

LEG. FINANCE - BILLS 1979 - 1980 1366

SB 444 cont., thru SB 445 1366

1 and made available by the state for the purpose of any of those funds,  
2 (2) any proceeds of the sale of its obligations, to the extent provided  
3 in the resolution or resolutions of the corporation authorizing their  
4 issuance, and (3) any other money which may be made available to the  
5 corporation for the purposes of those funds from any other source. All  
6 money held in a capital reserve fund, except as provided in this sec-  
7 tion, shall be used as required, solely for (1) the payment of the  
8 principal of obligations or of the sinking fund payments with respect to  
9 those obligations, (2) the purchase or redemption of obligations, (3)  
10 the payment of interest on obligations, or (4) the payment of any re-  
11 demption premium required to be paid when those obligations are redeemed  
12 before maturity; however, money in any fund may not be withdrawn from it  
13 at any time in an amount which would reduce the amount of that fund to  
14 less than the capital reserve requirement set out in (b) of this sec-  
15 tion, except for the purpose of making, with respect to those obliga-  
16 tions, payment, when due, of principal, interest, redemption premiums  
17 and the sinking fund payments for the payment of which other money of  
18 the corporation is not available. Any income or interest earned by, or  
19 increment to, a capital reserve fund, due to the investment of the fund  
20 or any other amounts in it, may be transferred by the corporation to  
21 other funds or accounts of the corporation to the extent that the trans-  
22 fer does not reduce the amount of the capital reserve fund below the  
23 capital reserve fund requirement.

24 (b) If the corporation decides to issue obligations secured by a  
25 capital reserve fund, the obligations may not be issued if the amount in  
26 the capital reserve fund is less than such a per cent, not exceeding 10  
27 per cent of the principal amount of all of those obligations secured by  
28 that capital reserve fund then to be issued and then outstanding in  
29 accordance with their terms, as may be established by resolution of the

1 corporation (called the "capital reserve fund requirement"), unless the  
2 corporation, at the time of issuance of the obligations, deposits in the  
3 capital reserve fund from the proceeds of the obligations to be issued  
4 or from other sources, an amount which, together with the amount then in  
5 the fund, will not be less than the capital reserve fund requirement.

6 (c) In computing the amount of a capital reserve fund for the  
7 purpose of this section, securities in which all or a portion of the  
8 funds are invested shall be valued at par or, if purchased at less than  
9 par, at amortized costs as the term is defined by resolution of the  
10 corporation authorizing the issue of the obligations, or by some other  
11 reasonable method established by the corporation by resolution. Valua-  
12 tion on a particular date shall include the amount of any interest  
13 earned or accrued to that date.

14 (d) To assure the continued operation and solvency of the corpora-  
15 tion for the carrying out of its corporate purposes, provision is made  
16 in (a) of this section for the accumulation in capital reserve funds of  
17 an amount equal to their capital reserve fund requirement.

18 (e) The chairman of the corporation shall annually, no later than  
19 January 2, make and deliver to the governor and chairman of the house  
20 and senate finance committees his certificate stating the sum, if any,  
21 required to restore any capital reserve fund to the capital reserve fund  
22 requirement. The legislature may appropriate such a sum, and all sums  
23 appropriated during the then current fiscal year by the legislature for  
24 the restoration shall be deposited by the corporation in the proper  
25 capital reserve fund. Nothing in this section creates a debt or liabil-  
26 ity of the state.

27 (f) Whenever the corporation has created and established a capital  
28 reserve fund, the commissioner of revenue may lend surplus money in the  
29 general fund to the corporation for deposit in a capital reserve fund in

1 an amount equal to the capital reserve fund requirement. The loans  
2 shall be made on such terms and conditions as may be agreed upon the  
3 commissioner of revenue and the corporation, including without limita-  
4 tion terms and conditions providing that the loans need not be repaid  
5 until the obligations of the corporation secured and to be secured by  
6 the capital reserve fund are no longer outstanding.

7 Sec. 26.16.200. REMEDIES. A holder of obligations or coupons  
8 attached to them issued under the provisions of this chapter, and a  
9 trustee under a trust agreement or resolution authorizing the issuance  
10 of the obligations, except as restricted by a trust agreement or resolu-  
11 tion, either at law or in equity, may enforce all rights granted under  
12 this chapter or under the trust agreement or resolution, or under any  
13 other contract executed by the corporation under this chapter, and may  
14 enforce and compel the performance of all duties required by this chap-  
15 ter or by the trust agreement or resolution to be performed by the  
16 corporation or by any officer of it.

17 Sec. 26.16.210. NEGOTIABLE INSTRUMENTS. All obligations and  
18 interest coupons attached to them are negotiable instruments under the  
19 laws of this state, subject only to any applicable provisions for regis-  
20 tration.

21 Sec. 26.16.220. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations  
22 issued under the provisions of this chapter are securities in which all  
23 public officers and public bodies of the state and its political sub-  
24 divisions, all insurance companies, trust companies, banking associa-  
25 tions, investment companies, executors, administrators, trustees and  
26 other fiduciaries may properly and legally invest funds, including  
27 capital in their control or belonging to them. These obligations may be  
28 deposited with any state or municipal officer of an agency or political  
29 subdivision of the state for any purpose for which the deposit of bonds,

1 notes or obligations of the state is authorized by law.

2       Sec. 26.16.230. REFUNDING OBLIGATIONS. (a) The corporation may  
3 provide for the issuance of refunding obligations for the purpose of  
4 refunding any obligations then outstanding which have been issued under  
5 the provisions of this chapter, including the payment of any redemption  
6 premium on them and any interest accrued or to accrue to the date of  
7 redemption of the obligations. The issuance of the obligations, the  
8 maturities and other details of them, the rights of the holders of them,  
9 and the rights, duties and obligations of the corporation in respect of  
10 them are governed by the provisions of this chapter which relate to the  
11 issuance of obligations, insofar as those provisions may be appropriate.

12       (b) Refunding obligations may be sold or exchanged for outstanding  
13 obligations issued under this chapter and, if sold, the proceeds may be  
14 applied, in addition to any other authorized purposes, to the purchase,  
15 redemption or payment of the outstanding obligations. Pending the  
16 application of the proceeds of any such refunding obligations, with any  
17 other available funds, to the payment of the principal, accrued interest  
18 and any redemption premium on the obligations being refunded, and, if so  
19 provided or permitted in the resolution authorizing the issuance of the  
20 refunding obligations or in the trust agreement securing them, to the  
21 payment of any interest on the refunding obligations and any expenses in  
22 connection with the refunding, the proceeds may be invested in direct  
23 obligations of, or obligations the principal of and the interest on  
24 which are unconditionally guaranteed by, the United States of America  
25 which mature or which will be subject to redemption, at the option of  
26 the holders of them, not later than the respective dates when the pro-  
27 ceeds, together with the interest accruing on them, will be required for  
28 the purposes intended.

29       Sec. 26.16.240. CREDIT OF STATE NOT PLEDGED. (a) Obligations

1 issued under the provisions of this chapter do not constitute a debt,  
2 liability or obligation of the state or of any political subdivision of  
3 the state or a pledge of the faith and credit of the state or of any  
4 such political subdivision but are payable solely from the revenues or  
5 assets of the corporation. Each obligation issued under this chapter  
6 shall contain on its face a statement that the corporation is not obli-  
7 gated to pay it nor the interest on it except from the revenues or  
8 assets pledged for it and that neither the faith and credit nor the  
9 taxing power of the state or of any political subdivision of the state  
10 is pledged to the payment of the principal of or the interest on the  
11 obligation.

12 (b) Expenses incurred by the corporation in carrying out the  
13 provisions of this chapter are payable from funds provided under this  
14 chapter and no liability may be incurred by the corporation in excess of  
15 these funds.

16 Sec. 26.16.250. OFFICERS NOT LIABLE. A member or other officer of  
17 the corporation is not subject to personal liability or accountability  
18 by reason of his execution of any obligations or the issuance of them.

19 Sec. 26.16.260. TAX EXEMPTION. (a) The exercise of the powers  
20 granted by this chapter will be in all respects for the benefit of the  
21 people of the state, for their well-being and prosperity and for the  
22 improvement of their social and economic conditions, and the corporation  
23 is not required to pay a tax or assessment on any property owned by the  
24 corporation under the provisions of this chapter or upon the income from  
25 it, except taxes on real property of which the corporation is fee owner.

26 (b) All obligations issued under this chapter are hereby declared  
27 to be issued by a body corporate and public of the state and for an  
28 essential public and governmental purpose, and the obligations, and the  
29 interest and income on and from the obligations, and all fees, charges,

1 funds, revenues, income and other money pledged or available to pay or  
2 secure the payment of the obligations, or interest on the obligations,  
3 are exempt from taxation except for transfer, inheritance and estate  
4 taxes.

5 Sec. 26.16.270. ANNUAL REPORT. The corporation shall prepare and  
6 transmit annually a report accounting to the governor and the legisla-  
7 ture for the efficient discharge of all responsibility assigned by law or  
8 by directive to the corporation.

9 Sec. 26.16.280. DEFINITIONS. In this chapter, unless the context  
10 clearly indicates a different meaning,

11 (1) "corporation" means the Alaska Veterans' Loan Corporation  
12 established by this chapter;

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

14 (3) "governmental agency" means any department, division,  
15 public agency, political subdivision or other public instrumentality of  
16 the state or federal government.

17 \* Sec. 3. All assets of the World War II veterans' loan fund established  
18 under AS 26.15.090 are transferred to the Alaska Veterans' Loan Corporation  
19 to be used for the purposes of AS 26.16.

20 \* Sec. 4. Loan servicing functions presently performed by the Department  
21 of Commerce and Economic Development on loans made under the provisions of  
22 AS 26.15 may, at the discretion of the commissioner of revenue, be trans-  
23 ferred to the Alaska Veterans' Loan Corporation created in AS 26.16. The  
24 Alaska Veterans' Loan Corporation may assure the duties which the Department  
25 of Commerce and Economic Development is obligated to perform under agreements  
26 made in connection with veterans loans and is entitled to service fees and  
27 other compensation which the department is entitled to receive.

28 \* Sec. 5. AS 26.15 is repealed.

29 \* Sec. 6. Section 5 of this Act takes effect July 1, 1980.

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\* Sec. 7. Sections 1 - 4 of this Act take effect immediately in accordance with AS 01.10.070(c).

COMMITTEE COPY

SB 44C

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 444

By BRADLEY, DANKWORTH, FAHRENKAMP, BENNETT, KELLY AND COLLETTA, & KERTTULA & RODEY

"An Act establishing the Alaska Veterans' Loan Corporation and transferring the assets and functions of the Department of Commerce and Economic Development relating to veterans loans to that corporation; and providing for an effective date."

Introduced in the Senate 2/16/80, 1980

HISTORY IN THE SENATE

19 80

2 18

3 26  
 Read first time and referred to Committee on Commerce & Finance  
 Reported back with recommendation that *Committee replace w/15-400 pass - 100 Pass if amended - to Frank*

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
 Signed by President  
 Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
 Signed by Speaker  
 Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....



*Support ltrs*

VALLEY BOARD OF REALTORS, INC.



BIN 2020 WASILLA, ALASKA 99687

April 16, 1980

Senator John C. Sackett  
Chairman, Senate Finance Committee  
Pouch V  
Juneau, Alaska 99811

Re: CSSB 444

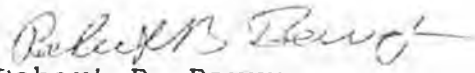
Dear Senator Sackett,


We appreciate the efforts of all those concerned in producing this bill in its present form. This organization endorses and supports this bill in its present form.

However, we ask you to renew your efforts to get this legislation passed by the legislature, clearing the way for implementation, so that the Veterans of this State can be relieved of the anxiety and confusion about owning their own homes.

Thank you again for your efforts and concern.

Valley Board of Realtors

  
Robert B. Barry  
President

  
Robert M. Simmons  
Chairman,  
Legislative Affairs Committee

VBR/ds

*Allegiance* AIR ALASKA



HOWARD M. PIERCE  
CUSTOMER SERVICE MANAGER

P. O. BOX 155 (907) 438-2115, ST. MARYS, AK, 99658  
3635 W. 42ND AVENUE, ANCHORAGE, ALASKA 99503  
PHONE (907) 243-6960

B

23 April 1980

The Honorable Senator John Sackett  
Pouch V  
Juneau, Alaska 99811

Dear Senator Sackett:

It is my strong desire to see Senate Bill 444 and Senate Bill 388 both accepted and passed as soon as possible. There is absolutely no doubt but what Alaska and all Alaskans will benefit greatly as a result of the acceptance of both of these bills. Frankly, I am very proud to be an Alaskan and the fact that the State of Alaska is so progressive and so far ahead of all the other states in this sort of legislation makes me even more proud.

You can do everyone in the State of Alaska a great service in passing these bills. Few laws could be so beneficial to all of us.

Most sincerely,

*Howard M. Pierce*  
Howard M. Pierce  
Box 155  
Saint Mary's, Alaska 99683

*Bill files*  
*SB 444*  
*SB 388*

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

AMENDED  
FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSB 444

Title An Act establishing the Alaska Veterans Loan Corporation and transferring the assets and functions of the Department of Commerce and Economic Development relating to veterans loans to that corporation; and providing for an effective date.

Requested by: Bradley, Dankworth, Fahrenkamp, Bennett, Kelly, Colletta, Kerttula, Rodey

II. FISCAL DETAIL

Date 2-18-80

Agency Affected Department of Commerce and Economic Development

Program Category Affected Economic Development

BRU, Program, or Subprogram(s) Affected Veterans Loan Fund

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES		153.1	253.6	271.5	290.5	310.8
200 TRAVEL		21.0	23.1	24.7	26.4	28.3
300 CONTRACTUAL		283.0	448.4	479.8	513.4	549.3
400 COMMODITIES		.6	1.7	1.8	1.9	2.1
500 EQUIPMENT		5.5	3.2	---	1.0	---
600 LAND & STRUCTURES		---	12.2	13.1	14.0	14.9
700 GRANTS, CLAIMS, ETC.						
TOTAL		463.2	742.2	790.9	847.2	905.4

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
<u>Veterans Loan Fund</u>		463.2	742.2	790.9	847.2	905.4

POSITIONS

FULL TIME		5	8	8	8	8
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

ASSUMPTIONS

1. THAT THE DIVISION OF VETERANS AFFAIR'S FY 1981 BUDGET IS TRANSFERRED TO THE CORPORATION. The division would be required by CSSB 444 to continue servicing the 5800, thirty year mortgages which are currently held by the Veterans Loan Fund and the Dept. of Revenue.
2. The funding requested above is based on the assumption that the corporation would be similar to the structure of Alaska Housing Finance Corporation (AHFC) and primarily designed as a secondary market for veterans loans. The estimates are based to some extent on FY 1979 AHFC costs.

