

LEG. FINANCE - BILLS

1977 - 1978 695

CSCSHB 264

695

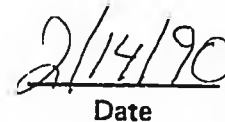


# RECORDS CERTIFICATION



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Date

Where is the book -  
Attach a copy -  
Does it have a Fin  
ref.

HB 264

May 3, 1977

James P. Lockhart  
P.O. Box 47  
Hydaburg, Alaska 99922

Honorable John Sackett  
Alaska State Senate  
Pouch V State Capitol Building  
Juneau, Alaska 99811

Dear Sir:

Enclosed is a letter sent to Governor Hammond expressing the opposition to HB 264 by permit holders and crew members of Hydaburg, Alaska. Also enclosed is an ~~3%~~ mandatory assessment ballot. On the ballot you will note the underlined sentence #5; a second ballot was mailed out to each permit holder with a white slip stating this was the second ballot, you will further note that you can use this ballot to correct any errors on the first ballot. These ballots will not be opened until 5 days after the 9th day of May 1977.

We permit holders were under the impression that when these ballots would be counted, and if the majority voted yes, then this issue would be acted upon by the legislature. Since the ballots have not been counted, legislation has been acted out on House Bill 264 and has already passed the House of Representatives.

We feel the policy and procedures presented to us by Southern Southeast Regional Aquaculture Association were not followed, and the procedure being followed is illegal.

We further feel that House Bill 264 is unnecessary for the following reasons:

1. Bond issue passed by voters fall of 1976,
2. 200 mile limit established by law,
3. Ketchikan area will have three and possibly four hatcheries funded by state and federal money:
  - a. Klawock,
  - b. Metlakatla (BIA Grant),
  - c. Ketchikan,
  - d. Possibility of hatchery on Behm Canal.

We would also like to bring to your attention that House Bill 264 would be a ~~3%~~ tax on the gross monies earned from salmon fishing, not taking into consideration the many expenses encountered by permit holders.

Sincerely,

  
James P. Lockhart

All steps must be followed or the ballot will not be counted.

STEPS REQUIRED FOR RETURNING THE BALLOT BY MAIL

1. Clearly mark the ballot with your vote.
2. Place the marked ballot in the plain ballot envelope and seal. This is to assure secrecy for your vote.
3. Place plain envelope in the business reply envelope.
4. Print your name and sign your name on the back of the business reply envelope.
5. No person may vote more than once.

All steps must be followed or the ballot will not be counted.

BALLOT  
3 PER CENT MANDATORY ASSESSMENT

76294

Please answer the following question first:

YES  NO I sell fish in A.D.F. & G. districts 1 thru 8.

PROPOSAL:

YES  NO An assessment equal to 3 per cent of the gross sales of salmon recorded on fish tickets at the point of sale in the Alaska Department of Fish and Game districts 1 thru 8 should be imposed on all individuals selling fish in districts 1 thru 8.

This second ballot is provided in case you lost or did not receive the first ballot.

You can also use this ballot to correct any errors made on a ballot you may have already returned. If this is a corrected ballot, then write "CORRECTED BALLOT" on the outside of the return envelope underneath the space provided for your name.

ONLY ONE BALLOT WILL BE COUNTED

April 30, 1977

James P. Lockhart  
P.O. Box 47  
Hydaburg, AK 99922

The Honorable Jay Hammond  
Governor of Alaska  
Juneau, Alaska

Dear Governor Hammond:

We the undersigned permit holders and crewmen of Hydaburg, Alaska wish to inform you, Governor Hammond, of our opposition to House Bill 264, setting up procedures to create a mandatory assessment to assist a private organization, Southern Southeast Regional Aqua Culture Association.

We feel this is an unnecessary tax duplicating the purpose of a bond issue passed by the voters last November to build hatcheries and to upgrade streams for salmon spawning.

We feel this tax bill is unconstitutional and discriminatory against permit holders and crew members in region one through eight. Crew members fishing on shares must pay the tax even though they weren't given the opportunity to vote on the assessment issue.

We also feel the bill discriminates against fishermen who catch and sell fish in regions one through eight and that other fishermen may catch their fish in regions one through eight and sell the fish in another region without being taxed.

Hydaburg	Permit Holders	Crewmen
<u>James P. Lockhart</u>	<u>Victor Hildner</u>	<u>Alan W.</u>
<u>Robert A. Price</u>	<u>Francis Cook</u>	<u>Harvey Pitt</u>
<u>W. Burger</u>		

Ayuaburg permit holders and crewmen

J. J. P. P. 1. etc

Richard Williams

Oliver N. i

James D. D.

James P. P. 5.

James P. P. 9.

John W. W.

John W. W.

John W. W.

John W. W.

John W. W.

John W. W.

John W. W.

John W. W.

John W. W.

John W. W.

Patricia L. L.

Matthew C. C.

Jim Bushnell

David R. R.

William H. H.

John W. W.

Frank W. W.

John W. W.

John W. W.

John W. W.

John W. W.

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John W. W.

John W. W.

John W. W.

John W. W.

William K. K.

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*James G. ...*

*...*

*...*

*...*

*...*

*...*

*...*

AMERICAN ...

# COMMITTEE REPORT

## SENATE

5/3/77

May 25, 1977

Date

Mr. President:

The Committee on FINANCE has had CSHB 264 (Finance)  
Fisheries Enhancement  
under consideration. A majority of the members of the Committee

- recommends it do pass
- recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for CS HB 264 and that  
CS for CSHB 264 do pass with demand
- (and) recommends it be referred to the \_\_\_\_\_  
committee
- reports it back without recommendation
- AND attaches a report of its intent
- (other) \_\_\_\_\_

### MEMBERS SIGNING THE MAJORITY REPORT:

<u>Mr. Sackett</u>	<u>Do Pass</u>	<u>Do Pass</u>
<u>Mr. [unclear]</u>	<u>Do Pass</u>	<u>Do Pass</u>
<u>Mr. [unclear]</u>	<u>Do Pass</u>	<u>Do Pass</u>
<u>Mr. [unclear]</u>	<u>Do Pass</u>	<u>Do Pass</u>

### MEMBERS NOT CONCURRING IN THE MAJORITY REPORT:

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

\_\_\_\_\_ recommends: \_\_\_\_\_

[Signature]  
Chairman

Original sponsor: Gardiner

Offered: 5/3/77  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 264 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fisheries enhancement; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 16.10.375 is repealed and re-enacted to read:

10 Sec. 16.10.375. REGIONAL SALMON PLAN. The commissioner shall  
11 designate regions of the state for the purpose of salmon production and  
12 have developed and amend as necessary a comprehensive salmon plan for  
13 each region, including provisions for both public and private nonprofit  
14 hatchery systems. Subject to plan approval by the commissioner, com-  
15 prehensive salmon plans shall be developed by regional planning teams  
16 consisting of department personnel and representatives of the appro-  
17 priate qualified regional associations formed under sec. 380 of this  
18 chapter.

19 \* Sec. 2. AS 16.10.400(a) and (e) are amended to read:

20 (a) The commissioner or his designee may issue a permit, subject  
21 to the restrictions [HE CONSIDERS DESIRABLE OR THAT ARE] imposed by  
22 statute or regulation under secs. 400 - 470 of this chapter, to a non-  
23 profit corporation organized under AS 10.20, after the permit appli-  
24 cation has been reviewed by the regional planning team, for the con-  
25 struction and operation of a salmon hatchery.

26 (e) A qualified regional association formed under sec. 380 of this  
27 chapter, if it has become a nonprofit corporation under AS 10.20, has a  
28 preference right to a permit if its proposed hatchery is provided for in  
29 the comprehensive plan for that region developed under sec. 375 of this

1 chapter and the fresh water source exceeds one cubic foot per second  
2 minimum flow. Any other [A] local nonprofit hatchery corporation [ESTAB-  
3 LISHED OR] approved by a qualified regional association has an identical  
4 preference right.

5 \* Sec. 3. AS 16.10.430(a) is amended to read:

6 (a) If a permit holder fails to comply with the conditions and  
7 terms of the permit issued under secs. 400 - 470 of this chapter within  
8 a reasonable period after notification of his noncompliance by the  
9 department, his permit may be suspended or revoked, in the discretion of  
10 the commissioner after the regional planning team for the area in which  
11 the hatchery is located is notified and granted an opportunity to com-  
12 ment upon the proposed suspension or revocation.

13 \* Sec. 4. AS 16.10.450 is amended to read:

14 Sec. 16.10.450. SALE OF SALMON AND SALMON EGGS BY HATCHERY. A  
15 hatchery operator who sells salmon returning from the natural waters of  
16 the state, or sells salmon eggs to another hatchery operating under  
17 secs. 400 - 470 of this chapter, after utilizing the funds for reason-  
18 able operating costs, including debt retirement, [OR] expanding its  
19 facilities, salmon rehabilitation projects, fisheries research, or for  
20 costs of operating the qualified regional association for the area in  
21 which the hatchery is located, shall expend the remaining funds on  
22 [FISHERIES RESEARCH, SALMON REHABILITATION PROJECTS, OR] other fisheries  
23 activities of the qualified regional association. Fish returning to  
24 [SOLD BY] hatcheries and sold for human consumption shall be of com-  
25 parable quality to fish harvested by commercial fisheries in the area,  
26 and shall be sold at prices commensurate with the current market.

27 \* Sec. 5. AS 16.10.470 is repealed and re-enacted to read:

28 Sec. 16.10.470. ANNUAL REPORT. (a) A person who holds a permit  
29 for the operation of a salmon hatchery under secs. 400 - 470 of this

1 chapter shall submit an annual report no later than December 15 to the  
2 department and to the qualified regional association for the area in  
3 which the hatchery is located, to include but not be limited to informa-  
4 tion pertaining to species; brood stock source; number, age, weight, and  
5 length of spawners; number of eggs taken and fry fingerling produced;  
6 and the number, age, weight, and length of adult returns attributable to  
7 hatchery releases, on a form to be provided by the Department of Fish  
8 and Game.

9 (b) A person who holds a permit for the operation of a salmon  
10 hatchery under secs. 400 - 470 of this chapter shall submit an annual  
11 financial report to the Department of Commerce and Economic Development  
12 on a form to be provided by the Department of Commerce and Economic  
13 Development.

14 \* Sec. 6. AS 16.10.500 is amended to read:

15 Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the  
16 state, under secs. 500 - 550 of this chapter, to promote the enhancement  
17 of the state's fisheries by means of grants for organizational and plan-  
18 ning purposes to regional associations which have qualified under sec.  
19 380 of this chapter, and by means of long-term, low interest loans for  
20 hatchery planning, [AND] construction, and operation.

21 \* Sec. 7. AS 16.10 is amended by adding a new section to read:

22 Sec. 16.10.505. FISHERIES ENHANCEMENT REVOLVING LOAN FUND. There  
23 is created within the Department of Commerce and Economic Development a  
24 revolving fund to be known as the fisheries enhancement revolving loan  
25 fund. The fund shall be used to carry out the purposes of secs. 500 -  
26 550 of this chapter and for no other purpose.

27 \* Sec. 8. AS 16.10.510(1) and (2) are amended to read:

28 (1) make loans to permit holders, under secs. 400 - 470 of  
29 this chapter, including those holders issued permits before the effec-

1       tive date of this Act, for the planning, [AND] construction, and opera-  
2       tion of hatchery facilities;

3               (2) make loans to qualified regional associations which have  
4       formed a nonprofit corporation or a local nonprofit corporation [ESTAB-  
5       LISHED OR] approved by a qualified regional association, for precon-  
6       struction activities necessary to obtain a permit [, PROVIDED THE  
7       HATCHERY HAS RECEIVED PRELIMINARY PROJECT APPROVAL FROM THE COMMISSIONER  
8       OF FISH & GAME];

9       \* Sec. 9. AS 16.10.510(8) is repealed and re-enacted to read:

10              (8) no repayment of principal is required for an initial  
11       period of six years, and no interest on the principal shall accrue  
12       during that period. This provision also applies to loans made under  
13       this chapter before the effective date of this Act.

14       \* Sec. 10. AS 16.10.510 is amended by adding a new paragraph to read:

15              (9) make grants for organizational and planning purposes to  
16       qualified regional associations which have formed a nonprofit corpora-  
17       tion, in amounts not exceeding \$100,000 per region and up to an addi-  
18       tional \$100,000 on a 50/50 cash matching basis with the regional associ-  
19       ations which have an authorized assessment under sec. 530 or 540 of this  
20       chapter. The state portion of the matching share shall be available  
21       when a final vote for assessments is made under sec. 530 or 540 of this  
22       chapter. This provision also applies to qualified regional associations  
23       which have formed a nonprofit corporation before the effective date of  
24       this Act.

25       \* Sec. 11. AS 16.10.520(a) is amended to read:

26              (a) A single fisheries enhancement loan may not exceed \$3,000,000  
27       for a hatchery constructed under a permit granted to a qualified re-  
28       gional association which has formed a nonprofit corporation, or to a  
29       local nonprofit corporation [ESTABLISHED OR] approved by a qualified

1 regional association. A loan for any other nonprofit hatchery corpora-  
2 tion project may not exceed \$300,000.

3 \* Sec. 12. AS 16.10.520(b) is repealed and re-enacted to read:

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

13 \* Sec. 13. AS 16.10.530(a) is repealed and re-enacted to read:

14 (a) The commissioner, on request of the qualified regional as-  
15 sociation for the area in which the assessment is to be levied, and after  
16 consultation with the commissioner of fish and game, shall establish  
17 areas in which an assessment shall be levied on the sale of one or more  
18 species of salmon caught by persons licensed under AS 16.05.540 - 16.05.-  
19 600, in the area in which the assessment is to be levied. A request by  
20 the qualified regional association shall include a description of com-  
21 pliance with (e) of this section. The commissioner shall determine  
22 whether the procedural requirements under (e) of this section were  
23 followed and whether the proposed assessment is reasonable. An assess-  
24 ment levied under this section shall be for the purpose of providing  
25 revenue for the qualified regional association for the area in which the  
26 assessment is made. The rate and conditions of assessments, including  
27 species to be involved, shall be stated by the appropriate qualified  
28 regional association in conjunction with the request to the commissioner  
29 under this subsection.

1 \* Sec. 14. AS 16.10.530(c) and (d) are amended to read:

2 (c) The commissioner and the appropriate qualified regional asso-  
3 ciation must agree on a means of collection of the assessment [BEFORE A  
4 LOAN IS MADE,] and the commissioner may, by regulation, require its  
5 collection by buyers of the salmon upon the sale of which an assessment  
6 is levied.

7 (d) The assessment shall terminate upon request of the qualified  
8 regional corporation when all financial obligations relating to the  
9 assessments have been met [THE PRINCIPAL AND INTEREST ON THE LOAN IS  
10 PAID].

11 \* Sec. 15. AS 16.10.530 is amended by adding new subsections to read:

12 (e) Before an assessment is made under this section, the qualified  
13 regional association for the area in which the assessment is to be  
14 levied shall hold an initial public meeting to explain and discuss the  
15 necessity for the assessment and to explain the registration procedure  
16 established under (f) of this section. Reasonable public notice of the  
17 meeting shall be sent to all limited entry permit holders actively  
18 participating in a fishery in the area, posted in at least three cen-  
19 trally located public places in the area, and published in at least one  
20 newspaper of general circulation at least one time a week for three  
21 consecutive weeks in the area, if one exists. The notice shall briefly  
22 state the amount of the assessment and a short general description of  
23 the purposes for which the assessment money will be used. A ballot  
24 shall be mailed to all limited entry permit holders actively participat-  
25 ing in a fishery in the area at least 20 days before the initial public  
26 meeting and contain a copy of the notice and ask the question whether an  
27 assessment shall be imposed. At the public meeting the returned ballots  
28 shall be counted by a special committee appointed by the regional  
29 association for that purpose, and a vote by written ballot shall be

1 taken on the question from among the limited entry permit holders  
2 present at the initial public meeting. After the vote is taken at the  
3 initial meeting a second public meeting shall be held, upon the limited  
4 notice of publication in a newspaper of general circulation, each day  
5 for five consecutive days and the mailing of personal notice to all  
6 limited entry permit holders who actively participate in a fishery in  
7 the area at least 14 days before the second public meeting, to give  
8 those who did not vote by written ballot at the initial public meeting  
9 an opportunity to vote. These votes shall be counted with the votes  
10 counted at the initial meeting. A majority vote for the assessment is  
11 required from the combined total of the returned ballots and the votes  
12 by ballot cast at both public meetings, before an assessment may be  
13 imposed. No person may vote twice.

