

Introduced: 2/18/80
Referred: Health, Education &
Social Services and Finance

1 IN THE HOUSE

BY MUNSON

2 HOUSE BILL NO. 861

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

10 CHAPTER 12. WATER AND SEWER REVOLVING LOAN FUND.

11 Sec. 46.12.010. FUND ESTABLISHED. There is established in the
12 Department of Environmental Conservation a water and sewer revolving
13 loan fund. Money in the water and sewer revolving loan fund shall be
14 used to make loans to municipalities for the extension of existing
15 municipal water and sewer systems.

16 Sec. 46.12.020. POWERS OF THE DEPARTMENT. (a) The Department of
17 Environmental Conservation shall

18 (1) administer the water and sewer revolving loan fund;

19 (2) designate agents and delegate powers to them as neces-
20 sary;

21 (3) adopt regulations necessary to carry out the purposes of
22 this chapter; and

23 (4) establish amortization plans for the repayment of loans.

24 (b) The Department of Environmental Conservation shall consult
25 with the Department of Community and Regional Affairs before adopting
26 regulations or establishing procedures for the administration of this
27 chapter.

28 Sec. 46.12.030. LOAN TERMS. A loan under this chapter may not
29 exceed 90 percent of the estimated cost of the water or sewer system

1 extension. A loan may not be for a period longer than 40 years or bear
2 interest which exceeds five percent, and the loan shall be secured by a
3 promissory note or mortgage.

4 Sec. 46.12.040. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The
5 commissioner of environmental conservation may sell or transfer at par
6 value or at a premium or discount to any bank or other private purchaser
7 for cash or other consideration the mortgages and notes held by the
8 Department of Environmental Conservation as security for loans made
9 under this chapter.

10 (b) The commissioner of environmental conservation may sell or
11 transfer at par value to the Department of Revenue the mortgages and
12 notes held by the Department of Environmental Conservation as security
13 for loans made under this chapter. The Department of Revenue may pur-
14 chase the mortgages or notes offered until the principal amount of the
15 mortgages and notes purchased is \$5,000,000.

16 * Sec. 2. This Act takes effect July 1, 1980.
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