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1 law, the local governing body may approve an urban renewal or redevelopment plan and an urban  
2 renewal or redevelopment project with respect to the area without regard to the provisions  
3 relating to relocation, conformance of the urban renewal or redevelopment plan with the general  
4 plan, and the provisions of this chapter requiring a general plan for the municipality and a public  
5 hearing on the urban renewal or redevelopment project or plan.

6 \* Sec. 56. AS 18.55.540(a) is amended to read:

7 (a) The corporation [AUTHORITY] may sell, lease, exchange, or otherwise transfer real  
8 property or any interest in real property in a redevelopment project area to a redeveloper for  
9 residential, recreational, commercial, industrial, or other uses, or for public use in accordance  
10 with the redevelopment plan, subject to those covenants, conditions, and restrictions it considers  
11 in the public interest or to carry out the purposes of AS 18.55.480 - 18.55.960. However, the  
12 sale, lease, exchange, or other transfer, or an agreement relating to it, may be made only after,  
13 or subject to, the approval of the redevelopment plan by the governing body of the municipality.  
14 The real property shall be sold, leased, or transferred at its fair value for uses in accordance with  
15 the redevelopment plan although the fair value may be less than the cost of acquiring and  
16 preparing the property for redevelopment. In determining the fair value of real property for uses  
17 in accordance with the redevelopment plan, the corporation [AUTHORITY] shall consider the  
18 uses and purposes required by the redevelopment plan, the restrictions upon, and the covenants,  
19 conditions, and obligations assumed by the redeveloper of the property, the objectives of the  
20 redevelopment plan for the prevention of the recurrence of slum or blighted areas, and the other  
21 matters the corporation [AUTHORITY] specifies as appropriate. In fixing rentals and selling  
22 prices, the corporation [AUTHORITY] shall consider appraisals of the property for these  
23 [SUCH] uses that are made by land experts employed by the corporation [AUTHORITY].

24 \* Sec. 57. AS 18.55.540(b) is amended to read:

25 (b) Before considering a redevelopment contract proposal, the corporation  
26 [AUTHORITY], t, public notice published at least once a week for two consecutive weeks in  
27 a newspaper of general circulation in the municipality, or, if there is no [SUCH] newspaper of  
28 general circulation, by posting the notice in three public places in the municipality, shall invite  
29 proposals from, and make available all pertinent information to private developers or to persons  
30 interested in undertaking the redevelopment of an area or any part of an area that the governing  
31 body has declared to be in need of redevelopment. The notice must identify the area and must

1 state that the further information that is available may be obtained at the office of the authority.  
2 The corporation [AUTHORITY] shall consider all redevelopment proposals and the financial  
3 and legal ability of the prospective redevelopers to carry out their proposals and may negotiate  
4 with redevelopers for proposals for the purchase or lease of real property in the redevelopment  
5 project area. The corporation [AUTHORITY] may accept the redevelopment contract proposal  
6 it considers in the public interest and in furtherance of the purposes of AS 18.55.480 - 18.55.960,  
7 provided that the corporation [AUTHORITY] has given to the governing body at least 30 days'  
8 written notice of its intent to accept the redevelopment contract proposal. Thereafter the  
9 corporation [AUTHORITY] may execute a redevelopment contract in accordance with the  
10 provisions of (a) of this section and deliver deeds, leases, and other instruments and take all steps  
11 necessary to effectuate the redevelopment contract. The corporation [AUTHORITY] may,  
12 without regard to the foregoing provisions of this subsection, dispose of real property in a  
13 redevelopment project area to private redevelopers for redevelopment under the reasonable  
14 competitive bidding procedures it prescribes, subject to the provisions of (a) of this section.

15 \* Sec. 58. AS 18.55.550(a) is amended to read:

16 (a) The corporation [AUTHORITY] may

17 (1) acquire by eminent domain real property that it considers necessary within the  
18 boundaries of the redevelopment project or for its purposes under AS 18.55.480 - 18.55.960 after  
19 the adoption by it of a resolution declaring that the acquisition of the real property described in  
20 the resolution is necessary for those purposes; and

21 (2) [. THE AUTHORITY MAY] exercise the power of eminent domain in the  
22 manner provided in AS 09.55.240 - 09.55.460 or in the manner provided by other statutory  
23 provisions for the exercise of the power of eminent domain.

24 \* Sec. 59. AS 18.55.560 is amended to read:

25 Sec:18.55.560. ACQUISITION AND DEVELOPMENT OF UNDEVELOPED VACANT  
26 LAND. Upon a determination, by resolution, of the governing body of the municipality that the  
27 acquisition and development of undeveloped vacant land not within a slum or blighted area is  
28 essential to the proper clearance or redevelopment of a slum or blighted area or a necessary part  
29 of the general slum clearance program of the municipality, the acquisition, planning, preparation  
30 for development or disposal of the [SUCH] land shall constitute a redevelopment project that  
31 [WHICH] may be undertaken by the corporation [AUTHORITY] in the manner provided in

1 AS 18.55.480 - 18.55.960. The determination by the governing body is a substitute for the  
2 declaration required by AS 18.55.530(b) but the determination may not be made until the  
3 governing body finds that

4 (1) there is a shortage of decent, safe, and sanitary housing in the municipality;  
5 (2) [THAT] the undeveloped vacant land will be developed for predominantly  
6 residential uses; and

7 (3) [THAT] the provisions of dwelling accommodations on the undeveloped  
8 vacant land is necessary to accomplish the relocation in decent, safe, and sanitary housing in the  
9 municipality, of families to be displaced from slum or blighted areas that are to be redeveloped.

10 \* Sec. 60. AS 18.55.570(a) is amended to read:

11 (a) The corporation [AUTHORITY] may

12 (1) issue bonds and notes from time to time for any of the purposes of  
13 AS 18.55.480 - 18.55.960, [ITS CORPORATE PURPOSES] including the payment of principal  
14 and interest upon advances for surveys and plans for redevelopment projects;

15 (2) [. THE AUTHORITY MAY] issue refunding bonds for the purpose of the  
16 payment or retirement or in exchange for bonds previously issued by it;

17 (3) [. THE AUTHORITY MAY] issue the types of bonds and notes it  
18 determines, including bonds and notes on which the principal and interest are payable

19 (A) [(1)] exclusively from the income, proceeds, and revenues of the  
20 redevelopment project financed with the proceeds of the bonds or notes; [,] or

21 (B) [(2)] exclusively from the income, proceeds, and revenue of any of  
22 its redevelopment projects whether or not they are financed in whole or in part with the  
23 proceeds of the bonds or notes; and

24 (4) further secure the [. THE] bonds or notes authorized by (1) - (3) of this  
25 subsection [MAY BE FURTHER SECURED] by a pledge of all or any part of a loan, grant, or  
26 contribution from the federal government or from another source, or by a mortgage of a  
27 redevelopment project of the corporation [AUTHORITY].

28 \* Sec. 61. AS 18.55.570(b) is amended to read:

29 (b) The members of the board of directors of the corporation [AUTHORITY] or a  
30 person executing the bonds or notes authorized by (a) of this section are not liable personally  
31 on the bonds or notes by reason of the issuance of them. The bonds, notes, and other obligations

1 of the corporation [AUTHORITY] are not a debt of the municipality, the state, or the United  
2 States, and neither the municipality, the state, nor the United States is liable on them, nor are the  
3 bonds, notes, or obligations payable out of money or property [FUNDS OR PROPERTIES]  
4 other than those of the corporation [AUTHORITY] acquired for the purposes of AS 18.55.480 -  
5 18.55.960 and each bond and note shall state this on its face. A bond or note does not constitute  
6 an indebtedness within the meaning of any constitutional or statutory debt limitation or  
7 restriction. Bonds and notes of the corporation [AUTHORITY] issued under AS 18.55.480 -  
8 18.55.960 are declared to be issued for an essential public and governmental purpose and,  
9 together with interest on them and income from them, are exempt from all taxes.

10 \* Sec. 62. AS 18.55.570(e) is amended to read:

11 (e) If a member of the board of directors or officer of the corporation [AUTHORITY]  
12 whose signature appears on a bond, note, or coupon ceases to be a member or officer before the  
13 delivery of the bonds or notes, the signature is nevertheless valid and sufficient for all purposes  
14 as if the member or officer had remained in office until delivery. Any provision of law to the  
15 contrary notwithstanding, bonds and notes issued under AS 18.55.480 - 18.55.960 are negotiable.

16 \* Sec. 63. AS 18.55.580 is amended to read:

17 Sec. 18.55.580. POWER OF CORPORATION [AUTHORITY] TO PROVIDE  
18 ADDITIONAL SECURITY FOR BONDS. (a) In connection with the issuance of bonds or the  
19 incurring of obligations under leases, in order to secure the payment of the bonds or obligations,  
20 the corporation [AUTHORITY], in addition to its other powers, may

21 (1) pledge all or a part of its gross or net rents, fees, or revenue from  
22 redevelopment projects to which its right exists or may come into existence;

23 (2) mortgage all or a part of its real or personal property in a redevelopment  
24 project owned or later acquired;

25 (3) covenant against pledging all or a part of its rents, fees, and revenue from  
26 redevelopment projects or against mortgaging all or a part of its real or personal property in a  
27 redevelopment project to which its right or title exists or may come into existence or against  
28 permitting or suffering a lien on the revenue or property, and covenant with respect to limitations  
29 on its right to sell, lease, or otherwise dispose of a redevelopment project or a part of a project,  
30 and covenant as to other, or additional debts or obligations that may be incurred by it;

31 (4) covenant as to the bonds to be issued and as to the issuance of the bonds in

1 escrow or otherwise, and as to the use and disposition of the proceeds, and provide for the  
2 replacement of lost, destroyed, or mutilated bonds, covenant against extending the time for the  
3 payment of its bonds or interest, and covenant for the redemption of the bonds and to provide  
4 the terms and conditions of redemption;

5 (5) covenant, subject to the limitations contained in AS 18.55.480 - 18.55.960,  
6 as to the amount of revenue to be raised each year or other period of time by rents, fees, and  
7 other revenue, and as to their use and disposition, and create or authorize the creation of special  
8 funds for money held for operating costs, debt service, reserves, or other purposes, and covenant  
9 as to the use and disposition of the money held in these funds;

10 (6) prescribe the procedure by which the terms of a contract with bondholders  
11 may be amended or abrogated, the amount of bonds the holders of which must consent thereto,  
12 and the manner in which consent may be given;

13 (7) covenant as to the use, maintenance, and replacement of any or all of its real  
14 or personal property in a redevelopment project, the insurance to be carried and the use and  
15 disposition of insurance money, and warrant its title to that property;

16 (8) covenant as to the rights, liabilities, powers, and duties arising upon the breach  
17 by it of a covenant, condition, or obligation, and covenant and prescribe as to events of default  
18 and terms and conditions upon which any or all of its bonds or obligations shall become or may  
19 be declared due before maturity, and as to the terms and conditions upon which the declaration  
20 and its consequences may be waived;

21 (9) vest in any obligees of the corporation [AUTHORITY] the right to enforce  
22 the payment of the bonds or any covenants securing or relating to the bonds;

23 (10) vest in any obligee or obligees holding a specified amount in bonds the right,  
24 in the event of a default by the corporation [AUTHORITY], to take possession of and use,  
25 operate, and manage a redevelopment project or a part of a project, title to which is in the  
26 corporation [AUTHORITY], or money [FUNDS] connected with a project, and to collect the  
27 rent and revenue arising from the project or part of the project and to dispose of the money in  
28 accordance with the agreement of the corporation [AUTHORITY] with the obligees;

29 (11) provide for the powers and duties of the obligees and limit their liability;

30 (12) provide the terms and conditions upon which the obligees may enforce any  
31 covenant or rights securing or relating to the bonds;

1 (13) exercise all or any part or combination of the powers granted in  
2 AS 18.55.480 - 18.55.960;

3 (14) make the covenants and do any and all acts and things necessary or  
4 convenient or desirable in order to secure its bonds, or, in the absolute discretion of the  
5 corporation [AUTHORITY], as will tend to make the bonds more marketable even if the  
6 covenants, acts, or things are not enumerated in this section.

7 (b) The corporation [AUTHORITY] may, by resolution, trust, indenture, mortgage,  
8 lease, or other contract confer upon an obligee holding or representing a specified amount in  
9 bonds, the right, in addition to all rights that may be conferred, upon the happening of an event  
10 of default as defined in the resolution or instrument, by an action or proceeding in a competent  
11 court

12 (1) to have possession of a redevelopment project or part of one, title to which  
13 is in the corporation [AUTHORITY], surrendered to the obligee;

14 (2) to obtain the appointment of a receiver of a redevelopment project or part of  
15 a project, title to which is in the corporation [AUTHORITY], and of the rents and profits from  
16 the project or part, and if a receiver is appointed, the receiver may enter and take possession of,  
17 carry out, operate, and maintain the project or a part of the project and may collect and receive  
18 all fees, rents, revenue, or other charges thereafter arising from the project or part, and shall keep  
19 this money in a separate account and apply it in accordance with the obligations of the authority  
20 as the court directs; and

21 (3) to require the corporation [AUTHORITY], the members of its board of  
22 directors [MEMBERS], officers, agents, and employees to account as if it and they were the  
23 trustees of an express trust.

24 \* Sec. 64. AS 18.55.590 is amended to read:

25 Sec. 18.55.590. REMEDIES OF OBLIGEE. An obligee of the corporation  
26 [AUTHORITY] may, in addition to all other rights that may be conferred on the obligee, subject  
27 only to contractual restrictions binding upon the obligee,

28 (1) by mandamus, suit, action, or proceeding at law or in equity compel the  
29 corporation, the members of its board of directors, [AUTHORITY] and its [MEMBERS,]  
30 officers, agents, or employees to perform each and every term, provision, and covenant contained  
31 in a contract of the corporation [AUTHORITY] with or for the benefit of the obligee, and

1 require the carrying out of any or all those covenants and agreements of the corporation  
2 [AUTHORITY] and the fulfillment of all duties imposed upon it by AS 18.55.480 - 18.55.960;  
3 and

4 (2) by suit, action, or proceeding in equity enjoin any acts or things that may be  
5 unlawful, or in violation of any of the rights of the obligee of the corporation [AUTHORITY].

6 \* Sec. 65. AS 18.55.600(b) is amended to read:

7 (b) The following investments are proper investments under (a) of this section: Any  
8 bonds or other obligations issued by the corporation [AUTHORITY] under AS 18.55.480 -  
9 18.55.960 or by any public housing or redevelopment authority or commission, or agency or any  
10 other public body in the United States for redevelopment purposes, when the bonds and other  
11 obligations are secured by an agreement between the issuing agency and the federal government  
12 in which the issuing agency agrees to borrow from the federal government and the federal  
13 government agrees to lend to the issuing agency, before the maturity of the bonds or other  
14 obligations, money in an amount that, together [WHICH (TOGETHER)] with any other money  
15 irrevocably committed to the payment of interest on the bonds or other obligations,  
16 [OBLIGATIONS]] is sufficient to pay the principal of the bonds or other obligations with interest  
17 to maturity, if, [WHICH MONEY] under the terms of the agreement, the money is required to  
18 be used for the purpose of paying the principal and interest on the bonds or other obligations at  
19 their maturity. The bonds and other obligations shall be authorized security for all public  
20 deposits.

21 \* Sec. 66. AS 18.55.620 is amended to read:

22 Sec. 18.55.620. PROPERTY EXEMPT FROM TAXES AND EXECUTION. (a) All  
23 property held by the corporation for a purpose set out in AS 18.55.300 - 18.55.470 and in  
24 AS 18.55.480 - 18.55.960 [OF THE AUTHORITY] is exempt from levy and sale by virtue of  
25 an execution, and an [NO] execution or other judicial process may not issue against it nor may  
26 judgment against it be a charge or lien upon its property. However, this subsection [;  
27 HOWEVER, THIS SECTION] does not apply to or limit the right of an obligee to foreclose or  
28 otherwise enforce any mortgage of the corporation [AUTHORITY] or to pursue remedies for  
29 the enforcement of a pledge or lien given by the authority on its rents, fees, grants, or revenue.

30 (b) The property held by the corporation for a purpose set out in AS 18.55.300 -  
31 18.55.470 and in AS 18.55.480 - 18.55.960 [OF THE AUTHORITY] is declared to be public

1 property used for essential public and governmental purposes and the property is [AND THE  
2 ~~AUTHORITY ARE~~] exempt from all taxes of the state or a political subdivision of the state.  
3 However, subject to (c) of this section, the corporation [AUTHORITY] shall, from the time it  
4 acquires title to property in a redevelopment project until it sells, leases, or otherwise disposes  
5 of that property, make payment equal in amount and in lieu of taxes that [WHICH] would be  
6 assessed and paid to a political subdivision in which the property is situated if the property had  
7 not been acquired by the corporation [AUTHORITY]. From the time the corporation  
8 [AUTHORITY] sells, leases, or otherwise transfers the property, the obligation of the  
9 corporation [AUTHORITY] to make payment in lieu of taxes shall cease and the property shall  
10 thereafter be taxable in the same manner as other property within the political subdivision, unless  
11 the property is exempt from taxation by law. The property sold, leased, or otherwise transferred  
12 by the corporation [AUTHORITY] may be assessed for taxation on that part of the tax year  
13 during which it was not owned by the corporation [AUTHORITY], unless the property is  
14 exempt from taxation by law. Except for the payments required by this subsection, the power  
15 vested in the corporation [AUTHORITY] to make payments in lieu of taxes under AS 18.55.250  
16 or other law is not affected by this subsection.

17 (c) Property for which payments are required under (b) of this section is limited to land  
18 and valuable improvements on the land, including buildings located on the property on the  
19 assessment date.

