

Original sponsor: McKinnon and
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Offered: 2/17/77
Referred: Judiciary

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 29

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for state chartered credit unions."

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

8 * Section 1. AS 06 is amended by adding a new chapter to read:

9 CHAPTER 40. ALASKA CREDIT UNION ACT.

10 ARTICLE 1. FORMATION AND MANAGEMENT OF CREDIT UNIONS.

11 Sec. 06.40.010. FORMATION OF CREDIT UNION. (a) A credit union
12 may be formed by seven or more residents of this state who meet the
13 requirement of common bond contained in sec. 60 of this chapter and the
14 requirements in this section by subscribing for shares of the credit
15 union in the aggregate amount of \$1,000 and executing two copies of
16 articles of incorporation and bylaws of the credit union consistent with
17 the provisions of this chapter and regulations of the commissioner of
18 commerce and economic development.

19 (b) The incorporators shall forward the articles of incorporation,
20 bylaws and required fees to the commissioner. If the commissioner finds
21 that the articles of incorporation and the bylaws conform to law and
22 that the incorporators are fit and of good general character, he shall
23 within 60 days issue a certificate of approval and return a copy of the
24 articles of incorporation, certificate and bylaws to the incorporators
25 to be preserved in the permanent files of the credit union. No credit
26 union may transact business until formal approval of the charter has
27 been received.

28 Sec. 06.40.020. ARTICLES OF INCORPORATION. (a) The articles of
29 incorporation shall state the name of the credit union; the term of

1 existence; the par value of its shares, which shall be in \$5 multiples,
2 not less than \$5 nor more than \$25; the names and addresses of the in-
3 corporators and the number of shares held by each; the territory in
4 which the proposed credit union will operate; and the proposed field of
5 membership, specified in detail.

6 (b) Amendments to the articles of incorporation shall be submitted
7 to the commissioner and shall be effective upon written approval of the
8 commissioner. A fee may be charged for the approval of amendments.

9 Sec. 06.40.030. BYLAWS. The incorporators shall adopt the initial
10 bylaws of the credit union. The members of the credit union may alter,
11 amend or repeal the bylaws or adopt new bylaws. The bylaws shall pre-
12 scribe the following:

13 (1) the conditions of residence or occupation which qualify
14 persons for membership; however,

15 (A) credit unions shall be open to groups having common
16 bonds of occupation or association, or to residents within a well-
17 defined neighborhood, community, or rural district, or to employees
18 of related or vicinal industries, or to members of bona fide frater-
19 nal, religious, cooperative, labor, rural, educational, or similar
20 organization and employees of the credit union; members of the
21 immediate family of all qualified persons are eligible for member-
22 ship; in this section "members of the immediate family" include the
23 wife, husband, parents, and children of a member whether living
24 together in the same household or not and any other relative of the
25 member or spouse of a member living together in the same household
26 as the member;

27 (B) organizations and associations composed of indivi-
28 duals, the majority of whom are eligible for membership, may be
29 admitted to membership in the same manner and under the same

1 conditions as individuals;

2 (C) an individual who ceases to qualify under this
3 section may retain his full membership in the credit union at the
4 discretion of the board of directors;

5 (2) the method of receipting for money paid on accounts;

6 (3) the number of directors and the length of their terms, a
7 credit committee or loan officer;

8 (4) the duties of the several officers;

9 (5) the time of the annual meeting of members, which shall be
10 held within 90 days after the end of the calendar year;

11 (6) the manner in which members and directors shall be noti-
12 fied of meetings;

13 (7) other provisions for the management of the affairs of the
14 credit union not inconsistent with law or the articles of incorporation.

15 Sec. 06.40.040. NAME. The name of a credit union chartered under
16 this chapter shall include the words "credit union". A credit union may
17 not adopt the same name as that of any other existing credit union.

18 Sec. 06.40.050. INITIAL DIRECTORS AND COMMITTEES. The incorpora-
19 tors shall select at least five persons to serve on the board of direc-
20 tors, three persons to serve on the supervisory committee, and persons
21 to serve on other committees required by the articles or bylaws. The
22 selected persons will serve in these capacities until the first annual
23 meeting of the members and the election of their successors.

24 Sec. 06.40.060. MEMBERSHIP. (a) Except as provided in this sec-
25 tion, the membership of a credit union shall be limited to persons who
26 have common bonds who have met the requirements stated in the articles
27 of incorporation and the bylaws.

28 (b) Societies and co-partnerships composed primarily of indivi-
29 duals who are eligible to membership and corporations whose stockholders

1 are composed primarily of these individuals may be admitted to member-
2 ship in the same manner and under the same conditions as individuals.

3 (c) A credit union organized under this chapter may permit mem-
4 bership of any other credit union.

5 Sec. 06.40.070. POWERS. A credit union may

6 (1) have perpetual succession by its corporate name unless
7 its duration is limited by its articles of incorporation;

8 (2) adopt and use a seal, which may be altered at pleasure;

9 (3) sue and be sued, complain and defend, in its corporate
10 name;

11 (4) make contracts, purchase, hold, lease and dispose of
12 property, either in whole or in part, necessary or incidental to its
13 operations;

14 (5) require the payment of an entrance fee or annual member-
15 ship fee;

16 (6) receive savings from its members in the form of shares,
17 deposits, time certificates or special purpose thrift accounts;

18 (7) lend its funds to its members and invest surplus funds as
19 provided in this chapter;

20 (8) borrow from any source in an amount not to exceed 50 per
21 cent of paid-in and unimpaired capital and surplus in accordance with
22 policy established by the board of directors and to discount or sell
23 eligible obligations, subject to regulations prescribed by the commis-
24 sioner;

25 (9) make deposits in banks chartered by this state or the
26 federal government, in trust companies and in central credit unions;

27 (10) hold membership in other credit unions organized under
28 this chapter and in organizations composed of credit unions;

29 (11) declare dividends, pay interest on deposits and pay

1 interest refunds to borrowers as provided in this chapter;

2 (12) assess charges to members in accordance with the bylaws
3 for failure to meet their obligations to the credit union;

4 (13) sell travelers checks, money orders and other money-type
5 instruments to its members;

6 (14) act as fiscal agents for and to receive deposits from
7 this state, the federal government or political subdivisions of either;

