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LEGISLATIVE COUNCIL

IN THE HOUSE BY MESSRS. FAGERSTROM AND GREUEL

HOUSE BILL NO. 11

IN THE LEGISLATURE OF THE TERRITORY OF ALASKA

TWENTY-SECOND SESSION

A BILL

For an Act entitled: "An Act to create an Alaska Industrial Development Corporation; defining its purpose, organization, powers, and limitations; making an appropriation; declaring severability; and setting an effective date."

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

Article I

TITLE AND PURPOSE

Section 1. Short Title. This Act may be cited as the "Industrial Development Act of 1955."

Sec. 2. Intent. The purpose of this Act is to establish a public corporation empowered to provide broadly for the furthering of industrial and commercial development of Alaska and to increase the taxable wealth of Alaska by constructing, equipping, furnishing, maintaining, and acquiring public utilities; ports; airports; market facilities; tourist hotels and lodges; roads, trails and bridges; and manufacturing, mining and industrial facilities; for the purpose of selling, leasing, renting or otherwise disposing of its facilities to persons, firms or corporations, private or public; and to provide guarantees for loans on investments deemed necessary or desirable to further the industrial and commercial development of Alaska; Provided, however, that the purpose and intent of this Act being to

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benefit the people of Alaska by, among other things, increasing their commerce and prosperity, and not to burden or interfere with existing business by the establishment of competitive enterprises, none of the powers granted hereby shall be exercised in the construction, improvement, maintenance, extension or operation of any facility deemed to be injuriously competitive to established enterprises; and, Provided further, that all powers of operation of such facilities hereinafter granted shall be exercised only, and in the event, when such direct operation is necessary to protect investors in the notes or bonds of the Corporation and when such facilities cannot reasonably be rented, sold, or leased to private persons, firms or corporations, or to an agency of the Territory of Alaska or political subdivisions of the Territory of Alaska.

Article II

ORGANIZATION AND OFFICERS

Section 1. Public Corporation established. There is hereby created the Alaska Industrial Development Corporation with such public and corporate powers as hereinafter set forth. The Corporation shall be a body politic and corporate, and a political subdivision of the Territory of Alaska. The Corporation may sue and be sued, plead and be impleaded, and shall have the power and authority to contract and be contracted with and to exercise and discharge all the powers and duties imposed and conferred upon it and hereinafter provided.

Sec. 2. How governed. The Corporation shall be governed by a board of seven commissioners to be selected as follows: (a) one member to be selected by the Board of Directors of the Alaska Chamber of Commerce; (b) one member to be selected by

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the Alaska Territorial Federation of Labor; (c) one member to be selected by the Alaska Visitor's Association; (d) one member to be selected by the Alaska Banker's Association; (e) one member to be selected by the Alaska Miner's Association; (f) one member to be selected by the Governor of Alaska to represent the fishing industry; and, (g) one member to be selected by the Governor of Alaska to represent the lumber industry. All members selected shall be residents and inhabitants of Alaska; and no member shall be an official of any political party, or, during his term, engage in partisan politics in any manner whatsoever.

Sec. 3. Confirmation. All appointments to the board of commissioners shall be subject to confirmation by the Legislature, if it is in session at the time of selection. If the Legislature is not in session at the time of the selection of a member or members of the board of commissioners, the member or members shall, in all respects, carry out the functions, powers and duties as in this Act provided until the next regular session of the Legislature at which time the name or names of the member or members selected shall be presented to both Houses of the Legislature and unless his or their selection shall be rejected, the member or members shall continue to carry out the functions, powers and duties in this Act provided.

Sec. 4. Term of members. The term of each member of the board of commissioners shall be four years, and retiring members shall be replaced in the same manner and by the same authority as original appointments; except that the terms of the first seven members shall be as follows: Immediately after qualifying as members, the commissioners shall assemble and shall by lot draw the numbers 1, 2, 3, 4, 5, 6, and 7. The

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1 members drawing numbers 1 and 2 shall hold office for a term of
2 four years; the members drawing numbers 3 and 4 shall hold office
3 for a term of three years; the members drawing numbers 5 and 6
4 shall hold office for a term of two years; and the member draw-
5 ing number 7 shall hold office for a term of one year. The
6 terms of all members shall commence on January first of each
7 year, except that the first members so selected shall commence
8 their duties from and after organization of the board, and the
9 terms of the first members shall end on the December thirty-
10 first as though they had been appointed on January first, 1955.

