

ALASKA LEGISLATURE COMMITTEE BILL FILES - 1987 - 1988 8879

EO 69-S thru EO 71 191

EO

69-S

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Alaska State Legislature

Senate

Office of the Secretary

OFFICIAL BUSINESS

PO BOX V
CAPITOL BUILDING
JUNEAU, ALASKA 99811

January 11, 1988

MEMORANDUM

TO: Senator Sturgulewski, Chairman
Community and Regional Affairs

✓ Senator Halford, Co-chairman
Senator Binkley, Co-chairman
Finance

FROM: *NQ* Nancy Quinto
Secretary of the Senate

RE: Executive Order No. 69

The President has referred Executive Order No. 69 (reassigning to the Department of Community and Regional Affairs the functions of the division of housing assistance).

Section 23, Article III of the Constitution states:

The governor may make changes in the organization of the executive branch or in the assignment of functions among its units which he considers necessary for efficient administration. Where these changes require the force of law, they shall be set forth in executive orders. The legislature shall have sixty days of a regular session, or a full session if of shorter duration, to disapprove these executive orders. Unless disapproved by resolution concurred in by a majority of the members in joint session, these orders become effective at a date thereafter to be designated by the governor.

Attachment

EXECUTIVE ORDER NO. 69

Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with AS 24.06.210, I order the following:

* Section 1. FINDINGS. As governor, I find that it would be in the best interests of efficient administration and the state's efforts in the areas of rural assistance, economic development, and housing assistance to reassign to the Department of Community and Regional Affairs the functions of that department's division of housing assistance. This will facilitate exercise of the commissioner of the Department of Community and Regional Affairs' authority to designate subordinate department units as necessary under existing AS 44.17.010, 44.17.020, 44.17.040, and 44.17.070.

* Sec. 2. AS 18.55.997(a) is amended to read:

(a) In addition to the powers authorized to a regional housing authority under AS 18.55.996, a regional housing authority may, in accordance with procedures and policies adopted and approved by the [DIVISION OF HOUSING ASSISTANCE IN THE] Department of Community and Regional Affairs, make loans for the purchase or development of residential housing in rural areas of the state, other than in an area where the department [DIVISION OF HOUSING ASSISTANCE] has a loan office. A loan shall be secured by collateral in an amount acceptable to the [DIVISION OF HOUSING ASSISTANCE IN THE] Department of Community and Regional Affairs. The rate of interest on a loan authorized by this section may not exceed the interest rate on a loan originated or purchased under AS 44.47.370 [44.47.360] -- 44.47.560.

* Sec. 3. AS 44.47.370 is amended to read:

ARTICLE 8. [DIVISION OF] HOUSING ASSISTANCE.

Sec. 44.47.370. POWERS OF COMMISSIONER [DIRECTOR]. The commissioner [DIRECTOR] may

(1) adopt regulations in accordance with the Administrative

1 Procedure Act (AS 44.62) to implement AS 44.47.370 [44.47.360] --
2 44.47.560;

3 (2) make and execute agreements, contracts, and other instru-
4 ments necessary or convenient in the exercise of the commissioner's
5 [DIRECTOR'S] powers and functions under AS 44.47.370 [44.47.360] --
6 44.47.560;

7 (3) purchase or participate in the purchase of nonconforming and
8 rural housing mortgage loans in accordance with AS 44.47.370
9 [44.47.360] -- 44.47.560;

10 (4) purchase or participate in the purchase of loans for build-
11 ing materials for nonconforming and rural housing in accordance with
12 AS 44.47.370 [44.47.360] -- 44.47.560;

13 (5) procure insurance against loss in connection with the direc-
14 tor's functions under AS 44.47.370 [44.47.360] -- 44.47.560;

15 (6) acquire real or personal property, or an interest in real or
16 personal property, by purchase, transfer or foreclosure, when the
17 acquisition is necessary or appropriate to protect a loan in which the
18 department [DIVISION] has an interest; sell, transfer and convey that
19 property to a buyer; and, if the sale, transfer or conveyance cannot
20 be effected with reasonable promptness or at a reasonable price, rent
21 or lease the property to a tenant pending the sale, transfer or con-
22 veyance;

23 (7) do all acts necessary, convenient or desirable to carry out
24 the powers expressly granted or necessarily implied in AS 44.47.370
25 [44.47.360] -- 44.47.560;

26 (8) originate and service direct loans made to qualified buyers
27 in accordance with AS 44.47.370 [44.47.360] -- 44.47.560.

28 * Sec. 4. AS 44.47.380 is amended to read:

29 Sec. 44.47.380. HOUSING ASSISTANCE LOAN FUND. There is created

1 in the department, as a revolving loan fund, the housing assistance
2 loan fund consisting of money appropriated to it by the legislature
3 and repayments of principal and interest on loans made or purchased
4 from the assets of the fund. The commissioner [DIRECTOR] shall admin-
5 ister the housing assistance loan fund in accordance with AS 44.47.370
6 [44.47.360] -- 44.47.560 and shall use the money in the housing
7 assistance loan fund to originate, purchase, or participate in the
8 purchase, or

9 (1) nonconforming and rural housing mortgage loans;

10 (2) loans made for building materials for nonconforming and
11 rural housing;

12 (3) loans made for renovations or improvements to nonconforming
13 and rural housing;

14 (4) loans made for the construction of owner-occupied noncon-
15 forming and rural housing other than loans to builders or contractors
16 or loans that compensate an owner for the owner's labor or services in
17 constructing the owner's own housing.

18 * Sec. 5. AS 44.47.382 is amended to read:

19 Sec. 44.47.382. HOME OWNERSHIP ASSISTANCE FUND. (a) There is
20 created in the Department of Community and Regional Affairs, the home
21 ownership assistance fund consisting of money appropriated to it by
22 the legislature. Money in the fund shall be used solely to assist
23 persons of lower and moderate income to purchase or construct sin-
24 gle-family homes financed under AS 44.47.370 [44.47.360] -- 44.47.560
25 by providing a subsidy to those persons.

26 (b) The subsidy provided by this section may not exceed the
27 amount that is necessary to reduce the annual interest rate paid on
28 the mortgage loan to six percent.

29 (c) A mortgage loan that is subsidized from the home ownership

1 assistance fund may not exceed \$120,000.

2 (d) The department [DIVISION] shall adopt regulations that
3 establish maximum income-to-loan payment ratios for persons who apply
4 for a subsidy under this section.

5 (e) In this section, "persons of lower and moderate income"
6 means individuals considered by the department [DIVISION] to require
7 assistance under this section because of inadequate income or other
8 limited personal financial resources, taking into consideration

9 (1) the amount of total income available for housing needs;

10 (2) the size of the family;

11 (3) the cost and condition of available housing;

12 (4) standards established in various federal programs for
13 determining eligibility based on income;

14 (5) the ability to enter the private housing market and to
15 pay market amounts for decent, safe, and sanitary housing; and

16 (6) other factors considered relevant by the department
17 [DIVISION].

18 * Sec. 6. AS 44.47.390 is amended to read:

19 Sec. 44.47.390. LIMITATIONS ON USE OF HOUSING ASSISTANCE LOAN
20 FUND. The commissioner [DIRECTOR] may not use the money in the hous-
21 ing assistance loan fund to

22 (1) originate a direct loan or purchase or participate in
23 the purchase of a nonconforming or rural housing mortgage loan that
24 exceeds the limitations on mortgage loans purchased by the Federal
25 National Mortgage Association as to principal amount or loan-to-value
26 ratio;

27 (2) originate a direct loan or purchase or participate in
28 the purchase of a loan made for building materials for nonconforming
29 or rural housing

1 (A) that exceeds \$45,000 or exceeds

2 (i) 80 percent of the appraised value of the work
3 completed on the nonconforming or rural housing for which
4 the loan is made if the nonconforming or rural housing is
5 pledged as collateral for the loan; or

6 (ii) 90 percent of the value of other property
7 that is pledged as security for the loan and that is satis-
8 factory to the commissioner [DIRECTOR] as collateral;

9 (B) unless the terms of the loan agreement require
10 inspections and certifications, as required by regulations of the
11 commissioner [DIRECTOR], at the expense of the borrower; and

12 (C) unless the period of time allowed for repayment of
13 the loan is equal to or less than 15 years;

14 (3) originate direct loans or purchase or participate in
15 the purchase of a nonconforming or rural housing mortgage loan that is
16 secured by real property the marketable title to which is shown in
17 accordance with AS 44.47.420(b)(2) if the total amount of outstanding
18 nonconforming and rural housing mortgage loans held by the department
19 [DIVISION] exceeds 10 times the amount of money in the restricted
20 title loss reserve account (AS 44.47.430);

21 (4) originate a direct loan for nonconforming or rural
22 housing or purchase or participate in the purchase of a nonconforming
23 or rural housing mortgage loan, other than a loan for the repair,
24 remodeling, rehabilitation, or expansion of an existing owner- oc-
25 cupied residence, if the borrower has an outstanding housing loan made
26 under a state loan program, other than a loan for nonowner-occupied
27 housing under AS 44.47.520, that bears interest at a rate that was
28 less than the prevailing market interest rate for similar housing
29 loans at the time the loan was made;

1 (5) originate a direct mortgage loan or purchase or partic-
2 ipate in the purchase of a mortgage loan for rental housing unless the
3 borrower agrees not to discriminate against tenants or prospective
4 tenants because of sex, marital status, changes in marital status,
5 pregnancy, parenthood, race, religion, color, national origin, or
6 status as a student;

7 (6) originate, purchase, or participate in a loan to a
8 person who has a past due child support obligation established by
9 court order or by the child support enforcement division under
10 AS 47.23.160 -- 47.23.220 at the time of application.

11 * Sec. 7. AS 44.47.395(a) is amended to read:

12 (a) There is established an operating loss reserve account for
13 the purpose of meeting legal expenses incurred through the foreclosure
14 of properties acquired by the commissioner [DIRECTOR] under
15 AS 44.47.370(6) and making repairs to these properties so that they
16 may be sold to new buyers.

17 * Sec. 8. AS 44.47.400(a) is amended to read:

18 (a) The commissioner [DIRECTOR] shall adopt regulations in
19 accordance with the Administrative Procedure Act (AS 44.62) establish-
20 ing acceptable security for loans originated or purchased in whole or
21 in part under AS 44.47.180.

22 * Sec. 9. AS 44.47.420 is amended to read:

23 Sec. 44.47.420. TITLE. (a) Before the commissioner [DIRECTOR]
24 originates or purchases a nonconforming or rural housing mortgage loan
25 in whole or in part, the commissioner [DIRECTOR] may require a borrow-
26 er to show marketable title to real property offered as security for
27 the loan to be purchased.

28 (b) A borrower may show marketable title to real property for
29 the purposes of (a) of this section

1 (1) by purchasing title insurance from a title insurance
2 company authorized to do business in the state; or

3 (2) by delivering to the commissioner [DIRECTOR] a copy of
4 a letter of intent signed by an authorized representative of the
5 United States Department of the Interior which shows the transfer of
6 title to the property from the United States government to the borrow-
7 er if

8 (A) the borrower is an Alaska Native; and

9 (B) title to the property was originally transferred
10 from the United States government, directly or indirectly, to the
11 borrower under federal law.

12 (c) For the purposes of this section, a deed which federal law
13 prohibits or limits the power to transfer or encumber and which would
14 otherwise constitute marketable title to real property is considered
15 marketable title to real property if the United States Bureau of
16 Indian Affairs or another appropriate federal agency waives immunity
17 under the federal law from foreclosure or other alienation of the real
18 property.

19 * Sec. 10. AS 44.47.430 is amended to read:

20 Sec. 44.47.430. RESTRICTED TITLE LOSS RESERVE ACCOUNT. (a)
21 There is established in the department [DIVISION] the restricted title
22 loss reserve account. The restricted title loss reserve account
23 consists of money appropriated to it by the legislature and shall be
24 administered by the commissioner [DIRECTOR].

25 (b) The commissioner [DIRECTOR] may withdraw money from the
26 restricted title loss reserve account in an amount equal to the loss
27 to the department [DIVISION] on a nonconforming or rural housing
28 mortgage loan originated or purchased in whole or in part by the
29 department [DIVISION] if marketable title to the real property used to

1 secure the loan was shown in accordance with AS 44.47.420(b)(2).
2 Money withdrawn from the restricted title loss reserve account under
3 this section shall be deposited in the housing assistance loan fund.

4 * Sec. 11. AS 44.47.440 is amended to read:

5 Sec. 44.47.440. FIRE INSURANCE. Before purchasing or partic-
6 ipating in the purchase of a nonconforming or rural housing mortgage
7 loan, the commissioner [DIRECTOR] may require the borrower to agree to
8 purchase and maintain fire insurance for the real property for which
9 the loan is made in an amount not less than the outstanding principal
10 balance of the loan.