8 (15) perform trust services for its members subject to the
9 provisions of ch. 25 of this title upon approval by the commissioner,
10 including the trust estates of deceased members, and to act as a custo-
11 dian of qualified pension funds of self-employed individuals under the
12 provisions of P.L. 89-809;

13 (16) sell all or a part of its assets or purchase all or a
14 part of the assets of another credit union, subject to the approval of
15 the commissioner;

16 (17) receive from its members or from another credit union
17 deposits in accounts of a type approved by the administrator of the
18 National Credit Union Administration for federally chartered credit
19 unions, and honor requests for withdrawals of these deposits in any form
20 which is similarly approved, if the credit union has total shares and
21 deposits of at least \$1,000,000 and maintains the reserves and bonds
22 required by the commissioner;

23 (18) contribute to public service or eleemosynary institutions
24 and contribute to, support or participate in a nonprofit service facility
25 whose services will benefit the credit union, subject to regulations
26 prescribed by the commissioner;

27 (19) facilitate its members' purchase of goods and services in
28 a manner which promotes the purposes of the credit union;

29 (20) exercise the incidental powers necessary to enable it to

1 carry out effectively the business and purposes for which it is incor-
2 porated, including the inherent powers generally implied for general
3 corporations organized under the laws of this state.

4 Sec. 06.40.080. MEMBERS' MEETINGS. The annual meeting and special
5 meetings of the members of the credit union shall be held at the time,
6 place and in the manner prescribed in the bylaws. At the meetings a
7 member shall have only one vote, irrespective of his shareholdings. No
8 member may vote by proxy, but a society, association, partnership or
9 corporation, having membership in the credit union, may be represented
10 and vote by one of its members or shareholders who has been legally
11 authorized by its governing body.

12 Sec. 06.40.090. BOARD OF DIRECTORS. (a) The business affairs,
13 funds and records of the credit union shall be directed by a board of
14 directors, of an odd number not less than five, to be elected at the
15 annual members meeting by and from the members. All members of the
16 board shall hold office for the term provided in the bylaws. The board
17 of directors shall fill vacancies occurring in the board, until succes-
18 sors elected at the next annual members' meeting have been qualified
19 except that vacancies created by an expansion of the board shall be
20 filled only by election at the next members' meeting. The board shall
21 appoint the members of the supervisory committee and other committees
22 required by the bylaws and shall fill vacancies occurring in these
23 committees.

24 (b) The board of directors shall meet as often as necessary, but
25 not less than once each month. The board may appoint from the membership
26 of the board an executive committee of not less than three directors who
27 may be authorized to act for the board in all respects, subject to
28 conditions and limitations prescribed by the board.

29 (c) No member of the board or committee of the board may be com-

1 pensated for his service. A member, while on official business of the
2 credit union authorized by the board of directors, may be reimbursed for
3 necessary expenses incidental to the performance of the business.

4 (d) It is the duty of the directors to

5 (1) act upon applications for membership or to appoint one or
6 more membership officers other than the treasurer, assistant treasurer,
7 or loan officer, to act on membership applications under procedures
8 established in the bylaws;

9 (2) purchase a blanket fidelity bond, in accordance with the
10 regulations of the commissioner, covering the officers, employees,
11 members of official committees, and agents of the credit union;

12 (3) determine the interest rate to be charged on loans and to
13 be paid on deposits, to authorize an interest refund to members from
14 income earned and received in proportion to the interest paid by them,
15 and to declare dividends on shares as provided in the bylaws;

16 (4) limit the number of shares and the amount of deposits
17 which may be owned by a member, and to fix the maximum amount which may
18 be loaned to an individual member;

19 (5) direct the investment of surplus funds, except that the
20 board may designate a committee of its number or a qualified individual
21 to have charge of making investments in accordance with sec. 290 of this
22 chapter;

23 (6) authorize the employment of persons necessary to carry on
24 the business of the credit union and to establish the compensation of
25 employees, the treasurer and loan officers;

26 (7) designate a depository or depositories for the funds of
27 the credit union, authorize the conveyance of property, and borrow or
28 lend money to carry on the functions of the credit union;

29 (8) perform or authorize any action consistent with this

1 chapter not specifically reserved by the bylaws for the members.

2 Sec. 06.40.100. EXECUTIVE OFFICERS. (a) At the organization
3 meeting and within 30 days following each annual meeting of the members,
4 the directors shall elect from their own number an executive officer,
5 who may be designated as chairman of the board or president; a vice-
6 chairman of the board or one or more vice-presidents, a treasurer, and
7 a secretary, of whom the last two may be the same individual. The
8 persons elected shall be the executive officers of the corporation. No
9 executive officer, except the treasurer, may be compensated for his
10 service. The terms of officers shall be one year or until their suc-
11 cessors have been chosen and qualified.

12 (b) The board of directors may employ an officer in charge of
13 operations whose title shall be either president or general manager or
14 may designate the treasurer or an assistant treasurer to act as general
15 manager and be in active charge of the affairs of the credit union. The
16 duties of the officers shall be as determined by the bylaws.

17 (c) Before the officer in charge of operations may enter upon his
18 duties he shall give bond with good and sufficient surety, in an amount
19 and character to be determined by the board in compliance with regula-
20 tions prescribed by the commissioner.

21 Sec. 06.40.110. CREDIT COMMITTEE. (a) The board of directors
22 shall appoint a credit committee consisting of an odd number of members
23 of the credit union, no less than three, or, if provided in the bylaws,
24 appoint one or more loan officers empowered to approve loans under the
25 conditions prescribed by the board. No loan may be made unless approved
26 by the loan officer or credit committee.

27 (b) If a credit committee is provided for in the bylaws, it shall
28 hold meetings as often as the business of the credit union may require,
29 but not less frequently than once a month. Loans must be approved by a

1 majority of the committee who are present at the meeting at which the
2 application is considered. The credit committee may appoint one or more
3 loan officers, and delegate to him or them the power to approve loans.
4 Not more than one member of the credit committee may be appointed as
5 loan officer or assistant loan officer.

6 Sec. 06.40.120. SUPERVISORY COMMITTEE. (a) The supervisory
7 committee shall make a semiannual audit of the credit union and shall
8 submit a report of the audit to the board of directors and a summary of
9 that report to the members. A copy of the report shall also be submitted
10 to the department within 60 days of its completion. The committee shall
11 provide for supplementary audits which it considers necessary or which
12 may be required by the commissioner, and submit reports of these supple-
13 mentary audits to the board of directors. The supervisory committee
14 shall also provide for verification of the passbooks and accounts of the
15 members with the records of the treasurer at least once every two years
16 and at least half of the passbooks and accounts shall be verified each
17 year.