11 Sec. 5. Vacancy. If any of the appointing authorities
12 should fail to make an appointment within 60 days after the
13 taking effect of this Act, the Governor of Alaska shall appoint
14 a person to fill the office. In case a vacancy shall occur
15 the appointing authority, being that body making the original
16 appointment, shall appoint a successor who shall serve for the
17 period for which the member succeeded has been appointed. If
18 the appointing body for any reason fails to appoint a successor
19 the Governor of Alaska shall appoint a member to serve the
20 unexpired term.

21 Sec. 6. Organization of the Board. Immediately after
22 their appointment the commissioners shall enter upon the per-
23 formance of their duties. The Commissioners shall annually
24 elect one of the members of the board as chairman and another
25 as vice-chairman, and shall also elect annually a secretary and
26 a treasurer. In the absence from the Territory, or vacancy in
27 the office of chairman, the vice-chairman shall serve as acting
28 chairman. The secretary and treasurer may or may not be one
29 and the same person. Four commissioners shall constitute a

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1 quorum for the transaction of business. The board shall make
2 rules and regulations and by-laws for its own government and
3 procedure, shall hold at least one regular meeting each six
4 months, and may hold such special meetings as it may deem neces-
5 sary.

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7 Sec. 7. Per diem and expenses. The commissioners shall re-
8 ceive no salaries but shall be entitled to reimbursement for
9 necessary traveling expenses incurred while engaged in the per-
10 formance of their duties, and a per diem of twenty (\$20.00)
11 dollars per day during the time in attendance at such meetings,
12 including the time traveling to and from meetings.

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14 Sec. 8. Removal for cause. Any of the commissioners may
15 be removed from office by the Governor of Alaska for malfeasance,
16 misfeasance, incompetency or gross neglect of official duty, but
17 a commissioner may be removed only after he shall have been given
18 a copy of the charges against him at least ten days prior to the
19 hearing thereon before the Governor and had an opportunity to be
20 heard in person and by Counsel. In ^{the} event of the removal of any
21 commissioner a record of the proceedings, together with the
22 charges and findings thereon, shall be filed in the office of
23 Attorney General of Alaska.

24 Sec. 9. Treasurer's bond. The Corporation shall require a
25 surety bond of the member elected as Treasurer in such amount as
26 the commissioners may fix, and the premium or premiums thereon
27 shall be paid by the Corporation as a necessary expense of the
28 Corporation.

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30 **Article III**

31 **POWERS OF CORPORATION**

32 Section 1. General powers. The Corporation shall have

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powers: (a) to adopt and use a corporate seal, and to alter the same at its pleasure; (b) to acquire, hold and dispose of such personal property as may be necessary for its purposes; (c) to acquire by gift, purchase or lease, on such terms and conditions, and in such manner as it may deem proper, such real property, or such rights, easements or estates therein, as may be necessary for its purposes, and to sell, lease and dispose of the same or any portion thereof or interest therein, whenever it shall become expedient to do so; (d) to exercise the power of eminent domain, provided that such power may not be exercised within the limits of any incorporated city without first obtaining the consent of the governing body of such city; (e) to fix and charge tolls, fees, rentals, and any other charges for the use of or for services rendered by, any of the facilities it is authorized hereunder to maintain, operate, lease, sell or rent; (f) to appoint and employ such officers, agents and employees as may be necessary to carry out the purpose of the Corporation, to fix their compensation and to prescribe their duties; (g) to do all other acts and things which may be reasonable, necessary and convenient to carry out the purposes and powers given in this Act.

