, Dept of Commerce and Economic Development  
Steve Peterson and Tom Beck, Cochairmen, Anchorage Historic Landmarks Commission  
Board Members, AAHP

## FOR HISTORIC PRESERVATION

DRAFT: HISTORICAL PROPERTIES AND DISTRICT LOANS  
AMENDMENTS PROPOSED BY AAHP

Underlining indicates new language or other changes.

Section. 45.98.110. Creation of historical properties and historical district revolving loan fund. There is created in the Department of Commerce and Economic Development a historical properties and historical district revolving loan fund (Sec. 3 ch139 SLA 1977).

Sec. 45.98.020. Historical properties and historical district loans. Upon endorsement and plan approval by a local historical landmark or district commission established under AS 29.48.108 and the recommendation of a majority of the Historic Sites Advisory Committee, or, in the absence of a local historic landmark or district commission, upon the recommendation of the Historic Sites Advisory Committee, the Department of Commerce and Economic Development may make loans to a person, firm, business or municipality subject to applicable laws for the restoration, improvement, rehabilitation, or maintenance of an historic building, structure, site, or object ~~which is~~. Properties in historic districts shall be:

(Continue with (1), (2), (3) as written.)

Sec. 45.98.040. Limitation on Loans

- (3) the loans shall be secured by acceptable collateral and the total of all loans may not exceed 85 percent of the appraised value of the collateral offered as security;
- (6) The state has a lien on the property accepted as collateral to the extent of its portion of the loan. ~~DELETE REMAINDER OF (6).~~



**CITY/BOROUGH OF JUNEAU**  
★ **ALASKA'S CAPITAL CITY**

February 7, 1985

The Honorable Mike M. Miller  
House of Representatives  
State of Alaska  
Pouch V  
Juneau, Alaska 99811

Dear Representative Miller:

Enclosed is a copy of City and Borough of Juneau Resolution No. 1079 regarding the Historic District Loan Program.

This resolution was adopted on January 7, 1985, and is provided for your information.

Sincerely,

Phyllis Larson  
Secretary

Enclosure

Presented by: The Manager  
Introduced: 01/07/85  
Drafted by: G.L.S

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 1079

A RESOLUTION URGING THE LEGISLATURE TO EXPAND THE HISTORIC DISTRICT LOAN PROGRAM TO STRUCTURES THAT ARE ON THE NATIONAL REGISTER OF HISTORIC PLACES.

WHEREAS, AS 45.98.010 through .070 establishes the Historical District Revolving Loan Fund, and

WHEREAS, said fund may be used to make loans for the purpose of restoration, improvement, rehabilitation, or maintenance of structures within a historical district established by a municipality, and

WHEREAS, no structure outside such a district qualifies for a loan from the fund, and

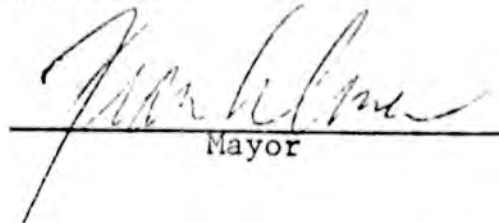
WHEREAS, there are structures on the National Register of Historic Places outside such districts that should also qualify for loans from the fund;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the city urges the introduction and adoption by the legislature of legislation that would amend the Alaska Historical District Loan Act (AS 45.98.010-070) to permit loans to be made to owners of structures on the National Register of Historic Places without regard to whether such structures are within the boundaries of a historical district established by a municipality.

2. That copies of this resolution shall be sent Governor Sheffield, Senator Bill Ray, Representative Mike Miller, Representative Jim Duncan, and Esther Wunnicke, Commissioner of the Alaska Department of Natural Resources.

Adopted this 7th day of January, 1985.

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
Tad Clerk

# Municipality of Anchorage



POUCH 6-650  
ANCHORAGE, ALASKA 99502-0650  
(907) 264-4111

TONY KNOWLES,  
MAYOR

DEPARTMENT OF PLANNING

January 30, 1985

Representative Mike M. Miller  
P.O. Box 1494  
Juneau, Alaska 99802

Dear Mr. Miller:

The Historic District Revolving Loan Fund was legislated into being in 1977 as a result of your efforts. It is a program with great potential, especially today with declining federal assistance to historic preservation. The record will show however that the program has been largely underutilized for several reasons, including the difficulties in establishing historic districts and the relatively low level of loan funds for projects. The Anchorage Historic Landmarks Preservation Commission would like to see an amendment to the loan program. Consequently, we are now writing to you as the original co-sponsor of the bill and as persons concerned about our state's heritage resources, and asking for your assistance in amending of the loan provisions.

Specifically we would like to see five points changed:

1. The loan program should be made available for single historic structures/buildings which are not necessarily located in Historic Districts.