20 (d) Payments for property under (b) of this section [FURTHERMORE, PAYMENTS]  
21 may not be required from the corporation [AUTHORITY] unless the payments are eligible  
22 project costs under federal policy.

23 \* Sec. 67. AS 18.55.630(a) is amended to read:

24 (a) For the purpose of aiding and cooperating in the planning, undertaking, or carrying  
25 out of a redevelopment project located within the area in which it is authorized to act, a public  
26 body may, upon terms, with or without consideration, as it determines,

27 (1) dedicate, sell, convey, or lease any of its interest in a property, or grant  
28 easements, licenses, or other rights or privileges in the property to the corporation  
29 [AUTHORITY];

30 (2) cause parks, playgrounds, or recreational, community, educational, water,  
31 sewer, or drainage facilities, or other works that it is otherwise empowered to undertake to be

1 furnished in connection with a redevelopment project;

2 (3) furnish, dedicate, close, vacate, pave, install, grade, regrade, plan, or replan  
3 streets, roads, sidewalks, ways, or other places, that it is otherwise empowered to undertake;

4 (4) plan or replan, or zone or rezone any part of the public body or make  
5 exceptions from building regulations and ordinances if the functions are of the character that the  
6 public body is otherwise empowered to perform;

7 (5) cause administrative and other services to be furnished to the corporation  
8 [AUTHORITY] of the character that the public body is otherwise empowered to undertake or  
9 furnish for the same or other purposes;

10 (6) incur the entire expense of public improvements made by the public body in  
11 exercising the powers granted in this section;

12 (7) do any and all things necessary or convenient to aid and cooperate in the  
13 planning or carrying out of a redevelopment plan;

14 (8) lend, grant, or contribute money [FUNDS] to the corporation  
15 [AUTHORITY];

16 (9) employ any money [FUNDS] belonging to or within the control of the public  
17 body, including money [FUNDS] derived from the sale or furnishing of property, service, or  
18 facilities to the authority, in the purchase of the bonds or other obligations of the authority and,  
19 as the holder of the bonds or other obligations, exercise the rights connected with them; and

20 (10) enter into agreements, which may extend over any period, notwithstanding  
21 a provision or rule of law to the contrary, with the corporation [AUTHORITY] respecting action  
22 to be taken by the public body under any of the powers granted by AS 18.55.480 - 18.55.960.

23 \* Sec. 68. AS 18.55.660 is amended to read:

24 Sec. 18.55.660. ADDITIONAL POWERS OF GOVERNING BODY. Whenever the  
25 corporation [AUTHORITY] exercises its rights, powers, and duties under AS 18.55.480 -  
26 18.55.960 in the area adjacent to a municipality, the governing body of the municipality may  
27 prepare or have prepared general plans for the physical development of the area if the preparation  
28 of those plans is not otherwise authorized by law and approve redevelopment plans, and lend or  
29 grant money [FUNDS] and other assistance for the undertaking of redevelopment projects in the  
30 area and to take other action with respect to the area or redevelopment project area that is  
31 authorized or required by AS 18.55.480 - 18.55.960 of the governing body of the municipality.

1 \* Sec. 69. AS 18.55.680(a) is amended to read:

2 (a) ~~In addition to the power given~~ [ITS AUTHORITY] under AS 18.55.480 - 18.55.960,  
3 the corporation [AUTHORITY] may plan and undertake an urban renewal project. In  
4 AS 18.55.480 - 18.55.960 an urban renewal project includes undertaking and activity for the  
5 elimination and prevention of the development or spread of slums or blighted, deteriorated, or  
6 deteriorating areas. An urban renewal project may involve any work or undertaking for this  
7 purpose that constitutes a redevelopment project or any rehabilitation or conservation work or any  
8 combination of an undertaking and work.

9 \* Sec. 70. AS 18.55.700 is repealed and reenacted to read:

10 Sec. 18.55.700. POWERS WITH RESPECT TO URBAN RENEWAL. (a) The  
11 corporation has all the powers necessary or convenient to undertake and carry out urban renewal  
12 plans and urban renewal projects, including the power to acquire and dispose of property, to issue  
13 bonds and other obligations, to borrow and accept grants from the federal government or other  
14 source, and to exercise the other powers granted to it by AS 18.55.480 - 18.55.960 with respect  
15 to redevelopment projects.

16 (b) In connection with the planning and undertaking of an urban renewal plan or urban  
17 renewal project, the corporation, the municipality, and all public and private offices, agencies,  
18 and bodies have all the rights, powers, privileges, and immunities that they have with respect to  
19 a redevelopment plan or redevelopment project, in the same manner as though all of the  
20 provisions of AS 18.55.480 - 18.55.960 applicable to a redevelopment plan or redevelopment  
21 project were applicable to an urban renewal plan or urban renewal project. However, for the  
22 purpose of this subsection,

23 (1) the word "redevelopment" as used in AS 18.55.480 - 18.55.960, except in this  
24 section and in the definition of "redevelopment project" in AS 18.55.950, means "urban renewal";

25 (2) the words "slum" and "blighted" as used in AS 18.55.480 - 18.55.960, except  
26 in this section and in the definitions in AS 18.55.950, mean "blighted, deteriorated, or  
27 deteriorating"; and

28 (3) the finding required by AS 18.55.510(b) with respect to a blighted area is not  
29 required.

30 (c) In addition to the surveys and plans that the corporation may otherwise make, it may  
31 make plans

1 (1) for carrying out a program of voluntary repair and rehabilitation of buildings  
2 and improvements; and

3 (2) for the enforcement of laws, codes, and regulations relating to the use of land  
4 and the use and occupancy of buildings and improvements, and the compulsory repair,  
5 rehabilitation, demolition, or removal of buildings and improvements.

6 (d) The corporation may develop, test, and report methods and techniques, and carry out  
7 demonstrations and other activities for the prevention and the elimination of slums and urban  
8 blight.

9 \* Sec. 71. AS 18.55.860 is amended to read:

10 Sec. 18.55.860. ORDINANCE TO GIVE CORPORATION [AUTHORITY] POWER  
11 TO DETERMINE FITNESS OF DWELLINGS FOR HABITATION. The ordinance adopted by  
12 a municipality under AS 18.55.480 - 18.55.960

13 (1) must [ALSO] provide that the corporation [AUTHORITY] may determine  
14 that a dwelling is unfit for human habitation if it finds that conditions exist that

15 (A) are dangerous or injurious to the health, comfort, safety, or morals  
16 of the occupant of the dwelling, the occupants of neighboring dwellings or other residents  
17 of the municipality; [,] or

18 (B) [THAT] have a blighting influence on properties in the area;

19 (2) [. THESE CONDITIONS MAY INCLUDE THE FOLLOWING, WITHOUT  
20 LIMITATION: DEFECTS INCREASING THE HAZARDS OF FIRE, ACCIDENT, OR OTHER  
21 CALAMITY; LACK OF ADEQUATE VENTILATION, LIGHT, OR SANITARY FACILITIES;  
22 DILAPIDATION; DISREPAIR; STRUCTURAL DEFECTS; UNCLEANLINESS;  
23 OVERCROWDING; INADEQUATE INGRESS AND EGRESS; INADEQUATE DRAINAGE;  
24 OR ANY VIOLATION OF HEALTH, FIRE, BUILDING, OR ZONING REGULATIONS, OR  
25 ANY OTHER LAWS OR REGULATIONS, RELATING TO THE USE OF LAND AND THE  
26 USE AND OCCUPANCY OF BUILDINGS AND IMPROVEMENTS. THE ORDINANCE] may  
27 provide additional standards to guide the corporation [AUTHORITY] in determining the fitness  
28 of a dwelling for human habitation.

29 \* Sec. 72. AS 18.55.860 is amended by adding a new subsection to read:

30 (b) The conditions sufficient to support a finding under (a)(1) of this section include the  
31 following, without limitation:

- 1 (1) defects increasing the hazards of fire, accident, or other calamity;  
2 ~~(2)~~ (2) lack of adequate ventilation, light, or sanitary facilities, or an adequate heating  
3 source;  
4 (3) dilapidation;  
5 (4) disrepair;  
6 (5) structural defects;  
7 (6) uncleanliness;  
8 (7) overcrowding;  
9 (8) inadequate ingress and egress;  
10 (9) inadequate drainage; or  
11 (10) a violation of health, fire, building, or zoning regulations, or any other laws  
12 or regulations, relating to the use of land and the use and occupancy of buildings and  
13 improvements.

14 \* Sec. 73. AS 18.55.950 is amended by adding a new paragraph to read:

15 (18) "corporation" means the Alaska Housing Finance Corporation.

16 \* Sec. 74. AS 18.55.995 is amended to read:

17 Sec. 18.55.995. PURPOSE AND INTENT. The legislature finds that an acute shortage  
18 of housing and related facilities exists in the villages of the state [ALASKA] and that adequate  
19 housing cannot be provided by the private sector due to the economic depression that exists in  
20 most villages of the state [ALASKA]. It is the purpose and intent of the legislature to provide  
21 a means for certain Native associations to form public corporations with the powers and duties  
22 comparable to those provided in AS 18.55.100 - 18.55.960 [THE ALASKA STATE HOUSING  
23 AUTHORITY].

24 \* Sec. 75. AS 18.55.996(b) is amended to read:

25 (b) There is created with respect to each of the associations named in (a) of this section  
26 a public body corporate and politic to function in the operating area of the individual associations  
27 to be known as the regional housing authority of the associations possessing all powers, rights,  
28 and functions now or subsequently specified [FOR THE ALASKA STATE HOUSING  
29 AUTHORITY,] under AS 18.55.100 - 18.55.290, [THE ALASKA STATE HOUSING  
30 AUTHORITY ACT (AS 18.55.010 - 18.55.290)] except those specified with respect to the  
31 construction and acquisition of public buildings for lease to the state or any [SUBSEQUENTLY

1 SPECIFIED] authority that is inconsistent with AS 18.55.995. A regional housing [THE]  
2 authority may enter into agreements with local government, other political subdivisions of the  
3 state, the state or the federal government for the exercise of a function or power relating to  
4 construction, operation, and maintenance of public facilities or public utilities. Upon execution  
5 of an agreement and for the period of the agreement the regional housing authority shall have  
6 the same powers and functions relating to the subject matter of the agreement as those that may  
7 legally be exercised by the governmental unit with whom the agreement is made including the  
8 authority to separately or together with the other unit borrow money and issue notes, bonds, or  
9 other evidence of indebtedness to finance a project within the scope of the agreement subject to  
10 the express limitations, if any, contained in the agreement. All obligations or liabilities of the  
11 regional housing authority shall remain their own and are not obligations or liabilities of the state.

12 \* Sec. 76. AS 18.55.996(g) is amended to read:

13 (g) If an activity associated with the planning, financing, construction, or operation of  
14 a project by a regional housing authority established in this section and authorized under  
15 AS 18.55.100 - 18.55.290 conflicts with an activity of the Alaska Housing Finance Corporation  
16 [ALASKA STATE HOUSING AUTHORITY], the governing body of the municipality in which  
17 the project is located shall resolve the conflict.

18 \* Sec. 77. AS 18.55.997(a) is amended to read:

19 (a) In addition to the powers authorized to a regional housing authority under  
20 AS 18.55.996, a regional housing authority may, in accordance with procedures and policies  
21 adopted and approved by the Alaska Housing Finance Corporation [DEPARTMENT OF  
22 COMMUNITY AND REGIONAL AFFAIRS], make loans for the purchase or development of  
23 residential housing in rural areas of the state, other than in an area where the corporation  
24 [DEPARTMENT] has a loan office. A loan shall be secured by collateral in an amount  
25 acceptable to the corporation [DEPARTMENT OF COMMUNITY AND REGIONAL  
26 AFFAIRS]. The rate of interest on a loan authorized by this section may not exceed the interest  
27 rate on a loan originated or purchased under AS 18.56.400 - 18.56.600 [AS 44.47.370 -  
28 44.47.560].

29 \* Sec. 78. AS 18.55.997(b)(2) is repealed and reenacted to read:

30 (2) "rural" has the meaning given the term "small community" in AS 18.56.600.

31 \* Sec. 79. AS 18.55.998(a) is amended to read:

1 (a) There is created in the Alaska Housing Finance Corporation [DEPARTMENT OF  
2 COMMUNITY AND REGIONAL AFFAIRS] a supplemental housing development grant fund.  
3 Using corporate earnings or other available funds [SUBJECT TO THE AVAILABILITY OF  
4 APPROPRIATIONS FOR THE PURPOSE], the corporation [DEPARTMENT] shall make grants  
5 to regional housing authorities established under AS 18.55.996 for the cost of on-site sewer and  
6 water facilities, road construction to project sites, energy efficient design features in homes, and  
7 extension of electrical distribution facilities to individual residences.

8 \* Sec. 80. AS 18.55.998(d) is amended to read:

9 (d) The Alaska Housing Finance Corporation [DEPARTMENT] shall adopt regulations  
10 to carry out the purposes of this section. The provisions of AS 18.56.088(a) and (b) [THE  
11 ADMINISTRATIVE PROCEDURE ACT (AS 44.62)] apply to regulations adopted under this  
12 section.

13 \* Sec. 81. AS 18.55.998 is amended by adding a new subsection to read:

14 (e) In order to make grants authorized by (a) of this section in its administration of the  
15 supplemental housing development grant fund established by this section, the board of directors  
16 of the corporation shall identify in the corporation's proposed operating budget the money  
17 available to the corporation, including the corporation's own assets, to supplement available  
18 federal development money.

19 \* Sec. 82. AS 18.56.030(a) is repealed and reenacted to read:

20 (a) The corporation shall be governed by a board of directors consisting of

- 21 (1) the commissioner of revenue;
- 22 (2) the commissioner of community and regional affairs;
- 23 (3) the commissioner of health and social services; and
- 24 (4) four public members appointed by the governor, as follows:
- 25 (A) one member with expertise or experience in finances or real estate;
- 26 (B) one member who is a rural resident of the state or who has expertise  
27 or experience with a regional housing authority;
- 28 (C) one member who has expertise or experience in residential energy  
29 efficient home-building or weatherization; and
- 30 (D) one person who has expertise or experience in the provision of senior  
31 or low-income housing.

1 \* Sec. 83. AS 18.56.030(b) is amended to read:

2 (b) ~~If a member described in (a)(1), (2), or (3)~~ [(a)(1) OR (2)] of this section is unable  
3 to attend a meeting of the board the member may by an instrument in writing filed with the  
4 board, designate a deputy or assistant to act in the member's place at the meeting. For all  
5 purposes of this chapter, the designee is a member of the board at the meeting.

6 \* Sec. 84. AS 18.56.030(c) is amended to read:

7 (c) The board members described in (a)(4) [(a)(2) AND (a)(3)] of this section serve  
8 two-year terms.

9 \* Sec. 85. AS 18.56.030(e) is amended to read:

10 (e) The members of the board described in (a)(4) [(a)(3)] of this section receive \$100  
11 compensation for each day spent on official business of the corporation and may be reimbursed  
12 by the corporation for actual and necessary expenses at the same rate paid to members of state  
13 boards under AS 39.20.180.

14 \* Sec. 86. AS 18.56.030 is amended by adding a new subsection to read:

15 (f) The governor shall appoint the members under (a)(4) of this section to give the board  
16 of directors a reasonable geographic balance among regions of the state. The members of the  
17 board appointed under (a)(4) of this section shall have recognized competence and wide  
18 experience in housing, finance, or other business management-related fields.

19 \* Sec. 87. AS 18.56.084 is amended to read:

20 Sec. 18.56.084. INTERNATIONAL BORROWING. For the purpose of obtaining access  
21 to international capital markets to borrow money for the special mortgage loan purchase program  
22 (AS 18.56.098), as an addition to the powers of the corporation under AS 18.56.090, the  
23 corporation may (1) establish or cause to be established, subsidiary corporations incorporated in  
24 the state or in another state, or under the laws of a foreign jurisdiction; (2) invest in corporations  
25 established under this section; (3) issue bonds and borrow money for investments in corporations  
26 established under this section; (4) borrow from corporations established under this section; (5)  
27 guarantee the obligations of corporations established under this section; or (6) enter into  
28 agreements with corporations established under this section or with other persons. In exercising  
29 a power under this section, the corporation may not subject its assets to risk of loss through  
30 foreign currency exchange. A guarantee under this section constitutes a bond of the corporation  
31 as defined in AS 18.56.390 [AS 18.56.900].

1 \* Sec. 88. AS 18.56.088(c) is amended to read:

2 (c) ~~The~~ board may adopt regulations to carry out the purposes of this chapter, and shall  
3 adopt regulations necessary for the following purposes:

4 (1) determination of borrower eligibility including, but not limited to, income  
5 limitations and the determination of remote, underdeveloped, or blighted areas of the state;

6 (2) loan guidelines and terms including but not limited to maximum loan amounts  
7 and required loan-to-value ratios, but excluding mortgage loan interest rates;

8 (3) characteristics of housing eligible for loans or purchase of loans, including  
9 compliance with the requirements of AS 18.56.300;

10 (4) the qualifications of loan originators and servicers and the method of  
11 allocating amounts available for the purchase of loans; [AND]

12 (5) establishment of a procedure, including a fee schedule, for the commitment  
13 for one year or less of money for the purchase of an individual mortgage loan at a specific  
14 interest rate; and

15 (6) establishment of the program of housing assistance authorized by  
16 AS 18.56.090(b) including program regulations that, at minimum,

17 (A) establish priorities and criteria for providing money and other  
18 forms of authorized assistance in response to housing assistance proposals;

19 (B) define the forms of housing assistance authorized under  
20 AS 18.56.090(b);

21 (C) set out procedures to evaluate housing assistance proposals;

22 (D) set out procedures to approve the award of housing assistance;

23 and

24 (E) prescribe methods of monitoring the use of money paid out under  
25 AS 18.56.090(b) and the progress of activity under the approved housing assistance  
26 program.

