

"An Act creating a child care facility revolving loan fund."

COMMITTEE REPORT

3/18/76

HOUSE

Mr. Speaker:

Date \_\_\_\_\_

The Committee on FINANCE has had HB 290

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ Chairman

"An Act creating a child care facility revolving loan fund."

### COMMITTEE REPORT

3/12/75

HOUSE

FINANCE

Mr. Speaker:

Date 3-18-76

The Committee on C&RA has had HB 290

under consideration. ~~A Majority of~~ the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR HB 290 AND THAT

CS FOR \_\_\_\_\_ DO PASS

( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_  
COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

Samuel R. Latta \_\_\_\_\_

R. Kelley \_\_\_\_\_

Irvin Rudd \_\_\_\_\_

Kathryn Ostrinsky \_\_\_\_\_

Members NOT concurring in the Majority report:

Freeman recommends: No Rec

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

Samuel R. Latta Chairman

AMENDMENT # 1

OFFERED IN THE HOUSE:

By: Community & Regional Affairs Committee

To: \_\_\_\_\_ CS HOUSE BILL No. 290

SENATE BILL No. \_\_\_\_\_

PAGE: 2

LINE: 1-3, 9, 13-14

Lines 1-3: DELETE

Line 9: After "loans" and before "under"

INSERT: "held by the Department of Commerce and Economic Development"

Lines 13-14: DELETE

Original sponsor: Duncan

Offered: 3/18/76  
Referred: Finance

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
IN THE HOUSE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

CS FOR HOUSE BILL NO. 290

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act creating a child care facility revolving loan fund."

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

\* Section 1. AS 44.33 is amended by adding new sections to read:

ARTICLE 4. CHILD CARE FACILITY REVOLVING LOAN FUND.

Sec. 44.33.200. CHILD CARE FACILITY REVOLVING LOAN FUND. There is in the Department of Commerce and Economic Development the child care facility revolving loan fund to carry out the purposes of secs. 200 - 270 of this chapter. The fund may be used for no other purpose.

Sec. 44.33.210. POWERS AND DUTIES OF THE DEPARTMENT IN ADMINISTERING THE FUND. (a) The department may

(1) make loans for the construction, renovation, and equipping of child care facilities;

(2) promulgate regulations necessary to carry out the provisions of secs. 200 - 270 of this chapter.

(b) The department shall

(1) develop eligibility standards for loans to child care facilities;

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

Sec. 44.33.220. CONDITIONS OF LOANS. (a) Loans under secs. 200 - 270 of this chapter shall be made to enable child care facilities in the state to comply with the licensing standards of the Department of Health and Social Services for child care facilities or to comply with the requirements for certification by the Department of Education.

COMMITTEE COPY

1 (b) A loan may not be made unless the commissioner of commerce and  
2 economic development is satisfied that money is not available to the  
3 applicant from private lending institutions.

4 Sec. 44.33.230. LOAN TERMS. (a) A loan to a child care facility  
5 under secs. 200 - 270 of this chapter may not exceed \$10,000.

6 (b) The rate of interest charged shall be six per cent a year on  
7 the unpaid balance of the loan.

8 (c) The duration for repayment of a loan may not exceed 10 years.

9 (d) All principal and interest payments on loans under secs. 200 -  
10 270 of this chapter shall be paid into the child care facility revolving  
11 loan fund.

12 (e) If a child care facility ceases operation, any loan to the  
13 facility from the fund is due on the date the facility ceases operation.

14 Sec. 44.33.240. ELIGIBILITY FOR LOANS. A child care facility is  
15 eligible for a loan under secs. 200 - 270 of this chapter if

16 (1) the applicant submits to the department a plan for the  
17 use of the loan funds which is approved by the commissioner;

18 (2) the applicant demonstrates that the proposed loan will  
19 enable the child care facility to obtain a license from the Department  
20 of Health and Social Services or a certificate from the Department of  
21 Education;

22 (3) the applicant is awarded a certificate of need by the  
23 Department of Community and Regional Affairs;

24 (4) the applicant has not received over \$10,000 in loans from  
25 the fund in the five-year period preceding the application; and

26 (5) the applicant meets additional eligibility standards  
27 established by the department under sec. 210(b)(1) of this chapter.