IV. DATE 4-16-80

PREPARED BY Don Hostak, Director

AGENCY Div of Veterans Affairs, Dept of Commerce and

Original:  Legislative Finance

PHONE 465-2553 Economic Development

cc:  Budget and Management

Prime Sponsor (First Legislator Named)

Detailed Analysis of Fiscal Note for SB 444 (continued)

<u>Object Group</u>	<u>Description</u>	<u>Second Year Costs</u>
100	<u>Personal Services - Additional position required</u>	
	<u>Additional positions for FY 1982</u>	
	1 Accounting Technician I	\$ 20,904
	1 Loan Examiner II	30,520
	1 Loan Closer I	18,490
	Total additional wages - FY 1982	<u>69,914</u>
	Standard Benefits (total wages x .1529)	10,690
	Supplemental benefits costs (total wages x .0665)	4,649
	Health insurance costs (man months x \$127)	4,572
	Total additional personal services for FY 1982	<u>89,825</u>
	FY 1981 additional personal services increased by % inflation factor	<u>163,826</u>
	Total additional personal services	<u>253,651</u>
200	<u>Travel</u>	
	Six board meetings (7 members) @ approx \$3300 per meeting	19,800
	Two trips stateside (2 people) to coordinate bonding	<u>3,300</u>
		23,100
300	<u>Contractual Services</u>	
	Telephones & postage	6,500
	Printing, advertising	2,500
	Data Processing	50,000
	Offices copy charges	2,000
	Legal, accounting, trustee fees on bonding (FY 1979 AHFC + 7%)	<u>387,400</u>
		448,400
400	<u>Commodities</u>	
	Set up costs @ \$30 per person	90
	Normal operating costs per annum	<u>1,600</u>
		1,690
500	<u>Equipment to set up three additional personnel</u>	
	Desks - Regular	2 @ \$ 278 = \$ 556
	Secretarial	1     342     342
	Chairs - Executive	2     173     346
	Secretarial	1     131     131
	Side w/o arms	2     61     122
	Cabinets - 2 drawer	1     124     124
	Typewriter	1     810     810
	Calculators	3     188     564
	Equipment cost based on FY 1979 estimates	<u>2,995</u>
	Increased by 7% inflation factor	210
	Total equipment cost	<u>3,205</u>
		3,205
600	ASHA payment	<u>12,160</u>
	Total estimated additional FY 1982 costs	\$ 742,206

Detailed Analysis of Fiscal Note for SB 444

<u>Object Group</u>	<u>Description</u>	<u>First Year Cost</u>
100	<u>Personal Services - Additional positions required</u>	
	1 Administrative Officer III	\$ 36,660
	1 Accounting Supervisor II	25,584
	1 Accounting Technician II	22,200
	1 Accounting Technician I	19,536
	1 Administrative Support Technician II	15,324
	Total wages	<u>119,304</u>
	Standard Benefits (total wages x .1529)	18,242
	Supplemental benefits costs (total wages x .0665)	7,943
	Health insurance costs (man months x \$127)	7,620
	Total personal services	<u>153,109</u>
200	<u>Travel</u>	
	Six (6) board meetings (7 members) @ approx \$3000 per meeting	\$18,000
	Two (2) trips stateside (2 people) to coordinate bonding	<u>3,000</u>
		<u>21,000</u>
300	<u>Contractual Services</u>	
	Telephones & postage	2,000
	Legal, accounting, trustee fees on bonding	180,000
	Printing, advertising and copying	1,000
	Data Processing	<u>100,000</u>
		<u>283,000</u>
400	<u>Commodities</u>	
	Set up costs @ \$30 per person	150
	Normal operating costs per annum	<u>450</u>
		<u>600</u>
500	<u>Equipment to set up five additional personnel</u>	
	Desks - Executive	1 @ \$347 = \$ 347
	Regular	4 278 1112
	Chairs - Executive	4 173 692
	Secretarial	1 131 131
	Side with arms	2 66 132
	Side without arms	2 61 122
	Cabinets - 2 drawer	2 124 248
	Calculators	4 188 752
	Microfiche Viewer/Printer	1 1800 1800
	Utility Table	1 120 120
	Costumer - 6 hanger	1 49 49
		<u>5,505</u>
	Total estimated additional FY 1981 costs	<u>\$ 463,214</u>

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 444

Title An Act establishing the Alaska Veterans' Loan Corporation and transferring the assets and functions of the Department of Commerce and Economic Development relating to veterans loans to that corporation; and providing for an effective date.

Requested by Bradley, Dankworth, Fahrenkamp, Bennett, Kelly, Colietta, Kerttula, Rodey

Date 2/18/80

II. FISCAL DETAIL

Agency Affected Department of Commerce and Economic Development

Program Category Affected Economic Development

BRU, Program, or Subprogram(s) Affected Veterans Loan Fund

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES (1)		657.3				
200 TRAVEL (1)		18.8				
300 CONTRACTUAL (1)		183.6				
400 COMMODITIES (1)		7.5				
500 EQUIPMENT (1)		2.3				
600 LAND & STRUCTURES (1)		32.7				
700 GRANTS, CLAIMS, ETC. (2)		1081.3				
<b>TOTAL</b>		<b>1983.5</b>				

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
Veterans Loan Fund		1983.5				

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		33				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

(1) FY 1981 Veterans Loan Fund budget request

(2) Assuming this corporation could be similar to the structure of Alaska Housing Finance Corporation and primarily designed as a secondary market for Veterans Loans. The following estimates are based on AHFC FY1979 costs and initial requirements to set up the corporation.

a) General and Administrative expenses plus 7% inflation	\$ 707.3
Legal, Accounting and Trustee Fees	362.0
b) Equipment for 10 additional people	<u>12.0</u>
Total estimated additional costs	<u>\$1081.3</u>

IV. DATE 2-21-80

PREPARED BY Don Hostak, Director

AGENCY Div of Veterans Affairs, Dept of Commerce &

PHONE 465-2553 Economic Development

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

**CATEGORY:** DEVELOPMENT

**AGENCY:** COMMERCE AND ECONOMIC DEVELOPMENT

**PROGRAM:** ECONOMIC DEVELOPMENT

**BRU (S):** VETERAN'S LOAN FUND

The goal of the Veteran's Loan Fund BRU is to reward Alaskan veterans and guardsmen for their contributions in maintaining the security of the Nation and the State of Alaska. This is accomplished through the provision of short and long term low interest rate loans to eligible veterans and guardsmen. These loans may be used to purchase, refinance, build and remodel homes, farms, businesses, and multiple dwelling units. Additionally, qualified veterans may be granted State loans for education, fishing, mining, or for personal use.

Prior to December 31, 1978, the Department of Revenue purchased the majority of loans approved and closed by the Division of Veteran's Affairs. Applications for new loans were not accepted after that date due to the drain on the General Fund. Consequently, the short-term objective for the current year and FY 81 are limited to maintenance of loans which have been previously made.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR
VET LOAN FUND	1479.5	1521.9	1484.9	908.5			936.2
** TOTAL	1479.5	1521.9	1484.9	908.5			936.2
** CHANGE VERSUS 80 AUTH							3.0%
OBJECT DESCRIPTION							
PERS. SERV.	1133.4	1168.7	1151.6	675.7			650.6
TRAVEL	40.3	38.3	27.2	15.0			18.8
CONTRACTUAL	252.8	259.9	245.5	180.8			223.6
COMMODITIES	10.0	10.0	9.3	7.0			7.5
EQUIPMENT	3.6	5.0	5.2				3.0
LANDS/BLDGS	40.0	40.0	39.9	30.0			32.7
MISC.			6.2				
FUNDING SOURCE							
OTHER FUNDS	1479.5	1521.9	1484.9	908.5			936.2
POSITIONS							
FULL-TIME	47.0	47.0	47.0	23.0			23.0
STAFF MONTHS	564.0	564.0	564.0	276.0			276.0

Original sponsors: Bradley, Dankworth,  
Fahrenkamp, et al

Offered: 3/26/80  
Referred: Finance

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2

CS FOR SENATE BILL NO. 444

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act establishing the Alaska Veterans' Loan Corpora-  
7 tion and transferring the assets and functions of the  
8 Department of Commerce and Economic Development relat-  
9 ing to veterans' loans to that corporation; and provid-  
10 ing for an effective date."

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

12 Section 1. FINDINGS AND PURPOSE. (a) The program of making loans to  
13 veterans in accordance with AS 26.15 has increased and improved the supply of  
14 adequate housing in the state and has materially aided veterans in establish-  
15 ing businesses, in self-improvement and in readjustment. A veterans' loan  
16 program is essential to the economic growth of the state. Participation by  
17 the Alaska Veterans' Loan Corporation in the program of making and insuring  
18 state veterans' loans as provided in this chapter will be of material aid in  
19 insuring the continuance of the program of making loans to veterans.

20 (b) The legislature finds that enabling the Alaska Veterans' Loan  
21 Corporation to finance the program of veterans' loans serves a public purpose  
22 in benefiting the people of the state. The Alaska Veterans' Loan Corporation  
23 is empowered to act on behalf of the state and its people in serving this  
24 public purpose for the benefit of the general public.

25 \* Sec. 2. AS 26 is amended by adding a new chapter to read:

26 CHAPTER 16. ALASKA VETERANS' LOAN CORPORATION.

27 Sec. 26.16.010. ALASKA VETERANS' LOAN CORPORATION. The Alaska  
28 Veterans' Loan Corporation is a public corporation and government in-  
29 strumentality within the Department of Commerce and Economic Develop-

1 ment, but has a legal existence independent of and separate from the  
2 state. The corporation may not be terminated as long as it has bonds,  
3 notes or other obligations outstanding. Upon termination of the cor-  
4 poration, its rights and property pass to the state.

5 Sec. 26.16.020. VETERANS' LOANS. (a) The corporation may, under  
6 regulations and policies adopted by it, make or participate in the  
7 making of the following loans:

8 (1) Personal loans may be made for educational, domestic,  
9 remote area family housing and other personal purposes, not exceeding  
10 \$10,000. Loans in excess of \$5,000 shall be secured by acceptable  
11 collateral when available but if acceptable collateral is not available  
12 the corporation may make loans in excess of \$5,000 on the basis of  
13 acceptable credit rating and good character if the loan is approved by a  
14 majority of the board of directors of the corporation.

15 (2) Farm loans, single-family home loans, mobile home loans,  
16 and loans for owner-occupied duplexes may be made to purchase, remodel,  
17 repair, build, furnish, refinance or equip homes, mobile homes, owner-  
18 occupied duplexes or farms in the state, including the clearing and  
19 drainage for farms. The amount of a loan made under this paragraph may  
20 not exceed the higher of current Federal Housing Administration guide-  
21 lines for the type of loan made or 95 percent of the appraised value of  
22 the single-family home or 90 percent of the appraised value of the farm,  
23 home, mobile home, or owner-occupied duplex unless additional loan  
24 amounts are secured by acceptable collateral as determined by the board  
25 of directors of the corporation in conformity with established require-  
26 ments.

27 (3) Business loans not exceeding \$500,000 may be made to  
28 acquire, finance or refinance or equip businesses, including mining,  
29 fishing and farming, if the loan applicant has had two or more years of

1 general business experience. The loans shall be secured by acceptable  
2 collateral and may not exceed 75 percent of the appraised value of the  
3 collateral offered as security.

4 (4) Multiple-dwelling loans not exceeding \$250,000 may be  
5 made to purchase, remodel, repair, build, furnish, refinance or equip  
6 multiple dwellings. The loans shall be secured by acceptable collateral  
7 and may not exceed 75 percent of the appraised value of the collateral  
8 offered as security.

9 (b) The total of all loans outstanding to a veteran may not exceed  
10 \$500,000.

11 (c) The interest rate on loans shall be at least one percent less  
12 than the interest rate on comparable loans made by the state under any  
13 other lending program of the state except that farm loans shall bear  
14 interest at the rate prescribed in AS 03.10.030.

15 (d) A loan may not be made under this chapter unless an agreement  
16 with conditions acceptable to the commissioner of commerce and economic  
17 development providing for collection and other required servicing of the  
18 loan by an Alaska financial institution is in effect or unless the  
19 commissioner certifies in writing that an agreement for collection and  
20 other servicing on reasonable terms is impracticable. The costs of the  
21 collection and other servicing agreements shall be included in computa-  
22 tion of interest rates for purposes of (c) of this section.

23 (e) If the real property which secures a loan made under (a)(2) or  
24 (4) of this section is transferred by the borrower and the loan was made  
25 five years or more before the transfer, the commissioner of commerce and  
26 economic development shall allow the person to whom the property is  
27 transferred to assume the outstanding indebtedness on the loan on the  
28 existing terms of the loan unless the commissioner determines in writing  
29 that the credit of that person is not satisfactory to assure repayment

1 of the loan. The person to whom the property is transferred need not be  
2 eligible for a loan under this chapter in order to assume the outstanding  
3 indebtedness on the loan.

4 (f) The corporation shall make application forms for loans autho-  
5 rized by this chapter available at at least one government office in  
6 each city, borough, or village in which a state government office is  
7 located. An application for a loan may be made directly to the corpora-  
8 tion or through an office at which application forms have been made  
9 available.

10 (g) The corporation shall insure equitable geographic consideration  
11 of applications for loans by scheduling consideration so that applica-  
12 tions from each senate district from which applications have been re-  
13 ceived are considered at each meeting of the board of directors of the  
14 corporation. The board of directors of the corporation shall provide by  
15 regulation for procedures to implement this scheduling requirement.

