

**HOUSE CS FOR CS FOR SENATE BILL NO. 70(STA)****IN THE LEGISLATURE OF THE STATE OF ALASKA****EIGHTEENTH LEGISLATURE - SECOND SESSION****BY THE HOUSE STATE AFFAIRS COMMITTEE****Offered: 5/8/94****Referred: Finance****Sponsors: SENATORS DUNCAN, Ellis, Little, Taylor, Kelly, Salo, Pearce, Leman, Rieger, Frank, Kerttula, Zharoff****REPRESENTATIVES Davies, Nordlund****A BILL****FOR AN ACT ENTITLED**

1 "An Act establishing a loan guarantee and interest rate subsidy program for  
2 assistive technology."

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

4 \* Section 1. INTENT. It is the intent of the legislature to fund the program established  
5 under this Act only with money from federal and private sources. It is not the intent of the  
6 legislature to provide money for the program from the state's general fund.

7 \* Sec. 2. AS 23.15 is amended by adding a new section to read:

8           Sec. 23.15.125. ASSISTIVE TECHNOLOGY LOAN GUARANTEE AND  
9           INTEREST SUBSIDY PROGRAM. (a) An assistive technology loan guarantee fund  
10           is established in the agency. The fund consists of money appropriated to it. The  
11           agency may solicit and accept available federal and private money for distribution from  
12           the fund. The agency may not solicit money from the state's general fund.

13           (b) Subject to (c) - (e) of this section, the agency may use money in the fund  
14           established under this section to guarantee 90 percent of the principal amount of a loan

1 or to subsidize the interest rate of a loan guaranteed by the agency for appropriate  
2 assistive technology that is best suited for enabling

- 3 (1) a handicapped individual to obtain or maintain employment; or  
4 (2) an individual having a physical or mental disability to live more  
5 independently.

6 (c) The agency may guarantee a loan or subsidize the interest rate of a loan  
7 guaranteed under this section if

8 (1) the loan is made to a handicapped or disabled person or a member  
9 of the person's family;

10 (2) the loan is originated and serviced by a state or federally chartered  
11 financial institution located in the state;

12 (3) before a loan guarantee or subsidy is requested from a lending  
13 institution, the agency determines that the person requesting the loan guarantee or  
14 subsidy is not able to obtain the needed assistive technology from a less costly source;

15 (4) the lending institution determines that the person or the family of  
16 a child reasonably can be expected to repay the loan given their expected income or  
17 other resources; and

18 (5) for a loan to modify a vehicle to provide transportation for a  
19 handicapped person, the applicant has been steadily employed for the 90 days  
20 immediately preceding the date of the loan application.

21 (d) The director shall establish an assistive technology loan committee within  
22 the agency. The committee shall consist of the director, or the director's designee, a  
23 representative of a financial institution who is experienced with consumer loans, and  
24 three persons with disabilities. The committee shall

25 (1) establish guidelines for providing loans under this section, including  
26 guidelines relating to the maximum amounts and duration of loans and guidelines to  
27 ensure that persons with disabilities who live in rural or remote areas of the state have  
28 adequate access to loans under this section;

29 (2) annually establish the percentage of money in the fund that may be  
30 used for subsidizing the interest rates on loans guaranteed under this section; and

31 (3) make reports and recommendations to the legislature on the

1 operation of the loan program.

2 (e) The agency may not guarantee a loan under this section if there is less than  
3 \$200,000 in the assistive technology loan guarantee fund or if the guaranteed principal  
4 amount of the loan, when added to the guaranteed principal amount of loans currently  
5 guaranteed under this section, would exceed the greater of the following:

6 (1) the amount of money in the assistive technology loan guarantee  
7 fund; or

8 (2) the policy limit of an insurance policy in the name of the state that  
9 would cover defaults under loans guaranteed under this section; the director may  
10 purchase an insurance policy described in this paragraph.

11 (f) In this section, "assistive technology" means durable equipment, adaptive  
12 aids, and assistive devices.

13 \* **Sec. 3.** AS 23.15.125, enacted by sec. 2 of this Act, is repealed one year after the  
14 effective date of the repeal of the grant program for assistive technology under 29 U.S.C. 2211  
15 - 2217 unless the federal grant program is replaced by a successor program that provides  
16 federal funds for assistive technology loans; in that case, AS 23.15.125, enacted by sec. 2 of  
17 this Act, is repealed one year after the effective date of the repeal of the successor program.  
18 The director of the division of vocational rehabilitation shall inform the revisor of statutes of  
19 any repeal of the grant program for assistive technology under 29 U.S.C. 2211 - 2217 or a  
20 successor program.