

Original sponsor: Health, Education
and Social Services Committee

Offered: 5/22/76
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 753 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to child care; and providing for an
7 effective date."

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

9 * Section 1. AS 47.35.010(5) is repealed.

10 * Sec. 2. AS 47.35.010 is amended by adding a new subsection to read:

11 (b) The department shall delegate its powers relating to nurseries
12 under this section and under secs. 40, 50 and 60 of this chapter to
13 municipalities which have adopted an ordinance providing for day care
14 licensing as authorized under AS 29.48.035(a)(20). A municipality to
15 which these powers have been delegated may waive or modify any regula-
16 tion or standard established by the department or the application of any
17 regulation or standard as it applies to a particular licensee but must
18 notify the department of any waiver.

19 * Sec. 3. AS 47.35.020 is amended to read:

20 Sec. 47.35.020. LICENSE OR PERMIT REQUIRED. No person may, with-
21 out a license or permit to do so, (1) maintain or conduct a boarding
22 home, foster home, group home, [NURSERY,] institution or other place for
23 the regular reception or care of children under 16 years of age, or (2)
24 engage in the business of receiving or caring for children under 14 [16]
25 years of age, with or without compensation, in a nursery in which
26 three or more children [A CHILD] not related by blood or marriage, or
27 legal adoption, to the owner, operator or manager of the business are
28 [IS] lodged [OR BOARDED].

29 * Sec. 4. AS 29.48.035(a) is amended by adding a new paragraph to read:

1 (20) licensing of day care facilities

2 * Sec. 5. AS 29.48.035(b) is amended to read:

3 (b) First and second class boroughs may exercise the powers con-
4 ferred by (a) of this section only after they have been assumed in the
5 manner required under AS 29.33.250 - 29.33.290 for areawide exercise or
6 in the manner required under AS 29.38.010 - 29.38.050 for exercise in
7 the borough area outside cities or are conferred by sec. 20 of this
8 chapter for exercise in the borough area outside cities. However, as to
9 powers conferred under (a)(5), (17), [AND] 18 and (20) of this section,
10 exercise of the powers areawide or, as to (a)(5), [AND] (17) and (20),
11 in the borough area outside cities is at the option of the borough and
12 is not subject to those restrictions on acquisition of additional
13 borough powers. Upon adoption of a borough ordinance to provide for
14 areawide exercise of the powers specified, no home rule or general law
15 city within the borough may exercise the powers, unless the borough
16 ordinance provides otherwise or the borough by subsequent ordinance
17 ceases to exercise the power.

18 * Sec. 6. AS 44.47.310(1) is repealed and re-enacted to read:

19 (1) "day care facility" means a center or home licensed in
20 accordance with the provisions of AS 47.35.010 - 47.35.080 or recognized
21 by the federal government for the care of children;

22 * Sec. 7. AS 44.47.310(3) is repealed and re-enacted to read:

23 (3) "child" means any person below seven years of age or a
24 child determined to be eligible for assistance under AS 47.25.310 -
25 47.25.420 and living with a family receiving benefits under AS 47.25.-
26 310 - 47.25.420;

27 * Sec. 8. AS 44.47.310 is amended by adding a new paragraph to read:

28 (4) "day care" means the care, supervision, and guidance of a
29 child or children unaccompanied by a parent or legal guardian on a

1 regular basis for periods of less than 24 hours a day.

2 * Sec. 9. AS 44.33 is amended by adding new sections to read:

3 ARTICLE 4. CHILD CARE FACILITY REVOLVING LOAN FUND.

4 Sec. 44.33.200. CHILD CARE FACILITY REVOLVING LOAN FUND. There is
5 in the Department of Commerce and Economic Development the child care
6 facility revolving loan fund to carry out the purposes of secs. 200 -
7 270 of this chapter. The fund may be used for no other purpose.

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

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

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

14 (b) The department shall

15 (1) develop eligibility standards for loans to child care
16 facilities;

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

18 Sec. 44.33.220. CONDITIONS OF LOANS. (a) Loans under secs. 200 -
19 270 of this chapter shall be made to enable child care facilities in the
20 state to comply with the licensing standards of the Department of Health
21 and Social Services for child care facilities or to comply with the
22 requirements for certification by the Department of Education.

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

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

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

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

2 (d) All principal and interest payments on loans under secs. 200 -
3 270 of this chapter shall be paid into the child care facility revolving
4 loan fund.

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

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

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

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

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

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

19 (5) the applicant meets additional eligibility standards
20 established by the department under sec. 210(b)(1) of this chapter.

21 Sec. 44.33.250. CERTIFICATE OF NEED. (a) A child care facility
22 seeking a loan under secs. 200 - 270 of this chapter shall apply to the
23 Department of Community and Regional Affairs for a certificate of need.

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

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

29 (2) the number of children in the geographic area who need

1 child care;

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

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

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

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

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

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

21 (1) "child care facility" means an establishment the princi-
22 pal purpose of which is to provide care for children not related by
23 blood, marriage, or legal adoption, including but not limited to day
24 care centers, family day care homes, and schools for preschool age
25 children;

26 (2) "department" means the Department of Commerce and Economic
27 Development.

28 * Sec. 10. This Act takes effect July 1, 1976.
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