

1 IN THE HOUSE

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ULMER

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HOUSE BILL NO. 519

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

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FIFTEENTH LEGISLATURE - SECOND SESSION

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A BILL

6 For an Act entitled: "An Act establishing a revolving loan fund for radon

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mitigation; and providing for an effective date."

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

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\* Section 1. FINDINGS. The legislative finds that

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(1) exposure to radon poses a serious threat to public health

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and is estimated to cause approximately 5,000 to 20,000 lung cancer deaths

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each year nationally;

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(2) 14 percent of the indoor radon measurements made by the

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state's divisions of geological and geophysical surveys and public health

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exceeded six picocuries, the level at which the Environmental Protection

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Agency recommends action be taken to reduce the level;

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(3) high levels of radon may decrease property values, making

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loans difficult to obtain and greatly hindering resale;

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(4) techniques such as vapor barriers, air-to-air heat exchang-

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ers, and house pressurization may be used to mitigate radon in homes;

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(5) many Alaskans do not have the financial resources to install

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radon mitigation systems in their homes; and

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(6) state response to the health threat posed by radon is essen-

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tial and should continue at existing or expanded levels.

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\* Sec. 2. AS 44.47 is amended by adding new sections to read:

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ARTICLE 11A. RADON MITIGATION REVOLVING LOAN FUND.

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Sec. 44.47.650. RADON MITIGATION REVOLVING LOAN FUND. There is

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in the Department of Community and Regional Affairs the radon mitiga-

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tion revolving loan fund to carry out the purposes of AS 44.47.650 -

1 44.47.658. The fund may not be used for any other purpose.

2 Sec. 44.47.652. POWERS AND DUTIES OF THE DEPARTMENT IN ADMINIS-  
3 TERING THE FUND. (a) The department may

4 (1) make loans to homeowners to mitigate the effects of  
5 radon on property used as the homeowner's place of residence;

6 (2) adopt regulations necessary to carry out the provisions  
7 of AS 44.47.650 - 44.47.658.

8 (b) The department shall

9 (1) develop eligibility standards for loans;

10 (2) adopt guidelines for the determination of loan terms.

11 (c) The department shall dispose of property acquired through  
12 default or foreclosure of a loan made under AS 44.47.650 - 44.47.658.  
13 Disposal shall be made in a manner that serves the best interests of  
14 the state, and may include the amortization of payments over a period  
15 of years.

16 Sec. 44.47.654. LOAN TERMS AND PAYMENTS. (a) A loan made by  
17 the department under AS 44.47.650 - 44.47.658 may not exceed \$10,000.

18 (b) The duration for repayment of a loan may not exceed 10  
19 years.

20 (c) The interest rate on a loan made by the department under  
21 AS 44.47.650 - 44.47.658 is the annual rate charged member banks for  
22 advances by the 12th Federal Reserve District on the day the loan is  
23 made.

24 (d) All principal and interest payments on loans under AS 44.-  
25 47.650 - 44.47.658 shall be paid into the radon mitigation revolving  
26 loan fund.

27 Sec. 44.47.656. ELIGIBILITY FOR LOANS. A homeowner is eligible  
28 for a loan under AS 44.47.650 - 44.47.658 if

29 (1) a measurement of the radon in the homeowner's residence

1 exceeded six picocuries;

2 (2) the homeowner has applied for a loan to mitigate the  
3 effects of radon from a state chartered or federally chartered lending  
4 institution, and the application has been rejected;

5 (3) the homeowner submits to the department a plan for the  
6 use of the loan funds that is approved by the commissioner; and

7 (4) the applicant meets additional eligibility standards  
8 established by the department under AS 44.47.652.

9 Sec. 44.47.658. SPECIAL ACCOUNT ESTABLISHED. (a) There is  
10 established as a special account within the radon mitigation revolving  
11 loan fund the foreclosure expense account. This account is estab-  
12 lished as a reserve from fund equity.

13 (b) The commissioner may expend money credited to the foreclo-  
14 sure expense account when necessary to protect the state's security  
15 interest in collateral on loans made under AS 44.47.650 - 44.47.658 or  
16 to defray expenses incurred during foreclosure proceedings after a  
17 default by an obligor.

18 \* Sec. 3. This Act takes effect July 1, 1988.