28 Sec. 44.33.250. CERTIFICATE OF NEED. (a) A child care facility  
29 seeking a loan under secs. 200 - 270 of this chapter shall apply to the

1 Department of Community and Regional Affairs for a certificate of need.

2 (b) The Department of Community and Regional Affairs shall deter-  
3 mine whether to award the certificate of need on the basis of the  
4 following criteria:

5 (1) the number of existing slots in licensed child care  
6 facilities in the geographic area of the applicant;

7 (2) the number of children in the geographic area who need  
8 child care;

9 (3) the proposed capacity of the applicant facility;

10 (4) other factors which are determined to be relevant by the  
11 department and are set out in regulations promulgated by the Department  
12 of Community and Regional Affairs.

13 (c) The Department of Community and Regional Affairs shall submit  
14 its decision and the reasons for it to the applicant within 60 days of  
15 receipt of the application.

16 Sec. 44.33.260. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The  
17 commissioner of commerce and economic development may sell or transfer  
18 at par value or at a premium to a bank or other private purchaser for  
19 cash or other consideration the mortgages and notes held by the depart-  
20 ment as security for loans made under this chapter.

21 (b) The commissioner of commerce and economic development may sell  
22 or transfer at par value to the Department of Revenue the mortgages and  
23 notes held by the department as security for loans made under this  
24 chapter. The Department of Revenue shall purchase the mortgages and  
25 notes offered until the current principal amount of all mortgages and  
26 notes purchased and held by the Department of Revenue equals \$300,000.

27 Sec. 44.33.270. DEFINITIONS. In secs. 200 - 270 of this chapter

28 (1) "child care facility" means an establishment the princi-  
29 pal purpose of which is to provide care for children not related by

1 blood, marriage, or legal adoption, including but not limited to day  
2 care centers, family day care homes, and schools for preschool age  
3 children;

4 (2) "department" means the Department of Commerce and Economic  
5 Development.



733  
drive

Introduced: 3/12/75  
Referred: Community & Regional  
Affairs and Finance

1 IN THE HOUSE

BY DUNCAN

2 HOUSE BILL NO. 290

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating a child care facility revolving loan  
7 fund."

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

9 \* Section 1. AS 44.47 is amended by adding new sections to read:

10 ARTICLE 7. CHILD CARE FACILITY REVOLVING LOAN FUND.

11 Sec. 44.47.180. CREATION OF CHILD CARE FACILITY REVOLVING LOAN  
12 FUND. There is created in the Department of Community and Regional  
13 Affairs the child care facility revolving loan fund to carry out the  
14 purposes of secs. 180 - 250 of this chapter. The fund shall be used for  
15 no other purpose.

16 Sec. 44.47.190. POWERS AND DUTIES OF THE DEPARTMENT IN ADMINISTER-  
17 ING THE FUND. (a) The department may

18 (1) make loans for the construction, renovation, and equip-  
19 ping of child care facilities;

20 (2) designate agents and delegate powers to them as is neces-  
21 sary;

22 (3) promulgate regulations necessary to carry out the pro-  
23 visions of secs. 180 - 250 of this chapter.

24 (b) The department shall

25 (1) develop eligibility standards for loans to day care  
26 facilities;

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

28 Sec. 44.47.200. CONDITIONS OF LOANS. (a) Loans under secs.  
29 180 - 250 of this chapter shall be made to enable child care facilities

COMMITTEE COPY



1 in the state to comply with the licensing standards of the Office of  
2 Child Development for child care facilities or to comply with the  
3 requirements for certification by the Department of Education.

4 (b) A loan may not be made unless the facility agrees to operate  
5 as a child care facility for a duration determined by the department  
6 to be sufficient to justify the loan.

7 (c) A loan may not be made unless the commissioner of community  
8 and regional affairs is satisfied that money is not available to the  
9 applicant from private lending institutions.

10 Sec. 44.47.210. LOAN TERMS. (a) A loan to a child care facility  
11 under secs. 180 - 250 of this chapter may not exceed \$10,000.

12 (b) The rate of interest charged shall be six per cent a year on  
13 the unpaid balance of the loan.

14 (c) The duration for repayment of a loan may not exceed 10 years.

15 Sec. 44.47.220. ELIGIBILITY FOR LOANS. A child care facility is  
16 eligible for a loan under secs. 180 - 250 of this chapter if

17 (1) the applicant submits to the department a plan for the  
18 use of the loan funds which is approved by the commissioner;

19 (2) the applicant demonstrates that the proposed loan will  
20 enable the child care facility to obtain a license from the Office of  
21 Child Development or a certificate from the Department of Education;

22 (3) the applicant is awarded a certificate of need by the  
23 department;

24 (4) the applicant has not received over \$10,000 in loans from  
25 the fund in the five-year period preceding the application; and

26 (5) the applicant meets additional eligibility standards  
27 established by the board under sec. 190(b)(1) of this chapter.

