
Bulk Fuel Revolving Loan Fund Statutes 42.45.250 - 42.45.299

Article 04. BULK FUEL REVOLVING LOAN FUND *Sec. 42.45.200. Electrical service extension fund established. [Repealed, Sec. 12 ch 36 SLA 2004].* Repealed or Renumbered

Sec. 42.45.250. Definitions. (a) The bulk fuel revolving loan fund is established in the division to assist communities, utilities providing power in communities, and fuel retailers in communities in purchasing bulk fuel to generate power or supply the public with fuel for use in communities. A community, or a person generating power or selling fuel in a community or maintaining community facilities or infrastructure is eligible for a bulk fuel loan under [AS 42.45.260](#) or a bulk fuel bridge loan under [AS 42.45.270](#) to purchase bulk fuel to be used in the community.

(b) Money in the fund may be used by the legislature to make appropriations for costs of administering [AS 42.45.250](#) - 42.45.299.

(c) *[Repealed, Sec. 2 ch 46 SLA 2012].*

(d) *[Repealed, Sec. 2 ch 46 SLA 2012].*

(e) *[Repealed, Sec. 2 ch 46 SLA 2012].*

(f) *[Repealed, Sec. 2 ch 46 SLA 2012].*

(g) *[Repealed, Sec. 2 ch 46 SLA 2012].*

(h) *[Repealed, Sec. 2 ch 46 SLA 2012].*

(i) *[Repealed, Sec. 2 ch 46 SLA 2012].*

(j) *[Repealed, Sec. 2 ch 46 SLA 2012].*

(k) *[Repealed, Sec. 2 ch 46 SLA 2012].*

(l) *[Repealed, Sec. 2 ch 46 SLA 2012].*

(m) *[Repealed, Sec. 2 ch 46 SLA 2012].*

(n) The fund consists of

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

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

(o) The fund is not a dedicated fund.

(p) The division shall establish and implement a technical assistance program for borrowers. Technical assistance shall be provided to borrowers who need assistance in applying for a loan or who have received a bulk fuel loan to help those borrowers improve creditworthiness or other financial criteria likely to be considered by the division if the borrower applies for another bulk fuel loan in the future. The division

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may contract with a state agency or private contractor to administer or implement the technical assistance program.

Sec. 42.45.260. Bulk fuel loan account; loans. (a) The bulk fuel loan account is established as a separate account within the fund. The division may make loans from the bulk fuel loan account as provided in [AS 42.45.250](#) - 42.45.299.

(b) The division shall establish by regulation criteria under which communities or entities eligible under [AS 42.45.250](#)(a) may obtain a bulk fuel loan. The criteria must require the division to consider the applicant's creditworthiness and repayment history and may require the consideration of other factors.

(c) The division shall evaluate each application for a bulk fuel loan and shall make findings if the application is denied.

(d) Loans made from the bulk fuel loan account to one borrower

(1) may not exceed \$750,000 or, if the borrower is a cooperative corporation organized under [AS 10.15](#) or an electric cooperative organized under [AS 10.25](#) and uses the loan to purchase bulk fuel on behalf of more than one community, may not exceed \$750,000 multiplied by the number of communities on whose behalf the bulk fuel is to be purchased or \$1,800,000, whichever is less;

(2) shall be repaid within one year after the date of the loan disbursement; and

(3) may include additional terms and conditions required by the division.

(e) The division may contract with a private contractor to administer the loan account.

Sec. 42.45.270. Bulk fuel bridge account; loans. (a) The bulk fuel bridge loan account is established as a separate account within the fund. Subject to availability of funds in the account, the division may make bulk fuel bridge loans from the bulk fuel bridge loan account as provided in [AS 42.45.250](#) - 42.45.299.

(b) A community or person is eligible for a bulk fuel bridge loan only if the community or person

(1) meets the requirements of [AS 42.45.250](#)(a); and

(2) has been denied an application for a bulk fuel loan under [AS 42.45.260](#).

(c) Loans made from the bulk fuel bridge loan account to one borrower in a fiscal year

(1) may not exceed \$750,000;

(2) shall be repaid within one year after the date of the loan disbursement; and

(3) may include additional terms and conditions required by the division.

(d) The division shall implement a technical assistance and counseling plan for borrowers who have

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received a bulk fuel bridge loan to help those borrowers improve creditworthiness or other financial criteria likely to be considered by the division if the borrower applies for another bulk fuel loan in the future. The division may contract with a state agency or outside contractor to administer or implement the technical assistance and counseling plan.

Sec. 42.45.280. Bulk fuel loan and bulk fuel bridge loan interest rates. (a) Except as provided under (b) and (c) of this section, interest shall be charged on a bulk fuel loan and bulk fuel bridge loan at a base rate of four percent.

(b) The division may establish by regulation a program to reduce the interest rate on the second and subsequent bulk fuel loans obtained by a borrower. In evaluating a potential interest rate reduction, the division shall consider the borrower's repayment history and any other criteria that may be established by regulation. The division may by regulation reduce the interest rate on a bulk fuel loan made by the division by one percent for a borrower who has had at least one previous bulk fuel loan made by the division or by two percent for a borrower who has had two or more previous bulk fuel loans made by the division. The division shall make findings if an application for an interest rate reduction is denied.

(c) For the first time a borrower receives a bulk fuel bridge loan, the interest rate shall be zero percent. For all loans made after the first bulk fuel bridge loan to a borrower, the interest rate shall be set according to the procedure described in (a) of this section.

Sec. 42.45.299. Definitions. In [AS 42.45.250](#) - 42.45.299, unless the context otherwise requires,

(1) "community" means an organized municipality or an unincorporated village that is a social unit if the organized municipality or unincorporated village has a population of less than 2,000 people;

(2) "division" means the division in the Department of Commerce, Community, and Economic Development that is responsible for community and regional affairs;

(3) "fund" means the bulk fuel revolving loan fund established in [AS 42.45.250\(a\)](#) and administered under [AS 42.45.250](#) - 42.45.299;

(4) "person"

(A) has the meaning given in [AS 01.10.060](#);

(B) includes a cooperative, a joint venture, and a governmental entity.