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Referred: Commerce, State
Affairs and Finance

BY WHITTAKER, NAUGHTON AND
MOORE

1 IN THE HOUSE

2 HOUSE BILL NO. 138

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating the Alaska Cooperative Authority;
7 and providing for an effective date."

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

9 * Section 1. AS 44 is amended by adding a new chapter to read:

10 CHAPTER 63. ALASKA COOPERATIVE AUTHORITY.

11 Sec. 44.63.010. LEGISLATIVE FINDING AND POLICY. (a) The legis-
12 lature finds, determines and declares that

13 (1) there exists throughout the state a need for cooperative
14 undertakings in many and varied fields;

15 (2) this need is only partially met by the creation of the
16 Alaska Cooperative Corporation Act (AS 10.15.005 - 10.15.600);

17 (3) the primary needs of cooperatives in the state are
18 available expert advice in setting up cooperatives, financial assis-
19 tance in the initial stages of organization and operation and continuing
20 expert advice once a cooperative begins operations.

21 (b) It is declared to be the policy of the state, in the interests
22 of promoting the health, security and general welfare of all the
23 people of the state, and a public purpose to provide the needed assis-
24 tance in cooperative organization, financing and management consulting
25 as provided in this chapter.

26 Sec. 44.63.020. CREATION OF AUTHORITY. There is created the
27 Alaska Cooperative Authority. The authority is a public corporation
28 of the state and a body corporate within the Department of Economic
29 Development, but with separate and independent legal existence from

1 the state. The authority shall function through a board of directors.

2 Sec. 44.63.030. APPOINTMENT, COMPOSITION AND OFFICERS OF BOARD.

3 The board consists of seven residents of the state at least 19 years
4 of age. Members of the board are appointed by the governor and serve
5 at his pleasure. The board shall choose a chairman and other officers
6 from among its members during the organizational meeting.

7 Sec. 44.63.040. TERMS OF MEMBERS. Terms of office of the board

8 members shall be staggered. Three members shall be appointed for one
9 year, two members shall be appointed for two years, and two members
10 shall be appointed for three years. Thereafter terms shall be for
11 three years. The governor shall designate the initial term of office
12 of each board member upon appointment.

13 Sec. 44.63.050. CONFLICT OF INTERESTS. Upon appointment and

14 during his term of office, a board member shall declare privately in
15 writing to the governor and the board any financial or business inter-
16 est he has which might conflict with the public nature of his membership
17 on the board. If there is a serious conflict, the board may ask him
18 to abstain from decisions resulting in a conflict.

19 Sec. 44.63.060. COMPENSATION AND EXPENSES. Members of the board

20 receive no salary, but are entitled to per diem and travel expenses
21 authorized by law for other boards.

22 Sec. 44.63.070. LEGAL ADVISER. The attorney general is the

23 legal counsel for the authority. He shall advise the authority in
24 legal matters and represent it in suits.

25 Sec. 44.63.080. PUBLIC BOARD MEETINGS. The meetings of the

26 board are public except meetings to discuss and pass on loan applications.

27 Sec. 44.63.090. QUORUM AND NOTICE OF MEETINGS. Four members

28 constitute a quorum for the transaction of business unless the bylaws
29 require a larger number. Notice of meetings must be given to each

1 member of the board no later than 10 days before the date of the
2 meeting.

3 Sec. 44.63.100. MINUTES OF MEETINGS. The board shall keep
4 minutes of each meeting and send a certified copy to the governor.

5 Sec. 44.63.110. EXECUTIVE VICE PRESIDENT. The board may employ
6 an executive vice president to manage the corporation. He must be
7 professionally trained and experienced in the performance of his
8 duties. The executive vice president may not have any financial or
9 business interest that might conflict with the management of the
10 authority in the best interest of the public. The board may delegate
11 powers and duties to the executive vice president.

