SCOMM

#9: 171

Laws Repealed by SB 4.1

compensation to owners as authorized by law. (§ 33-1-2(d) ACLA 1949)

Am. Jur. and ALR references.—2 Am. Jur., Agriculture, §§ 13, 14, 30 to 33, 35 to 40; 22 Am. Jur., Food, § 1 et seq.

Constitutionality of statute or ordinance providing for destruction of diseased animal, 8 ALR 69; 56 ALR2d 1024.

Officer's liability for killing or injuring animals, while acting, or professing to act, under a statute in relation to the inspection or destruction of livestock, 12 ALR 734.

Validity of municipal ordinance prohibiting or regulating keeping of livestock, 32 ALR 1372; 40 ALR 1395.

Constitutionality of statute for control of diseases of livestock, 65 ALR 525.

Constitutionality of prohibition against cattle entering state, in effort to control diseases of livestock, 65 ALR 534.

Constitutionality of statute as to liability of owner, 65 ALR 552.

Right to compensation for animals destroyed to prevent spread of disease or infection, 67 ALR 208.

Sec. 03.05.070. Control of rabies. The commissioner shall promulgate rules and regulations for the reporting of rabies cases occurring in dogs and other animals and providing for care and restraint of animals suspected of having rabies and for extermination and disposal of rabid animals. The commissioner shall use the services of peace officers and wildlife agents, who are authorized to assist in the protection of the public in accordance with the regulations of the commissioner. (§ 33-1-2(g) ACLA 1949)

Sec. 03.05.080. Controlling exportation of animals. The commissioner shall establish requirements and procedures for examination and certification of dogs, cats and other animals being shipped out of the state. (§ 33-1-2(h) ACLA 1949)

Am. Jur., ALR and C.J.S. references.—2 Am. Jur., Agriculture, §§ 30 to 33, 35 to 39; 2 Am. Jur., Animals, §§ 26 to 28.

Constitutionality of statute making presence of brand on animal prima facie evidence that animal belongs to owner of brand, 51 ALR 1168; 86 ALR 179; 162 ALR 495.

3 C.J.S. Agriculture §§ 2, 6; 3 C.J.S. Animals §§ 23, 24.

Sec. 03.05.090. Penalty for violation. Any person who violates this chapter or a rule, regulation, order or quarantine made under authority of this chapter, or sells seeds failing to meet the labeling requirements, standards and tests provided for by regulation of the commissioner is, upon conviction, punishable for each offense by a fine of not more than $1,000, or by imprisonment for not more than one year, or by both. (§ 33-1-3 ACLA 1949)

Chapter 10. Alaska Agricultural Loan Act.

Section
10. Declaration of policy
20. Powers of the department
30. Limitations on loans
40. Creation of fund
50. Administration of fund
54. Sale or transfer of mortgages and notes
60. Short title

Sec. 03.10.010. Declaration of policy. It is the policy of this chapter to promote the more rapid development of agriculture as an industry throughout the state by means of long-term low-interest loans. (§ 2 ch 122 SLA 1953)

Am. Jur., ALR and C.J.S. references.—2 Am. Jur., Agriculture, §§ 4, 12 to 16, 20, 24, 30 to 33; 36 Am. Jur., Mortgages, § 1 et seq.; 43 Am. Jur., Public Funds, § 1 et seq.

Power, under statute for stabilization of market for agricultural crops, in respect of crop loans by public agency and the security therefor, 157 ALR 338.

3 C.J.S. Agriculture §§ 7 to 9; 81 C.J.S. States §§ 132 to 190.

Sec. 03.10.020. Powers of the department. The department may

(1) make loans to individual resident farmers, homesteaders, and partnerships or corporations composed of farmers and homesteaders, for development of farms, storage and processing of farm produce, livestock and machinery and to individuals, partnerships or corporations, for storage and processing plants for agricultural products;

(2) designate agents and delegate its powers to them as necessary;

(3) adopt rules and regulations necessary to carry out its functions;

(4) establish amortization plans for repayment of loans, which may include delayed payments of principal and interest for not to exceed five years;

(5) enter into agreements with private lending institutions, other state agencies or agencies of the federal government, to carry out the purposes of this chapter. (§ 4 ch 122 SLA 1953; am § 1 ch 156 SLA 1955; am § 1 ch 41 SLA 1961)

Sec. 03.10.030. Limitations on loans. (a) A farm development loan may not exceed $150,000. The mortgage which secures a farm development loan may be of any priority if the total indebtedness on the real estate, including the secured farm development loan, does not exceed $150,000. A farm development loan which, if granted, would raise the existing indebtedness on the real estate above $150,000, or a farm development loan on real estate which has a prior existing indebtedness of $150,000 or more, may be made only if all prior mortgagees agree to subordinate their mortgages to that of the state for the amount of the farm development loan which exceeds the $150,000 indebtedness limit on the real estate. A loan may not run longer than 30 years nor bear interest exceeding six per cent, and it shall be secured by a real estate or chattel mortgage, or both.

(b) Except for loans for irrigation systems as provided in this subsection, a chattel loan may not exceed $100,000 for each farm unit and may not run longer than seven years or the useful life of the chattel if more than seven years. It may not bear interest

exceeding six per cent. It shall be secured by a real estate or chattel mortgage, or both. Loans and the real estate and chattel mortgage security on them for irrigation systems may be in amounts and for terms as determined by the commissioner.

(c) A short term loan, to be amortized within one year, not to exceed $15,000 to any one borrower may be made for emergency purposes.

(d) Farm development and chattel loans for irrigation systems may be for terms as determined by the commissioner. (§ 4 ch 122 SLA 1953; am § 1 ch 156 SLA 1955; am § 1 ch 41 SLA 1961; am § 1 ch 144 SLA 1966; am § 1 ch 78 SLA 1967; am § 1 ch 135 SLA 1970)

Legislative committee report.—For report on ch. 78, SLA 1967 (HB 274), see 1967 Senate Journal, pp. 513-514.

Sec. 03.10.040. Creation of fund. There is an agricultural revolving loan fund which shall not exceed $5,000,000 to carry out the purpose of this chapter. (§ 5 ch 122 SLA 1953; am § 2 ch 41 SLA 1961; am § 1 ch 81 SLA 1970)

Sec. 03.10.050. Administration of fund. The commissioner shall administer the loan fund. (§ 6 ch 122 SLA 1953)

Sec. 03.10.054. Sale or transfer of mortgages and notes. The commissioner may sell or transfer at par value or at a premium or discount to the Department of Revenue or a bank or other private purchaser for cash or other consideration the mortgages and notes held by the Department of Natural Resources as security for loans made under this chapter. (§ 1 ch 4 SLA 1964)

Sec. 03.10.060. Short title. This chapter may be cited as the Alaska Agricultural Loan Act. (§ 1 ch 122 SLA 1953)

Chapter 15. Agriculture Pest and Disease Control Fund.

Section
10. [Repealed]
20. Purpose of appropriations

Sec. 03.15.010. Agriculture pest and disease control fund.

Repealed by § 2 ch 34 SLA 1968.

Editor's note. — The repealed section derived from § 1, ch. 90, SLA 1955.

Sec. 03.15.020. Purpose of appropriations. Appropriations available to the department may be used

(1) to buy materials or equipment needed to control agricultural pests when the persons directly affected cannot bear the

Revisor's note. — Chapter 30, SLA 1967, is from the Model Compact for Education.

Sec. 14.40.720. Execution of Compact by governor. Upon ratification and approval of the Compact for Education by 10 or more of the eligible party jurisdictions, including the State of Alaska, the governor shall execute the Compact on behalf of the state and perform other acts requisite to its formal ratification and promulgation. (§ 1 ch 108 SLA 1966)

Sec. 14.40.730. Members of the commission. (a) One of the commission members shall be the governor; one shall be the state commissioner of education; two shall be members of the state legislature selected by its respective houses and serving in such manner as the legislature may determine; one shall be the president of the state Board of Education; and two shall be appointed at large by and serve at the pleasure of the governor.

(b) The terms of office of the at-large members shall be four years; provided, however, that the first members shall be appointed as follows: one for two years, and one for four years. Each member shall hold office until his successor is appointed and qualified.

(c) The legislative and at-large members of the commission shall not receive compensation for their services, but they shall receive the travel expenses and per diem provided by AS 39.20.180 (2). (§ 1 ch 108 SLA 1966)

Article 9. Scholarship Loans and Tuition Grants.

Section
751. Loan and tuition funds created
753. Financial aid committee
755. Applications
757. Administration of program
759. Undergraduate loans
761. Graduate loans
763. Conditions of loans
765. Eligibility of students
767. Selection criteria
769. Discrimination prohibited
771. Enforceability of certain contracts with minors
773. [Repealed]
776. Tuition grants
781. Limitation on grants
786. Conditions of grants
791. Eligibility of students
796. Application and certification
801. Fiscal and business management practices
806. Definitions

Repeal of former article. — Section 2, ch. 98, SLA 1971 repealed former Article 9, entitled "Scholarship Grants and Loans." The former article consisted of §§ 14.40.750 — 14.40.849, and derived from ch. 112, SLA 1968, and ch. 230, SLA 1970. Former AS 14.40.830 had been previously repealed by § 14, ch. 230, SLA 1970.

Sec. 14.40.751. Loan and tuition funds created. (a) There is created a scholarship revolving loan fund. The fund shall be used to make scholarship loans to students selected under §§ 751 — 806 of this chapter. All repayments of principal and interest on scholarship loans shall be paid into the scholarship revolving loan fund and shall be used to make new scholarship loans. If estimated funds available from scholarship loan repayments are inadequate to fully fund estimated scholarship loans for any fiscal year, additional funding from the general fund may be requested and appropriated for that year.

(b) There is created a tuition grant fund as an account in the general fund. The fund shall be used to make tuition grants to students selected under §§ 751 — 806 of this chapter.

(c) On March 1 of each fiscal year, if there is a balance of appropriated but unobligated funds in the tuition grant fund created under (b) of this section, that sum shall be automatically transferred to the scholarship revolving loan fund created under (a) of this section to make additional scholarship loans during that fiscal year. (§ 1 ch 98 SLA 1971; am § 1 ch 156 SLA 1972; am §§ 1, 2 ch 136 SLA 1974; am § 1 ch 136 SLA 1975)

Effect of amendments. — The 1972 amendment, effective July 1, 1972, designated the former section as subsection (a) and added subsection (b). In subsection (a), the amendment substituted "806" for "773" in the second sentence.

The 1974 amendment deleted "as an account in the general fund" from the end of the first sentence of subsection (a), added the third and fourth sentences of that subsection, and added subsection (c).

The 1975 amendment, effective June 5, 1975, and retroactive to February 3, 1975, substituted "unobligated" for "unexpended" in subsection (c).

Editor's note. — Section 3, ch. 98, SLA 1971, provides: "Sec. 1 of this Act takes effect on July 1, 1971, or on the date the Alaska Higher Education Commission is enjoined from making payments under the provisions of AS 14.40.900, whichever date is earlier. Sec. 2 of this Act takes effect on July 1, 1972."

AS 14.40.900, referred to in this note, was repealed by § 2, ch. 98, SLA 1971.

Legislative committee report. — For report on ch. 98, SLA 1971 (CSHB 415 [Finance] am S), see 1971 House Journal, p. 935.

Sec. 14.40.753. Financial aid committee. (a) The student financial aid committee is composed of the members of the Alaska Commission on Postsecondary Education. The commission may delegate its functions under §§ 751 — 806 of this chapter to a committee of its members, with augmented membership as the commission considers appropriate. The executive officer of the commission is the executive secretary of the committee. The Alaska Commission on Postsecondary Education shall administer the program established by §§ 751 — 806 of this chapter.

(b) Members of the committee serve without compensation but are entitled to per diem and travel expenses authorized by law for boards and commissions.

Sec. 14.40.759. Undergraduate loans. The committee may make a loan, not to exceed $2,500 in any one school year, to an undergraduate student eligible under § 765 of this chapter. (§ 1 ch 98 SLA 1971; am § 6 ch 136 SLA 1974)

Effect of amendment. — The 1974 amendment deleted "selection" preceding "committee" near the beginning of the section.

Sec. 14.40.761. Graduate loans. The committee may make a loan, not to exceed $5,000 in any one school year, to a graduate student who is eligible under § 765 of this chapter and is pursuing an advanced degree. (§ 1 ch 98 SLA 1971; am § 7 ch 136 SLA 1974)

Effect of amendment. — The 1974 amendment deleted "selection" preceding "committee" near the beginning of the section.

Sec. 14.40.763. Conditions of loans. (a) Proceeds from scholarship loans may only be used for books, tuition and required fees, and for room and board.

(b) The loans may only be used to attend a career education program approved by the Department of Education or a college or university accredited by the accreditation association for the region in which the college or university is located.

(c) To maintain a loan the student must continue to be enrolled as a full-time student in good standing in a career education program, college or university designated under (b) of this section.

(d) Scholarship loans may not be made to a student for more than six years.

(e) Loans are noninterest bearing while a student is enrolled under (c) of this section or is fulfilling required military service.

(f) Interest on a loan given under §§ 751 — 806 of this chapter is at the rate of five per cent a year.

(g) Repayment of a loan shall commence within one year after a student terminates his studies or required military service, and shall be fully repaid within a period of six years; in cases of hardship, the committee may extend repayment of a loan for an additional five years.

(h) Security may not be required for the loans; however, provision shall be made for payment of attorney fees and costs of court if either or both are incurred in collection of the amount owed on the loan.

(i) If a loan is in default, the commission may notify the student that repayment of the remaining balance is accelerated and due by sending the student a notice by registered or certified mail.

(j) A portion of a loan shall be considered a grant if, upon completion of the course of study for which the loan was granted, the grantee spends at least two years employed in the state. The portion of the loan

which shall be regarded as a grant shall be the following percentages of the total loan received plus accrued interest:

(1) two — three years residency	10 per cent
(2) three — four years residency	20 per cent
(3) four — five years residency	30 per cent
(4) over five years residency	40 per cent

(§ 1 ch 98 SLA 1971; am § 4 ch 156 SLA 1972; am § 6 ch 78 SLA 1974; am § 8 ch 136 SLA 1974)

Revisor's note (1971). — In ch. 98, SLA 1971, AS 14.40.763 (j) (2) read "four — five years . . . ." This was a typographical error occurring for the first time in the enrolled version of the bill (CSHB 415 [Finance am S]) and has been corrected here.

Effect of amendments. — The 1972 amendment substituted "806" for "773" in subsection (f).

The first 1974 amendment substituted "commission" for "Department of Education" in subsection (i).

The second 1974 amendment added "a year" to the end of subsection (f).

Sec. 14.40.765. Eligibility of students. A student may apply for a scholarship loan if

(1) he is a resident of Alaska, and if

(2) he is either

(A) enrolled as a full-time student in a career education or associate or baccalaureate or graduate degree program; or

(B) a graduate of a high school, or scheduled for graduation from a high school within six months, with sufficient credits to be admitted to a career education program or to an accredited college or university. (§ 1 ch 98 SLA 1971)

Sec. 14.40.767. Selection criteria. In selecting from among the eligible students those students who will be awarded loans the selection committee shall take into consideration the following items:

(1) the student's financial needs;

(2) entering freshmen who are graduates of Alaska high schools or who are graduates of a high school outside the state if their Alaskan residency has been continuous;

(3) personal recommendations from the student's instructors, employers, and others familiar with his abilities;

(4) the student's record of achievement. (§ 1 ch 98 SLA 1971)

Sec. 14.40.769. Discrimination prohibited. The student loan program shall be carried out without regard to the race, creed, sex, color, ancestry, national origin, or membership in fraternal or political organizations of the student applying for the loan. (§ 1 ch 98 SLA 1971)

Sec. 14.40.771. Enforceability of certain contracts with minors. A written obligation entered into by a minor at least 16 years of age, evidencing a loan or other assistance received by him from any person for the purpose of furthering his education in a career education program or an institution of higher learning, is enforceable against the

minor with the same effect as if he were, at the time of its execution, 19 years of age, if the person making the loan has in his records before making the loan a certification from the institution that the minor is enrolled in the institution or has been accepted for enrollment. (§ 1 ch 98 SLA 1971)

Sec. 14.40.773. Definitions.
Repealed by § 6 ch 156 SLA 1972, effective July 1, 1972.

Editor's note. — The repealed section derived from § 1 ch. 98, SLA 1971.

Sec. 14.40.776. Tuition grants. (a) The executive secretary of the committee shall award a tuition grant to a student in an amount up to the difference between (1) the cost, in a city where there is both a four-year state university and a four-year private university or in a city where there is both a two-year state community college and a two-year private college, for the operation of the state institution on a full-time student per academic year basis, and (2) the tuition or fees paid by the student at the state institution in those locations, but in no case may the amount exceed $1,850. The tuition grant paid to a full-time student may not be in an amount that would result in a student paying less in tuition or fees at a private college or university than would be required for a similar enrollment at the state institution in the same city. The grant is to be applied by the student toward his tuition at the private university or college in which he enrolls.

(b) The computation of the cost for the operation of the state institution on a full-time student per academic year basis under (a) of this section may not include construction or capital improvement costs, debt service and expenditures for research and public service functions.

(c) The computation under (a) of this section shall be made by the executive secretary. He shall publish the accounting procedures employed in making the computation, including, but not limited to, the time period on which the computation is based and the cost figures used. This cost data shall be made available for information purposes to the officers or administrators of the state institution whose cost of operations is the basis for the computation and to the officers or administrators of the private colleges and universities in which students receiving tuition grants are enrolled. A committee consisting of a qualified member of the staff of the division of budget and management of the Department of Administration designated by the commissioner, a qualified member of the staff of the Legislative Budget and Audit Committee designated by the chairman of the committee, and one other specially qualified person in the field of accounting, business management or institutional finance appointed by the governor, shall review, and may hear an appeal from, the determination of the computation by the executive secretary. No officer, administrator, or

fishery resource in intrastate, interstate, or foreign commerce. (§ 2 ch 102 SLA 1977)

Article 7. Commercial Fishing Loan Act.

Section	Section
300. Declaration of policy	340. Creation of fund
310. Powers of the department	350. Administration of fund
320. Limitations on loans	360. Definitions
330. Sale or transfer of mortgages, bonds and notes	370. Short title

---

Legislative committee report. — For report on ch. 134, SLA 1972 (SCS CSHB 102 am FCC), see 1971 House Journal, p. 399; 1972 House Journal, p. 554.

Sec. 16.10.300. Declaration of policy. It is the policy of the state, under §§ 300 — 370 of this chapter, to promote the rehabilitation of the state's fisheries, the development of a predominantly resident fishery, and the continued maintenance of commercial fishing gear and vessels throughout the state by means of long-term low interest loans. (§ 1 ch 134 SLA 1972; am § 1 ch 54 SLA 1973; am § 1 ch 128 SLA 1975)

Effect of amendments. — The 1973 amendment inserted "of a predominantly resident fishery."

The 1975 amendment inserted "the rehabilitation of the state's fisheries" and also inserted "the" preceding "continued maintenance."

Sec. 16.10.310. Powers of the department. (a) The department may

(1) make loans to

(A) individual commercial fishermen who have been state residents for a continuous period of five years and have had a commercial fishing license for three years for the repair, restoration or upgrading of existing vessels and gear and for the purchase of entry permits and gear and the construction and purchase of vessels; and

(B) Repealed by § 2 ch 190 SLA 1976.

(2) designate agents and delegate its powers to them as necessary;

(3) adopt rules and regulations necessary to carry out its functions;

(4) establish amortization plans for repayment of loans, which may include extensions for poor fishing seasons;

(5) enter into agreements with private lending institutions, other state agencies or agencies of the federal government, to carry out the purposes of §§ 300 — 370 of this chapter.

(b) The department shall consult with the Department of Fish and Game on regulations and procedures established under this chapter. (§ 1

ch 134 SLA 1972; am § 2 ch 54 SLA 1973; am § 2 ch 128 SLA 1975; am § 2 ch 190 SLA 1976)

Effect of amendments. — The 1973 amendment substituted "fishing" for "gear" preceding "license" in paragraph (1) and added "and for the purchase of entry permits and gear and the construction and purchase of vessels" to the end of that paragraph of subsection (a).

The 1975 amendment designated the provisions of paragraph (1) of subsection (a) as present subparagraph (A) of that paragraph, and added subparagraph (B).

The 1976 amendment in subsection (a), repealed paragraph (1)(B), which read "permit holders under §§ 400 — 470 of this chapter, for the construction of hatchery facilities."

Editor's note. — Section 13, ch. 105, SLA 1977, effective January 1, 1978, amended paragraph (1)(A) of subsection (a) to read as follows: "(A) individual commercial fishermen who have been state residents for a continuous period of five years and have been state residents for a continuous period of five years and have had a crewmember or commercial fishing license under AS 16.05.480 or a permit under ch. 43 of this title for three years, for the repair, restoration or upgrading of existing vessels and gear, for the purchase of entry permits and gear, and for the construction and purchase of vessels; and".

Sec. 16.10.320. Limitations on loans. A commercial fishing loan may not exceed $150,000. A loan may not run longer than 15 years or bear interest exceeding seven per cent, and it shall be secured by a first lien and appropriate security agreements, except that a lien in favor of the state is not required for loans guaranteed fully by the federal government under the Federal Ship Financing Act of 1972 (46 U.S.C. secs. 1271 — 1279b; 86 Stat. 909), as amended. In the case of a security agreement given to secure a loan made under secs. 300 — 370 of this chapter and covering a vessel documented under the laws of the United States and so long as the Ship Mortgage Act of 1920 (46 U.S.C. secs. 911 — 984; 41 Stat. 1000), as amended, and the Shipping Act of 1916 (46 U.S.C. secs. 801 — 842; 39 Stat. 728), as amended, remain ambiguous with respect to whether or not a state or state agency qualifies as a citizen of the United States for purposes of those Acts, the first lien requirement of this section may be satisfied by the recordation and endorsement of a first preferred ship mortgage under the Ship Mortgage Act of 1920, and by perfection of a security interest under the Uniform Commercial Code — Secured Transactions (AS 45.05.690 — 45.05.794), if the approval of the Secretary of Commerce is obtained under 46 U.S.C. sec. 839 for the transfer to the department of the interest in a vessel documented under the laws of the United States. In the case of a security agreement given to secure a loan made under secs. 300 — 370 of this chapter and covering a vessel documented under the laws of the United States, the first lien requirement of this section may also be satisfied by use of a trust deed and bond issue under it, if the trustee is a citizen of the United States and obtains a first preferred ship mortgage on the vessel under the Ship Mortgage Act of 1920, and the approval of the Secretary of Commerce is obtained under 46 U.S.C. secs. 839 and 961 for the transfer of the bond or bonds to the department if the trustee is not a trustee approved by the Secretary of Commerce

SLA 1975; am

n 13, ch. 105, SLA
1, 1978, amended
ection (a) to read
lual commercial
n state residents
f five years and
for a continuous
nd have had a
al fishing license
rmit under ch. 43
s, for the repair,
g of existing
urchase of entry
the construction
and".

ning loan may
ears or bear
y a first lien
favor of the
the federal
2 (46 U.S.C.
of a security
– 370 of this
f the United
U.S.C. secs.
t of 1916 (46
ambiguous
ualifies as a
he first lien
rdation and
r the Ship
st under the
5.05.690 —
is obtained
nent of the
d States. In
under secs.
d under the
section may
er it, if the
ferred ship
20, and the
U.S.C. secs.
partment if
Commerce

under 46 U.S.C. secs. 808, 835 and 961. Loans may not exceed 75 per cent of the appraised value of the collateral used to secure the loan. (§ 1 ch 134 SLA 1972; am § 3 ch 54 SLA 1973; am § 3 ch 128 SLA 1975; am § 1 ch 154 SLA 1977)

Effect of amendments. — The 1973 amendment added the language beginning "except that" to the end of the second sentence and added the present third and fourth sentences.

The 1975 amendment added the language beginning "and loans granted under § 310(a)(1)(B)" to the end of the second sentence and "Except for loans granted under § 310(a)(1)(B) of this chapter" to the beginning of the fifth sentence.

The 1977 amendment substituted "$150,000" for "$100,000" in the first sentence, deleted language relating to collateral for loans granted under § 310(a)(1)(B) of this chapter from the end of the second sentence, and deleted "Except for loans granted under § 310(a)(1)(B) of this chapter" from the beginning of the last sentence.

Sec. 16.10.330. Sale or transfer of mortgages, bonds and notes. (a) The commissioner of commerce may sell or transfer at par value or at a premium or discount to any bank or other private purchaser for cash or other consideration the mortgages, bonds and notes held by the Department of Commerce as security for loans made under this chapter.

(b) The commissioner of commerce and economic development may sell or transfer at par value to the Department of Revenue the mortgages, bonds and notes held by the Department of Commerce and Economic Development as security for loans made under this chapter. However, the commissioner of commerce and economic development may not transfer an interest in a vessel documented under the laws of the United States to the Department of Revenue, except as permitted by the Ship Mortgage Act of 1920 (46 U.S.C. secs. 911 — 984; 41 Stat. 1000), as amended, and the Shipping Act of 1916 (46 U.S.C. secs. 801 — 842; 39 Stat. 728), as amended, so long as those two Acts remain ambiguous with respect to whether or not a state or state agency qualifies as a citizen of the United States for purposes of those two Acts. The Department of Revenue, for the fiscal year ending June 30, 1976, shall purchase all the mortgages, bonds and notes offered until the current principal amount of all the mortgages, bonds and notes purchased and held by the Department of Revenue equals $7,000,000. The Department of Revenue, for the fiscal year ending June 30, 1977, shall purchase all the mortgages, bonds and notes offered until the current principal amount of all the mortgages, bonds and notes purchased and held by the Department of Revenue equals $9,000,000. After June 30, 1977, the Department of Revenue shall purchase all the mortgages, bonds and notes offered. (§ 1 ch 134 SLA 1972; am § 4 ch 54 SLA 1973; am § 1 ch 177 SLA 1976)

Effect of amendments. — The 1973 amendment inserted "bonds" in subsection (a) and in the first sentence of subsection (b), added the present second and third sentences of that subsection, and deleted the former second sentence of that subsection.

hatchery is operating. The inspection shall be conducted in a reasonable manner. (§ 2 ch 111 SLA 1974)

Sec. 16.10.470. Annual report. (a) A person who holds a permit for the operation of a salmon hatchery under §§ 400 — 470 of this chapter shall submit an annual report no later than December 15 to the department and to the qualified regional association for the area in which the hatchery is located, to include but not be limited to information pertaining to species; brood stock source; number, age, weight, and length of spawners; number of eggs taken and fry fingerling produced; and the number, age, weight, and length of adult returns attributable to hatchery releases, on a form to be provided by the Department of Fish and Game.

(b) A person who holds a permit for the operation of a salmon hatchery under §§ 400 — 470 of this chapter shall submit an annual financial report to the Department of Commerce and Economic Development on a form to be provided by the Department of Commerce and Economic Development. (§ 2 ch 111 SLA 1974; am § 6 ch 154 SLA 1977)

Effect of amendment. — The 1977 amendment rewrote this section.

Sec. 16.10.475. Definitions. In §§ 375 — 470 of this chapter

(1) "commissioner" means the commissioner of fish and game;

(2) "department" means the Department of Fish and Game. (§ 2 ch 161 SLA 1976)

Article 9. Fisheries Enhancement Loan Program.

Section
500. Declaration of policy
505. Fisheries enhancement revolving loan fund
510. Powers and duties of the commissioner
520. Limitation on loans
530. Assessment on sale of salmon
540. Voluntary assessment on sale of salmon
550. Sale or transfer of mortgages and notes
560. Definitions
600. Creation of authorities
610. Tax exemption
620. Powers of the authority

Sec. 16.10.500. Declaration of policy. It is the policy of the state, under §§ 500 — 550 of this chapter, to promote the enhancement of the state's fisheries by means of grants for organizational and planning purposes to regional associations which have qualified under § 380 of this chapter, and by means of long-term, low interest loans for hatchery planning, construction, and operation. (§ 1 ch 190 SLA 1976; am § 7 ch 154 SLA 1977)

Effect of amendment. — The 1977 amendment inserted the language beginning "grants for organizational and planning purposes" and ending "and by means of" and substituted "planning, construction, and operation" for "planning and construction."

Sec. 16.10.505. Fisheries enhancement revolving loan fund. There is created within the Department of Commerce and Economic Development a revolving fund to be known as the fisheries enhancement revolving loan fund. The fund shall be used to carry out the purposes of §§ 500 — 550 of this chapter and for no other purpose. (§ 8 ch 154 SLA 1977)

Sec. 16.10.510. Powers and duties of the commissioner. The commissioner may

(1) make loans to permit holders, under §§ 100 — 470 of this chapter, including those holders issued permits before June 24, 1977, for the planning, construction, and operation of hatchery facilities;

(2) make loans to qualified regional associations which have formed a nonprofit corporation or a local nonprofit corporation approved by a qualified regional association, for preconstruction activities necessary to obtain a permit;

(3) designate agents and delegate powers to them as necessary;

(4) adopt regulations necessary to carry out his functions;

(5) establish amortization plans for repayment of loans, not to exceed 25 years;

(6) establish the rate of interest for loans not to exceed eight per cent a year;

(7) establish regional and local offices and advisory groups to carry out, or assist in carrying out, his duties and authority;

(8) no repayment of principal is required for an initial period of six years, and no interest on the principal shall accrue during that period. This provision also applies to loans made under this chapter before June 24, 1977.

(9) make grants for organizational and planning purposes to qualified regional associations which have formed a nonprofit corporation, in amounts not exceeding $100,000 per region and up to an additional $100,000 on a 50/50 cash matching basis with the regional associations which have an authorized assessment under § 530 or 540 of this chapter. The state portion of the matching share shall be available when a final vote for assessments is made under § 530 or 540 of this chapter. This provision also applies to qualified regional associations which have formed a nonprofit corporation before June 24, 1977. (§ 1 ch 190 SLA 1976; am §§ 9 — 11 ch 154 SLA 1977)

Effect of amendment. — The 1977 amendment substituted "planning, construction, and operation" for "planning and construction" in paragraph (1), deleted "established or" following "local nonprofit corporation" and "provided the hatchery has received preliminary project approval from the commissioner of fish and game" following "obtain a permit" in paragraph (2), rewrote paragraph (8), and added paragraph (9).

