



Senate

General Assembly

File No. 12

January Session, 2003

Substitute Senate Bill No. 834

Senate, March 10, 2003

The Committee on Public Health reported through SEN. MURPHY of the 16th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE SUBSTANCE ABUSE REVOLVING LOAN FUND.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17a-674 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2003*):

3 (a) There is established a Substance Abuse Revolving Loan Fund.
4 The fund shall contain any moneys required by law to be deposited in
5 the fund and may contain any other funds as provided in subsection
6 (b) of this section. The fund shall be administered and used by the
7 Department of Mental Health and Addiction Services for loans to
8 private nonprofit agencies for the cost of establishing group homes for
9 four or more persons recovering from substance abuse problems.
10 Payments made on any loans made pursuant to this section shall be
11 deposited in said fund.

12 (b) Federal block grant funds allocated to the department pursuant

13 to section 4-28b may be deposited in said fund, and the department
14 may accept contributions from any source, public or private, for
15 deposit in said fund.

16 (c) [No] A loan made pursuant to subsection (a) of this section shall
17 be in an amount [in excess of four] up to, but not exceeding ten
18 thousand dollars [or] and for a term [of] up to, but not more than two
19 years. Each such loan shall be repaid in monthly installments and shall
20 bear interest at a rate to be determined by the department, but not to
21 exceed six per cent per year. The department may assess a penalty not
22 to exceed five per cent of any amounts that are delinquent or past due
23 for more than six months. Amounts received in repayment of a loan
24 made under this section shall be applied first to the current monthly
25 installment due, then to any interest due, then to the principal of the
26 oldest outstanding loan. Such loan terms, interest requirements and
27 penalty provisions shall be included in each loan agreement and in any
28 contract for the administration of the program made pursuant to
29 subsection (d) of this section. Each loan agreement shall specify that
30 the recipient shall use such loan in accordance with the guidelines
31 issued by the Secretary of the Department of Health and Human
32 Services of the federal government pursuant to the requirements of
33 Public Law 100-690 for such loans.

34 (d) The department may administer said fund directly or through a
35 contract with a private nonprofit agency. The department shall adopt
36 such regulations, in accordance with the provisions of chapter 54, as
37 may be necessary to administer the program.

This act shall take effect as follows:	
Section 1	<i>October 1, 2003</i>

PH *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Type	FY 04 \$
Dept of Mental Health & Addiction Services.	SF - See Below	None

Note: SF=Special Fund (Non-appropriated)

Municipal Impact: None

Explanation

This bill increases the maximum loan allowed from the Substance Abuse Revolving Loan Fund from \$4,000 to \$10,000. These loans, made to non-profit agencies to establish group homes, must be repaid within two years. As this special fund is capitalized with federal funds, there is no state fiscal impact associated with this change.

OLR Bill Analysis

sSB 834

**AN ACT CONCERNING THE SUBSTANCE ABUSE REVOLVING
LOAN FUND****SUMMARY:**

This bill increases to \$10,000, from \$4,000, the maximum amount of any loan the Department of Mental Health and Addiction Services (DMHAS) can make from its Substance Abuse Revolving Loan Fund. The fund is capitalized by money DMHAS receives under the federal Substance Abuse Prevention and Treatment Block Grant. Federal regulations governing this block grant limit loans from state revolving funds to \$4,000 (45 CFR 96.129(a)(2)).

By law, DMHAS makes loans from the fund to help private nonprofit agencies establish group homes for people recovering from substance abuse. Loans must be repaid within two years.

EFFECTIVE DATE: October 1, 2003

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute

Yea 20 Nay 0