16 Sec. 26.16.030. ELIGIBILITY FOR VETERANS' LOANS. (a) The follow-  
17 ing persons are qualified for loans under this chapter:

18 (1) a person who served in the armed forces of the United  
19 States for 90 days or more, or whose service was for less than 90 days  
20 because of injury or disability incurred in the line of duty, after  
21 April 6, 1917,

22 (A) who at the time of induction into the service was a  
23 resident of the territory or state, who had been a resident for not  
24 less than one year immediately before his induction, and who re-  
25 turned to the territory or state within one year after discharge as  
26 a resident with the intention of remaining in the territory or  
27 state; or

28 (B) who, not being a bona fide resident of the territory  
29 or state before his entry into the service, has been a resident of

1 the territory or state for five or more consecutive years after  
2 demonstrating his intent to make his permanent home in the state by  
3 designating a place in the state as his home in official civilian  
4 records or in military personnel records; and

5 (C) whose discharge was honorable;

6 (2) a person who was dependent on a member of the armed forces  
7 or an eligible veteran at the time of the member's or veteran's death if

8 (A) the member or veteran was a resident of the terri-  
9 tory or state for one year before induction into the service;

10 (B) the member or veteran served in the armed forces for  
11 at least 90 days after April 6, 1917; and

12 (C) his discharge was honorable;

13 (3) a person who has served in the Alaska Army National  
14 Guard, the Alaska Air National Guard, or the Alaska Naval Militia or who  
15 has served in a reserve unit of the United States armed forces if the  
16 reserve unit required, as a minimum, one weekend each month of duty and  
17 15 consecutive days of active duty training each year for not less than  
18 five years and who has not received a discharge other than honorable.

19 (b) For purposes of this section, a dependent is an unmarried  
20 person whose chief means of support was the deceased member of the armed  
21 forces or the deceased veteran. The dependent must be either (1) a  
22 widow, widower, minor son, minor daughter, or (2) mother, father, sister  
23 or brother incapable of self-support. A dependent must be a resident of  
24 the state at the time of making application and intend to reside in the  
25 state permanently. The rights of a minor child who is eligible for a  
26 loan under this chapter may be exercised only if the child has no sur-  
27 viving parent and has an appointed guardian.

28 Sec. 26.16.040. CORPORATION GOVERNING BODY. (a) The corporation  
29 shall be governed by a board of directors. The board of directors of

1 the corporation consists of the commissioner of the Department of Com-  
2 merce and Economic Development and six members appointed by the gover-  
3 nor. At least five of the appointed members must be veterans who meet  
4 the eligibility requirements of AS 26.16.030(1).

5 (b) Members appointed by the governor serve for three-year terms.  
6 The terms of two members appointed by the governor expire on April 30  
7 annually.

8 (c) If a vacancy occurs among the public members appointed by the  
9 governor, the governor shall make an appointment, to become effective  
10 immediately, for the unexpired portion of the term.

11 (d) Members of the board of directors serve without compensation  
12 except that each member may be reimbursed by the corporation for actual  
13 and necessary expenses at the same rate as set out in AS 39.20.180.

14 Sec. 26.16.050. MEETINGS OF BOARD. The board shall elect a chair-  
15 man from among its membership at its first meeting in each year. A  
16 majority of the members constitutes a quorum for organizing the board,  
17 conducting its business, and exercising the powers of the corporation.  
18 The board shall meet at the call of its chairman. The board shall meet  
19 not less than once each three months.

20 Sec. 26.16.060. MINUTES OF MEETINGS. The board shall keep minutes  
21 of each meeting and send a certified copy to the governor.

22 Sec. 26.16.070. ADMINISTRATION OF AFFAIRS. The board shall manage  
23 the assets and business of the corporation and may prescribe, amend, and  
24 repeal bylaws and regulations governing the manner in which the business  
25 of the corporation is conducted and the manner in which its powers are  
26 exercised. The board shall delegate supervision of the administration  
27 of the corporation to the executive director, appointed in accordance  
28 with AS 26.16.080, and may delegate to him other duties it considers  
29 proper.

1           Sec. 26.16.080. EXECUTIVE DIRECTOR. The corporation shall employ  
2 an executive director, who may not be a member of the board. The execu-  
3 tive director shall be appointed by the board of directors and serves at  
4 the pleasure of the board.

5           Sec. 26.16.090. LEGAL ADVISOR. The attorney general is the legal  
6 counsel for the corporation. He shall advise the corporation in legal  
7 matters and represent it in suits.

8           Sec. 26.16.100. EMPLOYMENT OF PERSONNEL. The board may appoint  
9 other officers and engage professional and technical advisors as inde-  
10 pendent contractors. The executive director may hire employees of the  
11 corporation and, subject to the approval of the board, engage profes-  
12 sional and technical advisors under contract with the corporation. The  
13 board shall prescribe the duties and compensation of corporation person-  
14 nel.

15           Sec. 26.16.110. PERSONNEL EXEMPT FROM STATE PERSONNEL ACT. The  
16 personnel of the corporation are exempt from AS 39.25.

17           Sec. 26.16.120. INTERDEPARTMENTAL COOPERATION. All departments,  
18 agencies and public corporations of the state may provide information,  
19 services, facilities and loans to the corporation upon its request. The  
20 corporation may reimburse departments, agencies and public corporations  
21 of the state for loans advanced or for expenses incurred on the corpora-  
22 tion's behalf.

23           Sec. 26.16.130. ADMINISTRATIVE PROCEDURE. (a) Except for AS 44.-  
24 62.310 and 44.62.312, regarding public meetings, and AS 44.62.320(a)  
25 regarding legislative review of regulations, the Administrative Proce-  
26 dure Act (AS 44.62) does not apply to this chapter. The corporation  
27 shall make available to members of the public copies of the regulations  
28 adopted under (b) - (e) of this section. Within 45 days after adoption,  
29 the chairman of the board shall submit a regulation adopted under (b) -

1 (e) of this section to the chairman of the Administrative Regulation  
2 Review Committee under AS 24.20.400 - 24.20.460. The provisions of  
3 AS 44.62.320(a) apply to regulations adopted under (b) - (e) of this  
4 section.

5 (b) The board may adopt regulations by motion or by resolution or  
6 in any other manner permitted by its bylaws.

7 (c) The board may adopt regulations to carry out the purposes of  
8 this chapter, including but not limited to the following purposes:

9 (1) determination of borrower eligibility;

10 (2) loan guidelines and terms including, but not limited to,  
11 maximum loan amounts and required loan-to-value ratios, but excluding  
12 mortgage loan interest rates;

13 (3) characteristics of housing eligible for loans or for  
14 purchase of loans.

15 (d) Except as provided in (e) of this section, at least 15 days  
16 before the adoption, amendment, or repeal of a regulation on a subject  
17 specified in (c)(1) - (3) of this section, the board shall give public  
18 notice of the proposed action by publishing the notice in at least three  
19 newspapers of general circulation in the state and by mailing a copy of  
20 the notice to every person who has filed a request for notice of pro-  
21 posed regulations with the board or the corporation. The public notice  
22 must include a statement of the time, place, and nature of the proceed-  
23 ings for the adoption, amendment, or repeal of the regulation and must  
24 include an informative summary of the proposed subject of the regula-  
25 tion. On the date and at the time and place designated in the notice,  
26 the board shall give each interested person or his authorized represen-  
27 tative, or both, the opportunity to present statements, arguments, or  
28 contentions in writing, and shall give members of the public an oppor-  
29 tunity to present oral statements, arguments, or contentions for a total

1 period of at least one hour. The board shall consider all relevant  
2 matter presented to it before adopting, amending, or repealing a regu-  
3 lation. At a hearing under this subsection, the board may continue or  
4 postpone the hearing to a time and place which it determines. A regula-  
5 tion which is adopted, or its amendment or repeal, may vary in content  
6 from the informative summary specified in this subsection if the subject  
7 matter of the regulation, or its amendment or repeal, remains the same  
8 and the original notice was written so as to assure that members of the  
9 public are reasonably notified of the proposed subject of the board's  
10 action in order for them to determine whether their interest could be  
11 affected by the board's action on that subject.

12 (e) A regulation or order of repeal on a subject specified in (c)  
13 of this section may be adopted as an emergency regulation or order of  
14 repeal if the board makes a finding in its order of adoption or repeal,  
15 including a statement of the facts which constitute the emergency, that  
16 the adoption of the regulation or order of repeal is necessary for the  
17 immediate preservation of the orderly operation of the corporation's  
18 loan and bonding programs. The requirements of (d) of this section do  
19 not apply to the initial adoption of an emergency regulation covering a  
20 subject specified in (c)(1) - (3) of this section; however, upon adop-  
21 tion of an emergency regulation, the board shall, within 10 days after  
22 adoption, give notice of the adoption in accordance with (d) of this  
23 section. No emergency regulation adopted under this subsection remains  
24 in effect more than 120 days unless the board complies with (d) of this  
25 section during the 120-day period.

26 (f) A regulation adopted under (b) - (e) of this section becomes  
27 effective immediately upon its adoption by the board, unless otherwise  
28 specifically provided by the order of adoption.

29 (g) The provisions of (b) - (e) of this section do not apply to

1 regulations governing interest rates on the corporation's loan programs.

2 Sec. 26.16.140. GENERAL POWERS. In addition to other powers  
3 granted in this chapter, the corporation may

4 (1) make veterans' loans under AS 26.16.020;

5 (2) prescribe terms and rates of interest on loans made by  
6 the corporation;

7 (3) collect and pay reasonable fees and charges in connection  
8 with making, purchasing and servicing its loans, notes, bonds, commit-  
9 ments and other evidences of indebtedness;

10 (4) acquire real property, or an interest in real property,  
11 in its own name, by purchase, transfer or foreclosure, when the acquisi-  
12 tion is necessary or appropriate to protect a loan in which the corpora-  
13 tion has an interest; sell, transfer and convey any such property to a  
14 buyer; and, if the sale, transfer or conveyance cannot be affected with  
15 reasonable promptness or at a reasonable price, rent or lease the pro-  
16 perty to a tenant pending the sale, transfer or conveyance;

17 (5) sell, at public or private sale, to any purchaser, in-  
18 cluding the Federal National Mortgage Association, all or any part of a  
19 mortgage or other instrument or document securing a loan permitted by  
20 this chapter;

21 (6) purchase, in order to meet the requirements of the sale  
22 of its mortgages to the Federal National Mortgage Association, stock of  
23 the Federal National Mortgage Association;

24 (7) procure insurance against any loss in connection with its  
25 operation;

26 (8) consent to the modification of the rate of interest, time  
27 of payment of an installment of principal or interest, or any other  
28 terms, of a loan, to which the corporation is a party;

29 (9) borrow money as provided in this chapter to carry out its

1 corporate purposes; and issue its obligations as evidence of such borrow-  
2 ing;

3 (10) include in any borrowing the amounts necessary to pay  
4 financing charges, interest on the obligations for a period not exceed-  
5 ing one year after the date on which the corporation estimates funds  
6 will otherwise be available to pay the interest, consultant, advisory  
7 and legal fees and such other expenses as are necessary or incident to  
8 this borrowing;

9 (11) make and execute agreements, contracts and other instru-  
10 ments necessary or convenient in the exercise of the powers and func-  
11 tions of the corporation under this chapter, including contracts with  
12 any person, firm, corporation, governmental agency or other entity;

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

16 (13) sue and be sued in its own name;

17 (14) adopt an official seal;

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

21 (16) employ fiscal consultants, engineers, real estate coun-  
22 selors, appraisers and such other consultants and employees as may be  
23 required in the judgment of the corporation, and fix and pay their  
24 compensation from funds available to the corporation;

25 (17) adopt and publish regulations respecting its lending  
26 programs and other regulations to carry out its purposes;

27 (18) do all acts necessary, convenient or desirable to carry  
28 out the powers expressly granted or necessarily implied in this chapter;

29 (19) invest or reinvest, subject to its contracts with note-

1 holders and bondholders, any money or funds held by the corporation in  
2 any obligations or other securities or investments in which banks or  
3 trust companies in the state may legally invest funds held in reserves  
4 or sinking funds or any funds not required for immediate disbursement,  
5 and in certificates of deposit or time deposits secured by obligations  
6 of, or guaranteed by, the state or the United States of America.

7 Sec. 26.16.150. LOAN INSURANCE. (a) There is a special fund of  
8 the state to be known as the "veterans' loan insurance fund" (called the  
9 "loan insurance fund") which shall be completely segregated and set  
10 apart from all other funds of the state, and which is a trust fund for  
11 the uses and purposes of this section and into and from which money  
12 shall be paid as provided in this section. The loan insurance fund  
13 shall be held by the commissioner of revenue, subject to the power of  
14 the commissioner of commerce and economic development to enter into and  
15 perform agreements for the use of money in the loan insurance fund and  
16 to pledge, assign or grant interests in the loan insurance fund as  
17 provided in this section. The commissioner of commerce and economic  
18 development may enter into agreements with the corporation for the  
19 exercise of any power or approval relating to the loan insurance fund  
20 under this section, including, without limitation, agreements as to the  
21 use of money in the loan insurance fund, agreements regarding the terms  
22 and conditions upon which payments from the loan insurance fund shall be  
23 made to the corporation for loans insured under this section, and agree-  
24 ments regarding the payment of and security for loan insurance bonds,  
25 and in connection with these agreements the commissioner of commerce and  
26 economic development may pledge, assign or grant other interests in the  
27 loan insurance fund to the corporation as may be necessary or appropri-  
28 ate in connection with the insurance of loans and to provide for the  
29 payment of and security for loan insurance bonds. An agreement or any

1 of the rights of the corporation under the agreement and payments re-  
2 ceived or to be received under the agreement may be pledged or assigned  
3 by the corporation for the benefit of the holders of loan insurance  
4 bonds.

5 (b) In addition to any other fees and charges which the corpora-  
6 tion may charge on mortgage loans, it may collect or cause to be  
7 collected on all mortgage loans made with the proceeds of the sale of  
8 mortgage insurance bonds, either or both a special mortgage loan insur-  
9 ance commitment fee or a mortgage loan insurance premium. The special  
10 mortgage loan insurance commitment fees and special mortgage loan in-  
11 surance premiums when received shall be deposited in the loan insurance  
12 fund by the corporation, or by any mortgage loan servicer, trustee, or  
13 agent designated by the corporation to receive them, and shall be held,  
14 invested and, together with all investment income derived from them,  
15 reinvested by the commissioner of revenue in investments authorized  
16 under AS 37.10.070(a), subject to any agreement with the corporation  
17 under (a) of this section.