11 * Sec. 12. AS 44.47.460 is amended to read:

12 Sec. 44.47.460. LOAN ORIGINATION AND SERVICING. (a) Before
13 purchasing or participating in the purchase of a loan, the commission-
14 er [DIRECTOR] shall enter into a loan servicing agreement with the
15 private financial institution from which the loan is to be purchased.

16 (b) The commissioner [DIRECTOR] may execute service agreements
17 with private lending institutions or with regional native housing
18 authorities established under AS 18.55.996 to service loans originated
19 by the department [DIVISION] or loans originated under AS 18.55.997.

20 (c) Under the servicing agreement, the private financial insti-
21 tution or the regional native housing authority shall administer the
22 loan and may charge the department [DIVISION] a negotiated origination
23 or servicing fee on the division's share of the loan. When appropri-
24 ate, the private financial institution or the regional native housing
25 authority may also charge the borrower a reasonable originator fee not
26 to exceed one percent.

27 (d) [Repealed, sec. 5 ch 100 SLA 1985.]

28 * Sec. 13. AS 44.47.470 is amended to read:

29 Sec. 44.47.470. APPRAISALS. Before originating or purchasing or

1 participating in the purchase of a nonconforming or rural housing
2 mortgage loan, the commissioner [DIRECTOR] may have or may require the
3 borrower to have an appraisal made of the fair market value of the
4 real property, including structures on the real property, for which
5 the loan is made. In conducting an appraisal under this section, the
6 appraiser shall give full value to insulation and other features of
7 construction in structures on the real property that add to the energy
8 efficiency of the structures.

9 * Sec. 14. AS 44.47.475 is amended to read:

10 Sec. 44.47.475. ENERGY AUDIT EXEMPTION. In making loans under
11 this chapter, the department [DIVISION] is exempt from the require-
12 ments of AS 46.11.050(b).

13 * Sec. 15. AS 44.47.480 is amended to read:

14 Sec. 44.47.480. TOLL-FREE TELEPHONE NUMBER. The commissioner
15 [DIRECTOR] shall arrange for and maintain a toll-free telephone number
16 for the department [DIVISION] so that private financial institutions
17 and their borrowers may contact the department [DIVISION] from any
18 location in the state by telephone without a toll charge.

19 * Sec. 16. AS 44.47.490 is amended to read:

20 Sec. 44.47.490. ASSISTANCE BY DIVISION PERSONNEL. (a) The
21 commissioner [DIRECTOR] may establish field offices under this chap-
22 ter, may hire one or more lending officers, and, under AS 36.30 (State
23 Procurement Code), may contract for the services of

24 (1) real property appraisers who are familiar with rural
25 construction; and

26 (2) engineers who are familiar with engineering problems
27 in arctic and subarctic regions.

28 (b) The personnel described in (a) of this section may make
29 visits to the regions established under AS 44.47.510(a) to provide

1 preconstruction and post-construction inspections of real property, for
2 which loans are originated or purchased by the department [DIVISION]
3 in whole or in part under AS 44.47.380 and to provide assistance to
4 private financial institutions and their borrowers in the regions.
5 Authority for final approval of loans may not be exercised by the
6 personnel described in this section.

7 * Sec. 17. AS 44.47.500 is amended to read:

8 Sec. 44.47.500. DEMONSTRATION PROJECTS AND INFORMATION. The
9 commissioner [DIRECTOR] may enter into agreements with public and
10 private agencies to provide demonstration projects and information
11 concerning housing construction in each of the regions established
12 under AS 44.47.510(a).

13 * Sec. 18. AS 44.47.510(b) is amended to read:

14 (b) Unless otherwise required by an appropriation, the commis-
15 sioner [DIRECTOR] shall allocate the money in the housing assistance
16 loan fund among the regions established under (a) of this section for
17 the purpose of originating or purchasing each type of loan described
18 in AS 44.47.380. In making an allocation under this subsection, the
19 commissioner [DIRECTOR] shall consider the past and potential lending
20 activity of private financial institutions in the region as well as
21 the need for loans in the region. The commissioner [DIRECTOR] may
22 reallocate the money among the regions as the commissioner [DIRECTOR]
23 considers necessary.

24 * Sec. 19. AS 44.47.520 is amended to read:

25 Sec. 44.47.520. LOANS FOR NON-OWNER OCCUPIED HOUSING. (a) In
26 addition to the powers authorized by AS 44.47.370 the commissioner
27 [DIRECTOR] may adopt regulations allowing the use of money in the
28 housing assistance loan fund to make loans for the purchase or devel-
29 opment of non-owner occupied housing in rural areas of the state.

1 (b) The rate of interest on a loan authorized by this section
2 may not exceed 10-1/2 percent.

3 (c) The principal amount of loans made for non-owner occupied
4 housing under this section may not exceed 20 percent of the total
5 principal amount of loans made for nonconforming and rural housing
6 under AS 44.47.370 [44.47.360] -- 44.47.560.

7 (d) In this section

8 (1) "development" means the construction of a new residence
9 or the repair, remodeling, rehabilitation, or expansion of an existing
10 residence;

11 (2) "non-owner occupied housing" means a single-family
12 residence or a multi-family residence having up to eight dwelling
13 units, that is not nonconforming housing, and is not occupied by the
14 owner; the commissioner [DIRECTOR] may modify this definition if the
15 commissioner [DIRECTOR] determines that there is a special need for
16 non-owner occupied housing and that a change in the definition is
17 necessary to enable the department [DIVISION] to meet that need.

18 * Sec. 20. AS 44.47.530 is amended to read:

19 Sec. 44.47.530. ANNUAL REPORT. To further ensure effective
20 budgetary decision making by the legislature, the department [DIVI-
21 SION] shall present a complete accounting of the housing assistance
22 revolving fund to the legislature by January 10 of each year. The
23 accounting shall be audited by an independent outside auditor and
24 shall include a full description of all mortgage loan interest and
25 principal repayments and program receipts, including mortgage loan
26 commitment fees, received by or accrued to the department [DIVISION]
27 during the preceding fiscal year, and all income earned on assets of
28 the department [DIVISION] during that period.

29 * Sec. 21. AS 44.47.560 is amended to read:

1 Sec. 44.47.560. DEFINITIONS. In AS 44.47.370 [44.47.360] --
2 44.47.560,

3 (1) "commissioner" means the commissioner of the Department
4 of Community and Regional Affairs ["DIRECTOR" MEANS THE DIRECTOR OF
5 THE DIVISION OF HOUSING ASSISTANCE];

6 (2) "department" means the Department of Community and
7 Regional Affairs ["DIVISION" MEANS THE DIVISION OF HOUSING ASSIS-
8 TANCE];

9 (3) "housing" means owner-occupied, single-family housing
10 and owner-occupied duplexes;

11 (4) "nonconforming housing" means housing that does not
12 conform to minimum building standards under any state or federal
13 program that provides loans for housing purchases;

14 (5) "rural" means

15 (A) a community in the second, third, or fourth
16 judicial district of the state with a population of 4,500 or less
17 that is not connected by road or rail to Anchorage or Fairbanks;
18 or

19 (B) a community in the first judicial district of the
20 state with a population of 4,500 or less;

21 (4) "rural housing" means housing whether or not it is
22 nonconforming housing that is located in a rural area of the state.

23 * Sec. 22. AS 39.25.120(c)(19); AS 44.47.360, and 44.47.365 are re-
24 pealed.

25 * Sec. 23. This Order takes effect March 12, 1988.

26 DATED: _____

27
28
29 _____
Steve Cowper
Governor

STATE OF ALASKA 1988 LEGISLATIVE SESSION

FISCAL NOTE

Bill Version: EO 69

Publish Date: _____

REQUEST: _____

Revision Date: _____

Agency Affected: DCRA

Title: An Executive Order deleting the name BRU: Housing Assistance

Division: Division of Housing Assistance from the statutes

Sponsor: Rules Committee

Components: _____

Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) This order deletes statutory references to the Division of Housing Assistance, giving the executive the authority to designate, merge or rename subordinate units in the Department. The order will not affect program activities and is not expected to have a fiscal impact.

Prepared by: Jim Flanagan *Jim Flanagan*
 Division: Municipal and Regional Assistance Division

Phone: 465-4750
 Date: 11-27-87

Approved by Commissioner: Bertha Gustafson
 Agency: Department of Community and Regional Affairs

Date: 12-1-87

Distribution (by preparer):

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

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 11, 1988

The Honorable Jan Faiks
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Faiks:

Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with AS 24.08.210, I am transmitting an executive order dealing with the housing assistance functions of the Department of Community and Regional Affairs. Essentially, the Order's reassignment of those functions, from the division of housing assistance to the department generally, is accomplished by simply deleting that division's name from AS 44.47 as well as from other statutes that mention the division name.

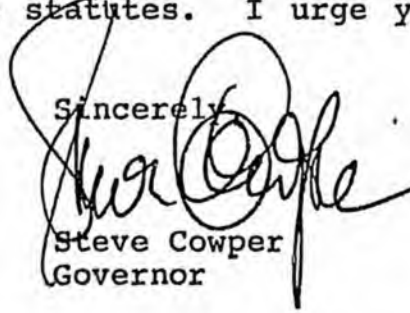
By removing the statutory references to the division of housing assistance, the commissioner of the Department of Community and Regional Affairs will no longer be restricted from designating, merging, or renaming subordinate department units in the Department of Community and Regional Affairs. The commissioner will be able to appropriately exercise the authority stated in existing AS 44.17.010, 44.17.020, 44.17.040, and 44.17.070.

By my Administrative Order No. 95, dated March 13, 1987, I merged the division of community development (not created by statute) and the division of housing assistance (created by AS 44.47.360). These divisions were merged in the interests of economy and with the intent that the combined division would more effectively coordinate statutory programs designed to assist rural communities. However, because the name of the division of housing assistance is designated by statute, in AS 44.47 and elsewhere, the new division retained the name of the division of housing assistance. In order to rename the division to appropriately describe the functions and duties of the newly merged division, the designation of the division of housing assistance is being removed. Under authority of art. III, secs. 1 and 24, of the Alaska Constitution, I will give the new division a more appropriate name after the effective date of the executive order.

This Order makes incidental amendments to or repeals current statutory references to the division, director, and deputy director of the division of housing assistance and replaces them with references to the department or commissioner, where appropriate. The Order's effective date, March 12, 1988, is the 62nd day of the legislative session. Since art. III, sec. 23, of the Alaska Constitution gives the legislature 60 days to act on an executive order, this provision is simply the equivalent of an immediate-effective-date clause in a bill.

Deletion of the name of the division of housing assistance from the statutes will not adversely affect the administration of housing assistance programs nor will it make any substantive changes in the statutes. I urge your support for this executive order.

Sincerely,



Steve Cowper
Governor

CRA
FIN

EO

69-H

Offered: 1/11/88

IN THE HOUSE -- Community & Regional
Affairs and Finance

IN THE SENATE -- Community & Regional
Affairs and Finance

EXECUTIVE ORDER NO. 69

1 Under the authority of art. III, sec. 23, of the Alaska Constitu-
2 tion, and in accordance with AS 24.08.210, I order the following:
3

4 * Section 1. FINDINGS. As governor, I find that it would be in the
5 best interests of efficient administration and the state's efforts in the
6 areas of rural assistance, economic development, and housing assistance to
7 reassign to the Department of Community and Regional Affairs the functions
8 of that department's division of housing assistance. This will facilitate
9 exercise of the commissioner of the Department of Community and Regional
10 Affairs' authority to designate subordinate department units as necessary
11 under existing AS 44.17.010, 44.17.020, 44.17.040, and 44.17.070.

12 * Sec. 2. AS 18.55.997(a) is amended to read:

13 (a) In addition to the powers authorized to a regional housing
14 authority under AS 18.55.996, a regional housing authority may, in
15 accordance with procedures and policies adopted and approved by the
16 [DIVISION OF HOUSING ASSISTANCE IN THE] Department of Community and
17 Regional Affairs, make loans for the purchase or development of res-
18 idential housing in rural areas of the state, other than in an area
19 where the department [DIVISION OF HOUSING ASSISTANCE] has a loan
20 office. A loan shall be secured by collateral in an amount acceptable
21 to the [DIVISION OF HOUSING ASSISTANCE IN THE] Department of Community
22 and Regional Affairs. The rate of interest on a loan authorized by
23 this section may not exceed the interest rate on a loan originated or
24 purchased under AS 44.47.370 [44.47.360] -- 44.47.560.