Nationwide historic districts have often evolved as a response to individual preservation efforts. Exemplative rehabilitation of one or two buildings can initiate an awakening of public awareness and cultural appreciation resulting in the restoration of other properties. Thus, if funds are made available for single structures there is a wider possibility of use and potential spin-off effects whereby other property owners become inclined to restore their buildings.

2. Any building which is on the National Register of Historic Places or is declared historically significant

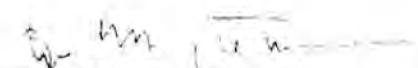
Mike M. Miller  
January 30, 1985  
Page 2

by the State Historic Site Advisory Commission should qualify for the state loan funds. The existing requirement that a local historic society or commission approve the property is not feasible in some remote and isolated communities.

3. Loan ceilings should be increased for Historic Districts to \$2,500,000. The \$250,000 limit as now amended is adequate for individual structures.
4. A set amount of dollars (for example \$750,000 to 1,000,000) should be kept in the Historic Loan Fund. This will avoid the depletion of the short-term future restoration funds before funds begin to flow back via loan payments. By subsidizing the loan fund for a few years, future projects will be insured.
5. Unlike other state loan programs, the Historic Loan Fund requires that the State be in a 1st lien position on any project using loans. We find this encumbering and prefer to see the State take a 2nd lien position in keeping with other state programs.

Your support in facilitating these changes is much appreciated. We are most willing to assist you in any way we can to see this fine program go forward.

Sincerely,

  
Steven M. Peterson  
Co-Chairman, Anchorage Historic  
Landmark Preservation Commission

jbl/hll

2001 Turnagain Parkway  
Anchorage, Alaska 99503  
April 7, 1985

Representative John Sund  
Chairman, House Loans  
Pouch V  
Juneau, Alaska 99811

Dear Representative Sund:

I am writing to urge your support of House Bill 283 on historic preservation loans. HB 283 will make preservation loans available for historic properties not within the boundaries of an historic district with the approval of a majority of the members of the Historic Sites Advisory Council. It will also delete the present requirement that a state loan be in first position, a requirement that had made the loans unusable for many. Passage of HB 283 would be an aid to historic preservation in Alaska by making available the \$950,000 in the preservation loan fund to more people throughout the state.

Sincerely,

*Wilda Marston*

Wilda Marston  
Alaskan Advisor  
National Trust for Historic  
Preservation

cc: Alaska Association for Historic Preservation  
Anchorage delegation

A



# Telegram

04017

NL ANCHORAGE AK 68 04-08 1410 AST  
PMS

REP JOHN L. SUND

RM 411 CAPITOL BLDG

JUNEAU AK 99801

85 APR 8 PM 4 06

0394

THE ALASKA ASSOCIATION FOR HISTORIC PRESERVATION  
STRONGLY SUPPORTS HOUSE BILL 283. THE BILL EXPANDS  
THE USEABILITY OF AN OTHERWISE EXCELLENT PROGRAM.  
NO NEW FUNDING IS REQUESTED.

BOARD MEMBERS

|                |                 |                 |
|----------------|-----------------|-----------------|
| TOM BECK       | ROBERT GOLDBERG | CHARLES HAWKES  |
| JUDITH BITTNER | JANE HAIGH      | KIM HUNTER      |
| PAUL CHATTEY   | MIKE KENNEDY    | DONNA LANE      |
| NANCY DAVIS    | BILL LISTON     | TOM LIVINGSTON  |
| JIM EDE        | WILDA MARSTON   | JANET MATHESON  |
| JOAQLIN ESTUS  | JANE MCCABE     | STEVE PETERSON  |
| JIM RAPP       | TIM SMITH       | MIKE YARBOROUGH |

L-0167-0 1601876

# Alaska State Legislature



## House of Representatives

REPRESENTATIVE  
JOHN L. SUND

Box 6440  
KETCHIKAN, ALASKA 99901  
(907) 225-5552

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4819

CHAIR, HOUSE SPECIAL COMMITTEE ON LOANS  
VICE-CHAIR, JUDICIARY COMMITTEE  
MEMBER, SPECIAL COMMITTEE ON OIL AND GAS  
MEMBER, RESOURCES COMMITTEE

May 2, 1985

Chris Rabich Campbell  
601 Pittinger Street  
Ketchikan, Alaska 99901

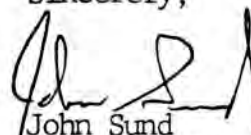
Dear Mrs. Campbell:

Thank you for your letter regarding House Bill 283. I am happy to hear that you are putting such effort into preserving Ketchikan's history.

HB 283 went through two hearings in my Loans Committee. It was passed out with excellent recommendations. It is now in the Finance Committee awaiting a hearing. The bill will have my support every step of the way.