"planning,
r "planning

nd. There
Economic
ancement
purposes
8 ch 154

ner. The

s chapter,
, for the

e formed
oved by a
necessary

ssary;

to exceed

t per cent

to carry

od of six
t period.
fore June

qualified
ation, in
dditional
ociations
chapter.
n a final
ter. This
ich have
190 SLA

t approval
nd game"
paragraph
nd added

Sec. 16.10.520. Limitation on loans. (a) A single fisheries enhancement loar. may not exceed $3,000,000 for a hatchery constructed under a permit granted to a qualified regional association which has formed a nonprofit corporation, or to a local nonprofit corporation approved by a qualified regional association. A loan for any other nonprofit hatchery corporation project may not exceed $300,000.

(b) Loans for the total project costs may be made if the commissioner determines that the applicant has sufficient financial resources to insure the establishment of an equity position in the project equal to 10 per cent of the loan within six years or less, either through an assessment levied under § 530 or § 540 of this chapter or other means approved by the commissioner. For purposes of this subsection, "total project costs" includes planning and construction costs for the facility and the cost of operations for not more than the first six years. The costs for operations shall be loaned on an annual basis.

(c) All loans must be secured by collateral satisfactory to the commissioner, including but not limited to a first deed of trust, assignment of lease and leasehold improvements, sale of surplus fish from the hatchery, or assessments from fishermen levied under §§ 530 — 540 of this chapter.

(d) The commissioner may require what he considers adequate evidence of performance in utilizing loan funds approved for an initial or preliminary project before approving a subsequent loan application.

(e) The total amount of loans made or purchased in any fiscal year shall not exceed the amount specifically authorized by statute. The amount to be purchased shall not exceed $3,000,000 for fiscal year 1977 and $10,000,000 for fiscal year 1978. (§ 1 ch 190 SLA 1976; am §§ 12, 13 ch 154 SLA 1977)

Effect of amendment. — The 1977 amendment deleted "established or" following "local nonprofit corporation" in the first sentence of subsection (a), substituted "nonprofit hatchery corporation project" for "hatchery project" in the second sentence of that subsection, and rewrote subsection (b).

Sec. 16.10.530. Assessment on sale of salmon. (a) The commissioner, on request of the qualified regional association for the area in which the assessment is to be levied, and after consultation with the commissioner of fish and game, shall establish areas in which an assessment shall be vied on the sale of one or more species of salmon caught by persons licensed under AS 16.05.540 — 16.05.600, in the area in which the assessment is to be levied. A request by the qualified regional association shall include a description of compliance with (e) of this section. The commissioner shall determine whether the procedural requirements under (e) of this section were followed and whether the proposed assessment is reasonable. An assessment levied under this

Effect of amendment. — The 1977 amendment rewrote subsection (a), repealed subsection (b), requiring, under certain conditions, consent of the appropriate qualified regional association before the rate of assessment is altered, deleted "before a loan is made" following "collection of the assessment" in subsection (c), rewrote subsection (d), and added subsections (e) and (f).

Editor's note. — Section 18, ch. 154, SLA 1977, provides: "Notification, public meeting and voting procedures instituted before the effective date of this Act that are substantially in compliance with AS 16.10.530 (e) shall be considered to constitute compliance with this Act, and are ratified upon the effective date of this Act."

Sec. 16.10.540. Voluntary assessment on sale of salmon. (a) In place of or in addition to an assessment levied under § 530 of this chapter, an association of persons licensed under AS 16.05.540 — 16.05.600, which consists of at least 51 per cent of the persons so licensed and actively participating in a fishery to be benefited by a hatchery program, may levy and collect an assessment from among its members for the purpose of securing and repaying a loan made under § 510 of this chapter.

(b) Upon satisfactory demonstration to the commissioner that an assessment levied under this section may reasonably be relied upon to secure and repay a loan to be made under § 510 of this chapter, the commissioner may make the loan without requiring an assessment under § 530 of this chapter.

(c) If an assessment made under this section fails to satisfy the payments required on the principal and interest due on the loan the commissioner may negotiate with the regional association to levy an assessment under § 530 of this chapter. (§ 1 ch 190 SLA 1976)

Sec. 16.10.550. Sale or transfer of mortgages and notes. (a) The commissioner may sell or transfer at par value to the Department of Revenue the mortgages and notes held by the department as security for loans made under this chapter. The Department of Revenue shall purchase all the mortgages and notes offered until the current principal amount of all the mortgages and notes purchased and held by that department equals $200,000,000. (§ 1 ch 190 SLA 1976)

Sec. 16.10.560. Definitions. In §§ 500 — 560 of this chapter

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

(2) "hatchery" means a facility for the artificial incubation of salmon eggs which may include means for the rearing of juvenile salmon. (§ 1 ch 190 SLA 1976)

Sec. 16.10.600. Creation of authorities. (a) An association qualified under § 380 of this chapter as a regional association is given the authority to form a regional salmon enhancement authority. There is created with respect to each of the associations qualified under § 380 of this chapter a public body corporate and politic as a political subdivision of the state to function in the operating areas of the

(c) A housing authority created by this section may not transact business or exercise powers granted to it until the governing body of the named association has, by proper resolution, declared that there is a need for the authority to function, gives it the authority to function and has named its commissioners as provided under (d) of this section.

(d) The governing body of the association in question shall, after determining that it wishes to have a regional native housing authority, appoint five persons to serve as the board of commissioners of the authority. The term of office of each member is for three years except that, of the commissioners first appointed, one shall serve for a term of one year and two shall serve for a term of two years. Vacancies shall be filled by the governing body of the association in question.

(e) Questions arising as to jurisdiction and boundary disputes as a result of the jurisdictional lines set out by (a) of this section shall be resolved by the governing board of the Alaska Federation of Natives. (§ 1 ch 123 SLA 1971)

Chapter 56. Alaska Housing Finance Corporation.

Section
10. Findings and purpose
20. Alaska Housing Finance Corporation
30. Corporation governing body
40. Meetings of board
45. Minutes of meetings
50. Administration of affairs
55. Legal advisor
60. Board may employ personnel
70. Personnel exempt from State Personnel Act
80. Interdepartmental cooperation
85. Investment of state surplus
90. General powers
100. Housing development fund
110. Bonds and notes
115. Prohibited bidding on bonds and notes
120. Validity of any pledge
130. Remedies
140. Negotiable instruments
150. Obligations eligible for investment
160. Refunding obligations
170. Credit of state not pledged
180. Officers not liable
190. Tax exemption
200. Annual report
210. Definitions

Sec. 18.56.010. Findings and purpose. (a) There exists within the state a serious shortage of decent, safe and sanitary residential housing available at low or moderate prices or rentals to persons of lower and moderate income. There also exist within the state remote, underdeveloped or blighted areas where the development of decent, safe and sanitary housing is necessary to economic growth. These conditions are inimical to the safety, health, welfare and prosperity of the residents of the state and to the sound growth of urban and rural communities.

(b) The legislature finds and declares that private enterprise has not been able to provide, without assistance, an adequate supply of safe and sanitary homes at prices or rents which persons of lower or moderate income can afford, or to achieve rehabilitation of much of the present housing for persons of lower and moderate income, or to provide without assistance the housing necessary to promote the

economic growth of remote, underdeveloped or blighted areas, and that existing state and federal programs are inadequate to meet housing needs of persons of lower and moderate income or of remote, underdeveloped or blighted areas. It is imperative that the supply of housing for persons of lower and moderate income and the housing necessary to promote the economic growth of remote, underdeveloped or blighted areas be increased and that coordination and cooperation among private enterprise, state and local government be encouraged to sponsor, build and rehabilitate residential housing for these persons.

(c) The legislature finds and declares further that, in accomplishing this purpose, the creation of the Alaska Housing Finance Corporation is essential to assist in the acquisition and development of land and the construction, rehabilitation, financing, management, maintenance, sale and rental of dwelling units for persons of lower and moderate income or persons in remote, underdeveloped or blighted areas and that these activities serve a public purpose in benefiting the people of the state. The Alaska Housing Finance Corporation is empowered to act on behalf of the state and its people in serving this public purpose for the benefit of the general public. (§ 1 ch 107 SLA 1971; am § 1 ch 81 SLA 1972)

Effect of amendment. — The 1972 amendment, in subsection (a), inserted "or moderate" in the first sentence, inserted "and moderate" in that sentence, added the second sentence, and substituted "These conditions are" for "This shortage is" at the beginning of the third sentence. In the first sentence of subsection (b), the amendment inserted "and moderate" in three places, inserted "or to provide without assistance the housing necessary to promote the economic growth of remote, underdeveloped or blighted areas," inserted "state and," and inserted "or of remote, underdeveloped or blighted areas." In the second sentence of subsection (b), the amendment inserted "and moderate" and inserted "and the housing necessary to promote the economic growth of remote, underdeveloped or blighted areas." In the first sentence of subsection (c), the amendment inserted "and moderate" and "or persons in remote, underdeveloped or blighted areas."

Legislative committee report. — For report on ch. 81, SLA 1972 (CSHB 547), see 1972 House Journal, p. 859.

Sec. 18.56.020. Alaska Housing Finance Corporation. The Alaska Housing Finance Corporation is a public corporation and government instrumentality within the Department of Commerce, but having a legal existence independent of and separate from the state. The corporation may not be terminated as long as it has bonds, notes or other obligations outstanding. Upon termination of the corporation, its rights and property pass to the state. (§ 1 ch 107 SLA 1971)

Sec. 18.56.030. Corporation governing body. The corporation shall be governed by a board of directors, consisting of the commissioner of commerce and four members appointed by the governor. Members serve without compensation except that each member may be reimbursed by the corporation for actual and necessary expenses at the same rate as set out in AS 39.20.180. (§ 1 ch 107 SLA 1971)

Sec. 18.56.040. Meetings of board. The board shall elect a chairman from among its membership at its first meeting in each year. A majority of the members constitute a quorum for organizing the board, conducting its business and exercising the powers of the corporation. The board shall meet at the call of its chairman. The board shall meet not less than once each three months. (§ 1 ch 107 SLA 1971)

Sec. 18.56.045. Minutes of meetings. The board shall keep minutes of each meeting and send a certified copy to the governor. (§ 1 ch 107 SLA 1971)

Sec. 18.56.050. Administration of affairs. The board may manage the assets and business of the corporation and prescribe, amend and repeal bylaws, rules and regulations governing the manner in which the business of the corporation is conducted and the manner in which its powers are exercised. The board may delegate to one or more of its directors, officers, agents or employees those powers and duties it considers proper. The board may delegate supervision of the administration of the corporation to an executive officer. (§ 1 ch 107 SLA 1971)

Sec. 18.56.055. Legal advisor. The attorney general is the legal counsel for the corporation. He shall advise the corporation in legal matters and represent it in suits. (§ 1 ch 107 SLA 1971)

Sec. 18.56.060. Board may employ personnel. The board may appoint other officers, hire employees and agents, and engage professional and technical advisors as employees or as independent contractors. The board shall prescribe the duties and compensation of corporation personnel. (§ 1 ch 107 SLA 1971)

Sec. 18.56.070. Personnel exempt from State Personnel Act. The personnel of the corporation are exempt from AS 39.25 to the same extent as the personnel of the Alaska State Housing Authority. (§ 1 ch 107 SLA 1971)

Sec. 18.56.080. Interdepartmental cooperation. All departments, agencies and public corporations of the state may provide information, services, facilities and loans to the corporation upon its request. The corporation may reimburse departments, agencies and public corporations of the state for loans advanced or for expenses incurred on the corporation's behalf. (§ 1 ch 107 SLA 1971)

Sec. 18.56.085. Investment of state surplus. Notwithstanding other provisions of law, when the commissioner of revenue determines that there is in the state treasury a surplus above an amount sufficient to meet current cash expenditure needs, the surplus may be invested, in addition to the investments permitted by AS 37.10.070(a), in residential mortgages owned by the corporation and secured by real estate within the state, which investments shall be subject to the terms

and conditions that the corporation and the commissioner of revenue may provide in any contract of sale. Investments allowed by this section shall be made as provided for other investments of the state money under AS 37.10.070(a), (f), (g) and (i). The terms and conditions of any contract of sale authorized to be made under this section may include but are not limited to:

(1) the investment by the state in a specified or determinable amount of mortgages;

(2) the existence of a prior lien on and pledge of the mortgages invested in by the state;

(3) provisions relating to the subordination of the state's interest in and application of annual payments of principal and interest or the proceeds of a permitted sale of, or insurance or prepayments on, the mortgages; and

(4) the right of the corporation to repurchase the mortgages at a predetermined price. (§ 2 ch 81 SLA 1972)

Legislative committee report. — For report on ch. 81, SLA 1972 (CSHB 547), see 1972 House Journal, p. 859.

Sec. 18.56.090. General powers. In addition to other powers granted in this chapter, the corporation may, for the purpose of providing housing for persons of lower and moderate income or persons located in remote, underdeveloped or blighted areas of the state

(1) make or participate in the making of construction loans to sponsors, developers and builders of land development or residential housing, if the corporation determines that construction loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions;

(2) make or participate in the making of mortgage loans to sponsors, developers, builders and purchasers of residential housing, if the corporation determines that mortgage loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions;

(3) purchase or participate in the purchase of mortgage loans made to sponsors, developers, builders, owners and purchasers of residential housing, if the corporation

(A) has given approval before the initial making of the loan and has determined that mortgage loans were, at the time the approval was given, not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions, or

(B) has determined that the purchase or participation will result in additional residential housing, taking into account without limitation such factors as reinvestment of the proceeds of the sale in additional mortgage loans, increased availability of mortgage loans insured by the federal government, its agencies or departments, the reduction, if any, of interest payments to be made with respect to mortgage loans, or

Effect of amendments. — The 1975 amendment, effective June 19, 1975, substituted "six" for "four" in the first sentence.

The 1976 amendment substituted "commissioner of commerce and economic development" for "commissioner of commerce" in the first sentence.

Legislative committee report. — For report on ch. 151, SLA 1975 (HCS CSSB 289 am H), see 1975 Senate Journal, p. 769; 1975 House Journal, p. 1275.

Sec. 18.56.092. Veterans' loans for residential housing. The corporation is additionally authorized to exercise the powers enumerated in § 90 of this chapter for the purpose of assisting the financing of the program of veterans' loans for residential housing in accordance with AS 26.15. (§ 7 ch 151 SLA 1975)

Effective date. — Section 11, ch. 151, SLA 1975, makes this section effective on June 19, 1975, in accordance with AS 01.10.070(c).

Legislative committee report. — For report on ch. 151, SLA 1975 (HCS CSSB 289 am H), see 1975 Senate Journal, p. 769; 1975 House Journal, p. 1275.

Sec. 18.56.095. Mortgage insurance. (a) There is another special fund of the state to be known as the "state mortgage insurance fund" (called the "mortgage insurance fund") which shall be completely segregated and set apart from all other funds of the state, and which is a trust fund for the uses and purposes of this section and into and from which money shall be paid as provided in this section. The mortgage insurance fund shall be held by the commissioner of revenue, subject to the power of the commissioner of commerce to enter into and perform agreements with respect to the use of money in the mortgage insurance fund and to pledge, assign or grant interests in the mortgage insurance fund as provided in this section. The commissioner of commerce may enter into agreements with the corporation with respect to the exercise of any power or approval relating to the mortgage insurance fund under this section, including, without limitation, agreements as to the use of money in the mortgage insurance fund, agreements with respect to the terms and conditions upon which payments from the mortgage insurance fund shall be made to the corporation with respect to mortgage loans insured under this section, and agreements regarding the payment of and security for mortgage insurance bonds, and in connection with these agreements the commissioner of commerce may pledge, assign or grant other interests in the mortgage insurance fund to the corporation as may be necessary or appropriate in connection with the insurance of mortgage loans and to provide for the payment of and security for mortgage insurance bonds. Any such agreement or any of the rights of the corporation under the agreement and payments received or to be received under the agreement may be pledged or assigned by the corporation for the benefit of the holders of mortgage insurance bonds.

(b) In addition to any other fees and charges which the corporation may charge on mortgage loans, it may collect or cause to be collected on all mortgage loans made or purchased with the proceeds of the sale of mortgage insurance bonds, either or both a special mortgage loan

insurance commitment fee or a mortgage loan insurance premium. The special mortgage loan insurance commitment fees and special mortgage loan insurance premiums when received shall be deposited in the mortgage insurance fund by the corporation, or by any mortgage loan servicer, trustee, or agent designated by the corporation to receive them, and shall be held, invested and, together with all investment income derived from them, reinvested by the commissioner of revenue in investments authorized under AS 37.10.070(a), subject to any agreement with the corporation under (a) of this section.

(c) If, at any time after receipt by the corporation of a payment from the mortgage insurance fund with respect to a mortgage loan or any portion of the principal and interest and other amounts payable on a mortgage loan, the corporation recovers an amount on the mortgage loan or portion of it from any source other than the mortgage insurance fund, it shall apply the amount recovered in the following order: first to repay the general fund of the state to the extent of appropriations made pursuant to requests made under (f) of this section, and second, to repay the mortgage insurance fund.

(d) A mortgage loan, including a state veterans' loan, may be insured if the loan to value ratio at the time of the insurance loan does not exceed 80 per cent or, if the loan to value ratio does exceed that percentage, if it is federally insured or guaranteed or insured by a qualified mortgage insurance company to the extent of the excess. In addition, a state veterans' loan may be insured if the loan to value ratio does not exceed 90 per cent. The endorsement of the corporation on the mortgage at the time of purchase or acquisition of the mortgage loan is conclusive evidence that the mortgage loan is insured under the provisions of this section. The insurance is payable solely from the mortgage insurance fund.

(e) Mortgage loans may only be insured when the amount in the mortgage insurance fund as a percentage of the sum of all mortgage loans to be insured and all unpaid principal on mortgage loans insured by the corporation, equals or exceeds the fund requirement. As used in this section, the "fund requirement" is calculated as follows as to the following mortgage loans insured by the corporation:

(1) in the case of federally insured or guaranteed mortgage loans, or mortgage loans, including state veterans' loans, insured by a qualified mortgage insurance company or, if not so insured or guaranteed, with a loan to value ratio at the time of the mortgage insurance application less than 80 per cent, the greater of (A) two per cent of the unpaid principal amount of those mortgage loans, or (B) a percentage which the corporation with the approval of the commissioner of commerce determines is actuarially sound for operation of the mortgage insurance fund;

(2) in the case of state veterans' loans not insured by a qualified mortgage insurance company and with a loan to value ratio at the time

of the mortgage insurance application between 80 and 90 per cent, the greater of (A) six per cent of the unpaid principal amount of those state veterans' loans, or (B) a percentage which the corporation with the approval of the commissioner of commerce determines is actuarially sound for the operation of the mortgage insurance fund.

(f) On December 1 of each year the commissioner of commerce shall determine the amount on deposit in the mortgage insurance fund. If the amount in the fund is less than the fund requirement, the commissioner shall request the corporation to transfer from any available funds the amount necessary to restore the mortgage insurance fund to the fund requirement and the corporation shall promptly comply with the request from any funds available subject to agreements with holders of any of its obligations. If sufficient funds are not provided as the result of such requests, the commissioner shall, no later than January 2 of the following year, make and deliver to the governor and to the chairmen of the house and senate finance committees his certificate stating the sum required to restore the fund to the fund requirement and the sum so certified may be appropriated and paid to the fund during the then current state fiscal year. Nothing in this subsection creates a debt or liability of the state.

(g) The commissioner of revenue may sell to the corporation, and the corporation may purchase, state veterans' loans purchased for and held in the general fund on such terms and conditions as the commissioner of revenue and the corporation consider appropriate. When the commissioner of revenue sells any state veterans' loan to the corporation he may cause to be deposited in the mortgage insurance fund from the proceeds of sale an amount not exceeding the lesser of (1) six per cent of the proceeds of sale, or (2) the difference between the amount the commissioner of revenue actually receives on the sale and the amount the commissioner determines would have been received if the state verterans' loans had been sold in the private mortgage market. The determination shall be based on information reasonably available to the commissioner of revenue at the time of sale and is conclusive in determining the amount of the deposit.

(h) As used in this section, unless the context clearly indicates a different meaning:

(1) "loan to value ratio" means the ratio between the principal amount of a mortgage loan and the appraised value, as determined by the corporation, of the residential housing financed by such mortgage loan;

(2) "mortgage insurance bond" means a bond, note or other obligation of the corporation, the proceeds of which are authorized to be expended to purchase or make a mortgage loan insured under this section;

(3) "qualified mortgage insurance company" means a mortgage insurance company satisfactory to the corporation;

(4) "special mortgage loan insurance commitment fee" and "special mortgage loan insurance premium" mean, respectively, a fee of such per

cent of the principal amount of a mortgage loan to be insured under this section, and an annual insurance premium of such per cent of the portion of the unpaid principal amount of a mortgage loan insured under this section which is not federally insured or guaranteed or insured by a private mortgage insurance company, which the corporation with the approval of the commissioner of commerce determines is actuarially sound for the operation of the mortgage insurance fund;

(5) "state veterans' loan" means a mortgage loan for residential housing made in accordance with AS 26.15;

(6) the determination of what is "actuarially sound" with respect to the operation of the mortgage insurance fund shall be based on a consideration of the factors which will provide sufficient revenues for the operation of the fund, without regard to amounts which may have been or may, after the date of determination of actuarial soundness, be appropriated pursuant to (f) of this section, including, without limitation, estimates of future defaults and losses on mortgage loans insured under this section based on actual default and loss experience on those mortgage loans or on similar mortgage loans in Alaska or elsewhere, estimates of recoveries on defaulted or foreclosed mortgage loans based on that experience, the terms and conditions of the mortgage loans insured under this section, estimates of earnings and income of amounts on deposit in the mortgage insurance fund, and any other appropriate factors. (§ 8 ch 151 SLA 1975)

Effective date. — Section 11, ch. 151, SLA 1975, makes this section effective on June 19, 1975, in accordance with AS 01.10.070(c).

Legislative committee report. — For report on ch. 151, SLA 1975 (HCS CSSB 289 am H), see 1975 Senate Journal, p. 769; 1975 House Journal, p. 1275.

Sec. 18.56.125. Capital reserve fund. (a) For the purpose of securing any one or more issues of its obligations, the corporation may establish one or more special funds, called "capital reserve funds", and shall pay into those capital reserve funds (1) any money appropriated and made available by the state for the purpose of any of those funds, (2) any proceeds of the sale of its obligations, to the extent provided in the resolution or resolutions of the corporation authorizing their issuance, and (3) any other money which may be made available to the corporation for the purposes of those funds from any other source. All money held in a capital reserve fund, except as provided in this section, shall be used as required, solely for (1) the payment of the principal of obligations or of the sinking fund payments with respect to those obligations, (2) the purchase or redemption of obligations, (3) the payment of interest on obligations, or (4) the payment of any redemption premium required to be paid when those obligations are redeemed before maturity; however, money in any fund may not be withdrawn from it at any time in an amount which would reduce the amount of that fund to less than the capital reserve requirement set out in (b) of this section, except for the

(16) promote research and development in scientific methods of constructing low-cost residential housing of high durability;

(17) make and execute agreements, contracts and other instruments necessary or convenient in the exercise of the powers and functions of the corporation under this chapter, including contracts with any person, firm, corporation, governmental agency or other entity;

(18) receive, administer and comply with the conditions and requirements respecting any appropriation or gift, grant or donation of property or money;

(19) sue and be sued in its own name;

(20) adopt an official seal;

(21) adopt bylaws for the regulation of its affairs and the conduct of its business and prescribe rules, regulations and policies in connection with the performance of its functions and duties;

(22) employ fiscal consultants, engineers, attorneys, real estate counselors, appraisers and such other consultants and employees as may be required in the judgment of the corporation, and fix and pay their compensation from funds available to the corporation;

(23) do all acts and things necessary, convenient or desirable to carry out the powers expressly granted or necessarily implied in this chapter;

(24) invest or reinvest, subject to its contracts with noteholders and bondholders, any money or funds held by the corporation in any obligations or other securities or investments in which banks or trust companies in the state may legally invest funds held in reserves or sinking funds or any funds not required for immediate disbursement, and in certificates of deposit or time deposits secured by obligations of, or guaranteed by, the state or the United States of America. (§ 1 ch 107 SLA 1971; am § 3 ch 81 SLA 1972)

Effect of amendment. — The 1972 amendment inserted "and moderate" and "or persons located in remote, underdeveloped or blighted areas of the state" in the introductory language, rewrote paragraph (3), inserted "and moderate" and "or owners or purchasers of residential housing in remote, underdeveloped or blighted areas of the state" in paragraph (4) and added paragraph (24).

Legislative committee report. — For report on ch. 81, SLA 1972 (CSHB 547), see 1972 House Journal, p. 859.

Sec. 18.56.100. Housing development fund. (a) There is created a special revolving loan fund to be known as the "housing development fund" to be administered by the corporation as a trust fund separate and distinct from any other money or funds administered by the corporation.

(b) Consistent with § 90 of this chapter, the corporation may make temporary and permanent loans from the housing development fund, at such interest rate or rates as determined by the corporation, and with such security for repayment as is necessary and practicable, to

(1) defray development costs of sponsors, builders, and developers of residential housing;

(2) provide to persons of lower and moderate income who are applying for mortgages, the amounts required to make down payments

and pay closing costs and to housing owners the amounts applied for partial rental payments and mortgage interest payments under § 90(4) of this chapter; or

(3) purchase, make, or participate in the making of mortgage and construction loans which are not federally insured or guaranteed to sponsors, builders, purchasers and developers of land development or residential housing, if the corporation determines that such loans are not otherwise available, wholly or in part, from private lenders upon reasonably equivalent terms and conditions.

(c) To the credit of the housing development fund shall be deposited

(1) grants and contributions to the fund and the proceeds of sale of fund notes; and

(2) all receipts of the corporation on account of repayment of or sale or other disposition of the security for any loans made under (b) of this section.

(d) The corporation may receive and accept from any source whatever any grants or contributions for the housing development fund.

(e) The corporation may provide for the issuance, at one time or from time to time, of housing development fund notes for the purpose of providing funds for the fund. The commissioner of revenue is authorized to purchase fund notes with surplus funds in the state treasury. Before submission of the executive budget to the legislature, the commissioner of revenue shall annually recommend to the governor the anticipated amounts of surplus funds available for purchase of fund notes in the fiscal year encompassed by the budget. In making his recommendation to the governor, the commissioner of revenue shall consider the expenditure and revenue projections contained in the most recent revenue source document prepared for and submitted to the legislature by the administration. If the governor agrees with the recommendation of the commissioner of revenue he shall forward the recommendation to the corporation.

(f) The principal and interest on fund notes is payable solely from the housing development fund. The corporation shall determine the date of the fund notes of each issue, the maturity of the notes, the redemption provisions, if any, including redemption prices, terms and conditions, the form and manner of execution of the notes, including any interest coupons to be attached to them, the denomination and the place of payment of principal and interest, which may be any bank, trust company, or agent, including the purchaser of any fund notes. The fund notes may be issued in coupon or in registered form, or both. The corporation may provide for the registration of any coupon fund notes as to principal or interest, or both, and for the reconversion into coupon fund notes of any fund notes registered as to both principal and interest, and for the exchange of registered and coupon fund notes. The corporation may provide for the replacement of fund notes which are mutilated, destroyed, lost or stolen.

(g) Fund notes shall bear interest at the rate, and shall be sold in the manner and for the price the corporation determines.

(h) If an officer whose signature or a facsimile of whose signature appears on any fund notes or coupons attached to them ceases to be an officer before the delivery of the fund notes or coupons, his signature or facsimile is valid for all purposes as if he had remained in office until delivery.

(i) The proceeds of sale of fund notes shall be used solely for the purposes for which issued and shall be disbursed in the manner and under the restrictions the corporation provides in the resolution authorizing the issuance of the fund notes.

(j) Fund notes may be issued without the consent of any government agency and without any other proceedings or conditions other than those which are specifically required by this chapter and the provisions of the resolution authorizing the issuance of the fund notes.

(k) No loan may be made by the corporation from the housing development fund except in accordance with a written agreement which shall include, but need not be limited to, the following terms and conditions:

(1) the proceeds of loans shall be used only for the purposes for which the loan is made, as provided in the agreement;

(2) the loan shall be repaid in full as provided in the agreement;

(3) all repayments in connection with a loan to defray development costs shall be made concurrent with receipt by the borrower of the proceeds of a construction loan or mortgage loan, or at such other times as the corporation considers reasonably necessary or practicable; and

(4) security for repayment shall be specified and shall be upon terms and conditions as the corporation considers necessary or practicable to insure all repayments. (§ 1 ch 107 SLA 1971; am § 4 ch 81 SLA 1972)

Effect of amendment. — The 1972 amendment inserted "and moderate" in subsection (b)(2).

Legislative committee report. — For report on ch. 81, SLA 1972 (CSHB 547), see 1972 House Journal, p. 859.

Sec. 18.56.110. Bonds and notes. (a) The corporation, by resolution, may issue bonds and bond anticipation notes in order to provide funds to carry out and effectuate its purposes.

(b) The principal and interest on these bonds or notes is payable from corporation funds, excluding funds in the housing development fund. Bond anticipation notes may be payable from the proceeds of the sale of bonds or from the proceeds of sale of other bond anticipation notes or, in the event bond or bond anticipation note proceeds are not available, such notes may be paid from other funds or assets of the corporation. Bonds or notes may be additionally secured by a pledge of a grant or contribution from the federal government, or a corporation, association, institution or person, or a pledge of money, income, or revenues of the corporation from any source.

(c) Bonds or bond anticipation notes may be issued in one or more series and shall [illegible], bear interest at the rate or rates per year or

outside the state as to the pledging or assigning of revenues or funds to which or in which the corporation has any rights or interest; the agreement may further provide for such other rights and remedies exercisable by the trustee as may be proper for the protection of the holders of any bonds or notes of the corporation and not otherwise in violation of law and may provide for the restriction of the rights of an individual holder of bonds or notes of the corporation;

(20) to appoint and provide for the duties and obligations of any paying agent or paying agents, or such other fiduciaries as the resolution may provide within or outside the state;

(21) to limit the rights of the holders of any bonds or notes to enforce any pledge or covenant securing bonds or notes;

(22) to make covenants other than and in addition to the covenants expressly authorized in this section, of like or different character, and to make such covenants to do or refrain from doing such acts and things as may be necessary, or convenient and desirable, in order to better secure bonds or notes or which, in the absolute discretion of the corporation, will tend to make bonds or notes more marketable, notwithstanding that the covenants, acts or things may not be enumerated in this section. (§ 1 ch 107 SLA 1971)

Sec. 18.56.115. Prohibited bidding on bonds and notes. (a) No person who provides fiscal programming or marketing assistance to the corporation in connection with the issuance or sale of the corporation's bonds or bond anticipation notes may bid or negotiate on the bonds or notes.

