



LAWS OF ALASKA

1978

Source

FCCS HCSSB 453

Chapter No.

153

AN ACT

Relating to certain revolving loan funds; and providing for an effective date.

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

* Section 1. AS 14.40.759 is amended to read:

Sec. 14.40.759. UNDERGRADUATE LOANS. The committee may make a loan, not to exceed \$3,000 in any one school year, to an undergraduate student eligible under sec. 765 of this chapter.

* Sec. 2. AS 44.33.250(b) is repealed and re-enacted to read:

(b) A loan in excess of \$10,000 must be secured by acceptable collateral with an appraised value of at least 100 per cent of the loan amount.

* Sec. 3. AS 44.33.255(a) is amended to read:

(a) A loan to a child care facility under secs. 240 - 275 of this chapter may not exceed \$30,000, and no more than one loan may be made to a single child care facility under secs. 240 - 275 of this chapter

* Sec. 4. AS 44.33.260(2) is amended to read:

(2) the applicant demonstrates that the proposed loan will enable the child care facility to obtain or renew a license from the Department of Health and Social Services or a certificate from the Department of Education;

* Sec. 5. AS 44.33.270(b) is amended to read:

(b) The commissioner of commerce and economic development may sell or transfer at par value to the Department of

Revenue the mortgages and notes held by the department as security for loans made under this chapter. The Department of Revenue shall purchase the mortgages and notes offered until the current principal amount of all mortgages and notes purchased and held by the Department of Revenue equals \$1,000,000.

* Sec. 6. AS 44.33 is amended by adding new sections to read:

ARTICLE 7. RESIDENTIAL CARE FACILITY REVOLVING LOAN FUND.

Sec. 44.33.320. RESIDENTIAL CARE FACILITY REVOLVING LOAN FUND. There is established in the Department of Commerce and Economic Development a residential care facility revolving loan fund to carry out the purposes of secs. 320 - 380 of this chapter. The fund may be used for no other purpose.

Sec. 44.33.330. POWERS AND DUTIES OF THE DEPARTMENT IN ADMINISTERING THE FUND. (a) The department may

(1) make loans for the construction, renovation, and equipping of residential care facilities;

(2) promulgate regulations necessary to carry out the provisions of secs. 320 - 380 of this chapter.

(b) The department shall

(1) develop eligibility standards for loans to residential care facilities;

(2) adopt guidelines for the determination of loan terms.

Sec. 44.33.340. PURPOSE OF LOANS. (a) Loans under secs. 320 -380 of this chapter shall be made to enable residential care facilities in the state to comply with the established licensing standards for residential care facilities.

(b) A loan may not be made unless the commissioner is satisfied that the applicant cannot obtain funding from private lending institutions for the construction, renovation or equipping of residential care facilities.

Sec. 44.33.350. LOAN TERMS. (a) The principal amount of a loan to a residential care facility under secs. 320 - 380 of this chapter may not exceed \$20,000.

(b) The rate of interest charged shall be six per cent a year on the unpaid balance of the loan.

(c) The duration for repayment of a loan may not exceed 10 years.

(d) All principal and interest payments on loans under secs. 320 - 380 of this chapter shall be paid into the residential care facility revolving loan fund.

(e) If a residential care facility ceases operation, any loan to the facility from the fund is due on the date the facility ceases operation.

Sec. 44.33.360. ELIGIBILITY FOR LOANS. A residential care facility is eligible for a loan under secs. 320 - 380 of this chapter if

(1) the applicant submits to the department a plan for the use of the loan funds which is approved by the commissioner;

(2) the applicant demonstrates that the proposed loan will enable the residential care facility to obtain a license from the Department of Health and Social Services;

(3) the applicant has not received over \$10,000 in loans from the fund in the five-year period preceding the application; and

(4) the applicant meets eligibility standards established by the department under sec. 330(b)(1) of this chapter.

Sec. 44.33.370. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The commissioner may sell or transfer at par value or at a premium to a bank or other private purchaser for cash or other consideration the mortgages and notes held by the department as security for loans made under this chapter.

(b) The commissioner may sell or transfer at par value to the Department of Revenue the mortgages and notes held by the department as security for loans made under this chapter. The Department of Revenue may purchase the mortgages and notes offered until the current principal amount of all mortgages and notes purchased and held by the Department of Revenue under secs. 320 - 380 of this chapter equals \$300,000.

Sec. 44.33.380. DEFINITIONS. In secs. 320 - 380 of this chapter

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

(2) "department" means the Department of Commerce and Economic Development;

(3) "residential care facility" means a foster home, group home, or institution which provides 24-hour nonmedical care for dependent adults not related by blood, marriage, or legal adoption to the owner, operator or manager of the facility.

* Sec. 7. AS 44.33.260(3) and (4), and 44.33.265 are repealed.

* Sec. 8. This Act takes effect July 1, 1978.