18 (b) The supervisory committee may by a unanimous vote suspend an
19 officer of the credit union or a member of the credit committee or of
20 the board of directors, until the next meeting, which shall be held not
21 less than 7 nor more than 14 days after the suspension, at which meeting
22 the suspension shall be acted on by the members of the credit union.

23 (c) The supervisory committee may by a majority vote call a spe-
24 cial meeting of the members to consider an alleged violation of this
25 chapter, the charter or the bylaws, or a practice of the credit union
26 considered by the supervisory committee to be unsafe or unauthorized; if
27 a meeting is called, the commissioner shall be notified immediately and
28 informed of the time and place of the meeting and the nature of the
29 alleged violation to be considered.

1 (d) A member of the supervisory committee may be suspended by a
2 majority vote of the board of directors. The members of the credit
3 union shall decide, at a meeting held not less than 7 nor more than 14
4 days after the suspension, whether the suspended committee member shall
5 be removed from or restored to the supervisory committee.

6 Sec. 06.40.125. CONFLICTS OF INTEREST. (a) No director, committee
7 member, officer, agent or employee of the credit union may in any
8 manner, directly or indirectly, participate in the deliberation upon or
9 the determination of any question affecting his pecuniary interest or
10 the pecuniary interest of any corporation, partnership or association,
11 other than the credit union, in which he is directly or indirectly
12 interested.

13 (b) In addition to other penalties, a person who violates this
14 section may not serve as an officer, agent or employee of a credit
15 union.

16 ARTICLE 2. SUPERVISION AND REGULATION OF CREDIT UNIONS.

17 Sec. 06.40.130. SUPERVISION AND FEES. (a) The commissioner of
18 commerce and economic development has general supervision of credit
19 unions, subject to the provisions of this chapter.

20 (b) The commissioner shall promulgate regulations for the admin-
21 istration of this chapter which prescribe the minimum amount of surety
22 bond coverage required of credit unions in relation to their assets and
23 establish application and examination fees. The commissioner shall
24 prepare and supply without charge a form of articles of incorporation
25 and of bylaws which may be used by credit union incorporators.

26 (c) The commissioner may authorize a credit union chartered under
27 this chapter to engage in any activity in which a federally chartered
28 credit union may engage.

29 (d) For the purpose of paying the costs incident to the ascertain-

1 ment of whether a certificate of approval should be issued, the incor-
 2 porators shall pay, at the time of filing their articles of incorporation
 3 and bylaws, the amount prescribed by the commissioner, which shall not
 4 exceed \$100 in any case. Not later than January 31 of each calendar
 5 year, each credit union shall pay to the Department of Commerce and
 6 Economic Development for the preceding calendar year, a supervision fee
 7 in accordance with a graduated scale prescribed by this section on the
 8 basis of assets as of December 31 of the preceding year, but the fee
 9 shall in no event be less than \$100, as follows:

Total Assets	Maximum Fee
\$500,000 or less.....	30 cents per \$1,000
Over \$500,000 and not over \$1,000,000....	\$150 plus 25 cents per \$1,000 in excess of \$500,000
Over \$1,000,000 and not over \$2,000,000..	\$275 plus 20 cents per \$1,000 in excess of \$1,000,000
Over \$2,000,000 and not over \$5,000,000..	\$475 plus 15 cents per \$1,000 in excess of \$2,000,000
Over \$5,000,000.....	\$925 plus 10 cents per \$1,000 in excess of \$5,000,000

20 (e) No annual supervision fee is payable by the credit union for
 21 the year in which its charter is issued if the charter is issued after
 22 June 30 except in cases of conversion from a credit union chartered
 23 under the provisions of the Federal Credit Union Act to a credit union
 24 chartered under this chapter, or in which final distribution is made in
 25 its liquidation or the charter is otherwise canceled.

26 (f) Failure of any credit union to pay any amount provided in this
 27 section is grounds for the revocation of the charter of the credit union
 28 failing to make the payment.

29 (g) Fees collected under this section shall be deposited in the

1 general fund.

2 Sec. 06.40.140. EXAMINATIONS. (a) The commissioner or his
3 representatives shall conduct an annual examination and any additional
4 examinations he considers necessary of each credit union established
5 under this chapter. A report of the examination will be forwarded to
6 the board of directors of the credit union within 60 days after comple-
7 tion of the examination. The report shall contain comments on the
8 general condition of the assets and the management of the credit union.
9 A general meeting of the directors and committeemen shall be called
10 within 30 days after receipt to consider the report, and copies of the
11 report shall be made available to all members of the credit union.
12 Within 60 days of receipt of the report, the directors shall furnish the
13 department with a signed statement acknowledging the receipt of the
14 report and attesting to their review of and familiarity with its contents

15 (b) A credit union, its officers and agents are required to give
16 the commissioner full access to all books, papers, securities, records
17 and other sources of information under their control. For purposes of
18 examination, the commissioner shall have the power to subpoena wit-
19 nesses, administer oaths, compel the giving of testimony and require the
20 submission of documents.

21 (c) The commissioner may contract for examinations of credit
22 unions provided the cost of the audit is borne by the credit union and
23 the scope of the audit is equivalent to the examination made by the
24 commissioner.

25 (d) The examiner shall take and subscribe an oath that he will
26 honestly and impartially examine into and report the condition of the
27 credit union as to assets and liabilities and other information as may
28 be required by the department, that he will not disclose the information
29 he obtains through the examination to any person other than the depart-

1 ment, that at the time of his employment he is not obligated to or a
2 member of the credit union and that he is not an officer or employee of
3 any credit union conducting business in this state.

4 (e) Information from the records of the department may be revealed
5 only with the consent of the department and is not subject to subpoena.
6 Reports of examinations made by the department shall be retained for
7 five years. The department shall establish a schedule of fees for
8 copies of documents.

9 Sec. 06.40.150. REQUIRED DIRECTORS' MEETINGS AND STATEMENTS TO THE
10 DEPARTMENT. When the department considers it necessary it may require a
11 meeting of the board of directors of a credit union to be held in the
12 manner and at the time and place it directs. Any report of an examina-
13 tion required or allowed by this chapter, any conclusions drawn from
14 such an examination by the department, any recommendations made by the
15 department relative to it, and any other matters concerning the opera-
16 tion and condition of the credit union may be presented to the board of
17 directors by the department. Each member of the board of directors
18 shall furnish to the department a statement on forms to be supplied by
19 the department that he has read and is familiar with the recommendations
20 of the department.