(b) The sale of bonds or notes of the corporation to a person who is prohibited from bidding on the bonds or notes under (a) of this section is against public policy and the sale is void.

(c) In this section, "person" means an individual, firm, agent, factor, intermediary, partnership, corporation, association, bond house, stockbroker or bond broker. (§ 4 ch 102 SLA 1974)

Sec. 18.56.120. Validity of any pledge. The pledge of assets or revenues of the corporation to the payment of the principal or interest on any obligations of the agency is valid and binding from the time the pledge is made and any such assets or revenues are immediately subject to the lien of the pledge without physical delivery or further act. The lien of any pledge is valid and binding against all parties having claims of any kind in tort, contract or otherwise against the corporation, irrespective of whether those parties have notice of the lien of the pledge. Nothing herein prohibits the corporation from selling assets subject to any pledge, except that any sale may be restricted by the trust agreement or resolution providing for the issuance of the obligations. (§ 1 ch 107 SLA 1971)

Sec. 18.56.130. Remedies. A holder of obligations or coupons attached to them issued under the provisions of this chapter, and a

trustee under any trust agreement or resolution authorizing the issuance of the obligations, except as restricted by a trust agreement or resolution, either at law or in equity, may enforce all rights granted hereunder or under the trust agreement or resolution, or under any other contract executed by the corporation under this chapter, and may enforce and compel the performance of all duties required by this chapter or by the trust agreement or resolution to be performed by the corporation or by any officer of it. (§ 1 ch 107 SLA 1971)

Sec. 18.56.140. Negotiable instruments. All obligations and interest coupons attached to them are negotiable instruments under the laws of this state, subject only to any applicable provisions for registration. (§ 1 ch 107 SLA 1971)

Sec. 18.56.150. Obligations eligible for investment. Obligations issued under the provisions of this chapter are securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. These obligations may be deposited with any state or municipal officer of any agency or political subdivision of the state for any purpose for which the deposit of bonds, notes or obligations of the state is authorized by law. (§ 1 ch 107 SLA 1971)

Sec. 18.56.160. Refunding obligations. (a) The corporation may provide for the issuance of refunding obligations for the purpose of refunding any obligations then outstanding which have been issued under the provisions of this chapter, including the payment of any redemption premium on them and any interest accrued or to accrue to the date of redemption of the obligations. The issuance of the obligations, the maturities and other details of them, the rights of the holders of them, and the rights, duties and obligations of the corporation in respect of them are governed by the provisions of this chapter which relate to the issuance of obligations, insofar as those provisions may be appropriate therefor.

(b) Refunding obligations may be sold or exchanged for outstanding obligations issued under this chapter and, if sold, the proceeds may be applied, in addition to any other authorized purposes, to the purchase, redemption or payment of the outstanding obligations. Pending the application of the proceeds of any such refunding obligations, with any other available funds, to the payment of the principal, accrued interest and any redemption premium on the obligations being refunded, and, if so provided or permitted in the resolution authorizing the issuance of the refunding obligations or in the trust agreement securing them, to the payment of any interest on the refunding obligations and any charges in connection with the refunding, the proceeds may be invested in direct obligations of, or obligations the principal of and the

interest on which are unconditionally guaranteed by, the United States of America which mature or which will be subject to redemption, at the option of the holders of them, not later than the respective dates when the proceeds, together with the interest accruing on them, will be required for the purposes intended. (§ 1 ch 107 SLA 1971)

Sec. 18.56.170. Credit of state not pledged. (a) Obligations issued under the provisions of this chapter do not constitute a debt, liability or obligation of the state or of any political subdivision of the state or a pledge of the faith and credit of the state or of any such political subdivision but are payable solely from the revenues or assets of the corporation. Each obligation issued under this chapter shall contain on its face a statement that the corporation is not obligated to pay it nor the interest on it except from the revenues or assets pledged for it and that neither the faith and credit nor the taxing power of the state or of any political subdivision of the state is pledged to the payment of the principal of or the interest on the obligation.

(b) Expenses incurred by the corporation in carrying out the provisions of this chapter are payable from funds provided under this chapter and no liability may be incurred by the corporation in excess of these funds. (§ 1 ch 107 SLA 1971)

Sec. 18.56.180. Officers not liable. No member or other officer of the corporation is subject to personal liability or accountability by reason of his execution of any obligations or the issuance of them. (§ 1 ch 107 SLA 1971)

Sec. 18.56.190. Tax exemption. (a) The exercise of the powers granted by this chapter will be in all respects for the benefit of the people of the state, for their well-being and prosperity and for the improvement of their social and economic conditions, and the corporation is not required to pay a tax or assessment on any property owned by the corporation under the provisions of this chapter or upon the income from it, except taxes on real property of which the corporation is fee owner.

(b) All obligations issued under this chapter are hereby declared to be issued by a body corporate and public of the state and for an essential public and governmental purpose, and the obligations, and the interest and income on and from the obligations, and all fees, charges, funds, revenues, income and other money pledged or available to pay or secure the payment of the obligations, or interest on the obligations, are exempt from taxation except for transfer, inheritance and estate taxes. (§ 1 ch 107 SLA 1971)

Sec. 18.56.200. Annual report. The corporation shall prepare and transmit annually a report accounting to the governor and the legislature for the efficient discharge of all responsibility assigned by law or by directive to the corporation. (§ 1 ch 107 SLA 1971)

Sec. 18.56.210. Definitions. In this chapter, unless the context clearly indicates a different meaning

(1) "corporation" means the Alaska Housing Finance Corporation created by this chapter;

(2) "board" means the board of directors of the corporation;

(3) "development costs" means the costs approved by the corporation as appropriate expenditures which may be incurred by sponsors, builders and developers of residential housing, before commitment and initial advance of the proceeds of a construction loan or of a mortgage loan, including but not limited to

(A) payments for options to purchase properties on the proposed residential housing site, deposits on contracts of purchase, or, with prior approval of the corporation, payments for the purchase of the properties;

(B) legal and organizational expenses, including payments of attorney fees, project manager, clerical and other staff salaries, office rent and other incidental expenses;

(C) payment of fees for preliminary feasibility studies and advances for planning, engineering and architectural work;

(D) expenses for tenant surveys and market analyses; and

(E) necessary application and other fees;

(4) "governmental agency" means any department, division, public agency, political subdivision or other public instrumentality of the state or the federal government;

(5) "housing development fund" means the housing development fund created by § 100 of this chapter;

(6) "construction loan" means a construction loan for land development or residential housing which is secured by a federally insured or guaranteed mortgage or which is insured or guaranteed by the United States or an instrumentality thereof, or for which there is a commitment by the United States or an instrumentality thereof to insure or guarantee such a loan, or a construction loan for land development or residential housing wich land development or residential housing will be secured by a mortgage loan;

(7) "mortgage" or "mortgage loan" means a mortgage loan for residential housing insured or guaranteed by the United States or an instrumentality thereof or for which there is a commitment by the United States or an instrumentality thereof to insure or guarantee such a mortgage, or if not so insured or guaranteed or if there is no such commitment, which the corporation determines meets the conditions described in § 100(k) of this chapter or which shall be secured upon such terms and conditions as the corporation considers necessary or practicable to insure all repayments;

(8) "land development" means the process of acquiring land primarily for residential housing construction for persons of lower and moderate income and making, installing or constructing nonresidential housing improvements, including water, sewer and other utilities,

roads, streets, curbs, gutters, sidewalks, storm drainage facilities and other installations or works, whether on or off the site, which the corporation considers necessary or desirable to prepare the land primarily for residential housing construction;

(9) "obligations" means any bonds, bond anticipation notes or fund notes authorized to be issued by the agency under the provisions of this chapter;

(10) "persons of lower and moderate income" means a person or persons considered by the corporation to require assistance available under this chapter on account of insufficient or inadequate personal or family income or otherwise limited personal financial resources, taking into consideration, without limitation, such factors as

(A) the amount of the total income of the persons available for housing needs;

(B) the size of the family;

(C) the cost and condition of housing facilities available;

(D) standards established for various federal programs determining eligibility based on income of the persons; and

(E) the ability of the persons to compete successfully in the normal housing market and to pay the amounts at which private enterprise is providing decent, safe and sanitary housing;

(11) "residential housing" means a specific work or improvement undertaken primarily to provide dwelling accommodations without limitation as to form of lawful occupancy, whether rental, under contract, fee ownership, cooperative housing, condominium or other lawful forms of ownership, for persons of lower and moderate income, or in remote, underdeveloped or blighted areas, including the acquisition, construction or rehabilitation of land, buildings and improvements thereto, and such other nonhousing facilities as may be incidental or appurtenant thereto;

(12) "remote, underdeveloped or blighted areas" means areas considered by the corporation to require assistance available under this chapter on account of insufficient availability of the residential housing necessary to promote, develop or maintain the economic growth or potential of the area, taking into consideration, without limitation, the following:

(A) the population, resources and environment of the area;

(B) the present availability and condition of residential housing in and near the area;

(C) the cost of construction and rehabilitation of residential housing in the area;

(D) the availability of other federal or state sponsored progams to facilitate the development of residential housing in the area; and

(E) the ability of residents of the area to finance the purchase of residential housing or to rent or lease such housing at rates comparable

to those in effect in other areas of the state. (§ 1 ch 107 SLA 1971; am §§ 5 — 10 ch 81 SLA 1972)

Effect of amendment. — The 1972 amendment inserted "loan" following "mortgage" in the introductory language of paragraph (3), substituted "or which shall be secured upon such terms and conditions as the corporation considers necessary or practicable to insure all repayments" for "for a loan from the housing development fund" in paragraph (7), inserted "and moderate" in paragraph (8), inserted "and moderate," "a person or," "or inadequate," and "or otherwise limited personal financial resources" in the introductory language of paragraph (10), inserted "and moderate" and "or in remote, underdeveloped or blighted areas" in paragraph (11), and added paragraph (12).

Legislative committee report. — For report on ch. 81, SLA 1972 (CSHB 547), see 1972 House Journal, p. 859.

Chapter 60. Safety.

Article
1. Prevention of Accident and Health Hazards (§§ 18.60.010—18.60.105)
2. Lost Persons (§§ 18.60.110—18.60.175)
3. Boilers (§§ 18.60.180—18.60.395)
4. Refrigerators and Similar Equipment (§§ 18.60.400—18.60.460)
5. Radiation Protection Act (Repealed)
6. Electrical Safety (§§ 18.60.580—18.60.660)
7. High Voltage Lines (§§ 18.60.670—18.60.695)
8. Plumbing Code (§§ 18.60.705—18.60.740)
9. Safety Glazing (§§ 18.60.750—18.60.780)

Article 1. Prevention of Accident and Health Hazards.

Section
10. Legislative intent
20. Regulations
30. Duties of Department of Labor
40. Report to legislature
50. [Repealed]
55. Division of occupational safety and health
57. Occupational Safety and Health Review Board
59. Legal counsel
60. Cooperation by other state agencies
70. Control of funds
75. Safe employment
77. Variance of a standard
80. Contributions
81. Temporary variance
83. Right of entry and inspection
85. Prohibition of unauthorized notice of inspection
87. Employer and employee participation
88. Employee requests for special inspection
89. Prohibition against retribution
90. [Repealed]
91. Citations
93. Enforcement procedures
95. Penalties
96. Imminent dangers
97. Judicial review
98. Employee compensation for appearances
99. Confidentiality of trade secrets
100. Nonabrogation of powers of Department of Health and Social Services
105. Definitions

Revisor's note (1973). — Throughout this article, references to "§§ 10 — 100" of this chapter have been corrected to read "§§ 10 — 105," thus covering the entire article (including the definition section) as the history of it indicates was the legislative intent.

Sec. 18.60.010. Legislative intent. (a) The legislature finds that personal injuries and illnesses arising out of work situations impose a

Sec. 18.100.020. Fund established. There is created in the Department of Community and Regional Affairs a housing development revolving loan fund to be administered by the community planning division. (§ 10 ch 151 SLA 1975)

Sec. 18.100.030. Powers and duties of the department. The department may

(1) make loans to sponsors, builders and developers of residential housing for the costs approved by the division as appropriate expenditures which may be incurred by sponsors, builders and developers of residential housing, before commitment and initial advance of the proceeds of a construction loan or of a mortgage loan, including but not limited to

(A) payments for options to purchase properties on the proposed residential housing site;

(B) legal and organizational expenses, including payments of attorney fees, project manager, clerical and other staff salaries, office rent and other incidental expenses;

(C) payment of fees for preliminary feasibility studies and advances for planning, engineering and architectural work;

(D) expenses for tenant surveys and market analyses; and

(E) necessary application and other fees;

(2) designate agents and delegate powers to them as is necessary;

(3) adopt regulations necessary to carry out the purposes of this chapter;

(4) determine the eligibility of applicants for loans under this chapter. (§ 10 ch 151 SLA 1975)

Sec. 18.100.040. Repayment of loan. The repayment of a loan made under this chapter shall be at such time as the department designates but not later than final closing of a permanent loan on the project. The department may not require payment if construction of the contemplated project does not commence. (§ 10 ch 151 SLA 1975)

Sec. 18.100.050. Eligibility for loans. Only public or nonprofit private corporations are eligible for loans under this chapter. The nonprofit corporations must be designated as tax exempt under sec. 501 (e) (3) and (4) of the Internal Revenue Code of 1954. (§ 10 ch 151 SLA 1975)

Sec. 18.100.060. Interest. The interest rate on loans made under this chapter shall be set by the department at a rate sufficient to pay the administrative costs of the fund but the interest rate may not exceed three per cent. (§ 10 ch 151 SLA 1975)

Sec. 18.100.070. Senior citizen housing development. (a) There is created within the Department of Community and Regional Affairs a

Chapter 15. Alaska World War II Veterans' Act.

Section
10. Powers and duties of Department of Commerce with respect to veterans' loans
20. Validation of certain documents
30. Powers and duties of Department of Commerce in general
40. Veterans' loans
50. Interest rates
60. Sale or transfer of preferred commercial paper
70. Sale or transfer of mortgages and notes
80. Power of commissioner to assign and sell mortgages
90. Creation of fund
100. Repayment of loan to fund
110. Limitation on securing bonus and loan
120. Bonus payments
130. Eligibility for loans
140. Eligibility for benefits under this chapter
150. Eligibility for bonuses
160. Extension of chapter to veterans of Korea and Viet Nam
170. Short title

Sec. 26.15.010. Powers and duties of Department of Commerce with respect to veterans' loans. (a) The Department of Commerce shall administer the laws, rules and regulations relating to the veterans' loan program, adopt new rules and regulations, and recommend legislation.

(b) The department shall obtain the guarantee of the United States under the Servicemen's Re-Adjustment Act on such loans as prescribed by rules and regulations of the department. Under rules and regulations of the department, the department may guarantee or insure loans or portions of loans not to exceed 90 per cent as may be obtainable by veterans having the qualifications of beneficiaries under this chapter from any person, firm, corporation, bank, savings and loan association, or an agency or instrumentality of the United States, and may grant participating portions of such loans.

(c) Under rules and regulations of the department, the department may grant loans to two or more qualified veterans to engage in the same business, as a partner or joint venturer with one or more other persons. However, should one or more veterans engage as a partner in a business or joint venture with a nonveteran, the department shall require the nonveteran or nonveterans to contribute equally to the capital assets of the business or joint venture.

(d) Under rules and regulations of the department, the department may enter into contracts with insurance companies for mortgage insurance coverage on veteran loans. (§ 41-2-12(c) ACLA 1949; am ch 83 SLA 1951; am § 1 ch 44 SLA 1967)

Effect of amendment.—The 1967 amendment added subsection (d).

C.J.S. reference. — 9 C.J.S. Banks and Banking §§ 388, 390.

Sec. 26.15.020. Validation of certain documents. The deeds, mortgages, assignments or other documents made, executed and delivered in conformity with the provisions of this chapter and as

otherwise required by law, in which the designation "Veterans' Affairs Commission" appears, whether as grantor, grantee, mortgagee, assignor, assignee or otherwise, be and they are hereby validated and confirmed, and all obligations incurred under the provisions of any such deed, mortgage, assignment or other instrument by the Territory of Alaska, the Alaska World War II Veterans' Board, or the commissioner of veterans' affairs, in his official capacity, are hereby declared to be good, valid and subsisting obligations, and the covenants, conditions and provisions, if any, prescribed to be kept, paid, performed or observed, imposed upon any party described in any such instrument shall be discharged as herein set forth, the fact that the officer executing and delivering any such instrument added to his signature the description "Veterans' Affairs Commission," notwithstanding. (§ 44-2-12(c) ACLA 1949; am ch 83 SLA 1951)

Sec. 26.15.030. Powers and duties of Department of Commerce in general. (a) The Department of Commerce shall formulate general policies and adopt rules and regulations.

(b) The department may hold hearings and subpoena witnesses and documents, and administer oaths in connection with hearings.

(c) The department shall

(1) cooperate with the federal government in matters of mutual concern pertaining to the welfare of Alaskan veterans;

(2) make such reports as the federal government may desire;

(3) cooperate with the federal government, its agencies or instrumentalities in establishing, extending or strengthening services for veterans in Alaska;

(4) cooperate with the state and its political subdivisions and agencies;

(5) adopt rules and regulations necessary for the conduct of its business and for carrying out the provisions of this chapter, and make necessary rules and regulations to maintain such standards;

(6) require bonds and undertakings from persons employed by it as shall in its judgment be necessary, and pay the premiums on them;

(7) establish such regional and local offices and such advisory groups as may be necessary or considered expedient to carry out or assist in carrying out its duties and authorities. (§ 44-2-12(d) ACLA 1949)

Sec. 26.15.040. Veterans' loans. (a) The commissioner of commerce may, under rules, regulations, and policies adopted by him, make the following loans:

(1) Personal loans may be made for educational, domestic, re-

mote area family housing and other personal purposes, not exceeding $5,000. The loans shall be secured by acceptable collateral when available but if not available the commissioner may make loans on the basis of good character. The rate of interest may not exceed eight per cent a year on the unpaid balance.

(2) Farm and home loans may be made to purchase, remodel, repair, build, furnish, refinance or equip homes or farms in the state, including the clearing and drainage for farms, not exceeding $25,000. The loans may not exceed 90 per cent of the appraised value when the loan is for the purchase or construction of a home unless additional amounts are secured by acceptable collateral as determined by the commissioner of commerce in conformity with established minimum requirements. The rate of interest may not exceed eight per cent a year on the unpaid balance.

(3) Business loans may be made to acquire, finance or refinance or equip businesses, including mining and fishing but not including farming, not exceeding $25,000. The loans shall be secured by acceptable collateral and may not exceed 75 per cent of the appraised value of the collateral offered as security. The rate of interest may not exceed eight per cent a year on the unpaid balance.

(b) The commissioner of commerce may enter into agreements with private banks, other lending institutions and individuals for the purpose of guaranteeing loans made to qualified applicants. The guarantees may not exceed 90 per cent of the amount loaned and the loans shall be secured in the same manner provided for direct loans under this section. A loan made under this subsection and guaranteed by the commissioner of commerce and the state shall bear an interest rate not exceeding eight per cent a year on the unpaid balance.

(c) No loans authorized by (a) (2) and (3) of this section may be made unless the commissioner of commerce is satisfied that no money is available to the applicant from private lending institutions on a guaranteed basis as set out in (b) of this section. An applicant is eligible for more than one type of loan, but the total may not exceed $25,000 at any one time.

(d) Money loaned shall be delivered to the borrower in the form of a warrant drawn on the treasury, vouchered in the manner prescribed for state disbursing officers, and charged against the Alaska World War II veterans' revolving fund. Each voucher shall be approved by the commissioner of commerce or any bonded deputy authorized to act as a certifying officer. Upon repayment of loans by installments, or otherwise, in accordance with the prescribed terms, or upon liquidation by foreclosure or other process, or upon receipt of interest or other revenue, the money so received shall be turned over to the commissioner of revenue for deposit in the Alaska World War II veterans' revolving fund. (§ 44-2-12(e) ACLA

1949; am § 1 ch 87 SLA 1949; am ch 96 SLA 1953; am § 1 ch 137 SLA 1960; am §§ 1—3 ch 54 SLA 1965; am §§ 1, 2 ch 51 SLA 1966; am § 1 ch 91 SLA 1966; am §§ 1, 2 ch 62 SLA 1967; am §§ 1—3 ch 8 FSSLA 1967; am §§ 1, 2 ch 73 SLA 1969)

Revisor's note. — Chapter 5, FSSLA 1967, provides special treatment for a person holding a veteran's farm, home or business loan whose property, if it secures the loan, was damaged by the natural disaster of August 14, 1967.

Cross reference.—As to legal rate of interest, see AS 45.45.010.

Effect of amendments. — The 1965 amendment substituted "$22,500" for "$15,000" in subsections (a) (2), (a) (3), and (c).

The first 1966 amendment inserted "refinance" in the first sentence of subsection (a) (2), and substituted "acquire, finance or refinance" for "acquire or finance" in the first sentence of subsection (a) (3).

The second 1966 amendment inserted "remote area family housing" in the first sentence of subsection (a) (1), and substituted "$5,000" for "$2,500" at the end of such sentence.

The 1967 amendment substituted "may not exceed six" for "is five" in the last sentences of paragraphs (1), (2), and (3) of subsection (a), and substituted "seven per cent" for "six per cent" in the last sentence of subsection (b).

Chapter 8, FSSLA 1967, substituted "$25,000" for "$22,500" in subsections (a) (2), (a) (3), and (c).

The 1969 amendment substituted "eight per cent" for "six per cent" in the last sentence of paragraphs (1), (2), and (3) of subsection (a), and substituted "eight per cent" for "seven per cent" in the last sentence of subsection (b).

Legislative committee report.—For report on ch. 73, SLA 1969 (CSHB 278 am), see 1969 House Journal, p. 745.

Sec. 26.15.050. Interest rates. The provisions of § 40 of this chapter applying to interest rates apply only to loans made after April 1, 1967. The interest rates on loans made before April 1, 1967 shall be prescribed at the time the loan was made. (§ 2 ch 137 SLA 1960; am § 3 ch 62 SLA 1967)

Effect of amendment.—The 1967 amendment substituted "April 1, 1967" for "April 17, 1960" in the first and second sentences, and in the second sentence deleted "as" preceding "prescribed."

Sec. 26.15.060. Sale or transfer of preferred commercial paper. The commissioner of commerce may negotiate with and transfer or sell to and repurchase from the Department of Revenue, its preferred commercial paper, not to exceed $1,000,000 for cash, which cash shall be used only for the purposes of making loans to veterans eligible under this chapter. Any money loaned under this section is subject to interest at the rate of two per cent per annum on the principal outstanding until July 1, 1962, and at the rate of two and one-half per cent per annum thereafter until all principal and interest are fully paid. (§ 2 ch 139 SLA 1953; am § 1 ch 19 SLA 1955; am § 3 ch 97 SLA 1957; am § 2 ch 29 SLA 1962)

Revisor's note. — Section 1, ch. 97, SLA 1957 and § 2, ch. 97, SLA 1957, as amended by § 1, ch. 29, SLA 1962, are not included in this chapter since they relate to the provisions of a contract entered into under the authority of the above section.

See AS 26.15.070 which contains provisions similar to the ones in this section.

Sec. 26.15.070. Sale or transfer of mortgages and notes. The commissioner of commerce may sell or transfer at par value or at a premium or discount to the Department of Revenue or any bank or other private purchaser for cash or other consideration the mortgages and notes held by the Department of Commerce as security for loans made under this chapter. (§ 1 ch 127 SLA 1961)

Sec. 26.15.080. Power of commissioner to assign and sell mortgages. The commissioner of commerce may assign and sell veterans' loan mortgages to the Alaska State Mortgage Association in consideration of receiving its cash, bonds, debentures and notes upon conditions which he considers advantageous to the state veterans' lending program. (§ 44-2-12(f) ACLA 1949; added by § 1 ch 131 SLA 1961)

Sec. 26.15.090. Creation of fund. There is created the Alaska World War II veterans' revolving fund to carry out this chapter. This fund shall be used for no other purpose. (§ 44-2-13 ACLA 1949)

Sec. 26.15.100. Repayment of loan to fund. The sum of $1,200,000 appropriated for the purpose of implementing the Alaska World War II veterans' revolving fund to enable the Territorial Veterans Administration to fully carry out the purpose of the Alaska World War II Veterans Act is a loan from the general fund of the territorial treasury which shall be paid back to the general fund as follows: $100,000 during the fiscal year beginning July 1, 1970, and ending June 30, 1971, and an equal amount during each fiscal year thereafter until the principal amount has been repaid in full. Interest at the rate of two and one-half per cent per annum shall be paid on the amount of the principal outstanding from April 1, 1957, until the principal and all interest are fully paid. (§ 1 ch 70 SLA 1949; am § 1 ch 5 SLA 1955; am § 4 ch 97 SLA 1957; am § 1 ch 136 SLA 1960)

For appropriation and provision for repayment under former law, see Alaska World War II Veterans' Bd. v. Territory of Alas., 11 Alas. 463, 165 F.2d 604 (9th Cir. 1948).

Sec. 26.15.110. Limitation on securing bonus and loan. Persons eligible for loans under this chapter are eligible for the bonus provided for by this chapter, but no bonus may be paid to a person who has received a loan under this chapter, and no bonus may be paid after July 1, 1964. (§ 44-2-14 ACLA 1949; am § 2 ch 87 SLA 1949; am § 1 ch 137 SLA 1955; am § 1 ch 83 SLA 1961; am § 1 ch 47 SLA 1963)

Effect of amendment. — The 1963 amendment deleted the exception in the first sentence, as well as the former second and third sentences, and substituted for the deleted portion of the first sentence all of the language beginning with the word "but."

Am. Jur. references.—29 Am. Jur., Insurance, § 1 et seq.; 36 Am. Jur., Military, § 131.

Sec. 26.15.120. Bonus payments. The payment of a bonus may be made to eligible persons who apply for it and who have not previously disqualified themselves by contracting a loan under this chapter. The bonus is a sum in dollars equal to the number of months which the veteran spent in service, or fraction of it, multiplied by 10, but no bonus shall be paid to an enlistee or re-enlistee for time served after November 1, 1945, regardless of whether the enlistment or re-enlistment was before or after November 1, 1945. The Department of Commerce shall administer the payment of bonuses in accordance with its rules and procedures. (§ 44-2-14 ACLA 1949; am § 2 ch 87 SLA 1949; am § 1 ch 137 SLA 1955)

Sec. 26.15.130. Eligibility for loans. (a) Qualifications for loans under this chapter are:

(1) persons who served in the armed forces of the United States for 90 days or more, or whose service was for less than 90 days because of injury or disability incurred in the line of duty, between April 6, 1917, and November 11, 1918, and September 16, 1940, and July 25, 1947, or in a combat zone during any period of armed conflict, who were separated from the armed forces with a discharge other than dishonorable, and

(A) who, at the time of induction into the service, were residents of the territory, who had been residents for not less than one year immediately before their induction, and who returned to the territory or state after discharge as residents with the intention of remaining in the territory or state; or

(B) who, not being bona fide residents of the territory before their entry into the service, have lived in the territory or state for at least 10 years following their release from active military service;

(2) persons who were dependent on a member of the armed forces or a veteran of World War II at the time of the member's or veteran's death, if

(A) the member or veteran was a resident of the territory for one year before induction into the service; and

(B) he served in the armed forces for at least 90 days between September 16, 1940, and July 25, 1947, but no benefits for loans accrue to dependents of an enlistee or re-enlistee for time served after November 1, 1945, regardless of whether the enlistment or re-enlistment was before or after November 1, 1945; and

(C) he died before the official date of the termination of that war; and

(D) his discharge was not dishonorable.

(b) Dependents shall be unmarried and the deceased member of the armed forces or deceased veteran shall have been their chief means of support and they shall be either a widow, widower, minor

son, minor daughter, or mother, father, sister or brother incapable of self-support. Dependents shall be residents of the territory or state at the time of making application and intend to reside in the territory or state permanently. The rights of minor children may be exercised only if they have no surviving parent and have an appointed guardian who may apply on their behalf to secure a loan for their care, support, education or other purposes mentioned in § 40 of this chapter or to receive the bonus for those purposes. (§ 44-2-14 ACLA 1949; am § 2 ch 87 SLA 1949; am § 1 ch 137 SLA 1955; am § 1 ch 94 SLA 1963; am §§ 3, 4 ch 51 SLA 1966; am § 1 ch 57 SLA 1968)

Effect of amendments. — The 1963 amendment inserted "and (A)" between the words "dishonorable" and "who" and added (B) in subsection (a) (1).

The 1966 amendment inserted "April 6, 1917, and November 11, 1918, and" in subsection (a) (1), substituted "a discharge other than dishonorable" for "an honorable discharge or honorable separation" in such subsection, and substituted "his discharge was not dishonorable" for "he was not discharged other than honorably" in subsection (a) (2) (D).

The 1968 amendment divided subsection (a) (1) into paragraphs and in the first paragraph thereof inserted "or in a combat zone during any period of armed conflict."

Sec. 26.15.140. Eligibility for benefits under this chapter. No person is eligible for benefits under this chapter if he is eligible under the laws of any other state or territory for a veterans loan or bonus. (§ 44-2-14 ACLA 1949; am § 2 ch 87 SLA 1949; am § 1 ch 137 SLA 1955)

Sec. 26.15.150. Eligibility for bonuses. Qualification for bonuses under this chapter are as follows:

(1) Persons who served in the armed forces of the United States for one year or more, or persons whose service was for less than one year because of injury or disability incurred in line of duty, between September 16, 1940, and July 25, 1947, who were separated from the armed forces with an honorable discharge or honorable separation, who at the time of induction into the service were residents of the Territory of Alaska, who had been residents for not less than one year immediately before their induction and who have returned to the territory or state after discharge as residents with the intention of remaining in the territory or state.

