

Introduced: 3/12/75  
Referred: Community & Regional  
Affairs and Finance

1 IN THE HOUSE

BY DUNCAN

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HOUSE BILL NO. 290

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating a child care facility revolving loan  
7 fund."

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

9 \* Section 1. AS 44.47 is amended by adding new sections to read:

10 ARTICLE 7. CHILD CARE FACILITY REVOLVING LOAN FUND.

11 Sec. 44.47.180. CREATION OF CHILD CARE FACILITY REVOLVING LOAN  
12 FUND. There is created in the Department of Community and Regional  
13 Affairs the child care facility revolving loan fund to carry out the  
14 purposes of secs. 180 - 250 of this chapter. The fund shall be used for  
15 no other purpose.

16 Sec. 44.47.190. POWERS AND DUTIES OF THE DEPARTMENT IN ADMINISTER-  
17 ING THE FUND. (a) The department may

18 (1) make loans for the construction, renovation, and equip-  
19 ping of child care facilities;

20 (2) designate agents and delegate powers to them as is neces-  
21 sary;

22 (3) promulgate regulations necessary to carry out the pro-  
23 visions of secs. 180 - 250 of this chapter.

24 (b) The department shall

25 (1) develop eligibility standards for loans to day care  
26 facilities;

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

28 Sec. 44.47.200. CONDITIONS OF LOANS. (a) Loans under secs.  
29 180 - 250 of this chapter shall be made to enable child care facilities

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1 in the state to comply with the licensing standards of the Office of  
2 Child Development for child care facilities or to comply with the  
3 requirements for certification by the Department of Education.

4 (b) A loan may not be made unless the facility agrees to operate  
5 as a child care facility for a duration determined by the department  
6 to be sufficient to justify the loan.

7 (c) A loan may not be made unless the commissioner of community  
8 and regional affairs is satisfied that money is not available to the  
9 applicant from private lending institutions.

10 Sec. 44.47.210. LOAN TERMS. (a) A loan to a child care facility  
11 under secs. 180 - 250 of this chapter may not exceed \$10,000.

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

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

15 Sec. 44.47.220. ELIGIBILITY FOR LOANS. A child care facility is  
16 eligible for a loan under secs. 180 - 250 of this chapter if

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

19 (2) the applicant demonstrates that the proposed loan will  
20 enable the child care facility to obtain a license from the Office of  
21 Child Development or a certificate from the Department of Education;

22 (3) the applicant is awarded a certificate of need by the  
23 department;

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

26 (5) the applicant meets additional eligibility standards  
27 established by the board under sec. 190(b)(1) of this chapter.

28 Sec. 44.47.230. CERTIFICATE OF NEED. (a) A child care facility  
29 seeking a loan under secs. 180 - 250 of this chapter shall apply to the

1 department for a certificate of need.

2 (b) The department shall determine whether to award the certifi-  
3 cate of need on the basis of the following criteria:

4 (1) the number of existing slots in licensed child care  
5 facilities in the geographic area of the applicant;

6 (2) the number of children in the geographic area who need  
7 child care;

8 (3) the proposed capacity of the applicant facility;

9 (4) other factors which are determined to be relevant by the  
10 department and are set out in regulations promulgated by the department.

11 (c) The department shall submit its decisions and the reasons for  
12 it to the applicant within 60 days of receipt of the application.

13 Sec. 44.47.240. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a)  
14 The commissioner of community and regional affairs may sell or transfer  
15 at par value or at a premium or discount to a bank or other private  
16 purchaser for cash or other consideration the mortgages and notes held  
17 by the department as security for loans made under this chapter.

18 (b) The commissioner of community and regional affairs may sell  
19 or transfer at par value to the Department of Revenue the mortgages and  
20 notes held by the department as security for loans made under this  
21 chapter. The Department of Revenue shall purchase the mortgages and  
22 notes offered.

23 Sec 44.47.250. DEFINITIONS. In secs. 180 - 250 of this chapter

24 (1) "child care facility" means an establishment the principal  
25 purpose of which is to provide care for children not related by blood,  
26 marriage, or legal adoption, including but not limited to day care  
27 centers, family day care homes, and schools for pre-school age children;

28 (2) "department" means the Department of Community and  
29 Regional Affairs.