

Original sponsor: Miles

Offered: 5/10/77
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 365 am (eff. date corrected)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a revolving loan fund for the
7 construction, renovation and equipping of residential
8 care facilities; and providing for an effective date."

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

10 * Section 1. AS 44.33 is amended by adding new sections to read:

11 ARTICLE 7. RESIDENTIAL CARE FACILITY REVOLVING LOAN FUND.

12 Sec. 44.33.320. RESIDENTIAL CARE FACILITY REVOLVING LOAN FUND.

13 There is established in the Department of Commerce and Economic Develop-
14 ment a residential care facility revolving loan fund to carry out the
15 purposes of secs. 320 - 380 of this chapter. The fund may be used for
16 no other purpose.

17 Sec. 44.33.330. POWERS AND DUTIES OF THE DEPARTMENT IN ADMINISTER-
18 ING THE FUND. (a) The department may

19 (1) make loans for the construction, renovation, and equipping
20 of residential care facilities;

21 (2) promulgate regulations necessary to carry out the provi-
22 sions of secs. 320 - 380 of this chapter.

23 (b) The department shall

24 (1) develop eligibility standards for loans to residential
25 care facilities;

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

27 Sec. 44.33.340. PURPOSE OF LOANS. (a) Loans under secs. 320 -380
28 of this chapter shall be made to enable residential care facilities in
29 the state to comply with the established licensing standards for

1 residential care facilities.

2 (b) A loan may not be made unless the commissioner is satisfied
3 that the applicant cannot obtain funding from private lending institu-
4 tions for the construction, renovation or equipping of residential care
5 facilities.

6 Sec. 44.33.350. LOAN TERMS. (a) The principal amount of a loan
7 to a residential care facility under secs. 320 - 380 of this chapter may
8 not exceed \$20,000.

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

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

12 (d) All principal and interest payments on loans under secs. 320 -
13 380 of this chapter shall be paid into the residential care facility
14 revolving loan fund.

15 (e) If a residential care facility ceases operation, any loan to
16 the facility from the fund is due on the date the facility ceases opera-
17 tion.

18 Sec. 44.33.360. ELIGIBILITY FOR LOANS. A residential care facility
19 is eligible for a loan under secs. 320 - 380 of this chapter if

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

22 (2) the applicant demonstrates that the proposed loan will
23 enable the residential care facility to obtain a license from the Depart-
24 ment of Health and Social Services;

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

27 (4) the applicant meets eligibility standards established by
28 the department under sec. 330(b)(1) of this chapter.

29 Sec. 44.33.370. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The

1 commissioner may sell or transfer at par value or at a premium to a bank
2 or other private purchaser for cash or other consideration the mortgages
3 and notes held by the department as security for loans made under this
4 chapter.

5 (b) The commissioner may sell or transfer at par value to the
6 Department of Revenue the mortgages and notes held by the department as
7 security for loans made under this chapter. The Department of Revenue
8 may purchase the mortgages and notes offered until the current principal
9 amount of all mortgages and notes purchased and held by the Department
10 of Revenue under secs. 320 - 380 of this chapter equals \$300,000.

11 Sec. 44.33.380. DEFINITIONS. In secs. 320 - 380 of this chapter

12 (1) "commissioner" means the commissioner of commerce and
13 economic development;

14 (2) "department" means the Department of Commerce and Eco-
15 nomic Development;

16 (3) "residential care facility" means a foster home, group
17 home, or institution which provides 24-hour nonmedical care for depen-
18 dent adults not related by blood, marriage, or legal adoption to the
19 owner, operator or manager of the facility.

20 * Sec.2. This Act takes effect July 1, 1978.

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