LAWS OF ALASKA

2008

Source
SB 249

Chapter No.
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AN ACT

Establishing the Alaska capstone avionics revolving loan fund and relating to the fund; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Establishing the Alaska capstone avionics revolving loan fund and relating to the fund; and
2 providing for an effective date.
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4 * **Section 1.** AS 44.33 is amended by adding new sections to read:
5 **Article 6A. Alaska Capstone Avionics Revolving Loan Fund.**
6 **Sec. 44.33.650. Declaration of policy.** It is the policy of the state, under
7 AS 44.33.650 - 44.33.690, to increase the safety of air carrier, air taxi, and general
8 aviation intrastate air transportation in the state by providing low interest loans to
9 qualified applicants for the purpose of purchasing and installing capstone avionics
10 equipment.
11 **Sec. 44.33.655. Alaska capstone avionics revolving loan fund.** (a) There is
12 created in the Department of Commerce, Community, and Economic Development a
13 revolving loan fund to be known as the Alaska capstone avionics revolving loan fund
14 to carry out the purposes of AS 44.33.650 - 44.33.690.

(b) The Alaska capstone avionics revolving loan fund consists of the following:

(1) money appropriated to, transferred to, or received by gift, devise, bequest, or donation to the fund;

(2) principal and interest payments or other income earned on loans or investments of the fund;

(3) money chargeable to principal or interest that is collected through liquidation by foreclosure or other process on loans made under AS 44.33.650 - 44.33.690.

(c) Money in the fund may be used by the legislature to make appropriations for costs of administering AS 44.33.650 - 44.33.690.

Sec. 44.33.660. Powers and duties of the department. The department may

(1) make loans to eligible applicants under AS 44.33.665 for the purchase and installation of capstone avionics equipment;

(2) receive, take, hold, and administer any appropriation, gift, grant, bequest, devise, or donation of money for the fund;

(3) establish amortization plans for repayment of loans, including extensions of the terms of loans;

(4) allow an assumption of a loan if the applicant meets the requirements established under this section;

(5) establish the rate of interest for loans consistent with law;

(6) charge and collect fees for services provided under AS 44.33.650 - 44.33.690;

(7) adopt regulations under AS 44.62 necessary to carry out the provisions of AS 44.33.650 - 44.33.690, including regulations to establish reasonable fees for services provided; and

(8) designate agents and delegate powers as necessary to the agents.

Sec. 44.33.665. Eligibility. (a) For an applicant to be eligible for a loan under AS 44.33.650 - 44.33.690, the applicant must be the owner of an aircraft that logs a substantial percentage of flight hours in the state as determined by the department. For purposes of this subsection, an applicant may be an individual, corporation,

partnership, limited liability corporation, limited liability partnership, limited liability company, joint venture, or nonfederal governmental entity.

(b) After consultation with the Department of Transportation and Public Facilities, the Department of Commerce, Community, and Economic Development shall establish by regulation the standards for capstone avionics equipment eligible for loans.

Sec. 44.33.670. Limitations on loans. A loan established under AS 44.33.650 - 44.33.690

(1) may not exceed a term of 10 years, except for extensions under AS 44.33.660;

(2) may not bear interest less than four percent per year;

(3) must be secured by collateral acceptable to the department; and

(4) may not exceed 80 percent of the cost of the eligible capstone avionics equipment purchased with proceeds of the loan.

Sec. 44.33.675. Special account established. (a) There is established as a special account within the Alaska capstone avionics revolving loan fund the foreclosure expense account.

(b) The department may expend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans granted under AS 44.33.665 or to defray expenses incurred during foreclosure proceedings after a default by an obligor.

Sec. 44.33.680. Disposal of property acquired by default or foreclosure. The department shall dispose of property acquired through default or foreclosure of a loan made under AS 44.33.650 - 44.33.690. Disposal must be made in a manner that serves the best interest of the state and may include the amortization of payments over a term of years.

Sec. 44.33.690. Definitions. In AS 44.33.650 - 44.33.690,

(1) "capstone avionics equipment"

(A) means aviation navigation performance and safety technological equipment eligible for financing through the capstone program;

(B) includes global positioning system-based avionics

equipment and data link communications suites;

(2) "capstone program" means a technology-focused aviation program administered by the Federal Aviation Administration in this state;

(3) "department" means the Department of Commerce, Community, and Economic Development.

*** Sec. 2.** AS 44.33.650, 44.33.655, 44.33.660, 44.33.665, 44.33.670, 44.33.675, 44.33.680, and 44.33.690 are repealed.

*** Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Commerce, Community, and Economic Development may immediately proceed to adopt regulations necessary to implement the changes made in sec. 1 of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act) but not before the effective date of the statutory change.

*** Sec. 4.** Section 3 of this Act takes effect immediately under AS 01.10.070(c).

*** Sec. 5.** Section 2 of this Act takes effect July 1, 2020.

*** Sec. 6.** Except as provided in secs. 4 and 5 of this Act, this Act takes effect July 1, 2008.