25 * Sec. 3. AS 44.47.370 is amended to read:

26 ARTICLE 8. [DIVISION OF] HOUSING ASSISTANCE.

27 Sec. 44.47.370. POWERS OF COMMISSIONER [DIRECTOR]. The commis-
28 sioner [DIRECTOR] may

29 (1) adopt regulations in accordance with the Administrative

1 Procedure Act (AS 44.62) to implement AS 44.47.370 [44.47.360] --
2 44.47.560;

3 (2) make and execute agreements, contracts, and other instru-
4 ments necessary or convenient in the exercise of the commissioner's
5 [DIRECTOR'S] powers and functions under AS 44.47.370 [44.47.360] --
6 44.47.560;

7 (3) purchase or participate in the purchase of nonconforming and
8 rural housing mortgage loans in accordance with AS 44.47.370
9 [44.47.360] -- 44.47.560;

10 (4) purchase or participate in the purchase of loans for build-
11 ing materials for nonconforming and rural housing in accordance with
12 AS 44.47.370 [44.47.360] -- 44.47.560;

13 (5) procure insurance against loss in connection with the direc-
14 tor's functions under AS 44.47.370 [44.47.360] -- 44.47.560;

15 (6) acquire real or personal property, or an interest in real or
16 personal property, by purchase, transfer or foreclosure, when the
17 acquisition is necessary or appropriate to protect a loan in which the
18 department [DIVISION] has an interest; sell, transfer and convey that
19 property to a buyer; and, if the sale, transfer or conveyance cannot
20 be effected with reasonable promptness or at a reasonable price, rent
21 or lease the property to a tenant pending the sale, transfer or con-
22 veyance;

23 (7) do all acts necessary, convenient or desirable to carry out
24 the powers expressly granted or necessarily implied in AS 44.47.370
25 [44.47.360] -- 44.47.560;

26 (8) originate and service direct loans made to qualified buyers
27 in accordance with AS 44.47.370 [44.47.360] -- 44.47.560.

28 * Sec. 4. AS 44.47.380 is amended to read:

29 Sec. 44.47.380. HOUSING ASSISTANCE LOAN FUND. There is created

1 in the department, as a revolving loan fund, the housing assistance
2 loan fund consisting of money appropriated to it by the legislature
3 and repayments of principal and interest on loans made or purchased
4 from the assets of the fund. The commissioner [DIRECTOR] shall admin-
5 ister the housing assistance loan fund in accordance with AS 44.47.370
6 [44.47.360] -- 44.47.560 and shall use the money in the housing
7 assistance loan fund to originate, purchase, or participate in the
8 purchase, or

9 (1) nonconforming and rural housing mortgage loans;

10 (2) loans made for building materials for nonconforming and
11 rural housing;

12 (3) loans made for renovations or improvements to nonconforming
13 and rural housing;

14 (4) loans made for the construction of owner-occupied noncon-
15 forming and rural housing other than loans to builders or contractors
16 or loans that compensate an owner for the owner's labor or services in
17 constructing the owner's own housing.

18 * Sec. 5. AS 44.47.382 is amended to read:

19 Sec. 44.47.382. HOME OWNERSHIP ASSISTANCE FUND. (a) There is
20 created in the Department of Community and Regional Affairs, the home
21 ownership assistance fund consisting of money appropriated to it by
22 the legislature. Money in the fund shall be used solely to assist
23 persons of lower and moderate income to purchase or construct sin-
24 gle-family homes financed under AS 44.47.370 [44.47.360] -- 44.47.560
25 by providing a subsidy to those persons.

26 (b) The subsidy provided by this section may not exceed the
27 amount that is necessary to reduce the annual interest rate paid on
28 the mortgage loan to six percent.

29 (c) A mortgage loan that is subsidized from the home ownership

1 assistance fund may not exceed \$120,000.

2 (d) The department [DIVISION] shall adopt regulations that
3 establish maximum income-to-loan payment ratios for persons who apply
4 for a subsidy under this section.

5 (e) In this section, "persons of lower and moderate income"
6 means individuals considered by the department [DIVISION] to require
7 assistance under this section because of inadequate income or other
8 limited personal financial resources, taking into consideration

9 (1) the amount of total income available for housing needs;

10 (2) the size of the family;

11 (3) the cost and condition of available housing;

12 (4) standards established in various federal programs for
13 determining eligibility based on income;

14 (5) the ability to enter the private housing market and to
15 pay market amounts for decent, safe, and sanitary housing; and

16 (6) other factors considered relevant by the department
17 [DIVISION].

18 * Sec. 6. AS 44.47.390 is amended to read:

19 Sec. 44.47.390. LIMITATIONS ON USE OF HOUSING ASSISTANCE LOAN
20 FUND. The commissioner [DIRECTOR] may not use the money in the hous-
21 ing assistance loan fund to

22 (1) originate a direct loan or purchase or participate in
23 the purchase of a nonconforming or rural housing mortgage loan that
24 exceeds the limitations on mortgage loans purchased by the Federal
25 National Mortgage Association as to principal amount or loan-to-value
26 ratio;

27 (2) originate a direct loan or purchase or participate in
28 the purchase of a loan made for building materials for nonconforming
29 or rural housing

1 (A) that exceeds \$45,000 or exceeds

2 (i) 80 percent of the appraised value of the work
3 completed on the nonconforming or rural housing for which
4 the loan is made if the nonconforming or rural housing is
5 pledged as collateral for the loan; or

6 (ii) 90 percent of the value of other property
7 that is pledged as security for the loan and that is satis-
8 factory to the commissioner [DIRECTOR] as collateral;

9 (B) unless the terms of the loan agreement require
10 inspections and certifications, as required by regulations of the
11 commissioner [DIRECTOR], at the expense of the borrower; and

12 (C) unless the period of time allowed for repayment of
13 the loan is equal to or less than 15 years;

14 (3) originate direct loans or purchase or participate in
15 the purchase of a nonconforming or rural housing mortgage loan that is
16 secured by real property the marketable title to which is shown in
17 accordance with AS 44.47.420(b)(2) if the total amount of outstanding
18 nonconforming and rural housing mortgage loans held by the department
19 [DIVISION] exceeds 10 times the amount of money in the restricted
20 title loss reserve account (AS 44.47.430);

21 (4) originate a direct loan for nonconforming or rural
22 housing or purchase or participate in the purchase of a nonconforming
23 or rural housing mortgage loan, other than a loan for the repair,
24 remodeling, rehabilitation, or expansion of an existing owner- oc-
25 cupied residence, if the borrower has an outstanding housing loan made
26 under a state loan program, other than a loan for nonowner-occupied
27 housing under AS 44.47.520, that bears interest at a rate that was
28 less than the prevailing market interest rate for similar housing
29 loans at the time the loan was made;

1 (5) originate a direct mortgage loan or purchase or partic-
2 ipate in the purchase of a mortgage loan for rental housing unless the
3 borrower agrees not to discriminate against tenants or prospective
4 tenants because of sex, marital status, changes in marital status,
5 pregnancy, parenthood, race, religion, color, national origin, or
6 status as a student;

7 (6) originate, purchase, or participate in a loan to a
8 person who has a past due child support obligation established by
9 court order or by the child support enforcement division under
10 AS 47.23.160 -- 47.23.220 at the time of application.

11 * Sec. 7. AS 44.47.395(a) is amended to read:

12 (a) There is established an operating loss reserve account for
13 the purpose of meeting legal expenses incurred through the foreclosure
14 of properties acquired by the commissioner [DIRECTOR] under
15 AS 44.47.370(6) and making repairs to these properties so that they
16 may be sold to new buyers.

17 * Sec. 8. AS 44.47.400(a) is amended to read:

18 (a) The commissioner [DIRECTOR] shall adopt regulations in
19 accordance with the Administrative Procedure Act (AS 44.62) establish-
20 ing acceptable security for loans originated or purchased in whole or
21 in part under AS 44.47.380.

22 * Sec. 9. AS 44.47.420 is amended to read:

23 Sec. 44.47.420. TITLE. (a) Before the commissioner [DIRECTOR]
24 originates or purchases a nonconforming or rural housing mortgage loan
25 in whole or in part, the commissioner [DIRECTOR] may require a borrow-
26 er to show marketable title to real property offered as security for
the loan to be purchased.

27 (b) A borrower may show marketable title to real property for
28 the purposes of (a) of this section

1 (1) by purchasing title insurance from a title insurance
2 company authorized to do business in the state; or

3 (2) by delivering to the commissioner [DIRECTOR] a copy of
4 a letter of intent signed by an authorized representative of the
5 United States Department of the Interior which shows the transfer of
6 title to the property from the United States government to the borrow-
7 er if

8 (A) the borrower is an Alaska Native; and

9 (B) title to the property was originally transferred
10 from the United States government, directly or indirectly, to the
11 borrower under federal law.

12 (c) For the purposes of this section, a deed which federal law
13 prohibits or limits the power to transfer or encumber and which would
14 otherwise constitute marketable title to real property is considered
15 marketable title to real property if the United States Bureau of
16 Indian Affairs or another appropriate federal agency waives immunity
17 under the federal law from foreclosure or other alienation of the real
18 property.

19 * Sec. 10. AS 44.47.430 is amended to read:

20 Sec. 44.47.430. RESTRICTED TITLE LOSS RESERVE ACCOUNT. (a)
21 There is established in the department [DIVISION] the restricted title
22 loss reserve account. The restricted title loss reserve account
23 consists of money appropriated to it by the legislature and shall be
24 administered by the commissioner [DIRECTOR].

25 (b) The commissioner [DIRECTOR] may withdraw money from the
26 restricted title loss reserve account in an amount equal to the loss
27 to the department [DIVISION] on a nonconforming or rural housing
28 mortgage loan originated or purchased in whole or in part by the
29 department [DIVISION] if marketable title to the real property used to

1 secure the loan was shown in accordance with AS 44.47.420(b)(2).
2 Money withdrawn from the restricted title loss reserve account under
3 this section shall be deposited in the housing assistance loan fund.

4 * Sec. 11. AS 44.47.440 is amended to read:

5 Sec. 44.47.440. FIRE INSURANCE. Before purchasing or partic-
6 ipating in the purchase of a nonconforming or rural housing mortgage
7 loan, the commissioner [DIRECTOR] may require the borrower to agree to
8 purchase and maintain fire insurance for the real property for which
9 the loan is made in an amount not less than the outstanding principal
10 balance of the loan.

11 * Sec. 12. AS 44.47.460 is amended to read:

12 Sec. 44.47.460. LOAN ORIGINATION AND SERVICING. (a) Before
13 purchasing or participating in the purchase of a loan, the commission-
14 er [DIRECTOR] shall enter into a loan servicing agreement with the
15 private financial institution from which the loan is to be purchased.

16 (b) The commissioner [DIRECTOR] may execute service agreements
17 with private lending institutions or with regional native housing
18 authorities established under AS 18.55.996 to service loans originated
19 by the department [DIVISION] or loans originated under AS 18.55.997.

20 (c) Under the servicing agreement, the private financial insti-
21 tution or the regional native housing authority shall administer the
22 loan and may charge the department [DIVISION] a negotiated origination
23 or servicing fee on the division's share of the loan. When appropri-
24 ate, the private financial institution or the regional native housing
25 authority may also charge the borrower a reasonable originator fee not
26 to exceed one percent.

27 (d) [Repealed, sec. 5 ch 100 SLA 1985.]

28 * Sec. 13. AS 44.47.470 is amended to read:

29 Sec. 44.47.470. APPRAISALS. Before originating or purchasing or

1 participating in the purchase of a nonconforming or rural housing
2 mortgage loan, the commissioner [DIRECTOR] may have or may require the
3 borrower to have an appraisal made of the fair market value of the
4 real property, including structures on the real property, for which
5 the loan is made. In conducting an appraisal under this section, the
6 appraiser shall give full value to insulation and other features of
7 construction in structures on the real property that add to the energy
8 efficiency of the structures.

9 * Sec. 14. AS 44.47.475 is amended to read:

10 Sec. 44.47.475. ENERGY AUDIT EXEMPTION. In making loans under
11 this chapter, the department [DIVISION] is exempt from the require-
12 ments of AS 46.11.050(b).

13 * Sec. 15. AS 44.47.480 is amended to read:

14 Sec. 44.47.480. TOLL-FREE TELEPHONE NUMBER. The commissioner
15 [DIRECTOR] shall arrange for and maintain a toll-free telephone number
16 for the department [DIVISION] so that private financial institutions
17 and their borrowers may contact the department [DIVISION] from any
18 location in the state by telephone without a toll charge.

19 * Sec. 16. AS 44.47.490 is amended to read:

20 Sec. 44.47.490. ASSISTANCE BY DIVISION PERSONNEL. (a) The
21 commissioner [DIRECTOR] may establish field offices under this chap-
22 ter, may hire one or more lending officers, and, under AS 36.30 (State
23 Procurement Code), may contract for the services of

24 (1) real property appraisers who are familiar with rural
25 construction; and

26 (2) engineers who are familiar with engineering problems
27 in arctic and subarctic regions.