27 \* Sec. 89. AS 18.56.089(a) is repealed and reenacted to read:

28 (a) The provisions of AS 37.07 (Executive Budget Act)

29 (1) apply to

30 (A) the operating budget of the corporation;

31 (B) amounts payable from corporate earnings or assets of the corporation

1 for grants or grant programs authorized by this chapter,

2 (C) interest rate subsidies and building subsidies as determined by the  
3 corporation, except subsidies payable from the corporation's arbitrage earnings;

4 (2) do not apply to activities of the corporation under this chapter except as  
5 provided in (1) of this subsection or as otherwise specifically provided in this chapter.

6 \* Sec. 90. AS 18.56.089(a)(1) is amended by adding a new subparagraph to read:

7 (D) activities of the corporation under AS 18.55.010 - 18.55.960.

8 \* Sec. 91. AS 18.56.089(b) is amended to read:

9 (b) To further ensure effective budgetary decision making by the legislature, the  
10 corporation shall

11 (1) annually review the corporation's assets, including the assets of the Alaska  
12 housing finance revolving fund under AS 18.56.082, to determine whether assets of the  
13 corporation exceed an amount required to fulfill the purposes of the corporation as defined in  
14 AS 18.55 and this chapter; in making its review, the board shall determine whether, and to what  
15 extent, assets in excess of the amount required to fulfill the purposes of the corporation during  
16 the next fiscal year are available without

17 (A) breaching any agreement entered into by the corporation;

18 (B) materially impairing the operations or financial integrity of the  
19 corporation; or

20 (C) materially affecting the ability of the corporation to

21 (i) stabilize the market price of and demand for residential housing;

22 and

23 (ii) ensure an adequate long-term supply of residential housing for  
24 persons of lower and moderate income; [AND]

25 - (2) specifically identify in the corporation's assets the amounts that the  
26 corporation believes are necessary to meet the requirements of (1)(C) of this subsection; and

27 (3) [(2)] present to the legislature by January 10 of each year a complete  
28 accounting of all assets of the corporation, including assets of the Alaska housing finance  
29 revolving fund under AS 18.56.082, and a report of the review and determination made under  
30 (1) and (2) of this subsection; the accounting shall be audited by an independent outside auditor  
31 and must include a full description of all mortgage loan interest and principal repayments and

1 program receipts, including

2 (A) mortgage loan commitment fees received by or accrued to the  
3 corporation during the preceding fiscal year; [,] and

4 (B) all income earned on assets of the corporation during that period,  
5 including earnings on assets of the state assisted mortgage fund.

6 \* Sec. 92. AS 18.56.090 is amended by adding new subsections to read:

7 (b) The corporation may, subject to (c) of this section,

8 (1) reserve money to itself, or provide money for, or provide deferred loans,  
9 interest rate subsidies, building subsidies, participation financing through housing partnerships,  
10 and other forms of housing assistance as set out in regulations of the corporation to, another  
11 governmental agency, a municipality, a regional housing authority, or a private nonprofit  
12 organization, to pay for the design, construction, development, rehabilitation, or improvement of  
13 housing for persons of low and moderate income, for housing in remote, undeveloped, or blighted  
14 areas of the state, and for congregate and special needs housing;

15 (2) provide money for, and provide deferred loans, interest rate subsidies, building  
16 subsidies, participation financing through housing partnerships, and other forms of housing  
17 assistance as set out in regulations of the corporation to, corporations and project sponsors for  
18 congregate and special needs housing; and

19 (3) receive money for a purpose described in (1) or (2) of this subsection.

20 (c) The corporation may not provide money or another form of housing assistance  
21 authorized by (b) of this section unless the board of directors of the corporation identifies in the  
22 corporation's proposed operating budget the money available to the corporation, including the  
23 corporation's own assets, for the proposed housing assistance. The provisions of this subsection  
24 apply to

25 (1) subsidies authorized by the home ownership assistance program under  
26 AS 18.56.091;

27 (2) mortgage subsidies authorized by the graduated payment mortgage loan  
28 program under AS 18.56.098(c);

29 (3) interest rate deductions authorized in the housing development fund under  
30 AS 18.56.100(b)(1) and (l);

31 (4) money or another form of housing assistance payable from corporate earnings

1 or assets of the corporation, other than money appropriated to the corporation for the specific  
2 purpose, for a program set out in AS 18.56.400 - 18.56.850.

3 \* Sec. 93. AS 18.56.096(c) is amended to read:

4 (c) The corporation may not make, participate in the making of, purchase, or participate  
5 in the purchase of a loan for a residential building if construction of the building began  
6 [BEGINS] after December 31, 1991, unless the building complies with the thermal and lighting  
7 energy standards required by AS 46.11.040. The corporation

8 (1) may adopt regulations to implement this subsection; and

9 (2) shall, by regulation, establish

10 (A) procedures by which the person responsible for the construction of the  
11 building may demonstrate that the building complies with the thermal and lighting energy  
12 standards, including

13 (i) self-certification, if the contractor responsible for the building  
14 construction provides satisfactory evidence that the contractor has completed a  
15 training program of the Alaska Craftsman Home Program or equivalent training  
16 program and the training program is satisfactory to the corporation  
17 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS];

18 (ii) submission of the certificate of a registered architect, registered  
19 engineer, or a building inspector, and the architect, engineer, or building inspector  
20 has completed a training program of the Alaska Craftsman Home Program or  
21 equivalent training program and the training program is satisfactory to the  
22 corporation [COMMISSIONER OF COMMUNITY AND REGIONAL  
23 AFFAIRS];

24 (iii) submission of the certificate of occupancy issued by the  
25 municipality in which the building is located, if the certificate is issued by a  
26 municipality in which the municipal building code meets or exceeds the thermal  
27 and lighting energy standards, as determined by the corporation  
28 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS];

29 (iv) another method approved by the corporation  
30 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS] in  
31 regulations adopted by the [COMMISSIONER AFTER CONSULTATION WITH

1 THE EXECUTIVE DIRECTOR OF THE] corporation; and

2 ~~---~~ (B) criteria by which the energy conservation standards may be met; for  
3 purposes of this subparagraph, the residential building complies with the energy standards  
4 if the residence has received a rating under the rating system developed by Energy Rated  
5 Homes of Alaska if, in the judgment of the corporation [COMMISSIONER OF  
6 COMMUNITY AND REGIONAL AFFAIRS], the rating meets or exceeds the thermal  
7 energy standards required by AS 46.11.040.

8 \* Sec. 94. AS 18.56.100(b) is amended to read:

9 (b) Consistent with AS 18.56.090, the corporation may make temporary and permanent  
10 loans from the housing development fund, at an interest rate or rates determined by the  
11 corporation, and with the security for repayment that is necessary and practicable, to purchase,  
12 make, or participate in the making of mortgage loans

13 (1) to borrowers who are sponsors [INDIVIDUALS], nonprofit corporations, or  
14 agencies of the state or a municipal government, for permanent loans to develop, build, repair,  
15 remodel, or rehabilitate residential housing that is to be used and occupied as congregate housing;  
16 or

17 (2) that are not federally insured or guaranteed for residential housing, if the  
18 corporation determines that the loans are not otherwise available, wholly or in part, from private  
19 lenders upon reasonably equivalent terms and conditions.

20 \* Sec. 95. AS 18.56.200(d) is amended to read:

21 (d) The corporation shall include in its annual report under (b) of this section

22 (1) a report of its activities under

23 (A) AS 18.55.010 - 18.55.290 (Housing Project and Public Building  
24 Assistance Act);

25 (B) AS 18.55.300 - 18.55.470 (programs of moderate income and rental  
26 housing);

27 (C) AS 18.55.480 - 18.55.960 (Slum Clearance and Redevelopment  
28 Act);

29 (2) a summary of its efforts to implement a program to extend the operation of  
30 the [LOAN] programs authorized under AS 18.55 and this chapter to rural communities;

31 (3) an evaluation of the corporation's ability to fulfill the objectives of

1 AS 18.56.010(b) - (e); and

2 ~~AS 18.56.010(b) - (e); and~~ (4) the amount of interest rate, building, and other subsidies for each  
3 program of the corporation for which subsidies are given.

4 \* Sec. 96. AS 18.56.210(a) is amended to read:

5 (a) If the board of directors determines that it is in the best interest of the corporation,  
6 the corporation may take appropriate action under this section to stabilize the market price of and  
7 demand for residential housing in the state. To accomplish the purposes of this section, the  
8 corporation may

9 (1) make and execute necessary agreements and conveyances under which a  
10 borrower may exchange residential housing securing a mortgage loan owned, held, or sold by the  
11 corporation for other residential housing owned by the corporation;

12 (2) repurchase a mortgage loan sold or pledged by the corporation for the purpose  
13 of exercising a power conferred by this section;

14 (3) for the purpose of qualifying residential housing situated in a condominium  
15 project for the best available financing for mortgage loans, make and execute agreements and  
16 contracts necessary to encourage all owners who occupy units in a condominium project that is  
17 not eligible for financing under this chapter to exchange their ownership interest for a  
18 condominium unit owned by the corporation in another project;

19 (4) make and execute appropriate agreements with insurers, investors, and  
20 guarantors concerning the temporary removal of residential housing owned by the corporation  
21 from the resale market;

22 (5) convert residential housing owned by the corporation that is designed and  
23 constructed for owner occupancy to another beneficial use;

24 (6) make bulk sales of property owned by the corporation under procedures and  
25 terms the corporation determines are in the best interests of the corporation;

26 (7) after giving due consideration to the interests of competing individual sellers  
27 of residential housing, provide financing under terms established by the board to promote the sale  
28 of residential housing owned by the corporation;

29 (8) invest funds of the corporation in the removal and disposal of substandard  
30 publicly owned residential housing if the board of directors determines that the investment is  
31 prudent, properly secured, and in the long-term best interests of the corporation;

1 (9) create subsidiary entities to implement a power conferred by this section and  
2 to provide insurance under AS 18.56.093 and 18.56.095;

3 (10) purchase loans from the housing assistance loan fund (AS 44.47.380) if and  
4 only if [:

5 (A)] the payments of principal and interest on the loans, or amounts  
6 equal to the payments of principal and interest on the loans, are deposited in a  
7 separate fund of the corporation to be used for the purposes, and subject to the standards  
8 and criteria, of AS 44.47.360 - 44.47.560 as those statutes provided on June 10, 1988;  
9 [AND

10 (B) THE CORPORATION HAS ESTABLISHED A SOURCE OF  
11 MORTGAGE INSURANCE FOR NEW LOANS SUBJECT TO THE PROVISIONS OF  
12 AS 44.47.360 - 44.47.560;] and

13 (11) take other actions necessary, convenient, or desirable to carry out the powers  
14 granted in this subsection.

15 \* Sec. 97. AS 18.56.210(a)(10) is repealed and reenacted to read:

16 (10) purchase loans from the former housing assistance loan fund (former  
17 AS 44.47.380) if and only if the payments of principal and interest on the loans, or amounts  
18 equal to the payments of principal and interest on the loans, are deposited in a separate fund of  
19 the corporation to be used for the purposes, and subject to the standards and criteria, of former  
20 AS 44.47.360 - 44.47.560 as those statutes provided on June 10, 1988; and

21 \* Sec. 98. AS 18.56 is amended by adding a new section to read:

22 Sec. 18.56.220. DUTY TO ADVISE ABOUT CORPORATION'S PROGRAMS. The  
23 corporation shall make a reasonable effort, through seminars, training sessions, and other forms  
24 of technical assistance, to assist local governments, regional housing authorities, nonprofit  
25 organizations, and other organizations and individuals to understand the corporation's housing  
26 programs and the opportunities that exist to obtain financial assistance from the corporation.

27 \* Sec. 99. AS 18.56.300(d) is amended to read:

28 (d) This section does not apply to a nonconforming housing loan made or purchased  
29 by the corporation [UNDER AS 18.56.106].

30 \* Sec. 100. AS 18.56 is amended by adding new sections to read:

31 Sec. 18.56.390. DEFINITIONS FOR AS 18.56.010 - 18.56.390. In AS 18.56.010 -

1 18.56.390, unless the context clearly indicates a different meaning,

2 ~~AS~~ (1) "adjustable rate mortgage loan" means a mortgage loan with respect to which  
3 the interest rate varies or is expected to vary from time to time by reference to an index or  
4 formula or other reference point;

5 (2) "bond" or "obligation" means a bond, bond anticipation note, or other note of  
6 the corporation authorized to be issued by the corporation under this chapter, or a mortgage  
7 participation certificate issued with respect to mortgages of the corporation;

8 (3) "construction loan" means a construction loan for land development or  
9 residential housing that is secured by a federally insured or guaranteed mortgage or that is  
10 insured or guaranteed by the United States or an instrumentality of the United States, or for  
11 which there is a commitment by the United States or an instrumentality of the United States to  
12 insure or guarantee such a loan, or a construction loan for land development or residential  
13 housing which land development or residential housing will be secured by a mortgage loan;

14 (4) "development costs" means the costs approved by the corporation as  
15 appropriate expenditures that may be incurred by sponsors, builders, and developers of residential  
16 housing, before commitment and initial advance of the proceeds of a construction loan or of a  
17 mortgage loan, including but not limited to

18 (A) payments for options to purchase properties on the proposed  
19 residential housing site, deposits on contracts of purchase, or, with prior approval of the  
20 corporation, payments for the purchase of the properties;

21 (B) legal and organizational expenses, including payments of attorney fees,  
22 project manager, clerical, and other staff salaries, office rent, and other incidental  
23 expenses;

24 (C) payment of fees for preliminary feasibility studies and advances for  
25 planning, engineering, and architectural work;

26 (D) expenses for tenant surveys and market analyses; and

27 (E) necessary application and other fees;

28 (5) "governmental agency" means any department, division, public agency,  
29 political subdivision, or other public instrumentality of the state or the federal government;

30 (6) "housing development fund" means the housing development fund created by  
31 AS 18.56.100;

1 (7) "land development" means the process of acquiring land primarily for  
2 residential housing construction for persons of lower and moderate income and making, installing,  
3 or constructing nonresidential housing improvements, including water, sewer, and other utilities,  
4 roads, streets, curbs, gutters, sidewalks, storm drainage facilities, and other installations or works,  
5 whether on or off the site, that the corporation considers necessary or desirable to prepare the  
6 land primarily for residential housing construction;

7 (8) "mortgage" or "mortgage loan" means a mortgage loan for residential housing  
8 insured or guaranteed by the United States or an instrumentality of the United States or for which  
9 there is a commitment by the United States or an instrumentality of the United States to insure  
10 or guarantee such a mortgage, or if not so insured or guaranteed or if there is no such  
11 commitment, that is secured upon such terms and conditions as the corporation considers  
12 necessary or practicable to insure all repayments;

13 (9) "persons of lower and moderate income" means a person or persons  
14 considered by the corporation to require assistance available under this chapter on account of  
15 insufficient or inadequate personal or family income or otherwise limited personal financial  
16 resources, taking into consideration, without limitation, such factors as

17 (A) the amount of the total income of the persons available for housing  
18 needs;

19 (B) the size of the family;

20 (C) the cost and condition of housing facilities available;

21 (D) standards established for various federal programs determining  
22 eligibility based on income of the persons; and

23 (E) the ability of the persons to compete successfully in the normal  
24 housing market and to pay the amounts at which private enterprise is providing decent,  
25 safe, and sanitary housing;

26 (10) "remote, underdeveloped, or blighted areas" means areas considered by the  
27 corporation to require assistance available under this chapter on account of insufficient  
28 availability of the residential housing necessary to promote, develop, or maintain the economic  
29 growth or potential of the area, taking into consideration, without limitation, the following:

30 (A) the population, resources, and environment of the area;

31 (B) the present availability and condition of residential housing in and near

1 the area;

2 (C) the cost of construction and rehabilitation of residential housing in the  
3 area;

4 (D) the availability of other federal or state sponsored programs to  
5 facilitate the development of residential housing in the area; and

6 (E) the ability of residents of the area to finance the purchase of  
7 residential housing or to rent or lease residential housing at rates comparable to those in  
8 effect in other areas of the state;

9 (11) "residential building" or "residential housing"

10 (A) means a specific work or improvement undertaken primarily to  
11 provide dwelling accommodations without limitation as to form of lawful occupancy,  
12 whether rental, under contract, fee ownership, cooperative housing, condominium, mobile  
13 home, or other lawful form of ownership;

14 (B) includes

15 (i) special needs housing; and

16 (ii) the acquisition, construction, or rehabilitation of land,  
17 buildings, and improvements to them, and other nonhousing facilities as may be  
18 incidental or appurtenant to the land or buildings;

19 (12) "special needs housing"

20 (A) means residential housing designed to meet the needs of persons with  
21 specific and special housing needs, including supportive services;

22 (B) includes

23 (i) housing for the elderly and individuals with a disability or  
24 mental illness;

25 (ii) emergency shelter for the homeless; and

26 (iii) transitional housing;

27 (13) "sponsors" means individuals, public and private corporations, associations,  
28 partnerships or other entities, whether or not operated for profit; and consumer housing  
29 cooperatives, associations, partnerships, or other entities organized under law for the primary  
30 purpose of providing housing to individuals and families of lower and moderate income; it  
31 includes organizations engaged in the production, origination, and development of residential

1 housing units intended to qualify for financial assistance under 42 U.S.C. 1437f (sec. 8, Housing  
2 Act of 1937), as amended.

