



LAWS OF ALASKA

1989

Source

HCS SB 82(L&C)

Chapter No.

70

AN ACT

Relating to loans and lending practices of the Alaska Commercial Fishing and Agriculture Bank; providing an exemption for the bank's membership stock and certain other securities issued by the bank from registration under the Alaska Securities Act; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 13

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: May 30, 1989
Actual Effective Date: May 31, 1989

AN ACT

Relating to loans and lending practices of the Alaska Commercial Fishing and Agriculture Bank; providing an exemption for the bank's membership stock and certain other securities issued by the bank from registration under the Alaska Securities Act; and providing for an effective date.

* Section 1. PURPOSE. It is the purpose of this Act to maintain and enhance the flexibility of the Alaska Commercial Fishing and Agriculture Bank (AS 44.81) by amending applicable statutes so that the bank may

(1) make loans to finance the sale of a limited entry permit to a resident commercial fisherman who does not meet the bank's normal credit standards, if the permit seller is willing to participate in the loan in order to support the efforts of a resident entrant into the commercial fishery under that permit;

(2) improve its ability to refinance loans;

(3) accept as collateral pledged for security for a loan a limited entry permit in addition to the one to be purchased; and

(4) more readily protect the financial interests of a debtor in instances in which the limited entry permit of that debtor has been subjected to foreclosure under AS 44.81.

* Sec. 2. AS 44.81.210(a) is amended by adding a new paragraph to read:

(24) issue certificates of loan participation to members and to other individuals, corporations, partnerships, and joint ventures,

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1 but the bank may not issue a certificate of loan participation if the
2 certificate would allow participation by the member, individual,
3 corporation, partnership, or joint venture in loans that individually
4 or cumulatively involve more than 20 percent of the commercial fishery
5 entry permits issued for one type of gear in a specific fishery
6 resource administrative area.

7 * Sec. 3. AS 44.81.230 is amended by adding new subsections to read:

8 (e) In addition to the permit of the debtor pledged as security
9 for a loan under (a) of this section, the debtor may pledge another
10 limited entry permit as security for that loan if the bank approves
11 and the permit to be pledged meets the requirements of (b) of this
12 section.

13 (f) In anticipation of possible foreclosure on an entry permit
14 under AS 44.81.250, the debtor may nominate a person to assume a note
15 given under AS 44.81.210(a)(20). If the person nominated qualifies
16 under (a) of this section at the time of the foreclosure, the person
17 may assume all rights and liabilities of the debtor in the event the
18 bank forecloses on the entry permit.

19 * Sec. 4. AS 44.81.235(b) is amended to read:

20 (b) A limited entry permit may be used as security for more than
21 one loan if each loan meets the requirements of AS 44.81.210(a)(20) or
22 (a) of this section.

23 * Sec. 5. AS 44.81.235(c) is amended to read:

24 (c) A limited entry permit may be used as security for a loan to
25 refinance existing debts if the proceeds of each original loan were
26 used in accordance with AS 44.81.210(a)(20) or (a) of this section.

27 * Sec. 6. AS 44.81.250(b) is amended to read:

28 (b) If the commission does not exercise its right of first
29 refusal within 30 days after it receives the offer, or if the permit

is not subject to a buy-back program under AS 16.43.290 - 16.43.330, the bank shall promptly notify the debtor of this fact. If the debtor has not previously nominated a qualified person to assume the note under AS 44.81.230(f), the [THE] debtor has 30 days from the postmark date of the notice to nominate a person qualified to assume the note. The person nominated must qualify under the requirements of AS 44.-81.230(a). If qualified, the person nominated may assume all rights and liabilities of the original debtor.

* Sec. 7. AS 44.81.250(d) is amended to read:

(d) Nothing in this section affects the right of the bank to institute legal action for a deficiency resulting from a default on a note given under AS 44.81.210(a)(20) or 44.81.230 [AS 44.81.230]. In addition to any deficiency, the debtor is liable for the costs of administering the note and for costs and attorney fees.

* Sec. 8. AS 44.81.250 is amended by adding a new subsection to read:

(e) If the commission is unable to provide a list of one or more qualified persons as provided in (c) of this section within 15 days, or if no person listed is determined by the bank to be qualified to assume the note, the bank may sell the permit to an individual commercial fisherman who has been a state resident for two years immediately preceding the date of the sale. If the proceeds of the sale of a permit exceed the amount necessary to pay the note in full, plus interest to date of sale, penalties, costs, and attorney fees, the bank shall remit the excess to the original debtor.

* Sec. 9. AS 45.55.140(a) is amended by adding a new paragraph to read:

(12) shares of membership stock in the Alaska Commercial Fishing and Agriculture Bank, and other securities issued by that bank to members or in connection with loans to members.

* Sec. 10. This Act takes effect immediately under AS 01.10.070(c).