Your comments on the bill are appreciated. It is efforts such as yours that deserve support and assistance.

Sincerely,

  
John Sund  
Representative

Chris Rabich Campbell  
601 Pittinger Street  
Ketchikan, Alaska 99901  
225-5359

Representative John Sund  
Chairman, House Loans  
Pouch V  
Juneau, Alaska 99811

24 April 1985

Dear John,

I am writing to express my support of HB 283. My husband, Doug Campbell and I own a house built by Mrs. Evelyn Valentine's father in 1924. We have lovingly worked on it for 4 years and it has been time consuming because we are conscientiously ~~been~~ striving to maintain the historic integrity of the house. We intend to nominate it to the National Register of Historic Places.

One thing we need to do is to re-roof the house. Originally it had a cedar shake roof, and we would like to put on fire treated cedar shakes as did our neighbor, Fran Broderick. This will be a very expensive endeavor, and we understand that matching Federal Historic Preservation funds for these types of projects are unavailable. Hence, it would be terrific if we could apply for a lower interest loan as described in HB 283, which I learned about through The Alaska Association for Historic Preservation newsletter.

I am sure you are aware of the citizens' of Ketchikan interest in historic preservation. There is an active Historic Commission, of which my husband is a member, and the Creek Street Review Board, of which my husband is chairperson. The objectives of both groups include maintaining the historic integrity of our lovely community. Unfortunately, neither group was informed about HB 283 until I received my newsletter. If they had, I am sure you would have heard from both entities by now.

Our house, visible from the junction of Bawden and Park, is virtually one of Ketchikan's landmarks. Several oldtimers, like Bob Young, have expressed to us their pleasure in the fact that we are fixing up our home. On numerous occasions we have spotted tourists photographing or drawing our home. We love it, and cordially invite you to drop by any time to see what we're up to and how we would apply loans from HB 283.

In closing, there has been a massive effort in recent years to inventory historic properties in specific Alaskan communities. This has generated a great deal of interest on the part of members of these communities in the history of their towns and the historical integrity of their homes. I believe that HB 283 is a logical extension of this effort. It is only natural that homeowners, after learning how neat their places are, will want to fix them up to maintain the historic integrity--and you can bet that these same people will be looking for funding sources (for example, a fire treated cedar shake roof is far more expensive and labor intensive than a baked enamel roof). I hope that you and other representatives recognize and support the kind of economic incentive that HB 283 offers.

Sincerely,

*Chris Rabich Campbell*

Chris Rabich Campbell

cc Representative Mike Miller  
Janet McCabe, Executive Director, AAHP



---

# KOOTZNOOWOO HERITAGE FOUNDATION, LTD.

---

Box 182  
Angoon, Alaska 99820  
907-788-3779

October 11, 1985

Representative John Sund  
Chairman  
House Committee on State Loans  
Pouch V  
Juneau, AK 99811

Dear Representative Sund:

The Kootznoowoo Heritage Foundation urges you to support the passage of House Bill 283, introduced by Representative Mike Miller, of Juneau last Session. The bill is presently in House Finance and will need your support to move through the House this coming session, and then through the Senate.

This legislation is critical for the survival of the Historical District Revolving Loan Fund, under AS 45.98.010.

This program enables Alaskans to hold onto their heritage at the same time that we improve the historic districts of our communities, many of which are in disrepair. Our historic buildings are living testimony to the rich heritage we share as Alaskans. When restored these historic monuments provide a source of civic pride and a viable tourist attraction for the many Alaskan communities seeking to develop tourism as a source of economic stability.

We urge you to support this critical program and to work towards the passage of House Bill 283.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Sarah Robinson'. The signature is fluid and cursive, with a long horizontal line extending to the right.

Sarah Robinson  
Executive Director

---

# VEH

---

10 October 1985

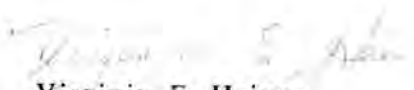
Representative John Sund  
Chairman, House Loans  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Representative Sund:

Upon reading about House Bill 283 in the July-September 1985 issue of "Heritage" (published by the Alaska Division of Parks and Outdoor Recreation, Office of History and Archaeology), I am writing to you in support of this bill and the three amendments proposed by Representative Mike M. Miller, to wit: (1) loans may be made to projects that are not within the boundaries of an historic district with the approval of the majority of the members of the Historic Sites Advisory Committee; (2) deletion of the requirement that the state be able to take a first lien on the loan, rather than a secondary lien; and (3) owners of structures listed on or eligible for the National Register will be able to apply for State of Alaska Historical District Revolving Loan Fund loans.

Thank you for supporting this bill, which I consider to be very worthwhile legislation.