(2) For persons who did not return to the territory or state after honorable discharge or honorable separation and who do not have the intention of remaining in the territory or state, the qualifications for a bonus shall include those contained in (1) of this section and an additional requirement of five years residence in the territory immediately before the time of induction. (§ 44-2-14 ACLA 1949; am § 2 ch 87 SLA 1949; am § 1 ch 137 SLA 1955)

Sec. 26.15.160. Extension of chapter to veterans of Korea and Viet Nam. The provisions of this chapter, except those provisions relating to the payment of bonuses, are extended to persons who served other than dishonorably on active duty between June 25, 1950, and January 31, 1955, who served other than dishonorably on active duty between August 4, 1964, and six months after termination of hostilities involving forces of the United States, and to dependents of such persons, subject to the following provisions and eligibility qualifications.

(1) Persons are eligible

(A) who were discharged other than dishonorably from the armed forces of the United States or who were released to a reserve component; and

(B) who at the time of entry into the service were bona fide residents of the territory or State of Alaska and had been residents of the territory or state for not less than one year before their entry into the service; and who have returned to the territory or state within a reasonable length of time after discharge or separation as residents with the intention of remaining in the territory or state; or who, not being bona fide residents of the territory before their entry into the service, have lived in the territory or state for at least 10 years following their release from active military service; and

(C) who served in the armed forces of the United States for 90 days or more, or whose service was for a lesser period because of injury or disability incurred in line of duty, between June 25, 1950, and January 31, 1955, or who served in the armed forces of the United States for 90 days or more or whose service was for a lesser period because of injury or disability incurred in line of duty, between August 4, 1964, and a date to be determined by the legislature which shall be on or about six months after the termination of hostilities involving forces of the United States in Viet Nam.

(2) Persons are eligible who were dependent upon a member of the armed forces or upon a veteran eligible for the benefits of this chapter at the time of the member's or veteran's death if the member or veteran was a resident of the territory for one year before entry into service and died before the cessation of the present national emergency as determined and proclaimed by the governor. Dependents shall be unmarried and the deceased veteran or member of the armed forces shall have been their chief means of support and they shall be either a widow, widower, minor child, or a mother, father, sister or brother incapable of self-support. Dependents shall be residents of the state at the time of application and shall intend to remain residents in the state permanently. The rights of minor children under this chapter may be exercised only

if they have no surviving parent and have an appointed guardian who may apply on their behalf for the benefits of this chapter for their care, support or education.

(3) No person unless he has lived in the state or territory for at least 10 years following his release from active military service is eligible for the benefits of this section who is eligible for veterans' benefits under the laws of any other state or territory. A World War II veteran who received a bonus under §§ 120 and 150 of this chapter need not repay the bonus in order to qualify under the loan provisions of this section.

(4) For persons otherwise eligible for the benefits under this section, who did not return to the state or territory within one year after separation from the service unless prevented from doing so for medical, educational or other valid purposes approved by the Department of Commerce within one year after separation from the service, an additional requirement of four years' residence in the state or territory before their entry into the service is imposed to entitle them to the benefit provisions of this section. (§ 1 ch 139 SLA 1953; am § 1 ch 19 SLA 1955; am §§ 1, 2 ch 146 SLA 1960; am § 15 ch 2 SLA 1964; am § 5 ch 51 SLA 1966)

Revisor's note.—This section as enacted by § 1, ch. 139, SLA 1953, specified that the end of the period of eligibility for benefits under the act was to be "the cessation of the present national emergency as determined and proclaimed by the governor of Alaska." The determination and proclamation were made on April 11, 1955, that the emergency ended on January 31, 1955, by Governor B. Frank Heintzleman. The date of January 31, 1955, has been substituted in two places in the section for the quoted words.

Cross reference.—See Editor's note to AS 04.15.030.

Effect of amendments. — The 1964 amendment substituted "section" for "chapter" in the first sentence of paragraph (3).

The 1966 amendment substituted "other than dishonorably" for "honorably" in the first sentence, inserted "who served other than dishonorably on active duty between August 4, 1964, and six months after termination of hostilities involving forces of the United States" in such sentence, and rewrote paragraph (1).

Sec. 26.15.170. Short title. This chapter may be cited as the Alaska World War II Veterans' Act. (§ 44-2-11 ACLA 1949)

Chapter 20. Civil Defense.

Section
10. Policy and purpose
20. Civil defense powers of the Department of Military Affairs
30. Reciprocal aid agreements with states
40. Emergency powers of the governor
50. Mutual-aid arrangements between local organizations
60. Local organization for civil defense
70. Local services
80. Mobile support units
90. Investigations and surveys
100. Traffic control
110. Lease or loan of state property and transfer of personnel
120. Orders and regulations
130. Enforcement
140. Immunity
145. Immunity from suit
150. Authority to accept services, gifts, grants, and loans

former paragraphs (1) through (4) in that sentence.

Editor's note. — Section 1, ch. 149, SLA 1977, provides: "The legislature finds that the substantial increase in the number of state agencies, boards and commissions, and the proliferation of rules and regulations which each has adopted have contributed to a public disenchantment with the operation of state government, and that there is need for an effective and regular system of scrutiny of the programs and activities of all agencies, boards and commissions. The legislature further finds that the establishment of a system for periodic review by the public and the executive and legislative branches of certain state agencies, boards and commissions will help the governor and the legislature to determine the need for the continued existence of each of the agencies, boards and commissions."

Sec. 37.07.120. Definitions. In this chapter

(1) "agency" means a department, officer, institution, board, commission, bureau, division, or other administrative unit forming the state government and includes the Alaska Pioneers' Home and the University of Alaska, but does not include the legislature or the judiciary.

(am § 7 ch 46 SLA 1977)

Effect of amendments.

The 1977 amendment, effective May 21, 1977, inserted "and the University of Alaska" in paragraph (1).

As the rest of the section was not affected by the amendment, it is not set out.

Legislative committee report. — For a report on ch. 46, SLA 1977 (HCSSB 261), see 1977 House Journal p. 1019.

Chapter 10. Public Funds.

Article

3. Investment and Deposit of State Funds (§§ 37.10.065 — 37.10.088)

Article 3. Investment and Deposit of State Funds.

Section

65. Investment of the Alaska Permanent Fund
88. Department of Administration authorized to make advances to the University

Sec. 37.10.065. Investment of the Alaska Permanent Fund. (a) The Alaska Permanent Fund consists of 25 per cent of all mineral lease rentals, royalties, royalty sale proceeds, federal mineral revenue sharing payments and bonuses received by the state. The commissioner of revenue shall deposit in the Alaska Permanent Fund 25 per cent of the receipts from these sources at least once each month. The commissioner of revenue shall invest the money in the Alaska Permanent Fund in income-producing investments of the following types:

(1) obligations of, or obligations insured or guaranteed by, the United States or agencies or instrumentalities of the United States;

(2) obligations secured by reserves paid in by the United States or agencies or instrumentalities of the United States or obligations of corporations in which the United States is a shareholder or member;

(3) certificates of deposits issued by United States domestic banks which are members of the Federal Deposit Insurance Corporation and secured as to the payment of principal and interest in accordance with Alaska law;

(4) corporate investment-grade securities;

(5) bankers' acceptances drawn on and accepted by United States banks which each have a combined capital and surplus aggregating at least $100,000,000;

(6) repurchase agreements, the securities underlying the agreements being any of the items in (1) — (5) of this subsection;

(7) deposits of federally insured savings and loan associations not to exceed 10 per cent of each savings and loan association's deposits exclusive of federal, state, and municipal deposits;

(8) fixed-term certificates of debentures of federally insured credit unions not to exceed 10 per cent of each credit union's shares.

(b) The commissioner of revenue may enter into contracts providing for custody of securities and execution of transactions.

(c) The commissioner of revenue shall transfer to whatever agency is established for the express purpose of managing and investing the Alaska Permanent Fund all or part of the securities and money in the Alaska Permanent Fund in accordance with Alaska law no later than two weeks after receipt of written notice from that agency. (§ 1 ch 6 SLA 1977)

Effective date. — Section 2, ch. 6, SLA 1977, makes this section effective March 23, 1977, in accordance with AS 01.10.070(c).

Legislative committee report. — For report on ch. 6, SLA 1977 (HB 210), see 1977 Senate Journal, p. 575; 1977 House Journal, p. 279.

Sec. 37.10.088. Department of Administration authorized to make advances to the University. (a) During any fiscal year the Department of Administration may make advances to the University of Alaska against verified receivables from nonstate sources of the university and upon condition that the university reimburse the fund for these advances from nonstate funds received by the university. The advances may not exceed 80 per cent of the verified nonstate receivables.

(b) The total of advances in any fiscal year may not exceed 10 per cent of the total of nonstate funds appropriated to the university for that fiscal year. The amounts advanced in any fiscal year shall be repaid in full to the department within 90 days following the close of that fiscal year. If the repayment is not made on a timely basis, the department may withhold amounts due from state fund appropriations for the university.

(c) The commissioner of administration shall submit a quarterly report of all advances and reimbursements under this section to the Legislative Budget and Audit Committee.

(f) Investment policy shall be formulated by the commissioner of revenue who shall be advised by a committee appointed by the governor which shall contain representation from the legislature. In formulating investment policy they shall consider maximum income and safety as governed by the prudent-man rule and the benefit to the private and public sectors of the economy in terms of increased housing and commercial credit, stimulated business activity, increased employment, support of the market for state and local bonds, increased public revenue together with the possible inflationary effect of the investment, and (h) and (i) of this section.

(g) The commissioner of revenue, with the consent of the committee, may enter into contracts for services providing investment advice, custody of securities, and execution of transactions, in or out of Alaska.

(h) An investment preference shall be given to (a)(3), (7), (8), (9), (10) and (11) of this section.

(i) The commissioner shall purchase notes and mortgages under (a) of this section at a rate conducive to develop and benefit Alaska and Alaska residents and this rate may be less than the market rate.

(j) In this section

(1) "closing costs" means appraisal costs, legal costs, title insurance, and any other out-of-pocket expenses approved by the commissioner of revenue;

(2) "mortgage" means a pledge or security of particular property for the payment of a debt or the performance of some other obligation, whatever form the transaction may take;

(3) "resident" means a person domiciled in the state;

(4) "securities" means bonds, notes, debentures and all other forms of indebtedness; common stock, preferred stock, and all other forms of equity capital; investments in stocks and equity capital may not exceed $33^1/_3$ per cent of the unappropriated surplus as of the end of the previous fiscal year. (§ 7-1-11 ACLA 1949; am § 1 ch 140 SLA 1953; am § 1 ch 206 SLA 1970; am §§ 1, 2 ch 94 SLA 1971)

Revisor's note (1970). — In ch. 206, SLA 1970, AS 37.10.070(9) referred to AS 26.10. Since AS 26.10 does not deal with loans and AS 26.15 does, and since the old version of the section referred to AS 26.15, the latter citation has been substituted for the former.

Am. Jur. and C.J.S. references. — 42 Am. Jur., Public Funds, §§ 5 to 10; 49 Am. Jur., States, Territories and Dependencies, § 64.

81 C.J.S. States §§ 154 to 159.

Sec. 37.10.075. Deposit of state funds. (a) When the commissioner of revenue determines that there are funds in the state treasury which are not being used for the purposes provided for in § 70 of this chapter, they may be deposited in financial institutions. Collateral may be required by the commissioner to secure state deposits provided for under this section.

(b) The banks in which state funds are deposited under a time deposit agreement shall pay at least a minimum interest rate to be fixed by the Department of Revenue, and this interest when paid shall be deposited in the general fund or in the other funds which are established by law.

(c) Nothing in this section prohibits the Department of Revenue from depositing the funds which it considers necessary for the proper conduct of the office in solvent banks outside the state under the terms and conditions provided in this section.

(d) The Department of Revenue may deposit funds in banks inside or outside the state in active accounts or on demand deposits without requiring those banks in which the accounts are deposited to pay interest on the deposits. It is the intention of the legislature that the department shall keep active deposits in any bank it considers deserving, and that, to partially compensate the banks for cashing state warrants in their regular course of business, no interest shall be paid on the deposits.

(e) Banks holding state deposits shall, as a condition of retaining those deposits, submit all information concerning the deposits and other relevant matters that may be requested by the commissioner. (§ 2 ch 206 SLA 1970)

Revisor's note (1970). — Parts of AS 43.05.150 appear to have been impliedly repealed by AS 37.10.075, added by § 2, ch. 206, SLA 1970 (FCCS SCS CSSB 402).

Cross reference. — As to accounting for state money and payment to Department of Revenue for deposit in proper fund, see AS 37.10.050.

Sec. 37.10.079. Purchase of bonds. (a) Notwithstanding the provisions of any other law, when the commissioner of revenue determines that there are funds in the state treasury above an amount sufficient to meet current demands, he may invest in general obligation bonds of political subdivisions of the state which meet the standards described in (b) of this section.

(b) The commissioner of revenue may purchase bonds sold by political subdivisions of the state if:

(1) they have been sold in accordance with the terms of the notice of their sale subject only to delivery of the bonds with an approving opinion of bond counsel to the effect that the bonds are valid and legally binding general obligations of the political subdivision and a statement to the effect that no litigation is threatened or pending which affects the validity of the bonds; or

(2) the bond counsel nominated by the issuing political subdivision in connection with the original offer for sale of the bonds certifies

(A) that a lawsuit has been filed or is threatened which challenges the corporate existence of the issuer or its power to issue the bonds or to levy taxes to pay the bonds or otherwise prevents the statement as to litigation referred to in (1) of this subsection,

(B) that as a consequence of the filing of the suit, the bonds cannot be sold or can only be sold at interest rates substantially in excess of the

interest rates the municipality would otherwise reasonably expect to pay, and

(C) [deleted]

(D) that, in his opinion, the municipality is or will be pursuing all available means to establish the validity of the bonds so that the lawsuit will be ultimately determined so as to permit the delivery of the bonds with the statement as to litigation referred to in (1) of this subsection.

(c) The purchase price for the bonds shall be their market value which is the price the commissioner of revenue determines most nearly equals the price the bonds would bear at the time of purchase if the bonds could then be delivered with an unqualified approving opinion of bond counsel as to the legality of the bonds and the other certificates and statements customary in the delivery of bonds of political subdivisions, provided, that this price shall not cause the effective interest rate on any of these bonds to exceed eight per cent per year. Before the purchase of the bonds by the commissioner of revenue, the political subdivision shall agree (1) to pay to the commissioner of revenue, to the extent any appropriation is made available, any loss incurred by the state on resale of the bonds by the state, or (2) if the commissioner of revenue so determines, (A) to repurchase the bonds from the commissioner of revenue at the same price as the bonds were sold to the state at such time as the political subdivision is able to sell and deliver other bonds to provide funds to repurchase the bonds purchased by the state or (B) to exchange the bonds purchased by the commissioner of revenue for bonds thereafter authorized by the political subdivision for the same purposes, bearing the same effective interest rate and issued with the unqualified approving opinion of bond counsel as to the legality of the bonds and the other documents customary in the delivery of bonds by political subdivisions. The commissioner of revenue may resell the bonds purchased from the political subdivision under this section to any purchaser or purchasers, or, in the alternative may resell the bonds to the political subdivision in accordance with the terms and conditions of this subsection. The proceeds of sale shall be paid into the general fund provided that any profit on the resale of the bonds shall be paid to the political subdivision.

(d) As used in this section, the term "commissioner of revenue" means the commissioner of revenue or any other officer, board, commission or committee of the state authorized to invest money of the general fund. (§ 1 ch 207 SLA 1970; am §§ 1—3 ch 112 SLA 1975)

Revisor's note (1970). — To correct a clerical error, the word "or" has been inserted at the end of AS 37.10.079(b)(1), added by ch. 207, SLA 1970 (HCS CSSB 593 am H). See 1970 House Journal, page 1589.

Effect of amendment. — The 1975 amendment substituted "he may" for "up to $18,365,000 of them may be used to" in subsection (a), and in paragraph (2) of subsection (b), substituted the language beginning "the bonds cannot be sold" for "the buyer has proper cause to avoid his contract for the purchase of the bonds" at the end of subparagraph (B), deleted subparagraph (C), and inserted the language beginning "municipality is" and

ending "so that the" in subparagraph (D). The amendment also so changed subsection (c) that a detailed comparison is impracticable.

Sec. 37.10.080. Sale of bonds held as investments. Bonds purchased by the Department of Revenue for the benefit of the state from funds set apart for a specific purpose may be sold by the Department of Revenue at the terms and conditions which the governor approves, and the money received shall be credited to the fund for which the bonds were purchased. (§ 13-1-3 ACLA 1949)

Sec. 37.10.085. Financial aid to corporations by state or political subdivision. Neither the state nor a political subdivision of the state may

(1) make a subscription to the capital stock of a corporation;

(2) lend its credit for the use of a corporation; or

(3) borrow money for the use of a corporation. (§§ 4-2-1, 12-1-3 ACLA 1949)

Bond issue to encourage industrial development. — A general obligation bond issue for the purpose of encouraging industrial development within a municipality was held valid in Wright v. City of Palmer, Sup. Ct. Op. No. 605 (File No. 1192), 468 P.2d 326 (1970).

Quoted in Burton v. Matanuska Valley Lines, 17 Alas. 298, 244 F.2d 647 (9th Cir. 1957).

ALR references. — Encouragement or promotion of industry not in nature of public utility, carried on by private enterprise, as public purpose for which public money may be appropriated, 112 ALR 571.

Validity, construction and effect of statutes authorizing public funds for urban redevelopment by private enterprise, 44 ALR2d 1420, 1431.

Sec. 37.10.087. Loans to bond construction funds. (a) When a construction fund or account established to receive the proceeds of state general obligation bonds is temporarily exhausted the commissioner of administration on recommendation of the state bond committee, and with the approval of the Legislative Budget and Audit Committee, may temporarily transfer money from the general fund to the bond construction fund or account.

(b) Transfers under (a) of this section may be made only when the commissioner of revenue determines and certifies to the state bond committee that there is in the general fund an amount sufficient to meet current cash expenditure needs of the state.

(c) The amount transferred to a construction fund or account under (a) of this section may not exceed anticipated receipts from the unsold general obligation bonds to be issued and the federal programs receipts estimated to be received for the general obligation bond construction program financed from the construction fund or account.

(d) Money transferred from the general fund under (a) of this section shall be immediately returned to the general fund as soon as sufficient money has been received in the bond construction fund or account to which the transfer was made. (§ 1 ch 126 SLA 1972)

Effective date of article. — Section 3, ch. 130, SLA 1974, provides: "This Act takes effect July 1, 1978 with respect to rentals and royalties, and July 1, 1975 with respect to lease bonuses."

Sec. 37.11.010. Alaska renewable resources development fund. There is established as a separate fund the Alaska renewable resources development fund. Funds apportioned by § 20 of this chapter for deposit in the Alaska renewable resources development fund are to guarantee the enhancement and development of the state's renewable resources. (§ 1 ch 130 SLA 1974)

Editor's note. — Section 2, ch. 130, SLA 1974, provides: "On June 30 of the fiscal year in which the balance in the Alaska renewable resources permanent fund (AS 37.11.050) reaches the sum of $250,000,000, AS 37.11.010 — 37.11.040 are repealed and the unexpended and unobligated balance in the Alaska renewable resources development fund (AS 37.11.010) lapses into the general fund."

Sec. 37.11.020. Fund authorization level. Not less than five per cent of the receipts paid the state from mineral lease bonuses and rentals for state land and royalties derived from minerals produced on state land shall be deposited in the Alaska renewable resources development fund. These deposits shall be invested in accordance with AS 37.10.070 (investment of surplus state funds) and the resulting interest shall accrue to the fund. (§ 1 ch 130 SLA 1974)

Editor's note. — Section 2, ch. 130, SLA 1974, provides: "On June 30 of the fiscal year in which the balance in the Alaska renewable resources permanent fund (AS 37.11.050) reaches the sum of $250,000,000, AS 37.11.010 — 37.11.040 are repealed and the unexpended and unobligated balance in the Alaska renewable resources development fund (AS 37.11.010) lapses into the general fund."

Sec. 37.11.030. Fund utilization. Appropriations from this fund shall provide funding for capital and operating expenditures for the rehabilitation, enhancement and development of renewable resources programs. Plans for expenditures from this fund shall be submitted by the governor in accordance with the Executive Budget Act (AS 37.07) as part of his annual budget presentation to the legislature. (§ 1 ch 130 SLA 1974)

Editor's note. — Section 2, ch. 130, SLA 1974, provides: "On June 30 of the fiscal year in which the balance in the Alaska renewable resources permanent fund (AS 37.11.050) reaches the sum of $250,000,000, AS 37.11.010 — 37.11.040 are repealed and the unexpended and unobligated balance in the Alaska renewable resources development fund (AS 37.11.010) lapses into the general fund."

(3) render other assistance considered necessary and appropriate by the division;

(4) establish criteria for the grant programs authorized under § 420(2) of this chapter and have approval authority for grants made under § 420(2) of this chapter. (§ 1 ch 39 SLA 1977)

Chapter 22. Outdoor Recreational, Open Space, and Historic Properties Development.

Article
1. Outdoor Recreational, Open Space, and Historic Properties Development Fund (§§ 41.22.010 — 41.22.030)

Article 1. Outdoor Recreational, Open Space, and Historic Properties Development Fund.

Section
10. Outdoor recreational, open space, and historic properties development fund
20. Fund utilization for local projects
30. Powers and duties of department

Sec. 41.22.010. Outdoor recreational, open space, and historic properties development fund. There is in the Department of Natural Resources an outdoor recreational, open space, and historic properties development fund to be administered by the division of parks. Appropriations or other money deposited in the fund shall be utilized by the department to pay the nonfederal share of costs of projects which are initiated by the state to acquire, develop, or extend outdoor recreation sites and facilities and to acquire, preserve, or protect historic sites, buildings and monuments. Plans for expenditures from the fund shall be submitted by the governor in accordance with the Executive Budget Act (AS 37.07) as part of his annual budget presentation to the legislature. (§ 1 ch 32 SLA 1976)

Sec. 41.22.020. Fund utilization for local projects. (a) In addition to uses of fund money authorized in § 10 of this chapter, money of the fund shall be utilized to make grants to municipalities, of up to one-half the nonfederal share of costs of projects described in § 10 of this chapter which are initiated by a municipality, and loans of amounts necessary to enable municipalities to make option payments on parks and open space land for the acquisition of which federal funds are anticipated.

(b) Priority of need for loans under (a) of this section shall be determined by an examination of the value of lands for park and open space purposes if permanently acquired, of the likelihood that the lands will be permanently acquired by exercise of the option, and of the imminence of the risk of loss for park and recreation purposes if options are not obtained.

(c) Loans under (a) of this section shall be conditioned on repayment within 10 years, at an annual interest rate of six per cent.

(d) In (a) of this section "municipalities" includes cities or organized boroughs of any class exercising powers to initiate projects described in § 20 of this chapter and acquire parks and open space land, as otherwise authorized by law, and includes but is not limited to unified municipalities organized under AS 29.68.240 — 29.68.440. (§ 1 ch 32 SLA 1976)

Sec. 41.22.030. Powers and duties of department. The department may adopt regulations necessary to carry out the purposes of §§ 10 — 30 of this chapter and designate agents and delegate powers to them as is necessary. (§ 1 ch 32 SLA 1976)

Chapter 25. Tourist Development.

Article
1. Grants for Tourist Development (Repealed)

Article 1. Grants for Tourist Development.

Section
10 — 50. [Repealed]

Secs. 41.25.010 — 41.25.050.
Repealed by § 3 ch 207 SLA 1975.

Cross reference. — As to Alaska division of tourism, see AS 44.33.120, et seq.

Editor's note. — The repealed chapter derived from §§ 1 — 4, ch. 117, SLA 1961; §§ 21 — 24, ch. 70, SLA 1964; §§ 39 — 42, ch. 71, SLA 1972.

Legislative committee report. — For report on ch. 71, SLA 1972 (HCSSB 383 am H), see 1972 House Journal, p. 898.

Chapter 30. Area Redevelopment.

Section
10. Administrator
20. Powers of the board of directors
30. Board regulations
40. Loans
50. Limitations on loans
55. Area redevelopment revolving fund
60. Accounts and deposit
70. Repayment to general fund
80. Transfer of funds upon discontinuance of federal program of area redevelopment assistance

Sec. 41.30.010. Administrator. The board of directors of the Alaska State Development Corporation shall administer this chapter. The duties and powers imposed on the board of directors by this chapter are entirely separate and apart from the duties and powers imposed on the board of directors by AS 44.59. The board of directors is entitled to transportation expenses and per diem authorized by law. (§ 1 ch 83 SLA 1964)

Sec. 41.30.020. Powers of the board of directors. The board of directors may, in making loans under § 40 of this chapter:

(1) cooperate with political subdivisions, communities, and area development organizations, industries, enterprises, and persons in their efforts to promote the expansion of industrial and commerical activities in a redevelopment area;

(2) in the manner most advantageous to the state, dispose of an evidence of debt, a contract, a claim, personal property, or a security assigned to or held by it in connection with a loan made or an evidence of indebtedness purchased by it;

(3) collect or compromise obligations assigned to or held by it, or refer them to the Department of Law for suit or collection;

(4) manage, improve, or sell real property acquired by it. (§ 1 ch 83 SLA 1964).

Sec. 41.30.030. Board regulations. (a) The board of directors shall adopt procedural regulations describing

(1) how a person applies for a loan under this chapter, and his recourse if an application is disapproved;

(2) how it disposes of property under § 20(2) or (4) of this chapter;

(3) how it collects or compromises obligations under § 20(3) of this chapter.

(b) The board of directors shall adopt substantive regulations implementing the conditions in §§ 40 and 50 of this chapter. (§ 1 ch 83 SLA 1964)

Sec. 41.30.040. Loans. The board of directors may purchase evidence of indebtedness and make loans to aid in financing a project in a redevelopment area for industrial or commercial usage approved under federal law and qualifying for federal area redevelopment assistance. (§ 1 ch 83 SLA 1964)

Sec. 41.30.050. Limitations on loans. (a) The board of directors may not purchase evidences of indebtedness or make loans to assist establishments to relocate from one area of the state to another.

(b) The board of directors may purchase evidences of indebtedness and make loans only if

(1) redevelopment projects for which assistance is requested have been approved by the board of directors;

(2) the project for which assistance is sought is reasonably calculated to provide more than a temporary alleviation of unemployment or under-employment within the redevelopment area;

(3) the board of directors receives reasonable assurance of repayment.

(c) The board of directors shall not provide assistance in an amount that is more than 10 per cent of the aggregate cost, or more than $50,000, to the applicant for the particular project.

(d) The board of directors may not make loans at an interest rate of less than four per cent.

(e) Assistance extended by the state under this chapter shall in no event exceed the total aggregate of $2,000,000. (§ 1 ch 83 SLA 1964)

Sec. 41.30.055. Area redevelopment revolving fund. There is established an area redevelopment revolving fund which shall be administered by the board of directors exclusively for the purposes of this chapter. The fund is composed of money appropriated by the legislature to it and any other money made available for the purposes of this chapter. (§ 1 ch 83 SLA 1964)

Sec. 41.30.060. Accounts and deposit. The commissioner of revenue is ex officio the treasurer and custodian of the fund and shall administer it as directed by the board of directors. The commissioner of revenue may make prudent investments of money in the fund which the board of directors decides is not immediately needed for the purposes of this chapter. (§ 1 ch 83 SLA 1964)

Sec. 41.30.070. Repayment to general fund. All money made available to the fund from the general fund or a special fund is a loan from the general fund or the special fund. All surplus at the end of a fiscal year over amounts made available to the fund from the general fund or from any special fund shall be repaid to the general fund or the special fund until the loan is repaid in full. Repayments need not begin until after the first five complete fiscal years after the fund is created. (§ 1 ch 83 SLA 1964)

Sec. 41.30.080. Transfer of funds upon discontinuance of federal program of area redevelopment assistance. If the federal program of area redevelopment assistance is discontinued for any reason, or if this chapter is repealed, the money within the area redevelopment revolving loan fund shall revert to any special fund from which money was made available, in the amount that was made available, and the remainder to the general fund. (§ 1 ch 83 SLA 1964)

Chapter 35. Alaska Historic Preservation Act.

Section
10. Declaration of policy
20. Title to historic, prehistoric and archeological resources: local display
30. Designation of monuments and historic sites
40. Administration and financial support of monuments and historic sites
50. Regulations
60. Power to acquire historic, prehistoric or archeological properties
70. Preservation of historic, prehistoric and archeological resources threatened by public construction
80. Permits
90. Notice required of private persons
100. Excavation and removal of historic, prehistoric or archeological remains on private land
110. Historic sites advisory committee
120. Composition of committee
130. Appointment of members
140. Term of membership
150. Compensation
160. Officers
170. Meetings and quorum
180. Duties of the committee
190. Powers of chairman
200. Unlawful acts
210. Penalties

Sec. 44.25.020. Duties of department. The Department of Revenue shall

(1) enforce the tax laws of the state;

(2) collect, account for, have custody of, invest, and manage all state funds and all revenues of the state except revenues incidental to a program of licensing and regulation carried on by another state department, except that the Department of Revenue shall issue fish and game licenses, collect fish and game license revenues, and do all other acts incidental to the performance of these functions;

(3) register cattle brands; and

(4) supply necessary clerical and administrative services for the Alcoholic Beverage Control Board. (§ 10 ch 64 SLA 1959; am § 1 ch 1 SLA 1961; am § 15 ch 31 SLA 1963; am § 60 ch 32 SLA 1971)

Revisor's note. — The following executive order signed by Governor William A. Egan was transmitted to the legislature on January 22, 1962. It was not disapproved by the legislature during the 1962 session and therefore became law under the provisions of § 23 art III of the state constitution and AS 24.30.130. The effective date of the executive order was July 1, 1962. "EXECUTIVE ORDER NO. 17. WHEREAS the Department of Revenue is the Department of State Government primarily charged with the duties, powers, and responsibilities involved in the collection, accounting for, custody, investment and management of all state funds; and

"WHEREAS the Department of Fish and Game is the Department of the State Government primarily charged with the regulation and management of the fish and game resources of the State of Alaska, and

"WHEREAS the Department of Fish and Game is also charged with certain duties and powers relative to the collection, accounting for and custody of state revenues which are only incidental to the Department's regulation and management of the fish and game resources of the State of Alaska,

"THEREFORE IT IS ORDERED

"1. All duties, functions and powers relative to the collection, accounting for and custody of state revenues, which are only incidental to the regulation and management of the fish and game resources of the State of Alaska, at present performed by the Department of Fish and Game; are transferred to the Department of Revenue.

"2. The Department of Revenue shall be deemed and held to constitute a continuation of the Department of Fish and Game with the same force and effect, as to the transferred functions, powers and duties as if the functions, powers and duties had not been transferred.