3 ARTICLE 2. HOUSING ASSISTANCE.

4 Sec. 18.56.400. POWERS OF CORPORATION RELATED TO HOUSING  
5 ASSISTANCE. The board may

6 (1) adopt regulations in accordance with AS 18.56.088 to implement  
7 AS 18.56.400 - 18.56.600;

8 (2) make and execute agreements, contracts, and other instruments necessary or  
9 convenient in the exercise of the powers and functions granted under AS 18.56.400 - 18.56.600;

10 (3) purchase or participate in the purchase of small community housing mortgage  
11 loans under AS 18.56.400 - 18.56.600;

12 (4) purchase or participate in the purchase of loans for building materials for  
13 small community housing under AS 18.56.400 - 18.56.600;

14 (5) procure insurance against loss in connection with the corporation's functions  
15 under AS 18.56.400 - 18.56.600;

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

21 (7) do all acts necessary, convenient or desirable to carry out the powers expressly  
22 granted or necessarily implied in AS 18.56.400 - 18.56.600;

23 (8) originate and service direct loans made to qualified buyers under  
24 AS 18.56.400 - 18.56.600.

25 Sec. 18.56.410. ALASKA ENERGY EFFICIENT HOME GRANT FUND. (a) There  
26 is established in the corporation the Alaska energy efficient home grant fund consisting of money  
27 appropriated to it by the legislature and deposited in it by the corporation. The corporation shall  
28 administer the Alaska energy efficient home grant fund under the provisions of this section.

29 (b) Subject to appropriation, the corporation may grant funds from the Alaska energy  
30 efficient home grant fund to agencies of the state or federal government, individuals, or  
31 businesses that retrofit existing single family dwellings or build new single family dwellings that

1 meet criteria adopted by the corporation.

2 (c) The corporation shall adopt guidelines and procedures for the fund after consultation  
3 with the board of directors of the Alaska Craftsman Home Program.

4 Sec. 18.56.420. HOUSING ASSISTANCE LOAN FUND. (a) There is created in the  
5 corporation, as a revolving loan fund, the housing assistance loan fund consisting of money  
6 appropriated to it by the legislature and deposited in it by the corporation, and repayments of  
7 principal and interest on loans made or purchased from the assets of the fund. The corporation  
8 shall

9 (1) adopt regulations to administer the housing assistance loan fund under  
10 AS 18.56.400 - 18.56.600; and

11 (2) subject to appropriation, provide money for a rural assistance loan program  
12 to originate, purchase, or participate in the purchase of

13 (A) small community housing mortgage loans;

14 (B) loans made for building materials for small community housing;

15 (C) loans made for renovations or improvements to small community  
16 housing;

17 (D) loans made for the construction of owner-occupied small community  
18 housing other than loans to builders or contractors or loans that compensate an owner for  
19 the owner's labor or services in constructing the owner's own housing.

20 (b) Money in the fund may be used by the legislature to make appropriations for costs  
21 of administering the housing assistance program.

22 Sec. 18.56.430. HOME OWNERSHIP ASSISTANCE FUND. (a) There is created in  
23 the corporation the home ownership assistance fund consisting of money appropriated to it by  
24 the legislature and deposited in it by the corporation. Money in the fund shall be used solely to  
25 assist persons of lower and moderate income to purchase or construct single-family homes  
26 financed under AS 18.56.400 - 18.56.600 by providing a subsidy to those persons.

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

29 (c) A mortgage loan that is subsidized from the home ownership assistance fund may not  
30 exceed \$120,000.

31 (d) The corporation shall adopt regulations that establish maximum income-to-loan

1 payment ratios for persons who apply for a subsidy under this section.

2 (e) In this section, "persons of lower and moderate income" means individuals considered  
3 by the corporation to require assistance under this section because of inadequate income or other  
4 limited personal financial resources, taking into consideration

- 5 (1) the amount of total income available for housing needs;  
6 (2) the size of the family;  
7 (3) the cost and condition of available housing;  
8 (4) standards established in various federal programs for determining eligibility  
9 based on income;  
10 (5) the ability to enter the private housing market and to pay market amounts for  
11 decent, safe, and sanitary housing; and  
12 (6) other factors considered relevant by the corporation.

13 Sec. 18.56.440. LIMITATIONS ON USE OF HOUSING ASSISTANCE LOAN FUND.

14 The corporation may not use the money in the housing assistance loan fund to

15 (1) originate a direct loan or purchase or participate in the purchase of a small  
16 community housing mortgage loan that exceeds the limitations on mortgage loans purchased by  
17 the Federal National Mortgage Association as to principal amount or loan-to-value ratio;

18 (2) originate a direct loan or purchase or participate in the purchase of a loan  
19 made for building materials for small community housing

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

21 (i) 80 percent of the appraised value of the work completed on the  
22 small community housing for which the loan is made if the small community  
23 housing is pledged as collateral for the loan; or

24 (ii) 90 percent of the value of other property that is pledged as  
25 security for the loan and that is satisfactory to the corporation as collateral;

26 (B) unless the terms of the loan agreement require inspections and  
27 certifications, as required by regulations of the corporation, at the expense of the  
28 borrower; and

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

31 (3) originate direct loans or purchase or participate in the purchase of a small

1 community housing mortgage loan that is secured by real property the marketable title to which  
2 is shown under AS 18.56.480(b)(2) if the total amount of outstanding small community housing  
3 mortgage loans held by the corporation exceeds 10 times the amount of money in the restricted  
4 title loss reserve account established by AS 18.56.490;

5 (4) originate a direct loan for small community housing or purchase or participate  
6 in the purchase of a small community housing mortgage loan, other than a loan for the repair,  
7 remodeling, rehabilitation, or expansion of an existing owner-occupied residence, if the borrower  
8 has an outstanding housing loan made under a state loan program, other than a loan for  
9 nonowner-occupied housing under AS 18.56.580 or under former AS 44.47.520, that bears  
10 interest at a rate that was less than the prevailing market interest rate for similar housing loans  
11 at the time the loan was made;

12 (5) originate a direct mortgage loan or purchase or participate in the purchase of  
13 a mortgage loan for rental housing unless the borrower agrees not to discriminate against tenants  
14 or prospective tenants because of sex, marital status, changes in marital status, pregnancy,  
15 parenthood, race, religion, color, national origin, or status as a student;

16 (6) originate, purchase, or participate in a loan to a person who has a past due  
17 child support obligation established by court order or by the child support enforcement division  
18 under AS 25.27.160 - 25.27.220 at the time of application.

19 Sec. 18.56.450. OPERATING LOSS RESERVE ACCOUNT. (a) There is established  
20 an operating loss reserve account for the purpose of meeting legal expenses incurred through the  
21 foreclosure of properties acquired by the corporation under AS 18.56.400(6) and making repairs  
22 to these properties so that they may be sold to new buyers.

23 (b) The operating reserve loss account consists of money appropriated to it by the  
24 legislature and deposited in it by the corporation. To the extent that money is paid out of the  
25 operating loss reserve account for the purposes stated in this section, this money shall be replaced  
26 with money received as interest on loans authorized by AS 18.56.400 - 18.56.600.

27 Sec. 18.56.460. SECURITY FOR LOANS. (a) The corporation shall adopt regulations  
28 in accordance with AS 18.56.088 establishing acceptable security for loans originated or  
29 purchased in whole or in part under AS 18.56.420.

30 (b) A person may pledge as security for the repayment of a loan originated or purchased  
31 in whole or in part under AS 18.56.420 a preference right that person holds to receive title to

1 land the person occupies as a primary place of residence, primary place of business, subsistence  
2 campsite, or as headquarters for reindeer husbandry. The preference right must be conveyed to  
3 the person by the Native corporation to which the land was granted under 43 U.S.C. 1613  
4 (Alaska Native Claims Settlement Act) before it may be pledged as security under this  
5 subsection. The corporation shall prescribe procedures and standard forms for establishing,  
6 pledging, and appraising the value of a preference right held by a person to secure the repayment  
7 of a loan originated or purchased in whole or in part under AS 18.56.420.

8 Sec. 18.56.470. INTEREST ON LOANS. (a) The interest rate on a mortgage loan  
9 originated or purchased in whole or in part under AS 18.56.420 for small community housing  
10 is one percent less than the interest rate, as determined under AS 18.56.098(g)(1) - (4), on a  
11 mortgage loan purchased under AS 18.56.098(a) from the proceeds of the most recent applicable  
12 issue of taxable bonds before the origination or purchase of the mortgage loan originated or  
13 purchased under AS 18.56.420.

14 (b) Notwithstanding the requirements of (a) of this section, if there has not been an  
15 applicable issue of taxable bonds issued within six months before the origination or purchase of  
16 a loan under this section, the corporation may estimate the interest rate that an issue of taxable  
17 bonds would bear.

18 Sec. 18.56.480. TITLE. (a) Before the corporation originates or purchases a small  
19 community housing mortgage loan in whole or in part, the corporation may require a borrower  
20 to show marketable title to real property offered as security for the loan to be purchased.

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

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

25 (2) by delivering to the corporation a copy of a letter of intent signed by an  
26 authorized representative of the United States Department of the Interior that shows the transfer  
27 of title to the property from the United States government to the borrower if

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

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

31 (c) For the purposes of this section, a deed which federal law prohibits or limits the

1 power to transfer or encumber and which would otherwise constitute marketable title to real  
2 property is considered marketable title to real property if the United States Bureau of Indian  
3 Affairs or another appropriate federal agency waives immunity under the federal law from  
4 foreclosure or other alienation of the real property.

5 Sec. 18.56.490. RESTRICTED TITLE LOSS RESERVE ACCOUNT. (a) There is  
6 established in the corporation the restricted title loss reserve account. The restricted title loss  
7 reserve account consists of money appropriated to it by the legislature and deposited to it by the  
8 corporation, and shall be administered by the corporation.

9 (b) The corporation may withdraw money from the restricted title loss reserve account  
10 in an amount equal to the loss to the corporation on a small community housing mortgage loan  
11 originated or purchased in whole or in part by the corporation if marketable title to the real  
12 property used to secure the loan was shown under AS 18.56.480(b)(2). Money withdrawn from  
13 the restricted title loss reserve account under this section shall be deposited in the housing  
14 assistance loan fund.

15 Sec. 18.56.500. FIRE INSURANCE. Before purchasing or participating in the purchase  
16 of a small community housing mortgage loan, the corporation may require the borrower to agree  
17 to purchase and maintain fire insurance for the real property for which the loan is made in an  
18 amount not less than the outstanding principal balance of the loan.

19 Sec. 18.56.510. LOAN ORIGATION AND SERVICING. (a) Before purchasing or  
20 participating in the purchase of a small community housing mortgage loan, the corporation shall  
21 enter into a loan servicing agreement with the private financial institution from which the loan  
22 is to be purchased.

23 (b) The corporation may execute service agreements with private lending institutions or  
24 with regional native housing authorities established under AS 18.55.996 to service loans  
25 originated by the corporation or loans originated under AS 18.55.997.

26 (c) Under the servicing agreement, the private financial institution or the regional native  
27 housing authority shall administer the loan and may charge the corporation a negotiated  
28 origination or servicing fee on the corporation's share of the loan. When appropriate, the private  
29 financial institution or the regional native housing authority may also charge the borrower a  
30 reasonable originator fee not to exceed one percent.

31 Sec. 18.56.520. APPRAISALS. Before originating or purchasing or participating in the

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

6 Sec. 18.56.530. ENERGY AUDIT EXEMPTION. In making loans under AS 18.56.400 -  
7 18.56.600, the corporation is exempt from the requirements of AS 46.11.050(b).

8 Sec. 18.56.540. TOLL-FREE TELEPHONE NUMBER. For the purposes of  
9 administration of AS 18.56.400 - 18.56.600, the corporation shall arrange for and maintain a  
10 toll-free telephone number for the corporation so that private financial institutions and their  
11 borrowers may contact the corporation from any location in the state by telephone without a toll  
12 charge.

13 Sec. 18.56.550. FIELD OFFICES; CONTRACT SERVICES; ASSISTANCE TO  
14 OTHERS. (a) The corporation may establish field offices under AS 18.56.400 - 18.56.600, may  
15 hire one or more lending officers, and may contract for the services of

16 (1) real property appraisers who are familiar with housing and construction in  
17 small communities; and

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

20 (b) The personnel described in (a) of this section may make visits to the regions  
21 established under AS 18.56.570(a) to provide preconstruction and post-construction inspections  
22 of real property for which loans are originated or purchased by the corporation in whole or in  
23 part under AS 18.56.420 and to provide assistance to private financial institutions and their  
24 borrowers in the regions. Authority for final approval of loans may not be exercised by the  
25 personnel described in this section.

26 Sec. 18.56.560. DEMONSTRATION PROJECTS AND INFORMATION. The  
27 corporation may enter into agreements with public and private agencies to provide demonstration  
28 projects and information concerning housing construction in each of the regions established under  
29 AS 18.56.570(a).

30 Sec. 18.56.570. REGIONAL ALLOCATION. (a) The corporation, by regulations  
31 adopted in accordance with AS 18.56.088, shall establish and may amend the boundaries of

1 reasonably compact and contiguous regions in the state.

2 (b) Unless otherwise required by an appropriation, the corporation shall allocate the  
3 money in the housing assistance loan fund among the regions established under (a) of this section  
4 for the purpose of originating or purchasing each type of loan described in AS 18.56.420. In  
5 making an allocation under this subsection, the corporation shall consider the past and potential  
6 lending activity of private financial institutions in the region as well as the need for loans in the  
7 region. The corporation may reallocate the money among the regions as the corporation  
8 considers necessary.

9 Sec. 18.56.580. LOANS FOR NONOWNER OCCUPIED HOUSING. (a) In addition  
10 to the powers authorized by AS 18.56.400, the corporation may adopt regulations under  
11 AS 18.56.088 allowing the use of money in the housing assistance loan fund to make loans for  
12 the purchase or development of nonowner occupied housing in small communities.

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

15 (c) The principal amount of loans made for nonowner occupied housing under this  
16 section may not exceed 20 percent of the total principal amount of loans made for small  
17 community housing under AS 18.56.400 - 18.56.600.

18 (d) In this section

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

21 (2) "nonowner occupied housing" means a single-family residence or a  
22 multi-family residence having up to eight dwelling units and that is not occupied by the owner;  
23 the corporation may modify this definition if it determines that there is a special need for  
24 nonowner occupied housing and that a change in the definition is necessary to enable the  
25 corporation to meet that need.

26 Sec. 18.56.590. ANNUAL REPORT. To further ensure effective budgetary decision  
27 making by the legislature, the corporation shall present a complete accounting of the housing  
28 assistance revolving fund to the legislature each year by January 10. The accounting must consist  
29 of an audit by an independent outside auditor for that year. The accounting must include a full  
30 description of all mortgage loan interest and principal repayments and program receipts for  
31 purposes of programs under AS 18.56.400 - 18.56.600, including mortgage loan commitment

1 fees, received by or accrued to the corporation during the preceding fiscal year, and all income  
2 earned on assets held by the corporation for purposes of programs under AS 18.56.400 -  
3 18.56.600 during that period.

4 Sec. 18.56.600. DEFINITIONS. In AS 18.56.400 - 18.56.600,

5 (1) "housing" means owner-occupied, single-family housing and owner-occupied  
6 duplexes in which not more than 25 percent of the gross floor area is or will be devoted to  
7 commercial use;

8 (2) "small community" means a community with a population of 5,500 or less  
9 that is not connected by road or rail to Anchorage or Fairbanks, or with a population of 1,400  
10 or less that is connected by road or rail to Anchorage or Fairbanks; in this paragraph, "connected  
11 by road" does not include a connection by the Alaska marine highway system.

12 ARTICLE 3. LOW COST AND LOW INCOME MULTIPLE FAMILY  
13 HOUSING DEVELOPMENT FUND.

14 Sec. 18.56.650. LOW COST AND LOW INCOME MULTIPLE FAMILY HOUSING  
15 DEVELOPMENT. (a) There is created in the corporation a low cost and low income multiple  
16 family housing development fund. Subject to appropriation the corporation shall make grants to  
17 municipalities or public or private nonprofit corporations designated as tax exempt under 26  
18 U.S.C. 501(c)(3) and (4) (Internal Revenue Code of 1954) for the purpose of developing low  
19 cost, low income multiple family housing.

20 (b) Application for a grant under (a) of this section shall be in the form prescribed by  
21 the corporation. The application

22 (1) shall demonstrate the need for low cost, low income multiple family housing  
23 in the area to be served, the feasibility of the proposed project; and

24 (2) must include an adequate management plan that shall demonstrate the ability  
25 of the eligible recipient to sustain the proposed project.

26 (c) A low cost and low income multiple family housing project developed under this  
27 section

28 (1) shall be prepared in accordance with facility procurement policies developed  
29 by the Department of Transportation and Public Facilities under AS 35.10.160 - 35.10.200; and

30 (2) is a public facility under AS 35.10.160 - 35.10.200.

31 (d) The corporation shall adopt regulations under AS 18.56.088 to carry out the purposes

1 of this section.

2 (e) In this section, "low cost and low income multiple family housing"

3 (1) means a specific work or improvement undertaken primarily to provide  
4 multiple family dwelling accommodations for low income persons;

5 (2) includes the acquisition, construction, or rehabilitation of land, buildings,  
6 improvements, and other nonhousing facilities that are incidental or appurtenant to the housing.

7 ARTICLE 4. SENIOR HOUSING OFFICE.

8 Sec. 18.56.700. SENIOR HOUSING OFFICE. (a) There is established in the  
9 corporation a senior housing office. The office shall promote a comprehensive response to the  
10 needs of senior citizens for adequate, accessible, secure, and affordable housing in the state. In  
11 order to fulfill this purpose, the office may

12 (1) study the needs of senior citizens in the state for housing to meet their needs;

13 (2) seek financial assistance from appropriate sources for the development of  
14 housing alternatives for senior citizens;

15 (3) administer the senior housing loan program established under AS 18.56.700 -  
16 18.56.799;

17 (4) cooperate and coordinate with other public and private agencies to respond  
18 to the housing needs of senior citizens;

19 (5) offer public education programs to increase the awareness of alternatives to  
20 large residential facilities for senior citizens;

21 (6) provide information to senior citizens to help them understand their financial  
22 alternatives related to homes they might already own and to help them coordinate with other  
23 senior citizens in finding housing alternatives, including information and coordination on home  
24 equity conversion and home sharing; and

25 (7) disseminate information to construction contractors to educate them about  
26 remodeling projects that would meet the needs of many senior citizens for accessible and secure  
27 housing.