Sincerely,



Virginia E. Heiner

VEH:s

Copies: Representative Mike Davis, District 19  
Representative Mike M. Miller

# Municipality of Anchorage



POUCH 6-650  
ANCHORAGE, ALASKA 99502-0650  
(907) 264-4111

TONY KNOWLES  
MAYOR

## DEPARTMENT OF PLANNING

January 30, 1985

Representative Mike M. Miller  
P.O. Box 1494  
Juneau, Alaska 99802

Dear Mr. Miller:

The Historic District Revolving Loan Fund was legislated into being in 1977 as a result of your efforts. It is a program with great potential, especially today with declining federal assistance to historic preservation. The record will show however that the program has been largely underutilized for several reasons, including the difficulties in establishing historic districts and the relatively low level of loan funds for projects. The Anchorage Historic Landmarks Preservation Commission would like to see an amendment to the loan program. Consequently, we are now writing to you as the original co-sponsor of the bill and as persons concerned about our state's heritage resources, and asking for your assistance in amending of the loan provisions.

Specifically we would like to see five points changed:

1. The loan program should be made available for single historic structures/buildings which are not necessarily located in Historic Districts.

Nationwide historic districts have often evolved as a response to individual preservation efforts. Exemplative rehabilitation of one or two buildings can initiate an awakening of public awareness and cultural appreciation resulting in the restoration of other properties. Thus, if funds are made available for single structures there is a wider possibility of use and potential spin-off effects whereby other property owners become inclined to restore their buildings.

2. Any building which is on the National Register of Historic Places or is declared historically significant

Mike M. Miller  
January 30, 1985  
Page 2

by the State Historic Site Advisory Commission should qualify for the state loan funds. The existing requirement that a local historic society or commission approve the property is not feasible in some remote and isolated communities.

3. Loan ceilings should be increased for Historic Districts to \$2,500,000. The \$250,000 limit as now amended is adequate for individual structures.
4. A set amount of dollars (for example \$750,000 to 1,000,000) should be kept in the Historic Loan Fund. This will avoid the depletion of the short-term future restoration funds before funds begin to flow back via loan payments. By subsidizing the loan fund for a few years, future projects will be insured.
5. Unlike other state loan programs, the Historic Loan Fund requires that the State be in a 1st lien position on any project using loans. We find this encumbering and prefer to see the State take a 2nd lien position in keeping with other state programs.

Your support in facilitating these changes is much appreciated. We are most willing to assist you in any way we can to see this fine program go forward.

Sincerely,

  
Steven M. Peterson  
Co-Chairman, Anchorage Historic  
Landmark Preservation Commission

jbl/hll



# 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.

  
Signature of Camera Operator

  
Date

SCOMM

#50:28

*Pat-file*

March 1, 1985

The Honorable Al Adams  
House of Representatives  
Alaska State Legislature  
Pouch V (MS 3100)  
Juneau, Alaska 99811

Dear Al:

In a joint effort, the City, the Chamber of Commerce, the area realtors and financial institutions in the City of Homer have been working hard to develop an equitable program for the entire State on the DCRA owner-occupied rural housing loan program.

We know that several bills have been filed recently concerning this issue; however, we feel that no action taken to date addresses the problems, such as economic base, lack of services, etc., that apply to all the areas of our State.

The restrictions in the previously-filed bills which apply to mileage factors and population factors eliminate this rural home-loan program from many of the truly rural areas of the State such as the communities of Hope, Cordova, Seward, Ninilchik and so on.

We feel that we have come up with a good, workable solution! If the program were rewritten so that this rural-home-loan program could only be used for single-family/duplex, owner-occupied dwellings and only applicable in any area of the State that has sixty-five (65%) percent or less of its residential structures connected to a public water and sewer system, we think it would come very close to addressing the original intent of the program.

Your consideration of this input will be much appreciated.

Sincerely,

Gail Phillips  
Chairman  
Homer Chamber of Commerce Legislative Committee

cc: Commissioner Emil Notti  
Dept. of Community and Regional Affairs



April 5, 1985

The Honorable Representative John Sund  
Chairman, House Special Committee on Loans  
Alaska State Legislature  
Pouch V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Sund:

As Chairman of the House Special Committee on Loans, we urge you to consider and work for the passage of House Bill 303 concerning the DCRA rural home loan program.

In previous correspondence to the Legislature (copy attached), the Homer Chamber of Commerce suggested language that would make this program an equitable one across the State. That language stated: "that DCRA home loans would apply only to single family/duplex, owner-occupied dwellings located in an area of the State that has 65% or less of its residential structures connected to a public water and sewer system."

We note that Bill #303 is in your Committee and cannot move on to House CRA or House Finance until your committee acts on it. We would urge you and your committee to consider the overall benefit to the State of this program, and to move on it this session.