28 (b) The personnel described in (a) of this section may make
29 visits to the regions established under AS 44.47.510(a) to provide

1 preconstruction and post-construction inspections of real property for
2 which loans are originated or purchased by the department [DIVISION]
3 in whole or in part under AS 44.47.380 and to provide assistance to
4 private financial institutions and their borrowers in the regions.
5 Authority for final approval of loans may not be exercised by the
6 personnel described in this section.

7 * Sec. 17. AS 44.47.500 is amended to read:

8 Sec. 44.47.500. DEMONSTRATION PROJECTS AND INFORMATION. The
9 commissioner [DIRECTOR] may enter into agreements with public and
10 private agencies to provide demonstration projects and information
11 concerning housing construction in each of the regions established
12 under AS 44.47.510(a).

13 * Sec. 18. AS 44.47.510(b) is amended to read:

14 (b) Unless otherwise required by an appropriation, the commis-
15 sioner [DIRECTOR] shall allocate the money in the housing assistance
16 loan fund among the regions established under (a) of this section for
17 the purpose of originating or purchasing each type of loan described
18 in AS 44.47.380. In making an allocation under this subsection, the
19 commissioner [DIRECTOR] shall consider the past and potential lending
20 activity of private financial institutions in the region as well as
21 the need for loans in the region. The commissioner [DIRECTOR] may
22 reallocate the money among the regions as the commissioner [DIRECTOR]
23 considers necessary.

24 * Sec. 19. AS 44.47.520 is amended to read:

25 Sec. 44.47.520. LOANS FOR NON-OWNER OCCUPIED HOUSING. (a) In
26 addition to the powers authorized by AS 44.47.370 the commissioner
27 [DIRECTOR] may adopt regulations allowing the use of money in the
28 housing assistance loan fund to make loans for the purchase or devel-
29 opment of non-owner occupied housing in rural areas of the state.

1 (b) The rate of interest on a loan authorized by this section
2 may not exceed 10-1/2 percent.

3 (c) The principal amount of loans made for non-owner occupied
4 housing under this section may not exceed 20 percent of the total
5 principal amount of loans made for nonconforming and rural housing
6 under AS 44.47.370 [44.47.360] -- 44.47.560.

7 (d) In this section

8 (1) "development" means the construction of a new residence
9 or the repair, remodeling, rehabilitation, or expansion of an existing
10 residence;

11 (2) "non-owner occupied housing" means a single-family
12 residence or a multi-family residence having up to eight dwelling
13 units, that is not nonconforming housing, and is not occupied by the
14 owner; the commissioner [DIRECTOR] may modify this definition if the
15 commissioner [DIRECTOR] determines that there is a special need for
16 non-owner occupied housing and that a change in the definition is
17 necessary to enable the department [DIVISION] to meet that need.

18 * Sec. 20. AS 44.47.530 is amended to read:

19 Sec. 44.47.530. ANNUAL REPORT. To further ensure effective
20 budgetary decision making by the legislature, the department [DIVI-
21 SION] shall present a complete accounting of the housing assistance
22 revolving fund to the legislature by January 10 of each year. The
23 accounting shall be audited by an independent outside auditor and
24 shall include a full description of all mortgage loan interest and
25 principal repayments and program receipts, including mortgage loan
26 commitment fees, received by or accrued to the department [DIVISION]
27 during the preceding fiscal year, and all income earned on assets of
the department [DIVISION] during that period.

28 * Sec. 21. AS 44.47.560 is amended to read:

1 Sec. 44.47.560. DEFINITIONS. In AS 44.47.370 [44.47.360] --
2 44.47.560,

3 (1) "commissioner" means the commissioner of the Department
4 of Community and Regional Affairs ["DIRECTOR" MEANS THE DIRECTOR OF
5 THE DIVISION OF HOUSING ASSISTANCE];

6 (2) "department" means the Department of Community and
7 Regional Affairs ["DIVISION" MEANS THE DIVISION OF HOUSING ASSIS-
8 TANCE];

9 (3) "housing" means owner-occupied, single-family housing
10 and owner-occupied duplexes;

11 (4) "nonconforming housing" means housing that does not
12 conform to minimum building standards under any state or federal
13 program that provides loans for housing purchases;

14 (5) "rural" means

15 (A) a community in the second, third, or fourth
16 judicial district of the state with a population of 4,500 or less
17 that is not connected by road or rail to Anchorage or Fairbanks;
18 or

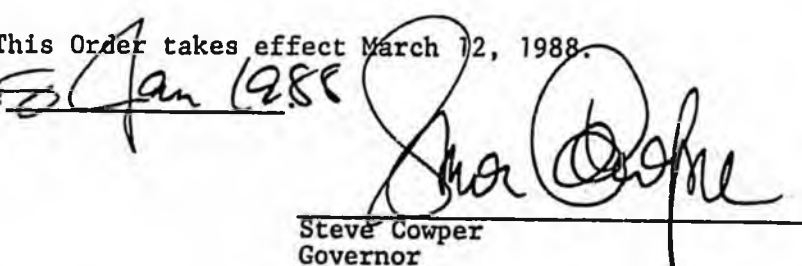
19 (B) a community in the first judicial district of the
20 state with a population of 4,500 or less;

21 (4) "rural housing" means housing whether or not it is
22 nonconforming housing that is located in a rural area of the state.

23 * Sec. 22. AS 39.25.120(c)(19); AS 44.47.360, and 44.47.365 are re-
24 pealed.

25 * Sec. 23. This Order takes effect March 12, 1988.

26 DATED: 5 Jan 1988

27 
28 _____
29 Steve Cowper
Governor

Offered: 1/11/88

IN THE HOUSE -- Community & Regional
Affairs and Finance
IN THE SENATE -- Community & Regional
Affairs and Finance

EXECUTIVE ORDER NO. 69

1
2 Under the authority of art. III, sec. 23, of the Alaska Constitu-
3 tion, and in accordance with AS 24.08.200, I order the following:

4 * Section 1. FINDINGS. As governor, I find that it would be in the
5 best interests of efficient administration and the state's efforts in the
6 areas of rural assistance, economic development, and housing assistance to
7 reassign to the Department of Community and Regional Affairs the functions
8 of that department's division of housing assistance. This will facilitate
9 exercise of the commissioner of the Department of Community and Regional
10 Affairs' authority to designate subordinate department units as necessary
11 under existing AS 44.17.010, 44.17.020, 44.17.040, and 44.17.070.

12 * Sec. 2. AS 18.55.997(a) is amended to read:

13 (a) In addition to the powers authorized to a regional housing
14 authority under AS 18.55.996, a regional housing authority may, in
15 accordance with procedures and policies adopted and approved by the
16 [DIVISION OF HOUSING ASSISTANCE IN THE] Department of Community and
17 Regional Affairs, make loans for the purchase or development of res-
18 idential housing in rural areas of the state, other than in an area
19 where the department [DIVISION OF HOUSING ASSISTANCE] has a loan
20 office. A loan shall be secured by collateral in an amount acceptable
21 to the [DIVISION OF HOUSING ASSISTANCE IN THE] Department of Community
22 and Regional Affairs. The rate of interest on a loan authorized by
23 this section may not exceed the interest rate on a loan originated or
24 purchased under AS 44.47.370 [44.47.360] -- 44.47.560.

25 * Sec. 3. AS 44.47.370 is amended to read:

26 ARTICLE 8. [DIVISION OF] HOUSING ASSISTANCE.

27 Sec. 44.47.370. POWERS OF COMMISSIONER [DIRECTOR]. The commis-
28 sioner [DIRECTOR] may

29 (1) adopt regulations in accordance with the Administrative

1 Procedure Act (AS 44.62) to implement AS 44.47.370 [44.47.360] --
2 44.47.560;

3 (2) make and execute agreements, contracts, and other instru-
4 ments necessary or convenient in the exercise of the commissioner's
5 [DIRECTOR'S] powers and functions under AS 44.47.370 [44.47.360] --
6 44.47.560;

7 (3) purchase or participate in the purchase of nonconforming and
8 rural housing mortgage loans in accordance with AS 44.47.370
9 [44.47.360] -- 44.47.560;

10 (4) purchase or participate in the purchase of loans for build-
11 ing materials for nonconforming and rural housing in accordance with
12 AS 44.47.370 [44.47.360] -- 44.47.560;

13 (5) procure insurance against loss in connection with the direc-
14 tor's functions under AS 44.47.370 [44.47.360] -- 44.47.560;

15 (6) acquire real or personal property, or an interest in real or
16 personal property, by purchase, transfer or foreclosure, when the
17 acquisition is necessary or appropriate to protect a loan in which the
18 department [DIVISION] has an interest; sell, transfer and convey that
19 property to a buyer; and, if the sale, transfer or conveyance cannot
20 be effected with reasonable promptness or at a reasonable price, rent
21 or lease the property to a tenant pending the sale, transfer or con-
22 veyance;

23 (7) do all acts necessary, convenient or desirable to carry out
24 the powers expressly granted or necessarily implied in AS 44.47.370
25 [44.47.360] -- 44.47.560;

26 (8) originate and service direct loans made to qualified buyers
27 in accordance with AS 44.47.370 [44.47.360] -- 44.47.560.

28 * Sec. 4. AS 44.47.380 is amended to read:

29 Sec. 44.47.380. HOUSING ASSISTANCE LOAN FUND. There is created

1 the department, as a revolving loan fund, the housing assistance
2 loan fund consisting of money appropriated to it by the legislature
3 and repayments of principal and interest on loans made or purchased
4 from the assets of the fund. The commissioner [DIRECTOR] shall admin-
5 ister the housing assistance loan fund in accordance with AS 44.47.370
6 [44.47.360] -- 44.47.560 and shall use the money in the housing
7 assistance loan fund to originate, purchase, or participate in the
8 purchase, or

9 (1) nonconforming and rural housing mortgage loans;

10 (2) loans made for building materials for nonconforming and
11 rural housing;

12 (3) loans made for renovations or improvements to nonconforming
13 and rural housing;

14 (4) loans made for the construction of owner-occupied noncon-
15 forming and rural housing other than loans to builders or contractors
16 or loans that compensate an owner for the owner's labor or services in
17 constructing the owner's own housing.

18 * Sec. 5. AS 44.47.382 is amended to read:

19 Sec. 44.47.382. HOME OWNERSHIP ASSISTANCE FUND. (a) There is
20 created in the Department of Community and Regional Affairs, the home
21 ownership assistance fund consisting of money appropriated to it by
22 the legislature. Money in the fund shall be used solely to assist
23 persons of lower and moderate income to purchase or construct sin-
24 gle-family homes financed under AS 44.47.370 [44.47.360] -- 44.47.560
25 by providing a subsidy to those persons.

26 (b) The subsidy provided by this section may not exceed the
27 amount that is necessary to reduce the annual interest rate paid on
28 the mortgage loan to six percent.

29 (c) A mortgage loan that is subsidized from the home ownership

1 assistance fund may not exceed \$120,000.

2 (d) The department [DIVISION] shall adopt regulations that
3 establish maximum income-to-loan payment ratios for persons who apply
4 for a subsidy under this section.

5 (e) In this section, "persons of lower and moderate income"
6 means individuals considered by the department [DIVISION] to require
7 assistance under this section because of inadequate income or other
8 limited personal financial resources, taking into consideration

9 (1) the amount of total income available for housing needs;

10 (2) the size of the family;

11 (3) the cost and condition of available housing;

12 (4) standards established in various federal programs for
13 determining eligibility based on income;

14 (5) the ability to enter the private housing market and to
15 pay market amounts for decent, safe, and sanitary housing; and

16 (6) other factors considered relevant by the department
17 [DIVISION].