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

26 (d) A state veterans' mortgage loan may be insured if the loan-to-  
27 value ratio at the time of the insurance does not exceed 90 percent or,  
28 if the loan-to-value ratio does exceed that percentage, if it is feder-  
29 ally insured or guaranteed or insured by a qualified mortgage insurance

1 company to the extent of the excess. The endorsement of the corporation  
2 on the mortgage at the time of purchase or acquisition of the mortgage  
3 loan is conclusive evidence that the mortgage loan is insured under the  
4 provisions of this section. The insurance is payable solely from the  
5 mortgage insurance fund.

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

12 (1) in the case of state veteran mortgage loans insured by a  
13 qualified mortgage insurance company or, if not so insured or guaran-  
14 teed, with a loan-to-value ratio at the time of the mortgage insurance  
15 application less than 80 percent, the greater of (A) two percent of the  
16 unpaid principal amount of those mortgage loans, or (B) a percentage  
17 which the corporation with the approval of the commissioner of commerce  
18 and economic development determines is actuarially sound for operation  
19 of the loan insurance fund;

20 (2) in the case of state veterans' mortgage loans not insured  
21 by a qualified mortgage insurance company and with a loan-to-value ratio  
22 at the time of the mortgage insurance application between 80 and 90 per-  
23 cent, the greater of (A) six percent of the unpaid principal amount of  
24 those state veterans' loans, or (B) a percentage which the corporation  
25 with the approval of the commissioner of commerce and economic develop-  
26 ment determines is actuarially sound for the operation of the loan  
27 insurance fund.

28 (f) On December 1 of each year the commissioner of commerce and  
29 economic development shall determine the amount on deposit in the loan

1 insurance fund. If the amount in the fund is less than the fund re-  
2 quirement, the commissioner shall request the corporation to transfer  
3 from any available funds the amount necessary to restore the loan in-  
4 surance fund to the fund requirement and the corporation shall promptly  
5 comply with the request from any funds available subject to agreements  
6 with holders of any of its obligations. If sufficient funds are not  
7 provided as the result of such requests, the commissioner shall, no  
8 later than January 2 of the following year, make and deliver to the  
9 governor and to the chairmen of the house and senate finance committees  
10 his certificate stating the sum required to restore the fund to the fund  
11 requirement and the sum so certified may be appropriated and paid to the  
12 fund during the then current state fiscal year. Nothing in this sub-  
13 section creates a debt or liability of the state.

14 (g) The commissioner of revenue may sell to the corporation, and  
15 the corporation may purchase, state veterans' loans purchased for and  
16 held in the general fund on such terms and conditions as the commis-  
17 sioner of revenue and the corporation consider appropriate. When the  
18 commissioner of revenue sells a state veterans' loan to the corporation  
19 he may cause to be deposited in the loan insurance fund from the pro-  
20 ceeds of sale an amount not exceeding the lesser of (1) six percent of  
21 the proceeds of sale, or (2) the difference between the amount the  
22 commissioner of revenue actually receives on the sale and the amount the  
23 commissioner determines would have been received if the state veterans'  
24 loans had been sold in the private mortgage market. The determination  
25 shall be based on information reasonably available to the commissioner  
26 of revenue at the time of sale and is conclusive in determining the  
27 amount of the deposit.

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

1           (1) "loan-to-value ratio" means the ratio between the prin-  
2       cipal amount of a mortgage loan and the appraised value, as determined  
3       by the corporation, of the residential housing financed by that mortgage  
4       loan;

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

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

11          (4) "special mortgage loan insurance commitment fee" and  
12      "special mortgage loan insurance premium" mean, respectively, a fee of  
13      such percent of the principal amount of a mortgage loan to be insured  
14      under this section, and an annual insurance premium of such percent of  
15      the portion of the unpaid principal amount of a mortgage loan insured  
16      under this section which is not federally insured or guaranteed or  
17      insured by a private mortgage insurance company, which the corporation  
18      with the approval of the commissioner of commerce and economic develop-  
19      ment determines is actuarially sound for the operation of the mortgage  
20      insurance fund;

21          (5) "state veterans' loan" means a mortgage loan for residen-  
22      tial housing made in accordance with AS 26.16.020;

23          (6) the determination of what is "actuarially sound" with  
24      respect to the operation of the loan insurance fund shall be based on a  
25      consideration of the factors which will provide sufficient revenues for  
26      the operation of the fund, without regard to amounts which may have been  
27      or may, after the date of determination of actuarial soundness, be  
28      appropriated under (f) of this section, including, without limitation,  
29      estimates of future defaults and losses on loans insured under this

1 section based on actual default and loss experience on those loans or on  
2 similar loans in Alaska or elsewhere, estimates of recoveries on de-  
3 faulted or foreclosed loans based on that experience, the terms and  
4 conditions of the loans insured under this section, estimates of earn-  
5 ings and income of amount on deposit in the loan insurance fund, and  
6 any other appropriate factors.

7 Sec. 26.16.160. BONDS AND NOTES. (a) The corporation, by reso-  
8 lution, may issue bonds and bond anticipation notes in order to provide  
9 funds to carry out its purposes.

10 (b) The principal and interest on these bonds or notes is payable  
11 from corporation funds. Bond anticipation notes may be payable from the  
12 proceeds of the sale of bonds or from the proceeds of sale of other bond  
13 anticipation notes or, in the event bond or bond anticipation note  
14 proceeds are not available, the notes may be paid from other funds or  
15 assets of the corporation. Bonds or notes may be additionally secured  
16 by a pledge of a grant or contribution from the federal government, or a  
17 corporation, association, institution or person, or a pledge of money,  
18 income, or revenues of the corporation from any source.

19 (c) Bonds or bond anticipation notes may be issued in one or more  
20 series and shall be dated, bear interest at the rate or rates per year  
21 or within the maximum rate, be in the denomination, be in the form,  
22 either coupon or registered, carry the conversion or registration pro-  
23 visions, have the rank or priority, be executed in the manner and form,  
24 be payable from the sources in the medium of payment and place or places  
25 in or outside the state, be subject to authentication by a trustee or  
26 fiscal agent, and be subject to the terms of redemption with or without  
27 premium, as the resolution of the corporation may provide. Bond anti-  
28 cipation notes shall mature at such time or times as may be determined  
29 by the corporation. Bonds shall mature at such time, not exceeding 50

1 years from their date, as may be determined by the corporation. Before  
2 the preparation of definitive bonds or bond anticipation notes, the  
3 corporation may issue interim receipts or temporary bonds or bond anti-  
4 cipation notes, with or without coupons, exchangeable for bonds or bond  
5 anticipation notes when these definitive bonds or bond anticipation  
6 notes have been executed and are available for delivery.

7 (d) Bonds or bond anticipation notes may be sold in the manner, on  
8 the terms and at the price the corporation determines.

9 (e) If an officer whose signature or a facsimile of whose signa-  
10 ture appears on any bonds or notes or coupons attached to them ceases to  
11 be an officer before the delivery of the bond, note or coupon, his  
12 signature or facsimile is valid the same as if he had remained in office  
13 until delivery.

14 (f) In resolution of the corporation authorizing or relating to  
15 the issuance of bonds or bond anticipation notes, the corporation has  
16 power by provisions in the resolution which will constitute covenants of  
17 the corporation and contracts with the holders of the bonds or bond  
18 anticipation notes

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

23 (2) to covenant against pledging all or any part of its  
24 revenues, or against permitting or suffering a lien on the revenues or  
25 its property;

26 (3) to covenant as to the use and disposition of any and all  
27 payments of principal or interest received by the corporation on loans  
28 or other investments held by the corporation;

29 (4) to covenant as to establishment of reserves or sinking

1 funds and the making of provision for and the regulation and disposition  
2 of the reserves or sinking funds;

3 (5) to covenant for or against limitations on a right to sell  
4 or otherwise dispose of property of any kind;

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

8 (7) to covenant as to the issuance of additional bonds or  
9 notes, or as to limitations on the issuance of additional bonds or notes  
10 and the incurring of other debts;

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

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

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

20 (11) to covenant as to the redemption of bonds or notes and  
21 privileges of their exchange for other bonds or notes of the corpora-  
22 tion;

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

28 (13) to establish the procedure, if any, by which the terms of  
29 any contract or covenant with or for the benefit of the holders of bonds

2 or notes may be amended or abrogated, the amount of bonds or notes the  
3 holders of which must consent to amendment or abrogation, and the manner  
4 in which the consent may be given;

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

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

12 (16) to provide for the rights and liabilities, powers and  
13 duties arising upon the breach of any covenant, condition or obligation,  
14 and to prescribe the events of default and the terms and conditions upon  
15 which any or all the bonds, notes or other obligations of the corpora-  
16 tion become or may be declared due and payable before maturity and the  
17 terms and conditions upon which any such declaration and its consequen-  
18 ces may be waived;

19 (17) to vest in a trustee or trustees in or outside the state  
20 such property, rights, powers and duties in trust as the corporation may  
21 determine, which may include any or all of the rights, powers and duties  
22 of any trustee appointed by the holders of any bonds or notes, and to  
23 limit or abrogate the right of the holders of any bonds or notes of the  
24 corporation to appoint a trustee under this chapter or limit the rights,  
25 powers and duties of the trustee;

26 (18) to pay the cost or expenses incident to the enforcement  
27 of the bonds or notes or of the provisions of the resolution or of any  
28 covenant or agreement of the corporation with the holders of its bonds  
29 or notes;

(19) to agree with any corporate trustee which may be a trust

1 company or bank having the powers of a trust company in or outside the  
2 state as to the pledging or assigning of revenues or funds to which or  
3 in which the corporation has any rights or interest; the agreement may  
4 further provide for such other rights and remedies exercisable by the  
5 trustee as may be proper for the protection of the holders of any bonds  
6 or notes of the corporation and not otherwise in violation of law and  
7 may provide for the restriction of the rights of an individual holder of  
8 bonds or notes of the corporation;

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

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

14 (22) to make covenants other than and in addition to the  
15 covenants expressly authorized in this section, of like or different  
16 character, and to make the covenants to do or refrain from doing such  
17 acts and things as may be necessary, or convenient and desirable, in  
18 order to better secure bonds or notes or which, in the absolute discre-  
19 tion of the corporation, will tend to make bonds or notes more market-  
20 able, notwithstanding that the covenants, acts or things may not be  
21 enumerated in this section.

22 Sec. 26.16.170. INDEPENDENT FINANCIAL ADVISOR. In negotiating the  
23 private sale of bonds or bond anticipation notes to an underwriter, the  
24 corporation shall retain a financial advisor who is independent from the  
25 underwriter.

26 Sec. 26.16.180. VALIDITY OF ANY PLEDGE. The pledge of assets or  
27 revenues of the corporation to the payment of the principal or interest  
28 on any obligations of the corporation is valid and binding from the time  
29 the pledge is made and any such assets or revenues are immediately

1 subject to the lien of the pledge without physical delivery or further  
2 act. The lien of any pledge is valid and binding against all parties  
3 having claims of any kind in tort, contract or otherwise against the  
4 corporation, irrespective of whether those parties have notice of the  
5 lien of the pledge. Nothing in this section prohibits the corporation  
6 from selling assets subject to a pledge, except that a sale may be  
7 restricted by the trust agreement or resolution providing for the issu-  
8 ance of the obligations.

9 Sec. 26.16.190. CAPITAL RESERVE FUND. (a) For the purpose of  
10 securing any one or more issues of its obligations, the corporation may  
11 establish one or more special funds, called "capital reserve funds", and  
12 shall pay into those capital reserve funds (1) any money appropriated  
13 and made available by the state for the purpose of any of those funds,  
14 (2) any proceeds of the sale of its obligations, to the extent provided  
15 in the resolution or resolutions of the corporation authorizing their  
16 issuance, and (3) any other money which may be made available to the  
17 corporation for the purposes of those funds from any other source. All  
18 money held in a capital reserve fund, except as provided in this sec-  
19 tion, shall be used as required, solely for (1) the payment of the  
20 principal of obligations or of the sinking fund payments with respect to  
21 those obligations, (2) the purchase or redemption of obligations, (3)  
22 the payment of interest on obligations, or (4) the payment of any re-  
23 demption premium required to be paid when those obligations are redeemed  
24 before maturity; however, money in any fund may not be withdrawn from it  
25 at any time in an amount which would reduce the amount of that fund to  
26 less than the capital reserve requirement set out in (b) of this sec-  
27 tion, except for the purpose of making, with respect to those obliga-  
28 tions, payment, when due, of principal, interest, redemption premiums  
29 and the sinking fund payments for the payment of which other money of

1 the corporation is not available. Any income or interest earned by, or  
2 increment to, a capital reserve fund, due to the investment of the fund  
3 or any other amounts in it, may be transferred by the corporation to  
4 other funds or accounts of the corporation to the extent that the trans-  
5 fer does not reduce the amount of the capital reserve fund below the  
6 capital reserve fund requirement.

7 (b) If the corporation decides to issue obligations secured by a  
8 capital reserve fund, the obligations may not be issued if the amount in  
9 the capital reserve fund is less than such a per cent, not exceeding 10  
10 per cent of the principal amount of all of those obligations secured by  
11 that capital reserve fund then to be issued and then outstanding in  
12 accordance with their terms, as may be established by resolution of the  
13 corporation (called the "capital reserve fund requirement"), unless the  
14 corporation, at the time of issuance of the obligations, deposits in the  
15 capital reserve fund from the proceeds of the obligations to be issued  
16 or from other sources, an amount which, together with the amount then in  
17 the fund, will not be less than the capital reserve fund requirement.

18 (c) In computing the amount of a capital reserve fund for the  
19 purpose of this section, securities in which all or a portion of the  
20 funds are invested shall be valued at par or, if purchased at less than  
21 par, at amortized costs as the term is defined by resolution of the  
22 corporation authorizing the issue of the obligations, or by some other  
23 reasonable method established by the corporation by resolution. Valua-  
24 tion on a particular date shall include the amount of any interest  
25 earned or accrued to that date.