Your assistance in getting this bill passed through your committee will be very much appreciated.

Sincerely,

*Gail Phillips*  
Gail Phillips  
Chairman, Legislative Committee

attachment

cc: Representative Sam Cotten, Committee Member  
Representative Jack Fuller, Committee Member  
Representative Jim Duncan, Committee Member  
Representative Rich Uehling, Committee Member  
Post Office Box 541 • Homer, Alaska 99603 • (907) 235-7740  
Commissioner Emil Notti, Dept. of Community & Regional Affairs

\*\*\*\*\*

\*  
\* DELIVER TO: JDOM  
\*  
\*  
\* ORIGINAL  
\* SENT: 04/09/85 TIME: 15:24  
\* FROM: LIOF  
\* SUBJECT: POM/FAIRBANKS AN  
\* PRINT DATE: 04/09/85 TIME: 15:25  
\*  
\*\*\*\*\*

TO: REPT. SUND, COTTEN, FULLER, LUNCAN, UEHLING  
REP. RINGSTAD AND SENATOR BENNETT  
FROM: JANET MATHESON, BOX 80567, FAIRBANKS 99708  
PHONE: 452-4640  
RE: HB 283 HISTORICAL PROPERTY LOAN ACT

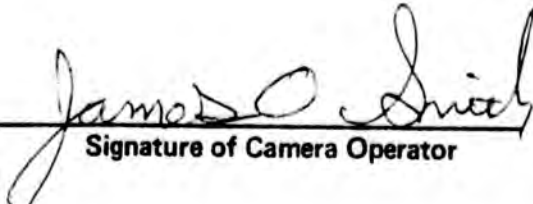
AS A MEMBER OF FAIRBANKS PRESERVATION COMMUNITY I WOULD LIKE TO  
URGE PASSAGE OF HB283 ALLOWING HISTORIC STRUCTURES OUTSIDE  
HISTORIC DISTRICTS TO QUALIFY FOR STATE LOANS. IT IS IMPORTANT  
THAT THE STATE HISTORIC SIGHTS ADVISORY COMMISSION RECOMMEND  
ELIGIBILITY WHERE NO HISTORIC LAND MARKS COMMISSION EXISTS.  
PLEASE CONTACT ME IF YOU NEED FURTHER INFORMATION.

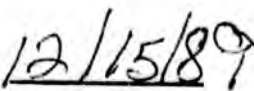


# RECORDS CERTIFICATION



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Signature of Camera Operator

  
Date

SCOMM

#50:29

5/3

# COMMITTEE REPORT

## HOUSE

HEALTH, EDUCATION  
AND SOCIAL SERVICES

(5)

FURTHER: FINANCE

4/8/85

Date: 5/1/85

The Committee on HOUSE SPECIAL COMMITTEE ON LOANS has had HR 357

"An Act relating to the use of student loans to pay child care expenses."

under consideration and recommends:

- ☐ 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 recommendation ☒ Zero Fiscal Note Attached
- ☐ referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]  
CHAIRMAN

Introduced: 4/8/85  
Referred: House Special Committee  
on State Loans, Health, Education &  
Social Services and Finance

BY GRUENBERG, KOPONEN  
AND SHULTZ

1 IN THE HOUSE

2

HOUSE BILL NO. 357

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the use of student loans to pay  
child care expenses."

7

8

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

9

\* Section 1. AS 14.43.120(a) is amended to read:

10

(a) Proceeds from scholarship loans may only be used for books,

11

tuition and required fees, child care expenses, and for room and

12

board, *however the maximum loan amount may not exceed the cost of books, tuition and  
required fees, room and board.*

13

\* Sec. 2. AS 14.43.640(d) is amended to read:

14

(d) Proceeds from a teacher scholarship loan may be used only

15

for undergraduate expenses of books, tuition, required fees, room and

16

board, child care expenses, and the transportation expense for two

17

round trips between the loan recipient's home and school.

1 IN THE HOUSE

BY THE HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

2 HOUSE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the use of student loans to pay  
7 child care expenses."

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

9 \* Section 1. AS 14.43.120(a) is amended to read:

10 (a) Proceeds from scholarship loans may only be used for books,  
11 tuition and required fees, child care expenses, and for room and  
12 board, *however the maximum loan award may not exceed the cost of books, ↑*  
13 *tuition and required fees, and room and board.*  
14 \* Sec. 2. AS 14.43.640(d) is amended to read:

15 (d) Proceeds from a teacher scholarship loan may be used only  
16 for undergraduate expenses of books, tuition, required fees, room and  
17 board, child care expenses, and the transportation expense for two  
18 round trips between the loan recipient's home and school, *however the*  
19 *maximum loan award may not exceed the cost of books, tuition and*  
20 *required fees, and room and board & transportation.*  
21  
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29

HB 357 - STUDENT LOANS FOR CHILD CARE EXPENSES

I HAD NO INTENTION OF INCREASING THE AMOUNT OF MONEY FOR THE STUDENT LOAN PROGRAM WHEN I CONTEMPLATED INTRODUCING HB 357.