14 (f) The qualified regional association shall establish standard  
15 registration procedures for voting on assessments under this section.

16 \* Sec. 16. AS 16.10 is amended by adding new sections to read:

17 Sec. 16.10.600. CREATION OF AUTHORITIES. (a) An association  
18 qualified under sec. 380 of this chapter as a regional association is  
19 given the authority to form a regional salmon enhancement authority.  
20 There is created with respect to each of the associations qualified  
21 under sec. 380 of this chapter a public body corporate and politic as a  
22 political subdivision of the state to function in the operating areas of  
23 the individual associations. Each authority may exercise all powers  
24 conferred by secs. 600 - 690 of this chapter.

25 (b) A regional salmon enhancement authority may not transact  
26 business or exercise powers granted to it until the governing body of  
27 the association has, by resolution, declared there is a need for the  
28 authority to function, given it the authority to function and appointed  
29 persons to serve as the board of commissioners of the authority. The

1 number of members of the board of commissioners, their terms of office  
2 and the filling of vacancies in office shall be determined by resolution  
3 of the governing body of the association.

4 (c) The regional salmon enhancement authority has jurisdiction to  
5 operate in all or part of the operating area of the individual associ-  
6 ation as determined by resolution of the governing body of the associa-  
7 tion.

8 Sec. 16.10.610. TAX EXEMPTION. (a) A salmon enhancement author-  
9 ity is exempt from payment of taxes or assessments for a period of 20  
10 years from the effective date of this Act on property owned by the  
11 authority which is used for salmon enhancement purposes.

12 (b) All obligations issued under secs. 600 - 690 of this chapter  
13 are issued by a body corporate and public which is a political sub-  
14 division of the state and for an essential public and governmental pur-  
15 pose, and the obligations, and the interest and income on and from the  
16 obligations, and all fees, charges, funds, revenues, income and other  
17 money pledged or available to pay or secure the payment of the obliga-  
18 tions or interest are exempt from taxation for a period of 20 years from  
19 the effective date of this Act, except for transfer, inheritance and  
20 estate taxes.

21 (c) All obligations or liabilities of a regional salmon enhance-  
22 ment authority remain its own and are not obligations or liabilities of  
23 the state.

24 Sec. 16.10.620. POWERS OF THE AUTHORITY. A salmon enhancement  
25 authority has the general power to

- 26 (1) adopt, alter and use a corporate seal;
- 27 (2) prescribe, adopt, amend and repeal bylaws;
- 28 (3) sue and be sued in its own name;
- 29 (4) appoint officers, agents and employees and vest them with

1 powers and duties and to fix, change and pay compensation for their  
2 services as the authority may determine;

3 (5) borrow money, make and issue bonds, notes and other  
4 evidences of indebtedness of the authority for any of its corporate  
5 purposes and to secure payment of its bonds and of other obligations by  
6 pledge of or lien on all or any of its assets, contracts, revenue and  
7 income;

8 (6) make and issue bonds for the purpose of funding, refund-  
9 ing, purchasing, paying or discharging any of the outstanding bonds or  
10 obligations issued or assumed by it or bonds or obligations the princi-  
11 pal or interest of which is payable in whole or in part from its revenue;

12 (7) make and execute agreements, contracts and other instru-  
13 ments necessary or convenient in the exercise of its powers and func-  
14 tions, including contracts with any person, firm, corporation, govern-  
15 ment agency or other entity;

16 (8) receive, administer and comply with the conditions and  
17 requirements of an appropriation, gift, grant or donation of property or  
18 money;

19 (9) invest or reinvest money or funds held by the authority  
20 in obligations or other securities or investments in which banks or  
21 trust companies in the state may legally invest funds held in reserves  
22 or sinking funds or funds not required for immediate disbursement, and  
23 in certificates of deposits or time deposits;

24 (10) acquire, hold, use, lease, sell or otherwise dispose of  
25 property of any kind, real, personal or mixed or any interest in it;

26 (11) do all acts and things necessary, convenient or desirable  
27 to carry out the powers granted or implied in secs. 600 - 690 of this  
28 chapter;

29 (12) adopt, amend and repeal rules and regulations necessary

1 for the exercise and performance of its powers and duties.

2 Sec. 16.10.630. BONDS AND NOTES. (a) The authority, by board of  
3 commissioners resolution, may issue bonds and bond anticipation notes in  
4 order to provide funds to carry out and effectuate its purposes.

5 (b) The principal and interest on these bonds or notes is payable  
6 from authority funds. Bond anticipation notes may be payable from the  
7 proceeds of the sale of bonds or from the proceeds of sale of other bond  
8 anticipation notes or, if bond or bond anticipation note proceeds are  
9 not available, such notes may be paid from other funds or assets of the  
10 authority. Bonds or notes may be additionally secured by a pledge of a  
11 grant or contribution from the federal or state government, a corpora-  
12 tion, association, institution or person, or a pledge of money, income,  
13 or revenues of the authority from any source.

14 (c) Bonds or bond anticipation notes may be issued as provided by  
15 board resolution, in one or more series and shall (1) be dated; (2) bear  
16 interest at the prescribed rate per year or within the maximum rate; (3)  
17 be in a certain denomination or form, either coupon or registered; (4)  
18 carry the conversion or registration provisions; (5) have rank or  
19 priority; (6) be executed in a certain manner and form; (7) be payable  
20 from the sources in the medium of payment and place or places inside or  
21 outside the state; (8) be subject to authentication by a trustee or  
22 fiscal agent; and (9) be subject to terms of redemption, with or without  
23 premium. Bond anticipation notes mature at a time determined by the  
24 authority. Bonds mature at a time, not exceeding 50 years from the date  
25 of their issuance, as determined by the authority. Before the prepara-  
26 tion of definitive bonds or bond anticipation notes, the authority may  
27 issue interim receipts or temporary bonds or bond anticipation notes,  
28 with or without coupons, exchangeable for bonds or bond anticipation  
29 notes when the definitive bonds or bond anticipation notes have been

1           executed and are available for delivery.

2           (d) Bond or bond anticipation notes may be sold in the manner, on  
3           the terms, and at the price the authority determines.

4           (e) If an officer whose actual or facsimile signature appears on  
5           any bonds or notes or coupons attached to them ceases to be an officer  
6           before the delivery of the bond, note or coupon, his signature is valid  
7           as if he had remained in office until delivery.

8           (f) In a resolution by the board of commissioners of the authority  
9           authorizing or relating to the issuance of bonds or bond anticipation  
10          notes, the authority may, with the holders of the bonds or bond antici-  
11          pation notes,

12           (1) pledge to any payment or purpose all or any part of  
13          revenues to which it is or will be entitled to and similarly pledge the  
14          money derived from the revenues, and the proceeds of any bonds or notes;

15           (2) covenant against pledging all or any part of its re-  
16          venues, or against permitting or suffering a lien on the revenues or its  
17          property;

18           (3) covenant as to the use and disposition of any and all  
19          payments of principal or interest received by the authority on mortgage  
20          loans, construction loans or other investments held by the authority;

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

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

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

29           (7) covenant as to the issuance of additional bonds or notes,

1 or as to limitations on the issuance of additional bonds or notes and  
2 the incurring of the other debts;

3 (8) covenant as to the payment of the principal of or inter-  
4 est on the bonds or notes, as to the sources and methods of the payment,  
5 as to the rank or priority of the bonds or notes with respect to a lien  
6 or security, or as to the acceleration of the maturity of the bonds or  
7 notes;

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

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

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

14 (12) covenant to create or authorize the creation of special  
15 funds of money to be held in pledge or otherwise for operation expenses,  
16 payment or redemption of bonds or notes, reserves or other purposes, and  
17 as to use and disposition of the money held in the funds;

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

23 (14) covenant as to the custody of any of its properties or  
24 investments, their safekeeping and insurance, and the use and disposi-  
25 tion of insurance money;

26 (15) covenant as to the time or manner of enforcement or  
27 restraint from enforcement of any rights of the corporation arising by  
28 reason of or with respect to nonpayment of principal or interest of any  
29 mortgage loans or construction loans;

1 (16) provide for the rights and liabilities, powers and duties  
2 arising upon the breach of a covenant, condition or obligation, and to  
3 prescribe the events of default and the terms and conditions upon which  
4 any or all of the bonds, notes or other obligations of the authority  
5 become or may be declared due and payable before maturity and the terms  
6 and conditions upon which such a declaration and its consequences may be  
7 waived;

8 (17) vest in a trustee or trustees inside or outside the state  
9 property, rights, powers and duties in trust as the authority may  
10 determine, which may include any or all of the rights, powers and duties  
11 of a trustee appointed by the holders of bonds or notes, and to limit or  
12 abrogate the right of the holders of bonds or notes of the authority to  
13 appoint a trustee under secs. 600 - 690 of this chapter or limit the  
14 rights, powers and duties of the trustee;

15 (18) pay the costs or expenses incident to the enforcement of  
16 the bonds or notes or of the provisions of the resolution or of a  
17 covenant or agreement of the authority with the holders of its bonds or  
18 notes;

19 (19) agree with a corporate trustee which may be a trust  
20 company or bank having the powers of a trust company inside or outside  
21 the state as to the pledging or assigning of revenues or funds to which  
22 or in which the authority has any rights or interest; and further pro-  
23 vide for other rights and remedies exercisable by the trustee as may be  
24 proper for the protection of the holders of any bonds or notes of the  
25 authority and not otherwise in violation of law and may provide for the  
26 restriction of the rights of an individual holder of bonds or notes of  
27 the authority;

28 (20) appoint and provide for the duties and obligations of a  
29 paying agent or other fiduciary, by resolution, inside or outside the

1 state;

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

4 (22) make covenants other than expressly authorized in this  
5 section, of like or different character, and to make covenants as may be  
6 necessary or desirable, to better secure bonds or notes or which, in the  
7 discretion of the authority, will tend to make bonds or notes more  
8 marketable, notwithstanding the fact that the covenants are not enumer-  
9 ated in this section.

10 Sec. 16.10.640. VALIDITY OF PLEDGE. The pledge of assets or  
11 revenues of the authority to the payment of the principal or interest of  
12 obligations of the authority is valid and binding from the time the  
13 pledge is made and assets or revenues pledged are immediately subject to  
14 the lien of the pledge without physical delivery or further action. The  
15 lien of a pledge is valid and binding against all parties having claims  
16 of any kind in tort, contract or otherwise against the authority,  
17 irrespective of whether those parties have notice of the lien of the  
18 pledge. Nothing prohibits the authority from selling assets subject to  
19 a pledge, except that a sale may be restricted by the trust agreement or  
20 resolution providing for the issuance of the obligations.

21 Sec. 16.10.650. REMEDIES. A holder of obligations or coupons  
22 attached to them issued under the provisions of secs. 600 - 690 of this  
23 chapter, and a trustee under a trust agreement or resolution authorizing  
24 the issuance of the obligations, if not restricted by the trust agree-  
25 ment or resolution, either at law or in equity, may enforce all rights  
26 granted under the coupons or under the trust agreement or resolution, or  
27 under any other contract executed by the authority under secs. 600 - 690  
28 of this chapter, and may enforce and compel the performance of all  
29 duties required by secs. 600 - 690 of this chapter or by the trust

1 agreement or resolution to be performed by the authority or by an offi-  
2 cer of it.

3 Sec. 16.10.660. NEGOTIABLE INSTRUMENTS. All obligations and  
4 interest coupons attached to the obligations are negotiable instruments  
5 under the laws of this state, subject only to applicable registration  
6 provisions.

7 Sec. 16.10.670 OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations  
8 issued under the provisions of secs. 600 - 690 of this chapter are  
9 securities in which all public officers and public bodies of the state  
10 and its political subdivisions, all insurance companies, trust com-  
11 panies, banking associations, investment companies, executors, adminis-  
12 trators, trustees and other fiduciaries may properly and legally invest  
13 funds, including capital in their control or belonging to them. These  
14 obligations may be deposited with the state or municipal officer of an  
15 agency or political subdivision of the state for any purpose for which  
16 the deposit of bonds, notes or obligations of the state is authorized by  
17 law.

18 Sec. 16.10.680. REFUNDING OBLIGATIONS. (a) The authority may  
19 provide for the issuance of refunding obligations for the purpose of re-  
20 funding obligations then outstanding which have been issued under the  
21 provisions of secs. 600 - 690 of this chapter, including the payment of  
22 redemption premium on them and interest accrued or to accrue to the date  
23 of redemption of the obligations. The issuance of the obligations, the  
24 maturities and other details of them, the rights of the holders of them,  
25 and the rights, duties and obligations of the authority in respect of  
26 them are governed by the provisions of secs. 600 - 690 of this chapter  
27 which relate to the issuance of appropriate obligations.

28 (b) Refunding obligations may be sold or exchanged for outst ding  
29 obligations issued under secs. 600 - 690 of this chapter. If sold, the

1 proceeds may be applied, in addition to other authorized purposes, to  
2 the purchase, redemption or payment of the outstanding obligations.  
3 Pending the application of the proceeds of any such refunding obli-  
4 gations, with any other available funds, to the payment of the principal  
5 (acrued interest and any redemption premium on the obligations being  
6 refunded, and, if so provided or permitted in the resolution authorizing  
7 the issuance of the refunding obligations or in the trust agreement  
8 securing them, to the payment of any interest on the refunding obliga-  
9 tions and any expenses in connection with the refunding), the proceeds  
10 may be invested in direct obligations of, or obligations the principal  
11 of and the interest on which are unconditionally guaranteed by, the  
12 United States of America which mature or which will be subject to re-  
13 demption, at the option of the holders of them, not later than the  
14 respective dates when the proceeds, together with the interest accruing  
15 on them, will be required for the purposes intended.

16 Sec. 16.10.690. CREDIT OF STATE NOT PLEDGED. Obligations issued  
17 under the provisions of secs. 600 - 690 of this chapter do not consti-  
18 tute a debt, liability or obligation of the state or of any other  
19 political subdivision of the state or a pledge of the faith and credit  
20 of the state or a political subdivision of the state but are payable  
21 solely from the revenues or assets of the authority. Each obligation  
22 issued under secs. 600 - 690 of this chapter shall contain on its face a  
23 statement that the authority is not obligated to pay it nor the interest  
24 on it except from the revenues or assets pledged for it and that neither  
25 the faith and credit nor the taxing power of the state or of any other  
26 political subdivision of the state is pledged to the payment of the  
27 principal of or interest on the obligation.

28 \* Sec. 17. Notification, public meeting and voting procedures instituted  
29 before the effective date of this Act that are substantially in compliance

1 with AS 16.10.530(e) shall be considered to constitute compliance with this  
2 Act, and are ratified upon the effective date of this Act.

3 \* Sec. 18. AS 16.10.400(d) and 16.10.530(b) are repealed.

4 \* Sec. 19. This Act takes effect immediately in accordance with AS 01.10.  
5 070(c).