28 (b) In order to avoid duplication of efforts and to benefit from the commission's  
29 expertise, the office shall consult with the Older Alaskans Commission in the performance of the  
30 office's duties under AS 18.56.700 - 18.56.799 so that the housing needs of senior citizens can  
31 be met most efficiently and effectively.

1           Sec. 18.56.710. SENIOR HOUSING REVOLVING FUND. (a) The senior housing  
2 revolving fund is established. The revolving fund consists of appropriations made to it by the  
3 legislature, the proceeds of bonds sold under AS 18.56.790 as they are deposited into it by the  
4 corporation for specific projects, and money or other assets transferred to the revolving fund by  
5 the corporation. The corporation may pledge amounts deposited in the revolving fund for bonds  
6 issued under AS 18.56.790 and used by the corporation for making, purchasing, or participating  
7 in

- 8                   (1) senior housing mortgage loans;
- 9                   (2) loans made for building materials for senior housing;
- 10                  (3) loans made for renovation or improvement of or for senior housing, including  
11 loans for renovation or improvement of congregate or individual residences; and
- 12                  (4) loans made for the construction of senior housing.

13           (b) For each loan proposed to be made under AS 18.56.700 - 18.56.799, the corporation  
14 shall determine the financial feasibility of the project for which the loan would be used and the  
15 extent to which the project would meet senior housing needs in the area for which it is proposed.

16           Sec. 18.56.720. INTEREST RATE. The interest rate on loans made under  
17 AS 18.56.700 - 18.56.799 that are funded by a bond issue under AS 18.56.790 is equal to the  
18 cost of funds of that bond issue plus

- 19                   (1) two percentage points for a construction loan;
- 20                   (2) one-half of one percentage point for a permanent loan.

21           Sec. 18.56.730. CONDITIONS ON LOANS. (a) The corporation shall adopt regulations  
22 under AS 18.56.088(a) and (b) establishing acceptable security for loans originated or purchased  
23 in whole or in part under AS 18.56.700 - 18.56.799.

24           (b) The corporation

25                   (1) may condition a loan under AS 18.56.700 - 18.56.799 on an agreement by the  
26 borrower to maintain the financed project as senior housing for a time period specified by the  
27 corporation; and

28                   (2) shall establish by regulation the criteria it will use for specifying time periods  
29 under (1) of this subsection and for determining under what circumstances the time periods can  
30 be decreased after the loan is made.

31           Sec. 18.56.740. FIRE INSURANCE. Before purchasing or participating in the purchase

1 of a senior housing mortgage loan, the corporation shall require the borrower to agree to purchase  
2 and maintain fire insurance for the real property for which the loan is made in an amount not less  
3 than the outstanding principal balance of the loan.

4 Sec. 18.56.750. LOAN ORIGINATION AND SERVICING. (a) Before purchasing or  
5 participating in the purchase of a senior housing loan, the corporation shall enter into a loan  
6 servicing agreement with the private financial institution from which the loan is to be purchased.

7 (b) The corporation may execute service agreements with private lending institutions or  
8 with regional native housing authorities established under AS 18.55.996 to service loans  
9 originated by the office.

10 (c) Under the servicing agreement, the private financial institution or the regional native  
11 housing authority shall administer the loan and may charge the corporation a negotiated  
12 origination or servicing fee on the office's share of the loan. When appropriate, the private  
13 financial institution or the regional native housing authority may also charge the borrower a  
14 reasonable origination fee not to exceed one percent.

15 Sec. 18.56.760. APPRAISALS. Before originating or purchasing or participating in the  
16 purchase of a senior housing mortgage loan, the corporation may have or may require the  
17 borrower to have an appraisal made of the fair market value of the real property, including  
18 structures on the real property, for which the loan is made. In conducting an appraisal under this  
19 section, the appraiser shall give full value to insulation and other features of construction in  
20 structures on the real property that add to the energy efficiency of the structures.

21 Sec. 18.56.770. TOLL-FREE TELEPHONE NUMBER. The corporation shall arrange  
22 for and maintain a toll-free telephone number for senior housing purposes so that private financial  
23 institutions and their borrowers may contact the office from any location in the state by telephone  
24 without a toll charge.

25 Sec. 18.56.780. CONTRACTING FOR SERVICES. The corporation may contract for  
26 the services of persons who will assist the office in performing its duties under AS 18.56.700 -  
27 18.56.799.

28 Sec. 18.56.790. BONDS FOR SENIOR HOUSING. (a) Under the procedures of this  
29 chapter, the corporation may issue bonds in a total amount not exceeding \$30,000,000 to fund  
30 senior housing loans made under AS 18.56.700 - 18.56.799 that are approved by the corporation  
31 under (b) of this section.

1 (b) Before issuing its bonds under this section, the corporation shall compile a list of  
2 approved senior housing projects that it has determined are financially feasible and meet housing  
3 needs for senior citizens as required under AS 18.56.710(b).

4 (c) The proceeds of bonds issued under this section for approved projects shall be  
5 deposited in the senior housing revolving fund administered by the senior housing office under  
6 AS 18.56.700 - 18.56.799 on a schedule determined by the corporation.

7 (d) There is established in the corporation a senior housing bond account. The account  
8 consists of proceeds of bonds issued under this section, money appropriated to the account,  
9 repayments of principal the corporation collects for a loan made under AS 18.56.700 - 18.56.799  
10 that was funded by bonds issued under this section, and the corporation's right, title, and interest  
11 in property financed through a loan made under AS 18.56.700 - 18.56.799 that was funded by  
12 bonds issued under this section. The corporation may pledge assets in the account and in the  
13 senior housing revolving fund for the payment of bonds issued under this section and may use  
14 money in the account for payment of the bonds.

15 (e) In this section, "bond" has the meaning given in AS 18.56.390.

16 Sec. 18.56.799. DEFINITIONS. In AS 18.56.700 - 18.56.799,

17 (1) "office" means the senior housing office established under AS 18.56.700;

18 (2) "senior housing"

19 (A) means construction or improvement undertaken primarily to provide  
20 dwelling accommodations for persons 60 years of age or older, including conventional  
21 housing, housing for frail elderly, group homes, congregate housing, residential horizontal  
22 property regimes organized under AS 34.07, residential cooperatives organized under  
23 AS 10.15 or AS 34.08, residential condominiums organized under AS 34.08, and other  
24 housing that meets special needs of the elderly;

25 (B) includes acquisition, construction, or rehabilitation of land, buildings,  
26 improvements, and other nonhousing facilities that are incidental or appurtenant to the  
27 housing described in (A) of this paragraph.

## 28 ARTICLE 5. SENIOR CITIZENS HOUSING DEVELOPMENT FUND.

29 Sec. 18.56.800. DECLARATION OF PURPOSE. There exists in the state a serious  
30 shortage of decent, safe and sanitary residential housing available at low or moderate prices or  
31 rentals to persons 60 years of age or older. There also exists in the state organizations whose

1 purposes are to provide the kinds of housing needed to alleviate this shortage. Development  
2 work to provide such housing involves substantial expense that is often beyond the resources of  
3 the organizations.

4 Sec. 18.56.810. SENIOR CITIZENS HOUSING DEVELOPMENT. (a) There is created  
5 in the corporation a senior citizens housing development fund. Subject to direct appropriation  
6 or through proceeds of a bond issue, the corporation shall make grants to municipalities or public  
7 or private nonprofit corporations designated as tax exempt under 26 U.S.C. 501(c)(3) and (4)  
8 (Internal Revenue Code of 1954) for the purpose of developing senior citizen housing. A grant  
9 from the proceeds of a bond issue may be made only to municipalities.

10 (b) Application for a grant under (a) of this section shall be in the form prescribed by  
11 the corporation. The application

12 (1) shall demonstrate the need for senior citizen housing in the area to be served  
13 and the feasibility of the proposed project; and

14 (2) must include an adequate management plan that shall demonstrate the ability  
15 of the eligible recipient to sustain the proposed project.

16 (c) A senior citizen housing project developed under this section

17 (1) shall be prepared in accordance with facility procurement policies developed  
18 by the Department of Transportation and Public Facilities under AS 35.10.160 - 35.10.200; and

19 (2) is a public facility under AS 35.10.160 - 35.10.200.

20 (d) The corporation shall adopt regulations to carry out the purposes of this section. The  
21 provisions of AS 18.56.088(a) and (b) apply to regulations adopted under this section.

22 (e) In this section, "senior citizen housing" has the meaning given "senior housing" in  
23 AS 18.56.799.

## 24 ARTICLE 6. ENERGY CONSERVATION.

25 Sec. 18.56.850. HOME ENERGY CONSERVATION AND WEATHERIZATION  
26 PROGRAM. (a) The corporation shall plan, study, implement, and assist programs for home  
27 energy conservation and weatherization including, without limitation, the

28 (1) Alaska craftsman home program;

29 (2) energy rated homes of Alaska program;

30 (3) home energy loan program;

31 (4) rural capital retrofit program; and

1 (5) low income weatherization program.

2 (b) ~~In the~~ development of a home energy conservation or weatherization program under  
3 (a) of this section, the corporation may not consider the value of Alaska longevity bonus  
4 payments under AS 47.45 or permanent fund dividends under AS 43.23 in determining whether  
5 a person meets income guidelines established under AS 18.56.088 and (a) of this section for a  
6 state or, to the extent permitted by federal law, a federal energy conservation or weatherization  
7 program.

8 \* Sec. 101. AS 18.56.900 is repealed and reenacted to read:

9 Sec. 18.56.900. DEFINITIONS. In this chapter,

10 (1) "board" means the board of directors of the corporation;

11 (2) "corporation" means the Alaska Housing Finance Corporation created by this  
12 chapter.

13 \* Sec. 102. AS 09.25.115(g) is amended to read:

14 (g) Each public agency shall establish the fees for the electronic services and products  
15 provided under this section. The Telecommunications Information Council may cancel the fees  
16 established by a public agency in the executive branch, except the fees of [INCLUDING THE  
17 ALASKA STATE HOUSING AUTHORITY, BUT NOT INCLUDING] the University of Alaska  
18 and the Alaska Railroad Corporation, if the council determines that the fees are unreasonably  
19 high.

20 \* Sec. 103. AS 09.25.123(a) is amended to read:

21 (a) The Telecommunications Information Council shall supervise and adopt regulations  
22 for the operation and implementation of AS 09.25.110 - 09.25.140 by public agencies in the  
23 executive branch, except [INCLUDING THE ALASKA STATE HOUSING AUTHORITY, BUT  
24 NOT INCLUDING] the Alaska Railroad Corporation.

25 \* Sec. 104. AS 09.25.220(5) is amended to read:

26 (5) "public agency" means a political subdivision, department, institution, board,  
27 commission, division, authority, public corporation, council, committee, or other instrumentality  
28 of the state or a municipality; "public agency" includes the University of Alaska [, THE  
29 ALASKA STATE HOUSING AUTHORITY,] and the Alaska Railroad Corporation;

30 \* Sec. 105. AS 09.38.015(c) is amended to read:

31 (c) Property of the state, a general law or home rule municipality, and of [THE

1 ALASKA STATE HOUSING AUTHORITY,] the Alaska Municipal Bond Bank Authority [,] or  
2 another [OTHER] state public corporation is exempt.

3 \* Sec. 106. AS 18.60.545(6) is amended to read:

4 (6) "state agency" or "agency of the state"

5 (A) means a state department or agency, whether in the legislative,  
6 judicial, or executive branch;

7 (B) [, INCLUDING SUCH ENTITIES AS THE ALASKA STATE  
8 HOUSING AUTHORITY; "STATE AGENCY" OR "AGENCY OF THE STATE"] does  
9 not include the University of Alaska, a municipality, or an agency of a municipality.

10 \* Sec. 107. AS 29.45.050(l) is amended to read:

11 (l) A municipality may by ordinance exempt from taxation an interest, other than record  
12 ownership, in real property of an individual residing in the property if the property has been  
13 developed, improved, or acquired with federal funds for low-income housing and is owned or  
14 managed as low-income housing by the Alaska Housing Finance Corporation under  
15 AS 18.55.100 - 18.55.960 [ALASKA STATE HOUSING AUTHORITY] or by a regional  
16 housing authority formed under AS 18.55.996. However, the corporation may make payments  
17 to the municipality or political subdivision for improvements, services, and facilities  
18 furnished by it for the benefit of a housing project, and this subsection [THIS SECTION]  
19 does not prohibit a municipality from receiving those payments or any payments in lieu of taxes  
20 authorized under federal law.

21 \* Sec. 108. AS 34.60.135 is amended to read:

22 Sec. 34.60.135. PLANNING LOANS FOR ADDITIONAL HOUSING. In addition to  
23 the other programs authorized by this chapter, the Alaska Housing Finance Corporation [A  
24 STATE AGENCY] may make loans in order to encourage and facilitate the construction or  
25 rehabilitation of housing to meet the needs of displaced persons. These loans are a part of the  
26 federally assisted project cost and may be made to nonprofit, limited dividend, or cooperative  
27 organizations, or to public bodies. The loans may be made only for necessary and reasonable  
28 expenses, before construction, for planning and obtaining federally insured mortgage financing  
29 for the rehabilitation or construction of housing for displaced persons. The loans may not exceed  
30 80 percent of the reasonable costs expected to be incurred in planning, and in obtaining financing  
31 for housing for displaced persons. Reasonable costs include but are not limited to costs for

1 preliminary surveys and analysis of market needs, preliminary architectural fees, site acquisition,  
2 application and mortgage commitment fees, and construction loan fees and discounts. Loans to  
3 an organization established for profit shall bear interest at a market rate established by the Alaska  
4 Housing Finance Corporation [STATE AGENCY]. All other loans shall be without interest.  
5 The Alaska Housing Finance Corporation [STATE AGENCY] shall require repayment of loans  
6 made under this section [,] under terms and conditions that it may prescribe [ESTABLISHED  
7 BY THE STATE AGENCY]. Repayment shall be made upon completion of the project or  
8 sooner, and except in the case of a loan to an organization established for profit, the Alaska  
9 Housing Finance Corporation [STATE AGENCY] may cancel any part or all of a loan if the  
10 corporation determines [FOLLOWING A DETERMINATION BY THE STATE AGENCY] that  
11 a permanent loan to finance the rehabilitation or construction of the housing cannot be obtained  
12 in an amount adequate for repayment of the loan.

13 \* Sec. 109. AS 34.60.137 is amended to read:

14 Sec. 34.60.137. HOUSING REPLACEMENT ASSISTANCE AS LAST RESORT. If a  
15 federal aided program or project cannot proceed to actual construction because comparable  
16 replacement sale or rental housing is not available, and the state agency determines that housing  
17 cannot otherwise be made available, the agency may take, or may request the Alaska Housing  
18 Finance Corporation to take, action necessary or appropriate to provide the housing either by  
19 use of funds authorized for the project or by use of money available to the corporation.

20 \* Sec. 110. AS 35.05.040 is amended to read:

21 Sec. 35.05.040. POWERS OF DEPARTMENT. The department may  
22 (1) acquire property;  
23 (2) exercise the power of eminent domain;  
24 (3) take immediate possession of real property, or any interest in it under a  
25 declaration of taking or by other lawful means;  
26 (4) acquire rights-of-way for present or future use;  
27 (5) dispose of excess property or property rights;  
28 (6) accept and dispose of federal funds or property available for public works  
29 construction, maintenance, or equipment;  
30 (7) enter into contracts or agreements relating to public works with the federal  
31 government and political subdivisions, and also enter into contracts with a foreign government

1 if approved by the federal government;

2 (8) exercise any other power necessary to carry out the purpose of this title;

3 (9) lease or grant land or any interest in land to the Alaska Housing Finance  
4 Corporation for a purpose set out in AS 18.55.100 - 18.55.960 [ALASKA STATE HOUSING  
5 AUTHORITY] on terms and conditions prescribed by the department;

6 (10) procure directly materials, labor and contractual services for planning,  
7 designing and constructing public facilities of the state.

8 \* Sec. 111. AS 36.30.015(f) is amended to read:

9 (f) The board of directors of the Alaska Housing Finance Corporation, notwithstanding  
10 AS 18.56.088, [AND THE BOARD OF DIRECTORS OF THE ALASKA STATE HOUSING  
11 AUTHORITY] shall adopt regulations under the Administrative Procedure Act (AS 44.62) to  
12 govern the procurement of supplies, services, professional services, and construction for it [THE  
13 RESPECTIVE PUBLIC CORPORATIONS]. The regulations must

14 (1) reflect competitive bidding principles and provide vendors reasonable and  
15 equitable opportunities to participate in the procurement process; and

16 (2) include procurement methods to meet emergency and extraordinary  
17 circumstances.

18 \* Sec. 112. AS 36.30.050(c) is amended to read:

19 (c) The lists may be used by the chief procurement officer or an agency when issuing  
20 invitations to bid or requests for proposals under this chapter. The lists may be used by the  
21 legislative council, the court system, [THE ALASKA STATE HOUSING AUTHORITY,] and  
22 the Alaska Railroad Corporation.

23 \* Sec. 113. AS 36.30.735(b) is amended to read:

24 (b) In this section, "state agency"

25 (A) means a state department or agency, whether in the legislative,  
26 judicial, or executive branch;

27 (B) does not include [, INCLUDING SUCH ENTITIES AS THE  
28 ALASKA STATE HOUSING AUTHORITY, BUT NOT INCLUDING] the University  
29 of Alaska, a municipality, or an agency of a municipality [OR THE ALASKA STATE  
30 HOUSING AUTHORITY].