Sec. 2. Public utilities. The Corporation shall have power to acquire, lease, construct or maintain and operate public utilities, including electric, gas, water, telephone, sewers, and structures and appurtenances necessary or appropriate thereto including, but not limited to, dams, generating units, transmission lines, pipelines, roads and trails, stations, substations, administrative buildings, compressor stations and pumps, switchboards, lift stations, drains, and other facilities

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of every kind and description necessary or useful in the maintenance and operation of such utilities, and to rent, lease, sell, or otherwise dispose of any and all of such facilities to any person, firm or corporation for maintenance and operation of any and all such facilities on such terms and conditions as it may deem proper.

Sec. 3. Ports. The Corporation shall have power to acquire, lease, construct, or maintain and operate, landings, wharves, docks, and piers, and the approaches to and appurtenances thereof, tracks, spurs, crossings, switchings, terminals, warehouses and terminal facilities of every kind and description necessary or useful in the transportation and storage of goods, wares, produce and merchandise, to perform any and all services at said facilities in connection with receipt, delivery, shipment and transfer in transit, weighing, marking, tagging, ventilating, fumigating, refrigerating, icing, storing and handling of goods, wares, produce and merchandise, to prescribe and collect charges from vessels coming into or using any of the other facilities of the Corporation, and to rent, lease, or sell any and all of such facilities or any concession properly incident thereto to any person, firm, or corporation for the maintenance and operation of any and all of such facilities on such terms and conditions as it may deem proper.

Sec. 4. Airports. The Corporation shall have power to acquire, lease, construct or maintain and operate airport and air navigational facilities including, but not limited to, landing strips, runways, warehouses and terminals, communication and electronic equipment, hangars, fire equipment, and terminal facilities and equipment of every kind and description necessary

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or useful in the transportation of persons, goods, wares and merchandise, including any restaurants, shops, or stores, or other concessions necessary or useful to the operation of an airport, and to prescribe and collect charges, fees, and rentals for use of any of its facilities, and to lease, rent or sell any and all of such facilities or concessions properly incident thereto to any person, firm or corporation for the maintenance and operation of any and all of such facilities on such terms and conditions as it may deem proper.

Sec. 5. Industrial, mining, and manufacturing. The Corporation shall have power to acquire, for the purpose of encouraging industry, mining, and manufacturing, real property and to construct thereon any structures, including all equipment, appurtenances, and accessories necessary or appropriate for such uses and purposes and to acquire, lease, or rent equipment, appurtenances, and accessories necessary or appropriate for such uses and purposes, and to sell or lease the same, or any part thereof, for industrial, mining, and manufacturing uses and purposes, to any person, firm or corporation on such terms and conditions as it may deem proper.

Sec. 6. Market facilities. The Corporation shall have power to acquire, construct, lease, operate, or maintain any market facility for dealers and farmers engaged primarily in the marketing of perishable food products at wholesale, and to make charges for the use thereof, and to lease, rent, or sell such facilities or any concessions properly incident thereto on such terms and conditions as it may deem proper.

Sec. 7. Tourist hotels and recreation. The Corporation shall have power to acquire, construct, lease, operate or main-

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tain any hotels and lodges including the land, and including all equipment, appurtenances, accessories, and concessions necessary or appropriate for such uses and purposes including, but not limited to, shelter cabins, picnic and camp grounds, stoves, toilets, community buildings, swimming pools, observation points, small boat landings, water systems, fireplaces, organization buildings, winter sports lodges, lodges, roads, ski trails, Indian community houses and village sites, totem poles, historic and scenic spots, and to lease, rent or sell any and all of such facilities or any concessions properly incident thereto to any person, firm or corporation for the maintenance and operation of such facilities on such terms and conditions as it may deem proper.

Sec. 8. Roads, trails and bridges. The Corporation shall have power to construct, improve, equip, furnish, maintain and operate roads, trails, bridges, maintenance sheds, offices and garages and roadside rests, and shall have and may exercise all powers necessary or convenient for the carrying out of the aforesaid purposes, and may lease, rent or sell any and all of such facilities to any firm, person, or corporation, or to the Territorial or Federal Government, or any local government subdivision, under such terms and conditions as it may deem proper.