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A M E N D M E N T

Offered in the SENATE

By Senate Finance Committee

To: \_\_\_\_\_ SENATE BILL NO. \_\_\_\_\_

908 CH HOUSE BILL NO. 264 (Resources)

AMENDMENT: Page 2 Line 3

After the word "and" insert the following material:

"or by the commissioner upon a finding that the assessment  
is no longer required for corporate purposes"

Page 7, line 28:

Delete "690" and insert "330"

Page 8, line 12 - 13:

Delete all material

Page 7, line 31:

Delete "(c)" and insert "(b)"

Page 4, line 3:

Delete "bonds."

Page 8, line 5:

Delete "to be and of other"

Page 11, lines 8 - 11:

Delete all material and renumber following paragraphs

Page 14, line 3, through page 15, line 17:

Delete all material

Original sponsor: Gardiner

Offered: 4/21/77  
Referred: Resources

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 264

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fisheries enhancement; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 16.10.375 is repealed and re-enacted to read:

10 Sec. 16.10.375. REGIONAL SALMON PLAN. The commissioner shall  
11 designate regions of the state for the purpose of salmon production and  
12 have developed and amend as necessary a comprehensive salmon plan for  
13 each region, including provisions for both public and private nonprofit  
14 hatchery systems. Subject to plan approval by the commissioner, com-  
15 prehensive salmon plans shall be developed by regional planning teams  
16 consisting of department personnel and representatives of the appro-  
17 priate qualified regional associations formed under sec. 380 of this  
18 chapter.

19 \* Sec. 2. AS 16.10.400(a) and (e) are amended to read:

20 (a) The commissioner or his designee may issue a permit, subject  
21 to the restrictions [HE CONSIDERS DESIRABLE OR THAT ARE] imposed by  
22 statute or regulation under secs. 400 - 470 of this chapter, to a non-  
23 profit corporation organized under AS 10.20, after the permit appli-  
24 cation has been reviewed by the regional planning team, for the con-  
25 struction and operation of a salmon hatchery.

26 (e) A qualified regional association formed under sec. 380 of this  
27 chapter, if it has become a nonprofit corporation under AS 10.20, has a  
28 preference right to a permit if its proposed hatchery is provided for in  
29 the comprehensive plan for that region developed under sec. 375 of this

1 chapter. Any other [A] local nonprofit hatchery corporation [ESTAB-  
2 LISHED OR] approved by a qualified regional association has an identical  
3 preference right.

4 \* Sec. 3. AS 16.10.430(a) is amended to read:

5 (a) If a permit holder fails to comply with the conditions and  
6 terms of the permit issued under secs. 400 - 470 of this chapter within  
7 a reasonable period after notification of his noncompliance by the  
8 department, his permit may be suspended or revoked, in the discretion of  
9 the commissioner after the regional planning team for the area in which  
10 the hatchery is located is notified and granted an opportunity to com-  
11 ment upon the proposed suspension or revocation.

12 \* Sec. 4. AS 16.10.450 is amended to read:

13 Sec. 16.10.450. SALE OF SALMON AND SALMON EGGS BY HATCHERY. A  
14 hatchery operator who sells salmon returning from the natural waters of  
15 the state, or sells salmon eggs to another hatchery operating under  
16 secs. 400 - 470 of this chapter, after utilizing the funds for reason-  
17 able operating costs, including debt retirement, [OR] expanding its  
18 facilities, salmon rehabilitation projects, fisheries research, or for  
19 costs of operating the qualified regional association for the area in  
20 which the hatchery is located, shall expend the remaining funds on  
21 [FISHERIES RESEARCH, SALMON REHABILITATION PROJECTS, OR] other fisheries  
22 activities of the qualified regional association. Fish returning to  
23 [SOLD BY] hatcheries and sold for human consumption shall be of com-  
24 parable quality to fish harvested by commercial fisheries in the area,  
25 and shall be sold at prices commensurate with the current market.

26 \* Sec. 5. AS 16.10.470 is repealed and re-enacted to read:

27 Sec. 16.10.470. ANNUAL REPORT. (a) A person who holds a permit  
28 for the operation of a salmon hatchery under secs. 400 - 470 of this  
29 chapter shall submit an annual report to the department and to the

1 qualified regional association of the area in which the hatchery is  
2 located to include but not be limited to statistics on the number of  
3 eggs and fish handled by the hatchery, whether for production or sale.

4 (b) A person who holds a permit for the operation of a salmon  
5 hatchery under secs. 400 - 470 of this chapter shall submit an annual  
6 financial report to the Department of Commerce and Economic Development  
7 on a form to be provided by the Department of Commerce and Economic  
8 Development.

9 \* Sec. 6. AS 16.10.500 is amended to read:

10 Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the  
11 state, under secs. 500 - 550 of this chapter, to promote the enhancement  
12 of the state's fisheries by means of grants for organizational and plan-  
13 ning purposes to regional associations which have qualified under sec.  
14 380 of this chapter, and by means of long-term, low interest loans for  
15 hatchery planning, [AND] construction, and operation.

16 \* Sec. 7. AS 16.10 is amended by adding a new section to read:

17 Sec. 16.10.505. FISHERIES ENHANCEMENT REVOLVING LOAN FUND. There  
18 is created within the Department of Commerce and Economic Development a  
19 revolving fund to be known as the fisheries enhancement revolving loan  
20 fund. The fund shall be used to carry out the purposes of secs. 500 -  
21 550 of this chapter and for no other purpose.

22 \* Sec. 8. AS 16.10.510(1) and (2) are amended to read:

23 (1) make loans to permit holders, under secs. 400 - 470 of  
24 this chapter, including those holders issued permits before the effec-  
25 tive date of this Act, for the planning, [AND] construction, and opera-  
26 tion of hatchery facilities;

27 (2) make loans to qualified regional associations which have  
28 formed a nonprofit corporation or a local nonprofit corporation [ESTAB-  
29 LISHED OR] approved by a qualified regional association, for

1 preconstruction activities necessary to obtain a permit [, PROVIDED THE  
2 HATCHERY HAS RECEIVED PRELIMINARY PROJECT APPROVAL FROM THE COMMISSIONER  
3 OF FISH & GAME];

4 \* Sec. 9. AS 16.10.510(8) is repealed and re-enacted to read:

5 (8) no repayment of principal is required for an initial  
6 period of six years, and no interest on the principal shall accrue  
7 during that period. This provision applies to loans made under this  
8 chapter before the effective date of this Act.

9 \* Sec. 10. AS 16.10.510 is amended by adding a new paragraph to read:

10 (9) make grants for organizational and planning purposes to  
11 qualified regional associations which have formed a nonprofit corpora-  
12 tion, in amounts not exceeding \$100,000 per region and up to an addi-  
13 tional \$100,000 on a 50/50 cash matching basis with the regional associ-  
14 ations which have an authorized assessment under sec. 530 or 540 of this  
15 chapter. The state portion of the matching share shall be available  
16 when a final vote for assessments is made under sec. 530 or 540 of this  
17 chapter. This provision applies to qualified regional associations  
18 which have formed a nonprofit corporation before the effective date of  
19 this Act.

20 \* Sec. 11. AS 16.10.520(a) is amended to read:

21 (a) A single fisheries enhancement loan may not exceed \$3,000,000  
22 for a hatchery constructed under a permit granted to a qualified re-  
23 gional association which has formed a nonprofit corporation, or to a  
24 local nonprofit corporation [ESTABLISHED OR] approved by a qualified  
25 regional association. A loan for any other nonprofit hatchery corpora-  
26 tion project may not exceed \$300,000.

27 \* Sec. 12. AS 16.10.520(b) is amended to read:

28 (b) Loans [NO LOAN] may not exceed 75 per cent of the total  
29 project cost as determined by the commissioner except that loans for the

1 total project cost may be made if the fishermen of a region vote to  
2 assess themselves under sec. 530 or 540 of this chapter in an amount  
3 determined by the commissioner to be sufficient to insure within six  
4 years or less, the establishment of an equity position of 10 per cent  
5 of the amount of the loan. For purposes of this subsection, "total  
6 project cost" includes planning, construction and operations.

7 \* Sec. 13. AS 16.10.530(a) is repealed and re-enacted to read:

8 (a) The commissioner, on request of the qualified regional as-  
9 sociation for the area in which the assessment is to be levied, shall  
10 establish areas in which an assessment shall be levied on the sale of  
11 one or more species of salmon caught by persons licensed under AS 16.-  
12 05.540 - 16.05.600, in the area in which the assessment is to be levied.  
13 A request by the qualified regional association shall include a descrip-  
14 tion of compliance with (e) of this section. The commissioner shall  
15 determine whether the procedural requirements under (e) of this sec-  
16 tion were followed and whether the proposed assessment is reasonable.  
17 An assessment levied under this section shall be for the purpose of  
18 providing revenue for the qualified regional association for the area  
19 in which the assessment is made. The rate and conditions of assess-  
20 ments shall be stated by the appropriate qualified regional association  
21 in conjunction with the request to the commissioner under this sub-  
22 section.

23 \* Sec. 14. AS 16.10.530(c) and (d) are amended to read:

24 (c) The commissioner and the appropriate qualified regional asso-  
25 ciation must agree on a means of collection of the assessment [BEFORE A  
26 LOAN IS MADE,] and the commissioner may, by regulation, require its  
27 collection by buyers of the salmon upon the sale of which an assessment  
28 is levied.

29 (d) The assessment shall terminate upon request of the qualified

1 regional corporation when all financial obligations relating to the  
2 assessments have been met [THE PRINCIPAL AND INTEREST ON THE LOAN IS  
3 PAID].

4 \* Sec. 15. AS 16.10.530 is amended by adding new subsections to read:

5 (e) Before an assessment is made under this section, the qualified  
6 regional association for the area in which the assessment is to be  
7 levied shall hold an initial public meeting to explain and discuss the  
8 necessity for the assessment and to explain the registration procedure  
9 established under (f) of this section. Reasonable public notice of the  
10 meeting shall be sent to all limited entry permit holders actively  
11 participating in a fishery in the area, posted in at least three cen-  
12 trally located public places in the area, and published in at least one  
13 newspaper of general circulation at least one time a week for three  
14 consecutive weeks in the area, if one exists. The notice shall briefly  
15 state the amount of the assessment and a short general description of  
16 the purposes for which the assessment money will be used. A ballot  
17 shall be mailed to all limited entry permit holders actively participat-  
18 ing in a fishery in the area at least 20 days before the initial public  
19 meeting and contain a copy of the notice and ask the question whether an  
20 assessment shall be imposed. At the public meeting the returned ballots  
21 shall be counted by a special committee appointed by the regional  
22 association for that purpose, and a vote by written ballot shall be  
23 taken on the question from among the limited entry permit holders  
24 present at the initial public meeting. After the vote is taken at the  
25 initial meeting a second public meeting shall be held, upon the limited  
26 notice of publication in a newspaper of general circulation, each day  
27 for five consecutive days and the mailing of personal notice to all  
28 limited entry permit holders who actively participate in a fishery in  
29 the area at least 14 days before the second public meeting, to give

1 those who did not vote by written ballot at the initial public meeting  
2 an opportunity to vote. These votes shall be counted with the votes  
3 counted at the initial meeting. A majority vote for the assessment is  
4 required from the combined total of the returned ballots and the votes  
5 by ballot cast at both public meetings, before an assessment may be  
6 imposed. No person may vote twice.

7 (f) The qualified regional association shall establish standard  
8 registration procedures for voting on assessments under this section.

9 \* Sec. 16. AS 16.10 is amended by adding new sections to read:

10 Sec. 16.10.600. CREATION OF AUTHORITIES. (a) An association  
11 qualified under sec. 380 of this chapter as a regional association is  
12 given the authority to form a regional salmon enhancement authority.  
13 There is created with respect to each of the associations qualified  
14 under sec. 380 of this chapter a public body corporate and politic as a  
15 political subdivision of the state to function in the operating areas of  
16 the individual associations. Each authority may exercise all powers  
17 conferred by secs. 600 - 690 of this chapter.

18 (b) A regional salmon enhancement authority may not transact  
19 business or exercise powers granted to it until the governing body of  
20 the association has, by resolution, declared there is a need for the  
21 authority to function, given it the authority to function and appointed  
22 persons to serve as the board of commissioners of the authority. The  
23 number of members of the board of commissioners, their terms of office  
24 and the filling of vacancies in office shall be determined by resolution  
25 of the governing body of the association.

26 (c) The regional salmon enhancement authority has jurisdiction to  
27 operate in all or part of the operating area of the individual associ-  
28 ation as determined by resolution of the governing body of the associa-  
29 tion.

1           Sec. 16.10.610. TAX EXEMPTION. (a) A salmon enhancement author-  
2           ity is exempt from payment of taxes or assessments for a period of 20  
3           years from the effective date of this Act on property owned by the  
4           authority which is used for salmon enhancement purposes.

5           (b) All obligations issued under secs. 600 - 690 of this chapter  
6           are issued by a body corporate and public which is a political sub-  
7           division of the state and for an essential public and governmental  
8           purpose, and the obligations, and the interest and income on and from  
9           the obligations, and all fees, charges, funds, revenues, income and  
10          other money pledged or available to pay or secure the payment of the  
11          obligations or interest are exempt from taxation for a period of 20  
12          years from the effective date of this Act, except for transfer, inheri-  
13          tance and estate taxes.

14          (c) All obligations or liabilities of a regional salmon enhance-  
15          ment authority remain its own and are not obligations or liabilities of  
16          the state.

17          Sec. 16.10.620. POWERS OF THE AUTHORITY. A salmon enhancement  
18          authority has the general power to

19                 (1) adopt, alter and use a corporate seal;

20                 (2) prescribe, adopt, amend and repeal bylaws;

21                 (3) sue and be sued in its own name;

22                 (4) appoint officers, agents and employees and vest them with  
23          powers and duties and to fix, change and pay compensation for their  
24          services as the authority may determine;

25                 (5) borrow money, make and issue bonds, notes and other  
26          evidences of indebtedness of the authority for any of its corporate  
27          purposes and to secure payment of its bonds and of other obligations by  
28          pledge of or lien on all or any of its assets, contracts, revenue and  
29          income;

1 (6) make and issue bonds for the purpose of funding, refund-  
2 ing, purchasing, paying or discharging any of the outstanding bonds or  
3 obligations issued or assumed by it or bonds or obligations the princi-  
4 pal or interest of which is payable in whole or in part from its revenue;

5 (7) make and execute agreements, contracts and other instru-  
6 ments necessary or convenient in the exercise of its powers and func-  
7 tions, including contracts with any person, firm, corporation, govern-  
8 ment agency or other entity;

9 (8) receive, administer and comply with the conditions and  
10 requirements of an appropriation, gift, grant or donation of property or  
11 money;

12 (9) invest or reinvest money or funds held by the authority  
13 in obligations or other securities or investments in which banks or  
14 trust companies in the state may legally invest funds held in reserves  
15 or sinking funds or funds not required for immediate disbursement, and  
16 in certificates of deposits or time deposits;

17 (10) acquire, hold, use, lease, sell or otherwise dispose of  
18 property of any kind, real, personal or mixed or any interest in it;

19 (11) do all acts and things necessary, convenient or desirable  
20 to carry out the powers granted or implied in secs. 600 - 690 of this  
21 chapter;

22 (12) adopt, amend and repeal rules and regulations necessary  
23 for the exercise and performance of its powers and duties.

24 Sec. 16.10.630. BONDS AND NOTES. (a) The authority, by board of  
25 commissioners resolution, may issue bonds and bond anticipation notes in  
26 order to provide funds to carry out and effectuate its purposes.

27 (b) The principal and interest on these bonds or notes is payable  
28 from authority funds. Bond anticipation notes may be payable from the  
29 proceeds of the sale of bonds or from the proceeds of sale of other bond

1 anticipation notes or, if bond or bond anticipation note proceeds are  
2 not available, such notes may be paid from other funds or assets of the  
3 authority. Bonds or notes may be additionally secured by a pledge of a  
4 grant or contribution from the federal or state government, a corpora-  
5 tion, association, institution or person, or a pledge of money, income,  
6 or revenues of the authority from any source.