18 * Sec. 6. AS 44.47.390 is amended to read:

19 Sec. 44.47.390. LIMITATIONS ON USE OF HOUSING ASSISTANCE LOAN
20 FUND. The commissioner [DIRECTOR] may not use the money in the hous-
21 ing assistance loan fund to

22 (1) originate a direct loan or purchase or participate in
23 the purchase of a nonconforming or rural housing mortgage loan that
24 exceeds the limitations on mortgage loans purchased by the Federal
25 National Mortgage Association as to principal amount or loan-to-value
26 ratio;

27 (2) originate a direct loan or purchase or participate in
28 the purchase of a loan made for building materials for nonconforming
29 or rural housing

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(A) that exceeds \$45,000 or exceeds

(i) 80 percent of the appraised value of the work completed on the nonconforming or rural housing for which the loan is made if the nonconforming or rural housing is pledged as collateral for the loan; or

(ii) 90 percent of the value of other property that is pledged as security for the loan and that is satisfactory to the commissioner [DIRECTOR] as collateral;

(B) unless the terms of the loan agreement require inspections and certifications, as required by regulations of the commissioner [DIRECTOR], at the expense of the borrower; and

(C) unless the period of time allowed for repayment of the loan is equal to or less than 15 years;

(3) originate direct loans or purchase or participate in the purchase of a nonconforming or rural housing mortgage loan that is secured by real property the marketable title to which is shown in accordance with AS 44.47.420(b)(2) if the total amount of outstanding nonconforming and rural housing mortgage loans held by the department [DIVISION] exceeds 10 times the amount of money in the restricted title loss reserve account (AS 44.47.430);

(4) originate a direct loan for nonconforming or rural housing or purchase or participate in the purchase of a nonconforming or rural housing mortgage loan, other than a loan for the repair, remodeling, rehabilitation, or expansion of an existing owner-occupied residence, if the borrower has an outstanding housing loan made under a state loan program, other than a loan for nonowner-occupied housing under AS 44.47.520, that bears interest at a rate that was less than the prevailing market interest rate for similar housing loans at the time the loan was made;

1 (5) originate a direct mortgage loan or purchase or partic-
2 ipate in the purchase of a mortgage loan for rental housing unless the
3 borrower agrees not to discriminate against tenants or prospective
4 tenants because of sex, marital status, changes in marital status,
5 pregnancy, parenthood, race, religion, color, national origin, or
6 status as a student;

7 (6) originate, purchase, or participate in a loan to a
8 person who has a past due child support obligation established by
9 court order or by the child support enforcement division under
10 AS 47.23.160 -- 47.23.220 at the time of application.

11 * Sec. 7. AS 44.47.395(a) is amended to read:

12 (a) There is established an operating loss reserve account for
13 the purpose of meeting legal expenses incurred through the foreclosure
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15 AS 44.47.370(6) and making repairs to these properties so that they
16 may be sold to new buyers.

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18 (a) The commissioner [DIRECTOR] shall adopt regulations in
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20 ing acceptable security for loans originated or purchased in whole or
21 in part under AS 44.47.380.

22 * Sec. 9. AS 44.47.420 is amended to read:

23 Sec. 44.47.420. TITLE. (a) Before the commissioner [DIRECTOR]
24 originates or purchases a nonconforming or rural housing mortgage loan
25 in whole or in part, the commissioner [DIRECTOR] may require a borrow-
26 er to show marketable title to real property offered as security for
the loan to be purchased.

27 (b) A borrower may show marketable title to real property for
28 the purposes of (a) of this section

1 (1) by purchasing title insurance from a title insurance
2 company authorized to do business in the state; or

3 (2) by delivering to the commissioner [DIRECTOR] a copy of
4 a letter of intent signed by an authorized representative of the
5 United States Department of the Interior which shows the transfer of
6 title to the property from the United States government to the borrow-
7 er if

8 (A) the borrower is an Alaska Native; and

9 (B) title to the property was originally transferred
10 from the United States government, directly or indirectly, to the
11 borrower under federal law.

12 (c) For the purposes of this section, a deed which federal law
13 prohibits or limits the power to transfer or encumber and which would
14 otherwise constitute marketable title to real property is considered
15 marketable title to real property if the United States Bureau of
16 Indian Affairs or another appropriate federal agency waives immunity
17 under the federal law from foreclosure or other alienation of the real
18 property.

19 * Sec. 10. AS 44.47.430 is amended to read:

20 Sec. 44.47.430. RESTRICTED TITLE LOSS RESERVE ACCOUNT. (a)
21 There is established in the department [DIVISION] the restricted title
22 loss reserve account. The restricted title loss reserve account
23 consists of money appropriated to it by the legislature and shall be
24 administered by the commissioner [DIRECTOR].

25 (b) The commissioner [DIRECTOR] may withdraw money from the
26 restricted title loss reserve account in an amount equal to the loss
27 to the department [DIVISION] on a nonconforming or rural housing
28 mortgage loan originated or purchased in whole or in part by the
29 department [DIVISION] if marketable title to the real property used to

1 secure the loan was shown in accordance with AS 44.47.420(b)(2).
2 Money withdrawn from the restricted title loss reserve account under
3 this section shall be deposited in the housing assistance loan fund.

4 * Sec. 11. AS 44.47.440 is amended to read:

5 Sec. 44.47.440. FIRE INSURANCE. Before purchasing or partic-
6 ipating in the purchase of a nonconforming or rural housing mortgage
7 loan, the commissioner [DIRECTOR] may require the borrower to agree to
8 purchase and maintain fire insurance for the real property for which
9 the loan is made in an amount not less than the outstanding principal
10 balance of the loan.

11 * Sec. 12. AS 44.47.460 is amended to read:

12 Sec. 44.47.460. LOAN ORIGINATION AND SERVICING. (a) Before
13 purchasing or participating in the purchase of a loan, the commission-
14 er [DIRECTOR] shall enter into a loan servicing agreement with the
15 private financial institution from which the loan is to be purchased.

16 (b) The commissioner [DIRECTOR] may execute service agreements
17 with private lending institutions or with regional native housing
18 authorities established under AS 18.55.996 to service loans originated
19 by the department [DIVISION] or loans originated under AS 18.55.997.

20 (c) Under the servicing agreement, the private financial insti-
21 tution or the regional native housing authority shall administer the
22 loan and may charge the department [DIVISION] a negotiated origination
23 or servicing fee on the division's share of the loan. When appropri-
24 ate, the private financial institution or the regional native housing
25 authority may also charge the borrower a reasonable originator fee not
26 to exceed one percent.

27 (d) [Repealed, sec. 5 ch 100 SLA 1985.]

28 * Sec. 13. AS 44.47.470 is amended to read:

29 Sec. 44.47.470. APPRAISALS. Before originating or purchasing or

1 participating in the purchase of a nonconforming or rural housing
2 mortgage loan, the commissioner [DIRECTOR] may have or may require the
3 borrower to have an appraisal made of the fair market value of the
4 real property, including structures on the real property, for which
5 the loan is made. In conducting an appraisal under this section, the
6 appraiser shall give full value to insulation and other features of
7 construction in structures on the real property that add to the energy
8 efficiency of the structures.

9 * Sec. 14. AS 44.47.475 is amended to read:

10 Sec. 44.47.475. ENERGY AUDIT EXEMPTION. In making loans under
11 this chapter, the department [DIVISION] is exempt from the require-
12 ments of AS 46.11.050(b).

13 * Sec. 15. AS 44.47.480 is amended to read:

14 Sec. 44.47.480. TOLL-FREE TELEPHONE NUMBER. The commissioner
15 [DIRECTOR] shall arrange for and maintain a toll-free telephone number
16 for the department [DIVISION] so that private financial institutions
17 and their borrowers may contact the department [DIVISION] from any
18 location in the state by telephone without a toll charge.

19 * Sec. 16. AS 44.47.490 is amended to read:

20 Sec. 44.47.490. ASSISTANCE BY DIVISION PERSONNEL. (a) The
21 commissioner [DIRECTOR] may establish field offices under this chap-
22 ter, may hire one or more lending officers, and, under AS 36.30 (State
23 Procurement Code), may contract for the services of

24 (1) real property appraisers who are familiar with rural
25 construction; and

26 (2) engineers who are familiar with engineering problems
27 in arctic and subarctic regions.

28 (b) The personnel described in (a) of this section may make
29 visits to the regions established under AS 44.47.510(a) to provide

1 preconstruction and post-construction inspections of real property for
2 which loans are originated or purchased by the department [DIVISION]
3 in whole or in part under AS 44.47.380 and to provide assistance to
4 private financial institutions and their borrowers in the regions.
5 Authority for final approval of loans may not be exercised by the
6 personnel described in this section.

7 * Sec. 17. AS 44.47.500 is amended to read:

8 Sec. 44.47.500. DEMONSTRATION PROJECTS AND INFORMATION. The
9 commissioner [DIRECTOR] may enter into agreements with public and
10 private agencies to provide demonstration projects and information
11 concerning housing construction in each of the regions established
12 under AS 44.47.510(a).

13 * Sec. 18. AS 44.47.510(b) is amended to read:

14 (b) Unless otherwise required by an appropriation, the commis-
15 sioner [DIRECTOR] shall allocate the money in the housing assistance
16 loan fund among the regions established under (a) of this section for
17 the purpose of originating or purchasing each type of loan described
18 in AS 44.47.380. In making an allocation under this subsection, the
19 commissioner [DIRECTOR] shall consider the past and potential lending
20 activity of private financial institutions in the region as well as
21 the need for loans in the region. The commissioner [DIRECTOR] may
22 reallocate the money among the regions as the commissioner [DIRECTOR]
23 considers necessary.

24 * Sec. 19. AS 44.47.520 is amended to read:

25 Sec. 44.47.520. LOANS FOR NON-OWNER OCCUPIED HOUSING. (a) In
26 addition to the powers authorized by AS 44.47.370 the commissioner
27 [DIRECTOR] may adopt regulations allowing the use of money in the
28 housing assistance loan fund to make loans for the purchase or devel-
29 opment of non-owner occupied housing in rural areas of the state.

1 (b) The rate of interest on a loan authorized by this section
2 may not exceed 10-1/2 percent.

3 (c) The principal amount of loans made for non-owner occupied
4 housing under this section may not exceed 20 percent of the total
5 principal amount of loans made for nonconforming and rural housing
6 under AS 44.47.370 [44.47.360] -- 44.47.560.

7 (d) In this section

8 (1) "development" means the construction of a new residence
9 or the repair, remodeling, rehabilitation, or expansion of an existing
10 residence;

11 (2) "non-owner occupied housing" means a single-family
12 residence or a multi-family residence having up to eight dwelling
13 units, that is not nonconforming housing, and is not occupied by the
14 owner; the commissioner [DIRECTOR] may modify this definition if the
15 commissioner [DIRECTOR] determines that there is a special need for
16 non-owner occupied housing and that a change in the definition is
17 necessary to enable the department [DIVISION] to meet that need.

18 * Sec. 20. AS 44.47.530 is amended to read:

19 Sec. 44.47.530. ANNUAL REPORT. To further ensure effective
20 budgetary decision making by the legislature, the department [DIVI-
21 SION] shall present a complete accounting of the housing assistance
22 revolving fund to the legislature by January 10 of each year. The
23 accounting shall be audited by an independent outside auditor and
24 shall include a full description of all mortgage loan interest and
25 principal repayments and program receipts, including mortgage loan
26 commitment fees, received by or accrued to the department [DIVISION]
27 during the preceding fiscal year, and all income earned on assets of
the department [DIVISION] during that period.

28 * Sec. 21. AS 44.47.560 is amended to read:

1 Sec. 44.47.560. DEFINITIONS. In AS 44.47.370 [44.47.360] --
2 44.47.560,

3 (1) "commissioner" means the commissioner of the Department
4 of Community and Regional Affairs ["DIRECTOR" MEANS THE DIRECTOR OF
5 THE DIVISION OF HOUSING ASSISTANCE];

6 (2) "department" means the Department of Community and
7 Regional Affairs ["DIVISION" MEANS THE DIVISION OF HOUSING ASSIS-
8 TANCE];

9 (3) "housing" means owner-occupied, single-family housing
10 and owner-occupied duplexes;

11 (4) "nonconforming housing" means housing that does not
12 conform to minimum building standards under any state or federal
13 program that provides loans for housing purchases;

14 (5) "rural" means

15 (A) a community in the second, third, or fourth
16 judicial district of the state with a population of 4,500 or less
17 that is not connected by road or rail to Anchorage or Fairbanks;
18 or

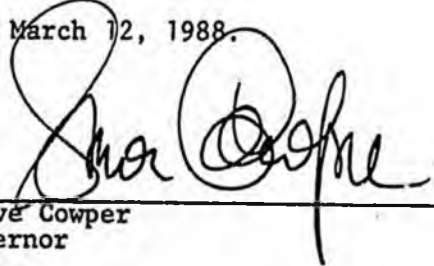
19 (B) a community in the first judicial district of the
20 state with a population of 4,500 or less;

21 (4) "rural housing" means housing whether or not it is
22 nonconforming housing that is located in a rural area of the state.

23 * Sec. 22. AS 39.25.120(c)(19); AS 44.47.360, and 44.47.365 are re-
24 pealed.

25 * Sec. 23. This Order takes effect March 12, 1988.