26 (d) To assure the continued operation and solvency of the corpora-  
27 tion for the carrying out of its corporate purposes, provision is made  
28 in (a) of this section for the accumulation in capital reserve funds of  
29 an amount equal to their capital reserve fund requirement.

1 (e) The chairman of the corporation shall annually, no later than  
2 January 2, make and deliver to the governor and chairman of the house  
3 and senate finance committees his certificate stating the sum, if any,  
4 required to restore any capital reserve fund to the capital reserve fund  
5 requirement. The legislature may appropriate such a sum, and all sums  
6 appropriated during the then current fiscal year by the legislature for  
7 the restoration shall be deposited by the corporation in the proper  
8 capital reserve fund. Nothing in this section creates a debt or liability  
9 of the state.

10 (f) Whenever the corporation has created and established a capital  
11 reserve fund, the commissioner of revenue may lend surplus money in the  
12 general fund to the corporation for deposit in a capital reserve fund in  
13 an amount equal to the capital reserve fund requirement. The loans  
14 shall be made on such terms and conditions as may be agreed upon the  
15 commissioner of revenue and the corporation, including without limita-  
16 tion terms and conditions providing that the loans need not be repaid  
17 until the obligations of the corporation secured and to be secured by  
18 the capital reserve fund are no longer outstanding.

19 Sec. 26.16.200. REMEDIES. A holder of obligations or coupons  
20 attached to them issued under the provisions of this chapter, and a  
21 trustee under a trust agreement or resolution authorizing the issuance  
22 of the obligations, except as restricted by a trust agreement or resolu-  
23 tion, either at law or in equity, may enforce all rights granted under  
24 this chapter or under the trust agreement or resolution, or under any  
25 other contract executed by the corporation under this chapter, and may  
26 enforce and compel the performance of all duties required by this chap-  
27 ter or by the trust agreement or resolution to be performed by the  
28 corporation or by any officer of it.

29 Sec. 26.16.210. NEGOTIABLE INSTRUMENTS. All obligations and

1 interest coupons attached to them are negotiable instruments under the  
2 laws of this state, subject only to any applicable provisions for regis-  
3 tration.

4 Sec. 26.16.220. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations  
5 issued under the provisions of this chapter are securities in which all  
6 public officers and public bodies of the state and its political sub-  
7 divisions, all insurance companies, trust companies, banking associa-  
8 tions, investment companies, executors, administrators, trustees and  
9 other fiduciaries may properly and legally invest funds, including  
10 capital in their control or belonging to them. These obligations may be  
11 deposited with any state or municipal officer of an agency or political  
12 subdivision of the state for any purpose for which the deposit of bonds,  
13 notes or obligations of the state is authorized by law.

14 Sec. 26.16.230. REFUNDING OBLIGATIONS. (a) The corporation may  
15 provide for the issuance of refunding obligations for the purpose of  
16 refunding any obligations then outstanding which have been issued under  
17 the provisions of this chapter, including the payment of any redemption  
18 premium on them and any interest accrued or to accrue to the date of  
19 redemption of the obligations. The issuance of the obligations, the  
20 maturities and other details of them, the rights of the holders of them,  
21 and the rights, duties and obligations of the corporation in respect of  
22 them are governed by the provisions of this chapter which relate to the  
23 issuance of obligations, insofar as those provisions may be appropriate.

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

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

12 Sec. 26.16.240. CREDIT OF STATE NOT PLEDGED. (a) Obligations  
13 issued under the provisions of this chapter do not constitute a debt,  
14 liability or obligation of the state or of any political subdivision of  
15 the state or a pledge of the faith and credit of the state or of any  
16 such political subdivision but are payable solely from the revenues or  
17 assets of the corporation. Each obligation issued under this chapter  
18 shall contain on its face a statement that the corporation is not obli-  
19 gated to pay it nor the interest on it except from the revenues or  
20 assets pledged for it and that neither the faith and credit nor the  
21 taxing power of the state or of any political subdivision of the state  
22 is pledged to the payment of the principal of or the interest on the  
23 obligation.

24 (b) Expenses incurred by the corporation in carrying out the  
25 provisions of this chapter are payable from funds provided under this  
26 chapter and no liability may be incurred by the corporation in excess of  
27 these funds.

28 Sec. 26.16.250. OFFICERS NOT LIABLE. A member or other officer of  
29 the corporation is not subject to personal liability or accountability

1 by reason of his execution of any obligations or the issuance of them.

2 Sec. 26.16.260. TAX EXEMPTION. (a) The exercise of the powers  
3 granted by this chapter will be in all respects for the benefit of the  
4 people of the state, for their well-being and prosperity and for the  
5 improvement of their social and economic conditions, and the corporation  
6 is not required to pay a tax or assessment on any property owned by the  
7 corporation under the provisions of this chapter or upon the income from  
8 it, except taxes on real property of which the corporation is fee owner.

9 (b) All obligations issued under this chapter are hereby declared  
10 to be issued by a body corporate and public of the state and for an  
11 essential public and governmental purpose, and the obligations, and the  
12 interest and income on and from the obligations, and all fees, charges,  
13 funds, revenues, income and other money pledged or available to pay or  
14 secure the payment of the obligations, or interest on the obligations,  
15 are exempt from taxation except for transfer, inheritance and estate  
16 taxes.

17 Sec. 26.16.270. ANNUAL REPORT. The corporation shall prepare and  
18 transmit annually a report accounting to the governor and the legisla-  
19 ture for the efficient discharge of all responsibility assigned by law or  
20 by directive to the corporation.

21 Sec. 26.16.280. DEFINITIONS. In this chapter, unless the context  
22 clearly indicates a different meaning,

23 (1) "corporation" means the Alaska Veterans' Loan Corporation  
24 established by this chapter;

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

26 (3) "governmental agency" means any department, division,  
27 public agency, political subdivision or other public instrumentality of  
28 the state or federal government.

29 \* Sec. 3. All assets of the World War II veterans' loan fund established

1 under AS 26.15.090 are transferred to the Alaska Veterans' Loan Corporation  
2 to be used for the purposes of AS 26.16.

3 \* Sec. 4. Loan servicing functions presently performed by the Department  
4 of Commerce and Economic Development on loans made under the provisions of  
5 AS 26.15 may, at the discretion of the commissioner of revenue, be trans-  
6 ferred to the Alaska Veterans' Loan Corporation created in AS 26.16. The  
7 Alaska Veterans' Loan Corporation may assume the duties which the Department  
8 of Commerce and Economic Development is obligated to perform under agreements  
9 made in connection with veterans loans and is entitled to service fees and  
10 other compensation which the department is entitled to receive.

11 \* Sec. 5. AS 26.15 is repealed.

12 \* Sec. 6. Section 5 of this Act takes effect July 1, 1980.

13 \* Sec. 7. Sections 1 - 4 of this Act take effect immediately in accor-  
14 dance with AS 01.10.070(c).

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Introduced: 2/18/80  
Referred: Commerce and Finance

BY BRADLEY, DANKWORTH, FAHRENKAMP,  
BENNETT, KELLY, COLLETTA, KERTTULA  
AND RODEY

1 IN THE SENATE

2 SENATE BILL NO. 444

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6  
7 For an Act entitled: "An Act establishing the Alaska Veterans' Loan Corpora-  
8 tion and transferring the assets and functions of the  
9 Department of Commerce and Economic Development relat-  
10 ing to veterans loans to that corporation; and provid-  
11 ing for an effective date."

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

13 Section 1. FINDINGS AND PURPOSE. (a) The program of making loans to  
14 veterans in accordance with AS 26.15 has increased and improved the supply of  
15 adequate housing in the state and has materially aided veterans in establish-  
16 ing businesses, in self-improvement and in readjustment. A veterans' loan  
17 program is essential to the economic growth of the state. Participation by  
18 the Alaska Veterans' Loan Corporation in the program of making and insuring  
19 state veterans' loans as provided in this chapter will be of material aid in  
20 insuring the continuance of the program of making loans to veterans.

21 (b) The legislature finds that enabling the Alaska Veterans' Loan  
22 Corporation to finance the program of veterans' loans serves a public purpose  
23 in benefiting the people of the state. The Alaska Veterans' Loan Corporation  
24 is empowered to act on behalf of the state and its people in serving this  
25 public purpose for the benefit of the general public.

26 \* Sec. 2. AS 26 is amended by adding a new chapter to read:

27 CHAPTER 16. ALASKA VETERANS' LOAN CORPORATION.

28 Sec. 26.16.010. ALASKA VETERANS' LOAN CORPORATION. The Alaska  
29 Veterans' Loan Corporation is a public corporation and government in-  
strumentality within the Department of Commerce and Economic Develop-

1 ment, but has a legal existence independent of and separate from the  
2 state. The corporation may not be terminated as long as it has bonds,  
3 notes or other obligations outstanding. Upon termination of the cor-  
4 poration, its rights and property pass to the state.

5 Sec. 26.16.020. VETERANS' LOANS. (a) The corporation may, under  
6 regulations and policies adopted by it, make or participate in the  
7 making of the following loans:

8 (1) Personal loans may be made for educational, domestic,  
9 remote area family housing and other personal purposes, not exceeding  
10 \$10,000. Loans in excess of \$5,000 shall be secured by acceptable  
11 collateral when available but if acceptable collateral is not available  
12 the corporation may make loans in excess of \$5,000 on the basis of good  
13 character if the loan is approved by a majority of the board of direc-  
14 tors of the corporation.

15 (2) Farm loans, single-family home loans, mobile home loans,  
16 and loans for owner-occupied duplexes may be made to purchase, remodel,  
17 repair, build, furnish, refinance or equip homes, mobile homes, owner-  
18 occupied duplexes or farms in the state, including the clearing and  
19 drainage for farms. The amount of a loan made under this paragraph may  
20 not exceed the higher of current Federal Housing Administration guide-  
21 lines for the type of loan made or 95 percent of the appraised value of  
22 the single-family home or 90 percent of the appraised value of the farm,  
23 home, mobile home, or owner-occupied duplex unless additional loan  
24 amounts are secured by acceptable collateral as determined by the com-  
25 missioner of commerce and economic development in conformity with estab-  
26 lished requirements.

27 (3) Business loans not exceeding \$500,000 may be made to  
28 acquire, finance or refinance or equip businesses, including mining and  
29 fishing but not including farming, if the loan applicant has had three

1 or more years of general business experience. The loans shall be se-  
2 cured by acceptable collateral and may not exceed 75 percent of the  
3 appraised value of the collateral offered as security.

4 (4) Multiple-dwelling loans not exceeding \$250,000 may be  
5 made to purchase, remodel, repair, build, furnish, refinance or equip  
6 multiple dwellings. The loans shall be secured by acceptable collateral  
7 and may not exceed 75 percent of the appraised value of the collateral  
8 offered as security.

9 (b) The total of all loans outstanding to a veteran may not exceed  
10 \$500,000.

11 (c) The interest rate on loans may not exceed the lower of:

12 (1) a percentage at least one percent less than the interest  
13 rate on comparable loans by the state under any other lending program of  
14 the state; or

15 (2) the interest rate in effect at the time of the loan for  
16 comparable loans by the federal Veterans' Administration.

17 (d) A loan may not be made under this chapter unless an agreement  
18 with conditions acceptable to the commissioner of commerce and economic  
19 development providing for collection and other required servicing of the  
20 loan by an Alaska bank is in effect or unless the commissioner certifies  
21 in writing that an agreement for collection and other servicing on  
22 reasonable terms is impracticable. The costs of the collection and  
23 other servicing agreements shall be included in computation of interest  
24 rates for purposes of (c) of this section.

25 (e) If the real property which secures a loan made under (a)(2) or  
26 (4) of this section is transferred by the borrower and the loan was made  
27 five years or more before the transfer, the commissioner of commerce and  
28 economic development shall allow the person to whom the property is  
29 transferred to assume the outstanding indebtedness on the loan on the  
30

1 existing terms of the loan unless the commissioner determines in writing  
2 that the credit of that person is not satisfactory to assure repayment  
3 of the loan. The person to whom the property is transferred need not be  
4 eligible for a loan under this chapter in order to assume the out-  
5 standing indebtedness on the loan.

6 Sec. 26.16.030. ELIGIBILITY FOR VETERANS' LOANS. (a) The follow-  
7 ing persons are qualified for loans under this chapter:

8 (1) a person who served in the armed forces of the United  
9 States for 90 days or more, or whose service was for less than 90 days  
10 because of injury or disability incurred in the line of duty, after  
11 April 6, 1917,

12 (A) who at the time of induction into the service was a  
13 resident of the territory or state, who had been a resident for not  
14 less than one year immediately before his induction, and who re-  
15 turned to the territory or state after discharge as a resident with  
16 the intention of remaining in the territory or state; or

17 (B) who, not being a bona fide resident of the territory  
18 or state before his entry into the service, has been a resident of  
19 the territory or state for five or more consecutive years after  
20 demonstrating his intent to make his permanent home in the state by  
21 designating a place in the state as his home in official civilian  
22 records or in military personnel records; and

23 (C) whose discharge was not dishonorable;

24 (2) a person who was dependent on a member of the armed  
25 forces or an eligible veteran at the time of the member's or veteran's  
26 death if

27 (A) the member or veteran was a resident of the terri-  
28 tory or state for one year before induction into the service;

29 (B) the member or veteran served in the armed forces for

1 at least 90 days after April 6, 1917; and

2 (C) his discharge was not dishonorable;

3 (3) a person who has served in the Alaska Army National  
4 Guard, the Alaska Air National Guard, or the Alaska Naval Militia for  
5 not less than five years and who has not received a discharge other than  
6 honorable.

7 (b) For purposes of this section, a dependent is an unmarried  
8 person whose chief means of support was the deceased member of the armed  
9 forces or the deceased veteran. The dependent must be either (1) a  
10 widow, widower, minor son, minor daughter, or (2) mother, father, sister  
11 or brother incapable of self-support. A dependent must be a resident of  
12 the state at the time of making application and intend to reside in the  
13 state permanently. The rights of a minor child who is eligible for a  
14 loan under this chapter may be exercised only if the child has no sur-  
15 viving parent and has an appointed guardian.

