



LAWS OF ALASKA

2006

Source

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Chapter No.

AN ACT

Relating to the purchase of interests in corporations, including limited liability companies, by the University of Alaska.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to the purchase of interests in corporations, including limited liability companies, by
2 the University of Alaska.

3 _____

4 * **Section 1.** AS 14.40 is amended by adding a new section to read:

5 **Sec. 14.40.458. University corporate interests.** (a) The university may
6 purchase an interest in a corporation if the Board of Regents of the University of
7 Alaska authorizes the purchase and the purchase advances a public purpose of the
8 university.

9 (b) If the university purchases an interest in a corporation, the corporation is
10 not considered to be a part of the university for any purpose, except to the extent that
11 both the Board of Regents of the University of Alaska and the corporation's articles of
12 incorporation state otherwise.

13 (c) Notwithstanding AS 09.50.250 and any other law, the University of Alaska
14 is not liable for the obligations of a corporation that the University of Alaska has

1 purchased an interest in under (a) of this section,

2 (1) except to the extent that the president of the university signs a
3 written agreement on behalf of the university that expressly states that the university is
4 liable for the obligations of the corporation and the obligations for which the
5 university is liable are identified in the written agreement; or

6 (2) unless the university has engaged in fraudulent or other wrongful
7 conduct relating to an obligation of the corporation or to the assets of the corporation
8 that may be used to pay the obligation.

9 (d) In this section,

10 (1) "corporation" means a for-profit corporation, a nonprofit
11 corporation, or a limited liability company, whether or not the corporation or company
12 is organized in this state;

13 (2) "interest" means a membership, or a share or other ownership
14 interest;

15 (3) "nonprofit corporation" means a corporation that qualifies for
16 exemption from taxation under 26 U.S.C. 501(c) (Internal Revenue Code);

17 (4) "university" means the University of Alaska.

18 * **Sec. 2.** AS 37.10.085(a) is amended to read:

19 (a) Except as provided in **AS 14.40.458 or** (c) or (d) of this section, neither the
20 state nor a political subdivision of the state may

21 (1) make a subscription to the capital stock of a corporation;

22 (2) lend its credit for the use of a corporation; or

23 (3) borrow money for the use of a corporation.