26 DATED: 8 Jan 1988

27 
28 _____
29 Steve Cowper
Governor

EO

71

Offered: 1/11/88

IN THE HOUSE -- Health, Education &
Social Services and
Finance

IN THE SENATE -- Health, Education &
Social Services

EXECUTIVE ORDER NO. 71

Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with AS 24.08.210, I order the following:

* Section 1. FINDINGS. As governor, I find that it would be in the best interests of efficient administration and of those served by the state's programs on alcoholism and drug abuse to merge the statutory responsibilities of the Review Board on Alcoholism and the Advisory Board on Drug Abuse. This merger completes the process begun when the legislature changed the name of the Office of Alcoholism to add "Drug Abuse" (AS 47.37.020).

* Sec. 2. AS 44.29.100 is amended to read:

ARTICLE 2. ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE.

Sec. 44.29.100. ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE.

There is established in the Department of Health and Social Services an advisory board on alcoholism and drug abuse. The board shall function as a standing committee of the Statewide Health Coordinating Council established under AS 18.07.011.

* Sec. 3. AS 44.29.110 is amended to read:

Sec. 44.29.110. COMPOSITION. The [ADVISORY] board consists [ON DRUG ABUSE SHALL CONSIST] of 12 members[, BROADLY REPRESENTATIVE OF ALL DRUG-RELATED FIELDS, WHO ARE KNOWN FOR THEIR EXPERIENCE OR INTEREST IN DRUG ABUSE AND WHO SHALL BE] appointed by the governor.

* Sec. 4. AS 44.29 is amended by adding a new section to read:

Sec. 44.29.115. QUALIFICATIONS OF BOARD MEMBERS. The governor shall appoint the 12 members so that the board consists of:

(1) two members who are licensed to practice medicine in the state, one of whom is certified in psychiatry by the American Board of Psychiatry and Neurology;

(2) one member who is admitted to practice law in Alaska;

1 (3) eight members who have shown an interest in the prob-
2 lems of alcoholism or drug abuse and who have knowledge of the social
3 problems associated with alcoholism or drug abuse; and

4 (4) one member who is a representative of the liquor indus-
5 try.

6 * Sec. 5. AS 44.29.120 is repealed and reenacted to read:

7 Sec. 44.29.120. TERM OF OFFICE. (a) The governor shall appoint
8 members of the board for staggered terms of four years.

9 (b) The governor shall fill a vacancy on the board by
10 appointment for the unexpired part of the vacated term.

11 (c) Board members serve at the pleasure of the governor. The
12 governor shall replace any member who by poor attendance or lack of
13 contribution to the board's work demonstrates ineffectiveness as a
14 board member. In this subsection, "poor attendance" means the failure
15 to attend three or more consecutive meetings.

16 * Sec. 6. AS 44.29.130 is amended to read:

17 Sec. 44.29.130. COMPENSATION, PER DIEM, AND EXPENSES. Members
18 of the [ADVISORY] board [ON DRUG ABUSE] are not entitled to a salary,
19 but are entitled to per diem, reimbursement for travel, and other
20 expenses authorized by law for other boards.

21 * Sec. 7. AS 44.29.140 is amended to read:

22 Sec. 44.29.140. DUTIES. The board shall act in an advisory
23 capacity to the commissioner of health and social services in the
24 following matters:

25 (1) special problems affecting mental health that alcohol-
26 ism or drug abuse [OR ADDICTION] may present;

27 (2) educational research and public informational activ-
28 ities conducted by the Department of Health and Social Services and
29 others in respect to the problems presented by alcoholism or drug

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

1 (3) eight members who have shown an interest in the prob-
2 lems of alcoholism or drug abuse and who have knowledge of the social
3 problems associated with alcoholism or drug abuse; and

4 (4) one member who is a representative of the liquor indus-
5 try.

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20 expenses authorized by law for other boards.

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23 capacity to the commissioner of health and social services in the
24 following matters:

25 (1) special problems affecting mental health that alcohol-
26 ism or drug abuse [OR ADDICTION] may present;

27 (2) educational research and public informational activ-
28 ities conducted by the Department of Health and Social Services and
29 others in respect to the problems presented by alcoholism or drug

1 abuse;

2 (3) social problems that affect rehabilitation of alcohol-
3 ics and drug abusers [USERS AND ADDICTS];

4 (4) legal processes that affect the treatment and reha-
5 bilitation of alcoholics and drug abusers [USERS AND ADDICTS];

6 (5) development of programs of prevention, treatment, and
7 rehabilitation for alcoholics and drug abusers [AND ADDICTS];

8 (6) review of applications and subsequent recommendations
9 to the commissioner of health and social services on use of funds for
10 grants for local alcoholism or drug abuse projects and programs;

11 (7) evaluation of effectiveness of alcoholism and drug
12 abuse programs in the state.

13 * Sec. 8. AS 44.29 is amended by adding a new section to read:

14 Sec. 44.29.200. DEFINITION. In this chapter, "board" means the
15 Advisory Board on Alcoholism and Drug Abuse.

16 * Sec. 9. AS 44.30.470 is amended to read:

17 Sec. 47.30.470. POWERS AND DUTIES OF DEPARTMENT. The department
18 shall:

19 (1) ascertain and keep current a list of all institutions
20 in the state which have available facilities for the care and treat-
21 ment of alcoholics and drug abusers;

22 (2) encourage the development and advancement of standards
23 of treatment of alcoholics and drug abusers in institutions;

24 (3) promote and encourage educational activities to make
25 the public aware of the effects of intemperate use of alcoholic bever-
26 ages and drugs, and promote and encourage the education of the general
27 public about scientific facts regarding alcoholism and drug abuse;

28 (4) identify, and utilize whatever facilities and services
29 are available or can be made available through community organization

1 for carrying out the purposes of this section, including identifica-
2 tion and utilization for detoxification of under-utilized hospital
3 beds;

4 (5) engage in research and educational activities that will
5 aid in the understanding of alcoholism and drug abuse and in the
6 treatment of alcoholics and drug abusers;

7 (6) administer a community grant-in-aid program for alco-
8 holism and drug abuse;

9 (7) submit an annual report concerning alcoholism and drug
10 abuse in Alaska and the grant-in-aid program within 10 days after the
11 convening of the legislature in each regular session.

12 * Sec. 10. AS 47.30.475(b) is amended to read:

13 (b) Money available under this section shall be awarded by the
14 department to applicants on the basis of community need, but only if
15 the award is consistent with the annual implementation plan developed
16 under sec. 1513(b)(2) of P.L. 93-641 by the health systems agency for
17 the health system area in which the applicant is located and the state
18 health plan developed by the Statewide Health Coordinating Council
19 under sec. 1524(c)(2)(A) of P.L. 93-641, and only after consideration
20 of comment and advice of the Advisory Board on Alcoholism and Drug
21 Abuse. In awarding grants, the department shall further consider the
22 amount of money that is available for all applications and whether an
23 application would contribute to the wise development of a comprehen-
24 sive program of alcoholic and drug abuse rehabilitation and preven-
25 tion.

26 * Sec. 11. AS 47.30.475(c) is amended to read:

27 (c) Grants shall be awarded in a ratio of 90 percent state money
28 to 10 percent community money for the costs of providing staff and
29 limited improvement, renovation or new construction of facilities for

1 alcohol or drug [ALCOHOLIC] detoxification, rehabilitation or
2 "half-way house" care. The department may waive all or part of the
3 requirement that state money be matched by community money if the
4 department finds that community money is unavailable and waiver of the
5 requirement is in the best interests of the state. No grant for
6 improving, renovating or constructing may exceed \$50,000 except when
7 there is a lack of applicants for available money and then only with
8 the approval of the Advisory [REVIEW] Board on Alcoholism and Drug
9 Abuse. The department is not required to award all money available
10 under this program, or the full percentages specified in this sub-
11 section, when another source of money is available or could reasonably
12 be made available to the applicant.

13 * Sec. 12. AS 47.30.475(e)(1) is amended to read:

14 (1) the expenditure of grant money for education and other
15 preventative measures, or the treatment of alcoholics and drug
16 abusers;

17 * Sec. 13. AS 47.37.030(1) is amended to read:

18 (1) plan, establish, and maintain [TREATMENT] programs for
19 the prevention and treatment of alcoholism and drug abuse [AS APPRO-
20 PRIATE];

21 * Sec. 14. AS 47.37.030(2) is amended to read:

22 (2) make contracts and award grants necessary or incidental
23 to the performance of its duties and the execution of its powers,
24 including contracts with and grants to public and private agencies,
25 organizations, and individuals, to pay them for services rendered or
26 furnished to alcoholics, [OR] intoxicated persons, or drug abusers; to
27 the maximum extent possible, contracts and grants must [SHALL] be for
28 a period of two years; contracts under this paragraph are governed by
29 AS 36.30 (State Procurement Code);

1 * Sec. 15. AS 47.37.030(4) is amended to read:

2 (4) administer or supervise the administration of the
3 provisions relating to alcoholics, [AND] intoxicated persons, and drug
4 abusers of [ANY] state plans [PLAN] submitted for federal funding
5 under federal health, welfare, or treatment legislation;

6 * Sec. 16. AS 47.37.030(5) is amended to read:

7 (5) coordinate its activities and cooperate with alcoholism
8 and drug abuse programs in this and other states, and make contracts
9 and other joint or cooperative arrangements with state, local, or
10 private agencies for the treatment of alcoholics, [AND] intoxicated
11 persons, and drug abusers, and for the common advancement of alcohol-
12 ism and drug abuse programs in this and other states;

13 * Sec. 17. AS 47.37.030(8) is amended to read:

14 (8) acquire, hold, or dispose of real property or any
15 interest in it, and construct, lease, or otherwise provide treatment
16 facilities for alcoholics, [AND] intoxicated persons, and drug
17 abusers; however, the office shall encourage local initiative, in-
18 volvement, and financial participation under grants-in-aid whenever
19 possible in preference to the construction or operation of facilities
20 directly by the office; contracting and construction under this para-
21 graph are governed by AS 36.30 (State Procurement Code).

22 * Sec. 18. AS 47.37.040 is amended to read:

23 Sec. 47.37.040. DUTIES OF OFFICE. The office shall

24 (1) develop, encourage, and foster statewide, regional, and
25 local plans and programs for the prevention of alcoholism and drug
26 abuse and treatment of alcoholics, [AND] intoxicated persons, and drug
27 abusers, in cooperation with public and private agencies, organiza-
28 tions, and individuals, and provide technical assistance and consulta-
29 tion services for these purposes;

1 (2) coordinate the efforts and enlist the assistance of all
2 public and private agencies, organizations, and individuals interested
3 in prevention of alcoholism and drug abuse and treatment of alcohol-
4 ics, [AND] intoxicated persons, and drug abusers;

5 (3) cooperate with the Department of Corrections in estab-
6 lishing and conducting programs to provide treatment for alcoholics,
7 [AND] intoxicated persons, and drug abusers, in or on parole from
8 penal institutions;

9 (4) cooperate with the Department of Education, school
10 boards, schools, police departments, courts, and other public and
11 private agencies, organizations, and individuals in establishing pro-
12 grams for the prevention of alcoholism and drug abuse and treatment of
13 alcoholics, [AND] intoxicated persons, and drug abusers, and preparing
14 curriculum materials for use at all levels of school education;

15 (5) prepare, publish, evaluate, and disseminate educational
16 material dealing with the nature and effects of alcohol and drugs;

17 (6) develop and implement, as an integral part of treatment
18 programs, an educational program for use in the treatment of alcohol-
19 ics, [AND] intoxicated persons, and drug abusers, which includes the
20 dissemination of information concerning the nature and effects of
21 alcohol and drugs;

22 (7) organize and foster training programs for all persons
23 engaged in treatment of alcoholics, [AND] intoxicated persons, and
24 drug abusers, and establish standards for training paraprofessional
25 alcoholism and drug abuse workers;

26 (8) sponsor and encourage research into the causes and
27 nature of alcoholism and drug abuse and treatment of alcoholics, [AND]
28 intoxicated persons, and drug abusers, and serve as a clearinghouse
29 for information relating to alcoholism and drug abuse;

1 (9) specify uniform methods for keeping statistical infor-
2 mation by public and private agencies, organizations, and individuals,
3 and collect and make available relevant statistical information,
4 including number of persons treated, frequency of admission and read-
5 mission, and frequency and duration of treatment;

6 (10) advise the governor in the preparation of a comprehen-
7 sive plan for treatment of alcoholics, [AND] intoxicated persons, and
8 drug abusers;

9 (11) review all state health, welfare, and treatment plans
10 to be submitted for federal funding, and advise the commissioner on
11 provisions to be included relating to alcoholics, [ALCOHOLISM AND]
12 intoxicated persons, and drug abusers;

13 (12) assist in the development of, and cooperate with,
14 alcohol and drug abuse education and treatment programs for employees
15 of state and local governments and businesses and industries in the
16 state;

17 (13) use [UTILIZE] the support and assistance of interested
18 persons in the community, particularly recovered alcoholics and drug
19 abusers, to encourage alcoholics and drug abusers to voluntarily
20 undergo treatment;

21 (14) cooperate with the Department of Public Safety and the
22 Department of Transportation and Public Facilities in establishing and
23 conducting programs designed to deal with the problem of persons
24 operating motor vehicles while intoxicated or under the influence of
25 drugs;

26 (15) encourage hospitals and other appropriate health facil-
27 ities to admit without discrimination alcoholics, [AND] intoxicated
28 persons, and drug abusers, and to provide them with adequate and
29 appropriate treatment;

1 (16) encourage all health and disability insurance programs
2 to include alcoholism and drug abuse as a covered illness;

3 (17) submit to the legislature an annual report covering the
4 activities of the office;

5 (18) develop and implement a training program on alcoholism
6 and drug abuse for employees of state and municipal governments, and
7 private institutions;

8 (19) develop curriculum materials on drug and alcohol abuse
9 for use in grades kindergarten through 12, as well as a course of
10 instruction for teachers to be charged with presenting the curriculum.