28 Sec. 44.47.230. CERTIFICATE OF NEED. (a) A child care facility  
29 seeking a loan under secs. 180 - 250 of this chapter shall apply to the

1 department for a certificate of need.

2 (b) The department shall determine whether to award the certifi-  
3 cate of need on the basis of the following criteria:

4 (1) the number of existing slots in licensed child care  
5 facilities in the geographic area of the applicant;

6 (2) the number of children in the geographic area who need  
7 child care;

8 (3) the proposed capacity of the applicant facility;

9 (4) other factors which are determined to be relevant by the  
10 department and are set out in regulations promulgated by the department.

11 (c) The department shall submit its decisions and the reasons for  
12 it to the applicant within 60 days of receipt of the application.

13 Sec. 44.47.240. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a)  
14 The commissioner of community and regional affairs may sell or transfer  
15 at par value or at a premium or discount to a bank or other private  
16 purchaser for cash or other consideration the mortgages and notes held  
17 by the department as security for loans made under this chapter.

18 (b) The commissioner of community and regional affairs may sell  
19 or transfer at par value to the Department of Revenue the mortgages and  
20 notes held by the department as security for loans made under this  
21 chapter. The Department of Revenue shall purchase the mortgages and  
22 notes offered.

23 Sec 44.47.250. DEFINITIONS. In secs. 180 - 250 of this chapter

24 (1) "child care facility" means an establishment the principal  
25 purpose of which is to provide care for children not related by blood,  
26 marriage, or legal adoption, including but not limited to day care  
27 centers, family day care homes, and schools for pre-school age children;

28 (2) "department" means the Department of Community and  
29 Regional Affairs.

ALASKA STATE LEGISLATURE

NINTH Legislature FIRST Session

HOUSE ..... BILL ..... NO. ...290.

By ..DUNCAN.....

"An Act creating a child care facility revolving loan fund."

Child care revolv. fund

Introduced in the House ...3/12/75, 19..75

HISTORY IN THE HOUSE

19 75

Mar 12

Read first time and referred to Committee on Community & Regional Affairs and Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by Speaker  
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by President  
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No. ....

Original sponsor: Duncan

Offered: 3/18/76  
Referred: Finance

1 IN THE HOUSE

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 290

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act creating a child care facility revolving loan  
7 fund."

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

9 # Section 1. AS 44.33 is amended by adding new sections to read:

10 ARTICLE 4. CHILD CARE FACILITY REVOLVING LOAN FUND.

11 Sec. 44.33.200. CHILD CARE FACILITY REVOLVING LOAN FUND. There is  
12 in the Department of Commerce and Economic Development the child care  
13 facility revolving loan fund to carry out the purposes of secs. 200 -  
14 270 of this chapter. The fund may be used for no other purpose.

15 Sec. 44.33.210. POWERS AND DUTIES OF THE DEPARTMENT IN ADMINIS-  
16 TERING THE FUND. (a) The department may

17 (1) make loans for the construction, renovation, and equip-  
18 ping of child care facilities;

19 (2) promulgate regulations necessary to carry out the provi-  
20 sions of secs. 200 - 270 of this chapter.

21 (b) The department shall

22 (1) develop eligibility standards for loans to child care  
23 facilities;

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

25 Sec. 44.33.220. CONDITIONS OF LOANS. (a) Loans under secs. 200 -  
26 270 of this chapter shall be made to enable child care facilities in the  
27 state to comply with the licensing standards of the Department of Health  
28 and Social Services for child care facilities or to comply with the  
29 requirements for certification by the Department of Education.

1 (b) A loan may not be made unless the commissioner of commerce and  
2 economic development is satisfied that money is not available to the  
3 applicant from private lending institutions.

4 Sec. 44.33.230. LOAN TERMS. (a) A loan to a child care facility  
5 under secs. 200 - 270 of this chapter may not exceed \$10,000.

6 (b) The rate of interest charged shall be six per cent a year on  
7 the unpaid balance of the loan.

8 (c) The duration for repayment of a loan may not exceed 10 years.

