

HB

861

Section-by-section Analysis of HB 861

Section 1. Adds a new chapter to the water, air and environmental conservation title of the Alaska Statutes.

Sec. 46.12.010 establishes a revolving loan fund in the Department of Environmental Conservation. Loans may be made from the fund for the extension of existing municipal water and sewer systems.

Sec. 46.12.020 authorizes the department to administer the loan fund; requires the department to consult with the Department of Community and Regional Affairs during the administration of this loan program.

Sec. 46.12.030 establishes the terms for repayment of loans which are:

- (1) 10 percent down payment;
- (2) five percent interest; and
- (3) repayment over a period of 40 years.

Sec. 46.12.040(a) authorizes the department to sell loans to private investors at face value or at a discount.

(b) authorizes the commissioner of revenue to purchase loans at face value with surplus state revenue.

Section 2. Makes the Act effective on July 1, 1980.

JLB:ljb

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 861
 Title An act establishing a water and sewer revolving loan fund
 Requested by Representative Joyce Munson Date _____

II. FISCAL DETAIL

Agency Affected Dept. of Environmental Conservation
 Program Category Affected Natural Resource Management and Environmental Conservation
 BRU, Program, or Subprogram(s) Affected Administration Budget Request Unit
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES			36,424	37,500	49,700	50,900
200 TRAVEL			1,200	1,200	16,200	17,850
300 CONTRACTUAL			1,800	1,950	2,600	2,800
400 COMMODITIES			200	200	300	350
500 EQUIPMENT			500		1,000	100
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL			40,124	40,850	69,800	72,000

FUNDING (Thousands of Dollars)

GENERAL FUND			40.6	41.6	69.8	72.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III) This note is prepared on the assumption that funding for FY 81 would be added to the Department's budget request.

- Code 200 - \$1200 (Five trips to Railbelt Area and public hearings on regulations)
- Code 300 - \$1800 (Space rent 100 sq. ft. @ \$1.00 x 12 = \$1200, telephone \$26.00 per month x 12 = \$312 plus \$10.00 per month toll charges, plus space rental for public hearings, mailing expense)
- Code 400 - \$200 (Stationery, pencils, pens, tape dispenser, stapler, punch, phone index, in-out basket, ledgers, journals, etc.)
- Code 500 - \$500 (Desk, chair)

IV. DATE 2/22/80 PREPARED BY Dale Wallington
 AGENCY Environmental Conservation

Original: Legislative Finance PHONE 465-2621
 Budget and Management

- FY 82: The budget for the Loan Administrator should remain about the same in FY 82 except for merit increase in salary and inflation effects on the other categories. Clerical help should still be available in the administrative service section.
- FY 83: During FY 82, it is anticipated that discontent with the Loan Program will have surfaced and a Loan Advisory Board will be established. The expenses of the board and part-time clerical help is reflected in the FY 83 budget. Recording equipment and a second typewriter will be needed.
- FY 84: This fiscal year's budget should reflect only normal increases.

1	POSITION TITLE Loan Administrator			RANGE/STEP 20/A	BARG. UNIT. GGU	LOCATION Juneau	GOV	APPROV	DISAPP.						
2	TYPE OF POSITION PFT	STAFF MONTHS 12	RP No. -	PCN No. -	PRIORITY	FORM 12 PAGE/LINE	LEG.								
3	TYPE OF EXPENDITURE			AMOUNT											
	1	2	3												
4	PERSONAL SERVICES: SALARY		30,385	<p>JUSTIFICATION: The Loan Administrator will monitor the fiscal records of the fund, maintain current and accurate accounts of fund moneys, prepare monthly financial statements for the Commissioner, prepare bills and delinquent statements. The incumbent will confer, coordinate, and advise the appropriate municipal officials.</p> <p>During the first 6 months of the program, the necessary regulations will be written, public hearings conducted, and regulations adopted. Actual loan processing will follow the adoption of regulations.</p>											
5	BENEFITS		4,515												
6	FICA														
7	HEALTH INS.		1,524												
8	TOTAL PERSONAL SERVICES		36,424												
9	TRAVEL		1,200												
10	CONTRACTUAL		1,800												
11	COMMODITIES		200												
12	EQUIPMENT		1,000												
13	OTHER														
14	TOTAL COST		40,624												
15	CODE	FUNDING SOURCE													
16		FED RCPTS.													
17		GF MATCH.													
18		GEN. FUND		40,624											
19		I-A RCPTS.													
20		PGM RCPTS													
21		OTHER													
21	CONTINUATION			FOR B&M USE ONLY											
22	ADDITION	40,624													
4A KEY NUMBER				COLUMN NO.											

AGENCY Environmental Conservation PROGRAM AREA Environmental Conservation

BRU Administration

FY 81

13 REQUEST FOR NEW
POSITION.

COMPONENT Administrative Services

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REVISED
DATE

MEMO

HB 861

To: The Honorable Joyce Munson

From: Christine Johnson *CG*
Temporary Research Analyst, House Research Agency

Through: Duncan L. Read *DLR*
Director, House Research Agency

Date: November 20, 1979

Subject: Request for bill regarding revolving loan fund for sewer construction.

Enclosed please find SB 19, introduced in the Ninth Alaska State Legislature, which establishes a revolving loan fund for sewer construction within incorporated municipalities. This bill was introduced in 1975 by former Senator Genie Chance. The bill was referred to Senate Resources, Finance, and Rules, but it was never reported out by the first committee of referral.

Ms. Chance coincidentally was in Juneau when we were locating the bill for you. She recalls that she introduced this legislation to alleviate a problem in Anchorage where the cost of putting in sewer and water systems was significantly increasing the cost of subdivision development. Ms. Chance indicated that the high cost made it difficult for municipalities to require sewer and water systems in some areas under development. SB 19 would have provided long-term low interest loans for municipalities in anticipation that annual property assessments could then be lowered.

Members of the Anchorage Planning and Zoning Commission expressed interest in the bill as did the Anchorage Borough Assembly. The bill also received some support from other municipalities, such as Valdez, who needed additional monies for sewer construction. According to Ms. Chance, there was no opposition to the bill, but because of other revenue issues before the legislature that session, the bill was not acted upon by the first committee of referral. Of course, we kept your inquiry confidential when we obtained this information for you.

We apologize for the quality of the reproduction of the bill. Older bills have been transferred onto microfilm which often will not produce clear copies. Please do not hesitate to contact us if you require further information on this or similar legislation.

re: Gudwood prob