"3. All funds appropriated to the Department of Fish and Game prior to the transfer of those functions, powers and duties attributable to the transferred functions, powers and duties are transferred to appropriate line items in the appropriation of the Department of Revenue.

"4. This order shall become effective at a date hereafter to be designated.

"Dated November 24, 1961"

Legislative committee report. — For report on ch. 32 SLA 1971 (HB 111 am), see 1971 House Journal, p. 135.

Article 2. Loan Program; P.L. 92-203 Corporations.

Section
30. Declaration of purpose
32. Loans
34. Limitation on loans
36. Repayment of loans
38. Expiration of loan program

Chapter 33. Department of Commerce and Economic Development.

Article
1. Organization (§§ 44.33.010 — 44.33.020)
2. Power Development (§§ 44.33.030 — 44.33.060)
3. Civil Air Patrol (Repealed)
4. Alaska Division of Tourism (§§ 44.33.120 — 44.33.180)
5. Tourism Advisory Board (§§ 44.33.190 — 44.33.230)
6. Child Care Facility Revolving Loan Fund (§§ 44.33.240 — 44.33.275)
7. Areas Impacted by Economic Disaster (§§ 44.33.285 — 44.33.310)

Article 1. Organization.

Section
10. Commissioner of commerce and economic development
20. Duties of department

Sec. 44.33.010. Commissioner of commerce and economic development. The principal executive officer of the Department of Commerce and Economic Development is the commissioner of commerce and economic development. (§ 14 ch 64 SLA 1959; am § 6 ch 186 SLA 1960; am § 95 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment substituted "Department of Commerce and Economic Development" for "Department of Commerce" and "commissioner of commerce and economic development" for "commissioner of commerce."

Am. Jur. references. — 11 Am. Jur., Commerce, § 1 et seq.; 42 Am. Jur., Public Administrative Law, §§ 8 to 250; 42 Am. Jur., Public Funds, § 1 et seq.; 42 Am. Jur., Public Officers, § 30.

Sec. 44.33.020. Duties of department. The Department of Commerce and Economic Development shall

(1) administer the state programs relating to commerce, enforce the laws relating to these programs, and adopt regulations under these laws;

(2) register corporations;

(3) collect corporation franchise taxes;

(4) enforce state laws regulating public utilities and other public service enterprises, banking and securities, insurance, and other businesses and enterprises touched with a public interest;

(5) make veterans' loans;

(6) inspect weights and measures;

(7) promote and develop civil aviation;

(8) furnish the budgeting, clerical and administrative services for regulatory agencies and professional and occupational licensing boards not otherwise provided for;

(9) operate motor vehicle weighing stations and enforce highway weight and load limitations;

or their designees, serve as ex officio members of the commission, without a vote. The director of the Alaska division of tourism serves as the board's executive director. (§ 4 ch 207 SLA 1975)

Sec. 44.33.200. Compensation, per diem, or expenses. Members of the Tourism Advisory Board are not entitled to receive compensation for their services, but they shall receive the same travel pay and per diem as provided by law for board members for attendance at a maximum of three meetings each year. (§ 4 ch 207 SLA 1975)

Sec. 44.33.210. Qualifications of public members. The public members of the Tourism Advisory Board shall be persons with experience or interest in the Alaska tourist industry. (§ 4 ch 207 SLA 1975)

Sec. 44.33.220. Duties. The board shall advise the governor and make recommendations regarding the promotion and development of tourism into and inside the state. The board shall submit an annual report to the governor and legislature summarizing its activities and expenses. (§ 4 ch 207 SLA 1975)

Sec. 44.33.230. Organization and cooperation with regional promotion groups. The Tourism Advisory Board may plan for the organization of local tourism promotion groups in the several geographic regions of the state, acquaint these groups with the program of the Alaska division of tourism, receive recommendations from the groups as to the state programming, and encourage the expenditure of private and regional funds for the promotion of tourism to supplement the programs of the state. (§ 4 ch 207 SLA 1975)

Article 6. Child Care Facility Revolving Loan Fund.

Section
240. Child care facility revolving loan fund
245. Powers and duties of the department in administering the fund
250. Conditions of loans
255. Loan terms
260. Eligibility for loans
265. Certificate of need
270. Sale or transfer of mortgages and notes
275. Definitions

Sec 44.33.240. Child care facility revolving loan fund. There is in the Department of Commerce and Economic Development the child care facility revolving loan fund to carry out the purposes of §§ 240 — 275 of this chapter. The fund may be used for no other purpose. (§ 9 ch 253 SLA 1976)

Sec. 44.33.245. Powers and duties of the department in administering the fund. (a) The department may

(1) make loans for the construction, renovation, and equipping of child care facilities;

(2) promulgate regulations necessary to carry out the provisions of §§ 240 — 275 of this chapter.

(b) The department shall

(1) develop eligibility standards for loans to child care facilities;

(2) adopt guidelines for the determination of loan terms. (§ 9 ch 253 SLA 1976)

Sec. 44.33.250. Conditions of loans. (a) Loans under §§ 240 — 275 of this chapter shall be made to enable child care facilities in the state to comply with the appropriate licensing standards for child care facilities or to comply with the requirements for certification by the Department of Education.

(b) A loan may not be made unless the commissioner of commerce and economic development is satisfied that money is not available to the applicant from private lending institutions. (§ 9 ch 253 SLA 1976)

Sec. 44.33.255. Loan terms. (a) A loan to a child care facility under §§ 240 — 275 of this chapter may not exceed $10,000.

(b) The rate of interest charged shall be six per cent a year on the unpaid balance of the loan.

(c) The duration for repayment of a loan may not exceed 10 years.

(d) All principal and interest payments on loans under §§ 240 — 275 of this chapter shall be paid into the child care facility revolving loan fund.

(e) If a child care facility ceases operation, any loan to the facility from the fund is due on the date the facility ceases operation. (§ 9 ch 253 SLA 1976)

Sec. 44.33.260. Eligibility for loans. A child care facility is eligible for a loan under §§ 240 — 275 of this chapter if

(1) the applicant submits to the department a plan for the use of the loan funds which is approved by the commissioner;

(2) the applicant demonstrates that the proposed loan will enable the child care facility to obtain a license from the Department of Health and Social Services or a certificate from the Department of Education;

(3) the applicant is awarded a certificate of need by the Department of Community and Regional Affairs;

(4) the applicant has not received over $10,000 in loans from the fund in the five-year period preceding the application; and

(5) the applicant meets additional eligibility standards established by the department under § 245(b)(1) of this chapter. (§ 9 ch 253 SLA 1976)

Sec. 44.33.265. Certificate of need. (a) A child care facility seeking a loan under §§ 240 — 275 of this chapter shall apply to the Department of Community and Regional Affairs for a certificate of need.

(b) The Department of Community and Regional Affairs shall determine whether to award the certificate of need on the basis of the following criteria:

(1) the number of existing slots in licensed child care facilities in the geographic area of the applicant;

(2) the number of children in the geographic area who need child care;

(3) the proposed capacity of the applicant facility;

(4) other factors which are determined to be relevant by the department and are set out in regulations promulgated by the Department of Community and Regional Affairs.

(c) The Department of Community and Regional Affairs shall submit its decision and the reasons for it to the applicant within 60 days of receipt of the application. (§ 9 ch 253 SLA 1976)

Sec. 44.33.270. Sale or transfer of mortgages and notes. (a) The commissioner of commerce and economic development may sell or transfer at par value or at a premium to a bank or other private purchaser for cash or other consideration the mortgages and notes held by the department as security for loans made under this chapter.

(b) The commissioner of commerce and economic development may sell or transfer at par value to the Department of Revenue the mortgages and notes held by the department as security for loans made under this chapter. The Department of Revenue shall purchase the mortgages and notes offered until the current principal amount of all mortgages and notes purchased and held by the Department of Revenue equals $300,000. (§ 9 ch 253 SLA 1976)

Sec. 44.33.275. Definitions. In §§ 240 — 275 of this chapter

(1) "child care facility" means an establishment the principal purpose of which is to provide care for children not related by blood, marriage, or legal adoption, including but not limited to day care centers, family day care homes, and schools for preschool age children;

(2) "department" means the Department of Commerce and Economic Development. (§ 9 ch 253 SLA 1976)

Article 7. Areas Impacted by Economic Disaster.

Section	Section
285. Action by governor	300. Waiver of certain provisions
290. Employment preference	305. Regulations
295. Contractors' preference	310. Definitions

Sec. 44.33.285. Action by governor. The governor may, upon recommendation of the commissioner of commerce and economic development, designate by proclamation an area as an area impacted by an economic disaster. When an area is so designated, assistance grants shall be made by the Department of Commerce and Economic Development as provided in AS 37.11-100 and the governor may recommend in his budget submission that capital projects planned for the area be accelerated and that new projects be funded for the area. The proclamation may provide that waivers of capital projects requirements,

Section
80. Powers of bond bank authority
90. Limitations
100. Annual report and audit
110. Annual budget
120. Care and custody of bonds
130. Effect of obligations
140. Negotiability of bonds or notes
150. Bonds or notes as legal investments
160. Tax exemption
170. Loans to political subdivisions
180. Issuance of bonds and notes
190. Form of issuance
200. Sale price
210. Payment or refunding of notes
220. Terms of agreement with the bondholder or noteholder
230. Purchase and disposition of own obligations
240. Bond anticipation notes
250. Documentation
260. Presumption of validity
270. Reserve fund
280. Additional funds and accounts
290. Application of funds
300. Rights of holders paramount
310. Default in payment
320. Powers and duties of trustee on default
330. Personal liability
340. Exemption from execution and sale
350. Lien of pledge
360. Insurance or guaranty
370. Surety for deposits by bank
380. Expenses of administration
390. Cooperation by government agencies
400. Public records; open meetings
410. Definitions
420. Short title

Sec. 44.58.005. Legislative findings. The legislature finds that

(1) the rapid growth of municipalities in the state and the incorporation of new municipalities has created a demand for capital improvements which can only be met by these municipalities borrowing money through the issuance of bonds or notes;

(2) many of these municipalities, although creditworthy, either have not issued bonds or notes or have little outstanding debt;

(3) the cost of borrowed money to these municipalities is or may be unnecessarily high due to lack of investor familiarity with the municipalities;

(4) other municipalities in the state pay unnecessarily high borrowing costs because of the distance of the state from capital markets or may find borrowing difficult or impossible because of temporary economic dislocation due to loss of employment or prospective loss of employment. (§ 1 ch 79 SLA 1975)

Sec. 44.58.010. Legislative policy. (a) It is the policy of the state

(1) to foster and promote by all reasonable means the provision of adequate capital markets and facilities for borrowing money by municipalities in the state to finance capital improvements or for other authorized purposes, to assist these municipalities in fulfilling their capital needs and requirements by use of borrowed money within statutory interest rate or cost of borrowing limitations, to the greatest extent possible to reduce costs of borrowed money to taxpayers and residents of the state, and equally to encourage continued investor interest in the purchase of bonds or notes of municipalities as sound and preferred securities for investment;

(2) to encourage municipalities to continue their independent undertakings and financing of capital improvements and other authorized purposes and to assist them by making capital funds available at reduced interest costs for orderly financing of capital

improvements and other purposes especially during periods of restricted credit or money supply, particularly for those municipalities not otherwise able to borrow for capital needs.

(b) The legislature further declares that

(1) the exercise of the powers of the state in the interest of its municipalities is required to further and implement the policies declared in (a) of this section by authorizing the creation of a state bond bank authority as a body corporate and politic that will have full powers to borrow money and to issue its bonds and notes to make capital funds available for borrowing by municipalities and by granting broad powers to the bond bank authority to carry out the declared policies which are in the public interest of the state and its taxpayers and residents;

(2) state funds should be applied or authorized to be paid to a state bond bank authority only to provide adequate assurance and security to the holders of the bonds or notes of the bond bank authority;

(3) the bond bank authority should conduct its operations to provide the lowest rates in terms of borrowing to municipalities as is consistent with a self-supporting operation with no expectation of subsidization with state funds. The legislature does not intend that the bond bank authority be utilized as a means to finance municipalities beyond their capability to meet repayment schedules and debt service requirements of bonds or notes. (§ 1 ch 79 SLA 1975)

Sec. 44.58.020. Municipal Bond Bank Authority. There is created the Alaska Municipal Bond Bank Authority. The authority is a public corporation of the state. The corporation is an instrumentality of the state within the Department of Revenue but has a legal existence independent of and separate from the state and has continuing succession until its existence is terminated by law. The exercise by the authority of the powers conferred by this chapter is considered an essential governmental function of the state. (§ 1 ch 79 SLA 1975)

Sec. 44.58.030. Membership and vacancies. The bond bank authority consists of the following five directors: The commissioner of revenue, the commissioner of community and regional affairs, who shall each be a director ex officio with voting privileges, and three directors appointed by the governor. The appointment of each director other than the commissioner of revenue and the commissioner of community and regional affairs is subject to confirmation by the legislature. The three directors appointed by the governor serve at his pleasure for four-year terms. They must be residents of the state and qualified voters at the time of appointment and shall comply with the requirements of AS 39.50 (conflict of interest). The directors first appointed shall have terms of two, three and four years respectively. Each director shall hold office for the term of his appointment and until his successor has been appointed and qualified. A director is eligible for reappointment. A vacancy in a directorship occurring other than by expiration of term shall be filled in

addition to its staff of regular employees, the bond bank authority may contract for and engage the services of the bond counsel, consultants, experts, and financial advisors the bond bank authority considers necessary for the purpose of developing information, or conducting studies, investigations, hearings or other proceedings. (§ 1 ch 79 SLA 1975)

Sec. 44.58.080. Powers of bond bank authority. The bond bank authority may

(1) sue and be sued;

(2) adopt and alter an official seal;

(3) make and enforce bylaws and rules for the conduct of its business and for the use of its services and facilities;

(4) maintain an office at any place in the state;

(5) acquire, hold, use and dispose of its income, revenues, funds and money;

(6) acquire, rent, lease, hold, use and dispose of other personal property for its purposes;

(7) borrow money and issue its negotiable bonds or notes and provide for and secure their payment, provide for the rights of their holders and purchase, hold and dispose of any of its bonds or notes;

(8) fix and revise from time to time and charge and collect fees and charges for the use of its services or facilities;

(9) accept gifts or grants from the United States, or from any governmental unit or person, firm or corporation, carry out the terms or provisions or make agreements with respect to the gifts or grants, and do all things necessary, useful, desirable, or convenient in connection with procuring, accepting or disposing of the gifts or grants;

(10) do anything authorized by this chapter, through its officers, agents or employees or by contracts with a person;

(11) make, enter into and enforce all contracts necessary, convenient or desirable for the purposes of the bond bank authority or pertaining to a loan to a political subdivision, a purchase or sale of municipal bonds or other investments, or the performance of its duties and execution of any of its powers under this chapter;

(12) purchase or hold municipal bonds at prices and in a manner the bond bank authority considers advisable, and sell municipal bonds acquired or held by it at prices without relation to cost and in a manner the bond bank authority considers advisable;

(13) invest funds or money of the bond bank authority not required at the time of investment for loan to political subdivisions for the purchase of municipal bonds, in the same manner as permitted for investment of funds belonging to the state, except as otherwise provided in this chapter;

(14) prescribe the form of application or procedure required of a political subdivision for a loan or purchase of its municipal bonds, fix the terms and conditions of the loan or purchase, and enter into agreements with political subdivisions with respect to loans or purchases;

(15) render services to a political subdivision in connection with a public or private sale of its municipal bonds, including advisory and other services, and charge for services rendered;

(16) charge for its costs and services in review or consideration of a proposed loan to a political subdivision or purchase by the bond bank authority of municipal bonds of the political subdivision, whether or not the loan is made or the municipal bonds purchased;

(17) fix and establish terms and provisions with respect to a purchase of municipal bonds by the bond bank authority, including date and maturities of the bonds, provisions as to redemption or payment before maturity, and any other matters which in connection with the purchase are necessary, desirable or advisable in the judgment of the bond bank authority;

(18) procure insurance against any losses in connection with its property, operations or assets in amounts and from insurers as it considers desirable;

(19) to the extent permitted under its contracts with the holders of bonds or notes of the bond bank authority, consent to modification of the rate of interest, time and payment of installment of principal or interest, security or any other term of a bond or note, contract or agreement of any kind to which the bond bank authority is a party; and

(20) do all acts and things necessary, convenient, or desirable to carry out the powers expressly granted or necessarily implied in this chapter. (§ 1 ch 79 SLA 1975)

Sec. 44.58.090. Limitations. Under this chapter the bond bank authority may not

(1) make loans of money to a person, firm or corporation other than a municipality or purchase securities issued by a person, other than a municipality except for investment as provided in this chapter;

(2) emit bills of credit, accept deposits of money for time or demand deposit, administer trusts, or engage in any form or manner in, or in the conduct of, a private or commercial banking business, or act as a savings bank or savings and loan association;

(3) be or constitute a bank or trust company within the jurisdiction or under the control of a regulatory or supervisory board or department of the state, or the Comptroller of the Currency of the United States, or the Department of the Treasury, or Federal Reserve Board of the United States; or

(4) be or constitute a bank, banker or dealer in securities within the meaning of or subject to the provisions of securities, securities exchange, or securities dealers law, of the United States or of this state or of another state. (§ 1 ch 79 SLA 1975)

Sec. 44.58.100. Annual report and audit. Before October 1 of each year the bond bank authority shall make a report of its activities for the preceding fiscal year to the governor and to the legislature. The report

shall set out a complete operating and financial statement covering its operations during the year. The bond bank authority shall have an audit of its books and accounts made at least once in each year by certified public accountants and the cost of the audit shall be considered an expense of the bond bank authority and a copy of the audit shall be filed with the commissioner of revenue and the legislature. (§ 1 ch 79 SLA 1975)

Sec. 44.58.110. Annual budget. The bond bank authority shall prepare and submit an annual budget in accordance with the provisions of the Executive Budget Act (AS 37.07). (§ 1 ch 79 SLA 1975)

Sec. 44.58.120. Care and custody of bonds. The bond bank authority may enter into agreements or contracts with a bank, trust company, banking or financial institution inside or outside the state as may be necessary, desirable or convenient, in the opinion of the bond bank authority, for rendering services in connection with the care, custody or safekeeping of municipal bonds or other investments held or owned by the bond bank authority, for rendering services in connection with the payment or collection of amounts payable as to principal or interest, and for rendering services in connection with the delivery to the bond bank authority of municipal bonds or other investments purchased by it or sold by it, and to pay the cost of those services. The bond bank authority may also, in connection with any of the services to be rendered by a bank, trust company or banking or financial institution as to the custody and safekeeping of its municipal bonds or investments, require security in the form of collateral bonds, surety agreements or security agreements in such form and amount as, in the opinion of the bond bank authority, is necessary or desirable. (§ 1 ch 79 SLA 1975)

Sec. 44.58.130. Effect of obligations. (a) Bonds and notes issued under this chapter are not a debt or liability of the state and do not create or constitute an indebtedness, liability or obligation of the state, nor do they constitute a pledge of the faith and credit of the state. All bonds and notes issued under this chapter, unless funded or refunded by bonds or notes of the bond bank authority, are general obligations of the authority to which the full faith and credit of the authority are pledged to the payments of them, except to the extent provided by the resolution authorizing the issuance of them. Each bond and note must contain on its face a statement to the effect that the bond bank authority is obligated to pay the principal and interest on the instrument only from revenues or funds of the bond bank authority and that the state is not obligated to pay the principal or interest and that neither the faith and credit nor the taxing power of the state is pledged to the payment of the principal of or the interest on the bond or note.

(b) The state pledges to and agrees with the holders of the bonds or notes issued under this chapter that the state will not limit or restrict the rights vested in the bond bank authority to purchase, acquire, hold,

sell or dispose of municipal bonds or other investments or to make loans to political subdivisions or to establish and collect fees or other charges convenient or necessary to produce sufficient revenues to meet the expenses of operation of the bond bank authority and to fulfill the terms of any agreement made with the holders of its bonds or notes or in any way impair the rights or remedies of the holders of the bonds or notes until the bonds or notes, together with the interest on the bonds or notes, and interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met, paid and discharged. (§ 1 ch 79 SLA 1975)

Sec. 44.58.140. Negotiability of bonds or notes. Notwithstanding other provisions of law, a bond or note issued under this chapter is fully negotiable for all purposes of the Uniform Commercial Code (AS 45.05), and a holder or owner of a bond or note, or of a coupon appurtenant to it, by accepting the bond, note or coupon is conclusively considered to have agreed that the bond, note or coupon is fully negotiable for all purposes of the Uniform Commercial Code. (§ 1 ch 79 SLA 1975)

Sec. 44.58.150. Bonds or notes as legal investments. Notwithstanding the restrictions of any other law, all banks, trust companies, savings banks and institutions, building and loan associations, savings and loan associations, investment companies, and other persons carrying on a banking business, all insurance companies, insurance associations, and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries, may legally invest sinking funds, money or other funds belonging to them or within their control in bonds or notes issued under this chapter. (§ 1 ch 79 SLA 1975)

Sec. 44.58.160. Tax exemption. All property of the bond bank authority is public property devoted to an essential public and governmental function and purpose and is exempt from all taxes and special assessments of the state or a political subdivision of the state. All bonds or notes issued under this chapter are issued by a body corporate and public of this state and for an essential public and governmental purpose and the bonds and notes, and the interest and income on and from the bonds and notes, and all fees, charges, funds, revenues, income and other money pledged or available to pay or secure the payment of the bonds or notes, or interest on the bonds or notes, are exempt from taxation except for transfer, inheritance and estate taxes. (§ 1 ch 79 SLA 1975)

Sec. 44.58.170. Loans to political subdivisions. (a) The bond bank authority, to carry out the purposes and policies of this chapter, may lend money to municipalities through the purchase by the bond bank authority of municipal bonds of municipalities. Notwithstanding a home rule charter provision requiring public sale by a municipality of its

municipal bonds, a municipality may sell its municipal bonds to the bond bank authority at a negotiated, private sale. The bond bank authority, for this purpose, may issue its bonds and notes payable solely from the revenues or funds available to the bond bank authority for such payment and may otherwise assist municipalities as provided in this chapter.

(b) Notwithstanding any provision of law, to the extent that any department or agency of the state is the custodian of money payable to a municipality, at any time after written notice to the department or agency head from the bond bank authority that the municipality is in default on the payment of principal or interest on municipal bonds of the municipality then held or owned by the bond bank authority, the department or agency shall withhold the payment of that money from that municipality and pay over the money to the bond bank authority for the purpose of paying principal of and interest on bonds of the bond bank authority. (§ 1 ch 79 SLA 1975; am § 2 ch 56 SLA 1976)

Cross reference. — As to the authority of municipal instrumentalities to issue obligations for specified purposes, see AS 29.59.010.

Effect of amendment. — The 1976 amendment added the present second sentence of subsection (a), and in subsection (b), substituted "Notwithstanding any provision of law, to the extent that any department or agency of the state" for "To the extent that the commissioner of revenue" at the beginning of the subsection, substituted "the department or agency head" for "him" and "department or agency" for "commissioner of revenue" near the middle of the subsection, and substituted all of the language beginning "and pay over the money" for "until the amount of the principal or interest then due and unpaid has been paid to the bond bank authority, or until the commissioner of revenue has been advised that arrangements, satisfactory to the bond bank authority, have been made for the payment of the principal and interest" at the end of the subsection.

Sec. 44.58.180. Issuance of bonds and notes. (a) The bond bank authority may issue its bonds or notes in principal amounts that it considers necessary to provide funds for any purposes under this chapter, including

(1) the purchase of municipal bonds;

(2) the making of loans through the purchase of municipal bonds;

(3) the payment, funding or refunding of the principal of, or interest or redemption premiums on, bonds or notes issued by it whether the bonds or notes or interest to be funded or refunded have or have not become due;

(4) the establishment or increase of reserves to secure or to pay bonds or notes or interest on bonds or notes and all other costs or expenses of the bond bank authority incident to and necessary or convenient to carry out its corporate purposes and powers.

(b) Except as otherwise provided in this chapter or by the bond bank authority, every issue of bonds or notes shall be general obligations payable out of the revenues or funds of the bond bank authority, subject only to agreements with the holders of particular bonds or notes pledging a particular revenue or fund. Bonds or notes may be

additionally secured by a pledge of a grant or contributions from the United States or the state or a political subdivision or a person, firm or corporation, or a pledge of income or revenues, funds or money of the bond bank authority from any source whatsoever.

(c) Notwithstanding the provisions of (a) and (b) of this section, the total amount of bond bank authority bonds and notes outstanding at any one time, except bonds or notes issued to fund or refund bonds or notes, may not exceed $150,000,000.

(d) In deciding to purchase municipal bonds of a municipality, the bond bank authority shall give preference to the municipalities referred to in § 5 of this chapter. In addition, the following, listed in order of preference, are preferred purposes of the municipal bonds that may be considered by the bond bank authority for purchase: schools, waste water treatment facilities, fire protection and public safety facilities, public health facilities and public transportation facilities. (§ 1 ch 79 SLA 1975)

Sec. 44.58.190. Form of issuance. Bonds or notes of the bond bank authority shall be authorized by resolution of the bond bank authority and may be issued in one or more series and shall bear the date, mature at the time, bear interest at the rate of interest each year or within a maximum rate, be in the denomination, be in the form, either coupon or registered, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be payable from the sources in the medium of payment at the place inside or outside the state, and be subject to the terms of redemption, with or without premium, as the resolution of the bond bank authority provides. (§ 1 ch 79 SLA 1975)

Sec. 44.58.200. Sale price. Bonds or notes of the bond bank authority may be sold at public or private sale at the price the bond bank authority determines. (§ 1 ch 79 SLA 1975)

Sec. 44.58.210. Payment or refunding of notes. The bond bank authority may from time to time issue its notes under this chapter and pay and retire or fund or refund the notes from proceeds of bonds or of other notes, or from other funds or money of the bond bank authority available for that purpose in accordance with a contract between the bond bank authority and the holders of the notes. (§ 1 ch 79 SLA 1975)

Sec. 44.58.220. Terms of agreement with the bondholder or noteholder. In a resolution of the bond bank authority authorizing or relating to the issuance of bonds or notes, the bond bank authority, in order to secure the payment of the bonds or notes and in addition to its other powers, may covenant and contract with the holders of the bonds or notes

(1) to pledge to a payment or purpose all or a part of its revenues to which its right then exists or may thereafter come into existence, and the money derived from the revenues, and the proceeds of any bonds or notes;

(2) to covenant against pledging all or a part of its revenues, or against permitting or suffering a lien on those revenues or its property;

(3) to covenant as to the use and disposition of payments of principal or interest received by the bond bank authority on municipal bonds or other investments held by the bond bank authority;

(4) to covenant as to establishment of reserves or sinking funds, the making of provision for them, and the regulation and disposition of the reserves or sinking funds;

(5) to covenant with respect to or against limitations on a right to sell or otherwise dispose of property of any kind;

(6) to covenant as to bonds or notes to be issued, and their limitations, terms and conditions, and as to their custody, and as to the application and disposition of the proceeds of the bonds and notes;

(7) to covenant as to issuance of additional bonds or notes or as to limitations on the issuance of additional bonds or notes and on the incurring of other debts by it;

(8) to covenant as to the payment of the principal of or interest on the bonds or notes, as to the sources and methods of payment, as to the rank or priority of bonds or notes with respect to a lien or security or as to the acceleration of the maturity of any bonds or notes;

(9) to provide for the replacement of lost, stolen, destroyed or mutilated bonds or notes;

(10) to covenant against extending the time for the payment of bonds or notes or interest on the bonds or notes;

(11) to covenant as to the redemption of bonds or notes and privileges of their exchange for other bonds or notes of the bond bank authority;

(12) to covenant as to charges to be established and charged, the amount to be raised each year or other period of time by charges or other revenues, and as to the use and disposition to be made of the charges or other revenues;

(13) to covenant to create or authorize the creation of special funds or money to be held in pledge or otherwise for operating expenses, payment or redemption of bonds or notes, reserves or other purposes and as to the use and disposition of the money held in those funds;

(14) to establish the procedure, if any, by which the terms of a contract or covenant with or for the benefit of the holders of bonds or notes may be amended or abrogated, the amount of bonds or notes the holders of which must consent to amendment or abrogation, and the manner in which the consent may be given;

(15) to covenant as to the custody of any of its property or investments, their safekeeping and insurance, and the use and disposition of insurance money;

(16) to covenant as to the time or manner of enforcement or restraint from enforcement of any rights of the bond bank authority arising by reason of or with respect to nonpayment of the principal or interest of a municipal bond;

(17) to provide for the rights and liabilities, powers and duties arising upon the breach of any covenant, condition or obligation and to prescribe the events of default and the terms and conditions upon which any or all of the bonds, notes or other obligation of the bond bank authority become or may be declared due and payable before maturity and the terms and conditions upon which the declaration and its consequences may be waived;

(18) to vest in a trustee inside or outside the state such property, rights, powers and duties in trust as the bond authority may determine, which may include any of the rights, powers and duties of a trustee appointed by the holders of the bonds or notes, and to limit or abrogate the right of the holders of the bonds or notes of the bond bank authority to appoint a trustee under this chapter or limit the rights, powers and duties of the trustee;

(19) to pay the costs or expenses incident to the enforcement of the bonds or notes or of the resolution or of a covenant or agreement of the bond bank authority with the holders of its bonds or notes;

(20) to agree with a corporate trustee which may be a trust company or bank having the powers of a trust company inside or outside the state, as to the pledging or assigning of revenues or funds in which the bond bank authority has a right or interest, and may further provide for such other rights and remedies exercisable by the trustee as may be proper for the protection of the holders of bonds or notes of the bond bank authority and not otherwise in violation of law, and the agreement may also provide for the restriction of the rights of an individual holder of bonds or notes of the bond bank authority;

(21) to appoint and to provide for the duties and obligations of a paying agent or paying agents, or other fiduciaries as the resolution may provide inside or outside the state;

(22) to limit the rights of the holders of bonds or notes to enforce a pledge or covenant securing bonds or notes; and

(23) to make covenants other than and in addition to the covenants expressly authorized in this section, of like or different character, and to make covenants to do or refrain from doing acts and things as may be necessary, or convenient and desirable, in order to better secure bonds or notes or which, in the absolute discretion of the bond bank authority, will tend to make bonds or notes more marketable, notwithstanding that the covenants, acts or things may not be enumerated in this section. (§ 1 ch 79 SLA 1975)

Sec. 44.58.230. Purchase and disposition of own obligations. The bond bank authority may purchase bonds or notes of the bond bank authority out of its funds or money available for the purchase of its own bonds and notes. The bond bank authority may hold, cancel or resell the bonds or notes subject to and in accordance with agreements with holders of its bonds or notes. (§ 1 ch 79 SLA 1975)

Sec. 44.58.240. Bond anticipation notes. Notwithstanding any law applicable to a municipality as to the period for temporary financing of a public improvement or purpose by issuance of its notes in anticipation of the issuance of permanent bonds or as to the renewal of bond anticipation notes, the bond bank authority may purchase and the municipality may issue bond anticipation notes and may renew them from time to time; however, the bond anticipation notes, including renewals, shall mature in such amounts and in such years not exceeding five years from the date of the original issuance as is agreed between the bond bank authority and the municipality. In connection with the transaction and purchase of bond anticipation notes, the bond bank authority may by agreement with the municipality impose any terms, conditions and limitations as in its opinion are proper for the purposes and security of the bond bank authority and the holders of its bonds or notes. The failure of a municipality to comply with the agreement constitutes a failure of the municipality to pay principal of and interest on the bonds or notes, and the bond bank authority shall enforce all rights, remedies, and provisions of law as it has under this chapter or are elsewhere provided. (§ 1 ch 79 SLA 1975)

Sec. 44.58.250. Documentation. All municipal bonds purchased, held or owned by the bond bank authority, upon delivery to the bond bank authority, must be accompanied by all documentation required by the authority. (§ 1 ch 79 SLA 1975)

Sec. 44.58.260. Presumption of validity. After issuance, all bonds or notes of the bond bank authority shall be conclusively presumed to be fully authorized and issued under the laws of the state, and a person or a municipality is estopped from questioning their authorization, sale, issuance, execution or delivery by the bond bank authority. (§ 1 ch 79 SLA 1975)

Sec. 44.58.270. Reserve fund. (a) The bond bank authority shall establish and maintain a special fund called the "Alaska municipal bond bank authority reserve fund" in which there shall be deposited or transferred

(1) all money appropriated by the legislature for the purpose of the fund in accordance with the provisions of (g) of this section;

(2) all proceeds of bonds required to be deposited in the fund by terms of a contract between the bond bank authority and its bondholders or a resolution of the bond bank authority with respect to the proceeds of bonds;

(3) all other money appropriated by the legislature to the reserve fund; and

(4) any other money or funds of the bond bank authority which it decides to deposit in the fund.