7 (c) Bonds or bond anticipation notes may be issued as provided by  
8 board resolution, in one or more series and shall (1) be dated; (2) bear  
9 interest at the prescribed rate per year or within the maximum rate; (3)  
10 be in a certain denomination or form, either coupon or registered; (4)  
11 carry the conversion or registration provisions; (5) have rank or  
12 priority; (6) be executed in a certain manner and form; (7) be payable  
13 from the sources in the medium of payment and place or places inside or  
14 outside the state; (8) be subject to authentication by a trustee or  
15 fiscal agent; and (9) be subject to terms of redemption, with or without  
16 premium. Bond anticipation notes mature at a time determined by the  
17 authority. Bonds mature at a time, not exceeding 50 years from the date  
18 of their issuance, as determined by the authority. Before the prepara-  
19 tion of definitive bonds or bond anticipation notes, the authority may  
20 issue interim receipts or temporary bonds or bond anticipation notes,  
21 without or without coupons, exchangeable for bonds or bond anticipation  
22 notes when the definitive bonds or bond anticipation notes have been  
23 executed and are available for delivery.

24 (d) Bond or bond anticipation notes may be sold in the manner, on  
25 the terms, and at the price the authority determines.

26 (e) If an officer whose actual or facsimile signature appears on  
27 any bonds or notes or coupons attached to them ceases to be an officer  
28 before the delivery of the bond, note or coupon, his signature is valid  
29 as if he had remained in office until delivery.

1 (f) In a resolution by the board of commissioners of the authority  
2 authorizing or relating to the issuance of bonds or bond anticipation  
3 notes, the authority may, with the holders of the bonds or bond antici-  
4 pation notes,

5 (1) pledge to any payment or purpose all or any part of  
6 revenues to which it is or will be entitled to and similarly pledge the  
7 money derived from the revenues, and the proceeds of any bonds or notes;

8 (2) covenant against pledging all or any part of its re-  
9 venues, or against permitting or suffering a lien on the revenues or its  
10 property;

11 (3) covenant as to the use and disposition of any and all  
12 payments of principal or interest received by the authority on mortgage  
13 loans, construction loans or other investments held by the authority;

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

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

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

22 (7) covenant as to the issuance of additional bonds or notes,  
23 or as to limitations on the issuance of additional bonds or notes and  
24 the incurring of the other debts;

25 (8) covenant as to the payment of the principal of or inter-  
26 est on the bonds or notes, as to the sources and methods of the payment,  
27 as to the rank or priority of the bonds or notes with respect to a lien  
28 or security, or as to the acceleration of the maturity of the bonds or  
29 notes;

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

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

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

7 (12) covenant to create or authorize the creation of special  
8 funds of money to be held in pledge or otherwise for operation expenses,  
9 payment or redemption of bonds or notes, reserves or other purposes, and  
10 as to use and disposition of the money held in the funds;

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

16 (14) covenant as to the custody of any of its properties or  
17 investments, their safekeeping and insurance, and the use and disposi-  
18 tion of insurance money;

19 (15) covenant as to the time or manner of enforcement or  
20 restraint from enforcement of any rights of the corporation arising by  
21 reason of or with respect to nonpayment of principal or interest of any  
22 mortgage loans or construction loans;

23 (16) provide for the rights and liabilities, powers and duties  
24 arising upon the breach of a covenant, condition or obligation, and to  
25 prescribe the events of default and the terms and conditions upon which  
26 any or all of the bonds, notes or other obligations of the authority  
27 become or may be declared due and payable before maturity and the terms  
28 and conditions upon which such a declaration and its consequences may be  
29 waived;

1           (17) vest in a trustee or trustees inside or outside the state  
2 property, rights, powers and duties in trust as the authority may  
3 determine, which may include any or all of the rights, powers and duties  
4 of a trustee appointed by the holders of bonds or notes, and to limit or  
5 abrogate the right of the holders of bonds or notes of the authority to  
6 appoint a trustee under secs. 600 - 690 of this chapter or limit the  
7 rights, powers and duties of the trustee;

8           (18) pay the costs or expenses incident to the enforcement of  
9 the bonds or notes or of the provisions of the resolution or of a  
10 covenant or agreement of the authority with the holders of its bonds or  
11 notes;

12           (19) agree with a corporate trustee which may be a trust  
13 company or bank having the powers of a trust company inside or outside  
14 the state as to the pledging or assigning of revenues or funds to which  
15 or in which the authority has any rights or interest; and further pro-  
16 vide for other rights and remedies exercisable by the trustee as may be  
17 proper for the protection of the holders of any bonds or notes of the  
18 authority and not otherwise in violation of law and may provide for the  
19 restriction of the rights of an individual holder of bonds or notes of  
20 the authority;

21           (20) appoint and provide for the duties and obligations of a  
22 paying agent or other fiduciary, by resolution, inside or outside the  
23 state;

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

26           (22) make covenants other than expressly authorized in this  
27 section, of like or different character, and to make covenants as may be  
28 necessary or desirable, to better secure bonds or notes or which, in the  
29 discretion of the authority, will tend to make bonds or notes more

1 marketable, notwithstanding the fact that the covenants are not enumer-  
2 ated in this section.

3 Sec. 16.10.640. VALIDITY OF PLEDGE. The pledge of assets or  
4 revenues of the authority to the payment of the principal or interest of  
5 obligations of the authority is valid and binding from the time the  
6 pledge is made and assets or revenues pledged are immediately subject to  
7 the lien of the pledge without physical delivery or further action. The  
8 lien of a pledge is valid and binding against all parties having claims  
9 of any kind in tort, contract or otherwise against the authority,  
10 irrespective of whether those parties have notice of the lien of the  
11 pledge. Nothing prohibits the authority from selling assets subject to  
12 a pledge, except that a sale may be restricted by the trust agreement or  
13 resolution providing for the issuance of the obligations.

14 Sec. 16.10.650. REMEDIES. A holder of obligations or coupons  
15 attached to them issued under the provisions of secs. 600 - 690 of this  
16 chapter, and a trustee under a trust agreement or resolution authorizing  
17 the issuance of the obligations, if not restricted by the trust agree-  
18 ment or resolution, either at law or in equity, may enforce all rights  
19 granted under the coupons or under the trust agreement or resolution, or  
20 under any other contract executed by the authority under secs. 600 - 690  
21 of this chapter, and may enforce and compel the performance of all  
22 duties required by secs. 600 - 690 of this chapter or by the trust  
23 agreement or resolution to be performed by the authority or by an offi-  
24 cer of it.

25 Sec. 16.10.660. NEGOTIABLE INSTRUMENTS. All obligations and  
26 interest coupons attached to the obligations are negotiable instruments  
27 under the laws of this state, subject only to applicable registration  
28 provisions.

29 Sec. 16.10.670. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations

1 issued under the provisions of secs. 600 - 690 of this chapter are  
2 securities in which all public officers and public bodies of the state  
3 and its political subdivisions, all insurance companies, trust com-  
4 panies, banking associations, investment companies, executors, adminis-  
5 trators, trustees and other fiduciaries may properly and legally invest  
6 funds, including capital in their control or belonging to them. These  
7 obligations may be deposited with the state or municipal officer of an  
8 agency or political subdivision of the state for any purpose for which  
9 the deposit of bonds, notes or obligations of the state is authorized by  
10 law.

11 Sec. 16.10.680. REFUNDING OBLIGATIONS. (a) The authority may  
12 provide for the issuance of refunding obligations for the purpose of re-  
13 funding obligations then outstanding which have been issued under the  
14 provisions of secs. 600 - 690 of this chapter, including the payment of  
15 redemption premium on them and interest accrued or to accrue to the date  
16 of redemption of the obligations. The issuance of the obligations, the  
17 maturities and other details of them, the rights of the holders of them,  
18 and the rights, duties and obligations of the authority in respect of  
19 them are governed by the provisions of secs. 600 - 690 of this chapter  
20 which relate to the issuance of appropriate obligations.

21 (b) Refunding obligations may be sold or exchanged for outstanding  
22 obligations issued under secs. 600 - 690 of this chapter. If sold, the  
23 proceeds may be applied, in addition to other authorized purposes, to  
24 the purchase, redemption or payment of the outstanding obligations.  
25 Pending the application of the proceeds of any such refunding obli-  
26 gations, with any other available funds, to the payment of the principal  
27 (accrued interest and any redemption premium on the obligations being  
28 refunded, and, if so provided or permitted in the resolution authorizing  
29 the issuance of the refunding obligations or in the trust agreement

1       securing them, to the payment of any interest on the refunding obliga-  
2       tions and any expenses in connection with the refunding), the proceeds  
3       may be invested in direct obligations of, or obligations the principal  
4       of and the interest on which are unconditionally guaranteed by, the  
5       United States of America which mature or which will be subject to re-  
6       demption, at the option of the holders of them, not later than the  
7       respective dates when the proceeds, together with the interest accruing  
8       on them, will be required for the purposes intended.

9           Sec. 16.10.690. CREDIT OF STATE NOT PLEDGED. Obligations issued  
10       under the provisions of secs. 600 - 690 of this chapter do not consti-  
11       tute a debt, liability or obligation of the state or of any other  
12       political subdivision of the state or a pledge of the faith and credit  
13       of the state or a political subdivision of the state but are payable  
14       solely from the revenues or assets of the authority. Each obligation  
15       issued under secs. 600 - 690 of this chapter shall contain on its face a  
16       statement that the authority is not obligated to pay it nor the interest  
17       on it except from the revenues or assets pledged for it and that neither  
18       the faith and credit nor the taxing power of the state or of any other  
19       political subdivision of the state is pledged to the payment of the  
20       principal of or interest on the obligation.

21       \* Sec. 17. Notification, public meeting and voting procedures instituted  
22       before the effective date of this Act that are substantially in compliance  
23       with AS 16.10.530(e) shall be considered to constitute compliance with this  
24       Act, and are ratified upon the effective date of this Act.

25       \* Sec. 18. AS 16.10.400(d) and 16.10.530(b) are repealed.

26       \* Sec. 19. This Act takes effect immediately in accordance with AS 01.10.-  
27       070(c).

Original sponsor: Gardiner

Offered: 4/6/77  
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 264 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fisheries enhancement; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 16.10.375 is repealed and re-enacted to read:

10 Sec. 16.10.375. REGIONAL SALMON PLAN. The commissioner shall  
11 designate regions of the state for the purpose of salmon production and  
12 shall develop and amend as necessary a comprehensive salmon plan for  
13 each region for both public and private nonprofit hatchery systems.  
14 Subject to plan approval by the commissioner, comprehensive salmon plans  
15 shall be developed by regional planning teams consisting of department  
16 personnel and representatives of the appropriate qualified regional  
17 associations formed under sec. 380 of this chapter.

18 \* Sec. 2. AS 16.10.400(a) and (e) are amended to read:

19 (a) The commissioner or his designee may issue or renew a permit,  
20 subject to the restrictions [HE CONSIDERS DESIRABLE OR THAT ARE] imposed  
21 by statute or regulation under secs. 400 - 470 of this chapter, to a  
22 nonprofit corporation organized under AS 10.20, after the permit appli-  
23 cation has been reviewed by the regional planning team, for the con-  
24 struction and operation of a salmon hatchery.

25 (e) A qualified regional association formed under sec. 380 of this  
26 chapter, if it has become a nonprofit corporation under AS 10.20, has a  
27 preference right to a permit if its proposed hatchery is provided for in  
28 the comprehensive plan for that region developed under sec. 375 of this  
29 chapter. Any other [A] local nonprofit hatchery corporation [ESTAB-

1 LISHED OR] approved by a qualified regional association has an identical  
2 preference right.

3 \* Sec. 3. AS 16.10.430(a) is amended to read:

4 (a) If a permit holder fails to comply with the conditions and  
5 terms of the permit issued under secs. 400 - 470 of this chapter within  
6 a reasonable period after notification of his noncompliance by the  
7 department, his permit may be suspended or revoked, in the discretion of  
8 the commissioner after the regional planning team for the area in which  
9 the hatchery is located is notified and granted an opportunity to com-  
10 ment upon the proposed suspension or revocation.

11 \* Sec. 4. AS 16.10.450 is amended to read:

12 Sec. 16.10.450. SALE OF SALMON AND SALMON EGGS BY HATCHERY. A  
13 hatchery operator who sells salmon returning from the natural waters of  
14 the state, or sells salmon eggs to another hatchery operating under  
15 secs. 400 - 470 of this chapter, after utilizing the funds for reason-  
16 able operating costs, including debt retirement, [OR] expanding its  
17 facilities, or for costs of operating the qualified regional association  
18 for the area in which the hatchery is located, shall expend the remain-  
19 ing funds on fisheries research, salmon rehabilitation projects, or  
20 other fisheries activities of the qualified regional association. Fish  
21 returning to [SOLD BY] hatcheries and sold for human consumption shall  
22 be of comparable quality to fish harvested by commercial fisheries in  
23 the area, and shall be sold at prices commensurate with the current  
24 market.

25 \* Sec. 5. AS 16.10.470 is repealed and re-enacted to read:

26 Sec. 16.10.470. ANNUAL REPORT. A person who holds a permit for  
27 the operation of a salmon hatchery under secs. 400 - 470 of this chapter  
28 shall submit an annual report to the department and to the qualified  
29 regional association of the area in which the hatchery is located to

1 include but not be limited to statistics on the number of eggs and fish  
2 handled by the hatchery, whether for production or sale.

3 \* Sec. 6. AS 16.10.500 is amended to read:

4 Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the  
5 state, under secs. 500 - 550 of this chapter, to promote the enhancement  
6 of the state's fisheries by means of grants for organizational and plan-  
7 ning purposes to regional associations which have qualified under sec.  
8 380 of this chapter, and by means of long-term, low interest loans for  
9 hatchery planning, [AND] construction, and operation.

10 \* Sec. 7. AS 16.10 is amended by adding a new section to read:

11 Sec. 16.10.505. FISHERIES ENHANCEMENT REVOLVING LOAN FUND. There  
12 is created within the Department of Commerce and Economic Development a  
13 revolving fund to be known as the fisheries enhancement revolving loan  
14 fund. The fund shall be used to carry out the purposes of secs. 500 -  
15 550 of this chapter and for no other purpose.

16 \* Sec. 8. AS 16.10.510(1) and (2) are amended to read:

17 (1) make loans to permit holders, under secs. 400 - 470 of  
18 this chapter, including those holders issued permits before the effec-  
19 tive date of this Act, for the planning, [AND] construction, and opera-  
20 tion of hatchery facilities;

21 (2) make loans to qualified regional associations which have  
22 formed a nonprofit corporation or a local nonprofit corporation [ESTAB-  
23 LISHED OR] approved by a qualified regional association, for precon-  
24 struction activities necessary to obtain a permit [, PROVIDED THE  
25 HATCHERY HAS RECEIVED PRELIMINARY PROJECT APPROVAL FROM THE COMMISSIONER  
26 OF FISH & GAME];

27 \* Sec. 9. AS 16.10.510(8) is repealed and re-enacted to read:

28 (8) no repayment of principal is required for an initial  
29 period of six years, and no interest on the principal shall accrue

1 during that period.

2 \* Sec. 10. AS 16.10.510 is amended by adding a new paragraph to read:

3 (9) make grants for organizational and planning purposes to  
4 qualified regional associations which have formed a nonprofit corpora-  
5 tion, in amounts not exceeding \$100,000 per region and up to an addi-  
6 tional \$100,000 on a 50/50 cash matching basis with the regional associ-  
7 ations which have an authorized assessment under sec. 530 or 540 of this  
8 chapter. The state portion of the matching share shall be available  
9 when a final vote for assessments is made under sec. 530 or 540 of this  
10 chapter.

