

Original sponsors: Sackett, Hackney,  
Kerttula, et al

Offered: 6/6/78  
Referred: Rules

1 IN THE SENATE

BY THE RULES COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 453 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to certain revolving loan funds; and  
7 providing for an effective date."

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

9 \* Section 1. AS 14.40.759 is amended to read:

10 Sec. 14.40.759. UNDERGRADUATE LOANS. The committee may make a  
11 loan, not to exceed \$3,000 [\$2,500] in any one school year, to an under-  
12 graduate student eligible under sec. 765 of this chapter.

13 \* Sec. 2. AS 14.40.763(b) is amended to read:

14 (b) The loans may only be used to attend a career education pro-  
15 gram approved by the commission, [OR] a college or university accredited  
16 by the accreditation association for the region in which the college or  
17 university is located, or a foreign college or university approved by  
18 the commission.

19 \* Sec. 3. AS 44.33.250(b) is repealed and re-enacted to read:

20 (b) A loan in excess of \$10,000 must be secured by acceptable col-  
21 lateral with an appraised value of at least 100 per cent of the loan  
22 amount.

23 \* Sec. 4. AS 44.33.255(a) is amended to read:

24 (a) A loan to a child care facility under secs. 240 - 275 of this  
25 chapter may not exceed \$50,000 and the total of all loans made to a  
26 single child care facility under secs. 240 - 275 of this chapter may not  
27 exceed \$100,000 [\$10,000].

28 \* Sec. 5. AS 44.33.260(2) is amended to read:

29 (2) the applicant demonstrates that the proposed loan will

1 enable the child care facility to obtain or renew a license from the  
2 Department of Health and Social Services or a certificate from the De-  
3 partment of Education;

4 \* Sec. 6. AS 44.33.270(b) is amended to read:

5 (b) The commissioner of commerce and economic development may sell  
6 or transfer at par value to the Department of Revenue the mortgages and  
7 notes held by the department as security for loans made under this chap-  
8 ter. The Department of Revenue shall purchase the mortgages and notes  
9 offered until the current principal amount of all mortgages and notes  
10 purchased and held by the Department of Revenue equals \$1,000,000  
11 [\$300,000].

12 \* Sec. 7. AS 44.33 is amended by adding new sections to read:

13 ARTICLE 7. RESIDENTIAL CARE FACILITY REVOLVING LOAN FUND.

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

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

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

21 (1) make loans for the construction, renovation, and equip-  
22 ping of residential care facilities;

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

25 (b) The department shall

26 (1) develop eligibility standards for loans to residential  
27 care facilities;

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

29 Sec. 44.33.340. PURPOSE OF LOANS. (a) Loans under secs. 320 -380

1 of this chapter shall be made to enable residential care facilities in  
2 the state to comply with the established licensing standards for resi-  
3 dential care facilities.

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

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

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

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

14 (d) All principal and interest payments on loans under secs. 320 -  
15 380 of this chapter shall be paid into the residential care facility  
16 revolving loan fund.

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

20 Sec. 44.33.360. ELIGIBILITY FOR LOANS. A residential care faci-  
21 lity is eligible for a loan under secs. 320 - 380 of this chapter if

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

24 (2) the applicant demonstrates that the proposed loan will  
25 enable the residential care facility to obtain a license from the De-  
26 partment of Health and Social Services;

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

29 (4) the applicant meets eligibility standards established by

1 the department under sec. 330(b)(1) of this chapter.

2 Sec. 44.33.370. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The  
3 commissioner may sell or transfer at par value or at a premium to a bank  
4 or other private purchaser for cash or other consideration the mortgages  
5 and notes held by the department as security for loans made under this  
6 chapter.

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

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

14 (1) "commissioner" means the commissioner of commerce and  
15 economic development;

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

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

22 \* Sec. 8. AS 44.33.260(3) and (4), and 44.33.265 are repealed.

23 \* Sec. 9. This Act takes effect July 1, 1978.