21 Sec. 06.40.160. ANNUAL REPORTS. A credit union organized under
22 this chapter shall submit annual reports to the commissioner on forms
23 supplied by him for that purpose, which reports shall be due on or be-
24 fore February 1. A credit union failing to file by February 15 shall be
25 levied a fine of \$10 per day until the report is filed.

26 Sec. 06.40.170. CENTRAL CREDIT UNION. (a) A central credit union
27 may be organized and operated under the provisions of this chapter and
28 is subject to all provisions not inconsistent with this section. This
29 credit union shall be known as the Alaska Central Credit Union. Member-

1 ship in the central credit union shall be limited to

2 (1) credit unions organized and operating under the pro-
3 visions of this chapter or operating in this state under the provisions
4 of the Federal Credit Union Act;

5 (2) officers, directors and committee members and employees
6 of credit unions, employees of the central credit union, employees of an
7 association of Alaska credit unions, and resident employees of federal
8 or state government agencies responsible for the supervision of credit
9 unions in this state;

10 (3) organizations or associations of these persons;

11 (4) employees of a common employer with insufficient numbers
12 to form or conduct the affairs of a separate credit union, upon approval
13 of the commissioner; and

14 (5) persons who are members of credit unions in this state
15 which have entered into or are about to enter into voluntary or involun-
16 tary dissolution proceedings under the provisions of sec. 330 of this
17 chapter or credit unions in this state which have entered into or are
18 about to enter into voluntary or involuntary dissolution proceedings
19 under the provisions of Chapter 14 of Title XII of the U.S. Code.

20 (b) The board of directors of a credit union becoming a member of
21 the central credit union shall designate one person to be its voting
22 representative. The voting representative shall be eligible to hold
23 office in the central credit union as if that person were himself a
24 member of the central credit union.

25 (c) The central credit union shall have all the rights and powers
26 of any other credit union organized under this chapter and shall in
27 addition have the power to obtain or acquire the assets and liabilities
28 of a credit union operating in this state which enters into liquidation.

29 (d) The central credit union shall have the authority to make

1 loans to other credit unions and to purchase shares of and make deposits
2 in other credit unions. It shall have the power to invest in and grant
3 loans to associations of credit unions, central funds of credit unions
4 or organizations chartered to provide exclusive service to credit
5 unions; to borrow money from any source, not to exceed the amount of its
6 unimpaired capital and surplus; and to issue notes or debentures.

7 ARTICLE 3. FINANCIAL PRACTICES.

8 Sec. 06.40.180. SHARES. (a) Shares may be subscribed to, paid
9 for and transferred in the manner prescribed in the bylaws. No certi-
10 ficate may be issued to denote ownership of a share in a credit union.

11 (b) The credit union shall have and may impress a lien on the
12 shares, deposits and accumulated dividends or interest of a member in
13 his individual, joint or trust account for any sum due the credit union
14 from the member or for any loan endorsed by him.

15 (c) When the losses of a credit union, resulting from a depreci-
16 ation in value of its loans or investments or otherwise, exceed its
17 undivided earnings and reserve fund so that the estimated value of its
18 assets is less than the total amount due the shareholders, the directors
19 shall immediately advise the department and the credit union may by a
20 majority vote of the entire membership order a reduction in the shares
21 of each of its shareholders to divide the loss proportionately among its
22 members. If the credit union realizes from the assets a greater amount
23 than was fixed by the order of reduction, the excess shall be divided
24 among the shareholders whose assets were reduced, but only to the extent
25 of the reduction.

26 Sec. 06.40.190. DEPOSITS. A credit union may issue time certifi-
27 cates to its members, subject to the conditions and the returns estab-
28 lished by the board of directors. Time certificates, differ from shares
29 in that a predeclared rate of return may be established on them and they

1 have a prior claim on the assets of the credit union. Christmas clubs,
2 vacation clubs, and other thrift accounts may be operated in accordance
3 with the provisions of the bylaws.

4 Sec. 06.40.200. MULTIPLE PARTY ACCOUNTS. (a) A credit union may
5 enter into multiple party accounts to the same extent that it may enter
6 into single party accounts. A multiple party account is an account in
7 the name of two or more persons, one or more of whom may make with-
8 draws. At least one party to a multiple party account must be a
9 member of the credit union in which the account is established. The
10 account may be created with any person designated by the credit union
11 member, but a nonmember shall not be permitted to vote, obtain loans, or
12 hold office.

13 (b) Accounts established for deposit of funds of a partnership,
14 joint venture or other association or accounts controlled by two or more
15 persons as the legally authorized agents or trustees for a corporation,
16 unincorporated association, charitable or civic organization or any
17 trust, except trusts of deposits evidenced only by the form of the
18 deposit, are excluded from the meaning of the term and from the pro-
19 visions of this chapter relating to multiple party accounts.

20 (c) Unless the terms of the account expressly stipulate that joint
21 signatures are required, a multiple party account may be paid on demand
22 to any one or more of the parties to the account, without regard to
23 whether any other party is incompetent or deceased at the time the
24 payment is demanded. If the account is one presumed to be a survivor-
25 ship account, payment may not be made to the personal representative or
26 heirs of a deceased party unless proofs of death are presented to the
27 credit union showing that the decedent was the last surviving party. A
28 credit union is not required to inquire as to the source of funds re-
29 ceived for deposit or the proposed application of any sum withdrawn from

1 the account.

2 (d) During the lifetime of all parties, a multiple party account
3 which provides that the sums on deposit or in shares may be paid on
4 demand of either of two or more parties is presumed to belong to the
5 parties in proportion to the net contributions by each party to the sums
6 on deposit. In the absence of satisfactory proof of net contributions,
7 the parties shall be presumed to own a multiple party account in equal
8 undivided interests.

9 (e) The death of a party to a multiple party account shall have no
10 effect on the beneficial ownership of the account, other than to trans-
11 fer the decedent's right to his estate, unless the account is a survi-
12 vorship account or trust account.

