

Introduced: 1/28/75
Referred: Community and
Regional Affairs and
Finance

1 IN THE SENATE

BY CHANCE

2 SENATE BILL NO. 79

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 public service facility revolving
7 loan fund."

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

9 * Section 1. AS 45 is amended by adding a new chapter to read:

10 CHAPTER 92. PUBLIC SERVICE FACILITY REVOLVING LOAN FUND.

11 Sec. 45.92.010. CREATION OF PUBLIC SERVICE FACILITY REVOLVING
12 FUND. There is created in the Department of Community and Regional
13 Affairs the public service facility revolving loan fund to carry out
14 the purposes of this chapter. This fund shall be used for no other
15 purpose.

16 Sec. 45.92.020. POWERS AND DUTIES OF THE DEPARTMENT. (a) The
17 department may

18 (1) make loans to a corporation which qualifies under this
19 chapter for constructing and equipping a public service facility;

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

22 (3) determine the eligibility corporations for loans under
23 this chapter;

24 (4) promulgate regulations necessary to carry out its functions.

25 (b) The department shall consult with the Department of Health
26 and Social Services on regulations and procedures established under
27 this chapter.

28 Sec. 45.92.030. LIMITATION ON LOANS. (a) State participation
29 in a loan to a corporation may not be more than \$2,000,000 for a

1 public service facility.

2 (b) The rate of interest charged shall be seven per cent a year
3 on the unpaid balance of the state's share of the loan.

4 (c) A loan made under this chapter shall be repaid within 30
5 years.

6 (d) No loan authorized by this chapter may be made unless the
7 commissioner of community and regional affairs is satisfied that no
8 money is available to the applicant from private lending institutions.

9 Sec. 45.92.040. ELIGIBILITY FOR LOANS. A corporation is eligible
10 for a loan under this chapter if

11 (1) the corporation is a nonprofit private or public corpora-
12 tion;

13 (2) the corporation submits to the department a plan for the
14 use and management of the public service facility;

15 (3) the corporation demonstrates that the public service
16 facility planned will meet applicable federal, state, and local require-
17 ments for the facility;

18 (4) the corporation is awarded a certificate of need by the
19 department.

20 Sec. 45.92.050. CERTIFICATE OF NEED. (a) A corporation seeking
21 a loan under this chapter will apply to the department for a certificate
22 of need for the public service facility.

23 (b) The department will determine whether to award a certificate
24 of need to the public service facility on the basis of the following
25 criteria:

26 (1) the number of existing and alternative facilities
27 operating in the proximate geographic area to serve the same public
28 service;

29 (2) the projected need for the facility in that area;

1 (3) the proposed capacity of the applicant facility;
2 (4) other factors which are determined to be relevant by the
3 department and set out in regulations promulgated by the department.

4 (c) The department will submit its decision and the reasons for
5 it to the applicant within 60 days of receipt of the application.

6 Sec. 45.92.060. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a)
7 The commissioner of community and regional affairs may sell or transfer
8 at par value or at a premium or discount to any bank or other private
9 purchaser for cash or other consideration the mortgages and notes held
10 by the department as security for loans made under this chapter.

11 (b) The commissioner of community and regional affairs may sell
12 or transfer at par value to the Department of Revenue the mortgages and
13 notes held by the department as security for loans made under this
14 chapter. The Department of Revenue shall purchase the mortgages and
15 notes offered.

16 Sec. 45.92.070. DEFINITIONS. In this chapter

17 (1) "department" means the Department of Community and
18 Regional Affairs;

19 (2) "nonprofit public or private corporation" means a public
20 or private organization which is incorporated under state law and which
21 is designated as tax exempt under sec. 501(c)(3) and (4) of the Internal
22 Revenue Code of 1954;

23 (3) "public service facility" means an establishment the
24 principle purpose of which is to provide care and social services for
25 persons not related by blood, marriage or legal adoption, including
26 but not limited to day care centers for children and group residences
27 for the elderly, disabled or children.
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