11 * Sec. 19. AS 47.37.050 is amended to read:

12 Sec. 47.37.050. INTERDEPARTMENTAL COORDINATING COMMITTEE. (a)
13 An interdepartmental coordinating committee is created, composed of
14 the coordinator, the commissioners of health and social services,
15 education, transportation and public facilities, labor, and public
16 safety, and the director of the Alcoholic Beverage Control Board. The
17 committee shall meet at least twice annually at the call of the com-
18 missioner of health and social services who is its chairman. The
19 committee shall provide for the coordination and exchange of informa-
20 tion on all programs relating to alcoholism or drug abuse and act as a
21 permanent liaison among state departments engaged in activities af-
22 fecting alcoholics, [AND] intoxicated persons, and drug abusers. The
23 committee shall assist the commissioner of health and social services
24 and the coordinator in formulating a comprehensive plan for prevention
25 of alcoholism and drug abuse and for treatment of alcoholics, [AND]
26 intoxicated persons, and drug abusers.

27 (b) In exercising its coordinating functions, the committee
28 shall assure that the appropriate state agencies

29 (1) provide all necessary medical, social, treatment, and

1 educational services for alcoholics, [AND] intoxicated persons, and
2 drug abusers and for the prevention of alcoholism and drug abuse,
3 without unnecessary duplication of services;

4 (2) cooperate in the use of facilities and in the treatment
5 of alcoholics, [AND] intoxicated persons, and drug abusers;

6 (3) adopt approaches for the prevention of alcoholism and
7 drug abuse and the treatment of alcoholics, [AND] intoxicated persons,
8 and drug abusers consistent with the policy of AS 47.37.010 -- 47.37.-
9 270.

10 * Sec. 20. AS 47.37.120 is amended to read:

11 Sec. 47.37.120. [ALCOHOLISM] PROGRAM COORDINATOR. The [ALCOHOL-
12 ISM PROGRAM] coordinator shall carry out the development and implemen-
13 tation of a comprehensive program dealing with the prevention and
14 treatment of, and research on, [AND EDUCATION CONCERNING ALCOHOLIC]
15 problems of alcoholism and drug abuse as they affect the state.

16 * Sec. 21. AS 47.37.130(a) is amended to read:

17 (a) The office shall establish a comprehensive and coordinated
18 program for the treatment of alcoholics, [AND] intoxicated persons,
19 and drug abusers. Subject to the approval of the commissioner, the
20 coordinator may divide the state into appropriate regions to conduct
21 the program and establish standards for the development of the program
22 on the regional level. In establishing the regions, consideration
23 shall be given to the city and borough lines and population concen-
24 trations and, when feasible, programs must [SHALL] be established with
25 maximum local community involvement.

26 * Sec. 22. AS 47.37.150 is amended to read:

27 Sec. 47.37.150. ACCEPTANCE FOR TREATMENT. The coordinator
28 shall adopt regulations for the admission of persons into the treat-
29 ment program, considering available treatment resources and

1 facilities, for the purpose of early and effective treatment of
2 alcoholics, [AND] intoxicated persons, and drug abusers. In adopting
3 the regulations the coordinator shall be guided by the following stan-
4 dards:

5 (1) if possible a patient must [SHALL] be treated on a
6 voluntary rather than an involuntary basis;

7 (2) a patient must [SHALL] be initially assigned or trans-
8 ferred to outpatient or intermediate treatment, unless the patient is
9 found to require inpatient treatment;

10 (3) a person may [SHALL] not be denied treatment solely
11 because the person has withdrawn from treatment against medical advice
12 on a prior occasion or because the person has relapsed after earlier
13 treatment;

14 (4) an individualized treatment plan must [SHALL] be pre-
15 pared and maintained on a current basis for each patient;

16 (5) provision must [SHALL] be made for a continuum of
17 coordinated treatment services, so that a person who leaves a facility
18 or a form of treatment will use [UTILIZE] other appropriate treatment
19 and facilities.

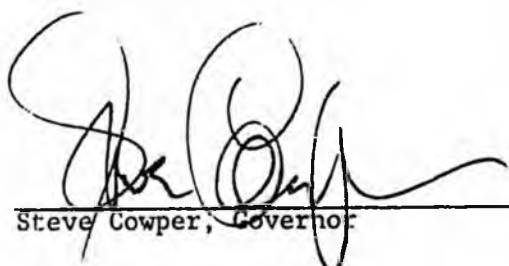
20 * Sec. 23. AS 44.29.150, AS 47.37.060 -- 47.37.110, and AS 47.37.270(4)
21 are repealed.

22 * Sec. 24. TRANSITION. (a) The terms of the members of the Review
23 Board on Alcoholism established under AS 47.37.060 and the Advisory Board
24 on Drug Abuse established under AS 44.29.100 terminate on the effective
25 date of this Order. The governor may appoint to the Advisory Board on
26 Alcoholism and Drug Abuse a person who has served on either of the prior
27 boards and who meets the qualifications prescribed in this Order. The terms
28 of persons initially appointed to the board must be set so as to establish
29 the staggering of terms required by AS 44.29.120(a).

1 (b) Contracts, grants, and administrative regulations pertaining to
2 the alcoholism and drug abuse responsibilities of the Department of Health
3 and Social Services generally, or the Office of Alcoholism and Drug Abuse
4 or either board in particular, which are in effect on the effective date of
5 this Order, are not affected by this Order.

6 * Sec. 25. This Order takes effect July 1, 1988.

7 DATED: 9 Jan 1988.

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11 Steve Cowper, Governor
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Offered: 1/11/88

IN THE HOUSE -- Health, Education &
Social Services and
Finance

IN THE SENATE -- Health, Education &
Social Services

EXECUTIVE ORDER NO. 71

Under the authority of art. III, sec. 23, of the Alaska Constitution, and in accordance with AS 24.08.210, I order the following:

* Section 1. FINDINGS. As governor, I find that it would be in the best interests of efficient administration and of those served by the state's programs on alcoholism and drug abuse to merge the statutory responsibilities of the Review Board on Alcoholism and the Advisory Board on Drug Abuse. This merger completes the process begun when the legislature changed the name of the Office of Alcoholism to add "Drug Abuse" (AS 47.37.020).

* Sec. 2. AS 44.29.100 is amended to read:

ARTICLE 2. ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE.

Sec. 44.29.100. ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE.

There is established in the Department of Health and Social Services an advisory board on alcoholism and drug abuse. The board shall function as a standing committee of the Statewide Health Coordinating Council established under AS 18.07.011.

* Sec. 3. AS 44.29.110 is amended to read:

Sec. 44.29.110. COMPOSITION. The [ADVISORY] board consists [ON DRUG ABUSE SHALL CONSIST] of 12 members[, BROADLY REPRESENTATIVE OF ALL DRUG-RELATED FIELDS, WHO ARE KNOWN FOR THEIR EXPERIENCE OR INTEREST IN DRUG ABUSE AND WHO SHALL BE] appointed by the governor.

* Sec. 4. AS 44.29 is amended by adding a new section to read:

Sec. 44.29.115. QUALIFICATIONS OF BOARD MEMBERS. The governor shall appoint the 12 members so that the board consists of:

(1) two members who are licensed to practice medicine in the state, one of whom is certified in psychiatry by the American Board of Psychiatry and Neurology;

(2) one member who is admitted to practice law in Alaska;

1 (3) eight members who have shown an interest in the prob-
2 lems of alcoholism or drug abuse and who have knowledge of the social
3 problems associated with alcoholism or drug abuse; and

4 (4) one member who is a representative of the liquor indus-
5 try.

6 * Sec. 5. AS 44.29.120 is repealed and reenacted to read:

7 Sec. 44.29.120. TERM OF OFFICE. (a) The governor shall appoint
8 members of the board for staggered terms of four years.

9 (b) The governor shall fill a vacancy on the board by
10 appointment for the unexpired part of the vacated term.

11 (c) Board members serve at the pleasure of the governor. The
12 governor shall replace any member who by poor attendance or lack of
13 contribution to the board's work demonstrates ineffectiveness as a
14 board member. In this subsection, "poor attendance" means the failure
15 to attend three or more consecutive meetings.

16 * Sec. 6. AS 44.29.130 is amended to read:

17 Sec. 44.29.130. COMPENSATION, PER DIEM, AND EXPENSES. Members
18 of the [ADVISORY] board [ON DRUG ABUSE] are not entitled to a salary,
19 but are entitled to per diem, reimbursement for travel, and other
20 expenses authorized by law for other boards.

21 * Sec. 7. AS 44.29.140 is amended to read:

22 Sec. 44.29.140. DUTIES. The board shall act in an advisory
23 capacity to the commissioner of health and social services in the
24 following matters:

25 (1) special problems affecting mental health that alcohol-
26 ism or drug abuse [OR ADDICTION] may present;

27 (2) educational research and public informational activ-
28 ities conducted by the Department of Health and Social Services and
29 others in respect to the problems presented by alcoholism or drug

1 abuse;

2 (3) social problems that affect rehabilitation of alcohol-
3 ics and drug abusers [USERS AND ADDICTS];

4 (4) legal processes that affect the treatment and reha-
5 bilitation of alcoholics and drug abusers [USERS AND ADDICTS];

6 (5) development of programs of prevention, treatment, and
7 rehabilitation for alcoholics and drug abusers [AND ADDICTS];

8 (6) review of applications and subsequent recommendations
9 to the commissioner of health and social services on use of funds for
10 grants for local alcoholism or drug abuse projects and programs;

11 (7) evaluation of effectiveness of alcoholism and drug
12 abuse programs in the state.

13 * Sec. 8. AS 44.29 is amended by adding a new section to read:

14 Sec. 44.29.200. DEFINITION. In this chapter, "board" means the
15 Advisory Board on Alcoholism and Drug Abuse.

16 * Sec. 9. AS 44.30.470 is amended to read:

17 Sec. 47.30.470. POWERS AND DUTIES OF DEPARTMENT. The department
18 shall:

19 (1) ascertain and keep current a list of all institutions
20 in the state which have available facilities for the care and treat-
21 ment of alcoholics and drug abusers;

22 (2) encourage the development and advancement of standards
23 of treatment of alcoholics and drug abusers in institutions;

24 (3) promote and encourage educational activities to make
25 the public aware of the effects of intemperate use of alcoholic bever-
26 ages and drugs, and promote and encourage the education of the general
27 public about scientific facts regarding alcoholism and drug abuse;

28 (4) identify, and utilize whatever facilities and services
29 are available or can be made available through community organization

1 for carrying out the purposes of this section, including identifica-
2 tion and utilization for detoxification of under-utilized hospital
3 beds;

4 (5) engage in research and educational activities that will
5 aid in the understanding of alcoholism and drug abuse and in the
6 treatment of alcoholics and drug abusers;

7 (6) administer a community grant-in-aid program for alco-
8 holism and drug abuse;

9 (7) submit an annual report concerning alcoholism and drug
10 abuse in Alaska and the grant-in-aid program within 10 days after the
11 convening of the legislature in each regular session.

12 * Sec. 10. AS 47.30.475(b) is amended to read:

13 (b) Money available under this section shall be awarded by the
14 department to applicants on the basis of community need, but only if
15 the award is consistent with the annual implementation plan developed
16 under sec. 1513(b)(2) of P.L. 93-641 by the health systems agency for
17 the health system area in which the applicant is located and the state
18 health plan developed by the Statewide Health Coordinating Council
19 under sec. 1524(c)(2)(A) of P.L. 93-641, and only after consideration
20 of comment and advice of the Advisory Board on Alcoholism and Drug
21 Abuse. In awarding grants, the department shall further consider the
22 amount of money that is available for all applications and whether an
23 application would contribute to the wise development of a comprehen-
24 sive program of alcoholic and drug abuse rehabilitation and preven-
25 tion.