11 \* Sec. 11. AS 16.10.520(a) is amended to read:

12 (a) A single fisheries enhancement loan may not exceed \$3,000,000  
13 for a hatchery constructed under a permit granted to a qualified re-  
14 gional association which has formed a nonprofit corporation, or to a  
15 local nonprofit corporation [ESTABLISHED OR] approved by a qualified  
16 regional association. A loan for any other nonprofit hatchery corpora-  
17 tion project may not exceed \$300,000.

18 \* Sec. 12. AS 16.10.530(a) is repealed and re-enacted to read:

19 (a) The commissioner of commerce and economic development, on  
20 request of the qualified regional association for the area in which the  
21 assessment is to be levied, shall establish areas in which an assessment  
22 shall be levied on the sale of one or more species of salmon by persons  
23 licensed under AS 16.05.540 - 16.05.600. A request by the qualified  
24 regional association shall include a description of compliance with (e)  
25 of this section. An assessment levied under this section shall be for  
26 the purpose of providing revenue for the qualified regional association  
27 for the area in which the assessment is made. The rate and conditions  
28 of assessments shall be stated by the appropriate qualified regional  
29 association in conjunction with the request to the commissioner of

1 commerce and economic development under this subsection.

2 \* Sec. 13. AS 16.10.530(c) and (d) are amended to read:

3 (c) The commissioner and the appropriate qualified regional asso-  
4 ciation must agree on a means of collection of the assessment [BEFORE A  
5 LOAN IS MADE,] and the commissioner may, by regulation, require its  
6 collection by buyers of the salmon upon the sale of which an assessment  
7 is levied.

8 (d) The assessment shall terminate upon request of the qualified  
9 regional corporation when all financial obligations relating to the  
10 assessments have been met [THE PRINCIPAL AND INTEREST ON THE LOAN IS  
11 PAID].

12 \* Sec. 14. AS 16.10.530 is amended by adding new subsections to read:

13 (e) Before an assessment is made under this section, the qualified  
14 regional association for the area in which the assessment is to be  
15 levied shall hold an initial public meeting to explain and discuss the  
16 necessity for the assessment and to explain the registration procedure  
17 established under (f) of this section. Reasonable public notice of the  
18 meeting shall be sent to all limited entry permit holders actively  
19 participating in a fishery in the area, posted in at least three cen-  
20 trally located public places in the area, and published in at least one  
21 newspaper of general circulation at least one time a week for three  
22 consecutive weeks in the area, if one exists. The notice shall briefly  
23 state the amount of the assessment and a short general description of  
24 the purposes for which the assessment money will be used. A ballot  
25 shall be mailed to all limited entry permit holders actively participat-  
26 ing in a fishery in the area at least 20 days before the initial public  
27 meeting and contain a copy of the notice and ask the question whether an  
28 assessment shall be imposed. At the public meeting the returned ballots  
29 shall be counted by a special committee appointed by the regional

1 association for that purpose, and a vote by written ballot shall be  
2 taken on the question from among the limited entry permit holders  
3 present at the initial public meeting. After the vote is taken at the  
4 initial meeting a second public meeting shall be held, upon the limited  
5 notice of publication in a newspaper of general circulation, each day  
6 for five consecutive days and the mailing of personal notice to all  
7 limited entry permit holders who actively participate in a fishery in  
8 the area at least 14 days before the second public meeting, to give  
9 those who did not vote by written ballot at the initial public meeting  
10 an opportunity to vote. These votes shall be counted with the votes  
11 counted at the initial meeting. A majority vote for the assessment is  
12 required from the combined total of the returned ballots and the votes  
13 by ballot cast at both public meetings, before an assessment may be  
14 imposed. No person may vote twice.

15 (f) The qualified regional association shall establish standard  
16 registration procedures for voting on assessments under this section.

17 \* Sec. 15. AS 16.10 is amended by adding new sections to read:

18 Sec. 16.10.600. CREATION OF AUTHORITIES. (a) An association  
19 qualified under sec. 380 of this chapter as a regional association is  
20 given the authority to form a regional salmon enhancement authority.  
21 There is created with respect to each of the associations qualified  
22 under sec. 380 of this chapter a public body corporate and politic as a  
23 political subdivision of the state to function in the operating areas of  
24 the individual associations. Each authority may exercise all powers  
25 conferred by secs. 600 - 690 of this chapter.

26 (b) A regional salmon enhancement authority may not transact  
27 business or exercise powers granted to it until the governing body of  
28 the association has, by resolution, declared there is a need for the  
29 authority to function, given it the authority to function and appointed

1 persons to serve as the board of commissioners of the authority. The  
2 number of members of the board of commissioners, their terms of office  
3 and the filling of vacancies in office shall be determined by resolution  
4 of the governing body of the association.

5 (c) The regional salmon enhancement authority has jurisdiction to  
6 operate in all or part of the operating area of the individual associ-  
7 ation as determined by resolution of the governing body of the associa-  
8 tion.

9 Sec. 16.10.610. TAX EXEMPTION. (a) A salmon enhancement author-  
10 ity is exempt from payment of taxes or assessments for a period of 20  
11 years from the effective date of this Act on property owned by the  
12 authority which is used for salmon enhancement purposes.

13 (b) All obligations issued under secs. 600 - 690 of this chapter  
14 are issued by a body corporate and public which is a political sub-  
15 division of the state and for an essential public and governmental  
16 purpose, and the obligations, and the interest and income on and from  
17 the obligations, and all fees, charges, funds, revenues, income and  
18 other money pledged or available to pay or secure the payment of the  
19 obligations or interest are exempt from taxation for a period of 20  
20 years from the effective date of this Act, except for transfer, inheri-  
21 tance and estate taxes.

22 (c) All obligations or liabilities of a regional salmon enhance-  
23 ment authority remain its own and are not obligations or liabilities of  
24 the state.

25 Sec. 16.10.620. POWERS OF THE AUTHORITY. A salmon enhancement  
26 authority has the general power to

- 27 (1) adopt, alter and use a corporate seal;  
28 (2) prescribe, adopt, amend and repeal bylaws;  
29 (3) sue and be sued in its own name;

1 (4) appoint officers, agents and employees and vest them with  
2 powers and duties and to fix, change and pay compensation for their  
3 services as the authority may determine;

4 (5) borrow money, make and issue bonds, notes and other  
5 evidences of indebtedness of the authority for any of its corporate  
6 purposes and to secure payment of its bonds and of other obligations by  
7 pledge of or lien on all or any of its assets, contracts, revenue and  
8 income;

9 (6) make and issue bonds for the purpose of funding, refund-  
10 ing, purchasing, paying or discharging any of the outstanding bonds or  
11 obligations issued or assumed by it or bonds or obligations the princi-  
12 pal or interest of which is payable in whole or in part from its revenue;

13 (7) make and execute agreements, contracts and other instru-  
14 ments necessary or convenient in the exercise of its powers and func-  
15 tions, including contracts with any person, firm, corporation, govern-  
16 ment agency or other entity;

17 (8) receive, administer and comply with the conditions and  
18 requirements of an appropriation, gift, grant or donation of property or  
19 money;

20 (9) invest or reinvest money or funds held by the authority  
21 in obligations or other securities or investments in which banks or  
22 trust companies in the state may legally invest funds held in reserves  
23 or sinking funds or funds not required for immediate disbursement, and  
24 in certificates of deposits or time deposits;

25 (10) acquire, hold, use, lease, sell or otherwise dispose of  
26 property of any kind, real, personal or mixed or any interest in it;

27 (11) do all acts and things necessary, convenient or desirable  
28 to carry out the powers granted or implied in secs. 600 - 690 of this  
29 chapter;

1           (12) adopt, amend and repeal rules and regulations necessary  
2 for the exercise and performance of its powers and duties.

3           Sec. 16.10.630. BONDS AND NOTES. (a) The authority, by board of  
4 commissioners resolution, may issue bonds and bond anticipation notes in  
5 order to provide funds to carry out and effectuate its purposes.

6           (b) The principal and interest on these bonds or notes is payable  
7 from authority funds. Bond anticipation notes may be payable from the  
8 proceeds of the sale of bonds or from the proceeds of sale of other bond  
9 anticipation notes or, if bond or bond anticipation note proceeds are  
10 not available, such notes may be paid from other funds or assets of the  
11 authority. Bonds or notes may be additionally secured by a pledge of a  
12 grant or contribution from the federal or state government, a corpora-  
13 tion, association, institution or person, or a pledge of money, income,  
14 or revenues of the authority from any source.

15           (c) Bonds or bond anticipation notes may be issued as provided by  
16 board resolution, in one or more series and shall (1) be dated; (2) bear  
17 interest at the prescribed rate per year or within the maximum rate; (3)  
18 be in a certain denomination or form, either coupon or registered; (4)  
19 carry the conversion or registration provisions; (5) have rank or  
20 priority; (6) be executed in a certain manner and form; (7) be payable  
21 from the sources in the medium of payment and place or places inside or  
22 outside the state; (8) be subject to authentication by a trustee or  
23 fiscal agent; and (9) be subject to terms of redemption, with or without  
24 premium. Bond anticipation notes mature at a time determined by the  
25 authority. Bonds mature at a time, not exceeding 50 years from the date  
26 of their issuance, as determined by the authority. Before the prepara-  
27 tion of definitive bonds or bond anticipation notes, the authority may  
28 issue interim receipts or temporary bonds or bond anticipation notes,  
29 without or without coupons, exchangeable for bonds or bond anticipation

1 notes when the definitive bonds or bond anticipation notes have been  
2 executed and are available for delivery.

3 (d) Bond or bond anticipation notes may be sold in the manner, on  
4 the terms, and at the price the authority determines.

5 (e) If an officer whose actual or facsimile signature appears on  
6 any bonds or notes or coupons attached to them ceases to be an officer  
7 before the delivery of the bond, note or coupon, his signature is valid  
8 as if he had remained in office until delivery.

9 (f) In a resolution by the board of commissioners of the authority  
10 authorizing or relating to the issuance of bonds or bond anticipation  
11 notes, the authority may, with the holders of the bonds or bond antici-  
12 pation notes,

13 (1) pledge to any payment or purpose all or any part of  
14 revenues to which it is or will be entitled to and similarly pledge the  
15 money derived from the revenues, and the proceeds of any bonds or notes;

16 (2) covenant against pledging all or any part of its re-  
17 venues, or against permitting or suffering a lien on the revenues or its  
18 property;

19 (3) covenant as to the use and disposition of any and all  
20 payments of principal or interest received by the authority on mortgage  
21 loans, construction loans or other investments held by the authority;

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

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

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

1 (7) covenant as to the issuance of additional bonds or notes,  
2 or as to limitations on the issuance of additional bonds or notes and  
3 the incurring of the other debts;

4 (8) covenant as to the payment of the principal of or inter-  
5 est on the bonds or notes, as to the sources and methods of the payment,  
6 as to the rank or priority of the bonds or notes with respect to a lien  
7 or security, or as to the acceleration of the maturity of the bonds or  
8 notes;

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

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

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

15 (12) covenant to create or authorize the creation of special  
16 funds of money to be held in pledge or otherwise for operation expenses,  
17 payment or redemption of bonds or notes, reserves or other purposes, and  
18 as to use and disposition of the money held in the funds;

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

24 (14) covenant as to the custody of any of its properties or  
25 investments, their safekeeping and insurance, and the use and disposi-  
26 tion of insurance money;

27 (15) covenant as to the time or manner of enforcement or  
28 restraint from enforcement of any rights of the corporation arising by  
29 reason of or with respect to nonpayment of principal or interest of any

1 mortgage loans or construction loans;

2 (16) provide for the rights and liabilities, powers and duties  
3 arising upon the breach of a covenant, condition or obligation, and to  
4 prescribe the events of default and the terms and conditions upon which  
5 any or all of the bonds, notes or other obligations of the authority  
6 become or may be declared due and payable before maturity and the terms  
7 and conditions upon which such a declaration and its consequences may be  
8 waived;

9 (17) vest in a trustee or trustees inside or outside the state  
10 property, rights, powers and duties in trust as the authority may  
11 determine, which may include any or all of the rights, powers and duties  
12 of a trustee appointed by the holders of bonds or notes, and to limit or  
13 abrogate the right of the holders of bonds or notes of the authority to  
14 appoint a trustee under secs. 600 - 690 of this chapter or limit the  
15 rights, powers and duties of the trustee;

16 (18) pay the costs or expenses incident to the enforcement of  
17 the bonds or notes or of the provisions of the resolution or of a  
18 covenant or agreement of the authority with the holders of its bonds or  
19 notes;

20 (19) agree with a corporate trustee which may be a trust  
21 company or bank having the powers of a trust company inside or outside  
22 the state as to the pledging or assigning of revenues or funds to which  
23 or in which the authority has any rights or interest; and further pro-  
24 vide for other rights and remedies exercisable by the trustee as may be  
25 proper for the protection of the holders of any bonds or notes of the  
26 authority and not otherwise in violation of law and may provide for the  
27 restriction of the rights of an individual holder of bonds or notes of  
28 the authority;

29 (20) appoint and provide for the duties and obligations of a

1 paying agent or other fiduciary, by resolution, inside or outside the  
2 state;

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

5 (22) make covenants other than expressly authorized in this  
6 section, of like or different character, and to make covenants as may be  
7 necessary or desirable, to better secure bonds or notes or which, in the  
8 discretion of the authority, will tend to make bonds or notes more  
9 marketable, notwithstanding the fact that the covenants are not enumer-  
10 ated in this section.

11 Sec. 16.10.640. VALIDITY OF PLEDGE. The pledge of assets or  
12 revenues of the authority to the payment of the principal or interest of  
13 obligations of the authority is valid and binding from the time the  
14 pledge is made and assets or revenues pledged are immediately subject to  
15 the lien of the pledge without physical delivery or further action. The  
16 lien of a pledge is valid and binding against all parties having claims  
17 of any kind in tort, contract or otherwise against the authority,  
18 irrespective of whether those parties have notice of the lien of the  
19 pledge. Nothing prohibits the authority from selling assets subject to  
20 a pledge, except that a sale may be restricted by the trust agreement or  
21 resolution providing for the issuance of the obligations.

22 Sec. 16.10.650. REMEDIES. A holder of obligations or coupons  
23 attached to them issued under the provisions of secs. 600 - 690 of this  
24 chapter, and a trustee under a trust agreement or resolution authorizing  
25 the issuance of the obligations, if not restricted by the trust agree-  
26 ment or resolution, either at law or in equity, may enforce all rights  
27 granted under the coupons or under the trust agreement or resolution, or  
28 under any other contract executed by the authority under secs. 600 - 690  
29 of this chapter, and may enforce and compel the performance of all

1 duties required by secs. 600 - 690 of this chapter or by the trust  
2 agreement or resolution to be performed by the authority or by an offi-  
3 cer of it.

4 Sec. 16.10.660. NEGOTIABLE INSTRUMENTS. All obligations and  
5 interest coupons attached to the obligations are negotiable instruments  
6 under the laws of this state, subject only to applicable registration  
7 provisions.

8 Sec. 16.10.670. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations  
9 issued under the provisions of secs. 600 - 690 of this chapter are  
10 securities in which all public officers and public bodies of the state  
11 and its political subdivisions, all insurance companies, trust com-  
12 panies, banking associations, investment companies, executors, adminis-  
13 trators, trustees and other fiduciaries may properly and legally invest  
14 funds, including capital in their control or belonging to them. These  
15 obligations may be deposited with the state or municipal officer of an  
16 agency or political subdivision of the state for any purpose for which  
17 the deposit of bonds, notes or obligations of the state is authorized by  
18 law.