9 (d) All principal and interest payments on loans under secs. 200 -  
10 270 of this chapter shall be paid into the child care facility revolving  
11 loan fund.

12 (e) If a child care facility ceases operation, any loan to the  
13 facility from the fund is due on the date the facility ceases operation.

14 Sec. 44.33.240. ELIGIBILITY FOR LOANS. A child care facility is  
15 eligible for a loan under secs. 200 - 270 of this chapter if

16 (1) the applicant submits to the department a plan for the  
17 use of the loan funds which is approved by the commissioner;

18 (2) the applicant demonstrates that the proposed loan will  
19 enable the child care facility to obtain a license from the Department  
20 of Health and Social Services or a certificate from the Department of  
21 Education;

22 (3) the applicant is awarded a certificate of need by the  
23 Department of Community and Regional Affairs;

24 (4) the applicant has not received over \$10,000 in loans from  
25 the fund in the five-year period preceding the application; and

26 (5) the applicant meets additional eligibility standards  
27 established by the department under sec. 210(b)(1) of this chapter.

28 Sec. 44.33.250. CERTIFICATE OF NEED. (a) A child care facility  
29 seeking a loan under secs. 200 - 270 of this chapter shall apply to the



1 Department of Community and Regional Affairs for a certificate of need.

2 (t) The Department of Community and Regional Affairs shall deter-  
3 mine whether to award the certificate of need on the basis of the  
4 following criteria:

5 (1) the number of existing slots in licensed child care  
6 facilities in the geographic area of the applicant;

7 (2) the number of children in the geographic area who need  
8 child care;

9 (3) the proposed capacity of the applicant facility;

10 (4) other factors which are determined to be relevant by the  
11 department and are set out in regulations promulgated by the Department  
12 of Community and Regional Affairs.

13 (c) The Department of Community and Regional Affairs shall submit  
14 its decision and the reasons for it to the applicant within 60 days of  
15 receipt of the application.

16 Sec. 44.33.260. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The  
17 commissioner of commerce and economic development may sell or transfer  
18 at par value or at a premium to a bank or other private purchaser for  
19 cash or other consideration the mortgages and notes held by the depart-  
20 ment as security for loans made under this chapter.

21 (b) The commissioner of commerce and economic development may sell  
22 or transfer at par value to the Department of Revenue the mortgages and  
23 notes held by the department as security for loans made under this  
24 chapter. The Department of Revenue shall purchase the mortgages and  
25 notes offered until the current principal amount of all mortgages and  
26 notes purchased and held by the Department of Revenue equals \$300,000.

27 Sec. 44.33.270. DEFINITIONS. In secs. 200 - 270 of this chapter

28 (1) "child care facility" means an establishment the princi-  
29 pal purpose of which is to provide care for children not related by



1 blood, marriage, or legal adoption, including but not limited to day  
2 care centers, family day care homes, and schools for preschool age  
3 children;

4 (2) "department" means the Department of Commerce and Economic  
5 Development.  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29

Introduced: 3/12/75  
Referred: Community & Regional  
Affairs and Finance

1 IN THE HOUSE

BY DUNCAH

2 HOUSE BILL NO. 290

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating a child care facility revolving loan  
7 fund."

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

9 \* Section 1. AS 44.47 is amended by adding new sections to read:

10 ARTICLE 7. CHILD CARE FACILITY REVOLVING LOAN FUND.

11 Sec. 44.47.180. CREATION OF CHILD CARE FACILITY REVOLVING LOAN  
12 FUND. There is created in the Department of Community and Regional  
13 Affairs the child care facility revolving loan fund to carry out the  
14 purposes of secs. 180 - 250 of this chapter. The fund shall be used for  
15 no other purpose.

16 Sec. 44.47.190. POWERS AND DUTIES OF THE DEPARTMENT IN ADMINISTER-  
17 ING THE FUND. (a) The department may

- 18 (1) make loans for the construction, renovation, and equip-  
19 ping of child care facilities;  
20 (2) designate agents and delegate powers to them as is neces-  
21 sary;  
22 (3) promulgate regulations necessary to carry out the pro-  
23 visions of secs. 180 - 250 of this chapter.

24 (b) The department shall

- 25 (1) develop eligibility standards for loans to day care  
26 facilities;  
27 (2) adopt guidelines for the determination of loan terms.

28 Sec. 44.47.200. CONDITIONS OF LOANS. (a) Loans under secs.  
29 180 - 250 of this chapter shall be made to enable child care facilities

1 in the state to comply with the licensing standards of the Office of  
2 Child Development for child care facilities or to comply with the  
3 requirements for certification by the Department of Education.

