

1 IN THE SENATE

BY CHANCE

2 SENATE BILL NO. 19

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for a community water and sewer
7 revolving loan fund; and providing for an effective
8 date."

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

10 * Section 1. AS 46 is amended by adding a new chapter to read:

11 Sec. 46.12.010. CREATION OF WATER AND SEWER REVOLVING LOAN FUND.

12 There is created in the Department of Environmental Conservation a
13 community water and sewer revolving loan fund.

14 Sec. 46.12.020. POWERS AND DUTIES OF DEPARTMENT. (a) The depart-
15 ment may

16 (1) make loans to incorporated communities in the state for
17 the extension of existing community owned water systems and sewer
18 services;

19 (2) designate agents and delegate powers to them as is
20 necessary;

21 (3) adopt regulations necessary to carry out the purposes of
22 the community water and sewer revolving loan fund;

23 (4) establish amortization plans for the repayment of loans
24 not to exceed 40 years, with an interest rate not to exceed five per
25 cent.

26 (b) The Department of Environmental Conservation shall consult
27 with the Department of Community and Regional Affairs in adopting
28 regulations and establishing procedures under this chapter.

29 Sec. 46.12.030. SALE OR TRANSFER OR MORTGAGES, BONDS, AND NOTES.

1 (a) The commissioner of environmental conservation may sell or transfer
2 at par value or at a premium or discount to any bank or other private
3 purchaser for cash or other consideration the mortgages, bonds, and notes
4 held by the Department of Environmental Conservation as security for
5 loans made under this chapter.

6 (b) The commissioner of environmental conservation may sell or
7 transfer at par value to the Department of Revenue the mortgages, bonds,
8 and notes held by the Department of Environmental Conservation as security
9 for loans made under this chapter. The Department of Revenue may
10 purchase all the mortgages, bonds, and notes offered and shall purchase
11 the mortgages and notes offered until the current principal amount of
12 all the mortgages, bonds, and notes purchased and held by the Department
13 of Revenue equals \$5,000,000. One-fifth of the annual interest payments
14 to the Department of Revenue on mortgages, bonds, and notes for community
15 water and sewer loans held by the the Department of Revenue shall accrue
16 to the community water and sewer revolving loan fund in the Department
17 of Environmental Conservation for the purpose of paying costs of
18 administration of the fund.

19 * Sec. 2. This Act takes effect July 1, 1975.
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