

ALASKA STATE LEGISLATURE

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HB 121B 28-LS0491\Y – Sectional Analysis

"An Act relating to the examinations, board, loans, and records of the Alaska Commercial Fishing and Agriculture Bank; and providing for an effective date."

Section 1: Restricts board members to the requirements of AS 39.05.11. (Added by House Finance)

Section 2: Adjusts the lending power of the bank by eliminating the borrowing limits on certain types of loans. It also removes the residency requirement for certain types of capital loans if the facility is located within the state as well as expands the types of loans that may be given to nonmembers. It also makes loans available for certain tourism operations and for operations dedicated to the development or exploitation of natural resources.

Section 3: Requires the bank to consider whether the principles of conservation and sustained yield will limit the ability to repay a loan when the collateral will primarily be used in a salmon fishery. (Added by House Finance)

Section 4: Adds commercial agriculture to the current provision allowing loans to nonmembers for commercial fisheries in certain areas.

Section 5: Changes the dollar limitation on loans to nonmembers from \$25,000 to \$50,000.

Section 6: Increases the debt to capital ratio of loans to nonmembers from eight percent to 25% of bank assets.

Section 7: Confirming language containing to bank examinations added in section nine. Also corrects a typographical error in statute.

Section 8: Allows the bank to make available a list of those eligible to serve as director to those members eligible to vote.

Section 9: Provides that the Department of Commerce, Community, and Economic Development shall examine the bank at least once every thirty-six months.

Section 10: Repeals AS 44.81.020(f) setting director compensation. (Repeal of AS 44.99.030(a)(2) prohibiting lobbying by the bank removed by House Finance).

Section 11: Delays the examination required in section nine until one year after the effective date of the Act.

Section 10: Makes the Act effective immediate.