16 Sec. 26.16.C.0. CORPORATION GOVERNING BODY. (a) The corporation  
17 shall be governed by a board of directors. The board of directors of  
18 the corporation consists of the commissioner of the Department of Com-  
19 merce and Economic Development and six members appointed by the gover-  
20 nor. At least five of the appointed members must be veterans who meet  
21 the eligibility requirements of AS 26.16.030(1).

22 (b) Members appointed by the governor serve for three-year terms.  
23 The terms of two members appointed by the governor expire on April 30  
24 annually.

25 (c) If a vacancy occurs among the public members appointed by the  
26 governor, the governor shall make an appointment, to become effective  
27 immediately, for the unexpired portion of the term.

28 (d) Members of the board of directors serve without compensation  
29 except that each member may be reimbursed by the corporation for actual

1 and necessary expenses at the same rate as set out in AS 39.20.180.

2 Sec. 26.16.050. MEETINGS OF BOARD. The board shall elect a chair-  
3 man from among its membership at its first meeting in each year. A  
4 majority of the members constitutes a quorum for organizing the board,  
5 conducting its business, and exercising the powers of the corporation.  
6 The board shall meet at the call of its chairman. The board shall meet  
7 not less than once each three months.

8 Sec. 26.16.060. MINUTES OF MEETINGS. The board shall keep minutes  
9 of each meeting and send a certified copy to the governor.

10 Sec. 26.16.070. ADMINISTRATION OF AFFAIRS. The board shall manage  
11 the assets and business of the corporation and may prescribe, amend, and  
12 repeal bylaws and regulations governing the manner in which the business  
13 of the corporation is conducted and the manner in which its powers are  
14 exercised. The board shall delegate supervision of the administration  
15 of the corporation to the executive director, appointed in accordance  
16 with AS 26.16.080, and may delegate to him other duties it considers  
17 proper.

18 Sec. 26.16.080. EXECUTIVE DIRECTOR. The corporation shall employ  
19 an executive director, who may not be a member of the board. The execu-  
20 tive director shall be appointed by the board of directors and serves at  
21 the pleasure of the board.

22 Sec. 26.16.090. LEGAL ADVISOR. The attorney general is the legal  
23 counsel for the corporation. He shall advise the corporation in legal  
24 matters and represent it in suits.

25 Sec. 26.16.100. EMPLOYMENT OF PERSONNEL. The board may appoint  
26 other officers and engage professional and technical advisors as inde-  
27 pendent contractors. The executive director may hire employees of the  
28 corporation and, subject to the approval of the board, engage profes-  
29 sional and technical advisors under contract with the corporation. The

1 board shall prescribe the duties and compensation of corporation  
2 personnel.

3 Sec. 26.16.110. PERSONNEL EXEMPT FROM STATE PERSONNEL ACT. The  
4 personnel of the corporation are exempt from AS 39.25.

5 Sec. 26.16.120. INTERDEPARTMENTAL COOPERATION. All departments,  
6 agencies and public corporations of the state may provide information,  
7 services, facilities and loans to the corporation upon its request. The  
8 corporation may reimburse departments, agencies and public corporations  
9 of the state for loans advanced or for expenses incurred on the corpora-  
10 tion's behalf.

11 Sec. 26.16.130. ADMINISTRATIVE PROCEDURE. (a) Except for AS 44.-  
12 62.310 and 44.62.312, regarding public meetings, and AS 44.62.320(a)  
13 regarding legislative review of regulations, the Administrative Proce-  
14 dure Act (AS 44.62) does not apply to this chapter. The corporation  
15 shall make available to members of the public copies of the regulations  
16 adopted under (b) - (e) of this section. Within 45 days after adoption,  
17 the chairman of the board shall submit a regulation adopted under (b) -  
18 (e) of this section to the chairman of the Administrative Regulation  
19 Revi. Committee under AS 24.20.400 - 24.20.460. The provisions of  
20 AS 44.62.320(a) apply to regulations adopted under (b) - (e) of this  
21 section.

22 (b) The board may adopt regulations by motion or by resolution or  
23 in any other manner permitted by its bylaws.

24 (c) The board may adopt regulations to carry out the purposes of  
25 this chapter, including but not limited to the following purposes:

- 26 (1) determination of borrower eligibility;
- 27 (2) loan guidelines and terms including, but not limited to,  
28 maximum loan amounts and required loan-to-value ratios, but excluding  
29 mortgage loan interest rates;

1 (3) characteristics of housing eligible for loans or for  
2 purchase of loans.

3 (d) Except as provided in (e) of this section, at least 15 days  
4 before the adoption, amendment, or repeal of a regulation on a subject  
5 specified in (c)(1) - (3) of this section, the board shall give public  
6 notice of the proposed action by publishing the notice in at least three  
7 newspapers of general circulation in the state and by mailing a copy of  
8 the notice to every person who has filed a request for notice of pro-  
9 posed regulations with the board or the corporation. The public notice  
0 must include a statement of the time, place, and nature of the proceed-  
11 ings for the adoption, amendment, or repeal of the regulation and must  
12 include an informative summary of the proposed subject of the regula-  
13 tion. On the date and at the time and place designated in the notice,  
14 the board shall give each interested person or his authorized represen-  
15 tative, or both, the opportunity to present statements, arguments, or  
16 contentions in writing, and shall give members of the public an oppor-  
17 tunity to present oral statements, arguments, or contentions for a total  
18 period of at least one hour. The board shall consider all relevant  
19 matter presented to it before adopting, amending, or repealing a regu-  
20 lation. At a hearing under this subsection, the board may continue or  
21 postpone the hearing to a time and place which it determines. A regula-  
22 tion which is adopted, or its amendment or repeal, may vary in content  
23 from the informative summary specified in this subsection if the subject  
24 matter of the regulation, or its amendment or repeal, remains the same  
25 and the original notice was written so as to assure that members of the  
26 public are reasonably notified of the proposed subject of the board's  
27 action in order for them to determine whether their interest could be  
28 affected by the board's action on that subject.

29 (e) A regulation or order of repeal on a subject specified in (c)

1 of this section may be adopted as an emergency regulation or order of  
2 repeal if the board makes a finding in its order of adoption or repeal,  
3 including a statement of the facts which constitute the emergency, that  
4 the adoption of the regulation or order of repeal is necessary for the  
5 immediate preservation of the orderly operation of the corporation's  
6 loan and bonding programs. The requirements of (d) of this section do  
7 not apply to the initial adoption of an emergency regulation covering a  
8 subject specified in (c)(1) - (3) of this section; however, upon adop-  
9 tion of an emergency regulation, the board shall, within 10 days after  
10 adoption, give notice of the adoption in accordance with (d) of this  
11 section. No emergency regulation adopted under this subsection remains  
12 in effect more than 120 days unless the board complies with (d) of this  
13 section during the 120-day period.

14 (f) A regulation adopted under (b) - (e) of this section becomes  
15 effective immediately upon its adoption by the board, unless otherwise  
16 specifically provided by the order of adoption.

17 (g) The provisions of (b) - (e) of this section do not apply to  
18 regulations governing interest rates on the corporation's loan programs.

19 Sec. 26.16.140. GENERAL POWERS. In addition to other powers  
20 granted in this chapter, the corporation may

21 (1) make veterans' loans under AS 26.16.020;

22 (2) prescribe terms and rates of interest on loans made by  
23 the corporation;

24 (3) collect and pay reasonable fees and charges in connection  
25 with making, purchasing and servicing its loans, notes, bonds, commit-  
26 ments and other evidences of indebtedness;

27 (4) acquire real property, or an interest in real property,  
28 in its own name, by purchase, transfer or foreclosure, when the acquisi-  
29 tion is necessary or appropriate to protect a loan in which the corpora-

1 tion has an interest; sell, transfer and convey any such property to a  
2 buyer; and, if the sale, transfer or conveyance cannot be affected with  
3 reasonable promptness or at a reasonable price, rent or lease the prop-  
4 erty to a tenant pending the sale, transfer or conveyance;

5 (5) sell, at public or private sale, to any purchaser, in-  
6 cluding the Federal National Mortgage Association, all or any part of a  
7 mortgage or other instrument or document securing a loan permitted by  
8 this chapter;

9 (6) purchase, in order to meet the requirements of the sale  
10 of its mortgages to the Federal National Mortgage Association, stock of  
11 the Federal National Mortgage Association;

12 (7) procure insurance against any loss in connection with its  
13 operation;

14 (8) consent to the modification of the rate of interest, time  
15 of payment of an installment of principal or interest, or any other  
16 terms, of a loan, to which the corporation is a party;

17 (9) borrow money as provided in this chapter to carry out its  
18 corporate purposes; and issue its obligations as evidence of such borrow-  
19 ing;

20 (10) include in any borrowing the amounts necessary to pay  
21 financing charges, interest on the obligations for a period not exceed-  
22 ing one year after the date on which the corporation estimates funds  
23 will otherwise be available to pay the interest, consultant, advisory  
24 and legal fees and such other expenses as are necessary or incident to  
25 this borrowing;

26 (11) make and execute agreements, contracts and other instru-  
27 ments necessary or convenient in the exercise of the powers and func-  
28 tions of the corporation under this chapter, including contracts with  
29 any person, firm, corporation, governmental agency or other entity;

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

4 (13) sue and be sued in its own name;

5 (14) adopt an official seal;

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

9 (16) employ fiscal consultants, engineers, real estate coun-  
10 selors, appraisers and such other consultants and employees as may be  
11 required in the judgment of the corporation, and fix and pay their  
12 compensation from funds available to the corporation;

13 (17) adopt and publish regulations respecting its lending  
14 programs and other regulations to carry out its purposes;

15 (18) do all acts necessary, convenient or desirable to carry  
16 out the powers expressly granted or necessarily implied in this chapter;

17 (19) invest or reinvest, subject to its contracts with note-  
18 holders and bondholders, any money or funds held by the corporation in  
19 any obligations or other securities or investments in which banks or  
20 trust companies in the state may legally invest funds held in reserves  
21 or sinking funds or any funds not required for immediate disbursement,  
22 and in certificates of deposit or time deposits secured by obligations  
23 of, or guaranteed by, the state or the United States of America.

24 Sec. 26.16.150. LOAN INSURANCE. (a) There is a special fund of  
25 the state to be known as the "veterans' loan insurance fund" (called the  
26 "loan insurance fund") which shall be completely segregated and set  
27 apart from all other funds of the state, and which is a trust fund for  
28 the uses and purposes of this section and into and from which money  
29 shall be paid as provided in this section. The loan insurance fund

1 shall be held by the commissioner of revenue, subject to the power of  
2 the commissioner of commerce and economic development to enter into and  
3 perform agreements for the use of money in the loan insurance fund and  
4 to pledge, assign or grant interests in the loan insurance fund as  
5 provided in this section. The commissioner of commerce and economic  
6 development may enter into agreements with the corporation for the  
7 exercise of any power or approval relating to the loan insurance fund  
8 under this section, including, without limitation, agreements as to the  
9 use of money in the loan insurance fund, agreements regarding the terms  
10 and conditions upon which payments from the loan insurance fund shall be  
11 made to the corporation for loans insured under this section, and agree-  
12 ments regarding the payment of and security for loan insurance bonds,  
13 and in connection with these agreements the commissioner of commerce and  
14 economic development may pledge, assign or grant other interests in the  
15 loan insurance fund to the corporation as may be necessary or appropri-  
16 ate in connection with the insurance of loans and to provide for the  
17 payment of and security for loan insurance bonds. An agreement or any  
18 of the rights of the corporation under the agreement and payments re-  
19 ceived or to be received under the agreement may be pledged or assigned  
20 by the corporation for the benefit of the holders of loan insurance  
21 bonds.

22 (b) In addition to any other fees and charges which the corpora-  
23 tion may charge on mortgage loans, it may collect or cause to be  
24 collected on all mortgage loans made with the proceeds of the sale of  
25 mortgage insurance bonds, either or both a special mortgage loan insur-  
26 ance commitment fee or a mortgage loan insurance premium. The special  
27 mortgage loan insurance commitment fees and special mortgage loan in-  
28 surance premiums when received shall be deposited in the loan insurance  
29 fund by the corporation, or by any mortgage loan servicer, trustee, or

1 agent designated by the corporation to receive them, and shall be held,  
2 invested and, together with all investment income derived from them,  
3 reinvested by the commissioner of revenue in investments authorized  
4 under AS 37.10.070(a), subject to any agreement with the corporation  
5 under (a) of this section.

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

14 (d) A state veterans' mortgage loan may be insured if the loan-to-  
15 value ratio at the time of the insurance does not exceed 90 percent or,  
16 if the loan-to-value ratio does exceed that percentage, if it is feder-  
17 ally insured or guaranteed or insured by a qualified mortgage insurance  
18 company to the extent of the excess. The endorsement of the corporation  
19 on the mortgage at the time of purchase or acquisition of the mortgage  
20 loan is conclusive evidence that the mortgage loan is insured under the  
21 provisions of this section. The insurance is payable solely from the  
22 mortgage insurance fund.

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

29 (1) in the case of state veteran mortgage loans insured by a

1 qualified mortgage insurance company or, if not so insured or guaran-  
2 teed, with a loan-to-value ratio at the time of the mortgage insurance  
3 application less than 80 percent, the greater of (A) two percent of the  
4 unpaid principal amount of those mortgage loans, or (B) a percentage  
5 which the corporation with the approval of the commissioner of commerce  
6 and economic development determines is actuarially sound for operation  
7 of the loan insurance fund;

8 (2) In the case of state veterans' mortgage loans not insured  
9 by a qualified mortgage insurance company and with a loan-to-value ratio  
10 at the time of the mortgage insurance application between 80 and 90 per-  
11 cent, the greater of (A) six percent of the unpaid principal amount of  
12 those state veterans' loans, or (B) a percentage which the corporation  
13 with the approval of the commissioner of commerce and economic develop-  
14 ment determines is actuarially sound for the operation of the loan  
15 insurance fund.

16 (f) On December 1 of each year the commissioner of commerce and  
17 economic development shall determine the amount on deposit in the loan  
18 insurance fund. If the amount in the fund is less than the fund re-  
19 quirement, the commissioner shall request the corporation to transfer  
20 from any available funds the amount necessary to restore the loan in-  
21 surance fund to the fund requirement and the corporation shall promptly  
22 comply with the request from any funds available subject to agreements  
23 with holders of any of its obligations. If sufficient funds are not  
24 provided as the result of such requests, the commissioner shall, no  
25 later than January 2 of the following year, make and deliver to the  
26 governor and to the chairmen of the house and senate finance committees  
27 his certificate stating the sum required to restore the fund to the fund  
28 requirement and the sum so certified may be appropriated and paid to the  
29 fund during the then current state fiscal year. Nothing in this sub-

1 section creates a debt or liability of the state.