12 Sec. 44.63.120. POWERS AND DUTIES OF THE AUTHORITY. In further-
13 ance of its corporate purposes, the authority has the following powers
14 and duties in addition to other powers and duties under this chapter:

- 15 (1) to sue and be sued;
- 16 (2) to have a corporate seal and alter it at pleasure;
- 17 (3) to make and alter bylaws for its organization and
18 internal management;
- 19 (4) to make rules and regulations governing the exercise
20 of its corporate powers;
- 21 (5) to receive and disburse appropriations for the purpose
22 of the revolving loan fund provided for under this chapter and for
23 the purpose of contracting for services;
- 24 (6) to accept gifts, grants or loans from, and enter into
25 contracts or other transactions regarding them with, a federal agency
26 or an agency or instrumentality of the state, a municipality, private
27 organization or other source;
- 28 (7) to deposit or invest its funds subject to sec. 150 of
29 this chapter in the best public interest;

1 (8) to render professional assistance to cooperatives in
2 their organization under the Alaska Cooperative Corporation Act and
3 to provide continuing professional assistance in funding and marketing
4 and all other aspects of cooperative organization and operation to
5 cooperatives organized under that Act;

6 (9) to make loans to cooperatives in their organization and
7 operation if in the determination of the board the loans will be secure
8 and the formation and operation of the cooperative is in the best
9 public interest;

10 (10) to enter into contracts or agreements with respect to
11 the exercise of any of its powers, and do all things necessary or in
12 the best public interest to carry out its corporate purposes and
13 exercise the powers granted in this chapter.

14 Sec. 44.63.130. COOPERATIVE AUTHORITY REVOLVING FUND. There
15 is established a cooperative authority revolving fund which shall be
16 administered by the board of directors exclusively for the purposes
17 of this chapter. The fund is composed of money appropriated by the
18 legislature and money received under sec. 120(6) of this chapter for
19 the corporate purposes under this chapter. Expenditures may be made
20 from this fund for the administration of this chapter as well as for
21 the loans authorized by the provisions of this chapter.

22 Sec. 44.63.140. REPAYMENT TO GENERAL FUND. All money made
23 available to the cooperative authority revolving fund from the general
24 fund of the state is a loan from the general fund. All surplus at the
25 end of a fiscal year over amounts made available to the fund from the
26 general fund of the state shall be repaid to the general fund until
27 the loan is repaid in full. Repayments need not begin until after the
28 first five complete fiscal years after the fund is created.

29 Sec. 44.63.150. INVESTMENTS BY AUTHORITY. The authority shall

1 place reserves held in the cooperative authority revolving fund in
2 one or more of the following: deposits in banks or trust companies
3 having their principal places of business in the United States; or
4 obligations of the United States, the state, or its political subdivi-
5 sions if the obligations are secured by the general taxing power of
6 the obligor.

7 Sec. 44.63.160. TAX EXEMPTION. Because the purpose of the
8 authority, as an instrumentality of the state, is to benefit the
9 people of Alaska by increasing their commerce, prosperity, and general
10 well-being, the authority is exempt from all taxes and assessments
11 in the state.

12 Sec. 44.63.170. INTEREST RATE. The rate of interest charged for
13 the authority's share of a cooperative development loan shall not
14 exceed seven per cent a year.

15 Sec. 44.63.180. DISSOLUTION. After repayment in full to the
16 state general fund of all money appropriated to the authority and after
17 settlement of all loans received under sec. 120(6) of this chapter the
18 authority may, by the majority vote of its directors, dissolve the
19 corporate authority created by this chapter. Dissolution is not
20 effective until the legislature confirms it. The effective date of
21 dissolution is the date the legislature confirms the dissolution or a
22 date determined by the legislature at the time of confirmation. Assets
23 remaining after satisfaction of liabilities and obligations of the
24 authority shall be deposited to the credit of the general fund of the
25 state.

26 Sec. 44.63.190. REGULATIONS. The board may adopt regulations to
27 implement the purposes of this chapter.

28 Sec. 44.63.200. EXPENSES. The authority shall bear all of its
29 own expenses.

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Sec. 44.63.210. BOARD MAY EMPLOY PERSONNEL. The board may appoint other officers, hire employees and agents, and engage professional and technical services and advice upon employment or independent contract basis. The board shall prescribe the duties and compensation of association personnel.

Sec. 44.63.220. DEFINITIONS. In this chapter

(1) "authority" or "corporate authority" means the Alaska Cooperative Authority created under this chapter;

(2) "board" means the board of directors of the Alaska Cooperative Authority;

(3) "cooperative" means a cooperative corporation subject to the provisions of the Alaska Cooperative Corporation Act (AS 10.15.-005 - 10.15.600).

* Sec. 2. This Act takes effect on July 1, 1971.