31 \* Sec. 114. AS 36.30.990(1) is amended to read:

1 (1) "agency"

2 (A) means a department, institution, board, commission, division,  
3 authority, public corporation, the Alaska Pioneers' Home, or other administrative unit of  
4 the executive branch of state government;

5 (B) does not include

6 (i) the University of Alaska;

7 (ii) [THE ALASKA STATE HOUSING AUTHORITY;

8 (iii)] the Alaska Railroad Corporation;

9 (iii) [(iv)] the Alaska Housing Finance Corporation;

10 (iv) [(v)] a regional Native housing authority created under  
11 AS 18.55.996, or a regional electrical authority created under AS 18.57.020;

12 (v) [(vi)] the Alaska Aerospace Development Corporation;

13 \* Sec. 115. AS 37.05.146 is amended to read:

14 Sec. 37.05.146. DEFINITION OF PROGRAM RECEIPTS. In AS 37.05.142 - 37.05.146  
15 and AS 37.07.080, "program receipts" means fees, charges, income earned on assets, and other  
16 state money received by a state agency in connection with the performance of its functions; all  
17 program receipts except the following are general fund program receipts:

18 (1) federal receipts;

19 (2) University of Alaska receipts (AS 14.40.491);

20 (3) individual, foundation, or corporation gifts, grants, or bequests that by their  
21 terms are restricted to a specific purpose;

22 (4) receipts of the following funds:

23 (A) highway working capital fund (AS 44.68.210);

24 (B) correctional industries fund (AS 33.32.020);

25 (C) loan funds;

26 (D) international airports revenue fund (AS 37.15.430);

27 (E) funds managed by the Alaska Aerospace Development Corporation  
28 (AS 14.40.821), [THE ALASKA STATE HOUSING AUTHORITY (AS 18.55.020),] the  
29 Alaska Housing Finance Corporation (AS 18.56.020), the Alaska Railroad Corporation  
30 (AS 42.40.010), the Municipal Bond Bank Authority (AS 44.85.020), or the Alaska  
31 Industrial Development and Export Authority (AS 44.88.020);

- 1 (F) fish and game fund (AS 16.05.100);  
2 (G) school fund (AS 43.50.140);  
3 (H) training and building fund (AS 23.20.130);  
4 (I) retirement funds (AS 14.25, AS 22.25, AS 26.05.222, AS 39.35, and  
5 former AS 39.37);  
6 (J) permanent fund (art. IX, sec. 15, Alaska Constitution);  
7 (K) public school trust fund (AS 37.14.110);  
8 (L) second injury fund (AS 23.30.040);  
9 (M) fishermen's fund (AS 23.35.060);  
10 (N) FICA administration fund (AS 39.30.050);  
11 (O) mental health trust fund (AS 37.14.031).

12 \* Sec. 116. AS 39.05.060(a) is amended to read:

13 (a) Each member of the following shall be a citizen of the United States:

- 14 (1) Local Boundary Commission;  
15 (2) Alcoholic Beverage Control Board;  
16 (3) Employment Security Advisory Council;  
17 (4) [ALASKA STATE HOUSING AUTHORITY];  
18 (5)] Board of Fisheries;  
19 (5) [(6) REPEALED,  
20 (7) REPEALED,  
21 (8) REPEALED,  
22 (9)] the Governor's Commission on the Involvement of Young People in  
23 Government;  
24 (6) [(10)] Board of Game.

25 \* Sec. 117. AS 39.50.200(a)(4) is amended to read:

26 (4) "instrumentality of the state" means a state department or agency, whether in  
27 the legislative, judicial, or executive branch, including [SUCH ENTITIES AS] the University of  
28 Alaska [AND THE ALASKA STATE HOUSING AUTHORITY];

29 \* Sec. 118. AS 44.21.230(a)(9) is amended to read:

30 (9) give assistance, on request, to the senior housing office in the Alaska Housing  
31 Finance Corporation [DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS] in

1 administration of the senior housing loan program under AS 18.56.710 - 18.56.799  
2 [AS 44.47.587 - 44.47.609] and in the performance of the office's other duties under  
3 AS 18.56.700 [AS 44.47.585]; and

4 \* Sec. 119. AS 44.21.240(6) is amended to read:

5 (6) "senior citizen housing" has the meaning given "senior housing" in  
6 AS 18.56.799 [AS 44.47.620(e)].

7 \* Sec. 120. AS 44.47.370 is amended to read:

8 Sec. 44.47.370. POWERS OF COMMISSIONER. The commissioner may

9 (1) adopt regulations in accordance with the Administrative Procedure Act  
10 (AS 44.62) to implement AS 44.47.370 - 44.47.560;

11 (2) make and execute agreements, contracts, and other instruments necessary or  
12 convenient in the exercise of the commissioner's powers and functions under AS 44.47.370 -  
13 44.47.560;

14 (3) purchase or participate in the purchase of small community  
15 [NONCONFORMING AND RURAL] housing mortgage loans under [IN ACCORDANCE  
16 WITH] AS 44.47.370 - 44.47.560;

17 (4) purchase or participate in the purchase of loans for building materials for  
18 small community [NONCONFORMING AND RURAL] housing under [IN ACCORDANCE  
19 WITH] AS 44.47.370 - 44.47.560;

20 (5) procure insurance against loss in connection with the director's functions  
21 under AS 44.47.370 - 44.47.560;

22 (6) acquire real or personal property, or an interest in real or personal property,  
23 by purchase, transfer, or foreclosure, when the acquisition is necessary or appropriate to protect  
24 a loan in which the department has an interest; sell, transfer, and convey that property to a buyer,  
25 and, if the sale, transfer, or conveyance cannot be effected with reasonable promptness or at a  
26 reasonable price, rent or lease the property to a tenant pending the sale, transfer, or conveyance;

27 (7) do all acts necessary, convenient or desirable to carry out the powers expressly  
28 granted or necessarily implied in AS 44.47.370 - 44.47.560;

29 (8) originate and service direct loans made to qualified buyers under [IN  
30 ACCORDANCE WITH] AS 44.47.370 - 44.47.560.

31 \* Sec. 121. AS 44.47.380(a) is amended to read:

1 (a) There is created in the department, as a revolving loan fund, the housing assistance  
2 loan fund consisting of money appropriated to it by the legislature and repayments of principal  
3 and interest on loans made or purchased from the assets of the fund. The commissioner shall  
4 administer the housing assistance loan fund under [IN ACCORDANCE WITH] AS 44.47.370 -  
5 44.47.560 and shall use the money in the housing assistance loan fund to originate, purchase, or  
6 participate in the purchase of

7 (1) small community [NONCONFORMING AND RURAL] housing mortgage  
8 loans;

9 (2) loans made for building materials for small community [NONCONFORMING  
10 AND RURAL] housing;

11 (3) loans made for renovations or improvements to small community  
12 [NONCONFORMING AND RURAL] housing;

13 (4) loans made for the construction of owner-occupied small community  
14 [NONCONFORMING AND RURAL] housing other than loans to builders or contractors or loans  
15 that compensate an owner for the owner's labor or services in constructing the owner's own  
16 housing.

17 \* Sec. 122. AS 44.47.390 is amended to read:

18 Sec. 44.47.390. LIMITATIONS ON USE OF HOUSING ASSISTANCE LOAN FUND.

19 The commissioner may not use the money in the housing assistance loan fund to

20 (1) originate a direct loan or purchase or participate in the purchase of a small  
21 community [NONCONFORMING OR RURAL] housing mortgage loan that exceeds the  
22 limitations on mortgage loans purchased by the Federal National Mortgage Association as to  
23 principal amount or loan-to-value ratio;

24 (2) originate a direct loan or purchase or participate in the purchase of a loan  
25 made for building materials for small community [NONCONFORMING OR RURAL] housing

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

27 (i) 80 percent of the appraised value of the work completed on the  
28 small community [NONCONFORMING OR RURAL] housing for which the loan  
29 is made if the small community [NONCONFORMING OR RURAL] housing is  
30 pledged as collateral for the loan; or

31 (ii) 90 percent of the value of other property that is pledged as

1 security for the loan and that is satisfactory to the commissioner as collateral;

2 (B) unless the terms of the loan agreement require inspections and  
3 certifications, as required by regulations of the commissioner, at the expense of the  
4 borrower; and

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

7 (3) originate direct loans or purchase or participate in the purchase of a small  
8 community [NONCONFORMING OR RURAL] housing mortgage loan that is secured by real  
9 property the marketable title to which is shown under [IN ACCORDANCE WITH] AS  
10 44.47.420(b)(2) if the total amount of outstanding small community [NONCONFORMING AND  
11 RURAL] housing mortgage loans held by the department exceeds 10 times the amount of money  
12 in the restricted title loss reserve account (AS 44.47.430);

13 (4) originate a direct loan for small community [NONCONFORMING OR  
14 RURAL] housing or purchase or participate in the purchase of a small community  
15 [NONCONFORMING OR RURAL] housing mortgage loan, other than a loan for the repair,  
16 remodeling, rehabilitation, or expansion of an existing owner-occupied residence, if the borrower  
17 has an outstanding housing loan made under a state loan program, other than a loan for  
18 nonowner-occupied housing under former AS 44.47.520, that bears interest at a rate that was less  
19 than the prevailing market interest rate for similar housing loans at the time the loan was made;

20 (5) originate a direct mortgage loan or purchase or participate in the purchase of  
21 a mortgage loan for rental housing unless the borrower agrees not to discriminate against tenants  
22 or prospective tenants because of sex, marital status, changes in marital status, pregnancy,  
23 parenthood, race, religion, color, national origin, or status as a student;

24 (6) originate, purchase, or participate in a loan to a person who has a past due  
25 child support obligation established by court order or by the child support enforcement division  
26 under AS 25.27.160 - 25.27.220 at the time of application.

27 \* Sec. 123. AS 44.47.410(b) is amended to read:

28 (b) The interest rate on a mortgage loan originated or purchased in whole or in part under  
29 AS 44.47.380 for small community [RURAL] housing is one percent less than the interest rate,  
30 as determined under AS 18.56.098(g)(1) - (4), on a mortgage loan purchased under  
31 AS 18.56.098(a) from the proceeds of the most recent applicable issue of taxable bonds before

1 the origination or purchase of the mortgage loan originated or purchased under AS 44.47.380.

2 \* Sec. 124. AS 44.47.420(a) is amended to read:

3 (a) Before the commissioner originates or purchases a small community  
4 [NONCONFORMING OR RURAL] housing mortgage loan in whole or in part, the commissioner  
5 may require a borrower to show marketable title to real property offered as security for the loan  
6 to be purchased.

7 \* Sec. 125. AS 44.47.430(b) is amended to read:

8 (b) The commissioner may withdraw money from the restricted title loss reserve account  
9 in an amount equal to the loss to the department on a small community [NONCONFORMING  
10 OR RURAL] housing mortgage loan originated or purchased in whole or in part by the  
11 department if marketable title to the real property used to secure the loan was shown under [IN  
12 ACCORDANCE WITH] AS 44.47.420(b)(2). Money withdrawn from the restricted title loss  
13 reserve account under this section shall be deposited in the housing assistance loan fund.

14 \* Sec. 126. AS 44.47.440 is amended to read:

15 Sec. 44.47.440. FIRE INSURANCE. Before purchasing or participating in the purchase  
16 of a small community [NONCONFORMING OR RURAL] housing mortgage loan, the  
17 commissioner may require the borrower to agree to purchase and maintain fire insurance for the  
18 real property for which the loan is made in an amount not less than the outstanding principal  
19 balance of the loan.

20 \* Sec. 127. AS 44.47.470 is amended to read:

21 Sec. 44.47.470. APPRAISALS. Before originating or purchasing or participating in the  
22 purchase of a small community [NONCONFORMING OR RURAL] housing mortgage loan, the  
23 commissioner may have or may require the borrower to have an appraisal made of the fair  
24 market value of the real property, including structures on the real property, for which the loan  
25 is made. In conducting an appraisal under this section, the appraiser shall give full value to  
26 insulation and other features of construction in structures on the real property that add to the  
27 energy efficiency of the structures.

28 \* Sec. 128. AS 44.47.490(a) is amended to read:

29 (a) The commissioner may establish field offices under this chapter, may hire one or  
30 more lending officers, and, under AS 36.30 (State Procurement Code), may contract for the  
31 services of

1 (1) real property appraisers who are familiar with housing and [RURAL]  
2 construction in small communities; and

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

5 \* Sec. 129. AS 44.47.520(a) is amended to read:

6 (a) In addition to the powers authorized by AS 44.47.370 the commissioner may adopt  
7 regulations allowing the use of money in the housing assistance loan fund to make loans for the  
8 purchase or development of nonowner occupied housing in small communities [RURAL AREAS  
9 OF THE STATE].

10 \* Sec. 130. AS 44.47.520(c) is amended to read:

11 (c) The principal amount of loans made for nonowner occupied housing under this  
12 section may not exceed 20 percent of the total principal amount of loans made for small  
13 community [NONCONFORMING AND RURAL] housing under AS 44.47.370 - 44.47.560.

14 \* Sec. 131. AS 44.47.520(d) is amended to read:

15 (d) In this section,

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

18 (2) "nonowner occupied housing" means a single-family residence or a  
19 multi-family residence having up to eight dwelling units [, THAT IS NOT NONCONFORMING  
20 HOUSING,] and is not occupied by the owner; the commissioner may modify this definition if  
21 the commissioner determines that there is a special need for nonowner occupied housing and that  
22 a change in the definition is necessary to enable the department to meet that need.

23 \* Sec. 132. AS 44.47.560 is amended to read:

24 Sec. 44.47.560. DEFINITIONS. In AS 44.47.370 - 44.47.560,

25 (1) [REPEALED

26 (2) REPEALED

27 (3)] "housing" means owner-occupied, single-family housing and owner-occupied  
28 duplexes in which not more than 25 percent of the gross floor area is or will be devoted to  
29 commercial use;

30 (2) "small community" [(4) "NONCONFORMING HOUSING" MEANS  
31 HOUSING THAT DOES NOT CONFORM TO MINIMUM BUILDING STANDARDS UNDER

1 ANY STATE OR FEDERAL PROGRAM THAT PROVIDES LOANS FOR HOUSING  
2 PURCHASES:

3 (5) "RURAL"] means

4 [(A) a community [IN THE SECOND, THIRD, OR FOURTH JUDICIAL  
5 DISTRICT OF THE STATE] with a population of 5,500 [4,500] or less that is not  
6 connected by road or rail to Anchorage or Fairbanks [;] or with a population of  
7 1,400 or less that is connected by road or rail to Anchorage or Fairbanks: in  
8 this paragraph "connected by road" does not include a connection by the  
9 Alaska marine highway system

10 [(B) A COMMUNITY IN THE FIRST JUDICIAL DISTRICT OF THE  
11 STATE WITH A POPULATION OF 4,500 OR LESS;

12 (6) "RURAL HOUSING" MEANS HOUSING WHETHER OR NOT IT IS  
13 NONCONFORMING HOUSING THAT IS LOCATED IN A RURAL AREA OF THE STATE].

14 \* Sec. 133. AS 44.99.020 is amended to read:

15 Sec. 44.99.020. USE OF PAPER. A state agency shall use both sides of paper when  
16 feasible. In this section, "state agency" means a department, institution, board, commission,  
17 division, authority, public corporation, or other administrative unit of the executive, legislative,  
18 or judicial branch of state government, including the University of Alaska, [THE ALASKA  
19 STATE HOUSING AUTHORITY,] the Alaska Railroad Corporation, and legislative committees.

20 \* Sec. 134. AS 44.99.350(3) is amended to read:

21 (3) "state agency"

22 (A) means a department, institution, board, commission, division,  
23 authority, public corporation, committee, or other administrative unit of the executive,  
24 judicial, or legislative branch of state government, including the University of Alaska;

25 (B) does not include [AND THE ALASKA STATE HOUSING  
26 AUTHORITY, BUT NOT INCLUDING] the Alaska Railroad Corporation.

27 \* Sec. 135. AS 44.99.400 is amended to read:

28 Sec. 44.99.400. COPYRIGHTS. A state agency may hold the copyright for software  
29 created by the agency or developed by a private contractor for an agency, and may enforce its  
30 rights to protect the copyright. In this section, "state agency" means a department, institution,  
31 board, commission, division, authority, public corporation, committee, or other administrative unit

1 of the executive, judicial, or legislative branch of state government, including the University of  
2 Alaska, [THE ALASKA STATE HOUSING AUTHORITY,] the Alaska Aerospace Development  
3 Corporation, and the Alaska Railroad Corporation.

4 \* Sec. 136. AS 46.07.030(b) is amended to read:

5 (b) The location of a facility constructed under this chapter shall be determined by the  
6 commissioner after consultation with the governing body of the village in which the facility is  
7 located, as well as with appropriate public agencies [, INCLUDING BUT NOT LIMITED TO  
8 THE ALASKA STATE HOUSING AUTHORITY]. The aim of the consultation is to achieve  
9 maximum coordination in public development plans and activities affecting the community in  
10 which the facility is to serve.

11 \* Sec. 137. AS 46.11.040 is amended to read:

12 Sec. 46.11.040. APPLICABILITY OF THERMAL AND LIGHTING ENERGY  
13 STANDARDS TO RESIDENTIAL BUILDINGS. State financial assistance may not be approved  
14 or granted for the construction of or purchase of a loan for a residential building if construction  
15 of the building began [BEGINS] after December 31, 1991, unless

16 (1) the building is in compliance with thermal and lighting energy standards;

17 (2) the building is in compliance with the building code of a municipality and the  
18 standards for thermal and lighting energy of the municipal building code meet or exceed the  
19 thermal and lighting energy standards;

20 (3) the building

21 (A) is constructed under an exception to the municipal building code  
22 granted because the exception will result in increased energy efficiency; or

23 (B) is located or is to be located in an area where thermal and lighting  
24 energy standards are not justified because of the high cost of implementation of the  
25 standards, with specific consideration given to the availability of inexpensive home  
26 heating energy sources, as determined under regulations adopted by the Alaska Housing  
27 Finance Corporation [COMMISSIONER OF COMMUNITY AND REGIONAL  
28 AFFAIRS]; or

29 (4) the applicant agrees, in writing, that the building will be brought into  
30 compliance with thermal and lighting energy standards within one year of conveyance.

