

Introduced: 5/4/81  
Referred: Community & Regional  
Affairs and Finance

1 IN THE HOUSE

BY GRUSSENDORF, DUNCAN AND  
GARDINER

2 HOUSE BILL NO. 551

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to planning and improvement loans for  
7 municipalities to implement land disposal programs;  
8 and providing for an effective date."

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

10 \* Section 1. AS 38.05 is amended by adding a new section to read:

11 Sec. 38.05.048. FINANCIAL ASSISTANCE FOR DISPOSAL OF MUNICIPAL  
12 LAND. (a) A home rule, general law, or unified municipality may apply  
13 to the department for a loan to plan a program to dispose of municipal  
14 land to the public. The loan application may include amounts to finance  
15 the expenses of identifying and classifying land for disposal, survey-  
16 ing land for subdivisions, designing subdivision plats, planning  
17 improvements, and platting and recording a subdivision of land to be  
18 disposed of to the public. An application for a loan must be accom-  
19 panied by a plan for disposal of municipal land including

20 (1) an estimate of the amount of land to be disposed of;  
21 (2) an estimate of the period of time during which the land  
22 will be disposed of;

23 (3) a general description of the land to be studied for  
24 possible subdivision and disposal or a copy of a proposed subdivision  
25 plat of land to be disposed of;

26 (4) a resolution by the governing body of the municipality  
27 that the purpose of the proposed subdivision is to make land available  
28 to the public and that the loan will be applied exclusively to the  
29 costs of subdividing land for disposal to the public.

1 (b) A home rule, general law, or unified municipality may apply  
2 to the department for a loan to install improvements on a subdivision of  
3 land to be disposed of to the public. The loan application may include  
4 amounts to finance the installation of access roads, street paving,  
5 sewer and water, and other improvements which are required by sub-  
6 division ordinances of the municipality or by regulation of the  
7 municipal platting board adopted under AS 29.33.150. An application  
8 for a loan must include

9 (1) a copy of the recorded subdivision plat of land to be  
10 disposed of to the public;

11 (2) an estimate of the costs of improvements for the sub-  
12 division;

13 (3) a resolution by the governing body of the municipality  
14 that the loan will be used exclusively for installing improvements on a  
15 subdivision of land to be disposed of to the public and that the  
16 proceeds of the sale of lots in the subdivision will be used to repay  
17 the loan.

18 (c) Repayment of a loan made under (a) or (b) of this section  
19 must begin after disposal of the land or three years after receipt of  
20 the loan, whichever is earlier. A loan must be repaid over a period of  
21 not more than 20 years with interest not to exceed six percent.

22 (d) A loan made under (a) or (b) of this section becomes an  
23 encumbrance on all lots in a subdivision developed with money from the  
24 loan which has priority over all other encumbrances. The total sales  
25 price of all lots in the subdivision may not be less than 105 percent  
26 of the balance of the loan unpaid at the time the first lot is sold,  
27 and proceeds of sale of each lot shall be used to repay the loan until  
28 the entire balance including interest is repaid. The encumbrance on an  
29 individual lot in the subdivision shall be released when payment for

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the lot is received by the department.

(e) An amendment to the plat of a subdivision which has been developed with money from a loan made under (a) or (b) of this section shall be subject to approval by the department until the loan is entirely repaid.

(f) The department may adopt regulations under the Administrative Procedure Act (AS 44.62) necessary to administer the loan programs established by (a) and (b) of this section.

\* Sec. 2. This Act takes effect July 1, 1981.