2 (g) The commissioner of revenue may sell to the corporation, and  
3 the corporation may purchase, state veterans' loans purchased for and  
4 held in the general fund on such terms and conditions as the commis-  
5 sioner of revenue and the corporation consider appropriate. When the  
6 commissioner of revenue sells a state veterans' loan to the corporation  
7 he may cause to be deposited in the loan insurance fund from the pro-  
8 ceeds of sale an amount not exceeding the lesser of (1) six percent of  
9 the proceeds of sale, or (2) the difference between the amount the  
10 commissioner of revenue actually receives on the sale and the amount the  
11 commissioner determines would have been received if the state veterans'  
12 loans had been sold in the private mortgage market. The determination  
13 shall be based on information reasonably available to the commissioner  
14 of revenue at the time of sale and is conclusive in determining the  
15 amount of the deposit.

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

18 (1) "loan-to-value ratio" means the ratio between the prin-  
19 cipal amount of a mortgage loan and the appraised value, as determined  
20 by the corporation, of the residential housing financed by that mortgage  
21 loan;

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

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

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

1 such percent of the principal amount of a mortgage loan to be insured  
2 under this section, and an annual insurance premium of such percent of  
3 the portion of the unpaid principal amount of a mortgage loan insured  
4 under this section which is not federally insured or guaranteed or  
5 insured by a private mortgage insurance company, which the corporation  
6 with the approval of the commissioner of commerce and economic develop-  
7 ment determines is actuarially sound for the operation of the mortgage  
8 insurance fund;

9 (5) "state veterans' loan" means a mortgage loan for residen-  
10 tial housing made in accordance with AS 26.16.020;

11 (6) the determination of what is "actuarially sound" with  
12 respect to the operation of the loan insurance fund shall be based on a  
13 consideration of the factors which will provide sufficient revenues for  
14 the operation of the fund, without regard to amounts which may have been  
15 or may, after the date of determination of actuarial soundness, be  
16 appropriated under (f) of this section, including, without limitation,  
17 estimates of future defaults and losses on loans insured under this  
18 section based on actual default and loss experience on those loans or on  
19 similar loans in Alaska or elsewhere, estimates of recoveries on de-  
20 faulted or foreclosed loans based on that experience, the terms and  
21 conditions of the loans insured under this section, estimates of earn-  
22 ings and income of amounts on deposit in the loan insurance fund, and  
23 any other appropriate factors.

24 Sec. 26.16.160. BONDS AND NOTES. (a) The corporation, by reso-  
25 lution, may issue bonds and bond anticipation notes in order to provide  
26 funds to carry out its purposes.

27 (b) The principal and interest on these bonds or notes is payable  
28 from corporation 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, in the event bond or bond anticipation note  
2       proceeds are not available, the notes may be paid from other funds or  
3       assets of the corporation. Bonds or notes may be additionally secured  
4       by a pledge of a grant or contribution from the federal government, or a  
5       corporation, association, institution or person, or a pledge of money,  
6       income, or revenues of the corporation from any source.

7               (c) Bonds or bond anticipation notes may be issued in one or more  
8       series and shall be dated, bear interest at the rate or rates per year  
9       or within the maximum rate, be in the denomination, be in the form,  
10       either coupon or registered, carry the conversion or registration pro-  
11       visions, have the rank or priority, be executed in the manner and form,  
12       be payable from the sources in the medium of payment and place or places  
13       in or outside the state, be subject to authentication by a trustee or  
14       fiscal agent, and be subject to the terms of redemption with or without  
15       premium, as the resolution of the corporation may provide. Bond anti-  
16       icipation notes shall mature at such time or times as may be determined  
17       by the corporation. Bonds shall mature at such time, not exceeding 50  
18       years from their date, as may be determined by the corporation. Before  
19       the preparation of definitive bonds or bond anticipation notes, the  
20       corporation may issue interim receipts or temporary bonds or bond anti-  
21       icipation notes, with or without coupons, exchangeable for bonds or bond  
22       anticipation notes when these definitive bonds or bond anticipation  
23       notes have been executed and are available for delivery.

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

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

1 until delivery.

2 (f) In resolution of the corporation authorizing or relating to  
3 the issuance of bonds or bond anticipation notes, the corporation has  
4 power by provisions in the resolution which will constitute covenants of  
5 the corporation and contracts with the holders of the bonds or bond  
6 anticipation notes

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

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

14 (3) to covenant as to the use and disposition of any and all  
15 payments of principal or interest received by the corporation on loans  
16 or other investments held by the corporation;

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

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

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

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

28 (8) to covenant as to the payment of the principal of or  
29 interest on the bonds or notes, as to the sources and methods of the

1 payment, as to the rank or priority of the bonds or notes with respect  
2 to a lien or security, or as to the acceleration of the maturity of the  
3 bonds or notes;

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

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

8 (11) to covenant as to the redemption of bonds or notes and  
9 privileges of their exchange for other bonds or notes of the corpora-  
10 tion;

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

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

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

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

28 (16) to provide for the rights and liabilities, powers and  
duties arising upon the breach of any covenant, condition or obligation,

1 and to prescribe the events of default and the terms and conditions upon  
2 which any or all the bonds, notes or other obligations of the corpora-  
3 tion become or may be declared due and payable before maturity and the  
4 terms and conditions upon which any such declaration and its consequen-  
5 ces may be waived;

6 (17) to vest in a trustee or trustees in or outside the state  
7 such property, rights, powers and duties in trust as the corporation may  
8 determine, which may include any or all of the rights, powers and duties  
9 of any trustee appointed by the holders of any bonds or notes, and to  
10 limit or abrogate the right of the holders of any bonds or notes of the  
11 corporation to appoint a trustee under this chapter or limit the rights,  
12 powers and duties of the trustee;

13 (18) to pay the cost or expenses incident to the enforcement  
14 of the bonds or notes or of the provisions of the resolution or of any  
15 covenant or agreement of the corporation with the holders of its bonds  
16 or notes;

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

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

29 (21) to limit the rights of the holders of any bonds or notes

1 to enforce any pledge or covenant securing bonds or notes;

2 (22) to make covenants other than and in addition to the  
3 covenants expressly authorized in this section, of like or different  
4 character, and to make the covenants to do or refrain from doing such  
5 acts and things as may be necessary, or convenient and desirable, in  
6 order to better secure bonds or notes or which, in the absolute discre-  
7 tion of the corporation, will tend to make bonds or notes more market-  
8 able, notwithstanding that the covenants, acts or things may not be  
9 enumerated in this section.

10 Sec. 26.16.170. INDEPENDENT FINANCIAL ADVISOR. In negotiating the  
11 private sale of bonds or bond anticipation notes to an underwriter, the  
12 corporation shall retain a financial advisor who is independent from the  
13 underwriter.

14 Sec. 26.16.180. VALIDITY OF ANY PLEDGE. The pledge of assets or  
15 revenues of the corporation to the payment of the principal or interest  
16 on any obligations of the corporation is valid and binding from the time  
17 the pledge is made and any such assets or revenues are immediately  
18 subject to the lien of the pledge without physical delivery or further  
19 act. The lien of any pledge is valid and binding against all parties  
20 having claims of any kind in tort, contract or otherwise against the  
21 corporation, irrespective of whether those parties have notice of the  
22 lien of the pledge. Nothing in this section prohibits the corporation  
23 from selling assets subject to a pledge, except that a sale may be  
24 restricted by the trust agreement or resolution providing for the issu-  
25 ance of the obligations.

26  
27 Sec. 26.16.190. CAPITAL RESERVE FUND. (a) For the purpose of  
28 securing any one or more issues of its obligations, the corporation may  
29 establish one or more special funds, called "capital reserve funds", and  
30 shall pay into those capital reserve funds (1) any money appropriated

1 and made available by the state for the purpose of any of those funds,  
2 (2) any proceeds of the sale of its obligations, to the extent provided  
3 in the resolution or resolutions of the corporation authorizing their  
4 issuance, and (3) any other money which may be made available to the  
5 corporation for the purposes of those funds from any other source. All  
6 money held in a capital reserve fund, except as provided in this sec-  
7 tion, shall be used as required, solely for (1) the payment of the  
8 principal of obligations or of the sinking fund payments with respect to  
9 those obligations, (2) the purchase or redemption of obligations, (3)  
10 the payment of interest on obligations, or (4) the payment of any re-  
11 demption premium require to be paid when those obligations are redeemed  
12 before maturity; however, money in any fund may not be withdrawn from it  
13 at any time in an amount which would reduce the amount of that fund to  
14 less than the capital reserve requirement set out in (b) of this sec-  
15 tion, except for the purpose of making, with respect to those obliga-  
16 tions, payment, when due, of principal, interest, redemption premiums  
17 and the sinking fund payments for the payment of which other money of  
18 the corporation is not available. Any income or interest earned by, or  
19 increment to, a capital reserve fund, due to the investment of the fund  
20 or any other amounts in it, may be transferred by the corporation to  
21 other funds or accounts of the corporation to the extent that the trans-  
22 fer does not reduce the amount of the capital reserve fund below the  
23 capital reserve fund requirement.

24 (b) If the corporation decides to issue obligations secured by a  
25 capital reserve fund, the obligations may not be issued if the amount in  
26 the capital reserve fund is less than such a per cent, not exceeding 10  
27 per cent of the principal amount of all of those obligations secured by  
28 that capital reserve fund then to be issued and then outstanding in  
29 accordance with their terms, as may be established by resolution of the

1 corporation (called the "capital reserve fund requirement"), unless the  
2 corporation, at the time of issuance of the obligations, deposits in the  
3 capital reserve fund from the proceeds of the obligations to be issued  
4 or from other sources, an amount which, together with the amount then in  
5 the fund, will not be less than the capital reserve fund requirement.

6 (c) In computing the amount of a capital reserve fund for the  
7 purpose of this section, securities in which all or a portion of the  
8 funds are invested shall be valued at par or, if purchased at less than  
9 par, at amortized costs as the term is defined by resolution of the  
10 corporation authorizing the issue of the obligations, or by some other  
11 reasonable method established by the corporation by resolution. Valua-  
12 tion on a particular date shall include the amount of any interest  
13 earned or accrued to that date.

14 (d) To assure the continued operation and solvency of the corpora-  
15 tion for the carrying out of its corporate purposes, provision is made  
16 in (a) of this section for the accumulation in capital reserve funds of  
17 an amount equal to their capital reserve fund requirement.

18 (e) The chairman of the corporation shall annually, no later than  
19 January 2, make and deliver to the governor and chairman of the house  
20 and senate finance committees his certificate stating the sum, if any,  
21 required to restore any capital reserve fund to the capital reserve fund  
22 requirement. The legislature may appropriate such a sum, and all sums  
23 appropriated during the then current fiscal year by the legislature for  
24 the restoration shall be deposited by the corporation in the proper  
25 capital reserve fund. Nothing in this section creates a debt or liabil-  
26 ity of the state.

27 (f) Whenever the corporation has created and established a capital  
28 reserve fund, the commissioner of revenue may lend surplus money in the  
29 general fund to the corporation for deposit in a capital reserve fund in

1 an amount equal to the capital reserve fund requirement. The loans  
2 shall be made on such terms and conditions as may be agreed upon the  
3 commissioner of revenue and the corporation, including without limita-  
4 tion terms and conditions providing that the loans need not be repaid  
5 until the obligations of the corporation secured and to be secured by  
6 the capital reserve fund are no longer outstanding.

7 Sec. 26.16.200. REMEDIES. A holder of obligations or coupons  
8 attached to them issued under the provisions of this chapter, and a  
9 trustee under a trust agreement or resolution authorizing the issuance  
10 of the obligations, except as restricted by a trust agreement or resolu-  
11 tion, either at law or in equity, may enforce all rights granted under  
12 this chapter or under the trust agreement or resolution, or under any  
13 other contract executed by the corporation under this chapter, and may  
14 enforce and compel the performance of all duties required by this chap-  
15 ter or by the trust agreement or resolution to be performed by the  
16 corporation or by any officer of it.

17 Sec. 26.16.210. NEGOTIABLE INSTRUMENTS. All obligations and  
18 interest coupons attached to them are negotiable instruments under the  
19 laws of this state, subject only to any applicable provisions for regis-  
20 tration.

21 Sec. 26.16.220. OBLIGATIONS ELIGIBLE FOR INVESTMENT. Obligations  
22 issued under the provisions of this chapter are securities in which all  
23 public officers and public bodies of the state and its political sub-  
24 divisions, all insurance companies, trust companies, banking associa-  
25 tions, investment companies, executors, administrators, trustees and  
26 other fiduciaries may properly and legally invest funds, including  
27 capital in their control or belonging to them. These obligations may be  
28 deposited with any state or municipal officer of an agency or political  
29 subdivision of the state for any purpose for which the deposit of bonds,

1 notes or obligations of the state is authorized by law.

2 Sec. 26.16.230. REFUNDING OBLIGATIONS. (a) The corporation may  
3 provide for the issuance of refunding obligations for the purpose of  
4 refunding any obligations then outstanding which have been issued under  
5 the provisions of this chapter, including the payment of any redemption  
6 premium on them and any interest accrued or to accrue to the date of  
7 redemption of the obligations. The issuance of the obligations, the  
8 maturities and other details of them, the rights of the holders of them,  
9 and the rights, duties and obligations of the corporation in respect of  
10 them are governed by the provisions of this chapter which relate to the  
11 issuance of obligations, insofar as those provisions may be appropriate.

