

Introduced: 6/15/81
Referred: Labor &
Commerce and Finance

1 IN THE SENATE

BY BRADLEY

2 SENATE BILL NO. 599

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 the Alaska Housing Finance Cor-
7 poration and establishing in the corporation a general
8 obligation bond loan fund for veterans housing; and
9 providing for an effective date."

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

11 * Section 1. FINDINGS. The legislature finds that

12 (1) housing loans for veterans currently absorb a substantial
13 portion of the available mortgage money of the Alaska Housing Finance Cor-
14 poration and the state is using money from the general fund to lower the
15 rate of interest that Alaskans pay for mortgage loans;

16 (2) certain provisions of federal law allow the sale of tax-free
17 bonds specifically for veterans housing and a tax-free bond provides money
18 for housing at a lower rate of interest than the taxable bonds that are
19 currently used by the Alaska Housing Finance Corporation to provide mort-
20 gages for Alaskans;

21 (3) the ability of the state to issue tax-free bonds for veterans
22 housing would reduce the interest rates on mortgages to veterans and allow
23 the potential of making more mortgage money available to nonveteran Alaskans;

24 (4) in order to qualify under the provisions of federal law
25 allowing the sale of tax-free bonds,

26 (A) the state constitution must be amended in order to allow
27 state debt to be contracted for housing and to allow the full faith and
28 credit of the state to be pledged toward repayment of these general
29 obligation bonds; and

1 (B) the people of Alaska must authorize the state to issue
2 bonds in an amount that provides the necessary mortgage money;

3 (5) it is therefore desirable that a special fund be established
4 to segregate money received from general obligation bond proceeds for vet-
5 erans housing to ensure compliance with federal law and the terms of general
6 obligation bond issues.

7 * Sec. 2. AS 18.56 is amended by adding a new section to read:

8 Sec. 18.56.107. VETERANS HOUSING GENERAL OBLIGATION BOND LOAN
9 FUND. There is established in the corporation the veterans housing
10 general obligation bond loan fund consisting of proceeds of general
11 obligation bonds issued for the purpose and appropriated to it by the
12 legislature. Money in the fund may be used only to assist financing of
13 housing for veterans as authorized in AS 18.56.010 - 18.56.210.

14 * Sec. 3. This Act takes effect on the effective date of an amendment to
15 the Constitution of the State of Alaska that would allow incurring state
16 debt for the purpose of financing housing.