4 (b) A loan may not be made unless the facility agrees to operate  
5 as a child care facility for a duration determined by the department  
6 to be sufficient to justify the loan.

7 (c) A loan may not be made unless the commissioner of community  
8 and regional affairs is satisfied that money is not available to the  
9 applicant from private lending institutions.

10 Sec. 44.47.210. LOAN TERMS. (a) A loan to a child care facility  
11 under secs. 180 - 250 of this chapter may not exceed \$10,000.

12 (b) The rate of interest charged shall be six per cent a year on  
13 the unpaid balance of the loan.

14 (c) The duration for repayment of a loan may not exceed 10 years.

15 Sec. 44.47.220. ELIGIBILITY FOR LOANS. A child care facility is  
16 eligible for a loan under secs. 180 - 250 of this chapter if

17 (1) the applicant submits to the department a plan for the  
18 use of the loan funds which is approved by the commissioner;

19 (2) the applicant demonstrates that the proposed loan will  
20 enable the child care facility to obtain a license from the Office of  
21 Child Development or a certificate from the Department of Education;

22 (3) the applicant is awarded a certificate of need by the  
23 department;

24 (4) the applicant has not received over \$10,000 in loans from  
25 the fund in the five-year period preceding the application; and

26 (5) the applicant meets additional eligibility standards  
27 established by the board under sec. 190(b)(1) of this chapter.

28 Sec. 44.47.230. CERTIFICATE OF NEED. (a) A child care facility  
29 seeking a loan under secs. 180 - 250 of this chapter shall apply to the

1 department for a certificate of need.

2 (b) The department shall determine whether to award the certifi-  
3 cate of need on the basis of the following criteria:

4 (1) the number of existing slots in licensed child care  
5 facilities in the geographic area of the applicant;

6 (2) the number of children in the geographic area who need  
7 child care;

8 (3) the proposed capacity of the applicant facility;

9 (4) other factors which are determined to be relevant by the  
10 department and are set out in regulations promulgated by the department.

11 (c) The department shall submit its decisions and the reasons for  
12 it to the applicant within 60 days of receipt of the application.

13 Sec. 44.47.240. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a)  
14 The commissioner of community and regional affairs may sell or transfer  
15 at par value or at a premium or discount to a bank or other private  
16 purchaser for cash or other consideration the mortgages and notes held  
17 by the department as security for loans made under this chapter.

18 (b) The commissioner of community and regional affairs may sell  
19 or transfer at par value to the Department of Revenue the mortgages and  
20 notes held by the department as security for loans made under this  
21 chapter. The Department of Revenue shall purchase the mortgages and  
22 notes offered.

23 Sec 44.47.250. DEFINITIONS. In secs. 180 - 250 of this chapter

24 (1) "child care facility" means an establishment the principa  
25 purpose of which is to provide care for children not related by blood,  
26 marriage, or legal adoption, including but not limited to day care  
27 centers, family day care homes, and schools for pre-school age children;

28 (2) "department" means the Department of Community and  
29 Regional Affairs.

# MEMORANDUM

State of Alaska


TO:

R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: March 23, 1976

FILE NO:

TELEPHONE NO:

FROM: Lawrence C. Eppenbach   
Deputy Commissioner, Treasury  
Department of Revenue

SUBJECT: CS HB290

I have received your request for comments on the fiscal impact of CS HB 290. Your memorandum requesting this information contains a complete description of the financial impacts on Treasury and should meet your requirements.

I have included some additional comments by Richard Alexander regarding the administrative issues in this measure and containing a recommended change to Sec. 44.33.230 - Loan Terms. We will recommend such changes if the bill comes up in the House Finance Committee. I suggest you forward a copy of Mr. Alexander's memo to Representative Jim Duncan, the original sponsor of the bill.

Thank you.

LCE:ge  
Enclosure

# MEMORANDUM

# State of Alaska

TO: Lawrence Eppenbach  
Deputy Commissioner  
Department of Revenue

DATE: March 19, 1975

FILE NO:

TELEPHONE NO:

FROM: R. D. Stevenson  
Special Assistant  
Department of Revenue

SUBJECT: CS for House Bill No. 290

Attached is a copy of Committee Substitute for House Bill No. 290, an Act creating a child care facility revolving loan fund.

