

BY THE HESS COMMITTEE

1 IN THE HOUSE

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HOUSE BILL NO. 584

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to a revolving loan fund in the

7

Department of Health and Social Services."

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

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\* Section 1. AS 44.29 is amended by adding new sections to read:

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ARTICLE 3. ALCOHOLISM AND DRUG ABUSE REVOLVING LOAN FUND.

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Sec. 44.29.210. CREATION OF AN ALCOHOLISM AND DRUG ABUSE REVOLV-

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ING LOAN FUND. (a) There is created in the department an alcoholism

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and drug abuse revolving loan fund as required under 42 U.S.C. 300x -

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4a to qualify the state to receive block grant money from the United

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States Department of Health and Human Services under 42 U.S.C. 300x -

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2.

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(b) The fund consists of money appropriated to it, payments of

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principal on loans made from it, and money chargeable to principal

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that is collected through liquidation by foreclosure or other process

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on loans made from it.

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(c) Money in the fund may be used as required under 42 U.S.C.

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300x - 4a to make loans to private nonprofit organizations for the

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cost of establishing programs to provide housing in which individuals

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recovering from alcohol or drug abuse may reside in groups.

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Sec. 44.29.215. SPECIAL ACCOUNT ESTABLISHED. (a) There is

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established as a special account within the alcoholism and drug abuse

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revolving loan fund the foreclosure expense account. This account is

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established as a reserve from fund equity.

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(b) The department may expend money credited to the foreclosure

1 expense account when necessary to protect the department's security  
2 interest in collateral on loans made under AS 44.29.210 or to defray  
3 expenses incurred during foreclosure proceedings after a default by an  
4 obligor.

5 Sec. 44.29.220. POWERS AND DUTIES OF THE DEPARTMENT. (a) The  
6 department may

7 (1) adopt regulations necessary to carry out its functions  
8 under AS 44.29.210 - 44.29.230 and to administer the program required  
9 under 42 U.S.C. 300x - 4a, including regulations to establish reason-  
10 able fees for services provided, procedures for foreclosure proceed-  
11 ings, and procedures for collecting delinquent accounts;

12 (2) establish amortization plans for the repayment of  
13 loans;

14 (3) charge and collect the fees established under this  
15 subsection; and

16 (4) contract for the servicing of loans made under AS 44.-  
17 29.210.

18 (b) The commissioner of administration shall separately account  
19 for all earnings, interest, fees, and collection charges that the  
20 department deposits in the general fund. The annual estimated balance  
21 in the account may be used by the legislature to make appropriations  
22 to the department to carry out the purposes of AS 44.29.210 - 44.29.-  
23 230.

24 Sec. 44.29.225. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR  
25 FORECLOSURE. The department shall dispose of property acquired  
26 through default or foreclosure on a loan made under AS 44.29.210.  
27 Disposal shall be made in a manner that serves the best interests of  
28 the state and may include the amortization of payments over a period  
29 of years.

1           Sec. 44.29.230. DEFINITION. In AS 44.29.210 - 44.29.230, "de-  
2           partment" means the Department of Health and Social Services.