



# LAWS OF ALASKA

2000

**Source**

CSHB 339(FIN)

**Chapter No.**

102

**AN ACT**

Authorizing the Alaska Commercial Fishing and Agriculture Bank to make loans relating to tourism and development or exploitation of natural resources.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: June 1, 2000

Actual Effective Date: August 30, 2000

AN ACT

1 Authorizing the Alaska Commercial Fishing and Agriculture Bank to make loans relating to  
2 tourism and development or exploitation of natural resources.

3

4 \* Section 1. AS 44.81.010(a) is amended to read:

5 (a) There is established the Alaska Commercial Fishing and Agriculture Bank.  
6 The exercise by the bank of the powers conferred by this chapter is considered to be  
7 for a public purpose. In the exercise of its powers under AS 44.81.215(11)  
8 [AS 44.81.215(7)], the bank is acting as an agent under the express authority and  
9 reservations of the state as the issuer of limited entry permits under AS 16.43. The  
10 bank is exempt from the provisions of AS 06.05 (Alaska Banking Code) and AS 10.15  
11 (Alaska Cooperative Corporation Act) in its structure and operations and in the  
12 exercise of powers granted by this chapter.

13 \* Sec. 2. AS 44.81.215 is amended to read:

14 **Sec. 44.81.215. Lending powers of the bank.** The bank may  
15 (1) make loans to individuals, including married couples, who are

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1 residents of the state and who are engaged in commercial agriculture or fishing,  
2 including harvesters, processors, suppliers, and marketers, if at least one of the primary  
3 obligors on the loan is a member of the bank;

4 (2) make loans to corporations, partnerships, or limited liability  
5 companies engaged in commercial agriculture or fishing if the majority interest of the  
6 corporation, partnership, or limited liability company is beneficially owned by residents  
7 of the state and a majority of the owners are residents of the state, and if at least one  
8 of the primary obligors on a loan is a member of the bank; however, the bank may not  
9 make a loan under this paragraph to a corporation, partnership, or limited liability  
10 company for the purchase of a new or existing fishing boat or for the repair or  
11 renovation of an existing fishing boat if the primary purpose of the fishing boat is to  
12 commercially harvest fishery resources, unless the corporation, partnership, or limited  
13 liability company is wholly owned and controlled by residents of the state, and unless  
14 at least one of the primary obligors on the loan is a member of the bank;

15 (3) make loans for limited entry permits to individuals who fish  
16 commercially if the individual is a state resident; loans made under this paragraph are  
17 subject to AS 44.81.231;

18 (4) make loans not to exceed \$500,000 to individuals, including  
19 married couples, who are residents of the state and who will use the loan proceeds  
20 to commercially engage in tourism within the state if at least one of the primary  
21 obligors on the loan is a member of the bank;

22 (5) make loans not to exceed \$1,000,000 to corporations,  
23 partnerships, or limited liability companies that will use the loan proceeds to  
24 commercially engage in tourism within the state if the majority interest of the  
25 corporation, partnership, or limited liability company is beneficially owned by  
26 residents of the state and a majority of the owners are residents of the state, and  
27 if at least one of the primary obligors on the loan is a member of the bank;

28 (6) make loans not to exceed \$500,000 to individuals, including  
29 married couples, who are residents of the state and who will use the loan proceeds  
30 to commercially engage in the development or exploitation of natural resources  
31 within the state if at least one of the primary obligors on the loan is a member of

1 the bank;

2 (7) make loans not to exceed \$1,000,000 to corporations,  
3 partnerships, or limited liability companies that will use the loan proceeds to  
4 commercially engage in the development or exploitation of natural resources  
5 within the state if the majority interest of the corporation, partnership, or limited  
6 liability company is beneficially owned by residents of the state and a majority of  
7 the owners are residents of the state, and if at least one of the primary obligors  
8 on the loan is a member of the bank;

9 (8) [(4)] make a loan for capital investment or operating capital to a  
10 shore-based fish processor, a timber processor, or an agricultural processor or harvester  
11 who does not meet the resident ownership requirements of (1) or (2) of this section if  
12 a facility of the processor or harvester is located in the state and the majority interest  
13 in the processor or harvester is beneficially owned by residents of the United States;

14 (9) [(5)] make a loan to a person, regardless of residency, if the board  
15 determines that the loan is necessary to preserve the value of property held by the bank  
16 as security for a loan that was made under AS 44.81.210 or this section and that is in  
17 default;

18 (10) [(6)] make loans, as provided in (1), (2), or (4) - (8) [(1), (2), OR  
19 (4)] of this section, that are secured by liens subordinate to valid first liens and  
20 security agreements granted to another creditor;

21 (11) [(7)] accept the pledge of a limited entry permit as security for  
22 a loan made under this chapter subject to the conditions set out in AS 44.81.236 on  
23 pledges of limited entry permits;

24 (12) [(8)] make loans in participation with other lenders as provided  
25 in (1), (2), or (4) - (8) [(1), (2), OR (4)] of this section, whether or not an obligor is  
26 a member of the bank;

27 (13) [(9)] purchase or acquire participations in loans from other lenders  
28 if the participations conform to the provisions of (1), (2), or (4) - (8) [(1), (2), OR (4)]  
29 of this section, whether or not an obligor is a member of the bank;

30 (14) [(10)] issue certificates of loan participation to members and to  
31 other individuals, corporations, partnerships, and limited liability companies, but the

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

6 \* Sec. 3. AS 44.81.350 is amended by adding new paragraphs to read:

7 (9) "natural resources" includes water, coal or other minerals, oil or gas,  
8 and geothermal systems; in this paragraph,

9 (A) "coal" means all forms of coal, including lignite;

10 (B) "gas" includes all natural gas and all hydrocarbons produced  
11 at the wellhead that are not oil;

12 (C) "geothermal system" means a stratum, pool, reservoir, or  
13 other geologic formation containing geothermal resources;

14 (D) "oil" includes crude petroleum oil and other hydrocarbons  
15 regardless of gravity that are produced at the wellhead in liquid form and the  
16 liquid hydrocarbons known as distillate or condensate recovered or extracted  
17 from gas, other than gas produced in association with oil and commonly known  
18 as casinghead gas;

19 (E) "other minerals" means clay, stone, sand, gravel,  
20 metalliferous and non-metalliferous ores, and other solid materials or  
21 substances of commercial value excavated in solid form from natural deposits  
22 on or in the earth; "other minerals" does not include coal or minerals that occur  
23 naturally in liquid or gaseous forms;

24 (10) "tourism" means the provision or presentation of goods, supplies,  
25 equipment, food and food stuffs, accommodations, entertainment, cultural practices and  
26 attractions, natural resource access, or transportation for Alaska tourists;

27 (11) "water" has the meaning given in AS 46.15.260.