RATHER, I ENVISIONED IT AS A VEHICLE TO ALLOW STUDENTS TO USE THEIR EXISTING STUDENT LOAN FUNDS FOR THE PURPOSES OF CHILD CARE.

ALLOWING STUDENT LOANS TO BE USED TO PAY CHILD CARE EXPENSES WOULD GRANT THE STUDENT A FEDERAL INCOME TAX DEDUCTION AND A STATE OF ALASKA CHILD CARE CREDIT.

A VERY SMALL NUMBER OF STUDENTS RECEIVE DAY CARE ASSISTANCE (5% OF 2100 PERSONS ARE FULL TIME STUDENTS/2.9% ARE PART TIME STUDENTS). LESS THAN 200 STUDENTS RECEIVED DAY CARE ASSISTANCE IN THE HIGHEST USE MONTH IN 1984: DR. ROMESBURG CLAIMS ON HIS FISCAL NOTE THAT OVER 500 LOAN APPLICANTS (31.5%) WOULD CLAIM CHILD CARE CREDIT, ALTHOUGH THERE ARE ALMOST 9,000 STUDENTS GOING TO SCHOOL IN-STATE RECEIVING STUDENT LOANS. THIS MUST INDICATE THAT THE MAJORITY OF STUDENTS WHO ARE PARENTS HAVE THEIR CHILDREN IN UNLICENSED CHILD CARE (ASSUMING IT IS LESS EXPENSIVE), ARE ON THE WAITING LIST FOR DAY CARE ASSISTANCE, CAN ONLY AFFORD TO ATTEND SCHOOL PART-TIME OR HAVE NON-FINANCIAL CHILD CARE ARRANGEMENTS (FAMILY, FRIENDS ETC.).

THE BENEFIT TO THE STATE OF ALASKA IS THAT THE MONEY USED FOR CHILD CARE WOULD BE A LOAN, TO BE PAID BACK, AND MAY LESSEN THE DEMAND FOR DAY CARE ASSISTANCE.

# Alaska State Legislature



## House of Representatives

### Committee on Loans

POUCH V  
JUNEAU, ALASKA 99811

PHONE  
(907) 465-4919  
(907) 465-4920

TUESDAY, APRIL 23, 1985  
3:30 p.m.  
Room 124 (House Judiciary)

- \* HB 357 "An Act relating to the use of student loans to pay child care expenses."

Loan Programs: General Fund Recommendations for FY 86.

THURSDAY, APRIL 25, 1985  
3:30 p.m.  
Room 124 (House Judiciary)

- \* HB 378 "An Act relating to interest rates on state loan programs; and providing for an effective date."

For more information, contact JOHN HARTLE  
CAPITOL ROOM 411  
465-4919

\* indicates first public hearing

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

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

REQUEST

Bill/Resolution No.: HB 357

Title: RE: Student Loan Expenses  
For Child Care

Sponsor: Gruenberg, Koponen, Shultz

Requestor: Gruenberg

Date of Request: 4/19/85

FISCAL DETAIL

Agency Affected: Education

Program Category Affected: Postsecondary  
Education Commission

BRU, Program or Subprogram(s) Affected:

Student Loan Program

EXPENDITURES/REVENUES: (Thousands of Dollars)

|                        | FY 85 | FY 86 | FY 87 | FY 88 | FY 89 | FY 90 |
|------------------------|-------|-------|-------|-------|-------|-------|
| <b>OPERATING</b>       |       |       |       |       |       |       |
| 100 PERSONAL SERVICES  |       |       |       |       |       |       |
| 200 TRAVEL             |       |       |       |       |       |       |
| 300 CONTRACTUAL        |       |       |       |       |       |       |
| 400 SUPPLIES           |       |       |       |       |       |       |
| 500 EQUIPMENT          |       |       |       |       |       |       |
| 600 LAND & STRUCTURES  |       |       |       |       |       |       |
| 700 GRANTS, CLAIMS     |       |       |       |       |       |       |
| 800 MISCELLANEOUS      |       |       |       |       |       |       |
| <b>TOTAL OPERATING</b> | N.A.  | -0-   | -0-   | -0-   | -0-   | -0-   |

|                |      |         |         |          |          |          |
|----------------|------|---------|---------|----------|----------|----------|
| <b>CAPITAL</b> | N.A. | 9,640.0 | 9,920.0 | 10,206.0 | 10,489.5 | 10,773.0 |
|----------------|------|---------|---------|----------|----------|----------|

|                |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|
| <b>REVENUE</b> |  |  |  |  |  |  |
|----------------|--|--|--|--|--|--|