31 \* Sec. 138. AS 46.11.900(8) is amended to read:

1 (8) "thermal and lighting energy standards" means the thermal and lighting energy  
2 standards -

3 (A) established by the American Society of Heating, Refrigeration, and  
4 Air Conditioning Engineers as revised

5 (i) by the commissioner of transportation and public facilities under  
6 AS 44.42.020(a) for public facilities; or

7 (ii) by the Alaska Housing Finance Corporation  
8 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS] for  
9 buildings and structures that are not public facilities; or

10 (B) developed in regulations adopted

11 (i) by the commissioner of transportation and public facilities under  
12 AS 44.42.020(a) for public facilities; or

13 (ii) by the Alaska Housing Finance Corporation  
14 [COMMISSIONER OF COMMUNITY AND REGIONAL AFFAIRS] for  
15 buildings and structures that are not public facilities.

16 \* Sec. 139. AS 44.47.410(a) is repealed.

17 \* Sec. 140. AS 18.55.020, 18.55.030, 18.55.050, 18.55.070, 18.55.430, 18.55.640, 18.55.950(2),  
18 AS 18.56.083, AS 39.50.200(b)(12), AS 44.47.050(a)(18), 44.47.050(b), 44.47.370, 44.47.378, 44.47.380,  
19 44.47.382, 44.47.390, 44.47.395, 44.47.400, 44.47.410(b), 44.47.420, 44.47.430, 44.47.440, 44.47.460,  
20 44.47.470, 44.47.475, 44.47.480, 44.47.490, 44.47.500, 44.47.510, 44.47.520, 44.47.530, 44.47.560,  
21 44.47.585, 44.47.587, 44.47.589, 44.47.591, 44.47.593, 44.47.595, 44.47.597, 44.47.599, 44.47.601,  
22 44.47.603, 44.47.609, 44.47.610, 44.47.620, 44.47.630, 44.47.635, and AS 44.99.200(b)(5) are repealed.

23 \* Sec. 141. TRANSITIONAL PROVISIONS RELATING TO MERGER OF ALASKA STATE  
24 HOUSING AUTHORITY. (a) All contracts, rights, liabilities, bonds, notes, or other obligations of the  
25 Alaska State Housing Authority created by or under a law amended or repealed by this Act and in effect  
26 on the effective date of this section, remain in effect notwithstanding this Act's taking effect, with all  
27 contracts, rights, liabilities, bonds, notes, or other obligations of the Alaska State Housing Authority  
28 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the Alaska Housing Finance  
29 Corporation with the same limitations and provisions as under a contract, right, liability, bond, note, or  
30 other obligation of the former Alaska State Housing Authority.

31 (b) All records, equipment, appropriations, and other property of the Alaska State Housing

1 Authority shall be transferred to the Alaska Housing Finance Corporation to implement the provisions  
2 of this Act.

3 (c) Employees of the Alaska State Housing Authority become employees of the Alaska Housing  
4 Finance Corporation on the effective date of this section.

5 \* Sec. 142. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF HOUSING  
6 PROGRAMS FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) All  
7 contracts, rights, liabilities, bonds, notes, or other obligations of the Department of Community and  
8 Regional Affairs under former AS 44.47.370 - 44.47.560 and 44.47.635 created by or under a law  
9 amended or repealed by this Act and in effect on the effective date of this section, remain in effect  
10 notwithstanding this Act's taking effect, with all contracts, rights, liabilities, bonds, notes, or other  
11 obligations of the Department of Community and Regional Affairs incurred under former AS 44.47.370 -  
12 44.47.560 and 44.47.635 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the  
13 Alaska Housing Finance Corporation.

14 (b) All records, equipment, appropriations, and other property of the Department of Community  
15 and Regional Affairs held under former AS 44.47.370 - 44.47.560 and 44.47.635 shall be transferred to  
16 the Alaska Housing Finance Corporation to implement the provisions of this Act.

17 (c) Employees of the Department of Community and Regional Affairs responsible for  
18 administration of the programs set out in former AS 44.47.370 - 44.47.560 and 44.47.635 become  
19 employees of the Alaska Housing Finance Corporation on the effective date of this section.

20 (d) Notwithstanding sec. 147(b) of this Act, on the effective date of this section, the cash balance  
21 of the housing assistance loan fund of former AS 44.47.380, exclusive of the loan purchases made under  
22 sec. 147(a) of this Act, becomes the cash balance of the housing assistance loan fund established in  
23 AS 18.56.420, added by sec. 100 of this Act.

24 \* Sec. 143. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF SENIOR CITIZEN  
25 HOUSING PROGRAMS FROM THE DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS.

26 (a) All contracts, rights, liabilities, bonds, notes, or other obligations of the Department of Community  
27 and Regional Affairs under former AS 44.47.585 - 44.47.620 created by or under a law amended or  
28 repealed by this Act and in effect on the effective date of this section, remain in effect notwithstanding  
29 this Act's taking effect, with all contracts, rights, liabilities, bonds, notes, or other obligations of the  
30 Department of Community and Regional Affairs incurred under former AS 44.47.585 - 44.47.620  
31 becoming contracts, rights, liabilities, bonds, notes, and other obligations of the Alaska Housing Finance

1 Corporation.

2 (b) All records, equipment, appropriations, and other property of the Department of Community  
3 and Regional Affairs secured under former AS 44.47.585 - 44.47.620 shall be transferred to the Alaska  
4 Housing Finance Corporation to implement the provisions of this Act.

5 (c) Employees of the Department of Community and Regional Affairs responsible for  
6 administration of the programs set out in former AS 44.47.585 - 44.47.620 become employees of the  
7 Alaska Housing Finance Corporation on the effective date of this section.

8 (d) All bonds issued under former AS 18.56.083 and in effect on the effective date of this  
9 section remain in effect notwithstanding this Act's taking effect.

10 \* Sec. 144. TRANSITIONAL PROVISIONS RELATING TO TRANSFER OF HOME ENERGY  
11 CONSERVATION AND WEATHERIZATION PROGRAMS FROM THE DEPARTMENT OF  
12 COMMUNITY AND REGIONAL AFFAIRS. (a) All contracts, rights, liabilities, bonds, notes, or other  
13 obligations of the Department of Community and Regional Affairs under AS 44.47.050(a)(18) and  
14 44.47.050(b) created by or under a law repealed by secs. 139 and 140 of this Act and in effect on the  
15 effective date of this section, remain in effect notwithstanding this Act's taking effect, with all contracts,  
16 rights, liabilities, bonds, notes, or other obligations of the Department of Community and Regional  
17 Affairs incurred under AS 44.47.050(a)(18) and 44.47.050(b) becoming contracts, rights, liabilities,  
18 bonds, notes, and other obligations of the Alaska Housing Finance Corporation.

19 (b) All records, equipment, appropriations, and other property of the Department of Community  
20 and Regional Affairs secured under AS 44.47.050(a)(18) and 44.47.050(b) shall be transferred to the  
21 Alaska Housing Finance Corporation to implement the provisions of AS 18.56.850, added by sec. 100  
22 of this Act, and sec. 140 of this Act.

23 (c) Employees of the Department of Community and Regional Affairs responsible for  
24 administration of the home energy conservation and weatherization programs set out in  
25 AS 44.47.050(a)(18) and 44.47.050(b), repealed by sec. 140 of this Act, become employees of the Alaska  
26 Housing Finance Corporation on the effective date of this section.

27 \* Sec. 145. TRANSITIONAL PROVISION: MEMBERSHIP OF ALASKA HOUSING FINANCE  
28 CORPORATION BOARD OF DIRECTORS. Notwithstanding AS 18.56.030(a)(4)(A) - (E) repealed  
29 and reenacted by sec. 82 of this Act, the public members of the board of directors of the Alaska Housing  
30 Finance Corporation who are serving on the effective date of this section continue to serve their  
31 unexpired terms. Thereafter, the governor shall fill vacancies on the board of directors among the

1 members under the provisions of AS 18.56.030(a)(4)(A) - (D), as repealed and reenacted by sec. 82 of  
2 this Act, and AS ~~18.56.030(f)~~, added by sec. 86 of this Act.

3 \* Sec. 146. TRANSITIONAL PROVISION: REPORT OF TRANSFERRED ASSETS. Each of the  
4 following shall prepare or direct the preparation of all necessary financial reports of the assets to be  
5 transferred by them under this Act as of the close of business on the day before the effective date of the  
6 transfer:

7 (1) Department of Community and Regional Affairs;

8 (2) Alaska State Housing Authority.

9 \* Sec. 147. ALASKA HOUSING FINANCE CORPORATION MAY PURCHASE HOUSING  
10 LOANS OF DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. (a) Notwithstanding  
11 AS 18.56.210(a)(10) and any other provision of law, the Alaska Housing Finance Corporation may  
12 purchase, at an appropriate discount mutually satisfactory to the board of directors of the Alaska Housing  
13 Finance Corporation and the commissioner of community and regional affairs, the mortgage loans and  
14 other housing-related loans that are held on the effective date of this section by the Department of  
15 Community and Regional Affairs for the loans it has made under the department's various housing  
16 assistance programs set out in AS 44.47.370 - 44.47.560 and 44.47.585 - 44.47.635. In determining an  
17 appropriate discount applicable to the purchase price of the loans, the corporation and the commissioner  
18 shall take into consideration the cash balance in the housing assistance loan fund on the day before the  
19 effective date of this section and the corporation's retention of sufficient unreserved assets of the  
20 corporation to capitalize the housing assistance loan fund as reconstituted in AS 18.56.420, added by  
21 sec. 100 of this Act.

22 (b) The commissioner of community and regional affairs shall deposit the full amount received  
23 from the purchase made under (a) of this section in the state general fund.

24 \* Sec. 148. REVISOR OF STATUTES TO REVISE REFERENCES. In each of the following, the  
25 revisor of statutes shall delete references to "authority" and insert in place of each deletion a reference  
26 to "corporation": AS 18.55.320(a), 18.55.410, 18.55.470(2) and (3), 18.55.510(e), 18.55.530(b), (c), (f),  
27 and (h), 18.55.540(c), and (d), 18.55.570(c), (d), and (f), 18.55.610, 18.55.630(l), 18.55.650; 18.55.720,  
28 18.55.770, 18.55.790, 18.55.800, 18.55.810, 18.55.830, 18.55.840, 18.55.850, 18.55.870, 18.55.880,  
29 18.55.890, 18.55.900, 18.55.932(a), (b), (c), (e), and (f), 18.55.934(a), and 18.55.950(4), (10), and (14).

30 \* Sec. 149. VALIDATION OF CERTAIN LOANS OF THE DEPARTMENT OF COMMUNITY  
31 AND REGIONAL AFFAIRS. (a) Sections 120 - 132 and 139 of this Act are retroactive to January 1,

1 1992, and apply to all loans and loan commitments for small community housing loans made after  
2 December 31, 1991.

3 (b) Notwithstanding (a) of this section, nonconforming housing loans made by the Department  
4 of Community and Regional Affairs under AS 44.47.370 - 44.47.560 after December 31, 1991, and  
5 before the effective date of this section are valid.

6 \* **Sec. 150.** Sections 120 - 132, 139, 146, 147, and 149 of this Act take effect immediately under  
7 AS 01.10.070(c).

8 \* **Sec. 151.** Section 90 of this Act takes effect July 1, 1994.

9 \* **Sec. 152.** Except as provided in secs. 150 and 151 of this Act, this Act takes effect July 1, 1992.

HB596



CS FOR HOUSE BILL NO. 596 (FINANCE)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SPECIAL SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:  
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the powers, duties, and operations of certain state agencies, including  
2 those of the Alaska Science and Technology Foundation, fees and charges collected by  
3 agencies, the disposal or leasing of state land or interests in state land, the management  
4 of public recreational land and the management of state parks and recreation areas, vehicle  
5 registration, state procurements, the employment assistance and training program fund,  
6 contracts relating to prisoners, and the recording of public documents; and providing for  
7 an effective date."

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

9 \* Section 1. AS 28.10.161(b) is amended to read:

10 (b) Every [AFTER JANUARY 1, 1979, EVERY] passenger vehicle registration plate,  
11 except as specifically provided in AS 28.10.181, shall have displayed upon it

12 (1) the Alaska flag;

13 (2) the traditional colors of yellow-gold and blue;

1 (3) the slogan "The Last Frontier";

2 (4) the registration number assigned to the vehicle for which it is issued;

3 (5) the name of this state, which may be abbreviated; and

4 (6) the registration year number or expiration date for which time it is validated;

5 the registration year number or expiration date may be part of the license plate or contained on  
6 a suitable sticker or tab device issued by the department; however, only one sticker or tab  
7 device may be issued for each pair of plates and the sticker or tab device must be affixed  
8 to the rear plate.

9 \* Sec. 2. AS 33.30.031(a) is amended to read:

10 (a) The commissioner shall determine the availability of state correctional facilities  
11 suitable for the detention and confinement of persons held under authority of state law or under  
12 agreement entered into under (e) of this section. If the commissioner determines that suitable  
13 state correctional facilities are not available, the commissioner may enter into an agreement with  
14 a public or private agency to provide necessary facilities. Correctional facilities provided through  
15 agreement with a public agency for the detention and confinement of persons held under  
16 authority of state law may be in this state or in another state. Correctional facilities provided  
17 through agreement with a private agency must be located in this state unless the commissioner  
18 finds in writing that (1) there is no other reasonable alternative for detention in the state;  
19 and (2) the agreement is necessary because of health or security considerations involving  
20 a particular prisoner or class of prisoners, or because an emergency of prisoner  
21 overcrowding is eminent. The commissioner may not enter into an agreement with an agency  
22 unable to provide a degree of custody, care, and discipline similar to that required by the laws  
23 of this state.

24 \* Sec. 3. AS 33.30.231 is amended by adding a new subsection to read:

25 (d) Notwithstanding (a) of this section, the department may contract under AS 36.30 for  
26 telephone services for use by a prisoner.

27 \* Sec. 4. AS 36.30.100(b) is amended to read:

28 (b) Competitive sealed bidding is not required

29 (1) when the commissioner determines in writing that food, clothing, or medical  
30 supplies, or supplies [MATERIALS] for use in laboratory or medical studies may be purchased  
31 otherwise to the best advantage of the state;

1 (2) [WHEN RATES ARE FIXED BY LAW OR ORDINANCE;

2 (3)] for the purchase of products or services manufactured or provided by an  
3 employment program; or

4 (3) [(4)] for the purchase of products or services provided by the correctional  
5 industries program established under AS 33.32 [;

6 (5) FOR PROFESSIONAL SERVICES; OR

7 (6) FOR CONCESSIONS OPERATED ON STATE PROPERTY].

8 \* Sec. 5. AS 36.30.320(a) is amended to read:

9 (a) A procurement for supplies, services, or construction that does not exceed an  
10 aggregate dollar amount of \$25,000 [\$10,000] may be made in accordance with regulations  
11 adopted by the commissioner for small procurements.

12 \* Sec. 6. AS 36.30.850(b) is amended by adding new paragraphs to read:

13 (23) disposals of supplies acquired through foreclosure of loans issued under  
14 AS 03.10;

15 (24) purchases of curatorial and conservation services to maintain, preserve, and  
16 interpret

17 (A) objects of art; and

18 (B) items having cultural, historical, or archaeological significance to the  
19 state;

20 (25) acquisition of confidential seismic survey data necessary for pre-sale oil and  
21 gas lease analyses under AS 38.05.180;

22 (26) contracts for village public safety officers;

23 (27) purchases of supplies and services to support the operations of the Alaska  
24 state troopers or the division of fish and wildlife protection if the procurement officer for the  
25 Department of Public Safety makes a written determination that publicity of the purchases would  
26 jeopardize the safety of personnel or the success of a covert operation;

27 (28) expenditures when rates are set by law or ordinance;

28 (29) construction of new vessels by the Department of Transportation and Public  
29 Facilities for the Alaska marine highway system.

30 \* Sec. 7. AS 37.10.050 is amended by adding new subsections to read:

31 (d) Each state agency shall annually review fees and charges collected by the agency.

1 By October 1, each state agency shall submit a report to the office of management and budget  
2 regarding existing fee levels set by the agency by regulation and adjustments made to fee levels  
3 by the agency during the previous fiscal year, and recommended increases in fees set by statute  
4 that the agency collects. Each year by December 15, the office of management and budget shall  
5 submit a report to the Legislative Budget and Audit Committee summarizing the reports and  
6 recommendations and the extent to which the fee adjustments have been incorporated in the  
7 governor's budget. Within 30 days after the convening of each regular session of the legislature,  
8 the committee shall report to the legislature the status of fee regulations and make  
9 recommendations for statutory changes.

10 (e) In this section, "agency" means a board, commission, or agency in the legislative,  
11 judicial, or executive branch, but does not include the University of Alaska or a public  
12 corporation.

13 \* Sec. 8. AS 37.17.030(b) is amended to read:

14 (b) In addition to endowment income, the foundation may receive individual,  
15 foundation, or corporate gifts, grants, or bequests that by their terms are restricted to a  
16 particular purpose [AND OTHER AID]. The foundation may accumulate income, gifts, grants,  
17 and bequests [OTHER AID] from any one year and distribute them in a later year.

