

HOUSE CS FOR CS FOR SENATE BILL NO. 70(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 5/10/94

Referred: Rules

Sponsor(s): SENATORS DUNCAN, Ellis, Little, Taylor, Kelly, Salo, Pearce, Leman, Rieger, Frank, Kerttula, Zharoff

REPRESENTATIVES Davies, Nordlund, Mackie

A BILL

FOR AN ACT ENTITLED

1 "An Act establishing a loan guarantee and interest rate subsidy program for
 2 assistive technology; and providing for an effective date."

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 the guaranteed
3 principal amount of the loan, when added to the guaranteed principal amount of loans
4 currently guaranteed under this section, would exceed the greater of the following:

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

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

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

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 AS 23.15.125, enacted by sec. 2 of this Act, is repealed one year after the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16 this Act, is repealed one year after the effective date of the repeal of the successor program.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

20 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).