13 (f) Without qualifying any other statutory right to set-off or
14 lien and subject to any contractual provision, when a party to a mul-
15 tiple party account is indebted to a credit union, the credit union has
16 a right to set-off against the entire amount of the account.

17 Sec. 06.40.210. SURVIVORSHIP ACCOUNTS. A multiple party account
18 payable to two or more persons, jointly or severally, which does not
19 expressly provide that there is no right of survivorship, is presumed to
20 be a survivorship account. At the death of a party, sums on deposit in
21 a survivorship account belong to the surviving party or parties as
22 against the estate of the decedent. Where there are two or more sur-
23 vivors, their respective ownership shall be in proportion to their
24 previous net contributions augmented by an equal share for each survivor
25 of any interest the decedent may have owned in the account immediately
26 before his death, plus the proceeds of insurance on decedent's life paid
27 to the account. The right of survivorship continues between survivors.

28 Sec. 06.40.220. PRESUMPTIONS REBUTTABLE. The presumptions created
29 by secs. 190 - 200 of this chapter concerning beneficial ownership as

1 between parties, or as between parties and beneficiaries, of multiple
2 party accounts are relevant only to controversies between these persons
3 or their creditors or other successors, and shall have no bearing on the
4 rights of withdrawal of these persons as determined by the terms of the
5 account contracts. These presumptions are based upon inferences of the
6 intention of parties to multiple party accounts and the usual expecta-
7 tions of persons using these accounts and are rebuttable by clear and
8 convincing evidence of a different intention. The presumptions of
9 survivorship are not subject to change by will, but may be rebutted by
10 a written order received by the credit union to change the form of the
11 account or directing that payment not be made in accordance with the
12 account which is signed by a party and is received by the credit union
13 during the party's lifetime. If not rebutted by contrary evidence, the
14 presumptions provided in this chapter are effective to establish bene-
15 ficial ownership. Transfers resulting from the application of these
16 presumptions are effective by reason of the account contracts and are
17 not to be considered as testamentary.

18 Sec. 06.40.230. PAYMENTS BY CREDIT UNION. Payment made in accord-
19 ance with secs. 190 - 200 of this chapter discharges the credit union
20 from all claims for amounts so paid whether or not the payment is
21 consistent with the beneficial ownership of the account as between
22 parties, or beneficiaries or their successors. The protection given
23 does not extend to payments made after a credit union has received
24 written notice from a party who has a present right of withdrawal that
25 withdrawals in accordance with the terms of the account should not be
26 permitted. Unless the notice is withdrawn by the person giving it, the
27 death of any party after notice has no effect on withdrawal rights, and
28 the personal representative or heirs of the decedent must concur in any
29 demand for withdrawal if the credit union is to be protected under this

1 section. No other notice or information shown to have been available to
2 a credit union shall affect its right to the protection provided here.
3 This protection shall have no bearing on the rights of parties in
4 disputes between themselves or their successors concerning the bene-
5 ficial ownership of funds in, or withdrawn from, multiple party accounts.

6 Sec. 06.40.240. MINORS. Shares may be issued to and deposits
7 received from a minor who may withdraw the shares and deposits, includ-
8 ing dividends and interest. Deposits and share investments made by a
9 minor and withdrawals of them by the minor shall be valid in all re-
10 spects. For these purposes a minor is considered of full age.

11 Sec. 06.40.250. INACTIVE ACCOUNTS. If a credit union is unable to
12 contact a member, beneficiary or other person by first class mail at the
13 last address shown on the records of the credit union, and if this
14 inability continues for a period of more than seven years, all shares,
15 deposits, accounts, dividends, interest and other sums due to or stand-
16 ing in the name of that person escheat to and become the property of the
17 state. This provision shall not apply to sums due to or standing in the
18 name of two or more persons unless the credit union is unable to contact
19 any of these persons in the manner and during the period specified in
20 this section.

21 Sec. 06.40.260. DIVIDENDS. After provision for operating ex-
22 penses, interest, accrued taxes and the required reserves, the board of
23 directors may, at intervals determined by them, declare a dividend to be
24 paid on the classes of shares determined by them from the remaining net
25 earning at a rate not to exceed the rate established by the National
26 Credit Union Administrator. No dividend shall be declared if, after
27 payment of the dividend, known losses would exceed the combined balances
28 of the reserve fund and undivided earnings. The dividends shall be paid
29 on all paid-up shares outstanding at the close of the period for which

1 the dividend is declared. Shares which become fully paid up during a
2 dividend period are entitled to a proportional part of the dividend.
3 Dividend credit for a month may be accrued on shares which are or become
4 fully paid up during the first 15 days of that month.

5 Sec. 06.40.270. LOANS. (a) A credit union may make loans to its
6 members upon the terms and conditions provided in the bylaws and approv-
7 ed by the credit committee or loan officer. The rate of interest may
8 not exceed one per cent per month on the unpaid balance, inclusive of
9 all charges incident to making the loan. Where applicable, for real
10 estate loans, the interest rates prescribed in AS 45.45.010(b) shall
11 prevail. Every application for a loan shall be made in writing upon a
12 form approved by the board of directors, and shall state the purpose for
13 which the loan is desired, and the security, if any, offered. Every
14 loan shall be evidenced by a written statement. An unsecured loan shall
15 bear a maturity of no longer than five years and shall be supported by a
16 financial statement of the debtor. All secured loans except those secured
17 by improved real estate shall mature within 10 years. In addition to
18 generally accepted types of security, the endorsement of a note by a
19 guarantor or assignment of shares, in a manner consistent with the laws
20 of this state, shall be considered security within the meaning of this
21 chapter. The adequacy of all securities shall be within the determina-
22 tion of the credit committee or loan officer, subject to the provisions
23 of this chapter and the bylaws.

24 (b) The credit committee or loan officer may approve in advance
25 upon its own motion or upon application by a member, an extension of
26 credit, and loans may be granted to the member within the limit of the
27 extension of credit. When an extension of credit has been approved,
28 applications for loans need no further consideration as long as the
29 aggregate obligation does not exceed the limit of the extension of

1 credit. The credit committee or loan officer shall, at least once a
2 year, review all extensions of credit and an extension of credit shall
3 expire if the member becomes more than 90 days delinquent in his obli-
4 gations to the credit union.

5 (c) No loan or extension of credit may be made to a member in an
6 aggregate in excess of \$200 or 10 per cent of the credit union's unim-
7 paired capital and surplus, whichever is greater.

