

Introduced: 2/16/82
Referred: Labor & Commerce,
State Affairs and Finance

1 IN THE SENATE

BY KELLY

2 SENATE BILL NO. 800

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a direct interest subsidy program
7 to subsidize the interest paid by residents on loans
8 for multi-family housing; and providing for an effec-
9 tive date."

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

11 * Section 1. AS 45 is amended by adding a new chapter to read:

12 CHAPTER 94. DIRECT INTEREST SUBSIDIES.

13 Sec. 45.94.010. DIRECT INTEREST SUBSIDY PROGRAM ESTABLISHED. The
14 direct interest subsidy program is established in the Department of
15 Commerce and Economic Development for the purpose of reducing the inter-
16 est paid by state residents on loans for multi-family housing.

17 Sec. 45.94.020. DUTIES OF THE DEPARTMENT. The department shall

18 (1) make determinations of eligibility for direct interest
19 subsidy coupons under the provisions of this chapter;

20 (2) prepare and distribute direct interest subsidy coupons to
21 eligible persons;

22 (3) administer the payment of direct interest subsidies to
23 participating lending institutions;

24 (4) assist residents who, because of language, illness, old
25 age, or inaccessibility to public transportation, need assistance to
26 establish eligibility and apply for direct interest subsidy coupons; and

27 (5) adopt regulations necessary to carry out the provisions
28 of this chapter.

29 Sec. 45.94.030. ELIGIBILITY FOR DIRECT INTEREST SUBSIDY COUPON. A

1 person is eligible to receive a direct interest subsidy coupon if that
2 person

3 (1) is at least 18 years old; and

4 (2) is a state resident at the time of application for the
5 direct interest subsidy coupon.

6 Sec. 45.94.040. USE AND LIMITATIONS ON USE OF DIRECT INTEREST
7 SUBSIDY COUPONS. (a) Upon obtaining a loan from a participating lend-
8 ing institution for the construction or purchase of a multi-family
9 dwelling located in the state, a person who has received a direct inter-
10 est subsidy coupon may present the coupon and evidence of the loan to
11 the department. The department shall then pay the lending institution
12 amounts sufficient to reduce the interest paid by the person who presents
13 the coupon by five percentage points.

14 (b) Only one direct interest subsidy coupon can be used for each
15 loan that qualifies for a direct interest subsidy under this chapter.

16 (c) A person may not use a direct interest subsidy coupon for a
17 loan that exceeds \$2,000,000. Only one loan subsidized under this
18 chapter may be outstanding at any given time for a multi-family dwelling.

19 Sec. 45.94.900. DEFINITIONS. In this chapter

20 (1) "coupon" means a certificate evidencing the right of a
21 person to obtain a direct interest subsidy under this chapter;

22 (2) "department" means the Department of Commerce and Economic
23 Development;

24 (3) "multi-family dwelling" means a dwelling having between
25 four and twenty dwelling units;

26 (4) "participating lending institution" means a bank or other
27 lending institution that is approved by the department for participation
28 in the direct interest subsidy program under this chapter.

29 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-

1 070(c).

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