

Alaska State Legislature

SENATOR
JOHN COGHILL
SENATE MAJORITY LEADER

Judiciary Committee
Chairman
In-State Energy Committee
Co-Chair
State Affairs Committee
Joint Armed Services Committee
Legislative Council
Rules Committee



Senate

Session:
State Capitol, Room 119
Juneau, Alaska 99801-1182
(907) 465-3719
Fax (907) 465-3258

Interim:
301 Santa Claus Lane
North Pole Plaza Mall Ste. 3B
North Pole, Alaska 99705
(907) 451-2963
Fax (907) 451-2332
Toll Free 1-877-465-3719
www.aksenate.org

SB 61 Alaska Commercial Fishing and Agriculture Bank SECTIONAL ANALYSIS

Section 1.

Subsection 4. Removes dollar limitations for loans being used by individuals for tourism within the state.

Subsection 5. Removes dollar limitations for loans being used by corporations, partnerships, or limited liability companies for tourism within the state.

Subsection 6. Removes dollar limitations for loans being used by individuals for natural resource development.

Subsection 7. Removes dollar limitations for loans being used by corporations, partnerships, or limited liability companies for natural resource development.

Subsection 8. Clarifies that a person receiving a loan for capital investment or operating capital to a shore-based fish processor, a timber processor, or an agricultural processor or harvester, must meet all requirements except for residency and resident ownership requirements.

Subsection 10. Adds new loans to non-residents for a tourism-related operation under subsections (15) – (16), and development and exploitation of natural resources under subsections (17) – (18), to loans secured by liens subordinate to valid first liens and security agreements granted to another creditor.

Subsection 12. Adds new loans to non-residents for a tourism-related operation and development or exploitation of natural resources, to provisions for CFAB to participate with another bank without the obligor being a member of CFAB.

Subsection 13. Allows CFAB to purchase or participate in loans made under sections (15) – (18) from other lenders for loans to non-residents whether or not an obligor is a member of the bank.

Subsection 15. Adds a new subsection that allows for non-residents to receive loans for a tourism-related operation, provided a facility of the operation is located in the state and the loan proceeds are used to commercially engage in the state.

Subsection 16. Adds a new subsection that allows for a corporation with non-resident majority ownership to receive loans for tourism-related activities, provided a facility of the

operation is located in the state, the loan is used to commercially engage in the state, and the corporation is beneficially owned by residents of the United States.

Subsection 17. Adds a new subsection that allows for non-residents to receive loans dedicated to the development or exploitation of natural resources, provided a facility of the operation is located in the state and the loan proceeds are used to commercially engage in the state.

Subsection 18. Adds a new subsection that allows for a corporation with non-resident majority ownership to receive loans dedicated to the development or exploitation of natural resources, provided a facility of the operation is located in the state, the loan is used to commercially engage in the state, and the corporation is beneficially owned by residents of the United States.

Section 2. Includes commercial agriculture among industries where non-members are eligible to receive small loans, with the intent of facilitating development in geographical areas not conducive to normal lending activities.

Section 3. Increases the allowable size of small loans to non-members for the purposes of commercial fisheries and agriculture.

Section 4. Increases the proportion of the bank's total capital that can be allocated to small loans for fishing and agriculture.

Section 5. Establishes a new subsection allowing for a list of voting members of the bank to be given to member candidates seeking a position as director of the bank.

Section 6. Repeals restrictions on board compensation and repeals the prohibition of CFAB having a lobbyist.

Section 7. Establishes an immediate-effective-date provision to this act.