Loan term provisions in the bill indicate a loan to a child care facility may not exceed \$10,000; the rate of interest at 6% a year on the unpaid balance and duration not to exceed 10 years.

The Committee Substitute, unlike the original bill, provides that the Department of Revenue shall purchase the mortgages and notes offered until the current principal amount of all mortgages and notes purchased and held by the Department of Revenue equals \$300,000.

Please review the proposed legislation and prepare a memorandum to the writer advising of effect on Treasury and costs or problems of administration.



# MEMORANDUM

State of Alaska

TO:

Lawrence C. Eppenbach  
Deputy Commissioner, Treasury  
Department of Revenue

DATE: March 22, 1976

FILE NO:

TELEPHONE NO:

FROM: Richard E. Alexander  
State Investment Officer  
Department of Revenue

SUBJECT: HB 290 & 291

The following are my comments or suggestions regarding CS for House Bill No. 290 - Child care facility revolving loan fund.

Sec. 44.33.230 - Loan Terms

- (b) Would prefer an interest rate of at least 7%
- (d) Should be changed to read: "All principal and interest payments on loans held by the Department of Commerce and Economic Development under secs. 200-270 of this chapter shall be paid into the child care facility revolving loan fund."

It does not allow for service charge on loans held by Revenue, which is fine with me, but I imagine Commerce will request it.

REA:gc

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. CS HB 290

Title: Child Care Facility Revolving Loan Fund

Requested by: \_\_\_\_\_ Date: \_\_\_\_\_

Return Date Requested: \_\_\_\_\_

Agency: Commerce & Economic Devel. Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: DIVISION OF BUSINESS LOANS

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 75	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	5.9	23.5	24.7	25.9	27.2	28.6
200 TRAVEL	.5	2.0	2.0	2.1	2.1	2.2
300 CONTRACTUAL	5.0	5.0	3.0	3.2	3.4	3.7
400 COMMODITIES						
500 EQUIPMENT	1.7	---	---	---	---	---
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	13.1	30.5	29.7	31.2	32.7	34.5

B. FUNDING: (Thousands of dollars)

GENERAL FUND	13.1	30.5	29.7	31.2	32.7	34.5
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	1 / 0	1 / 0	1 / 0	1 / 0	1 / 0	1 / 0
MAN MONTHS (P./T.)	3 / 0	12 / 0	12 / 0	12 / 0	12 / 0	12 / 0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. Assumption is made that administration of the Child Care Facility Revolving Loan Fund will be consolidated with the Division of Business Loans.
2. Figures represent the total cost of administering the program.
3. 5% inflation factor used.
4. Contractual, promulgation of regulations, publishing and printing, equipment lease.
5. Assumption is made that approximately 30 applications will be received and processed the first year.
6. FY 76 is figured for 3 months only.

IV. ATTACHMENTS

V. DATE: 3-17-76 PREPARED BY: [Signature]

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

# 13 Request for New Positions

POSITION TITLE <b>Loan Examiner I</b>		RANGE <b>15</b>	LOCATION <b>Juneau</b>	GOVERNOR		
TYPE OF POSITION (PFT, PPT, SEAS) _____		NEW <b>XX</b>	MAINT. _____	APPROVED <input type="checkbox"/> DISAPPROVED <input type="checkbox"/>		
		RP# _____	CHANGE _____			
		PRIORITY _____ PAGE/LINE _____				
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES	
		GF	OTHER	RECEIPT CODE		
PERSONAL SERVICES	21,787	21.8			18,156 and benefits of 3,631	
TRAVEL		[Hatched Area]				
CONTRACTUAL						
COMMODITIES						
EQUIPMENT	1,700					Desk, chair, utility table, file cabinet, typewriter and calculator
OTHER						
TOTAL	23,487	23.5			BRU COMPONENT	

**JUSTIFICATION:**

This position will be responsible for promulgation of regulations and administration of this program. This person will handle all correspondence and applications including disbursement of funds and any inspection trips that may be required. A good working relationship must be maintained with the Department of Community and Regional Affairs, the Department of Education, and the Department of Health and Social Services.

