

**CS FOR SENATE BILL NO. 345 (RESOURCES)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION**

BY THE SENATE RESOURCES COMMITTEE

**Offered: 2/12/92
Referred: Finance**

Sponsor(s): SENATORS ZHAROFF, Duncan, Sturgulewski

A BILL

FOR AN ACT ENTITLED

**1 "An Act relating to loans for the establishment of commercial fisheries development
2 endowments; and providing for an effective date."**

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

4 * Section 1. AS 16.10 is amended by adding a new section to read:

5 ARTICLE 9A. COMMERCIAL FISHERIES DEVELOPMENT ENDOWMENT LOANS.

6 Sec. 16.10.601. COMMERCIAL FISHERIES DEVELOPMENT ENDOWMENT LOANS.

**7 (a) Subject to the availability of funds appropriated by the legislature for commercial fisheries
8 endowment loans, the Department of Commerce and Economic Development may make loans
9 to establish endowments for the support of commercial fisheries development research projects
10 in the state to nonprofit corporations incorporated for the purpose of promoting the development
11 of commercial fisheries in the state.**

12 (b) A loan made under this section is

13 (1) for a period of 10 years unless another period is specified by the legislature;

14 (2) made without interest;

1 (3) not subject to repayment until the expiration of the period of the loan;
2 however, the principal of the loan shall be repaid in full at the expiration of the period of the
3 loan.

4 (c) The recipient of a loan made under this section may not expend the principal of the
5 loan.

6 (d) The recipient of a loan made under this section may invest the principal of the loan
7 only in the following financial instruments or investments:

8 (1) United States Treasury securities with a maturity of three years or less;

9 (2) bonds or notes that are issued by a state or political subdivision that are
10 graded A or higher by Moody's Investor's Service, Inc., or Standard and Poor's Corporation and
11 that have a maturity of three years or less;

12 (3) prime commercial paper that is graded A-1 or higher by Moody's Investor
13 Service, Inc., or P-1 or higher by Standard and Poor's Corporation and that has a maturity of 270
14 days or less;

15 (4) prime bankers acceptances that are offered by the 50 largest international
16 banks and that have a maturity of 180 days or less;

17 (5) money market mutual funds with a portfolio consisting entirely of United
18 States government obligations or United States government guaranteed obligations;

19 (6) uncollateralized deposits, with a maturity of three years or less, at banks and
20 savings and loan associations to the extent that the deposits are insured by the Federal Deposit
21 Insurance Corporation or the Federal Savings and Loan Insurance Corporation; or

22 (7) certificates of deposit and other deposits with a maturity of five years or less
23 at banks and savings and loan associations where the entire amount of principal and interest is
24 payable upon maturity of the deposit and the deposit is collateralized by one or more of the
25 following:

26 (A) insurance issued by the Federal Deposit Insurance Corporation or the
27 Federal Savings and Loan Insurance Corporation;

28 (B) United States Treasury securities;

29 (C) obligations guaranteed by the United States government or its agencies
30 or instrumentalities;

31 (D) obligations of the State of Alaska or its political subdivisions that are

1 secured by the full faith, credit, and taxing power of the state or political subdivision and
2 that are rated A or higher by Moody's Investor's Service, Inc., or Standard and Poor's
3 Corporation.

4 (e) The recipient of a loan made under this section shall provide copies of annual reports
5 and financial audits regarding the endowment, if any, to the commissioner of commerce and
6 economic development and the legislature by January 15 of each year.

7 (f) The financial records of an endowment established with a loan made under this
8 section may be audited by the legislative auditor or by a certified public accountant approved by
9 the legislative auditor if the audit is requested by the Legislative Budget and Audit Committee.

10 (g) The commissioner of commerce and economic development shall adopt regulations
11 necessary to implement this section.

12 * **Sec. 2.** AS 16.10.601, added by sec. 1 of this Act, is repealed June 30, 2003.

13 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).