

Original sponsor: Duncan

Offered: 3/18/76
Referred: Finance

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 290

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND 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 44.33 is amended by adding new sections to read:

10 ARTICLE 4. CHILD CARE FACILITY REVOLVING LOAN FUND.

11 Sec. 44.33.200. CHILD CARE FACILITY REVOLVING LOAN FUND. There is
12 in the Department of Commerce and Economic Development the child care
13 facility revolving loan fund to carry out the purposes of secs. 200 -
14 270 of this chapter. The fund may be used for no other purpose.

15 Sec. 44.33.210. POWERS AND DUTIES OF THE DEPARTMENT IN ADMINIS-
16 TERING THE FUND. (a) The department may

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

19 (2) promulgate regulations necessary to carry out the provi-
20 sions of secs. 200 - 270 of this chapter.

21 (b) The department shall

22 (1) develop eligibility standards for loans to child care
23 facilities;

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

25 Sec. 44.33.220. CONDITIONS OF LOANS. (a) Loans under secs. 200 -
26 270 of this chapter shall be made to enable child care facilities in the
27 state to comply with the licensing standards of the Department of Health
28 and Social Services for child care facilities or to comply with the
29 requirements for certification by the Department of Education.

1 (b) A loan may not be made unless the commissioner of commerce and
2 economic development is satisfied that money is not available to the
3 applicant from private lending institutions.

4 Sec. 44.33.230. LOAN TERMS. (a) A loan to a child care facility
5 under secs. 200 - 270 of this chapter may not exceed \$10,000.

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

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

9 (d) All principal and interest payments on loans under secs. 200 -
10 270 of this chapter shall be paid into the child care facility revolving
11 loan fund.

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

14 Sec. 44.33.240. ELIGIBILITY FOR LOANS. A child care facility is
15 eligible for a loan under secs. 200 - 270 of this chapter if

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

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

22 (3) the applicant is awarded a certificate of need by the
23 Department of Community and Regional Affairs;

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 department under sec. 210(b)(1) of this chapter.

28 Sec. 44.33.250. CERTIFICATE OF NEED. (a) A child care facility
29 seeking a loan under secs. 200 - 270 of this chapter shall apply to the

1 Department of Community and Regional Affairs for a certificate of need.

2 (b) The Department of Community and Regional Affairs shall deter-
3 mine whether to award the certificate of need on the basis of the
4 following criteria:

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

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

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

10 (4) other factors which are determined to be relevant by the
11 department and are set out in regulations promulgated by the Department
12 of Community and Regional Affairs.

13 (c) The Department of Community and Regional Affairs shall submit
14 its decision and the reasons for it to the applicant within 60 days of
15 receipt of the application.

16 Sec. 44.33.260. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The
17 commissioner of commerce and economic development may sell or transfer
18 at par value or at a premium to a bank or other private purchaser for
19 cash or other consideration the mortgages and notes held by the depart-
20 ment as security for loans made under this chapter.

21 (b) The commissioner of commerce and economic development may sell
22 or transfer at par value to the Department of Revenue the mortgages and
23 notes held by the department as security for loans made under this
24 chapter. The Department of Revenue shall purchase the mortgages and
25 notes offered until the current principal amount of all mortgages and
26 notes purchased and held by the Department of Revenue equals \$300,000.

27 Sec. 44.33.270. DEFINITIONS. In secs. 200 - 270 of this chapter

28 (1) "child care facility" means an establishment the princi-
29 pal purpose of which is to provide care for children not related by

1 blood, marriage, or legal adoption, including but not limited to day
2 care centers, family day care homes, and schools for preschool age
3 children;

4 (2) "department" means the Department of Commerce and Economic
5 Development.