FUNDING: (Thousands of Dollars)

|               |     |         |         |          |          |          |
|---------------|-----|---------|---------|----------|----------|----------|
| GENERAL FUND  | -0- | 9,640.0 | 9,920.0 | 10,206.0 | 10,489.5 | 10,773.0 |
| FEDERAL FUNDS |     |         |         |          |          |          |
| OTHER         |     |         |         |          |          |          |
| <b>TOTAL</b>  |     |         |         |          |          |          |

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

See Attached

Prepared By: Kerry D. Romberg, Executive Director

Phone: 465-2854

Division: Alaska Commission on Postsecondary  
Education

Date: 4/22/85

Approved by Commissioner: \_\_\_\_\_

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

Agency: \_\_\_\_\_

Distribution (by Agency preparing fiscal note):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

7/1/84

FISCAL NOTE FOR HB 357

(a) Assumptions:

1. Child care expenses are an add-on expense in addition to those eligible expenses currently in statute, i.e., there is no trade-off, only additional program cost.
2. Child care expenses may be claimed by both male and female applicants.
3. 53.6% of current FY85 Alaska Student Loan recipients indicate dependents on their loan applications. Of these, 60.0% will have at least one dependent under the age of six, and of these, 98.0% will claim child care expenses. Therefore, approximately 31.5% of all applicants will claim child care expenses.
4. University of Alaska, Fairbanks standard student budget provides \$268 per month for child care expense per eligible dependent (\$2,400 per academic year).
5. Approximately 75% of those eligible would receive the additional \$2,400. Others would not--due to loan maximums.

(b) Comment:

1. This cost will either be a new program cost, in General Fund appropriation, or will result in loans to fewer persons.

MEMORANDUM

TO: ALL REPRESENTATIVES  
FROM: MAX GRUENBERG  
RE: HB 357 - USE OF STUDENT LOANS TO PAY CHILD CARE EXPENSES  
DATE: APRIL 22, 1985

HB 357 HAS TWO PROVISIONS:

1. AS 14.43.120 (a) applies to the student loan program, and would allow the proceeds from student loans to be used to pay child care expenses.
2. AS 14.43.640 (d) applies to the teacher scholarship loan fund, and would allow the proceeds from those student loans to be used for child care expenses.

§ 14.43.090

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4 ch 78 SLA  
§ 56 ch 6 SLA

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## Programs

13.120, 14.42.125,

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118

(a) There is  
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14.43.090 —  
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to fully fund  
funding from  
that year.

1971; am § 1  
ch 136 SLA  
58 SLA 1984)

§ 14.43.095

EDUCATION

§ 14.43.120

**Effect of amendments.** — The 1984 amendment, effective July 6, 1984, in subsection (a), added "and to pay the costs of collecting student loans that are in default if those costs are not recovered from the student" at the end of the first sentence

and substituted "loan fund" for "fund shall be used to make new scholarship loans" in the second sentence and "money estimated to be" for "funds" and "is" for "are" in the third sentence.

**Sec. 14.43.095. Financial aid committee.** (a) The student financial aid committee is composed of the members of the Alaska Commission on Postsecondary Education. The commission may delegate its functions under AS 14.43.090 — 14.43.160 to a committee of its members, with augmented membership as the commission considers appropriate. The executive officer of the commission is the executive secretary of the committee. The Alaska Commission on Postsecondary Education shall administer the program established by AS 14.43.090 — 14.43.160.

(b) Members of the committee serve without compensation but are entitled to per diem and travel expenses authorized by law for boards and commissions.

(c) The committee shall make an annual report reviewing the work of the committee to the governor and the legislature.

(d) The committee shall meet at least once a year. The meetings shall be held at the call of the chairman or upon petition by two members. (§ 1 ch 98 SLA 1971; am § 2 ch 156 SLA 1972; am § 5 ch 78 SLA 1974; am § 3 ch 136 SLA 1974; AS 14.40.753; am § 57 ch 6 SLA 1984)

**Effect of amendments.** — The 1984 amendment, effective February 14, 1984, substituted "and the legislature" for "the legislature and the private colleges and

universities where students receiving tuition grants are enrolled" in subsection (c).

**Sec. 14.43.100. Applications.** (a) Applications shall be submitted to the executive secretary of the committee.

(b) A person whose loan application is not recommended or presented to the committee by the executive secretary may appeal to the committee through the chairman of the committee and the committee shall consider the application. (§ 1 ch 98 SLA 1971; am § 3 ch 156 SLA 1972; am § 4 ch 136 SLA 1974; AS 14.40.755; am § 58 ch 6 SLA 1984)

**Effect of amendments.** — The 1984 amendment, effective February 14, 1984,

deleted "or grant" following "loan" in subsection (b).