Sec. 9. Eminent domain. The Corporation shall have, and is hereby given, the same right of eminent domain as granted under Chapter 7, Title 57, Alaska Compiled Laws Annotated, 1949, as amended (being those sections numbered 57-7-1 to 57-7-53, as amended), and the purposes of the Corporation are hereby determined to be public uses for which such power may be exercised, and the Corporation shall proceed in the same manner as provided

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for first class cities; except that the Corporation shall not exercise the right of eminent domain against property of the Territory of Alaska or any political subdivision thereof or property already devoted to public uses; and except that the Corporation shall not exercise the right of eminent domain within the boundaries of any incorporated municipality without the consent of the governing body thereof, which consent may be granted by resolution or ordinance of the city council.

Sec. 10. Selling and disposing of facilities; notice and bids. In selling, disposing of or leasing for a period of more than one year any of the facilities owned by the Corporation, bids shall be first advertised for by publication in one or more newspapers of general circulation in Alaska for at least five consecutive days. The Corporation shall have the right to reject any and all bids.

Sec. 11. Exchange and removal of property and facilities. The Corporation may exchange any property or facilities acquired for other property or facilities usable in carrying out the powers hereby conferred, and also may remove from lands needed for its purposes and reconstruct on other locations any facilities, if in its judgment, it is necessary or desirable so to do in order to carry out any of its powers under authorization of this Act.

Article IV

FINANCIAL POWERS

Section 1. The Territory of Alaska is hereby authorized to make contributions or appropriations or grants-in-aid and to provide such funds for the operation of the Corporation as the Legislature may deem proper. Any and all political subdivisions

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of the Territory of Alaska are hereby authorized to make such appropriations, contributions, grants-in-aid and to provide such funds for the operation of the Corporation as the governing bodies of such political subdivisions may deem proper.

Sec. 2. Bonds; power to issue. The Corporation shall have the power to borrow money and to issue bonds and notes from time to time in its discretion, for any of its corporate purposes, including the payment or retirement of bonds previously issued by it. The Corporation may issue such types of bonds as it may determine, including, but not limited to, bonds payable, both as to principal and interest: (a) from its revenues generally; (b) exclusively from the income and revenues of a particular "facility"; which term shall mean a particular building or structure or particular buildings or structures including all equipment, appurtenances and accessories necessary or appropriate for the operation of such facility; or (c) exclusively from the income and revenues of certain designated facilities whether or not they are financed in whole or in part from the proceeds of such bonds. Any such bonds may be additionally secured by a pledge of any grant or contributions from the Federal Government, Territory of Alaska, or political subdivision or agency or instrumentality thereof; or a pledge of any income or revenues of the Corporation, or a mortgage of any particular facility or facilities or other property of the Corporation. The issuance of such notes or bonds shall not directly or indirectly or contingently obligate the Territory to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

Sec. 3. Bonds; liability. Neither the commissioners of the

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Corporation nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds and other obligations of the Corporation shall not be a debt of the Territory or any political subdivision thereof, and neither the Territory nor any political subdivision thereof shall be liable thereon, nor in any event, shall such bonds or obligations be payable out of any funds or properties other than those of the Corporation. The bonds shall not constitute an indebtedness within the meaning of any debt limitation or restriction. Bonds of the Corporation are declared to be issued for an essential public and governmental purpose and to be public instrumentalities. Such bonds and the income therefrom shall be exempt from all taxation within the Territory.

Sec. 4. Bonds; provisions. Bonds of the Corporation shall be authorized by resolutions adopted by the board of commissioners and may be issued in one or more series and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, not exceeding six per centum (6%) per annum, be in such denomination or denominations, be in such form, either coupon or registered, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium or payment, at such place or places, and be subject to such terms of redemption (with or without premium) as such resolution or its trust indenture or mortgage may provide. The bonds may be sold at public or private sale.

Sec. 5. Bonds; validity. In case any of the commissioners or officers of the Corporation whose signatures appear on any bonds or coupons shall cease to be such commissioners or officers

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before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such commissioners or officers had remained in office until such delivery. Any provisions of any law to the contrary notwithstanding, any bonds issued pursuant to this Act shall be fully negotiable within the meaning of Chapter 1, Title 27, Alaska Compiled Laws Annotated, 1949, as now or hereafter amended.