19 Sec. 16.10.680. REFUNDING OBLIGATIONS. (a) The authority may  
20 provide for the issuance of refunding obligations for the purpose of re-  
21 funding obligations then outstanding which have been issued under the  
22 provisions of secs. 600 - 690 of this chapter, including the payment of  
23 redemption premium on them and interest accrued or to accrue to the date  
24 of redemption of the obligations. The issuance of the obligations, the  
25 maturities and other details of them, the rights of the holders of them,  
26 and the rights, duties and obligations of the authority in respect of  
27 them are governed by the provisions of secs. 600 - 690 of this chapter  
28 which relate to the issuance of appropriate obligations.

29 (b) Refunding obligations may be sold or exchanged for outstanding

1 obligations issued under secs. 600 - 690 of this chapter. If sold, the  
2 proceeds may be applied, in addition to other authorized purposes, to  
3 the purchase, redemption or payment of the outstanding obligations.  
4 Pending the application of the proceeds of any such refunding obli-  
5 gations, with any other available funds, to the payment of the principal  
6 (accrued interest and any redemption premium on the obligations being  
7 refunded, and, if so provided or permitted in the resolution authorizing  
8 the issuance of the refunding obligations or in the trust agreement  
9 securing them, to the payment of any interest on the refunding obliga-  
10 tions and any expenses in connection with the refunding), the proceeds  
11 may be invested in direct obligations of, or obligations the principal  
12 of and the interest on which are unconditionally guaranteed by, the  
13 United States of America which mature or which will be subject to re-  
14 demption, at the option of the holders of them, not later than the  
15 respective dates when the proceeds, together with the interest accruing  
16 on them, will be required for the purposes intended.

17 Sec. 16.10.690. CREDIT OF STATE NOT PLEDGED. Obligations issued  
18 under the provisions of secs. 600 - 690 of this chapter do not consti-  
19 tute a debt, liability or obligation of the state or of any other  
20 political subdivision of the state or a pledge of the faith and credit  
21 of the state or a political subdivision of the state but are payable  
22 solely from the revenues or assets of the authority. Each obligation  
23 issued under secs. 600 - 690 of this chapter shall contain on its face a  
24 statement that the authority is not obligated to pay it nor the interest  
25 on it except from the revenues or assets pledged for it and that neither  
26 the faith and credit nor the taxing power of the state or of a political  
27 subdivision of the state is pledged to the payment of the principal of  
28 or interest on the obligation.

29 \* Sec. 16. Notification, public meeting and voting procedures instituted

1 before the effective date of this Act that are substantially in compliance  
2 with AS 16.10.530(e) shall be considered to constitute compliance with this  
3 Act, and are ratified upon the effective date of this Act.

4 \* Sec. 17. AS 16.10.400(d), 16.10.520(b) and 16.10.530(b) are repealed.

5 \* Sec. 18. This Act takes effect immediately in accordance with AS 01.10.  
6 070(c).

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Original sponsor: Gardiner

Offered: 3/14/77  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 264

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fisheries enhancement; and providing  
7 for an effective date."

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

9 \* Section 1. AS 16.10.375 is repealed and re-enacted to read:

10 Sec. 16.10.375. REGIONAL SALMON PLAN. The commissioner shall  
11 designate regions of the state for the purpose of salmon production and  
12 shall develop and amend as necessary a comprehensive salmon plan for  
13 each region for both public and private nonprofit hatchery systems.  
14 Subject to plan approval by the commissioner, comprehensive salmon plans  
15 shall be developed by regional planning teams consisting of department  
16 personnel and representatives of the appropriate qualified regional  
17 associations formed under sec. 380 of this chapter.

18 \* Sec. 2. AS 16.10.400(a) and (e) are amended to read:

19 (a) The commissioner or his designee may issue or renew a permit,  
20 subject to the restrictions [HE CONSIDERS DESIRABLE OR THAT ARE] imposed  
21 by statute or regulation under secs. 400 - 470 of this chapter, to a  
22 nonprofit corporation organized under AS 10.20, after the permit appli-  
23 cation has been reviewed by the regional planning team, for the con-  
24 struction and operation of a salmon hatchery.

25 (e) A qualified regional association formed under sec. 380 of this  
26 chapter, if it has become a nonprofit corporation under AS 10.20, has a  
27 preference right to a permit if its proposed hatchery is provided for in  
28 the comprehensive plan for that region developed under sec. 375 of this  
29 chapter. Any other [A] local nonprofit hatchery corporation [ESTABLISHED]

1 OR] approved by a qualified regional association has an identical pre-  
2 ference right.

3 \* Sec. 3. AS 16.10.430(a) is amended to read:

4 (a) If a permit holder fails to comply with the conditions and  
5 terms of the permit issued under secs. 400 - 470 of this chapter within  
6 a reasonable period after notification of his noncompliance by the  
7 department, his permit may be suspended or revoked, in the discretion of  
8 the commissioner after the regional planning team for the area in which  
9 the hatchery is located is notified and granted an opportunity to comment  
10 upon the proposed suspension or revocation.

11 \* Sec. 4. AS 16.10.450 is amended to read:

12 Sec. 16.10.450. SALE OF SALMON AND SALMON EGGS BY HATCHERY. A  
13 hatchery operator who sells salmon returning from the natural waters of  
14 the state, or sells salmon eggs to another hatchery operating under  
15 secs. 400 - 470 of this chapter, after utilizing the funds for reason-  
16 able operating costs, including debt retirement, [OR] expanding its  
17 facilities, or for costs of operating the qualified regional association  
18 for the area in which the hatchery is located, shall expend the remain-  
19 ing funds on fisheries research, salmon rehabilitation projects, or  
20 other fisheries activities of the qualified regional association. Fish  
21 returning to [SOLD BY] hatcheries and sold for human consumption shall  
22 be of comparable quality to fish harvested by commercial fisheries in  
23 the area, and shall be sold at prices commensurate with the current  
24 market.

25 \* Sec. 5. AS 16.10.470 is repealed and re-enacted to read:

26 Sec. 16.10.470. ANNUAL REPORT. A person who holds a permit for  
27 the operation of a salmon hatchery under secs. 400 - 470 of this chapter  
28 shall submit an annual report to the department and to the qualified  
29 regional association of the area in which the hatchery is located to

1 include but not be limited to statistics on the number of eggs and fish  
2 handled by the hatchery, whether for production or sale.

3 \* Sec. 6. AS 16.10.500 is amended to read:

4 Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the  
5 state, under secs. 500 - 550 of this chapter, to promote the enhancement  
6 of the state's fisheries by means of grants for organizational and plan-  
7 ning purposes to regional associations which have qualified under sec.  
8 380 of this chapter, and by means of long-term, low interest loans for  
9 hatchery planning, [AND] construction, and operation.

10 \* Sec. 7. AS 16.10.510(1) and (2) are amended to read:

11 (1) make loans to permit holders, under secs. 400 - 470 of  
12 this chapter, including those holders issued permits before the effec-  
13 tive date of this Act, for the planning, [AND] construction, and opera-  
14 tion of hatchery facilities;

15 (2) make loans to qualified regional associations which have  
16 formed a nonprofit corporation or a local nonprofit corporation [ESTAB-  
17 LISHED OR] approved by a qualified regional association, for preconstruc-  
18 tion activities necessary to obtain a permit [, PROVIDED THE HATCHERY  
19 HAS RECEIVED PRELIMINARY PROJECT APPROVAL FROM THE COMMISSIONER OF FISH  
20 & GAME];

21 \* Sec. 8. AS 16.10.510(8) is repealed and re-enacted to read:

22 (8) no repayment of principal is required for an initial  
23 period of six years, and no interest on the principal shall accrue dur-  
24 ing that period.

25 \* Sec. 9. AS 16.10.510 is amended by adding a new paragraph to read:

26 (9) make grants for organizational and planning purposes to  
27 qualified regional associations which have formed a nonprofit corpora-  
28 tion, in amounts not exceeding \$100,000 per region and up to an addi-  
29 tional \$100,000 on a 50/50 cash matching basis with the regional associ-

1 ations which have an authorized assessment under sec. 530 or 540 of this  
2 chapter. The state portion of the matching share shall be available  
3 when a final vote for assessments is made under sec. 530 or 540 of this  
4 chapter.

5 \* Sec. 10. AS 16.10.520(a) is amended to read:

6 (a) A single fisheries enhancement loan may not exceed \$3,000,000  
7 for a hatchery constructed under a permit granted to a qualified re-  
8 gional association which has formed a nonprofit corporation, or to a  
9 local nonprofit corporation [ESTABLISHED OR] approved by a qualified  
10 regional association. A loan for any other nonprofit hatchery corpora-  
11 tion project may not exceed \$300,000.

12 \* Sec. 11. AS 16.10.530(a) is repealed and re-enacted to read:

13 (a) The commissioner of commerce and economic development, on  
14 request of the qualified regional association for the area in which the  
15 assessment is to be levied, shall establish areas in which an assessment  
16 shall be levied on the sale of one or more species of salmon by persons  
17 licensed under AS 16.05.540 - 16.05.600. A request by the qualified  
18 regional association shall include a description of compliance with (e)  
19 of this section. An assessment levied under this section shall be for  
20 the purpose of providing revenue for the qualified regional association  
21 for the area in which the assessment is made. The rate and conditions  
22 of assessments shall be stated by the appropriate qualified regional  
23 association in conjunction with the request to the commissioner of  
24 commerce and economic development under this subsection.

25 \* Sec. 12. AS 16.10.530(c) and (d) are amended to read:

26 (c) The commissioner and the appropriate qualified regional asso-  
27 ciation must agree on a means of collection of the assessment [BEFORE A  
28 LOAN IS MADE,] and the commissioner may, by regulation, require its  
29 collection by buyers of the salmon upon the sale of which an assessment

1 is levied.

2 (d) The assessment shall terminate upon request of the qualified  
3 regional corporation when all financial obligations relating to the  
4 assessments have been met [THE PRINCIPAL AND INTEREST ON THE LOAN IS  
5 PAID].

6 \* Sec. 13. AS 16.10.530 is amended by adding new subsections to read:

7 (e) Before an assessment is made under this section, the qualified  
8 regional association for the area in which the assessment is to be  
9 levied shall hold an initial public meeting to explain and discuss the  
10 necessity for the assessment and to explain the registration procedure  
11 established under (f) of this section. Reasonable public notice of the  
12 meeting shall be sent to all limited entry permit holders actively  
13 participating in a fishery in the area, posted in at least three cen-  
14 trally located public places in the area, and published in at least one  
15 newspaper of general circulation at least one time a week for three  
16 consecutive weeks in the area, if one exists. The notice shall briefly  
17 state the amount of the assessment and a short general description of  
18 the purposes for which the assessment money will be used. A ballot  
19 shall be mailed to all limited entry permit holders actively participat-  
20 ing in a fishery in the area at least 20 days before the initial public  
21 meeting and contain a copy of the notice and ask the question whether an  
22 assessment shall be imposed. At the public meeting the returned ballots  
23 shall be counted by a special committee appointed by the regional  
24 association for that purpose, and a vote by written ballot shall be  
25 taken on the question from among the limited entry permit holders  
26 present at the initial public meeting. After the vote is taken at the  
27 initial meeting a second public meeting shall be held, upon the limited  
28 notice of publication in a newspaper of general circulation, each day  
29 for five consecutive days and the mailing of personal notice to all

1 limited entry permit holders who actively participate in a fishery in  
2 the area at least 14 days before the second public meeting, to give  
3 those who did not vote by written ballot at the initial public meeting  
4 an opportunity to vote. These votes shall be counted with the votes  
5 counted at the initial meeting. A majority vote for the assessment is  
6 required from the combined total of the returned ballots and the votes  
7 by ballot cast at both public meetings, before an assessment may be  
8 imposed. No person may vote twice.

9 (f) The qualified regional association shall establish standard  
10 registration procedures for voting on assessments under this section.

11 \* Sec. 14. AS 16.10 is amended by adding new sections to read:

12 Sec. 16.10.600. CREATION OF AUTHORITIES. (a) An association  
13 qualified under sec. 380 of this chapter as a regional association is  
14 given the authority to form a regional salmon enhancement authority.  
15 There is created with respect to each of the associations qualified  
16 under sec. 380 of this chapter a public body corporate and politic as a  
17 political subdivision of the state to function in the operating areas of  
18 the individual associations. Each authority may exercise all powers  
19 conferred by secs. 600 - 690 of this chapter.

20 (b) A regional salmon enhancement authority may not transact  
21 business or exercise powers granted to it until the governing body of  
22 the association has, by resolution, declared there is a need for the  
23 authority to function, given it the authority to function and appointed  
24 persons to serve as the board of commissioners of the authority. The  
25 number of members of the board of commissioners, their terms of office  
26 and the filling of vacancies in office shall be determined by resolution  
27 of the governing body of the association.

28 (c) The regional salmon enhancement authority has jurisdiction to  
29 operate in all or part of the operating area of the individual associ-

1 ation as determined by resolution of the governing body of the associa-  
2 tion.

3 Sec. 16.10.610. TAX EXEMPTION. (a) A salmon enhancement author-  
4 ity is exempt from payment of taxes or assessments for a period of 20  
5 years from the effective date of this Act on property owned by the  
6 authority which is used for salmon enhancement purposes.

7 (b) All obligations issued under secs. 600 - 690 of this chapter  
8 are issued by a body corporate and public which is a political sub-  
9 division of the state and for an essential public and governmental  
10 purpose, and the obligations, and the interest and income on and from  
11 the obligations, and all fees, charges, funds, revenues, income and  
12 other money pledged or available to pay or secure the payment of the  
13 obligations or interest are exempt from taxation for a period of 20  
14 years from the effective date of this Act, except for transfer, inheri-  
15 tance and estate taxes.

16 (c) All obligations or liabilities of a regional salmon enhance-  
17 ment authority remain its own and are not obligations or liabilities of  
18 the state.

19 Sec. 16.10.620. POWERS OF THE AUTHORITY. A salmon enhancement  
20 authority has the general power to

- 21 (1) adopt, alter and use a corporate seal;
- 22 (2) prescribe, adopt, amend and repeal bylaws;
- 23 (3) sue and be sued in its own name;
- 24 (4) appoint officers, agents and employees and vest them with  
25 powers and duties and to fix, change and pay compensation for their  
26 services as the authority may determine;
- 27 (5) borrow money, make and issue bonds, notes and other  
28 evidences of indebtedness of the authority for any of its corporate  
29 purposes and to secure payment of its bonds and of other obligations by

1 pledge of or lien on all or any of its assets, contracts, revenue and  
2 income;

3 (6) make and issue bonds for the purpose of funding, refund-  
4 ing, purchasing, paying or discharging any of the outstanding bonds or  
5 obligations issued or assumed by it or bonds or obligations the princi-  
6 pal or interest of which is payable in whole or in part from its revenue;

7 (7) make and execute agreements, contracts and other instru-  
8 ments necessary or convenient in the exercise of its powers and func-  
9 tions, including contracts with any person, firm, corporation, govern-  
10 ment agency or other entity;

11 (8) receive, administer and comply with the conditions and  
12 requirements of an appropriation, gift, grant or donation of property or  
13 money;

14 (9) invest or reinvest money or funds held by the authority  
15 in obligations or other securities or investments in which banks or  
16 trust companies in the state may legally invest funds held in reserves  
17 or sinking funds or funds not required for immediate disbursement, and  
18 in certificates of deposits or time deposits;

19 (10) acquire, hold, use, lease, sell or otherwise dispose of  
20 property of any kind, real, personal or mixed or any interest in it;

21 (11) do all acts and things necessary, convenient or desirable  
22 to carry out the powers granted or implied in secs. 600 - 690 of this  
23 chapter;

24 (12) adopt, amend and repeal rules and regulations necessary  
25 for the exercise and performance of its powers and duties.