(b) Subject to the provisions of (h) of this section, money in the reserve fund shall be held and applied solely to the payment of the interest on

and principal of bonds of the bond bank authority as the interest and principal become due and payable and for the retirement of bonds; and the money may not be withdrawn if a withdrawal would reduce the amount in the reserve fund to an amount less than the required debt service reserve except for payment of interest then due and payable on bonds and the principal of bonds then maturing and payable and for the retirement of bonds in accordance with the terms of a contract between the bond bank authority and its bondholders and for which payments of other money of the bond bank authority is not then available. As used in this subsection, "required debt service reserve" means, as of the date of computation, the amount required to be on deposit in the reserve fund as provided by resolution of the bond bank authority.

(c) Money in the reserve fund in excess of the required debt service reserve as defined in (b) of this section, whether by reason of investment or otherwise, may be withdrawn at any time by the bond bank authority and transferred to another fund or account of the bond bank authority subject to the provision of (h) of this section.

(d) Money in the reserve fund may be invested in the same manner and on the same conditions as permitted for investment of funds belonging to the state or held in the treasury under AS 37.10.070; however, the authority may agree with the bondholders to further limit these investments.

(e) For purposes of valuation, investments in the reserve fund shall be valued at par or if purchased at less than par, at cost unless otherwise provided by resolution of the bond bank authority. Valuation on a particular date shall include the amount of interest then earned or accrued to that date on the money or investments in the reserve fund.

(f) Notwithstanding any other provision of this chapter, no bonds may be issued by the bond bank authority unless there is in the reserve fund the required debt service reserve for all bonds then issued and outstanding and for the bonds to be issued; however, the bond bank authority may satisfy this requirement by depositing as much of the proceeds of the bonds to be issued, upon their issuance, as is needed to meet the required debt service reserve. The bond bank authority may at any time issue its bonds or notes for the purpose of increasing the amount in the reserve fund to the required debt service reserve, or to meet whatever higher or additional reserve that may be fixed by the bond bank authority with respect to the fund.

(g) In order to assure the maintenance of the required debt service reserve in the reserve fund, the legislature may appropriate annually to the bond bank authority for deposit in the fund the sum, certified by the chairman of the bond bank authority to the governor and to the legislature, that is necessary to restore the fund to an amount equal to the required debt service reserve. The chairman annually, before January 30, shall make and deliver to the governor and to the legislature his certificate stating the sum required to restore the fund to that

amount, and the sum so certified may be appropriated and paid to the bond bank authority during the then current state fiscal year. Nothing in this subsection creates a debt or liability of the state.

(h) All amounts received on account of money appropriated to the reserve fund referred to in (a)(3) of this section shall be held and applied in accordance with (b) of this section; however, at the end of each fiscal year, if the amount in the reserve fund is in excess of the required debt service reserve, any amount representing earnings or income received on account of money appropriated to the reserve fund which exceeds the operating expenses of the authority for that fiscal year shall be transferred to the general fund of the state. (§ 1 ch 79 SLA 1975; am § 3 ch 56 SLA 1976)

Effect of amendment. — The 1976 amendment inserted "if the amount in the reserve fund is in excess of the required debt service reserve" and "which exceeds the operating expenses of the authority for that fiscal year" in subsection (h).

Sec. 44.58.280. Additional funds and accounts. The bond bank authority may establish additional reserves or other funds or accounts as may be, in its discretion, necessary, desirable, or convenient to further the accomplishment of its purposes or to comply with the provisions of any of its agreements or resolutions. (§ 1 ch 79 SLA 1975)

Sec. 44.58.290. Application of funds. Money or investments in a fund or account of the bond bank authority established or held for bonds, notes, indebtedness or liability to be paid, funded, or refunded by issuance of bonds or notes, unless the resolution authorizing the bonds or notes provides otherwise, shall be applied to the payment or retirement of the bonds, notes, indebtedness or liability, and to no other purpose. (§ 1 ch 79 SLA 1975)

Sec. 44.58.300. Rights of holders paramount. In order to carry out its purpose under this chapter of making loans to municipalities by purchase of the municipal bonds of those municipalities and by receipt of its income from service charges and from payments of interest on the maturing principal of municipal bonds purchased and held by it, and in order to produce revenues or income to the bond bank authority sufficient at all times to meet its costs and expenses of operation under this chapter and to pay the principal of and interest on its outstanding bonds and notes when due, the bond bank authority must at all times, and to the greatest extent possible, plan to issue its bonds and notes and lend money to political subdivisions so that the purpose is achieved without in any way jeopardizing any rights of the holders of bonds or notes of the bond bank authority or affecting other matters under this chapter. (§ 1 ch 79 SLA 1975)

Sec. 44.58.310. Default in payment. If the bond bank authority defaults in the payment of principal or interest on an issue of notes or

Sec. 44.58.390. Cooperation by government agencies. All officers, departments, boards, agencies, divisions and commissions of the state shall render services to the bond bank authority that are within the area of their respective governmental functions and that may be requested by the bond bank authority and must comply promptly with any reasonable request by the bond bank authority relating to making of a study or review as to desirability, need, cost or expense, or financial feasibility with respect to a public project, purpose or improvement, or the financial or fiscal responsibility or ability of a political subdivision making application for loan to the bond bank authority and for the purchase by the bond bank authority of municipal bonds to be issued by that municipality. The cost and expense of a service requested by the bond bank authority, at the request of the officer, department, board, agency, division or commission rendering the service, shall be paid by the bond bank authority. (§ 1 ch 79 SLA 1975)

Sec. 44.58.400. Public records; open meetings. The provisions of AS 09.25.110 — 09.25.120 (public records) and AS 44.62.310 — 44.62.312 (agency public meetings) apply to the bond bank authority. (§ 1 ch 79 SLA 1975)

Sec. 44.58.410. Definitions. In this chapter, unless the context requires otherwise,

(1) "bond bank authority" means the Alaska Municipal Bond Bank Authority established by § 20 of this chapter;

(2) "bonds" means bonds of the bond bank authority issued under this chapter;

(3) "municipal bond" means a bond or note or evidence of debt which constitutes a direct and general obligation of a political subdivision of the state, all the taxable property within which is subject to taxation to pay the bond, note or evidence of debt, and the interest without limitation, as to rate or amount generally or to avoid a default as provided for second class cities under AS 29.53.410;

(4) "municipality" means a home rule or general law city or borough including but not limited to a unified municipality organized under AS 29.68;

(5) "notes" means notes of the bond bank authority issued under this chapter;

(6) "public body" means a public body corporate and politic or a political subdivision of the state established under any law of the state which may issue municipal bonds;

(7) "reserve fund" means the Alaska municipal bond bank reserve fund established under § 280 of this chapter;

(8) "revenues" means all fees, charges, money, profits, payments of principal of or interest on municipal bonds and other investments, gifts, grants, contributions, appropriations and all other income derived or to be derived by the bond bank authority under this chapter. (§ 1 ch 79 SLA 1975)

Sec. 44.59.070. Compensation and expenses. Members of the board receive no salary, but are entitled to per diem and travel expenses authorized by law for other boards. (§ 4 b ch 135 SLA 1961; am § 8 ch 52 SLA 1962)

Sec. 44.59.080. Legal adviser. The attorney general is the legal counsel for the corporation. He shall advise the corporation in legal matters and represent it in suits. (§ 4 c ch 135 SLA 1961; am § 9 ch 52 SLA 1962)

Sec. 44.59.090. Public board meetings. The meetings of the board are public except meetings to discuss and pass on loan applications. (§ 4 d ch 135 SLA 1961; am § 10 ch 52 SLA 1962)

Sec. 44.59.100. Quorum and notice of meetings. Four members, which may include the commissioner of commerce, constitute a quorum for the transaction of business unless the bylaws require a larger number, except that notice of a meeting of the board must be given to each member. (§ 4 d ch 135 SLA 1961; am § 10 ch 52 SLA 1962)

Sec. 44.59.110. Minutes of meetings. The board shall keep minutes of each meeting and send a certified copy to the governor. (§ 4 e ch 135 SLA 1961; am § 11 ch 52 SLA 1962)

Sec. 44.59.120. Executive vice president. The board may employ an executive vice president to manage the corporation. He must be professionally trained and experienced in the performance of his duties. His selection is subject to the approval of the governor. The executive vice president may not have any financial or business interest that might conflict with the management of the corporation in the best public interest. The board may delegate powers and duties to the executive vice president. (§ 5 ch 135 SLA 1961; am § 12 ch 52 SLA 1962)

Sec. 44.59.130. Employees' bonds. The corporation shall bond its employees. The amount of a bond is determined by the board. (§ 13 ch 135 SLA 1961; added by § 13 ch 52 SLA 1962)

Article 2. Powers and Duties.

Section	Section
140. Powers	170. Loan advisory committees
150. Annual report and public records	180. Location of offices
160. Annual audits	

Sec. 44.59.140. Powers. (a) The corporation may

(1) exist continuously as a corporation;

(2) adopt a seal;

(3) adopt bylaws and regulations governing the business of the corporation;

(4) sue and be sued;

(5) appoint officers, employees, trustees for certificate holders, and agents, and prescribe their powers and duties;

(6) make contracts and execute instruments necessary or convenient in the exercise of its corporate powers;

(7) make loans in participation with financial institutions, and establish and regulate the terms of the loans;

(8) acquire by purchase, lease, bequest, devise, gift, the satisfaction of debts, or the foreclosure of mortgages, and hold, maintain, use, operate, and convey real or personal property;

(9) borrow money and issue secured and unsecured evidence of indebtedness for a corporate purpose or to fund, refund, pay, or discharge outstanding obligations, and enter agreements and contracts concerning these obligations;

(10) secure the payment of its obligations by pledge or mortgage or other lien on its contracts, revenues, income, or property, except that it may not incur secondary liability by guaranty or endorsement of the obligations of another corporation or legal entity, except endorsement of checks, bank drafts, or other commercial paper in the ordinary course of business;

(11) accept grants or loans from and contract with the federal government, the state, or its political subdivisions, and to that end comply with the provisions of federal, state, or local programs when necessary;

(12) lease, alienate, and dispose of property;

(13) acquire, hold, and dispose of stocks, memberships, contracts, bonds, or other interests in another corporation or legal entity, and exercise the powers or rights in connection with these interests which are provided in contracts or agreements and which are allowed by law concerning the satisfaction of debts;

(14) do what is necessary to carry out the powers granted by this chapter or other acts of the Alaska legislature, or the laws and regulations of the federal government.

(b) The corporation may not pledge the credit or the taxing power of the state or its political subdivisions. The state and its political subdivisions are not liable for the debts of the corporation. (§ 6 ch 135 SLA 1961; am § 15 ch 52 SLA 1962; am §§ 13, 14 ch 143 SLA 1968)

Legislative committee report. — For legislative committee report on ch. 143, SLA 1968 (HB 707), see House Journal (1968), p. 836.

The objectives of the Alaska State Development Corporation must be accomplished without the use of public funds and state credit. DeArmond v. Alaska State Dev. Corp., Sup. Ct. Op. No. 116 (File No. 285), 376 P.2d 717 (1962).

The actions of the Alaska State Development Corporation to keep a foreclosed property saleable by continuing its operations are in consonance with its powers and in furtherance of its valid public purpose, and constitute use of the property for a public purpose. City of Nome v. Block, No H, Lots 5, 6 & 7, Sup. Ct. Op. No. 839 (File No. 1652), 502 P.2d 124 (1972).

Quoted in Walker v. Alaska State Mtg. Ass'n, Sup. Ct. Op. No. 353 (File No. 669), 416 P.2d 245 (1966).

Sec. 44.59.150. Annual report and public records. (a) Before December 1 of each year, the board shall submit to the governor and the legislature a comprehensive report describing the operations, fiscal transactions, financial condition, and future plans of the board. The governor may prescribe the form of the report.

(b) The board shall maintain the following records which shall be available to the public:

(1) the names of the business concerns to whom contracts are let and for whom financing is arranged by the corporation;

(2) the nature of the business;

(3) the amount involved. (§ 7 ch 135 SLA 1961; am § 16 ch 52 SLA 1962; am § 1 ch 41 SLA 1966)

Legislative committee report. — For legislative committee report on ch. 41, SLA 1966, see House Journal (1966), p. 318.

Stated in DeArmond v. Alaska State Dev. Corp., Sup. Ct. Op. No. 116 (File No. 285), 376 P.2d 717 (1962).

Sec. 44.59.160. Annual audits. (a) The board shall have its financial records audited annually. The legislative auditor shall conduct the annual audit. If an audit conducted by a certified public accountant is satisfactory in the judgment of the legislative auditor, it may be accepted instead of the state audit. The legislative auditor may prescribe the form and content of the financial records of the board and may have access to these records at any time.

(b) The state bank examiner shall examine the records of the corporation at least annually. (§ 8 ch 135 SLA 1961; am § 17 ch 52 SLA 1962)

Stated in DeArmond v. Alaska State Dev. Corp., Sup. Ct. Op. No. 116 (File No. 285), 376 P.2d 717 (1962).

Sec. 44.59.170. Loan advisory committees. The board may establish loan advisory committees in the different regions of the state. Members of these committees serve without compensation or per diem. Each committee shall make recommendations to the board and advise it generally. (§ 9 ch 135 SLA 1961; am § 18 ch 52 SLA 1962)

Sec. 44.59.180. Location of offices. The principal office of the corporation is at the state capital. The board may establish offices at other locations in the state. (§ 10 ch 135 SLA 1961; am § 19 ch 52 SLA 1962)

Article 3. Financial Provisions.

Section	Section
190. Initial capital	310. Corporate lending
200. Debenture certificates	320. Short-term loans
210. Legal opinion	330. Corporation's interest
220. Availability of annual report	340. Bank's rate of interest
230. Certificates as legal investments	350. Maximum term of loan
240. Commencement of loan activities	360. Application for loan
250. General fund	370. Bank's fees
260. Principal reserve fund	380. Maximum amount of individual loans
270. Loan loss reserve fund	390. General limitations on loans
280. Development loan fund	400. Regulations for loans
290. Investments by corporation	410. Additional securities
300. Tax exemption	

Sec. 44.59.190. Initial capital. Appropriations and loans from the state general fund necessary for the initial operation of the corporation are authorized. (§ 20 ch 135 SLA 1961; am § 21 ch 52 SLA 1962)

Applied in DeArmond v. Alaska State Dev. Corp., Sup. Ct. Op. No. 116 (File No. 285), 376 P.2d 717 (1962).

Am. Jur. reference. — 42 Am. Jur., Public Funds, § 1 et seq.

Sec. 44.59.200. Debenture certificates. (a) The corporation may issue three classes of negotiable debenture certificates as provided by this section.

(b) "Class A certificates" shall be issued as evidence of indebtedness of the corporation either through private or public sales. The maximum principal amount of class A certificates that may be sold is $15,000,000. Class A certificates are backed by the full resources and credit of the corporation, and take priority in the payment of principal and interest to class B and C certificates. Class A certificates shall be sold at a price which results in an effective interest rate over the life of the certificates of not more than five per cent a year and upon other terms set by the board, except that the class A certificates outstanding at any time may not exceed five times the principal amount of class B certificates outstanding.

(c) "Class B certificates" shall be issued as evidence of indebtedness of the corporation either through private or public sales. The maximum principal amount of class B certificates that may be sold is $3,000,000. Class B certificates are backed by the full resources and credit of the corporation and take priority in the payment of principal and interest to class C certificates. Class B certificates shall be sold at a price which results in an effective interest rate over the life of the certificates of not more than six per cent a year and upon other terms set by the board.

(d) "Class C certificates" shall be accepted by a borrower of funds from the corporation at the time of a development loan instead of cash in an amount equal to five per cent of the loan. Class C certificates mature not later than the outstanding class B certificates mature. The

board determines the rate of interest earned by class C certificates. The corporation shall deposit the funds represented by the class C certificates in a time deposit account. The funds represented by class C certificates are a reserve for loan losses. The funds shall not be drawn unless the corporation first exhausts the reserve funds provided by §§ 260 and 270 of this chapter. Class C certificates shall not be issued when corporate money is invested in accordance with §§ 290 and 320 of this chapter. (§ 21 a ch 135 SLA 1961; am § 22 ch 52 SLA 1962)

Constitutionality. — The issuance of debenture certificates by the Alaska State Development Corporation does not constitute the transfer of public funds and the use of public credit for other than a public purpose. DeArmond v. Alaska State Dev. Corp., Sup. Ct. Op. No. 116 (File No. 285), 376 P.2d 717 (1962).

Sec. 44.59.210. Legal opinion. The corporation shall provide a legal opinion from a recognized private source concerning class A and B certificates. (§ 21 b ch 135 SLA 1961; am § 23 ch 52 SLA 1962)

Sec. 44.59.220. Availability of annual report. The annual report of the corporation shall be made available without cost to a certificate holder. (§ 21 c ch 135 SLA 1961; am § 24 ch 52 SLA 1962)

Sec. 44.59.230. Certificates as legal investments. The certificates of the corporation are legal investments and may be accepted as security for all fiduciary, trust, and public funds of the state and its political subdivisions. (§ 21 d ch 135 SLA 1961; am § 25 ch 52 SLA 1962)

Sec. 44.59.240. Commencement of loan activities. The corporation may not commence its loan activities until it has received at least $1,500,000 from the sale of class A and B certificates. Before the receipt of this $1,500,000, funds received from the sale of class A and B certificates shall be held in trust. (§ 22 ch 135 SLA 1961; am § 26 ch 52 SLA 1962)

Stated in DeArmond v. Alaska State Dev. Corp., Sup. Ct. Op. No. 116 (File No. 285), 376 P.2d 717 (1962).

Sec. 44.59.250. General fund. The corporation shall maintain a general fund. Income received from loans and investments, and advances or loans from the state shall be credited to the fund. Expenses of the corporation, including interest payments on class A, B, and C certificates, and repayments of advances or loans from the state shall be charged to this fund. (§ 23 a ch 135 SLA 1961; am § 27 ch 52 SLA 1962)

Sec. 44.59.260. Principal reserve fund. The corporation shall maintain a principal reserve fund. The board shall determine the amounts, sources, and application of principal reserve funds to the

amortization of class A and B certificates. No sinking or amortization fund may be created for class B certificates until an amount equal to the total principal amount of the three largest annual maturities on the class A certificates is set aside to secure the payment of class A certificates. Surplus money may be transferred to the development loan fund. (§ 23 b ch 135 SLA 1961; am § 28 ch 52 SLA 1962)

Sec. 44.59.270. Loan loss reserve fund. The corporation shall maintain a loan loss reserve fund. Each year the board shall credit a sum equal to one-fourth per cent of all outstanding loans to the fund. Loan losses shall be charged to the loan loss reserve fund. If a loan loss charged to the fund is recovered, it shall be credited to the loan loss reserve fund. Money in the general fund exceeding the estimated expenses of the following fiscal year shall be transferred to the loan loss reserve fund. (§ 23 c ch 135 SLA 1961; am § 29 ch 52 SLA 1962)

Sec. 44.59.280. Development loan fund. The corporation shall maintain a development loan fund. Money not required by other funds shall be credited to the development loan fund. Loans by the corporation shall be charged to the development loan fund. (§ 23 d ch 135 SLA 1961; am § 30 ch 52 SLA 1962)

Sec. 44.59.290. Investments by corporation. (a) The corporation shall place money held in the reserve funds in one or more of the following: deposits in banks or trust companies having their principal places of business in the state; or obligations of the United States, the state, or its political subdivisions if the obligations are secured by the general taxing power of the obligor.

(b) The corporation may place the proceeds from the sale of class A and B certificates and money held in the development loan fund in one or more of the following: deposits in banks or trust companies having their principal places of business in the United States; or obligations of the United States, the state, or its political subdivisions. However, the board shall, when it is possible and financially sound, make deposits in banks and trust companies having their principal places of business in the state. (§ 23 e ch 135 SLA 1961; am § 31 ch 52 SLA 1962)

Sec. 44.59.300. Tax exemption. Because the purpose of the corporation, as an instrumentality of the state, is to benefit the people of Alaska by increasing their commerce, prosperity, and general well-being, the corporation is exempt from all taxes and assessments in the state. Debenture certificates issued by the corporation, their transfer, and their income are exempt from taxes and assessments. (§ 26 ch 135 SLA 1961; am § 33 ch 52 SLA 1962)

Constitutionality. — This section does not violate art. IX, § 4, of the Alaska Constitution. DeArmond v. Alaska State Dev. Corp., Sup. Ct. Op. No. 116 (File No. 285), 376 P.2d 717 (1962).

This section has been upheld as

constitutional under the third sentence of § 4, art. IX of the state constitution. City of Nome v. Block No. H, Lots 5, 6 & 7, Sup. Ct. Op. No. 839 (File No. 1652), 502 P.2d 124 (1972).

Exemption in section derives from third sentence of Alaska Const. art. IX, § 4. — The exemption accorded to the Alaska State Development Corporation by the legislature in this section derives from the third sentence of § 4, art. IX of the Alaska Constitution. City of Nome v. Block No. H, Lots 5, 6 & 7, Sup. Ct. Op. No. 839 (File No. 1652), 502 P.2d 124 (1972).

When the legislature chose to exempt the Alaska State Development Corporation from "all taxes and assessments," it meant to draw upon its full powers under the third sentence of Alaska Const. art. IX, § 4, and thereby to grant the corporation an exemption for both its real and personal property. City of Nome v. Block No. H, Lots 5, 6 & 7, Sup. Ct. Op. No. 839 (File No. 1652), 502 P.2d 124 (1972).

The third sentence of § 4, art. IX of the state constitution authorizes the legislature to grant exemptions similar to the exemptions granted to the state by the first sentence of that section. Such exemptions may thus be for both real and personal property. City of Nome v. Block No. H, Lots 5, 6 & 7, Sup. Ct. Op. No. 839 (File No. 1652), 502 P.2d 124 (1972).

There is no reason for limiting the range of the exemption provided in this section. City of Nome v. Block No. H, Lots 5, 6 & 7, Sup. Ct. Op. No. 839 (File No. 1652), 502 P.2d 124 (1972).

In this section, the phrase "all taxes" means all taxes. City of Nome v. Block No. H, Lots 5, 6 & 7, Sup. Ct. Op. No. 839 (File No. 1652), 502 P.2d 124 (1972).

The actions of the Alaska State Development Corporation to keep a foreclosed property saleable by continuing its operations are in consonance with its powers and in furtherance of its valid public purpose, and constitute use of the property for a public purpose. City of Nome v. Block No. H, Lots 5, 6 & 7, Sup. Ct. Op. No. 839 (File No. 1652), 502 P.2d 124 (1972).

Sec. 44.59.310. Corporate lending. (a) The corporation may accept applications for development loans and extend credit on the basis of no greater than 90 per cent participation by the corporation and no less than 10 per cent participation by a bank.

(b) The corporation and the participating bank shall share the same ratable interest in the collateral securing a loan. (§ 27 a ch 135 SLA 1961; am § 34 ch 52 SLA 1962)

Sec. 44.59.320. Short-term loans. The corporation may participate with banks in existing, short-term, development loans with its surplus funds on the same basis as provided in § 310 of this chapter. The intention of this section is to permit the corporation to use funds not immediately necessary for long-term development loan purposes and to receive income to meet its financial obligations. (§ 27 b ch 135 SLA 1961; am § 35 ch 52 SLA 1962)

Sec. 44.59.330. Corporation's interest. The rate of interest charged for the corporation's share of a development loan shall be determined by the board, except that it may not be greater than the legal contract rate of interest as set by state law. The corporation may also charge reasonable loan commitment fees. (§ 27 c ch 135 SLA 1961; am § 36 ch 52 SLA 1962)

Sec. 44.59.340. Bank's rate of interest. The participating bank shall fix the rate of interest charged by it. However, the rate of interest may not exceed the legal contract rate of interest prescribed by law. (§ 27 d ch 135 SLA 1961; am § 37 ch 52 SLA 1962)

Sec. 44.59.350. Maximum term of loan. The maximum term of a development loan is 20 years. However, a loan may not mature later than the final maturity date of the class A and B certificates outstanding at the time of the loan. (§ 27 e ch 135 SLA 1961; am § 38 ch 52 SLA 1962)

Sec. 44.59.360. Application for loan. Development loans must be applied for and presented to the corporation for approval through the participating bank. (§ 27 f ch 135 SLA 1961; am § 39 ch 52 SLA 1962)

Sec. 44.59.370. Bank's fees. (a) The participating bank shall administer the loans and may charge the borrower a reasonable loan fee for this service.

(b) The corporation shall enter into a servicing agreement with a participating bank. The servicing agreement may provide a participating bank with a fee equal to one-quarter of one per cent interest on the corporation's share of the loan. (§ 27 g ch 135 SLA 1961; am § 40 ch 52 SLA 1962)

Sec. 44.59.380. Maximum amount of individual loans. The corporation may not have more than 10 per cent of the principal amount of outstanding class A and B certificates or $750,000, whichever is less, outstanding at one time to any one borrower. The borrowing of individuals who hold a controlling interest in a borrowing company is added to the debt of the company to determine this limitation. (§ 27 i ch 135 SLA 1961; am § 42 ch 52 SLA 1962)

Sec. 44.59.390. General limitations on loans. (a) In making development loans, the board shall consider the proposed collateral, the integrity and the management ability of the borrower, and the borrower's past and prospective earnings.

(b) Before approving a development loan, the board shall consider the purpose of the loan. The board may make only loans that are economically advantageous to the state and the general public welfare.

(c) The board may make a development loan to a responsible borrower only if other credit is not readily available on reasonable terms. Before granting a development loan, the board shall determine, so far as it is reasonably possible, that the first opportunity to grant the loan is given to banking or financial institutions in the state. (§ 27 j—l ch 135 SLA 1961; am § 43 ch 52 SLA 1962)

Sufficiency of standards. — The statement of purpose contained in AS 44.59.430 and the general limitations on loans contained in this section, particularly the requirement of subsection (b) that before approving a development loan the board shall consider the purpose and make only loans that are economically advantageous to the state and the general public welfare, supply sufficient standards to guide the board in adopting regulations and procedure for loan policy as required by AS 44.59.400. DeArmond v. Alaska State Dev. Corp., Sup. Ct. Op. No. 116 (File No. 285), 376 P.2d 717 (1962).

Sec. 44.59.400. Regulations for loans. The board may adopt regulations for loan policy and procedure, except that a regulation may not conflict with an indenture agreement or a provision of this chapter. (§ 27 m ch 135 SLA 1961; am § 44 ch 52 SLA 1962)

Sufficiency of standards. — See same catchline in note to AS 44.59.390.

Sec. 44.59.410. Additional securities. The legislature may amend this chapter to permit the corporation to issue additional series of securities, except that additional securities may not rely on assets accumulated in connection with the issuance of a previous series of securities, unless the reserves provided by agreements, this chapter, or legislation have been met. (§ 28 ch 135 SLA 1961; am § 45 ch 52 SLA 1962)

Article 4. General Provisions.

Section	Section
420. Dissolution	440. Definitions
430. Purpose	450. Severability

Sec. 44.59.420. Dissolution. After payment in full of its debentures and other obligations or after depositing in a trust sufficient money to secure the payment of its obligations, the board may dissolve the corporation by the majority vote of its directors. Dissolution is not effective until the legislature confirms it. The effective date of dissolution is the date the legislature confirms the dissolution or a date determined by the legislature at the time of confirmation. Assets remaining after satisfaction of liabilities and obligations of the corporation shall be deposited to the credit of the general fund of the state. (§ 29 ch 135 SLA 1961; am § 47 ch 52 SLA 1962)

Cited in DeArmond v. Alaska State Dev. Corp., Sup. Ct. Op. No. 116 (File No. 285), 376 P.2d 717 (1962).

