

Original sponsors: Grussendorf, Duncan
and Gardiner

Offered: 5/28/81
Referred: Finance

1 IN THE HOUSE

BY THE COMMUNITY AND
REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 551 (C&RA)

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
3 of land to be disposed of to the public. The loan application may
4 include amounts to finance the installation of access roads, subdivision
5 roads, street paving, sewer and water, and other improvements that are
6 required by subdivision ordinances of the municipality or by regulation
7 of the municipal platting board adopted under AS 29.33.150. An applica-
8 tion for a loan must include

9 (1) a copy of the preliminary subdivision plat of the land
10 to be disposed of to the public which has been approved by the govern-
11 ing body of the municipality;

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

14 (3) a resolution by the governing body of the municipality
15 that the loan will be used exclusively for installing improvements in
16 accordance with this subsection and that the money which the munici-
17 pality receives from the sale of lots in the subdivision will be used
18 to repay the loan.

19 (c) The department may approve an application filed by a munici-
20 pality in accordance with (a) or (b) of this section upon determining
21 that the money from the sale of lots in the subdivision of land will be
22 sufficient to repay the loan. The department may not demand security
23 for a loan under this section. The department shall establish terms
24 and conditions for a loan, including at least the following:

25 (1) the rate of interest on the loan; the rate may not
26 exceed six percent;

27 (2) each lot in the subdivision shall be made available by
28 the municipality for purchase by the public as soon as possible;

29 (3) repayment of a loan shall begin within three months

1 after the municipality receives the first payment or partial payment
2 for a lot in the subdivision which has been purchased;

3 (4) all money which the municipality receives from the sale
4 of lots in the subdivision shall be used to repay the loan until the
5 loan is fully repaid; and

6 (5) the loan shall be repaid within 20 years of the date the
7 municipality is required to make its first payment.

8 (d) Notwithstanding (c) of this section, a municipality may allow
9 a discount in accordance with AS 38.05.058 on the purchase price of a
10 lot in a subdivision developed with money from a loan made under this
11 section. If a municipality allows a discount under this subsection,
12 the department shall forgive repayment of an amount of the loan equal
13 to the amount by which the purchase price was discounted.

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

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

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

21
22
23
24
25
26
27
28
29