26 Sec. 16.10.630. BONDS AND NOTES. (a) The authority, by board of  
27 commissioners resolution, may issue bonds and bond anticipation notes in  
28 order to provide funds to carry out and effectuate its purposes.

29 (b) The principal and interest on these bonds or notes is payable

1 from authority funds. Bond anticipation notes may be payable from the  
2 proceeds of the sale of bonds or from the proceeds of sale of other bond  
3 anticipation notes or, if bond or bond anticipation note proceeds are  
4 not available, such notes may be paid from other funds or assets of the  
5 authority. Bonds or notes may be additionally secured by a pledge of a  
6 grant or contribution from the federal or state government, a corpora-  
7 tion, association, institution or person, or a pledge of money, income,  
8 or revenues of the authority from any source.

9 (c) Bonds or bond anticipation notes may be issued as provided by  
10 board resolution, in one or more series and shall (1) be dated; (2) bear  
11 interest at the prescribed rate per year or within the maximum rate, (3)  
12 be in a certain denomination or form, either coupon or registered; (4)  
13 carry the conversion or registration provisions; (5) have rank or  
14 priority; (6) be executed in a certain manner and form; (7) be payable  
15 from the sources in the medium of payment and place or places inside or  
16 outside the state; (8) be subject to authentication by a trustee or  
17 fiscal agent; and (9) be subject to terms of redemption, with or without  
18 premium. Bond anticipation notes mature at a time determined by the  
19 authority. Bonds mature at a time, not exceeding 50 years from the date  
20 of their issuance, as determined by the authority. Before the prepara-  
21 tion of definitive bonds or bond anticipation notes, the authority may  
22 issue interim receipts or temporary bonds or bond anticipation notes,  
23 without or without coupons, exchangeable for bonds or bond anticipation  
24 notes when the definitive bonds or bond anticipation notes have been  
25 executed and are available for delivery.

26 (d) Bond or bond anticipation notes may be sold in the manner, on  
27 the terms, and at the price the authority determines.

28 (e) If an officer whose actual or facsimile signature appears on  
29 any bonds or notes or coupons attached to them ceases to be an officer

1 before the delivery of the bond, note or coupon, his signature is valid  
2 as if he had remained in office until delivery.

3 (f) In a resolution by the board of commissioners of the authority  
4 authorizing or relating to the issuance of bonds or bond anticipation  
5 notes, the authority may, with the holders of the bonds or bond antici-  
6 pation notes,

7 (1) pledge to any payment or purpose all or any part of  
8 revenues to which it is or will be entitled to and similarly pledge the  
9 money derived from the revenues, and the proceeds of any bonds or notes;

10 (2) covenant against pledging all or any part of its re-  
11 venues, or against permitting or suffering a lien on the revenues or its  
12 property;

13 (3) covenant as to the use and disposition of any and all  
14 payments of principal or interest received by the authority on mortgage  
15 loans, construction loans or other investments held by the authority;

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

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

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

24 (7) covenant as to the issuance of additional bonds or notes,  
25 or as to limitations on the issuance of additional bonds or notes and  
26 the incurring of the other debts;

27 (8) covenant as to the payment of the principal of or inter-  
28 est on the bonds or notes, as to the sources and methods of the payment,  
29 as to the rank or priority of the bonds or notes with respect to a lien

1 or security, or as to the acceleration of the maturity of the bonds or  
2 notes;

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

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

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

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

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

18 (14) covenant as to the custody of any of its properties or  
19 investments, their safekeeping and insurance, and the use and disposi-  
20 tion of insurance money;

21 (15) covenant as to the time or manner of enforcement or  
22 restraint from enforcement of any rights of the corporation arising by  
23 reason of or with respect to nonpayment of principal or interest of any  
24 mortgage loans or construction loans;

25 (16) provide for the rights and liabilities, powers and duties  
26 arising upon the breach of a covenant, condition or obligation, and to  
27 prescribe the events of default and the terms and conditions upon which  
28 any or all of the bonds, notes or other obligations of the authority  
29 become or may be declared due and payable before maturity and the terms

1 and conditions upon which such a declaration and its consequences may be  
2 waived;

3 (17) vest in a trustee or trustees inside or outside the state  
4 property, rights, powers and duties in trust as the authority may  
5 determine, which may include any or all of the rights, powers and duties  
6 of a trustee appointed by the holders of bonds or notes, and to limit or  
7 abrogate the right of the holders of bonds or notes of the authority to  
8 appoint a trustee under secs. 600 - 690 of this chapter or limit the  
9 rights, powers and duties of the trustee;

10 (18) pay the costs or expenses incident to the enforcement of  
11 the bonds or notes or of the provisions of the resolution or of a  
12 covenant or agreement of the authority with the holders of its bonds or  
13 notes;

14 (19) agree with a corporate trustee which may be a trust  
15 company or bank having the powers of a trust company inside or outside  
16 the state as to the pledging or assigning of revenues or funds to which  
17 or in which the authority has any rights or interest; and further pro-  
18 vide for other rights and remedies exercisable by the trustee as may be  
19 proper for the protection of the holders of any bonds or notes of the  
20 authority and not otherwise in violation of law and may provide for the  
21 restriction of the rights of an individual holder of bonds or notes of  
22 the authority;

23 (20) appoint and provide for the duties and obligations of a  
24 paying agent or other fiduciary, by resolution, inside or outside the  
25 state;

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

28 (22) make covenants other than expressly authorized in this  
29 section, of like or different character, and to make covenants as may be

1 necessary or desirable, to better secure bonds or notes or which, in the  
2 discretion of the authority, will tend to make bonds or notes more  
3 marketable, notwithstanding the fact that the covenants are not enumer-  
4 ated in this section.

5 Sec. 16.10.640. VALIDITY OF PLEDGE. The pledge of assets or  
6 revenues of the authority to the payment of the principal or interest of  
7 obligations of the authority is valid and binding from the time the  
8 pledge is made and assets or revenues pledged are immediately subject to  
9 the lien of the pledge without physical delivery or further action. The  
10 lien of a pledge is valid and binding against all parties having claims  
11 of any kind in tort, contract or otherwise against the authority,  
12 irrespective of whether those parties have notice of the lien of the  
13 pledge. Nothing prohibits the authority from selling assets subject to  
14 a pledge, except that a sale may be restricted by the trust agreement or  
15 resolution providing for the issuance of the obligations.

16 Sec. 16.10.650. REMEDIES. A holder of obligations or coupons  
17 attached to them issued under the provisions of secs. 600 - 690 of this  
18 chapter, and a trustee under a trust agreement or resolution authorizing  
19 the issuance of the obligations, if not restricted by the trust agree-  
20 ment or resolution, either at law or in equity, may enforce all rights  
21 granted under the coupons or under the trust agreement or resolution, or  
22 under any other contract executed by the authority under secs. 600 - 690  
23 of this chapter, and may enforce and compel the performance of all  
24 duties required by secs. 600 - 690 of this chapter or by the trust  
25 agreement or resolution to be performed by the authority or by an offi-  
26 cer of it.

27 Sec. 16.10.660. NEGOTIABLE INSTRUMENTS. All obligations and  
28 interest coupons attached to the obligations are negotiable instruments  
29 under the laws of this state, subject only to applicable registration

1 provisions.

2           Sec. 16.10.670. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations  
3 issued under the provisions of secs. 600 - 690 of this chapter are  
4 securities in which all public officers and public bodies of the state  
5 and its political subdivisions, all insurance companies, trust com-  
6 panies, banking associations, investment companies, executors, adminis-  
7 trators, trustees and other fiduciaries may properly and legally invest  
8 funds, including capital in their control or belonging to them. These  
9 obligations may be deposited with the state or municipal officer of an  
10 agency or political subdivision of the state for any purpose for which  
11 the deposit of bonds, notes or obligations of the state is authorized by  
12 law.

13           Sec. 16.10.680. REFUNDING OBLIGATIONS. (a) The authority may  
14 provide for the issuance of refunding obligations for the purpose of re-  
15 funding obligations then outstanding which have been issued under the  
16 provisions of secs. 600 - 690 of this chapter, including the payment of  
17 redemption premium on them and interest accrued or to accrue to the date  
18 of redemption of the obligations. The issuance of the obligations, the  
19 maturities and other details of them, the rights of the holders of them,  
20 and the rights, duties and obligations of the authority in respect of  
21 them are governed by the provisions of secs. 600 - 690 of this chapter  
22 which relate to the issuance of appropriate obligations.

23           (b) Refunding obligations may be sold or exchanged for outstanding  
24 obligations issued under secs. 600 - 690 of this chapter. If sold, the  
25 proceeds may be applied, in addition to other authorized purposes, to  
26 the purchase, redemption or payment of the outstanding obligations.  
27 Pending the application of the proceeds of any such refunding obli-  
28 gations, with any other available funds, to the payment of the principal  
29 (accrued interest and any redemption premium on the obligations being

1 refunded, and, if so provided or permitted in the resolution authorizing  
2 the issuance of the refunding obligations or in the trust agreement  
3 securing them, to the payment of any interest on the refunding obliga-  
4 tions and any expenses in connection with the refunding), the proceeds  
5 may be invested in direct obligations of, or obligations the principal  
6 of and the interest on which are unconditionally guaranteed by, the  
7 United States of America which mature or which will be subject to re-  
8 demption, at the option of the holders of them, not later than the  
9 respective dates when the proceeds, together with the interest accruing  
10 on them, will be required for the purposes intended.

11 Sec. 16.10.690. CREDIT OF STATE NOT PLEDGED. Obligations issued  
12 under the provisions of secs. 600 - 690 of this chapter do not consti-  
13 tute a debt, liability or obligation of the state or of any other  
14 political subdivision of the state or a pledge of the faith and credit  
15 of the state or a political subdivision of the state but are payable  
16 solely from the revenues or assets of the authority. Each obligation  
17 issued under secs. 600 - 690 of this chapter shall contain on its face a  
18 statement that the authority is not obligated to pay it nor the interest  
19 on it except from the revenues or assets pledged for it and that neither  
20 the faith and credit nor the taxing power of the state or of a political  
21 subdivision of the state is pledged to the payment of the principal of  
22 or interest on the obligation.

23 \* Sec. 15. AS 16.10.400(d), 16.10.520(b) and 16.10.530(b) are repealed.

24 \* Sec. 16. This Act takes effect immediately in accordance with AS 01.10.-  
25 070(c).

Introduced: 2/24/77  
Referred: Resources and  
Finance

1 IN THE HOUSE

BY GARDINER

2 HOUSE BILL NO. 264

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to fisheries enhancement; and providing  
7 for an effective date."

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

9 \* Section 1. AS 16.10.375 is amended to read:

10 Sec. 16.10.375. REGIONAL PLAN FOR SALMON ENHANCEMENT. The com-  
11 missioner shall designate regions of the state for the purpose of en-  
12 hancing salmon production and shall develop and amend as necessary a  
13 comprehensive salmon enhancement plan for each region for both public  
14 and private nonprofit hatchery systems. Comprehensive salmon enhance-  
15 ment plans shall be developed in conjunction with and approved by the  
16 [COOPERATION WITH] appropriate qualified regional associations formed  
17 under sec. 380 of this chapter.

18 \* Sec. 2. AS 16.10.400(a), (e), and (f) are amended to read:

19 (a) The commissioner or his designee may issue or renew a permit,  
20 subject to the restrictions [HE CONSIDERS DESIRABLE OR THAT ARE] imposed  
21 by statute or regulation under secs. 400 - 470 of this chapter, to a non-  
22 profit corporation organized under AS 10.20, and subject to approval by  
23 the qualified regional association for the area in which the hatchery is  
24 to be operated, for the construction and operation of a salmon hatchery.

25 (e) A qualified regional association formed under sec. 380 of this  
26 chapter, if it has become a nonprofit corporation under AS 10.20, has a  
27 preference right to a permit if its proposed hatchery is provided for in  
28 the comprehensive plan for that region developed under sec. 375 of this  
29 chapter. Any other [A] local nonprofit hatchery corporation [ESTABLISHED

1 OR APPROVED BY A QUALIFIED REGIONAL ASSOCIATION] has a secondary [AN  
2 IDENTICAL] preference right.

3 (f) Except for permits issued before June 16, 1976, no permit may  
4 be issued for construction or operation of a hatchery on an anadromous  
5 fish stream unless the stream has been classified as suitable for en-  
6 hancement purposes by the commissioner and the permit is approved by the  
7 qualified regional association for the area in which the hatchery is to  
8 be operated. The commissioner shall undertake to make such classifi-  
9 cations in conjunction with the development of the comprehensive plan  
10 under sec. 375 of this chapter.

11 \* Sec. 3. AS 16.10.420(6) is amended to read:

12 (6) adult salmon be harvested by hatchery operators only at  
13 specific locations as designated by the department and the qualified  
14 regional association for the area in which the hatchery is operated;

15 \* Sec. 4. AS 16.10.430(a) is amended to read:

16 (a) If a permit holder fails to comply with the conditions and  
17 terms of the permit issued under secs. 400 - 470 of this chapter within  
18 a reasonable period after notification of his noncompliance by the  
19 department, his permit may be suspended or revoked, in the discretion of  
20 the commissioner after the qualified regional association for the area  
21 in which the hatchery is located is notified and granted an opportunity  
22 to comment upon the proposed suspension or revocation.

23 \* Sec. 5. AS 16.10.440(a) is amended to read:

24 (a) Fish released into the natural waters of the state by a  
25 hatchery operated under secs. 400 - 470 of this chapter are available to  
26 the people for common use and are subject to regulations under appli-  
27 cable law in the same way as fish occurring in their natural state until  
28 they return to the specific location designated by the department and  
29 the qualified regional association for the area in which the hatchery is

1        located, for harvest by the hatchery operator.

2        \* Sec. 6. AS 16.10 is amended by adding a new section to read:

3                Sec. 16.10.447. HARVEST OF SALMON RETURNING TO STATE-OPERATED  
4        HATCHERIES. All salmon in excess of brood stock requirements returning  
5        to state-operated hatcheries shall be harvested and disposed of by the  
6        qualified regional associations of the area in which the state-operated  
7        hatchery is located. If no qualified regional association exists in the  
8        area, the proceeds from the sale in excess of the costs of harvesting  
9        shall be deposited in the Alaska renewable resources permanent fund (AS  
10       37.11.050 - 37.11.080).

11       \* Sec. 7. AS 16.10.450 is amended to read:

12                Sec. 16.10.450. SALE OF SALMON AND SALMON EGGS BY HATCHERY. A  
13        hatchery operator who sells salmon returning from the natural waters of  
14        the state, or sells salmon eggs to another hatchery operating under  
15        secs. 400 - 470 of this chapter, after utilizing the funds for reason-  
16        able operating costs, including debt retirement, [OR] expanding its  
17        facilities, or for costs of operating the qualified regional association  
18        for the area in which the hatchery is located, shall expend the remain-  
19        ing funds on fisheries research, salmon rehabilitation projects, or  
20        other fisheries activities. Fish returning to [SOLD BY] hatcheries  
21        and sold for human consumption shall be of comparable quality to fish  
22        harvested by commercial fisheries in the area, and shall be sold at  
23        prices commensurate with the current market.

24       \* Sec. 8. AS 16.10.470 is amended to read:

25                Sec. 16.10.470. ANNUAL REPORT. A person who holds a permit for  
26        the operation of a salmon hatchery under secs. 400 - 470 of this chapter  
27        shall submit an annual report to the department and to the qualified  
28        regional association of the area in which the hatchery is located to  
29        include but not be limited to

1 [(1) A COMPLETE DESCRIPTION OF ALL SIGNIFICANT HATCHERY  
2 OPERATIONS;]

3 (2) statistics on the numbers of eggs and fish handled by the  
4 hatchery, whether for production or sale[;

5 (3) FUTURE RECOMMENDATIONS FOR MODIFICATIONS OF THE HATCHERY  
6 PROGRAM;

7 (4) ANY OTHER RELEVANT DATA REQUIRED BY THE DEPARTMENT].

