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SB 61 Alaska Commercial Fishing and Agriculture Bank SPONSOR STATEMENT

Senate Bill 61 will strengthen the Alaska Commercial Fishing and Agriculture Bank's (CFAB) ability to serve its member-owners.

CFAB was created by the legislature in 1980 with \$32 million in seed money to fulfill a need for financing the commercial agricultural and fishing industries. For a variety of reasons, one of which was the state's financial investment in CFAB, certain restrictions were put in place, such as limits on the size of loans, and the prohibition of their hiring a lobbyist. CFAB has since paid back the state's investment and is now 100% privately owned. CFAB is financially healthy and has been operating independently for several years. Therefore, it is appropriate that these restrictions be removed from statute.

SB 61 seeks to provide equivalent loan options to the commercial tourism and natural resource industries currently available to other industries CFAB serves. It does this by removing dollar restrictions for loans made to individuals or businesses seeking these types of loans while also providing options for non-resident owned businesses whose facilities are located in Alaska and who employ Alaskans and provide economic development within Alaska.

SB 61 expands the eligibility of the small loan program to include loans made for commercial agriculture. The bill increases the maximum size of these small loans and increases the amount of total capital CFAB can allocate to the program. SB 61 also deletes the provision relating to board compensation, which will instead be addressed like other private companies in their bylaws.