26 * Sec. 11. AS 47.30.475(c) is amended to read:

27 (c) Grants shall be awarded in a ratio of 90 percent state money
28 to 10 percent community money for the costs of providing staff and
29 limited improvement, renovation or new construction of facilities for

1 alcohol or drug [ALCOHOLIC] detoxification, rehabilitation or
2 "half-way house" care. The department may waive all or part of the
3 requirement that state money be matched by community money if the
4 department finds that community money is unavailable and waiver of the
5 requirement is in the best interests of the state. No grant for
6 improving, renovating or constructing may exceed \$50,000 except when
7 there is a lack of applicants for available money and then only with
8 the approval of the Advisory [REVIEW] Board on Alcoholism and Drug
9 Abuse. The department is not required to award all money available
10 under this program, or the full percentages specified in this sub-
11 section, when another source of money is available or could reasonably
12 be made available to the applicant.

13 * Sec. 12. AS 47.30.475(e)(1) is amended to read:

14 (1) the expenditure of grant money for education and other
15 preventative measures, or the treatment of alcoholics and drug
16 abusers;

17 * Sec. 13. AS 47.37.030(1) is amended to read:

18 (1) plan, establish, and maintain [TREATMENT] programs for
19 the prevention and treatment of alcoholism and drug abuse [AS APPRO-
20 PRIATE];

21 * Sec. 14. AS 47.37.030(2) is amended to read:

22 (2) make contracts and award grants necessary or incidental
23 to the performance of its duties and the execution of its powers,
24 including contracts with and grants to public and private agencies,
25 organizations, and individuals, to pay them for services rendered or
26 furnished to alcoholics, [OR] intoxicated persons, or drug abusers; to
27 the maximum extent possible, contracts and grants must [SHALL] be for
28 a period of two years; contracts under this paragraph are governed by
29 AS 36.30 (State Procurement Code);

1 * Sec. 15. AS 47.37.030(4) is amended to read:

2 (4) administer or supervise the administration of the
3 provisions relating to alcoholics, [AND] intoxicated persons, and drug
4 abusers of [ANY] state plans [PLAN] submitted for federal funding
5 under federal health, welfare, or treatment legislation;

6 * Sec. 16. AS 47.37.030(5) is amended to read:

7 (5) coordinate its activities and cooperate with alcoholism
8 and drug abuse programs in this and other states, and make contracts
9 and other joint or cooperative arrangements with state, local, or
10 private agencies for the treatment of alcoholics, [AND] intoxicated
11 persons, and drug abusers, and for the common advancement of alcohol-
12 ism and drug abuse programs in this and other states;

13 * Sec. 17. AS 47.37.030(8) is amended to read:

14 (8) acquire, hold, or dispose of real property or any
15 interest in it, and construct, lease, or otherwise provide treatment
16 facilities for alcoholics, [AND] intoxicated persons, and drug
17 abusers; however, the office shall encourage local initiative, in-
18 volvement, and financial participation under grants-in-aid whenever
19 possible in preference to the construction or operation of facilities
20 directly by the office; contracting and construction under this para-
21 graph are governed by AS 36.30 (State Procurement Code).

22 * Sec. 18. AS 47.37.040 is amended to read:

23 Sec. 47.37.040. DUTIES OF OFFICE. The office shall

24 (1) develop, encourage, and foster statewide, regional, and
25 local plans and programs for the prevention of alcoholism and drug
26 abuse and treatment of alcoholics, [AND] intoxicated persons, and drug
27 abusers, in cooperation with public and private agencies, organiza-
28 tions, and individuals, and provide technical assistance and consulta-
29 tion services for these purposes;

1 (2) coordinate the efforts and enlist the assistance of all
2 public and private agencies, organizations, and individuals interested
3 in prevention of alcoholism and drug abuse and treatment of alcohol-
4 ics, [AND] intoxicated persons, and drug abusers;

5 (3) cooperate with the Department of Corrections in estab-
6 lishing and conducting programs to provide treatment for alcoholics,
7 [AND] intoxicated persons, and drug abusers, in or on parole from
8 penal institutions;

9 (4) cooperate with the Department of Education, school
10 boards, schools, police departments, courts, and other public and
11 private agencies, organizations, and individuals in establishing pro-
12 grams for the prevention of alcoholism and drug abuse and treatment of
13 alcoholics, [AND] intoxicated persons, and drug abusers, and preparing
14 curriculum materials for use at all levels of school education;

15 (5) prepare, publish, evaluate, and disseminate educational
16 material dealing with the nature and effects of alcohol and drugs;

17 (6) develop and implement, as an integral part of treatment
18 programs, an educational program for use in the treatment of alcohol-
19 ics, [AND] intoxicated persons, and drug abusers, which includes the
20 dissemination of information concerning the nature and effects of
21 alcohol and drugs;

22 (7) organize and foster training programs for all persons
23 engaged in treatment of alcoholics, [AND] intoxicated persons, and
24 drug abusers, and establish standards for training paraprofessional
25 alcoholism and drug abuse workers;

26 (8) sponsor and encourage research into the causes and
27 nature of alcoholism and drug abuse and treatment of alcoholics, [AND]
28 intoxicated persons, and drug abusers, and serve as a clearinghouse
29 for information relating to alcoholism and drug abuse;

1 (9) specify uniform methods for keeping statistical infor-
2 mation by public and private agencies, organizations, and individuals,
3 and collect and make available relevant statistical information,
4 including number of persons treated, frequency of admission and read-
5 mission, and frequency and duration of treatment;

6 (10) advise the governor in the preparation of a comprehen-
7 sive plan for treatment of alcoholics, [AND] intoxicated persons, and
8 drug abusers;

9 (11) review all state health, welfare, and treatment plans
10 to be submitted for federal funding, and advise the commissioner on
11 provisions to be included relating to alcoholics, [ALCOHOLISM AND]
12 intoxicated persons, and drug abusers;

13 (12) assist in the development of, and cooperate with,
14 alcohol and drug abuse education and treatment programs for employees
15 of state and local governments and businesses and industries in the
16 state;

17 (13) use [UTILIZE] the support and assistance of interested
18 persons in the community, particularly recovered alcoholics and drug
19 abusers, to encourage alcoholics and drug abusers to voluntarily
20 undergo treatment;

21 (14) cooperate with the Department of Public Safety and the
22 Department of Transportation and Public Facilities in establishing and
23 conducting programs designed to deal with the problem of persons
24 operating motor vehicles while intoxicated or under the influence of
25 drugs;

26 (15) encourage hospitals and other appropriate health facil-
27 ities to admit without discrimination alcoholics, [AND] intoxicated
28 persons, and drug abusers, and to provide them with adequate and
29 appropriate treatment;

1 (16) encourage all health and disability insurance programs
2 to include alcoholism and drug abuse as a covered illness;

3 (17) submit to the legislature an annual report covering the
4 activities of the office;

5 (18) develop and implement a training program on alcoholism
6 and drug abuse for employees of state and municipal governments, and
7 private institutions;

8 (19) develop curriculum materials on drug and alcohol abuse
9 for use in grades kindergarten through 12, as well as a course of
10 instruction for teachers to be charged with presenting the curriculum.

11 * Sec. 19. AS 47.37.050 is amended to read:

12 Sec. 47.37.050. INTERDEPARTMENTAL COORDINATING COMMITTEE. (a)
13 An interdepartmental coordinating committee is created, composed of
14 the coordinator, the commissioners of health and social services,
15 education, transportation and public facilities, labor, and public
16 safety, and the director of the Alcoholic Beverage Control Board. The
17 committee shall meet at least twice annually at the call of the com-
18 missioner of health and social services who is its chairman. The
19 committee shall provide for the coordination and exchange of informa-
20 tion on all programs relating to alcoholism or drug abuse and act as a
21 permanent liaison among state departments engaged in activities af-
22 fecting alcoholics, [AND] intoxicated persons, and drug abusers. The
23 committee shall assist the commissioner of health and social services
24 and the coordinator in formulating a comprehensive plan for prevention
25 of alcoholism and drug abuse and for treatment of alcoholics, [AND]
26 intoxicated persons, and drug abusers.

27 (b) In exercising its coordinating functions, the committee
28 shall assure that the appropriate state agencies

29 (1) provide all necessary medical, social, treatment, and

1 educational services for alcoholics, [AND] intoxicated persons, and
2 drug abusers and for the prevention of alcoholism and drug abuse,
3 without unnecessary duplication of services;

4 (2) cooperate in the use of facilities and in the treatment
5 of alcoholics, [AND] intoxicated persons, and drug abusers;

6 (3) adopt approaches for the prevention of alcoholism and
7 drug abuse and the treatment of alcoholics, [AND] intoxicated persons,
8 and drug abusers consistent with the policy of AS 47.37.010 -- 47.37.-
9 270.

10 * Sec. 20. AS 47.37.120 is amended to read:

11 Sec. 47.37.120. [ALCOHOLISM] PROGRAM COORDINATOR. The [ALCOHOL-
12 ISM PROGRAM] coordinator shall carry out the development and implemen-
13 tation of a comprehensive program dealing with the prevention and
14 treatment of, and research on, [AND EDUCATION CONCERNING ALCOHOLIC]
15 problems of alcoholism and drug abuse as they affect the state.

16 * Sec. 21. AS 47.37.130(a) is amended to read:

17 (a) The office shall establish a comprehensive and coordinated
18 program for the treatment of alcoholics, [AND] intoxicated persons,
19 and drug abusers. Subject to the approval of the commissioner, the
20 coordinator may divide the state into appropriate regions to conduct
21 the program and establish standards for the development of the program
22 on the regional level. In establishing the regions, consideration
23 shall be given to the city and borough lines and population concen-
24 trations and, when feasible, programs must [SHALL] be established with
25 maximum local community involvement.

26 * Sec. 22. AS 47.37.150 is amended to read:

27 Sec. 47.37.150. ACCEPTANCE FOR TREATMENT. The coordinator
28 shall adopt regulations for the admission of persons into the treat-
29 ment program, considering available treatment resources and

1 facilities, for the purpose of early and effective treatment of
2 alcoholics, [AND] intoxicated persons, and drug abusers. In adopting
3 the regulations the coordinator shall be guided by the following stan-
4 dards:

5 (1) if possible a patient must [SHALL] be treated on a
6 voluntary rather than an involuntary basis;

7 (2) a patient must [SHALL] be initially assigned or trans-
8 ferred to outpatient or intermediate treatment, unless the patient is
9 found to require inpatient treatment;

10 (3) a person may [SHALL] not be denied treatment solely
11 because the person has withdrawn from treatment against medical advice
12 on a prior occasion or because the person has relapsed after earlier
13 treatment;

14 (4) an individualized treatment plan must [SHALL] be pre-
15 pared and maintained on a current basis for each patient;

16 (5) provision must [SHALL] be made for a continuum of
17 coordinated treatment services, so that a person who leaves a facility
18 or a form of treatment will use [UTILIZE] other appropriate treatment
19 and facilities.

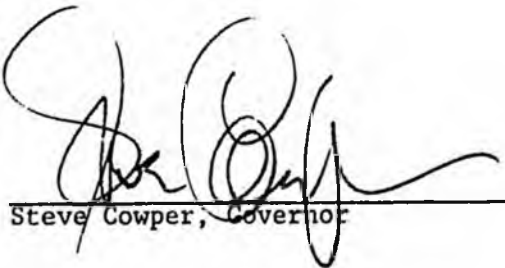
20 * Sec. 23. AS 44.29.150, AS 47.37.060 -- 47.37.110, and AS 47.37.270(4)
21 are repealed.

22 * Sec. 24. TRANSITION. (a) The terms of the members of the Review
23 Board on Alcoholism established under AS 47.37.060 and the Advisory Board
24 on Drug Abuse established under AS 44.29.100 terminate on the effective
25 date of this Order. The governor may appoint to the Advisory Board on
26 Alcoholism and Drug Abuse a person who has served on either of the prior
27 boards and who meets the qualifications prescribed in this Order. The terms
28 of persons initially appointed to the board must be set so as to establish
29 the staggering of terms required by AS 44.29.120(a).

1 (b) Contracts, grants, and administrative regulations pertaining to
2 the alcoholism and drug abuse responsibilities of the Department of Health
3 and Social Services generally, or the Office of Alcoholism and Drug Abuse
4 or either board in particular, which are in effect on the effective date of
5 this Order, are not affected by this Order.

6 * Sec. 25. This Order takes effect July 1, 1988.

7 DATED: 9 Jan 1988.

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11 Steve Cowper, Governor
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