Sec. 44.59.430. Purpose. The purpose of this chapter is to create an instrumentality of the state to develop, stimulate, and advance the business prosperity and economic welfare of Alaska and its citizens. This shall be accomplished by providing critically needed development loans to encourage and assist the wholesome development of new business and industry in Alaska and to rehabilitate and expand existing business and industry. By providing development loans to all types of business activity, whether of an industrial, agricultural, or recreational nature, the economic stability of the state will be strengthened, the employment opportunities of its citizens enlarged, and their standard of living and general welfare enhanced. (§ 1 ch 135 SLA 1961; am § 48 ch 52 SLA 1962)

The announced purpose of this chapter has a sound basis in fact and dominant purpose is a public one. DeArmond v. Alaska State Dev. Corp., Sup. Ct. Op. No 116 (File No. 285), 376 P.2d 717 (1962).

Sufficiency of standards. — See same catchline in note to AS 44.59.390.

Sec. 44.59.440. Definitions. In this chapter

(1) "the corporation" means the Alaska state development corporation;

(2) "the state" means the State of Alaska;

(3) "the board" means the board of directors of the corporation. (§ 62 ch 135 SLA 1961; added by § 49 ch 52 SLA 1962)

Sec. 44.59.450. Severability. The provisions of this chapter are severable, and if a provision is held invalid by a court of competent jurisdiction, the invalidation shall not affect or impair any of the remaining provisions. (§ 63 ch 135 SLA 1961; added by § 49 ch 52 SLA 1962)

Chapter 60. Small Business Development Corporation of Alaska.

Article
1. Creation and Organization (§§ 44.60.010 — 44.60.120)
2. Powers (§§ 44.60.130 — 44.60.150)
3. Financial Provisions (§§ 44.60.160 — 44.60.260)
4. General Provisions (§§ 44.60.270 — 44.60.390)

Article 1. Creation and Organization.

Section
10. Purpose
20. Small Business Development Corporation of Alaska
30. Governing body
40. Appointment and composition of board
50. Conflict of interests
60. Compensation and expenses
70. Legal adviser
80. Public board meetings
90. Quorum and notice of meetings
100. Minutes of meetings
110. Executive vice president
120. Employees' bonds

Sec. 44.60.010. Purpose. The purpose of this chapter is to create a further instrumentality of the state to develop, stimulate, and advance the business prosperity and economic welfare of Alaska and its citizens and to relieve seasonal unemployment problems in Alaska by assisting the new financing of industrial and manufacturing plant construction, conversion or expansion, including the acquisition of land, by means of loans, where critically needed, to local development companies of a portion of the cost of such construction, conversion, expansion or acquisition to the extent necessary to secure a loan for a portion of the cost by the Small Business Administration pursuant to 15 U.S.C. § 696 (Section 502 of the Act of Congress entitled "Small Business Investment Company Act of 1958" as amended). By providing loans for such types

of business activity the economic stability of the state will be strengthened, the employment opportunities of its citizens enlarged, and their standard of living and general welfare enhanced. (§ 1 ch 162 SLA 1966)

Sec. 44.60.020. Small Business Development Corporation of Alaska. The Small Business Development Corporation of Alaska is a public corporation of the state. The corporation is an instrumentality of the state within the Department of Commerce and Economic Development, but has a legal existence independent of and separate from the state. (§ 1 ch 162 SLA 1966; am § 1 ch 129 SLA 1967; am § 15 ch 143 SLA 1968; am § 101 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment substituted "Department of Commerce and Economic Development" for "Department of Economic Development" in the second sentence.

Legislative committee report. — For legislative committee report on ch. 143, SLA 1968 (HB 707), see House Journal (1968), p. 836.

Sec. 44.60.030. Governing body. The corporation's board of directors shall conduct the business of the corporation. (§ 1 ch 162 SLA 1966)

Sec. 44.60.040. Appointment and composition of board. The board consists of six residents of the state none of whom may be public employees or officials, and the commissioner of commerce and economic development. Members of the board are appointed by the governor and serve at his pleasure. Appointments to the board shall be made without regard to political affiliation and shall represent the state's geographic and economic interests. (§ 1 ch 162 SLA 1966; am § 2 ch 129 SLA 1967; am § 102 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment substituted "commissioner of commerce and economic development" for "commissioner of economic development" at the end of the first sentence.

Sec. 44.60.050. Conflict of interests. Upon appointment and during his term of office, a board member shall declare privately in writing to the governor and the board any financial or business interest he has which might conflict with the public nature of his membership on the board. If there is a serious conflict, the board may ask him to abstain from decisions resulting in a conflict or to resign from the board. (§ 1 ch 162 SLA 1966)

Sec. 44.60.060. Compensation and expenses. Members of the board receive no salary, but are entitled to per diem and travel expenses authorized by law for other boards. (§ 1 ch 162 SLA 1966)

Sec. 44.60.070. Legal adviser. The attorney general is the legal counsel for the corporation. He shall advise the corporation in legal matters and represent it in suits. (§ 1 ch 162 SLA 1966)

Sec. 44.60.080. Public board meetings. The meetings of the board are public except meetings to discuss and pass on loan applications. (§ 1 ch 162 SLA 1966)

Sec. 44.60.090. Quorum and notice of meetings. Four members, which may include the commissioner of commerce and economic development, constitute a quorum for the transaction of business unless the bylaws require a larger number, except that notice of a meeting of the board must be given to each member. (§ 1 ch 162 SLA 1966; am § 3 ch 129 SLA 1967; am § 103 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment substituted "commissioner of commerce and economic development" for "commissioner of economic development."

Sec. 44.60.100. Minutes of meetings. The board shall keep minutes of each meeting and send a certified copy to the governor. (§ 1 ch 162 SLA 1966)

Sec. 44.60.110. Executive vice president. The board may employ an executive vice president to manage the corporation. He must be professionally trained and experienced in the performance of his duties. His selection is subject to the approval of the governor. The executive vice president may not have any financial or business interest that might conflict with the management of the corporation in the best public interest. The board may delegate powers and duties to the executive vice president. (§ 1 ch 162 SLA 1966)

Sec. 44.60.120. Employees' bonds. The corporation shall bond its employees. The amount of a bond is determined by the board. (§ 1 ch 162 SLA 1966)

Article 2. Powers

Section
130. Powers
140. Annual report
150. Annual audits

Sec. 44.60.130. Powers. (a) In the effectuation of its corporate purposes stated in § 10 of this chapter, the corporation may

(1) exist continously as a corporation;

(2) adopt a seal;

(3) adopt bylaws and regulations governing the business of the corporation;

(4) sue and be sued;

(5) appoint officers, employees, trustees for certificate holders, and agents, and prescribe their powers and duties;

(6) make contracts and execute instruments necessary or convenient in the exercise of its corporate powers;

(7) acquire by purchase, lease, bequest, devise, gift, the satisfaction of debts, or the foreclosure of mortgages, and hold, maintain, use, operate, and convey real or personal property;

(8) borrow money and issue secured and unsecured evidence of indebtedness, including negotiable revenue debentures, for a corporate purpose, or fund, refund, pay, or discharge outstanding obligations, and enter into agreements and contracts concerning these obligations;

(9) secure the payment of its obligations by pledge or mortgage or other lien on its contracts, revenues, income, or property, except that it may not incur secondary liability by guaranty or endorsement of the obligations of another corporation or legal entity, except endorsement of checks, bank drafts, or other commercial paper in the ordinary course of business;

(10) accept grants on loans from and contract with the federal government, the state, or its political subdivisions, and to that end comply with the provisions of federal, state, or local programs when necessary;

(11) lease, alienate, and dispose of property;

(12) acquire, hold, and dispose of stocks, memberships, contracts, bonds, or other interests in another corporation or legal entity, and exercise the powers or rights in connection with these interests which are provided in contracts or agreements and which are allowed by law concerning the satisfaction of debts;

(13) do what is necessary to carry out the powers granted by this chapter or other laws of the state, or the laws and regulations of the federal government.

(b) The corporation may not pledge the credit or the taxing power of the state or its political subdivisions. The state and its political subdivisions are not liable for the debts of the corporation. (§ 1 ch 162 SLA 1966)

Sec. 44.60.140. Annual report. Before December 1 of each year, the board shall submit to the governor and the legislature a comprehensive report describing the operations, fiscal transactions, financial condition, and future plans of the board. The governor may prescribe the form of the report. (§ 1 ch 162 SLA 1966)

Sec. 44.60.150. Annual audits.(a) The board shall have its financial records audited annually. The legislative auditor shall conduct the annual audit. If an audit conducted by a certified public accountant is satisfactory in the judgment of the legislative auditor, it may be accepted instead of the state audit. The legislative auditor may prescribe the form and content of the financial records of the board and may have access to these records at any time.

(b) The state bank examiner shall examine the records of the corporation at least annually. (§ 1 ch 162 SLA 1966)

Article 3. Financial Provisions.

Section
160. Capital
170. Bonds, notes, and debentures
190. Nature of corporation obligations
200. Negotiability of obligations
210. Authorization and contents of issuance
220. Additional provisions of resolution authorizing obligations
230. Manner of sale
240. Nonliability of corporation members
250. Nonliability of state
260. Rights of obligation holders

Sec. 44.60.160. Capital. Appropriations and loans from the state general fund necessary for the operation of the corporation are authorized. (§ 1 ch 162 SLA 1966)

Sec. 44.60.170. Bonds, notes, and debentures. The corporation may issue negotiable bonds, notes and debentures in such principal amounts as is considered necessary to provide sufficient funds for achieving its corporate purposes stated in § 10 of this chapter, including the payment of interest of bonds of the corporation, the establishment of reserves to secure bonds, notes and debentures, and all other expenditures of the corporation incidental to and necessary or convenient to carry out the corporate purposes. (§ 1 ch 162 SLA 1966)

Sec. 44.60.190. Nature of corporation obligations. Except as otherwise expressly provided by the corporation, every issue of its notes, debentures or bonds is a general obligation of the corporation payable out of any revenues or money of the corporation, subject only to agreements with the holders of particular notes, debentures or bonds pledging particular receipts or revenues. (§ 1 ch 162 SLA 1966)

Sec. 44.60.200. Negotiability of obligations. Whether or not the notes, debentures, or bonds are of the form and character to be negotiable instruments under the provisions of the negotiable instruments law, the notes, debentures or bonds of the corporation are negotiable instruments within the meaning of and for the purposes of the negotiable instruments law. (§ 1 ch 162 SLA 1966)

Sec. 44.60.210. Authorization and contents of issuance. The notes, debentures, and bonds shall be authorized by resolution of the board of directors of the corporation. The notes, debentures, and bonds shall bear the date or dates, and mature at the time or times in the case of a note or debenture or renewals not to exceed five years from the date of issue of the original note or debenture, and in the case of a bond, not to exceed 50 years from the date of issue, as the resolution or resolutions may provide. The notes, debentures, and bonds shall bear interest at the rate or rates, be in the denominations, be in the form, either coupon or registered, be executed in the manner, be payable in the medium of payment at the place or places, be subject to the terms of redemption and carry the registration pledges which the resolution or resolutions may provide. (§ 1 ch 162 SLA 1966)

Sec. 44.60.220. Additional provisions of resolution authorizing obligations. The resolutions authorizing issuance of notes, debentures or bonds may contain provisions which shall be a part of the contract with the holder as to

(1) pledging all or part of the money received in payment of the loans made by the corporation and interest on the loans, and other money received or to be received, to secure the payment of the notes, debentures or bonds or of any issue of them subject to existing agreements with bondholders or noteholders, or debenture holders;

(2) pledging all or a part of the assets of the corporation, including any mortgages or other documents or agreements, to secure the payment of the notes, debentures or bonds or any issue of notes, debentures, or bonds, subject to existing agreements with noteholders, debenture holders, or bondholders;

(3) the application, use and disposition of the revenues and receipts to be derived by the corporation from its loans;

(4) the setting aside of reserves or sinking funds and the regulation and disposition of them;

(5) limitations on the purpose to which the proceeds of sale of notes, debentures or bonds may be applied and pledging the proceeds to secure the payment of notes, debentures or bonds or of an issue of them;

(6) limitations on the issuance of additional notes, debentures or bonds, the terms upon which additional notes, debentures or bonds may be issued and secured, or the refunding of outstanding or other notes, debentures or bonds;

(7) the procedure, if any, by which the terms of a contract with noteholders, bondholders or debenture holders may be amended or abrogated, the amount of notes, debentures, or bonds the holders of which must consent thereto, and the manner in which the consent may be given;

(8) vesting in a trustee or trustees the property, rights, powers, and duties in trust as the corporation may determine, which may include any or all of the rights, powers, and duties of the trustee appointed by the bondholders under this section, and limiting or abrogating the right of the bondholders to appoint a trustee under this section, or limiting the rights, powers and duties of the trustee;

(9) The replacement of lost, destroyed or mutilated bonds, notes and debentures;

(10) any other matter which affects the security or protects the notes, bonds or debentures. (§ 1 ch 162 SLA 1966)

Sec. 44.60.230. Manner of sale. The notes, debentures, and bonds of the corporation may be sold at public or private sale at a price determined by the corporation. (§ 1 ch 162 SLA 1966)

Sec. 44.60.240. Nonliability of corporation members. The members of the corporation and persons executing the notes, debentures or bonds

are not liable personally on the notes, debentures or bonds or subject to personal liability or accountability by reason of their issuance. It is the intention of the legislature that a pledge made with respect to the bonds, notes or debentures shall be valid and binding from the time the pledge is made that the money or property so pledged thereafter received by the corporation shall immediately be subject to the lien of the pledge without physical delivery or further act; and that the lien of the pledge is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the corporation, irrespective of whether the parties have notice thereof. Either the resolution, trust indenture or any other instrument by which a pledge is made may be recorded. (§ 1 ch 162 SLA 1966)

Sec. 44.60.250. Nonliability of state. The state is not liable on notes, bonds or debentures of the corporation and the notes, bonds, or debentures are not a debt of the state. (§ 1 ch 162 SLA 1966)

Sec. 44.60.260. Rights of obligation holders. Subject to contractual limitations or restrictions under §§ 170 — 250 of this chapter, the holder of bonds, notes or debentures, in addition to other remedies, may by appropriate action, require the corporation to carry out its covenants and agreements made with or for the holder's benefit. (§ 1 ch 162 SLA 1966)

Article 4. General Provisions.

Section		Section	
270.	Small business development revolving fund	340.	Regulations
280.	Repayment to general fund	350.	Severability
290.	Investments by association	360.	Expenses
300.	Tax exemption	370.	Board may employ personnel
310.	Corporation's interest	380.	Personnel exempt from State Personnel Act
320.	General limitations on loans	390.	Definition
330.	Dissolution		

Sec. 44.60.270. Small business development revolving fund. There is established a small business development revolving fund which shall be administered by the board of directors exclusively for the purposes of this chapter. The fund is composed of money appropriated by the legislature to the corporation for the purposes of this chapter. Expenditures may be made from this fund for the administration of this chapter as well as for the loans authorized by the provisions of this chapter. The corporation may pledge any money in this fund to secure the payment of any bonds, notes or debentures issued under this chapter. (§ 1 ch 162 SLA 1966)

Sec. 44.60.280. Repayment to general fund. All money made available to the small business development revolving fund from the general fund of the state is a loan from the general fund. All surplus at the end of a fiscal year over amounts made available to the fund from

the general fund of the state shall be repaid to the general fund until the loan is repaid in full. Repayments need not begin until after the first five complete fiscal years after the fund is created. (§ 1 ch 162 SLA 1966)

Sec. 44.60.290. Investments by association. The corporation shall place money held in the reserve funds or in the small business development revolving fund in one or more of the following: deposits in banks or trust companies having their principal places of business in the United States; or obligations of the United States, the state, or its political subdivisions if the obligations are secured by the general taxing power of the obligor. (§ 1 ch 162 SLA 1966)

Sec. 44.60.300. Tax exemption. Because the purpose of the corporation, as an instrumentality of the state, is to benefit the people of Alaska by increasing their commerce, prosperity, and general well-being, the corporation is exempt from all taxes and assessments in the state. Bonds, notes and debentures issued by the corporation, their transfer and their income are exempt from all taxes and assessments in the state. (§ 1 ch 162 SLA 1966)

Sec. 44.60.310. Corporation's interest. The rate of interest charged for the corporations's share of a development loan shall be determined by the board and may exceed the legal contract rate of interest as set by state law, but the average rate of interest of the loan shall not exceed the legal rate of interest. The corporation may also charge reasonable loan commitment fees. (§ 1 ch 162 SLA 1966)

Sec. 44.60.320. General limitations on loans. (a) In making loans, the board shall consider the proposed collateral, the purpose of the loan, the integrity and management ability of the borrower, and the borrower's past and prospective earnings.

(b) The board may make only loans that are economically advantageous to the state and the general public welfare. No loans shall be made unless the local development company has obtained a firm commitment, satisfactory to the corporation, from the Small Business Adminstration under the provisions of the Small Business Investment Company Act of 1958 as amended (15 U.S.C. § 696) and from other sources for the total cost of the project, exclusive of loans requested from the corporation.

(c) The board may make a development loan to a responsible borrower only if other credit, in addition to that of the Small Business Administration, is not readily available on reasonable terms. Before making a loan, the board shall determine, so far as it is reasonably possible, that the first opportunity to grant the loan is given to banking or financial institutions of the state and that the Alaska State Development Corporation cannot or does not desire to make the loan. (§ 1 ch 162 SLA 1966)

Sec. 44.61.010. Legislative finding and policy. (a) The legislature finds, determines and declares that

(1) there exist areas of the state in which seasonal and nonseasonal unemployment exist;

(2) this unemployment is a serious menace to the health, safety and general welfare, not only to the people in those areas, but also to the people of the entire state;

(3) the state lacks the basic manufacturing and industrial enterprises necessary to permit adequate development of its natural resources and the balanced growth of its economy;

(4) the establishment of industrial and manufacturing plants in Alaska is essential to the development of the natural resources and the long term economic growth of the state, and will directly and indirectly alleviate unemployment in the state;

(5) The achievement of the goal of full employment, and of establishment and continuing operation and development of industrial and manufacturing plants in the state, will be accelerated and facilitated by the creation of an instrumentality of the state with powers to incur debt for acquiring or constructing industrial and manufacturing plants for private operation and thus provide financial assistance for the establishment, operation and development of these plants on a basis offsetting in whole or in part the construction, marketing or other costs involved in the projects.

(b) It is declared to be the policy of the state, in the interests of promoting the health, security and general welfare of all the people of the state, and a public purpose, to increase job opportunities and otherwise to encourage the economic growth of the state, including the development of its natural resources, through the establishment of manufacturing and industrial enterprises by creating the public corporation with power, duties and functions as provided in this chapter. (§ 1 ch 64 SLA 1967)

Sec. 44.61.020. Creation of authority. There is created the Alaska Industrial Development Authority. The authority is a public corporation of the state and a body corporate and politic constituting a political subdivision within the Department of Commerce and Economic Development, but with separate and independent legal existence. (§ 1 ch 64 SLA 1967; am § 104 ch 213 SLA 1976)

Effect of amendment. — The 1976 amendment substituted "Department of Commerce and Economic Development" for "Department of Economic Development" in the second sentence.

Sec. 44.61.030. Membership of the authority. (a) The membership of the authority consists of the commissioner of commerce and economic development, the commissioner of revenue and the commissioner of natural resources, serving ex officio. If a state officer who is a member of the authority is unable for any reason to attend a meeting of the authority, he may by an instrument in writing filed with the authority, designate his deputy or assistant commissioner to act in his place as a member at the meeting. For all purposes of this chapter, the designee is a member of the authority at the meeting.

(b) After each time a certified copy of the resolution of the governing body of the political subdivision of the state, if any, in which a project is to be located consenting to a location as provided in § 160 of this chapter is filed with the authority, and the authority has made the findings regarding the project set out in the section, the governing body may by resolution appoint three persons who shall in connection only with subsequent action by the authority found by the chairman to concern the project, constitute membership of the authority. Persons so appointed shall be residents of the political subdivision and may be members of its governing body, and are considered members of the authority for purposes of § 50 of this chapter only in connection with action by the authority concerning the project.

(c) Each further member of the authority appointed by the governing body serves as, and for all purposes of this chapter is, a member of the authority serving at the pleasure of the governing body until such time as bonds of the authority are issued under this chapter to finance any part of the project described in the resolution of the governing body consenting to the location, or the authority determines by resolution that the bonds will not be issued. (§ 1 ch 64 SLA 1967; am § 7 ch 207 SLA 1975)

Effect of amendment. — The 1975 amendment in the first sentence of subsection (a), inserted "and economic development" and substituted "commissioner of revenue" for "commissioner of economic development."

Sec. 44.61.040. Chairman and vice-chairman. The commissioner of commerce and economic development is the chairman of the authority, presides over all meetings, and has the duties which the authority may direct. A vice-chairman may be elected by the authority from among its other members for one or more terms of one year each. The vice-chairman presides over all meetings in the absence of the commissioner of commerce and economic development and has other duties which the authority may direct. (§ 1 ch 64 SLA 1967; am § 105 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment substituted "commissioner of commerce and economic development" for "commissioner of economic development" in the first and third sentences.

Sec. 44.61.050. Meetings, compensation, officers and employees. (a) A majority of the members of the authority constitutes a quorum for the transaction of business or the exercise of a power or function at a meeting of the authority. In case of a tie vote on a motion or resolution pending before the authority the motion or resolution shall be presented to the governor and if approved by him, is considered adopted by the authority.

(b) The members of the authority serve without salary but each member is entitled to reimbursement from authority funds for actual and necessary expenses incurred in the performance of his official duties as a member of the authority.

(c) The authority may appoint persons as officers it considers advisable, including an executive director or executive vice-president, and may employ professional advisors, counsel, technical experts, agents, and other employees it considers advisable. (§ 1 ch 64 SLA 1967)

Article 2. Purpose and Powers.

Section
70. Purpose of the authority
80. Powers of the authority

Sec. 44.61.070. Purpose of the authority. The purpose of the authority is to promote, develop and advance the general prosperity and economic welfare of the people of Alaska, to relieve problems of unemployment and to create additional employment by providing a means of financing industrial and manufacturing plant construction, conversion or expansion within the state, including the acquisition of real property, for lease or sale to business enterprises for industrial or manufacturing purposes. (§ 1 ch 64 SLA 1967)

Sec. 44.61.080. Powers of the authority. In furtherance of its corporate purposes, the authority has the following powers in addition to its other powers:

(1) to sue and be sued;

(2) to have a seal and alter it at pleasure;

(3) to make and alter bylaws for its organization and internal management;

(4) to make rules and regulations governing the exercise of its corporate powers;

(5) to acquire, whether by construction, purchase, gift or lease, and to improve and equip projects in the state;

(6) to lease to others a project acquired by it for the rentals and upon the terms and conditions the authority may consider advisable, including, without limitation, provisions for options to purchase or renew;

(7) to issue bonds to pay the cost of acquiring by construction, purchase or lease or improving and equipping a project and to secure payment of the bonds as provided in this chapter;

(8) to sell, exchange, donate, convey or encumber in any manner by mortgage or by creation of any other security interest, real or personal property owned by it, or in which it has an interest, when, in the judgment of the authority, the action is in furtherance of its corporate purposes;

(9) to accept gifts, grants or loans from, and enter into contracts or other transactions regarding them, with a federal agency or an agency or instrumentality of the state, a municipality, private organization or other source;

(10) to deposit or invest its funds, subject to agreements with bondholders;

(11) to enter into contracts or agreements with respect to the exercise of any of its powers, and do all things necessary or convenient to carry out its corporate purposes and exercise the powers granted in this chapter. (§ 1 ch 64 SLA 1967)

Article 3. Financial Provisions.

Section		Section	
90.	Bonds of the authority	130.	Pledge of the state
100.	Trust indentures and trust agreements	140.	Exemption from taxation
110.	Validity of pledge	150.	Bonds legal investments for fiduciaries
120.	Nonliability on bonds		

Sec. 44.61.090. Bonds of the authority. (a) The authority may borrow money and may issue bonds therefor, including but not limited to bonds on which the principal and interest are payable, (1) exclusively from the income and receipts or other money derived from the project financed with the proceeds of the bonds, (2) exclusively from the income and receipts or other money derived from designated projects whether or not they are financed in whole or in part with the proceeds of the bonds, or (3) from its income and receipts or other assets generally, or a designated part or parts of them.

(b) Bonds shall be authorized by resolution of the authority, and be dated and shall mature as the resolution may provide, except that no bond may mature more than 40 years from the date of its issue. Bonds shall bear interest at the rate or rates, be in the denominations, be in the form, either coupon or registered, carry the registration privileges, be executed in the manner, be payable in the medium of payment, at the place or places, and be subject to the terms of redemption which the resolution or a subsequent resolution may provide.

(c) All bonds, regardless of form or character, shall be negotiable instruments for all the purposes of the Uniform Commercial Code.

(d) All bonds may be sold at public or private sale in the manner, for the price or prices, and at the time or times which the authority may determine.

(e) Before the issuance of any bonds, the authority shall make provision by lease or other agreement regarding the project or projects being financed by the issue of the bonds for rentals or other considerations at least sufficient, in the judgment of the authority, to pay the principal of and interest on the bonds as they become due and to create and maintain the reserves therefor as the authority considers necessary or desirable and to meet all obligations in connection with the lease or other agreement and all costs necessary to service the bonds unless the lease or agreement provides that the obligations are to be met or costs are to be paid by a party other than the authority.

(f) The superior court shall have jurisdiction to hear and determine suits, actions or proceedings relating to the authority, including suits, actions or proceedings brought to foreclose or otherwise enforce a mortgage, pledge, assignment or security interest or brought by or for the benefit or security of a holder of its bonds or by a trustee for or other representative of the holders. (§ 1 ch 64 SLA 1967)

Sec. 44.61.100. Trust indentures and trust agreements. In the discretion of the authority, an issue of bonds may be secured by a trust indenture or trust agreement between the authority and a corporate trustee (which may be a trust company, bank, or national banking association, with corporate trust powers, located inside or outside the state) or by a secured loan agreement or other instrument or under a resolution giving powers to a corporate trustee (hereinafter in this section referred to as "trust agreement") by means of which the authority may:

(1) make and enter into any and all the covenants and agreements with the trustee or the holders of the bonds which the authority may determine to be necessary or desirable, including, without limitation, covenants, provisions, limitations and agreements as to

(A) the application, investment, deposit, use and disposition of the proceeds of bonds of the authority or of money or other property of the authority or in which it has an interest;

(B) the fixing and collection of rents or other consideration for, and the other terms to be incorporated in a lease or contract of sale of a project;

(C) the assignment by the authority of its rights in the lease or contract of sale of a project or in a mortgage or other security interest created with respect to a project to a trustee for the benefit of bondholders;

(D) the terms and conditions upon which additional bonds of the authority may be issued;

(E) the vesting in a trustee of rights, powers, duties, funds or property in trust for the benefit of bondholders, including, without

limitation, the right to enforce payment, performance and all other rights of the authority or of the bondholders, under a lease, contract of sale, mortgage, security agreement, or trust agreement with respect to a project by mandamus or other proceeding or by taking possession of by agent or otherwise and operating a project and collecting rents or other consideration and applying the same in accordance with the trust agreement;

(2) pledge, mortgage or assign money, leases, agreements, property or other assets of the authority either presently in hand or to be received in the future, or both; and

(3) provide for any other matters of like or different character which in any way affect the security or protection of the bonds. (§ 1 ch 64 SLA 1967)

Sec. 44.61.110. Validity of pledge. It is the intention of the legislature that a pledge made in respect of bonds shall be valid and binding from the time the pledge is made; that the money or property so pledged and thereafter received by the authority shall immediately be subject to the lien of the pledge without physical delivery or further act; and that the lien of the pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether the parties have notice. Neither the resolution, trust agreement nor any other instrument by which a pledge is created need be recorded or filed under the provisions of the Uniform Commercial Code to be valid, binding or effective against the parties. (§ 1 ch 64 SLA 1967)

Sec. 44.61.120. Nonliability on bonds. (a) Neither the members of the authority nor a person executing the bonds are liable personally on the bonds or are subject to personal liability or accountability by reason of the issuance of the bonds.

(b) The bonds issued by the authority do not constitute an indebtedness or other liability of the state or of a political subdivision of the state, except the authority, but shall be payable solely from the income and receipts or other funds or property of the authority. The authority may not pledge the faith or credit of the state or of a political subdivision of the state (except the authority) to the payment of a bond and the issuance of a bond by the authority does not directly or indirectly or contingently obligate the state or a political subdivision of the state to apply money from, or levy or pledge any form of taxation whatever to the payment of the bond. (§ 1 ch 64 SLA 1967)

Sec. 44.61.130. Pledge of the state. The state pledges to and agrees with the holders of bonds issued under this chapter and with the federal agency which loans or contributes funds in respect to a project, that the state will not limit or alter the rights and powers vested in the authority by this chapter to fulfill the terms of a contract made by the authority with the holders or federal agency, or in any way impair the rights and

remedies of the holders until the bonds, together with the interest on them with interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met and discharged. The authority is authorized to include this pledge and agreement of the state, insofar as it refers to holders of bonds of the authority, in a contract with the holders, and insofar as it relates to a federal agency, in a contract with the federal agency. (§ 1 ch 64 SLA 1967)

Sec. 44.61.140. Exemption from taxation. (a) The real and personal property of the authority and its assets, income and receipts are declared to be the property of a political subdivision of the state and, together with any project financed under this chapter and a leasehold interest created in a project occupant or other person under this chapter, devoted to an essential public and governmental function and purpose, and the property, assets, income, receipts, project and leasehold interests shall be exempt from all taxes and special assessments of the state or a political subdivision of the state, including, without limitation, all boroughs, cities, municipalities, school districts, public utility districts and other taxing units. All bonds of the authority are declared to be issued by a political subdivision of the state and for an essential public and governmental purpose and to be a public instrumentality and the bonds, and the interest on them, the income from them and the transfer of the bonds, and all assets, income and receipts pledged to pay or secure the payment of the bonds, or interest on them, shall at all times be exempt from taxation by or under the authority of the state, except for inheritance and estate taxes and taxes on transfers by or in contemplation of death. Nothing in this section shall affect or limit an exemption from license fees, property taxes, or excise, income or any other taxes, provided under any other law.

(b) The authority may enter into agreements with a proposed project occupant or project occupant providing for payments, computed on a formula basis or otherwise, in lieu of taxes, which the authority may consider appropriate. The agreement may provide that the payments be made to the political subdivision of the state in which a project is or is to be located or to any other taxing unit of the state including, without limitation, a borough, city, municipality, school district or public utility district, the area of which is coterminous in whole or in part with that of the political subdivision.

