

H B

269

HOUSE COMMITTEE REPORT

(11)

Date referred: 2/10/88

FURTHER REFERRALS:

DATE: 2/29/88

The Finance Committee has considered HB 269

"An Act relating to eligibility for veterans' interest rates for housing mortgage loans."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):

- fiscal impact indeterminate same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published _____
- zero with analysis

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

POURCHOT _____
 SWACK-HAMMER _____
 BOYER _____
 RIEGER _____
 FRANK _____

LARSON _____
 BROWN _____
 DAVIS _____

For Pourchot - Vice Chair

 Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: 02/25/88
Title: An Act relating to eligibility for veterans' interest rates for housing mortgage loans.
Sponsor: Reps. Barnes and Furnace
Requestor: House Finance

Agency Affected: Revenue
BRU: Alaska Housing Finance Corporation

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|--------------------|-------|-------|-------|-------|-------|-------|
| OPERATING | | | | | | |
| PERSONAL SERVICES | - | - | - | - | - | - |
| TRAVEL | - | - | - | - | - | - |
| CONTRACTUAL | - | - | - | - | - | - |
| SUPPLIES | - | - | - | - | - | - |
| EQUIPMENT | - | - | - | - | - | - |
| LANDS & STRUCTURES | - | - | - | - | - | - |
| GRANTS, CLAIMS | - | - | - | - | - | - |
| MISCELLANEOUS | - | - | - | - | - | - |
| TOTAL OPERATING | - | - | - | - | - | - |
| CAPITAL | - | - | - | - | - | - |
| REVENUE | - | - | - | - | - | - |

FUNDING: (Thousands of Dollars)

| | | | | | | |
|---------------|---|---|---|---|---|---|
| GENERAL FUND | - | - | - | - | - | - |
| FEDERAL FUNDS | - | - | - | - | - | - |
| OTHER | - | - | - | - | - | - |
| TOTAL | - | - | - | - | - | - |

POSITIONS:

| | | | | | | |
|-----------|---|---|---|---|---|---|
| FULL-TIME | - | - | - | - | - | - |
| PART-TIME | - | - | - | - | - | - |
| TEMPORARY | - | - | - | - | - | - |

ANALYSIS: (Attach a separate page if necessary)

The cost of this legislation cannot be determined at this time.
(Please see attached)

Prepared By: Margaret Nelson Phone: 276-5599
Division: Alaska Housing Finance Corporation Date: 02/25/88
Approved by Commissioner: Hugh Malone Date: 02/25/88
Agency: Department of Revenue

Distribution (by preparer):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

ALASKA HOUSING FINANCE CORPORATION
Fiscal Note HB 269
02/25/88

It is difficult to determine how much this measure would cost AHFC since it is difficult to estimate how many former and current Public Health Service (PHS) employees will take advantage of this program. Currently there are 250 PHS commissioned officers working in Anchorage. (Statewide figures were not immediately available.) If all took advantage of the program and qualified, at an average loan amount of \$110,000 a 1 percent subsidy would cost AHFC \$1.5 million.

If the bill was amended to extend the 1 percent preference interest rate to all active military with at least five years of service, again AHFC finds it difficult to determine just how much it would cost. However, the following is an estimate.

As of September 1986, there were 25,906 active military personnel - including Navy, Army, Air Force, Marines and Coast Guard - serving in Alaska. If one-third of those personnel, applied for, were qualified and received the subsidy, based on an average loan of \$116,000, the 1 percent subsidy would cost AHFC \$64 million.

It should be noted that the Fiscal Note columns all show zeros. The impact of this proposal would be on AHFC's Revolving Loan Fund.

Additional background and historical information is contained in the attached letter to the bill's sponsor, Representative Barnes.

1 IN THE HOUSE

BY BARNES AND FURNACE
BY REQUEST

2

HOUSE BILL NO. 269

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to eligibility for veterans' inter-
7 est rates for housing mortgage loans."

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

9 * Section 1. AS 18.56.101 is amended to read:

10 Sec. 18.56.101. ELIGIBILITY FOR VETERANS' INTEREST RATES. The
11 following persons are eligible veterans for the purposes of AS 18.56.-
12 098(g) and (h):

13 (1) a person who served in the armed forces of the United
14 States for 90 days or more, or whose service was for less than 90 days
15 because of injury or disability incurred in the line of duty, after
16 April 6, 1917, whose discharge was under honorable conditions;

17 (2) the widow or widower of a member of the armed forces or
18 an eligible veteran if the member or veteran served in the armed
19 forces for at least 90 days after April 6, 1917, and the veteran's
20 discharge was under honorable conditions;

21 (3) a person who has served for not less than five years in
22 the Alaska Army National Guard, or the Alaska Air National Guard, or a
23 reserve unit of the United States armed forces if the reserve unit
24 required, as a minimum, one weekend each month of duty and 15 consecu-
25 tive days of active duty training each year and whose discharge was
26 under honorable conditions;

27 (4) a person who has served as a commissioned officer of
28 the Regular or Reserve Corps of the Public Health Service whose dis-
29 charge was under honorable conditions.

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