8 (d) A credit union may make loans to its own directors or to
9 members of its supervisory or credit committee; however, the aggregate
10 of loans to an individual director or committee member which exceeds
11 \$2,500 plus pledged shares must be approved by the board of directors.
12 A credit union may permit directors and committee members to act as
13 guarantor or endorser of loans to other members, except that when the
14 loan standing alone or when added to any outstanding loans of the
15 guarantor exceeds \$2,500, approval of the board of directors is required.

16 (e) A credit union may participate with other credit unions, cor-
17 porations or financial institutions in making loans to credit union
18 members.

19 (f) A credit union may participate in guaranteed loan programs of
20 the federal and state government.

21 (g) No investment in a mortgage may exceed 80 per cent of the
22 appraised value of the property securing the loan; however, a credit
23 union may make 95 per cent of appraised value loans if the term of the
24 loan does not exceed 30 years and the loan is secured by an amortized
25 mortgage, deed of trust, or other instrument under the terms of which
26 the installment payments are sufficient to amortize the entire principal
27 of the loan within the period ending on the date of its maturity and, in
28 addition, the loan is either (1) insured by mortgage insurance in an
29 amount equal to 20 per cent of the loan issued by a mortgage insurer

1 authorized to do business in Alaska; or (2) the loan is secured in
2 addition to the amortized mortgage by shares or deposits held by the
3 credit union in an amount equal to 10 per cent of the loan or other
4 collateral acceptable to the department. Value of real estate shall be
5 determined by an appraisal which shall be kept in the records of the
6 credit union; title insurance showing the loan to be a first lien and
7 hazard insurance shall be acquired by the borrower. The unpaid principal
8 balance of loans secured by real estate may not, in the aggregate,
9 exceed 50 per cent of the paid-in capital of the credit union.

10 Sec. 06.40.275. ACQUISITION OF PROPERTY TO SATISFY OR PROTECT
11 PREVIOUS LOAN. A state credit union may take property of any kind, to
12 satisfy or protect a loan previously made in good faith and in the
13 ordinary course of business. The property shall be entered on the books
14 at cost, or fair market value, whichever is less. Property acquired to
15 satisfy or protect previous loans shall be disposed of over a period of
16 time as the department prescribes by regulation.

17 Sec. 06.40.280. INSURANCE. (a) A credit union may purchase in-
18 surance on the lives of its members in an amount equal to their respec-
19 tive shares, deposits and loan balances, and may enter into cooperative
20 marketing arrangements for its members covering group life insurance,
21 temporary disability coverage, health and accident plans and other
22 programs which are demonstrated to be in the interest of improving the
23 economic and social conditions of the credit union members.

24 (b) All credit unions chartered under this chapter, or credit
25 unions in operation at the time of issuance of a charter under this
26 chapter must submit evidence of share insurance coverage from the
27 administrator of the National Credit Union Administration. The amounts
28 of loss to be protected or guaranteed shall be established by the commis-
29 sioner. The commissioner shall make available reports of condition and

1 examination reports to the administrator of the National Credit Union
2 Administration and may accept any report of examination made on behalf
3 of the administrator. Should a credit union be closed because of
4 bankruptcy or insolvency, the commissioner may appoint the National
5 Credit Union Administrator as the liquidating agent.

6 (c) Credit unions that do not maintain share insurance coverage as
7 specified in this section shall be liquidated by the commissioner in
8 accordance with sec. 340 of this chapter.

9 Sec. 06.40.290. INVESTMENTS. Funds not used in making loans to
10 members may be invested in

11 (1) securities, obligations, participations, or other instru-
12 ments issued by or fully guaranteed as to principal and interest by the
13 federal government or one of its agencies or in a trust established for
14 the purpose of investing in these;

15 (2) obligations of the State of Alaska and its political
16 subdivisions if no amount more than 15 per cent of the paid-in capital
17 is invested in any one issue of revenue obligations;

18 (3) certificates of deposit or passbook accounts issued by a
19 state or national bank, savings and loan association or mutual savings
20 bank domiciled in this state;

21 (4) loans to or shares or deposits of other credit unions if
22 they do not, in the aggregate, exceed 10 per cent of the paid-in capital;

23 (5) the capital shares, obligations, or preferred stock
24 issues of any association or corporation whose members, stockholders,
25 patrons or owners are confined to credit unions and which is organized
26 to service or assist credit unions in accomplishing their purposes;

27 (6) deposits in the United States Central Credit Union;

28 (7) loans to a credit union association or corporation,
29 national or state, of which the credit union is a member, except that

1 these investments shall be limited to two per cent of the assets of the
2 credit union.

3 Sec. 06.40.300. RESERVE ALLOCATIONS. (a) Immediately before the
4 payment of each dividend, the gross earnings of the credit union shall
5 be determined. From this amount there shall be set aside, as a regular
6 reserve for contingencies and against losses on loans and against other
7 losses specified in the regulations, the following amount: 10 per cent
8 of gross income until the regular reserve equals 7 1/2 per cent of the
9 total outstanding loans and risk assets; then 5 per cent of gross
10 income until the regular reserve equals 10 per cent of the total out-
11 standing loans and risk assets. When the regular reserve falls below 10
12 per cent, of the total outstanding loans and risk assets, it shall be
13 replenished in the manner described in this subsection.

14 (b) In addition to the regular reserve, special reserves shall be
15 established to protect the interests of the members when required by
16 regulation or when found by the commissioner, in any special case, to be
17 necessary.

18 (c) For the purpose of establishing the reserves required by this
19 section, all assets shall be considered risk assets except the follow-
20 ing:

- 21 (1) cash on hand;
- 22 (2) deposits or shares in financial institutions insured by
23 the Federal Deposit Insurance Corporation, the Federal Savings and Loan
24 Insurance Corporation or the National Credit Union Administration;
- 25 (3) loans to other credit unions;
- 26 (4) assets which are insured by, fully guaranteed as to
27 principal and interest, or due from the federal government, its agen-
28 cies, the Federal National Mortgage Association, or the Government
29 National Mortgage Association;

- 1 (5) buildings and land owned by the credit union;
- 2 (6) loans to students insured under the provisions of Title
- 3 IV, part B of the Higher Education Act of 1965 (20 U.S.C. 1071 et. seq.)
- 4 or similar state insurance programs; however, loans described in this
- 5 paragraph which are in default shall be deducted from the total;
- 6 (7) the insured portion of loans insured under Title I of the
- 7 National Housing Act (12 U.S.C. 1703) by the Federal Housing Adminis-
- 8 tration;
- 9 (8) the insured portion of common trust investments in
- 10 government securities authorized by this chapter if the credit union is
- 11 the direct beneficiary of the guarantee or insurance; or
- 12 (9) accrued interest on nonrisk investments.