**Sec. 14.43.120. Conditions of loans.** (a) Proceeds from scholarship loans may only be used for books, tuition and required fees, and for room and board.

(b) The loans may only be used to attend a career education program or a college or university approved by the commission, and, if the loans are federally insured, by the United States Commissioner of Education.

(b) The legislature further finds that existing programs have failed to increase the proportion of Natives teaching in rural schools. Therefore, it is the intent of the legislature to establish the teacher scholarship loan program to encourage rural high school graduates to return to rural schools as teachers and relieve the conditions described in this section. (§ 1 ch 121 SLA 1984)

**Sec. 14.43.610. Program established.** There is established the teacher scholarship loan program to provide an incentive for rural high school graduates to pursue teaching careers in rural elementary and secondary schools in the state. (§ 1 ch 121 SLA 1984)

**Sec. 14.43.620. Teacher scholarship revolving loan fund.** There is created a teacher scholarship revolving loan fund. The fund shall be used to make scholarship loans to students selected under AS 14.43.600 — 14.43.700. All repayments of principal and interest on teacher scholarship loans shall be paid into the teacher scholarship revolving loan fund and shall be used to make new teacher scholarship loans. If estimated funds available from teacher scholarship loan repayments are inadequate to fully fund estimated teacher scholarship loans for any fiscal year, additional funding from the general fund may be requested and appropriated for that year. (§ 1 ch 121 SLA 1984)

**Sec. 14.43.630. Administration.** (a) The teacher scholarship loan program shall be administered by the student financial aid committee (AS 14.43.095) in accordance with regulations adopted by the committee. The committee shall

(1) allocate the loan awards available for teacher scholarship loans annually to local school boards giving a preference to rural school districts; and

(2) develop and distribute to the local school boards an application form for teacher scholarship loans; the form shall include a requirement that the applicant supply a high school academic transcript and a statement of intent to enter a teaching career at the elementary or secondary school level in the state.

(b) The local school boards shall select the recipients of the teacher scholarship loans according to the criteria in AS 14.43.650. (§ 1 ch 121 SLA 1984)

**Sec. 14.43.640. Conditions of loans.** (a) The conditions provided in AS 14.43.120 apply to teacher scholarship loans except as otherwise provided in this section.

(b) If a borrower meets the conditions provided in (a) of this section and is employed as a teacher in a rural elementary or secondary school, the portion of the loan that shall be paid by the state, notwithstanding AS 14.43.120(j), is the following percentages of the total loan received plus interest up to a total of 100 percent of the total loan:

14.43.640

§ 14.43.650

EDUCATION

§ 14.43.700

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- (1) one year employment, 15 percent;
  - (2) two years employment, an additional 15 percent;
  - (3) three years employment, an additional 15 percent;
  - (4) four years employment, an additional 25 percent;
  - (5) over four years employment, an additional 30 percent.
- (c) A loan may not exceed \$7,500 in a school year.

(d) Proceeds from a teacher scholarship loan may be used only for undergraduate expenses of books, tuition, required fees, room and board, and the transportation expense for two round trips between the loan recipient's home and school. (§ 1 ch 121 SLA 1984)

**Sec. 14.43.650. Selection criteria.** (a) To be eligible for a teacher scholarship loan, a student must

(1) be a graduate of a public or private high school in the state, with sufficient credits to be admitted to an accredited college or university;

(2) be enrolled in or show evidence of intent to enroll in a degree program directed at a teaching career at the elementary or secondary school level;

(3) meet the conditions set by the student's local school board with respect to the district's requirements for teachers in particular subject areas; and

(4) submit to the local school board an application provided by the student financial aid committee under AS 14.43.630(a)(3); an application may be submitted six months before graduation from high school.

(b) A local school board shall award teacher scholarship loans giving a preference to applicants from rural schools who meet the qualifications for a loan and taking into account the applicants' academic records.

(c) A student may not be awarded a scholarship loan under AS 14.43.090 — 14.43.160 and a teacher scholarship loan under AS 14.43.600 — 14.43.700 for the same school year. (§ 1 ch 121 SLA 1984)

**Legislative history reports.** — For legislative letter of intent, see 1984 Senate Journal at p. 3117.

**Sec. 14.43.700. Definition.** In AS 14.43.600 — 14.43.700, "rural" means

(1) a community in the second, third, or fourth judicial district of the state with a population of 4,500 or less that is not connected by road or rail to Anchorage or Fairbanks; or

(2) a community in the first judicial district of the state with a population of 4,500 or less. (§ 1 ch 121 SLA 1984)