



LAWS OF ALASKA

1975

Source

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Chapter No.

218

AN ACT

Relating to creation of a water resources revolving loan fund; and providing for an effective date.

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

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

CHAPTER 86. WATER RESOURCES REVOLVING LOAN FUND.

Sec. 45.86.010. FUND ESTABLISHED. There is established as a separate fund the water resources revolving loan fund. Loans from this fund are to be used to develop and conserve in the public interest the water resources of Alaska, using state revenues from mineral development.

Sec. 45.86.020. FUND UTILIZATION. (a) Loans from this fund shall be long term and at low interest, and shall be utilized for capital improvement projects for hydroelectric generation and water supply. Loans shall be made to eligible borrowers for new projects, and for rehabilitation and expansion of existing hydroelectric and water supply projects if the rehabilitation and expansion is a capital improvement project.

(b) Loans shall be made available for design and construction of development of potable water supply sources including surface storage and groundwater sources and transmission of water from surface storage to the existing distribution system, and development of hydroelectric generating facilities including transmission of power to the load center.

(c) Loans shall be repaid to the fund by the utility from revenue derived from sales of electric power or water.

Sec. 45.86.030. LOAN FUND SOURCE. Receipts from mineral rentals and royalties and from the Alaska mineral lease bonus permanent fund, shall be appropriated annually and deposited in the water resources revolving loan fund.

Sec. 45.86.040. ADMINISTRATION OF LOANS. (a) Administration of the water resources revolving loan fund shall be performed by the Department of Commerce which is empowered to adopt procedures and promulgate the regulations necessary to carry out the provisions of this chapter.

(b) The department shall forward all loan applications it recommends for approval to the Water Resources Revolving Loan Fund Committee which is made up of the commissioner of community and regional affairs, the commissioner of commerce, the commissioner of administration and the commissioner of revenue.

(c) Priority of loans shall be established by the department and shall be subject to review by, and appeal to, the Water Resources Revolving Loan Fund Committee.

Sec. 45.86.050. ELIGIBILITY FOR PROJECT LOANS. A public utility is an eligible borrower for a project loan under this chapter if

(1) it is a public utility as defined in AS 42.-05.701(2)(A), and (C);

(2) The utility can demonstrate in its loan application that the project is economically and technically feasible and taking into account the low interest on loans under this chapter is the most economical means of furnishing the proposed service.

* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.070(c).