13 Sec. 06.40.305. CHARGING OFF OR SETTING UP RESERVES AGAINST BAD

14 ASSETS. The commissioner, after a determination of value, may order that

15 assets in the aggregate, to the extent that they have depreciated in

16 value, be charged off, or that a special reserve or reserves equal to

17 the depreciation in value be set up by transfers from undivided profits

18 or reserves.

19 ARTICLE 4. MERGER, CONVERSION AND LIQUIDATION.

20 Sec. 06.40.310. MERGER. (a) A credit union may, with the ap-

21 proval of the commissioner, merge with another credit union under the

22 existing charter of the other credit union, under a plan agreed upon by

23 a majority of the board of directors of each credit union joining in the

24 merger, and approved by the affirmative vote of a majority of the

25 members of each credit union present at meetings of the members legally

26 called for this purpose.

27 (b) After agreement by the directors and approval by the members

28 of both credit unions, the president and secretary of each credit union

29 shall execute a certificate of merger, which shall set out the time and

1 place of the meeting of the board of directors at which the plan was
2 agreed upon, the vote in favor or adoption of the plan, a copy of the
3 resolution or other action by which the plan was agreed upon, the time
4 and place of the meeting of the members at which the plan agreed upon
5 was approved, and the vote by which the plan was approved by the mem-
6 bers.

7 (c) Before approving a merger the commissioner shall give con-
8 sideration to the purposes of this chapter and the prospects of the
9 surviving or consolidated credit union for financial success and its
10 ability to discharge the duties and conform to the restrictions imposed
11 upon a credit union.

12 (d) The certificates and a copy of the plan of merger shall be
13 forwarded to the commissioner, certified or disapproved by him, and
14 returned to the merging credit union within 60 days.

15 (e) Upon the merger, all property, property rights, and interest
16 of the merged credit union shall vest in the surviving credit union
17 without deed, endorsement, or other instrument.

18 Sec. 06.40.320. CONVERSION OF CHARTER. A credit union chartered
19 under the laws of this state may be converted to a credit union under
20 the laws of any other state or of the United States either inside or
21 outside this state. A credit union chartered under the laws of the
22 United States or any other state may convert to a credit union chartered
23 under the laws of this state. To effect the conversion, a credit union
24 must have the proposed conversion approved by an affirmative vote of a
25 majority of the members of the credit union, comply with all the require-
26 ments for credit unions originally chartered under this chapter, of the
27 authority under which it was originally chartered and the requirements
28 of the commissioner, and file proof of compliance with the commissioner.

29 Sec. 06.40.330. SUSPENSION. (a) If it appears that a credit

1 union is bankrupt or insolvent, or has wilfully violated the provisions
2 of this chapter, or is operating in an unsafe or unsound manner, the
3 commissioner may issue an order temporarily suspending the credit
4 union's operations for not more than 60 days. The board of directors
5 shall be given notice by registered mail of the suspension, which notice
6 shall include a list of the reasons for the suspension and a list of
7 specific violations of this chapter.

8 (b) Upon receipt of the suspension notice, the credit union shall
9 immediately cease all operations. The directors of the credit union
10 shall then file with the commissioner a reply to the suspension notice,
11 and request a hearing to present a plan of corrective actions proposed
12 if they desire to continue operations or request that the credit union
13 be declared insolvent and a liquidating agent appointed.

14 (c) If the credit union fails to answer the suspension notice or
15 request a hearing with the commissioner, he may then revoke the credit
16 union's charter, appoint a liquidating agent and liquidate the credit
17 union in accordance with sec. 340 of this chapter.

18 Sec. 06.40.340. LIQUIDATION. (a) At a meeting called to consider
19 the matter, a majority of the entire membership may vote to dissolve the
20 credit union, provided a copy of the notice was mailed to the members of
21 the credit union at least 10 days before the meeting. A member not
22 present at the meeting may, within the next 20 days, vote in favor of
23 the dissolution by signing a form approved by the commissioner and his
24 vote shall have the same force and effect as if cast at the meeting. The
25 credit union shall immediately cease to do business except for the
26 purposes of liquidation, and the president and secretary shall, within
27 five days following the meeting, notify the commissioner of intention to
28 liquidate and shall include a list of the names and addresses of the
29 directors and officers of the credit union.

1 (b) If, after issuing notice of suspension and following the pro-
2 cedures set out in sec. 330 of this chapter, the commissioner rejects
3 the credit union's plan to continue operations, he may issue a notice of
4 involuntary liquidation and appoint a liquidating agent. The credit
5 union may request a stay of execution of this action by appealing to the
6 appropriate court of the jurisdiction in which the credit union is
7 located.

8 (c) A liquidating credit union shall continue in existence for the
9 purpose of discharging its debts, collecting and distributing its
10 assets, and doing the acts required in order to wind up its business,
11 and may sue and be sued for the purpose of enforcing debts and obliga-
12 tions until its affairs are fully adjusted. The board of directors, or
13 in the case of involuntary liquidation, the liquidating agent, shall use
14 the assets of the credit union to pay, in the following order, (1)
15 expenses incidental to the liquidation, including any surety bond that
16 may be required; (2) trust accounts; (3) any liability due nonmembers;
17 (4) deposits and savings club accounts as provided in this chapter.
18 Assets then remaining shall be distributed to the members proportion-
19 ately to the shares held on the date dissolution was voted.

20 (d) As soon as the board or the liquidating agent determines that
21 all assets from which there is a reasonable expectancy of realization
22 have been liquidated and distributed as set out in this section, they
23 shall execute a certificate of dissolution on a form prescribed by the
24 commissioner and file the certificate with the appropriate recording
25 agency within the jurisdiction of this state in which the credit union
26 has its principal place of business. After filing or recording and
27 indexing, the certificate shall be forwarded to the commissioner, at
28 which time the credit union is dissolved.