8 \* Sec. 9. AS 16.10.500 is amended to read:

9 Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the  
10 state, under secs. 500 - 550 of this chapter, to promote the enhancement  
11 of the state's fisheries by means of grants for organizational purposes  
12 to regional associations which have qualified under sec. 380 of this  
13 chapter, and by means of long-term, low interest loans for hatchery  
14 planning, [AND] construction, and operation.

15 \* Sec. 10. AS 16.10.510(1) is amended to read:

16 (1) make loans to permit holders, under secs. 400 - 470 of  
17 this chapter, including those holders issued permits before the effec-  
18 tive date of this Act, for the planning, [AND] construction, and opera-  
19 tion of hatchery facilities;

20 \* Sec. 11. AS 16.10.510 is amended by adding a new paragraph to read:

21 (9) make grants for organizational purposes to qualified  
22 regional associations which have formed a nonprofit corporation in  
23 amounts not exceeding \$150,000 per region.

24 \* Sec. 12. AS 16.10.520(a) and (c) are amended to read:

25 (a) A single fisheries enhancement loan may not exceed \$3,000,000  
26 for a hatchery constructed under a permit granted to a qualified re-  
27 gional association which has formed a nonprofit corporation [, OR TO A  
28 LOCAL NONPROFIT CORPORATION ESTABLISHED OR APPROVED BY A QUALIFIED  
29 REGIONAL ASSOCIATION]. A loan for any other nonprofit hatchery corpor-

1        ation project may not exceed \$300,000.

2            (c) All loans must be secured by collateral satisfactory to the  
3 commissioner, including but not limited to a first deed of trust,  
4 assignment of lease and leasehold improvements, sale of surplus fish  
5 from the hatchery, or assessments from the fishermen levied under  
6 sec. 530 [SECS. 530 - 540] of this chapter.

7 \* Sec. 13. AS 16.10.530(a) is repealed and re-enacted to read:

8            (a) The commissioner of commerce and economic development, on  
9 request of the qualified regional association for the area in which the  
10 assessment is to be levied, shall establish areas in which an assessment  
11 shall be levied on the sale of one or more species of salmon by persons  
12 licensed under AS 16.05.540 - 16.05.600. An assessment levied under  
13 this section shall be for the purpose of providing revenue for the  
14 qualified regional association for the area in which the assessment is  
15 made. The rate and conditions of assessments shall be stated by the  
16 appropriate qualified regional association in conjunction with the  
17 request to the commissioner of commerce and economic development under  
18 this subsection.

19 \* Sec. 14. AS 16.10.530(c) and (d) are amended to read:

20            (c) The commissioner and the appropriate qualified regional asso-  
21 ciation must agree on a means of collection of the assessment [BEFORE A  
22 LOAN IS MADE,] and the commissioner may, by regulation, require its  
23 collection by buyers of the salmon upon the sale of which an assessment  
24 is levied.

25            (d) The assessment shall terminate upon request of the qualified  
26 regional corporation when all financial obligations relating to the  
27 loans have been met [THE PRINCIPAL AND INTEREST ON THE LOAN IS PAID].

28 \* Sec. 15. AS 16.10.400(d) and 16.10.520(b) are repealed.

29 \* Sec. 16. AS 16.10.510(8) is repealed and re-enacted to read:

1 (8) no repayment of principal may be required for an initial  
2 period of six years, and the loan does not bear interest during that  
3 period.

4 \* Sec. 17. AS 16.10 is amended by adding new sections to read:

5 Sec. 16.10.600. CREATION OF AUTHORITIES. (a) An association  
6 qualified under sec. 380 of this chapter as a regional association is  
7 given the authority to form a regional salmon enhancement authority.  
8 There is created with respect to each of the associations qualified  
9 under sec. 380 of this chapter a public body corporate and politic as a  
10 political subdivision of the state to function in the operating areas of  
11 the individual associations. Each authority may exercise all powers  
12 conferred by secs. 600 - 690 of this chapter.

13 (b) A regional salmon enhancement authority may not transact  
14 business or exercise powers granted to it until the governing body of  
15 the association has, by resolution, declared there is a need for the  
16 authority to function, given it the authority to function and appointed  
17 persons to serve as the board of commissioners of the authority. The  
18 number of members of the board of commissioners, their terms of office  
19 and the filling of vacancies in office shall be determined by resolution  
20 of the governing body of the association.

21 (c) The regional salmon enhancement authority has jurisdiction to  
22 operate in all or part of the operating area of the individual associa-  
23 tion as determined by resolution of the governing body of the associa-  
24 tion.

25 Sec. 16.10.610. TAX EXEMPTION. (a) A salmon enhancement author-  
26 ity is exempt from payment of taxes or assessments for a period of 20  
27 years from the effective date of this Act on property owned by the  
28 authority which is used for salmon enhancement purposes.

29 (b) All obligations issued under secs. 600 - 690 of this chapter

1 are issued by a body corporate and public which is a political sub-  
2 division of the state and for an essential public and governmental  
3 purpose, and the obligations, and the interest and income on and from  
4 the obligations, and all fees, charges, funds, revenues, income and  
5 other money pledged or available to pay or secure the payment of the  
6 obligations or interest are exempt from taxation for a period of 20  
7 years from the effective date of this Act, except for transfer, inheri-  
8 tance and estate taxes.

9 (c) All obligations or liabilities of a regional salmon enhance-  
10 ment authority remain its own and are not obligations or liabilities of  
11 the state.

12 Sec. 16.10.620. POWERS OF THE AUTHORITY. A salmon enhancement  
13 authority has the general power to

- 14 (1) adopt, alter and use a corporate seal;
- 15 (2) prescribe, adopt, amend and repeal bylaws;
- 16 (3) sue and be sued in its own name;
- 17 (4) appoint officers, agents and employees and vest them with  
18 powers and duties and to fix, change and pay compensation for their  
19 services as the authority may determine;
- 20 (5) borrow money, make and issue bonds, notes and other  
21 evidences of indebtedness of the authority for any of its corporate  
22 purposes and to secure payment of its bonds and of other obligations  
23 by pledge of or lien on all or any of its assets, contracts, revenue and  
24 income;
- 25 (6) make and issue bonds for the purpose of funding, refund-  
26 ing, purchasing, paying or discharging any of the outstanding bonds or  
27 obligations issued or assumed by it or bonds or obligations the princi-  
28 pal or interest of which is payable in whole or in part from its revenue;
- 29 (7) make and execute agreements, contracts and other instru-

1 ments necessary or convenient in the exercise of its powers and func-  
2 tions, including contracts with any person, firm, corporation, government  
3 agency or other entity;

4 (8) receive, administer and comply with the conditions and  
5 requirements of an appropriation, gift, grant or donation of property or  
6 money;

7 (9) invest or reinvest money or funds held by the authority  
8 in obligations or other securities or investments in which banks or  
9 trust companies in the state may legally invest funds held in reserves  
10 or sinking funds or funds not required for immediate disbursement, and  
11 in certificates of deposits or time deposits;

12 (10) acquire, hold, use, lease, sell or otherwise dispose of  
13 property of any kind, real, personal or mixed or any interest in it;

14 (11) do all acts and things necessary, convenient or desirable  
15 to carry out the powers granted or implied in secs. 600 - 690 of this  
16 chapter;

17 (12) adopt, amend and repeal rules and regulations necessary  
18 for the exercise and performance of its powers and duties.

19 Sec. 16.10.630. BONDS AND NOTES. (a) The authority, by board  
20 of commissioners resolution, may issue bonds and bond anticipation notes  
21 in order to provide funds to carry out and effectuate its purposes.

22 (b) The principal and interest on these bonds or notes is payable  
23 from authority funds. Bond anticipation notes may be payable from the  
24 proceeds of the sale of bonds or from the proceeds of sale of other bond  
25 anticipation notes or, if bond or bond anticipation note proceeds are  
26 not available, such notes may be paid from other funds or assets of the  
27 authority. Bonds or notes may be additionally secured by a pledge of a  
28 grant or contribution from the federal or state government, a corpora-  
29 tion, association, institution or person, or a pledge of money, income,

1 or revenues of the authority from any source.

2 (c) Bonds or bond anticipation notes may be issued as provided by  
3 board resolution, in one or more series and shall (1) be dated; (2) bear  
4 interest at the prescribed rate per year or within the maximum rate; (3)  
5 be in a certain denomination or form, either coupon or registered; (4)  
6 carry the conversion or registration provisions; (5) have rank or  
7 priority; (6) be executed in a certain manner and form; (7) be payable  
8 from the sources in the medium of payment and place or places inside or  
9 outside the state; (8) be subject to authentication by a trustee or  
10 fiscal agent; and (9) be subject to terms of redemption, with or without  
11 premium. Bond anticipation notes mature at a time determined by the  
12 authority. Bonds mature at a time, not exceeding 50 years from the date  
13 of their issuance, as determined by the authority. Before the prepara-  
14 tion of definitive bonds or bond anticipation notes, the authority may  
15 issue interim receipts or temporary bonds or bond anticipation notes,  
16 without or without coupons, exchangeable for bonds or bond anticipation  
17 notes when the definitive bonds or bond anticipation notes have been  
18 executed and are available for delivery.

19 (d) Bond or bond anticipation notes may be sold in the manner, on  
20 the terms, and at the price the authority determines.

21 (e) If an officer whose actual or facsimile signature appears on  
22 any bonds or notes or coupons attached to them ceases to be an officer  
23 before the delivery of the bond, note or coupon, his signature is valid  
24 as if he had remained in office until delivery.

25 (f) In a resolution by the board of commissioners of the authority  
26 authorizing or relating to the issuance of bonds or bond anticipation  
27 notes, the authority may, with the holders of the bonds or bond antici-  
28 pation notes,

29 (1) pledge to any payment or purpose all or any part of

1 revenues to which it is or will be entitled to and similarly pledge the  
2 money derived from the revenues, and the proceeds of any bonds or notes;

3 (2) covenant against pledging all or any part of its revenues,  
4 or against permitting or suffering a lien on the revenues or its pro-  
5 perty;

6 (3) covenant as to the use and disposition of any and all  
7 payments of principal or interest received by the authority on mortgage  
8 loans, construction loans or other investments held by the authority;

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

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

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

17 (7) covenant as to the issuance of additional bonds or notes,  
18 or as to limitations on the issuance of additional bonds or notes and  
19 the incurring of the other debts;

20 (8) covenant as to the payment of the principal of or inter-  
21 est on the bonds or notes, as to the sources and methods of the payment,  
22 as to the rank or priority of the bonds or notes with respect to a lien  
23 or security, or as to the acceleration of the maturity of the bonds or  
24 notes;

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

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

29 (11) covenant as to the redemption of bonds or notes and

1 privileges of their exchange for other bonds or notes of the authority;

2 (12) covenant to create or authorize the creation of special  
3 funds of money to be held in pledge or otherwise for operation expenses,  
4 payment or redemption of bonds or notes, reserves or other purposes, and  
5 as to use and disposition of the money held in the funds;

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

11 (14) covenant as to the custody of any of its properties or  
12 investments, their safekeeping and insurance, and the use and disposi-  
13 tion of insurance money;

14 (15) covenant as to the time or manner of enforcement or  
15 restraint from enforcement of any rights of the corporation arising by  
16 reason of or with respect to nonpayment of principal or interest of any  
17 mortgage loans or construction loans;

18 (16) provide for the rights and liabilities, powers and duties  
19 arising upon the breach of a covenant, condition or obligation, and to  
20 prescribe the events of default and the terms and conditions upon which  
21 any or all of the bonds, notes or other obligations of the authority  
22 become or may be declared due and payable before maturity and the terms  
23 and conditions upon which such a declaration and its consequences may be  
24 waived;

25 (17) vest in a trustee or trustees inside or outside the state  
26 property, rights, powers and duties in trust as the authority may  
27 determine, which may include any or all of the rights, powers and duties  
28 of a trustee appointed by the holders of bonds or notes, and to limit or  
29 abrogate the right of the holders of bonds or notes of the authority to

1 appoint a trustee under secs. 600 - 690 of this chapter or limit the  
2 rights, powers and duties of the trustee;

3 (18) pay the costs or expenses incident to the enforcement of  
4 the bonds or notes or of the provisions of the resolution or of a  
5 covenant or agreement of the authority with the holders of its bonds or  
6 notes;

7 (19) agree with a corporate trustee which may be a trust  
8 company or bank having the powers of a trust company inside or outside  
9 the state as to the pledging or assigning of revenues or funds to which  
10 or in which the authority has any rights or interest; and further pro-  
11 vide for other rights and remedies exercisable by the trustee as may be  
12 proper for the protection of the holders of any bonds or notes of the  
13 authority and not otherwise in violation of law and may provide for the  
14 restriction of the rights of an individual holder of bonds or notes of  
15 the authority;

16 (20) appoint and provide for the duties and obligations of a  
17 paying agent or other fiduciary, by resolution, inside or outside the  
18 state;

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

21 (22) make covenants other than expressly authorized in this  
22 section, of like or different character, and to make covenants as may be  
23 necessary or desirable, to better secure bonds or notes or which, in the  
24 discretion of the authority, will tend to make bonds or notes more  
25 marketable, notwithstanding the fact that the covenants are not enumer-  
26 ated in this section.

27 Sec. 16.10.640. VALIDITY OF PLEDGE. The pledge of assets or  
28 revenues of the authority to the payment of the principal or interest of  
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1 pledge is made and assets or revenues pledged are immediately subject to  
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12 the issuance of the obligations, if not restricted by the trust agree-  
13 ment or resolution, either at law or in equity, may enforce all rights  
14 granted under the coupons or under the trust agreement or resolution, or  
15 under any other contract executed by the authority under secs. 600 - 690  
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17 duties required by secs. 600 - 690 of this chapter or by the trust  
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25 issued under the provisions of secs. 600 - 690 of this chapter are  
26 securities in which all public officers and public bodies of the state  
27 and its political subdivisions, all insurance companies, trust companies,  
28 banking associations, investment companies, executors, administrators,  
29 trustees and other fiduciaries may properly and legally invest funds,

1 including capital in their control or belonging to them. These obliga-  
2 tions may be deposited with the state or municipal officer of an agency  
3 or political subdivision of the state for any purpose for which the  
4 deposit of bonds, notes or obligations of the state is authorized by  
5 law.

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8 funding obligations then outstanding which have been issued under the  
9 provisions of secs. 600 - 690 of this chapter, including the payment of  
10 redemption premium on them and interest accrued or to accrue to the date  
11 of redemption of the obligations. The issuance of the obligations, the  
12 maturities and other details of them, the rights of the holders of them,  
13 and the rights, duties and obligations of the authority in respect of  
14 them are governed by the provisions of secs. 600 - 690 of this chapter  
15 which relate to the issuance of appropriate obligations.

16 (b) Refunding obligations may be sold or exchanged for outstanding  
17 obligations issued under secs. 600 - 690 of this chapter. If sold, the  
18 proceeds may be applied, in addition to other authorized purposes, to  
19 the purchase, redemption or payment of the outstanding obligations.  
20 Pending the application of the proceeds of any such refunding obligations,  
21 with any other available funds, to the payment of the principal (accrued  
22 interest and any redemption premium on the obligations being refunded,  
23 and, if so provided or permitted in the resolution authorizing the  
24 issuance of the refunding obligations or in the trust agreement securing  
25 them, to the payment of any interest on the refunding obligations and  
26 any expenses in connection with the refunding), the proceeds may be  
27 invested in direct obligations of, or obligations the principal of and  
28 the interest on which are unconditionally guaranteed by, the United  
29 States of America which mature or which will be subject to redemption,