Sec. 6. Bonds; powers of Corporation. In order to secure the payment of such bonds the Corporation shall have power by provision or provisions included in any resolution authorizing such bonds or in any indenture made to secure their payment: (a) To pledge all or any part of its gross or net rents, fees or revenues to which its right then exists or may thereafter come into existence; (b) To mortgage all or any part of its real or personal property, then owned or thereafter acquired; (c) To covenant against pledging all or any part of its rents, fees and revenues, or against mortgaging all or any part of its real or personal property, to which its right or title then exists or may thereafter come into existence or against permitting or suffering any lien on such revenues or property; to covenant with respect to limitations on its right to sell, lease or otherwise dispose of any facility or any part thereof; and to covenant as to what other, or additional debts or obligations may be incurred by it; (d) To covenant as to the bonds to be issued and as to the issuance of such bonds in escrow or otherwise, and as to the use and disposition of the proceeds thereof; to provide for the replacement of lost, destroyed or mutilated bonds; to covenant against extending the time for the payment of its bonds or interest thereon; and to redeem the bonds, and to covenant for

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their redemption and to provide the terms and conditions thereof;
(a) To covenant as to the rents and fees to be charged in the operation of a facility or facilities, the amount to be raised each year or other period of time by rents, fees and other revenues, and as to the use and disposition to be made thereof; to create or to authorize the creation of special funds for moneys held for construction or operating costs, debt service, reserves, or other purposes, and to covenant as to the use and disposition of the moneys held in such funds; (f) To prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto and the manner in which such consent may be given; (g) To covenant as to the use of any or all of its real or personal property; and to covenant as to the maintenance of its real and personal property, the replacement thereof, the insurance to be carried thereon and the use and disposition of insurance moneys; (h) To covenant as to the rights, liabilities, powers and duties arising upon the breach by it of any covenant, condition, or obligation; and to covenant and prescribe as to events of default and terms and conditions upon which any or all of its bonds or obligations shall become or may be declared due before maturity, and as to the terms and conditions upon which such declaration and its consequences may be waived; (i) To vest in a trustee or trustees or the holders of bonds or any proportion of them the right to enforce the payment of the bonds or any covenant securing or relating to the bonds; to vest in a trustee or trustees the right, in the event of a default by said Corporation, to take possession and use, operate and manage any facility or part

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thereof, and to collect the rents and revenues arising therefrom and to dispose of such moneys in accordance with the agreement of the Corporation with said trustee; to provide for the powers and duties of a trustee or trustees or the holders of bonds or any proportion of them who may enforce any covenant or rights securing or relating to the bonds; (j) To exercise all or any part or combination of the powers herein granted; to make covenants other than and in addition to the covenants herein expressly authorized, of like or different character; to make such covenants and to do any and all such acts and things as may be necessary or convenient or desirable in order to secure its bonds, or in the absolute discretion of said corporation, as will tend to make the bonds more marketable notwithstanding that such covenants, acts or things may not be enumerated herein.

Sec. 7. Rights of obligees. An obligee of the Corporation shall have the right in addition to all other rights which may be conferred on such obligee, subject only to any contractual restrictions binding upon such obligee: (a) By mandamus, suit, action, or proceeding at law or in equity to compel the Corporation and the commissioners, officers, agents or employees thereof to perform each and every term, provision and covenant contained in any contract of the Corporation with or for the benefit of such obligee, and to require the carrying out of any or all such covenants and agreements of the Corporation and the fulfillment of all duties imposed upon the Corporation by this Act; (b) By suit, action or proceedings in equity, to enjoin any acts or things which may be unlawful, or the violation of any of the rights of such obligee of the Corporation.