BRU \_\_\_\_\_ BRU CODE \_\_\_\_\_ REVISED \_\_\_\_\_

**13** PERSONAL SERVICES  
REQUEST FOR NEW POSITION

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. CSHB 290  
 Title: Child Care Facility Revolving Loan Fund  
 Requested by: House Finance Date: \_\_\_\_\_  
 Return Date Requested: \_\_\_\_\_  
 Agency: C&RA Program: Child Assistance Program

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Child Assistance Program 21-22-3-11-00-0

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES						
200 TRAVEL		3.5				
300 CONTRACTUAL		0.6				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>	0	4.1	0	0	0	0

B. FUNDING: (Thousands of dollars)

GENERAL FUND	0	4.1	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0

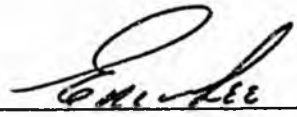
C. POSITIONS:

PERMANENT/TEMPORARY	0/0	0/0	0/0	0/0	0/0	0/0
MAN MONTHS (P./T.)	0/0	0/0	0/0	0/0	0/0	0/0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Indicated costs are for travel, per diem, notification  
 printed under distribution necessary to promulgate regulations  
 required under Sec. 44,33,250 (b)(4).

IV. ATTACHMENTS

V. DATE: 3/19/76 PREPARED BY: 

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

HOUSE COMMUNITY & REGIONAL AFFAIRS COMMITTEE

March 10, 1976

The meeting was called to order at 9:00 am for discussion of HB's 290/291.  
Present were:

Rep. Cotten	Harvey Pitts, C&RA
Rep. Davis	Susan Clark, League of Women Voters
Rep. Ostrosky	Rosalee Walker, Dept. of Education
Rep. Rudd	Larry Eppenbach, Dept. of Revenue
Rep. Freeman	Barbara Englert Thomas, Staff
Rep. Hershberger	Vicci Hansen, Staff
Rep. Hackney	
Rep. Jim Duncan	

Side 1

0000

Rep. Jim Duncan was asked to briefly explain the bills. HB 291 would establish a child care facility revolving loan fund and the purpose of that loan fund would be to make loans for construction, renovation or equipping child care facilities. It provides that the maximum amount any one facility can receive for one loan would be \$10,000.00 so this bill does not involve a large amount of money. Rep. Duncan explained that after it is determined whether or not a facility would qualify for a loan, the loan could be made by the Department which is determining if the loan is needed, determines that the day care facility, if it qualifies, would make that loan. The mortgages and notes shall be purchased by the Dept. of Revenue. The Department of C&RA would determine the eligibility and perhaps issue the Certificate of Need and then they could come to the Dept. of Commerce and draw the \$10,000.00 and the Dept. of Commerce would go to Dept. of Revenue and sell them that note and then at that time they would be able to replenish their fund and they would then have \$50,000.00 in their fund.

0165

0244

Rep. Ostrosky brought out the fact that she was reviewing the notes from last year and she found that Eppenbach had made the point that "revolving" is not an appropriate term because it is misleading. Eppenbach agreed and stated that the concept of "revolving" implies that somehow this is sitting within a self-contained fund and loans are made from it and they are paid back and new loans are made. Somehow these loans turn over within some confined area. That is not really the case.

0402

The language of the bill was discussed within the committee.

0472

Chairman Cotten asked the question that of the other loan funds that are operated in the same manner, are there limits on any of those? Eppenbach said that there is no set rule but most of them do have limits.

0540

Susan Clark testified and stated that the reason they are suggesting the loan is because day care is not a "make money" proposition. It is low income. People who are doing the day care are frequently on poverty wages or below minimum wages. They are not the kind of people who are going to child care to make money. The people who are going into child care to make money are doing a pretty poor job at child care. This bill is to aid those people who for the most part need simply a small renovation in their homes. Rep. Hershberger misunderstood the term of day care.

There was discussion as to the difference between Foster care and day care.

0591 Susan Clark explained that a Day Care Center is different than a Day Care Home. This bill is aimed toward Day Care Homes. The regulations for Day Care have different requirements than Foster Care.

0616 Clark explained the problems of Day Care in Alaska.

0756 Harvey Pitts from C&RA stated that he felt that a realistic figure for start up for this bill would be \$250,000.00.

Susan Clark felt that \$10,000.00 was a sufficient amount for minor renovations.

0819 Rosalee Walker from Dept. of Education was asked to testify. She stated that \$10,000.00 would be sufficient in that this way you would not be tempting the people to lie. She stated that in Anchorage last week were four homes closed down simply because they had not planned and did not follow through with paying the taxes that they withheld from the salaries. She felt that \$10,000.00 was sufficient for any renovation on a home.

0950 Meeting adjourned at 10:00 am.