(c) For the purposes of AS 14.17 relating to the computation of the required local effort by a district as defined in AS 14.17.250(3), all property exempted from taxation by this chapter shall be considered taxable real and personal property. (§ 1 ch 64 SLA 1967)

Cited in City of Nome v. Block No. H, Lots 5, 6 & 7, Sup. Ct. Op. No. 839 (File No. 1652), 502 P.2d 124 (1972).

Sec. 44.61.150. Bonds legal investments for fiduciaries. The bonds of the authority are securities in which all public officers and bodies of the state and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks, savings associations, including savings and loan associations and building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the state, may properly and legally invest funds including capital in their control or belonging to them. Notwithstanding any other provisions of law, the bonds of the authority are also securities which may be deposited with and may be received by all public officers and bodies of this state and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of the state is now or may hereafter be authorized. (§ 1 ch 64 SLA 1967)

Article 4. General Provisions.

Section	Section
160. Findings of the authority	200. Annual audit
170. Purchase of project and leases	210. Annual report
180. Conflicts of interest	220. Definitions
190. Operation of certain statutes excepted	

Sec. 44.61.160. Findings of the authority. Before entering into a lease or other agreement regarding a project as mentioned in § 90(e) of this chapter there must have been filed with the authority a certified copy of a resolution of the governing body of the political subdivision of the state, if any, in which the project is to be located, consenting to the location (which consent need only refer to the general nature of the project ultimately to be acquired as set out in a request of the proposed project occupant), and the authority must find, on the basis of all information reasonably available to it, that

(1) the project and its development under this chapter will be economically advantageous to the state and the general public welfare and will contribute to the economic growth of the state;

(2) the project occupant is financially responsible; and

(3) provision to meet increased demand upon public facilities that might result from the project is reasonably assured. (§ 1 ch 64 SLA 1967)

Sec. 44.61.170. Purchase of project and leases. (a) No provision of this chapter may prevent the inclusion in a lease or other agreement relating to a project of a provision granting the right to purchase the project, or to renew or extend the lease or agreement, upon the terms and conditions which may be provided for in the lease or agreement.

(b) A lease with respect to a project may provide for two or more lessees with the legal relationship between themselves and the authority which the authority may approve, including without limitation, provisions to the effect that the obligations of the lessees under the lease for payment of rental or otherwise between themselves and the authority are several, joint, or joint and several and that the lessees lease the project as tenants-in-common, or otherwise. (§ 1 ch 64 SLA 1967)

Sec. 44.61.180. Conflicts of interest. (a) No member of the authority may vote on a resolution of the authority relating to a lease or contract to be entered into by the authority under this chapter if he is a party to the lease or contract or has a direct ownership or equity interest in a firm, partnership, corporation or association which may be a party to the contract or lease. If a person may not vote because of this prohibition, for all purposes regarding action of the authority relating to adoption of the resolution, the position of the persons as a member shall be transferred to the first one of the following state officers who is not then acting as a member and would not be prohibited from voting on the resolution because of the same prohibition: commissioner of administration, attorney general, commissioner of revenue, commissioner of health and welfare, commissioner of labor, commissioner of public works, commissioner of public safety.

(b) The state officer serves as a member from time to time and for all purposes of this chapter is a member for the purpose of voting on the resolution but after each vote the authority shall again consist of members referred to in § 30 of this chapter only, until one or more members may not again vote on a resolution because of the prohibition. (§ 1 ch 64 SLA 1967)

Sec. 44.61.190. Operation of certain statutes excepted. (a) The authority shall not be considered or constitute (1) a political subdivision of the state as the term is used in AS 37.10.085, (2) a municipal corporation or political subdivision of the state as the terms are used in AS 29, or (3) a state agency as the term is used in AS 37, but for all other purposes the authority constitutes a political subdivision and an instrumentality of the state as provided in this chapter.

(b) The funds, income or receipts of the authority shall not be considered or constitute money of the state, nor shall real property in which the authority has an interest be considered land owned in fee by the state or to which the state may become entitled or in any way lands belonging to the state, or state lands referred to in Art. VIII of the Alaska Constitution. (§ 1 ch 64 SLA 1967)

Sec. 44.61.200. Annual audit. The authority shall have its financial records audited annually by the legislative auditor or by a certified public accountant approved by the legislative auditor. The legislative auditor may prescribe the form and content of the financial records of the authority and shall have access to these records at any time. (§ 1 ch 64 SLA 1967)

Sec. 44.61.210. Annual report. Before December 1 of each year, the authority shall submit to the governor and the legislature a comprehensive report, in form prescribed by the governor, describing operations, income and expenditures for the preceding 12-month period. (§ 1 ch 64 SLA 1967)

Sec. 44.61.220. Definitions. In this chapter

(1) "authority" means the Alaska Industrial Development Authority created by this chapter;

(2) "business enterprise" means a corporation, firm, partnership or other association of persons organized in any manner, or a single proprietorship;

(3) "federal agency" means the United States and any officer, department, agency or instrumentality of the United States;

(4) "governing body of a political subdivision" means, when used with respect to the location of a project, the council of a city if the project is to be located in a city in the unorganized borough, or the borough assembly if the project is to be located in an organized borough;

(5) "industrial plant" or "manufacturing plant" means a plant used or intended for use in connection with making, processing, preparing, or producing in any manner, goods, products or substances of any kind or nature or in connection with developing or utilizing a natural resource, or extracting, smelting, transporting, converting, assembling or producing in any manner, minerals, raw materials, chemicals, compounds, alloys, fibers, commodities and materials, products or substances of any kind or nature;

(6) "plant" means real property, whether above or below mean high water, or an interest in it, and the buildings, improvements and structures constructed or to be constructed on or in it, whether above, at or below ground or water level, and may include fixtures, machinery and equipment on it or in it;

(7) "project" means a manufacturing or industrial plant or plants, the construction or acquisition of which is to be financed in whole or in part by the authority under this chapter and the reasonable aggregate project cost of which to be financed by the authority under this chapter will exceed, in the opinion of the authority, $500,000;

(8) "project cost" or "cost of a project" means all or any part of the aggregate costs determined by the authority to be necessary to finance the construction or acquisition of a project, including without limitation the cost of acquiring real property, the cost of constructing buildings and improvements, the cost of constructing means of access to and from the project, the cost of constructing extensions of utility systems to the site of the project, the cost of financing the project, including, without limitation, interest charges before, during or after construction or acquisition of the project, costs related to the determination of the feasibility, planning, design or engineering of the project and, to the extent determined necessary by the authority, administrative expenses,

the cost of machinery or equipment to be used in the operation of the project and expenses of installation, replacement or rehabilitation, and all other costs, charges, fees and expenses which may be determined by the authority to be necessary to finance the construction or acquisition;

(9) "project occupant" means a business enterprise or enterprises proposing to use and occupy a project;

(10) "real property" means land and rights and interests in land, including, without limitation, interests less than full title such as easements, uses, leases, and licenses;

(11) "lease" includes, when used as a noun, an interest in, or when used as a verb, the transfer of an interest in, real property less than fee simple title, including, without limitation, when used as a noun, agreements to use or occupy real property. (§ 1 ch 64 SLA 1967)

Part 5. Administrative Procedure.

Chapter

62. Administrative Procedure Act (§§ 44.62.010 — 44.62.650)

Chapter 62. Administrative Procedure Act.

Article

1. Application and Effect (§§ 44.62.010 — 44.62.030)
2. Submission, Filing and Publication of Regulations (§§ 44.62.040 — 44.62.125)
3. The Alaska Administrative Register and Code (§§ 44.62.130 — 44.62.170)
4. Procedure for Adopting Regulations (§§ 44.62.180 — 44.62.290)
5. Judicial Review (§ 44.62.300)
6. Agency Meetings Public (§§ 44.62.310 — 44.62.312)
7. Legislative Review of Rules (§ 44.62.320)
8. Administrative Adjudication (§§ 44.62.330 — 44.62.630)
9. General Provisions (§§ 44.62.640 — 44.62.650)

Revisor's note (1971). — In this chapter "secretary of state" has been changed to "lieutenant governor" in conformity with the 1970 Alaska constitutional amendment (SJR 2) changing the designation of that office.

Article 1. Application and Effect.

Section

10. Application to State Organization Act of 1959
20. Authority to adopt, administer, or enforce regulations
30. Consistency between regulation and statute

Sec. 44.62.010. Application to State Organization Act of 1959. Rule-making power conferred by ch. 64 SLA 1959 is subject to this chapter. (§ 2(4) art I (ch 1) ch 143 SLA 1959)

Revisor's note. — It is not possible to eliminate the reference to ch 64 SLA 1959 in the above section. The rule-making powers referred to are scattered throughout this revision. However, most of ch 64 SLA 1959 is found in part 2 of this title.

Legislative committee report. — For legislative committee report on original bill, see House Journal (1959), pp. 394-397.

This chapter applies to the Alaska State Housing Authority. Alaska State Housing Auth. v. Dixon, Sup. Ct. Op. No. 793 (File No. 1529), 496 P.2d 649 (1972).

commissioner on the judgment shall be deposited to the fund. (§ 1 ch 143 SLA 1974)

Sec. 45.85.100. Purchase of bond.

Repealed by § 1 ch 51 SLA 1977.

Editor's note. — The repealed section derived from § 1, ch. 143, SLA 1974.

Sec. 45.85.110. Disciplinary action against brokers and salesmen. This chapter neither limits the authority of the Real Estate Commission to take disciplinary action against any person licensed under AS 08.88, nor does repayment in full of all obligations to the real estate surety fund nullify or modify the effect of disciplinary proceedings brought under the provisions of AS 08.88. (§ 1 ch 143 SLA 1974)

Chapter 86. Water Resources Revolving Loan Fund.

Section		Section	
10.	Fund established	40.	Administration of loans
20.	Fund utilization	50.	Eligibility for project loans
30.	Loan fund source	60.	Definitions

Effective date of chapter. — Section 2, ch. 218, SLA 1975, makes this chapter effective on July 3, 1975, in accordance with AS 01.10.070(c).

Sec. 45.86.010. Fund established. There is established as a separate fund the water resources revolving loan fund. Loans from this fund are to be used to develop and conserve in the public interest the water resources of Alaska. (§ 1 ch 218 SLA 1975; am § 1 ch 124 SLA 1977)

Effect of amendment. — The 1977 amendment deleted "using state revenues from mineral development" from the end of the section.

Legislative committee report. — For report on ch. 124, SLA 1977 (HB 356am), see 1977 Senate Journal, p. 1290.

Sec. 45.86.020. Fund utilization. (a) Loans from the fund shall be for a term not to exceed 50 years, and the rate of interest shall be not less than three nor more than five per cent a year on the unpaid balance. The repayment schedule shall be as determined by the department. Repayment of a loan shall commence at the date of commercial operation of the project or 10 years from the date the loan is granted, whichever is sooner.

(b) The loans may be used for capital construction projects, for hydroelectric generation and potable water supply including surface

storage and groundwater sources and transmission of water from surface storage to the existing distribution system, and development of hydroelectric generating facilities including transmission of power to the load center. Loans may be made to applicants for new or existing projects including feasibility and preconstruction engineering studies, expenses incurred in securing necessary permits and licenses, design of the project and construction of capital improvements. Existing hydroelectric and water supply projects may be expanded or rehabilitated with loan funds under this chapter if the rehabilitation and expansion is a capital improvement project.

(c) Loans shall be repaid to the fund by the borrower from revenue derived from the sale of electric power or water. (§ 1 ch 218 SLA 1975; am § 2 ch 124 SLA 1977)

Effect of amendment. — The 1977 amendment rewrote this section.

Sec. 45.86.030. Loan fund source. Receipts from mineral rentals and royalties shall be appropriated annually and deposited in the water resources revolving loan fund. (§ 1 ch 218 SLA 1975; am § 16 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment deleted "and from the Alaska mineral lease bonus permanent fund" following "rentals and royalties."

Sec. 45.86.040. Administration of loans. (a) Administration of the water resources revolving loan fund shall be performed by the Department of Commerce which is empowered to adopt procedures and promulgate the regulations necessary to carry out the provisions of this chapter.

(b) There is created within the department the Water Resources Revolving Loan Fund Committee chaired by the commissioner or his deputy, and including as members the director of the division of energy and power development and the director of the division of business loans. The committee shall review all applications referred to it for approval by the department.

(c) The department shall establish a priority list for the approval of project applications based upon a determination of which projects will better serve the interests of the state. An applicant may appeal the level of priority assigned to his application by requesting a review of the list of priorities by the committee. The committee, upon sufficient notice and a public hearing, may change an assigned priority. Applications not approved due to a lack of funds will retain the priority assigned and may be held for reconsideration. (§ 1 ch 218 SLA 1975; am § 3 ch 124 SLA 1977)

Effect of amendment. — The 1977 amendment rewrote subsections (b) and (c).

Sec. 45.86.050. Eligibility for project loans. A public utility is an eligible borrower for a project loan under this chapter if

(1) it is a public utility as defined in AS 42.05.701(2)(A) and (C);

(2) the utility can demonstrate in its loan application that the project is economically and technically feasible and, taking into account the low interest on loans under this chapter, is the most economical means of furnishing the proposed service. (§ 1 ch 218 SLA 1975; am § 4 ch 124 SLA 1977)

Effect of amendment. — The 1977 amendment, in paragraph (2), deleted "and" following "technically" and inserted commas following "feasible and" and following "this chapter."

Sec. 45.86.060. Definitions. In this chapter,

(1) "commissioner" means the commissioner of the Department of Commerce and Economic Development;

(2) "department" means the Department of Commerce and Economic Development. (§ 5 ch 124 SLA 1977)

Chapter 90. Tourism Revolving Fund.

Section
10. Creation of a tourism revolving fund
20. Powers and duties of the Department of Commerce
30. Limitations on loans
40. Sale or transfer of mortgages and notes

Legislative committee report. — For report on ch. 171, SLA 1972 (FCCS SCS CSHB 312), see 1971 House Journal, pp. 617, 618; 1972 House Journal, p. 556.

Sec. 45.90.010. Creation of a tourism revolving fund. There is created in the Department of Commerce a tourism revolving fund. (§ 1 ch 171 SLA 1972)

Sec. 45.90.020. Powers and duties of the Department of Commerce. (a) The department may

(1) make loans to a business directly involved in the tourist industry;

(2) designate agents and delegate powers to them as is necessary;

(3) promulgate rules and regulations necessary to carry out its functions;

(4) establish amortization plans for the repayment of loans not to exceed 20 years.

(b) The Department of Commerce shall consult with the state division or department having jurisdiction over tourism on regulations and procedures established under this chapter. (§ 1 ch 171 SLA 1972)

Sec. 45.90.030. Limitations on loans. (a) State participation in a loan to a business may not be more than $3,000,000.

(b) The loan shall be secured by acceptable collateral and may not exceed 75 per cent of the appraised value of the collateral offered as security.

(c) The rate of interest may not exceed eight per cent a year on the unpaid balance of the state's share of the loan.

(d) A loan of $150,000 or more under this chapter must be participated in by a financial institution in an amount which is not less than 20 per cent of the total amount of the loan. A loan of less than $150,000 does not require participation by a financial institution.

(e) The participating financial institution shall administer and service the loan for a reasonable fee not exceeding one-half of one per cent.

(f) The lien of the state is a first lien to the extent of its portion of the total loan and the participating financial institution shall have a first lien to the extent of its portion of the total loan. (§ 1 ch 171 SLA 1972; am §§ 1, 2 ch 4 SLA 1973; am § 5 ch 139 SLA 1977)

Effect of amendments. — The 1973 amendment substituted "State participation in a" for "No" in subsection (a), inserted "not" in that subsection, and added "of the state's share of the loan" to the end of subsection (c).

The 1977 amendment, effective September 16, 1977, substituted "$3,000,000" for "$1,000,000" in subsection (a).

Editor's note. — Section 1, ch. 139, SLA 1977, provides: "INTENT. It is the intent of the legislature to foster an awareness of the need to preserve our historic past; to protect those visible aspects of our invaluable heritage so that present and future generations may continue to be enriched by the originality and strength of Alaska's architectural and cultural beginnings."

Sec. 45.90.040. Sale or transfer of mortgages and notes. (a) The commissioner of commerce may sell or transfer at par value or at a premium or discount to any bank or other private purchaser for cash or other consideration the mortgages and notes held by the Department of Commerce as security for loans made under this chapter.

(b) The commissioner of commerce may sell or transfer at par value to the Department of Revenue the mortgages and notes held by the Department of Commerce as security for loans made under this chapter. The Department of Revenue shall purchase the mortgages and notes offered. (§ 1 ch 171 SLA 1972; am § 1 ch 141 SLA 1974)

Effect of amendment. — The 1974 amendment, in the second sentence of subsection (b), deleted "may purchase all the mortgages and notes offered and" following "Department of Revenue" and "until the current principal amount of all the mortgages and notes purchased and held by the Department of Revenue equals $5,000,000" from the end.

Chapter 95. Small Business Loans.

Section
10. Powers and duties of Department of Commerce and Economic Development in general
20. Small business loans
30. Sale or transfer of preferred commercial paper
40. Sale or transfer of mortgages and notes
50. Power of commissioner to assign and sell mortgages
60. Creation of fund
70. Eligibility for loans
80. Definitions

Sec. 45.95.010. Powers and duties of Department of Commerce and Economic Development in general. (a) The Department of Commerce and Economic Development shall formulate general policies and adopt regulations.

(b) The department may hold hearings and subpoena witnesses and documents, and administer oaths in connection with hearings.

(c) The department shall

(1) cooperate with the state and its political subdivisions and agencies;

(2) adopt regulations necessary for the conduct of its business and for carrying out the provisions of this chapter, and make necessary regulations to maintain such standards;

(3) require bonds and undertakings from persons employed by it as shall in its judgment be necessary, and pay the premiums on them;

(4) establish such regional and local offices and such advisory groups as may be necessary or considered expedient to carry out or assist in carrying out its duties and authority. (§ 8 ch 109 SLA 1971; am § 109 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment substituted "Department of Commerce and Economic Development" for "Department of Commerce" in subsection (a).

Sec. 45.95.020. Small business loans. (a) The commissioner shall, under regulations and policies adopted by him, make small business loans to acquire, finance or refinance or equip businesses, including farming equipment, mining and fishing, not exceeding $300,000. The loans shall be secured by acceptable collateral and may not exceed 75 per cent of the appraised value of the collateral offered as security. The rate of interest may not exceed eight per cent a year on the unpaid balance.

(b) The commissioner may enter into agreements with private banks, other lending institutions and individuals for the purpose of guaranteeing loans made to qualified applicants. The guarantees may not exceed 90 per cent of the amount loaned and the loans shall be secured in the same manner provided for direct loans under this section. A loan made under this subsection and guaranteed by the commissioner

and the state shall bear an interest rate not exceeding eight per cent a year on the unpaid balance.

(c) No loans authorized by this section may be made unless the commissioner is satisfied that no money is available to the applicant from private lending institutions on a guaranteed basis as set out in (b) of this section.

(d) Money loaned shall be delivered to the borrower in the form of a warrant drawn on the treasury, vouchered in the manner prescribed for state disbursing officers, and charged against the small business revolving loan fund. Each voucher shall be approved by the commissioner or any bonded deputy authorized to act as a certifying officer. Upon repayment of loans by installments, or otherwise, in accordance with the prescribed terms, or upon liquidation by foreclosure or other process, or upon receipt of interest or other revenue, the money so received shall be turned over to the commissioner of revenue for deposit in the small business revolving loan fund. (§ 8 ch 109 SLA 1971; am § 1 ch 103 SLA 1974; am § 110 ch 218 SLA 1976; am § 6 ch 139 SLA 1977)

Effect of amendments. — The 1974 amendment substituted "farming equipment, mining and fishing not exceeding $100,000" for "mining and fishing but not including farming, not exceeding $00,000" in the first sentence of subsection (a).

The 1976 amendment deleted "of commerce" following "commissioner" in the first sentence of subsection (a), in the first and third sentences of subsection (b), in subsection (c), and in the second sentence of subsection (d).

The 1977 amendment substituted "$300,000" for "$100,000" at the end of the first sentence of subsection (a).

Editor's note. — Section 1, ch. 139, SLA 1977, provides: "INTENT. It is the intent of the legislature to foster an awareness of the need to preserve our historic past; to protect those visible aspects of our invaluable heritage so that present and future generations may continue to be enriched by the originality and strength of Alaska's architectural and cultural beginnings."

Sec. 45.95.030. Sale or transfer of preferred commercial paper. The commissioner may negotiate with and transfer or sell to and repurchase from the Department of Revenue, its preferred commercial paper, not to exceed $1,000,000 for cash, when cash shall be used only for the purposes of making loans to persons eligible under this chapter. Money loaned under this section is subject to interest at the rate of two and one-half per cent a year until all principal and interest are fully paid. (§ 8 ch 109 SLA 1971; am § 111 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment deleted "of commerce" following "commissioner" in the first sentence.

Sec. 45.95.040. Sale or transfer of mortgages and notes. (a) The commissioner may sell or transfer at par value or at a premium or discount to any bank or other private purchaser for cash or other consideration the mortgages and notes held by the Department of

Commerce and Economic Development as security for loans made under this chapter.

(b) The commissioner may sell or transfer at par value to the Department of Revenue the mortgages and notes held by the Department of Commerce and Economic Development as security for loans made under this chapter. The Department of Revenue shall purchase all of these mortgages and notes offered, allowing the Department of Commerce and Economic Development a one-half of one per cent service fee. (§ 8 ch 109 SLA 1971; am § 112 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment deleted "of commerce" following "commissioner" near the beginning of subsection (a) and near the beginning of the first sentence of subsection (b), and substituted "Department of Commerce and Economic Development" for "Department of Commerce" near the end of subsection (a) and in the first and second sentences of subsection (b).

Sec. 45.95.050. Power of commissioner to assign and sell mortgages. The commissioner may assign and sell small business loan mortgages to the Alaska State Mortgage Association in consideration of receiving its cash, bonds, debentures and notes upon conditions which he considers advantageous to the state small business lending program. (§ 8 ch 109 SLA 1971; am § 113 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment deleted "of commerce" following "commissioner" near the beginning of the section.

Sec. 45.95.060. Creation of fund. There is created the small business revolving loan fund to carry out the purposes of this chapter. This fund shall be used for no other purpose. (§ 8 ch 109 SLA 1971)

Sec. 45.95.070. Eligibility for loans. A person is eligible for a loan under this chapter if

(1) he can establish or demonstrate good character, capacity for financial responsibility, ability to provide sufficient collateral and knowledge of Alaska economic conditions;

(2) he is a resident of the state; and

(3) in the judgment of the Department of Commerce and Economic Development

(A) the business shows a definite potential for growth;

(B) the borrower will be able to repay the loan; and

(C) the loan will potentially create more jobs and provide additional services in the community. (§ 8 ch 109 SLA 1971; am § 1 ch 17 SLA 1974; am § 114 ch 218 SLA 1976)

Effect of amendments. — The 1974 amendment rewrote paragraph (1).

The 1976 amendment substituted "Department of Commerce and Economic Development" for "Department of Commerce" in the introductory language of paragraph (3).

and the state shall bear an interest rate not exceeding eight per cent a year on the unpaid balance.

(c) No loans authorized by this section may be made unless the commissioner is satisfied that no money is available to the applicant from private lending institutions on a guaranteed basis as set out in (b) of this section.

(d) Money loaned shall be delivered to the borrower in the form of a warrant drawn on the treasury, vouchered in the manner prescribed for state disbursing officers, and charged against the small business revolving loan fund. Each voucher shall be approved by the commissioner or any bonded deputy authorized to act as a certifying officer. Upon repayment of loans by installments, or otherwise, in accordance with the prescribed terms, or upon liquidation by foreclosure or other process, or upon receipt of interest or other revenue, the money so received shall be turned over to the commissioner of revenue for deposit in the small business revolving loan fund. (§ 8 ch 109 SLA 1971; am § 1 ch 103 SLA 1974; am § 110 ch 218 SLA 1976; am § 6 ch 139 SLA 1977)

Effect of amendments. — The 1974 amendment substituted "farming equipment, mining and fishing not exceeding $100,000" for "mining and fishing but not including farming, not exceeding $60,000" in the first sentence of subsection (a).

The 1976 amendment deleted "of commerce" following "commissioner" in the first sentence of subsection (a), in the first and third sentences of subsection (b), in subsection (c), and in the second sentence of subsection (d).

The 1977 amendment substituted "$300,000" for "$100,000" at the end of the first sentence of subsection (a).

Editor's note. — Section 1, ch. 139, SLA 1977, provides: "INTENT. It is the intent of the legislature to foster an awareness of the need to preserve our historic past; to protect those visible aspects of our invaluable heritage so that present and future generations may continue to be enriched by the originality and strength of Alaska's architectural and cultural beginnings."

Sec. 45.95.030. Sale or transfer of preferred commercial paper. The commissioner may negotiate with and transfer or sell to and repurchase from the Department of Revenue, its preferred commercial paper, not to exceed $1,000,000 for cash, which cash shall be used only for the purposes of making loans to persons eligible under this chapter. Money loaned under this section is subject to interest at the rate of two and one-half per cent a year until all principal and interest are fully paid. (§ 8 ch 109 SLA 1971; am § 111 ch 218 SLA 1976)

Effect of amendment. — The 1976 amendment deleted "of commerce" following "commissioner" in the first sentence.

Sec. 45.95.040. Sale or transfer of mortgages and notes. (a) The commissioner may sell or transfer at par value or at a premium or discount to any bank or other private purchaser for cash or other consideration the mortgages and notes held by the Department of

Sec. 45.95.080. Definitions. In this chapter, "commissioner" means the commissioner of commerce and economic development. (§ 115 ch 218 SLA 1976)

Chapter 98. Historical District Revolving Loan Fund.

Section
10. Creation of historical district revolving loan fund
20. Historical district loans
30. Powers and duties of the department
40. Limitations on loans
50. Sale or transfer of mortgages and notes
60. Penalty provision
70. Short title

Cross references. — As to the creation of historical district commissions, see AS 29.48.108. As to the establishment of historical districts, see AS 29.48.110. As to the duty of the Historic Sites Advisory Committee with regard to historical district loans, see AS 41.35.180 (5).

Editor's note. — Section 1, ch. 139, SLA 1977, provides: "INTENT. It is the intent of the legislature to foster an awareness of the need to preserve our historic past; to protect those visible aspects of our invaluable heritage so that present and future generations may continue to be enriched by the originality and strength of Alaska's architectural and cultural beginnings."

Sec. 45.98.010. Creation of historical district revolving loan fund. There is created in the Department of Commerce and Economic Development a historical district revolving loan fund. (§ 3 ch 139 SLA 1977)

Sec. 45.98.020. Historical district loans. Upon endorsement and plan approval by a local historical district commission established under AS 29.48.108 and the recommendation of a majority of the members of the Historic Sites Advisory Committee, the Department of Commerce and Economic Development may make loans to a person, firm, business or municipality subject to applicable laws for the restoration, improvement, rehabilitation, or maintenance of a structure which is

(1) within the boundaries of a historical district established under AS 29.48.110;

(2) identified as important in state or national history as provided for in AS 29.48.110(b); and

(3) another building or structure within a historical district, and suitable for superficial modification so that it can conform to the period or motif of the surrounding buildings or structures that are the reason for the area's designation as a historical district. (§ 3 ch 139 SLA 1977)

Sec. 45.98.030. Powers and duties of the department. For purposes of administering this chapter, the Department of Commerce and Economic Development may

(1) prescribe the form and procedure for submitting loan applications under this chapter;

(2) designate agents and delegate powers to them as is necessary;

(3) in consultation with the Historic Sites Advisory Committee, adopt regulations necessary to carry out its functions, including regulations for the process of plan approval by the committee;

(4) establish amortization plans for the repayment of loans not to exceed 30 years. (§ 3 ch 139 SLA 1977)

Sec. 45.98.040. Limitations on loans. Loans made under this chapter are subject to the following limitations:

(1) state participation in all loans in the aggregate, for any one historical district qualifying under this chapter may not exceed $1,500,000;

(2) state participation in a loan for the restoration, improvement, rehabilitation or maintenance of any one building or structure qualifying under this chapter may not exceed $100,000;

(3) the loans shall be secured by acceptable collateral and may not exceed 85 per cent of the appraised value of the collateral offered as security;

(4) the rate of interest may not exceed six and one-half per cent a year on the unpaid balance of the state's share of the loan;

(5) a participating financial institution shall administer and service the loan for a reasonable fee not exceeding one-quarter of one per cent;

(6) the state has a lien on the property accepted as collateral to the extent of its portion of the loan; when the lien or notice of the lien is properly recorded it is superior to all other liens except those for taxes and special assessments; a lien of the participating financial institution, to the extent of its portion of the loan after it is properly recorded, is superior to all other liens except liens for taxes, special assessments, and the lien of the state. (§ 3 ch 139 SLA 1977)

Cross reference. — As to duty of the Historic Sites Advisory Committee to consult with local historical district commissions regarding the approval of project alterations under this section, see AS 41.35.150(b).

Sec. 45.98.050. Sale or transfer of mortgages and notes. (a) The commissioner of commerce and economic development or his designee may sell or transfer at par value or at a premium or discount to any bank or other private purchaser for cash or other consideration the mortgages and notes held by the Department of Commerce and Economic Development as security for loans made under this chapter.

(b) The commissioner of commerce and economic development or his designee may sell or transfer at par value to the Department of Revenue, the mortgages and notes held by the Department of Commerce and Economic Development as security for loans made under this

chapter. The Department of Revenue may purchase the mortgages and notes offered. (§ 3 ch 139 SLA 1977)

Sec. 45.98.060. Penalty provision. After a project for which a loan is granted is commenced, if the Department of Commerce and Economic Development or a local historical district commission, in consultation with the Historic Sites Advisory Committee, determines that the project is inconsistent with the guidelines or stipulations for construction, or otherwise fails to conform to the requirements of the loan, the interest rate on the state's share of the loan shall be increased to the highest rate of interest allowed at that time as provided in AS 45.45.010. In addition, a penalty in the amount of two per cent of the balance of the loan shall be assessed by the Department of Commerce and Economic Development. (§ 3 ch 139 SLA 1977)

Sec. 45.98.070. Short title. This chapter may be cited as the Historical District Loan Act. (§ 3 ch 139 SLA 1977)