Sec. 8. Revenues. The Corporation shall have the power to

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fix and revise from time to time the rents, fees and other charges to be paid by persons for the use of the various facilities of the Corporation and for any other service furnished or provided by the Corporation. Such rents, fees and charges shall be fixed so as to provide at least sufficient funds to pay the cost of maintaining, repairing and operating such facilities and the principal and interest of any bonds issued by the Corporation or other debts contracted as the same shall become due and payable. A reserve may be accumulated and maintained out of the revenues of such Corporation for extraordinary repairs and expenses and for such other purposes as may be provided in any resolution authorizing a bond issue or in any trust indenture securing such bonds. Subject to such provisions and restrictions as may be set forth in the resolution or in the trust indenture authorizing or securing any of the bonds or other obligations issued hereunder, the Corporation shall have exclusive control of the revenues derived from any facility or facilities operated and controlled by it and the right to use such revenues in the exercise of its powers and duties set forth in this Act. No individual, firm, association or corporation shall receive any profit or dividend from the revenues, earnings or other funds or assets of the Corporation other than for debts contracted, for services rendered, for materials and supplies furnished and for other value actually received by the Corporation; except for the operation and maintenance of facility or facilities under sale, lease, or rental contract with the Corporation under such terms and conditions as the commissioners deem proper.

Sec. 9. Aid from Federal Government. In addition to the other powers conferred by this Act, the Corporation shall have

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the power to borrow money and to accept contributions, grants and other financial assistance from the federal government and agency or agencies or other instrumentality thereof for or in aid of the construction and equipment of its facilities or the retirement or refunding of its bonds. To these ends the Corporation shall have the power to comply with such conditions and to execute such mortgages, trust indentures and agreements as may be necessary, convenient or desirable; and, without limiting the foregoing powers, to act as agent for the United States of America or any agency, department, corporation or instrumentality thereof, in any matter coming within the purposes or powers of the Corporation.

Sec. 10. Aid from Territory and political subdivisions.

The Corporation shall have the power and authority to accept funds from the Territory of Alaska or agency thereof, or any city or other political subdivision or agency thereof wherein any of the facilities of the Corporation are located, and to use the same in such manner, within the purposes of the Corporation, as shall be stipulated by the Territory or agency, or political subdivision or agency, and to act as agent or instrumentality, of any such governmental units in any matter coming within the purposes of the Corporation.

Sec. 11. Deposit of funds. All Corporation funds shall be

deposited in a bank or banks to be designated by the Corporation. Funds of the Corporation shall be paid out only upon warrants signed by the Treasurer of the Corporation and shall be countersigned by the Chairman or the Acting Chairman. No warrants shall be drawn or issued disbursing any of the funds of the Corporation except for a purpose authorized by this Act and only when the account or expenditure for which the same is to be given in

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payment has been audited and approved by the Corporation. Any and all net revenues or earnings, not necessary or desirable for the operation of its business shall be held subject to the further action of the Legislature of Alaska.

Sec. 12. Financial statement. At least once in each year the Corporation shall publish in some newspaper published in Alaska a complete detailed statement of all moneys received and disbursed by the Corporation during the preceding year. Such statement shall also show the several sources from which such funds were received, and the balance on hand at the time of publishing the statement, and shall show the complete financial condition of the Corporation.

Sec. 13. Audit of financial records. The official of the Territorial Government having authority to conduct post-audits of Territorial agencies shall have the power and authority to conduct audits of the financial records of the Corporation at such time or times deemed necessary by such official or by the Legislature to insure financial integrity in the handling of the funds of the Corporation, or to name a certified public accountant or accountants to conduct such audits. The expense of such audits shall be paid by the Territorial government.

Sec. 14. Direct loans prohibited. The Corporation shall have no power to make direct loans of any of its funds to any person, firm, or corporation.

Sec. 15. May guarantee loans. The Corporation shall have the power and authority to provide guarantees for loans made by any bank or lending institution under such terms and conditions as the board of commissioners may, by regulations, orders, and by-laws prescribe; Provided, however, that the total amount of

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any such guarantee shall not be in excess of 70 per cent of the total amount of any loan given by any bank or lending institution; and, provided further, that the Corporation shall not lend the credit of the Territory of Alaska either directly or indirectly or contingently; nor the property or earnings of the Corporation; nor pledge the faith of the people of Alaska, but such guarantees when due shall be payable solely from the special fund as hereinafter provided.