18 \* Sec. 9. AS 37.17.030(c) is amended to read:

19 (c) The administrative expenses of the foundation are subject to AS 37.07 and shall be  
20 paid from the income of the endowment. The legislature may appropriate income of the  
21 endowment for payment of the administrative expenses of the Alaska Aerospace  
22 Development Corporation established under AS 14.40.821 and the agricultural and forestry  
23 experiment station research centers of the University of Alaska.

24 \* Sec. 10. AS 37.17.030(d) is amended to read:

25 (d) Except for payments under (c) of this section, the [THE] board of directors shall  
26 distribute the income of the endowment through competitive grants under this chapter. The board  
27 may disburse money that is received by the foundation for special or general purposes.

28  
29 \* Sec. 11. AS 38.05.075(a) is amended to read:

30 (a) Except as provided in AS 38.05.035, 38.05.070, 38.05.073, 38.05.079, 38.05.082,  
31 38.05.083, 38.05.087, 38.05.102, 38.05.810, [AS 38.05.087] and this section, leasing shall be

1 made at public auction to the highest qualified bidder as determined by the commissioner. In  
2 the public notice of a lease to be offered at public auction, the commissioner shall specify  
3 a minimum acceptable bid and the lease compensation method. The lease compensation  
4 method shall be designed to maximize the return on the lease to the state and shall be a  
5 form of compensation set out in AS 38.05.073(m). An aggrieved bidder may appeal to the  
6 commissioner within five days for a review of the determination. The leasing shall be conducted  
7 by the commissioner and the successful bidder shall deposit at the auction the first year's rental  
8 or other lease compensation as specified by the commissioner, or that portion of it that the  
9 commissioner requires in accordance with the bid. The commissioner shall require, under  
10 AS 38.05.860, qualified bidders to deposit a sum equal to any survey or appraisal costs  
11 reasonably incurred by another qualified bidder acting in accordance with the regulations of the  
12 commissioner or incurred by the department under AS 38.04.045 and AS 38.05.840. If a  
13 bidder making a deposit of survey or appraisal costs is determined by the commissioner to be the  
14 highest qualified bidder under this subsection, the deposit shall be paid to the unsuccessful bidder  
15 who incurred those costs or to the department if the department incurred the costs. [ANY  
16 SURVEY OR APPRAISAL COSTS REASONABLY INCURRED BY A QUALIFIED BIDDER  
17 UNDER THE REGULATIONS OF THE COMMISSIONER OR DEPOSITED UNDER THIS  
18 SUBSECTION MUST BE CREDITED UNDER THE FIRST AND THEN SUBSEQUENT  
19 YEARS' RENTALS.] All costs for survey and appraisal shall be approved in advance in writing  
20 by the commissioner. The commissioner shall immediately issue a receipt containing a description  
21 of the land or interest leased, the price bid, and the terms of the lease [, AND THE AMOUNT  
22 OF ANY CREDIT FOR SURVEY AND APPRAISAL COSTS] to the successful qualified  
23 bidder. If the receipt is not accepted in writing by the bidder under this subsection, the  
24 commissioner may offer the land for lease again under this subsection. A lease, on a form  
25 approved by the attorney general, shall be signed by the successful bidder and by the  
26 commissioner within the period specified in the auction notice [30 DAYS AFTER THE  
27 AUCTION].

28 \* Sec. 12. AS 38.05.075(f) is amended to read:

29 (f) If, after completion of the procedures required by (e) of this section, the  
30 commissioner determines that there is only one qualified bidder, the [THE] commissioner  
31 may issue a lease without competitive bidding at the approved, appraised market value of the

1 land determined under AS 38.05.840 or by another form of lease compensation specified by  
2 the commissioner from among those set out in AS 38.05.073(m) and designed to maximize  
3 the return on the lease to the state [IF, AFTER COMPLETION OF THE PROCEDURES  
4 REQUIRED BY (E) OF THIS SECTION, THE COMMISSIONER DETERMINES THAT  
5 THERE IS ONLY ONE QUALIFIED BIDDER]. The commissioner may establish terms and  
6 conditions for entry to the land pending survey and appraisal of the land. The commissioner  
7 shall issue the lease as soon as is practicable following the survey and appraisal of the land  
8 subject to the provisions of AS 38.05.035(e).

9 \* Sec. 13. AS 38.05.085(c) is amended to read:

10 (c) The lessee shall make advance payments of the annual rent or other form of lease  
11 compensation specified by the commissioner or that portion of it [AS] the [DIRECTOR, WITH  
12 THE APPROVAL OF THE] commissioner [,] may require.

13 \* Sec. 14. AS 38.05.105(a) is amended to read:

14 (a) Each lease shall stipulate that [AT THE CONCLUSION OF THE INITIAL 25-YEAR  
15 PERIOD OF THE LEASE AND] at five-year intervals as specified in the lease [OF 10 YEARS  
16 THEREAFTER] the annual rent payment or other form of lease compensation specified by the  
17 commissioner is subject to adjustment. Changes [CHARGES] or adjustments shall be based  
18 primarily on changes in the lease's [AN ADJUSTED] fair market value. However, if the  
19 commissioner [DIRECTOR] determines that single-family residential development is the best  
20 use of the land, the reappraisal period may be lengthened or the readjustment waived in  
21 accordance with regulations adopted by the department. Before a waiver of rent adjustment is  
22 issued, the land shall have a current reappraisal. A waiver is valid only if single-family  
23 residential development actually occurs. The regulations adopted under this section shall ensure  
24 that the state receives a fair return from the land.

25 \* Sec. 15. AS 38.05.860(a) is amended to read:

26 (a) The commissioner [DIRECTOR] may require an applicant seeking the sale, lease,  
27 or other disposal of land or an interest in land, other than under an oil and gas or mineral lease,  
28 to deposit an amount covering the estimated cost of an appraisal, survey, and other costs  
29 necessary to offer the land or interest in land, including advertising. All deposited funds not  
30 expended shall be refunded to the applicant. If the land or interest in land is awarded [SOLD  
31 OR LEASED] to a person other than the applicant making the deposit, the person [PARTY]

1 awarded the land shall pay the total actual cost incurred by the department in making the  
2 disposal [OF APPRAISING AND SURVEYING THE LAND, TOGETHER WITH THE TOTAL  
3 ACTUAL COST OF ADVERTISING], and the deposit shall be returned to the original applicant.  
4 In lieu of requiring the deposit under this subsection, the commissioner may enter into an  
5 agreement with an applicant seeking land or an interest in land requiring the applicant to  
6 reimburse the department for costs incurred in the disposal if the applicant is awarded the  
7 land or interest in land.

8 \* Sec. 16. AS 41.21.020(a) is amended to read:

9 (a) The department shall

10 (1) develop a continuing plan for the conservation and maximum use in the public  
11 interest of the scenic, historic, archaeologic, scientific, biological, and recreational resources of  
12 the state;

13 (2) plan for and develop a system of state parks and recreational facilities, to be  
14 established as the legislature authorizes and directs;

15 (3) acquire by gift, purchase, or transfer from state or federal agencies, or from  
16 individuals, corporations, partnerships or associations, land necessary, suitable and proper for  
17 roadside, picnic, recreational, or park purposes;

18 (4) [CONTROL,] develop, manage, and maintain state parks and recreational  
19 areas;

20 (5) provide for the acquisition, care, management [CONTROL], supervision,  
21 improvement, development, extension, and maintenance of public recreational land, and make  
22 necessary arrangements, contracts, or commitments for the improvement and development of land  
23 acquired under AS 41.21.010 - 41.21.040; contracting for improvement and development under  
24 this paragraph is governed by AS 36.30 (State Procurement Code);

25 (6) adopt, in accordance with this section and the Administrative Procedure Act  
26 (AS 44.62), regulations governing the use and designating incompatible uses within the  
27 boundaries of state park and recreational areas to protect the property and to preserve the peace;

28 (7) cooperate with the United States and its agencies and local subdivisions of the  
29 state to secure the effective supervision, improvement, development, extension, and maintenance  
30 of state parks, state monuments, state historical areas, and state recreational areas, and secure  
31 agreements or contracts for the purpose of AS 41.21.010 - 41.21.040;

1 (8) encourage the organization of state public park and recreational activities in  
2 the local political subdivisions of the state;

3 (9) provide for consulting service designed to develop local park and recreation  
4 facilities and programs;

5 (10) provide clearinghouse services for other state agencies concerned with park  
6 and recreation matters;

7 (11) perform other duties as are prescribed by executive order or by law;

8 (12) maintain memorials to Alaska veterans located in state parks; and

9 (13) adopt, in accordance with the Administrative Procedure Act (AS 44.62),  
10 regulations governing the use of the Chena River State Recreation Area and designating  
11 incompatible uses within the boundaries of the Chena River State Recreation Area in accordance  
12 with AS 41.21.490.

13 \* Sec. 17. AS 44.37.025(c) is amended to read:

14 (c) The department, with the concurrence of the administrative director of courts, may  
15 appoint judicial employees to perform services in connection with recording, providing access  
16 to, and copying documents in locations where the department has not otherwise designated a  
17 public office [NO EMPLOYEES AVAILABLE] to perform those functions.

18 \* Sec. 18. Section 3, ch. 95, SLA 1989, is amended to read:

19 Sec. 3. EMPLOYMENT ASSISTANCE AND TRAINING PROGRAM FUND  
20 [ACCOUNT]. The employment assistance and training program fund [ACCOUNT] is  
21 established in the department. Deposits into the fund are not general fund program receipts  
22 [GENERAL FUND. THE COMMISSIONER OF ADMINISTRATION SHALL SEPARATELY  
23 ACCOUNT FOR MONEY COLLECTED UNDER SEC. 4 OF THIS ACT THAT THE  
24 DEPARTMENT DEPOSITED IN THE GENERAL FUND]. The annual estimated balance in  
25 the fund [ACCOUNT] may be appropriated by the legislature to the department to implement  
26 this Act. If the entire estimated balance is not used to implement this Act during a fiscal  
27 year, the [THE] legislature may make appropriations from the employment assistance and  
28 training fund [APPROPRIATE THE LAPSING BALANCE OF THE ACCOUNT] to the  
29 unemployment compensation fund established in AS 23.20.130.

30 \* Sec. 19. AS 33.30.031(b), AS 38.05.085(a), 38.05.085(b), 38.05.085(g), and 38.05.105(b) are  
31 repealed.

1 \* Sec. 20. This Act takes effect July 1, 1992.

updated 9:00 PM  
5/14/92

**CS HB 596 (Finance)**

**Section 1:** Amends requirement for two stickers identifying year of plate registration: estimated by the department to save \$30.0 (Part of DMV proposal from the Public Safety subcommittee)

**Savings: \$30.0**

**Section 2:** Allows the Department of Corrections to contract with private agencies for the detention and confinement of persons held under state authority, out of state under certain findings.

**no immediate identified savings**

**Section 3:** Allows the department of corrections to contract for telephone services

**Section 4:** Adds certain procurements as exemptions to the competitive bidding procedure

**Section 5:** Amends the small procurement limit from \$10,000 to \$25,000.

**Savings: \$150.0**

**Section 6:** Expands the exemptions under the procurement code

**Section 7:** Requires state agencies to annually assess the fees charged for services and whether they are covering actual costs. Also requires an annual report to LB&A.

**Section 8,9,10:** Amends Science and Technology fund language to allow the disbursement of funds for the purposes of the Alaska Aerospace Development Corporation and the agricultural research stations of the University of Alaska. (From the Commerce subcommittee)

**Transfers GF costs: \$3,302.5**

**Section 11,12,13,14,15:** Amends Public Lands leasing (From the Natural Resources subcommittee)

**Transfers GF costs: \$277.3**

**Section 16:** Amends the Parks statute to reflect management instead of control

**technical change**

**House bill 596**

**Section 1:** Amends requirement for two stickers identifying year of plate registration: estimated by the department to save \$30.0 (Part of DMV proposal from the Public Safety subcommittee)

**Savings: \$30.0**

**Section 2,3:** Allows the Department of Corrections to contract with municipalities or private agencies for the detention and confinement of persons held under state authority, including violation of a municipal ordinance.

**no immediate identified savings**

**Section 4:** Allows the department of corrections to contract for telephone services

**Section 5:** Amends the small procurement limit from \$10,000 to \$25,000.

**Savings: \$150.0**

**Section 6,7,8:** Amends Science and Technology fund language to allow the disbursement of funds for the purposes of the Alaska Aerospace Development Corporation and the agricultural research stations of the University of Alaska. (From the Commerce subcommittee)

**Transfers GF costs: \$3,302.5**

**Section 9,10,11,12,13,14,15,16:** Amends Public Lands leasing (From the Natural Resources subcommittee)

**Transfers GF costs: \$277.3**

**Section 17:** Amends the Parks statute to reflect management instead of control

**technical change**

**Section 18:** Cleans up the description of the relationship under which judicial officers would perform recording functions.

**technical change**

**Section 19:** Moves the sunset date of the Citizen's Advisory Committee on Federal Lands (CACFA) to June, 1992. (Elimination recommended by Natural Resources subcommittee)

**Section 17:** Cleans up the description of the relationship under which judicial officers would perform recording functions.  
**technical change**

**Section 18:** Describes the STEP fund as a program receipt, removing it from the category of general fund. (Adopted as an amendment by the Finance committee).

**Removes from GF description \$2,160.0**

**Section 19:** repeals public land leasing statutes no longer needed and repeals section regarding prisoner contracting.

**Section 20:** Effective date clause.

# **CORRECTION**

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

House bill 596

**Section 1:** Amends requirement for two stickers identifying year of plate registration: estimated by the department to save \$30.0 (Part of DMV proposal from the Public Safety subcommittee)

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**Section 5:** Amends the small procurement limit from \$10,000 to \$25,000.

**Savings: \$150.0**

**Section 6,7,8:** Amends Science and Technology fund language to allow the disbursement of funds for the purposes of the Alaska Aerospace Development Corporation and the agricultural research stations of the University of Alaska. (From the Commerce subcommittee)

**Transfers GF costs: \$3,302.5**

**Section 9,10,11,12,13,14,15,16:** Amends Public Lands leasing (From the Natural Resources subcommittee)

**Transfers GF costs: \$277.3**

**Section 17:** Amends the Parks statute to reflect management instead of control

**technical change**

**Section 18:** Cleans up the description of the relationship under which judicial officers would perform recording functions.

**technical change**

**Section 19:** Moves the sunset date of the Citizen' Advisory Committee on Federal Lands (CACFA) to June, 1992. (Elimination recommended by Natural Resources subcommittee)

**Savings:**

**\$156.5**

**Section 20:** Describes the STEP fund as a program receipt, removing it from the category of general fund. (Adopted as an amendment by the Finance committee).

**Removes from GF description \$2,160.0**

**Section 21:** Repeal of AS 28.10,161(c) removes language restricting the design of license plates; Repeal of AS 38.05 sections are related to the changes proposed for Public Lands Leasing.

**Section 22:** Effective date clause.

**Section 17:** Cleans up the description of the relationship under which judicial officers would perform recording functions.  
**technical change**

**Section 18:** Describes the STEP fund as a program receipt, removing it from the category of general fund. (Adopted as an amendment by the Finance committee).  
**Removes from GF description \$2,160.0**

**Section 19:** repeals public land leasing statutes no longer needed and repeals section regarding prisoner contracting.

**Section 20:** Effective date clause.

HB596

# SENATE FINANCE COMMITTEE REPORT

DATE: 5/14/92

DATE TURNED INTO OFFICE: 5-15-92

The Finance Committee considered CSHB 596(FIN) AM

"An Act relating to the powers, duties, and operations of certain state agencies, including those of the Alaska Science and Technology Foundation, fees and charges collected by agencies, the disposal or leasing of state land or interests in state land, the management of public recreational land and the management of state parks and recreation areas, vehicle registration, state procurements, the employment assistance and training program fund, contracts relating to prisoners, and the recording of public documents; and providing for an effective date."

and recommends:

- replace with 3 CS CS HB 596 (FINANCE)  
or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)  
 attaches amendment(s)

- same title  
 new title  
 technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

further referral to the \_\_\_\_\_

- do pass  
 do not pass  
 no recommendation  
 individual recommendations

**NEW FISCAL NOTES:** Dept/Date

zero fiscal notes SFC-All

fiscal notes \_\_\_\_\_

appropriation--no fiscal note

**PREVIOUS FISCAL NOTES:** Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes \_\_\_\_\_

DO PASS:

Al Adams  
\_\_\_\_\_  
\_\_\_\_\_

1. Pat Sandberg  
Co-Chair: Signature/Recommendation

OTHER RECOMMENDATIONS:

J. Duncan No Rec  
James Hoffman No Rec  
Paul No Rec  
Rich No Rec

2. J. Duncan No Rec  
Co-Chair: Signature/Recommendation

F I S C A L N O T E

REQUEST:

Revision Date: \_\_\_\_\_ Affected Agency: All Depts.  
 Title: Operations and fees BRU: \_\_\_\_\_  
           state agencies  
 Sponsor: H. Fin. Components: \_\_\_\_\_  
 Requestor: Senate Finance

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL						
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REVENUE						
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FUNDING: (THOUSANDS OF DOLLARS)

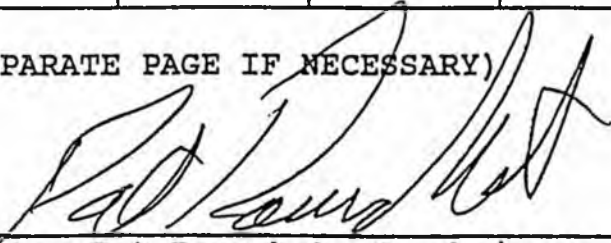
General Fund						
Federal Fund						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared By:

  
 \_\_\_\_\_  
 Senator Pat Pourchot, Co-chairman  
 Senate Finance Committee

Date: 5-15-92  
 Phone: 465-3879

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