29 ARTICLE 5. PROHIBITED PRACTICES AND SANCTIONS.

1 Sec. 06.40.350. UNAUTHORIZED CONDUCT OF CREDIT UNION BUSINESS. It
2 is a misdemeanor punishable, upon conviction, by a fine of up to \$5,000
3 and imprisonment for up to one year for a person, except corporations
4 formed under the provisions of this chapter or another credit union law,
5 or an association of credit unions and its chapters, to conduct business
6 under a name or title which contains the words "credit union" or a
7 derivation of them, or to represent himself in his advertising or other-
8 wise as conducting business as a credit union.

9 Sec. 06.40.355. TRANSFER OF CREDIT UNION'S PROPERTY TO PREFERRED
10 CREDITOR IS VOID. The transfer by a credit union in the state of its
11 property, money, or assets, after it becomes insolvent within the spirit
12 of this chapter, with a view of preference of one creditor over another,
13 or to prevent the equal distribution of its property and assets among
14 its creditors, is void.

15 Sec. 06.40.360. UNLAWFUL DECEIT OF DEPARTMENT OR ITS EMPLOYEES.
16 A person who wilfully and knowingly subscribes to, or makes or causes to
17 be made any false statement, or enters any false figure, statement, or
18 entry in the books of a credit union in this state, or who knowingly
19 subscribes to, makes or circulates any false report or statement about
20 the condition of a credit union in the state, with intent to deceive the
21 department or any person authorized to examine the affairs of the credit
22 union, upon conviction, is punishable by imprisonment for not less than
23 one nor more than five years.

24 Sec. 06.40.365. UNLAWFUL FALSE REPORT TO DEPARTMENT. A person who
25 certifies and subscribes any report which is wilfully false in any
26 material effect is guilty of a misdemeanor, and upon conviction is
27 punishable by a fine of not more than \$5,000, or by imprisonment for not
28 more than one year, or by both.

29 Sec. 06.40.370. RECEIPT OF DEPOSITS WHILE INSOLVENT. The director,

1 officer, or employee of a credit union who fraudulently receives any
2 deposit, knowing that the credit union is insolvent, is guilty of a
3 felony, and upon conviction is punishable by a fine of not more than
4 \$5,000, or by imprisonment for not less than one year nor more than
5 three years, or by both.

6 Sec. 06.40.375. SLANDER AND LIBEL OF CREDIT UNION. A person who
7 wilfully and maliciously makes, circulates or transmits to another any
8 statement, rumor or suggestion, written, printed or by word of mouth,
9 which is directly or by implication derogatory to the financial condition
10 or affects the solvency or financial standing of a credit union doing
11 business in the state, or who counsels, aids, procures, or induces another
12 to start, transmit or circulate such a statement or rumor, is guilty
13 of a felony, and upon conviction is punishable by a fine of not more
14 than \$5,000, or by imprisonment for not more than five years, or by both.

15 Sec. 06.40.380. PENALTY. A person who wilfully and knowingly vio-
16 lates any provision of this chapter for which no specific penalty is
17 provided is guilty of a misdemeanor, and upon conviction is punishable
18 by a fine of not more than \$5,000, or by imprisonment for not more than
19 one year, or by both. In case of violation by a corporation, the
20 corporation is punishable by a fine of not more than \$5,000.

21 ARTICLE 6. GENERAL PROVISIONS.

22 Sec. 06.40.390. FISCAL YEAR. The fiscal year of all credit unions
23 organized under this chapter shall be the calendar year.

24 Sec. 06.40.400. RECORDS. Records of a credit union chartered
25 under this chapter shall be kept for a period of six years from the date
26 of making them or from the date of the last entry on them. No credit
27 union may be required to receipt for payment except as provided in the
28 bylaws, nor shall it be necessary to endorse a note showing date of
29 payments or balance due.

1 Sec. 06.40.410. LIABILITY OF MEMBERS, DIRECTORS, OFFICERS AND
2 EMPLOYEES. (a) The members of a credit union are not personally or
3 individually liable for the debts of the credit union.

4 (b) A director, officer or employee of a credit union who know-
5 ingly approves or permits the funds of the credit union to be invested
6 or loaned in an excessive, careless or dishonest manner is personally
7 liable for all damages which the credit union, its members, depositors,
8 or any other person sustains because of the violation. The liability
9 may be enforced against the director, officer or employee by suit or
10 action in any court of competent jurisdiction.

11 Sec. 06.40.420. OFFICE FACILITIES. A credit union may maintain,
12 with the approval of the commissioner, offices at locations other than
13 its main office if additional offices are reasonably necessary to fur-
14 nish service to its members. A credit union may share office space with
15 one or more credit unions and may contract with a corporation to provide
16 facilities or personnel.

17 Sec. 06.40.430. TAXATION. (a) A credit union organized under
18 this chapter or other credit union law and shares and deposits in them
19 shall be exempt from taxation imposed by this state or any taxing
20 authority within this jurisdiction, and laws which tax corporations in
21 any form, or deposits of them, or the accumulations on them, do not
22 apply to a credit union, except that real property and tangible personal
23 property owned by a credit union shall be subject to taxation to the
24 same extent that other similar property is taxed, provided that this
25 exception does not permit the imposition of a sales or use tax on a
26 credit union except on goods and services distributed to its members
27 under a group purchasing or cooperative marketing arrangement. The
28 shares of a credit union are not subject to transfer taxes, either when
29 issued or when transferred from one member to another.

1 (b) Participation by a credit union in a government program pro-
2 viding unemployment, social security, old age pension or other benefits,
3 is not considered a waiver of the taxation exemption granted in this
4 section.

5 Sec. 06.40.440. GROUP PURCHASING. A credit union may enter into
6 cooperative marketing arrangements to facilitate its members' voluntary
7 purchase of goods and services that are in the interest of improving
8 economic and social conditions of the members.

9 Sec. 06.40.450. OTHER REGULATIONS. When a credit union engages in
10 activities which are regulated under AS 45.05, it shall be considered to
11 be a bank and, in the absence of applicable provisions in this chapter,
12 shall be governed by AS 45.05.

13 Sec. 06.40.460. ADMINISTRATIVE PROCEDURE ACT. Regulations under
14 this chapter are subject to the Administrative Procedure Act (AS 44.62).

15 Sec. 06.40.470. DEFINITIONS. In this chapter, unless the context
16 otherwise requires,

17 (1) "commissioner" means the commissioner of commerce and
18 economic development;

19 (2) "department" means the Department of Commerce and Eco-
20 nomic Development.