Sec. 16. Agreement with banks or lending institutions. The Corporation shall have power and authority to contract with banks or other lending institutions and to covenant in such manner as may be necessary or desirable to insure such banks or lending institutions that such guarantees will be met, and to provide and covenant regarding the method or methods of payment of such guarantees when due; and to provide the method or methods of determining the manner in which such guarantees shall be made, including guarantees of the principal sum and interest on loans guaranteed; and to do all other acts and things necessary or desirable in carrying out the provisions of this Act.

Sec. 17. Types of loans approved. The Corporation shall have power and authority to provide guarantees for loans for industrial and commercial purposes deemed necessary and desirable to advance the commerce and industry of Alaska, and no other; provided, that the Corporation shall have no power to guarantee loans for agricultural purposes or for the purpose of purchasing, remodeling, repairing, building, furnishing, or equipping homes or farms, nor for any purpose not directly intended to advance the commerce and industry of Alaska.

Sec. 18. Special Fund. The Corporation shall keep all

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moneys used for the purpose of loan guarantees in a segregated account or accounts and such funds shall be used for no other purposes than to provide such guarantees; except that the Corporation may invest such funds in negotiable bonds and securities of the United States of America or in negotiable bonds and securities of any political subdivision of the Territory of Alaska, except bonds of the Corporation, and may use the income derived from interest on such investments for the purpose of administration of the functions of the Corporation.

Sec. 19. Appropriation. There is hereby appropriated from any moneys in the General Fund of the Territory of Alaska not otherwise appropriated the sum of five hundred thousand (\$500,000.00) dollars to be used exclusively for the purposes set forth in Sections 15 through 18 of this article; and there is further appropriated from any moneys in the General Fund of the Territory of Alaska not otherwise appropriated the sum of ten thousand dollars (\$10,000.00) for the purpose of carrying out the provisions of this Act.

Sec. 20. Payments to Corporation. Upon affidavit of the Chairman of the Corporation that the board of commissioners has met and organized pursuant to the terms of this Act, and that said board has designated a bank or banks as required by this Act, the Treasurer of Alaska shall draw warrants on the General Fund of the Territory, in the amounts appropriated in the last preceding section of this Act, payable to the Treasurer of the Corporation who shall, upon receipt of such warrants, make deposit or deposits in such designated bank or banks as hereinabove required and provided.

Sec. 21. Expenses. The Corporation is hereby authorized

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1 and empowered to pay all necessary costs and expenses involved
2 in and incident to the formation and organization of said Cor-
3 poration, and incident to the administration and operation there-
4 of, and to pay all other costs and expenses reasonably necessary
5 or expedient in carrying out and accomplishing the purpose of
6 this Act, subject to the limitation on uses of the funds of the
7 Corporation hereinabove set forth.
8

9 Article V

10 CONSTRUCTION OF ACT

11 Section 1. Liberal construction. It is intended that the
12 provisions of this Act shall be liberally construed to accomplish
13 the purposes provided for, or intended to be provided for, here-
14 in, and where strict construction would result in the defeat of
15 the accomplishment of any of the acts authorized herein, and a
16 liberal construction would permit or assist in the accomplish-
17 ment thereof, the liberal construction shall be chosen. It is
18 further intended that the enumeration of the above purposes,
19 powers, authorities, and objectives shall not limit or circums-
20 scribe the broad objective of developing to the utmost the in-
21 dustrial and commercial development of Alaska.

22 Sec. 2. Severability of parts. The powers granted and the
23 duties imposed in any of the foregoing sections and articles
24 shall be construed to be independent and severable. If any one
25 of more sections, subsections, sentences, or parts of any of the
26 foregoing sections shall for any reason be questioned in any
27 court and shall be adjudged invalid, such judgment shall not
28 affect, impair or invalidate the remaining provisions thereof,
29 but shall be confined in its operation to the specific provi-
30 sions so held invalid.

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Sec. 3. Time of taking effect. This Act shall take effect and be in force from and after its affirmative approval by Congress.

HB 11