12 (b) Refunding obligations may be sold or exchanged for outstanding  
13 obligations issued under this chapter and, if sold, the proceeds may be  
14 applied, in addition to any other authorized purposes, to the purchase,  
15 redemption or payment of the outstanding obligations. Pending the  
16 application of the proceeds of any such refunding obligations, with any  
17 other available funds, to the payment of the principal, accrued interest  
18 and any redemption premium on the obligations being refunded, and, if so  
19 provided or permitted in the resolution authorizing the issuance of the  
20 refunding obligations or in the trust agreement securing them, to the  
21 payment of any interest on the refunding obligations and any expenses in  
22 connection with the refunding, the proceeds may be invested in direct  
23 obligations of, or obligations the principal of and the interest on  
24 which are unconditionally guaranteed by, the United States of America  
25 which mature or which will be subject to redemption, at the option of  
26 the holders of them, not later than the respective dates when the pro-  
27 ceeds, together with the interest accruing on them, will be required for  
28 the purposes intended.

29 Sec. 26.16.240. CREDIT OF STATE NOT PLEDGED. (a) Obligations

1 issued under the provisions of this chapter do not constitute a debt,  
2 liability or obligation of the state or of any political subdivision of  
3 the state or a pledge of the faith and credit of the state or of any  
4 such political subdivision but are payable solely from the revenues or  
5 assets of the corporation. Each obligation issued under this chapter  
6 shall contain on its face a statement that the corporation is not obli-  
7 gated to pay it nor the interest on it except from the revenues or  
8 assets pledged for it and that neither the faith and credit nor the  
9 taxing power of the state or of any political subdivision of the state  
10 is pledged to the payment of the principal of or the interest on the  
11 obligation.

12 (b) Expenses incurred by the corporation in carrying out the  
13 provisions of this chapter are payable from funds provided under this  
14 chapter and no liability may be incurred by the corporation in excess of  
15 these funds.

16 Sec. 26.16.250. OFFICERS NOT LIABLE. A member or other officer of  
17 the corporation is not subject to personal liability or accountability  
18 by reason of his execution of any obligations or the issuance of them.

19 Sec. 26.16.260. TAX EXEMPTION. (a) The exercise of the powers  
20 granted by this chapter will be in all respects for the benefit of the  
21 people of the state, for their well-being and prosperity and for the  
22 improvement of their social and economic conditions, and the corporation  
23 is not required to pay a tax or assessment on any property owned by the  
24 corporation under the provisions of this chapter or upon the income from  
25 it, except taxes on real property of which the corporation is fee owner.

26 (b) All obligations issued under this chapter are hereby declared  
27 to be issued by a body corporate and public of the state and for an  
28 essential public and governmental purpose, and the obligations, and the  
29 interest and income on and from the obligations, and all fees, charges,

1 funds, revenues, income and other money pledged or available to pay or  
2 secure the payment of the obligations, or interest on the obligations,  
3 are exempt from taxation except for transfer, inheritance and estate  
4 taxes.

5 Sec. 26.16.270. ANNUAL REPORT. The corporation shall prepare and  
6 transmit annually a report accounting to the governor and the legisla-  
7 ture for the efficient discharge of all responsibility assigned by law or  
8 by directive to the corporation.

9 Sec. 26.16.280. DEFINITIONS. In this chapter, unless the context  
10 clearly indicates a different meaning,

11 (1) "corporation" means the Alaska Veterans' Loan Corporation  
12 established by this chapter;

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

14 (3) "governmental agency" means any department, division,  
15 public agency, political subdivision or other public instrumentality of  
16 the state or federal government.

17 \* Sec. 3. All assets of the World War II veterans' loan fund established  
18 under AS 26.15.090 are transferred to the Alaska Veterans' Loan Corporation  
19 to be used for the purposes of AS 26.16.

20 \* Sec. 4. Loan servicing functions presently performed by the Department  
21 of Commerce and Economic Development on loans made under the provisions of  
22 AS 26.15 may, at the discretion of the commissioner of revenue, be trans-  
23 ferred to the Alaska Veterans' Loan Corporation created in AS 26.16. The  
24 Alaska Veterans' Loan Corporation may assume the duties which the Department  
25 of Commerce and Economic Development is obligated to perform under agreements  
26 made in connection with veterans loans and is entitled to service fees and  
27 other compensation which the department is entitled to receive.

28 \* Sec. 5. AS 26.15 is repealed.

29 \* Sec. 6. Section 5 of this Act takes effect July 1, 1980.

1 \* Sec. 7. Sections 1 - 4 of this Act take effect immediately in accor-  
2 dance with AS 01.10.070(c).  
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# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

3/23/90  
Date

MEMORANDUM

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TO: John C. Sackett  
Chairman  
Senate Finance Committee

FROM: Garrey Peska  
Administrative Assistant

DATE: February 20, 1980

SUBJECT: Sunset Terminations

June 30, 1979, was the first date set by the Sunset Law for termination of State Boards and Commissions.

Under the law the boards have one year to wind up their business and disappear unless the legislature passes a bill which continues their existence.

Thirteen boards and commissions were subjected to "Sunset" effective 6/30/79. Only one, the Board of Nursing has been continued (continued four more years to 6/30/83). The attached schedule details the status of the other 12 Boards.

	<u>Proposed Legislative Action</u>	<u>Bill Number</u>	<u>Bill Status</u>
Board of Chiropractic Examiners	Terminate Effective 1/1/81	SB 242	Free Conference
Board of Dental Examiners	Continue to 6/30/81	SB 246	Free Conference
State Medical Board	Continue to 6/30/80	SB 240	Free Conference
Board of Dispensing Opticians	Terminate Effective 1/1/81	SB 245	Free Conference
Board of Examiners in Optometry	Terminate Effective 1/1/81	SB 243	Free Conference
Board of Pharmacy	Continue - 4 years	SB 244	Free Conference
Board of Veterinary Examiners	Continue to 1/1/81	SB 247	Free Conference
Board of Psychologists	Terminate Effective 1/1/81	HB 446	S(HESS)
Board of Nursing Home Administrators	Terminate Effective 1/1/81	HB 447	(H)Finance
Physical Therapy Board	Terminate Effective 1/1/81	SB 248	Free Conference
Alcohol Beverage Control Board	Terminate Effective 6/30/80	SB 250	Free Conference
Alaska Transportation Commission	Continue to 6/30/81	SB 236	Vetoed

## SUMMARY OF SUNSET ACTION

June 30, 1979, Sunset Terminations

Boards subject to Termination	<u>13</u>
Boards Terminated	-0-
Boards Continued	1
Bill to continue failed in Senate	1
Bill to continue vetoed	1
Bill to terminate is in S(HESS)	1
Bills in Free Conference Committee	<u>9</u>
Total	<u>13</u>

Twelve more Boards/Commissions are scheduled for termination on June 30, 1980:

- Board of Public Accountancy
- Board of Barber Examiners
- Collection Agency Board
- Board of Hairdressing
- Board of Electrical Examiners
- Board of Architects, Engineers & Surveyors
- Guide Board
- Marine Pilot Board
- Real Estate Commission
- Board of Welding
- Board of Parole
- Alaska Public Utilities Commission

The following State agencies are scheduled  
for termination on 7/1/80:

Department of Labor - Mechanical Inspection Functions

Human Rights Commission

Fisherman's Fund

Division of Policy Development & Planning

Consumer Protection Division

Division of Juvenile Confinement

Inspection function - Department of Natural Resources

Inspection function - Department of Health & Social Services

Inspection function - Department of Environmental Conservation

Division of Occupational Safety & Health Inspections

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. S.B. 445  
 Title "An Act relating to the evaluation, continuation, termination,  
 Requested by Allison Egee Date 04/02/80  
 and reestablishment of certain boards, commissions and agency programs;  
 and providing for an effective date."

II. FISCAL DETAIL

Agency Affected Division of Legislative Audit  
 Program Category Affected General Government  
 BRU, Program, or Subprogram(s) Affected Legislature  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each  
 component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Legislative Committees have amended HB 927 (a bill which sunsets various programs in 1981) by deleting certain programs from Sunset review, but have indicated they will request through the Legislative Budget and Audit Committee that Legislative Audit perform a review of these programs anyway. These performance reviews can be conducted under the authority of other Title 24 sections.

In addition, the increased volume of CIP projects and bond issues will absorb any excess audit hours resulting from repeal of Sunset.

Therefore the repeal of Sunset Legislation would have no financial effect on the Division's Budget.

IV. DATE 04/02/80 PREPARED BY *Paul A. Wilkerson*  
 AGENCY Division of Legislative Audit  
 PHONE 465-3830 or 3831  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

# AGENCY: LEGISLATURE

Operations of the Legislature and its staff are budgeted in two budget request units: Legislative Council; and Legislative Budget and Audit Committee. The Ombudsman BRU is also included in the Legislative and Elective Operations program.

The Legislative Council is the governing body appointed by the Legislature from its membership to oversee the activities of the Legislative Affairs Agency. The Legislative Affairs Agency provides all services essential to the legislative branch and to the legislative process except for the specialized functions which are assigned to the Legislative Budget and Audit Committee. The agency conducts examination and analysis of major subjects of legislative concern, reviews regulations promulgated under the Administrative Procedure Act by administrative agencies to see if the legislative intent is being carried out, and provides the administrative services necessary to the operation of the Legislature. Operations of the legislature itself are also budgeted in the DRU.

The Legislative Budget and Audit Committee is assigned the fiscal responsibility for the Legislature. The staffs of the Legislative Audit and Legislative Finance report to L & A Committee. This Committee is a permanent interim Committee of the Legislature which has the responsibility for providing full-time technical assistance in accomplishing the fiscal analyses, budget review, and post-audit functions. It serves to provide legislative presence and involvement in State fiscal operations between legislative sessions.

The Office of the Ombudsman was established in 1975 to investigate citizen complaints pertaining to State agencies. The Ombudsman has authority to investigate administrative acts of agencies which he has reason to believe might be: 1) contrary to law; 2) unreasonable, unfair, oppressive, arbitrary, capricious, an abuse of discretion, or unnecessarily discriminatory even though in accordance with the law; 3) based on a mistake of fact; 4) based on improper or irrelevant grounds; 5) unsupported by an adequate statement of reasons; 6) performed in an inefficient or discourteous manner; or 7) otherwise erroneous. Efforts aimed at achieving these goals are directed through the institution of an informal and expeditious investigation process in which complaints are received from the public, quickly and thoroughly researched and investigated, determined justified or unjustified and the findings and recommendations reported to the agency and citizen involved. The Ombudsman may also report his findings and recommendations to the Governor, Legislature, a grand jury, and the public.

The Legislative Budgets were not made available for review by the Governor. The figures included as Governor's budget figures should not be considered recommended by the Governor. They are included for informational purposes.

COMPONENT DESCRIPTION	79 AUTH	79 FINAL	79 ACT	80 AUTH	80 SUPL	80 RP	GOVERNOR	----
LEGISLATIVE AUDIT	1583.6	1667.2	1578.2	1947.6			2064.3	
LEGISLATIVE FINANCE	743.3	1313.4	1133.5	1280.0			1430.8	
COMMITTEE EXPENSES	182.5	242.5	239.2	5.0			575.0	
SALARIES & ALLOWANCES	1169.7	1193.8	1169.2	1216.0			13750.0	
LEADERSHIP	350.4	183.3	183.1	474.9				
LAA EXECUTIVE ADMINISTRATION	166.1	198.8	198.4	142.5				
LAA ADMINISTRATIVE SERVICES	1155.1	1318.2	1276.6	2415.1				
LAA RESEARCH SERVICES	1120.6	1311.7	1214.0	671.4				
LAA LEGAL SERVICES	724.7	774.9	825.7	850.1				
SESSION EXPENSES	1818.8	2185.3	2189.0	2139.0				
COUNCIL & SUBCOMMITTEES	656.5	4515.6	748.7	2719.1				
OFFICE SPACE RENTAL	323.0	277.6	277.6	325.0				
EQUIPMENT ACCOUNT	113.0	882.0	872.6	146.0				
OMBUDSMAN	640.5	679.6	671.8	935.4			991.8	
** TOTAL	19747.8	16743.9	12577.6	15837.1			18811.9	
** CHANGE VERSUS 80 AUTH							18.7%	
OBJECT DESCRIPTION								
PERM. SERV.	6580.2	7543.0	7448.0	8191.2			3413.9	
TRAVEL	703.4	836.1	795.9	869.5			206.0	
CONTRACTUAL	2836.3	7045.6	3082.2	6153.5			1315.5	
COMMODITIES	274.6	218.3	173.1	287.1			35.1	
EQUIPMENT	129.5	947.9	942.8	170.1			9.4	
LANDS/BLDGS	135.8	135.8	135.6	135.7			52.0	
GRANTS, CLMS	.5						13750.0	
MISC.	87.5	17.2		30.0			30.0	
FUNDING SOURCE								
GENERAL FUND	19697.8	16693.9	12527.6	15763.3			18811.9	
OTHER FUNDS	50.0	50.0	50.0	73.8				
** GENERAL FUND CHARGE VS. 80 AUTH							19.3%	
POSITIONS								
FULL-TIME	189.0	189.0	189.0	203.0			211.0	
PART-TIME	7.0	7.0	7.0	16.0			16.0	
TEMPORARY	152.0	152.0	152.0	183.0			182.0	
STAFF MONTHS	2955.5	2955.5	2955.5	3173.0			3266.0	



COMMITTEE REPORT

SENATE

FURTHER: Finance

2/18/80

Date: Mar 27, 1980

Mr. President:

The Committee on Commerce has had SB 445 evaluation, continuation, termination, and reestablishment of certain boards, commissions and agency programs

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- [X] do pass [ ] do not pass
[ ] do pass with attached amendments(s) [ ] same title
[ ] replace with CS for [ ] new title
and recommends
[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note
[ ] reports it back without recommendation
[ ] referred to the Committee

MEMBERS SIGNING DO PASS

1 Tim Kell
1 Jerry Stinson
1 Brad Bradley

MEMBERS HAVING OTHER RECOMMENDATIONS:

2 Art Stankowski No Rec
2 Jim DeGuzman No Rec

Brad Bradley CHAIRMAN

Introduced: 2/18/80  
Referred: Commerce and Finance

1 IN THE SENATE

BY KELLY

2 SENATE BILL NO. 445

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the evaluation, continuation,  
7 termination, and reestablishment of certain boards,  
8 commissions and agency programs; and providing for an  
9 effective date."

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

11 \* Section 1. AS 24.20.271(1) is repealed and re-enacted to read:

12 (1) perform an audit, complete with a written report, at  
13 least once every three years on the books and accounts of each depart-  
14 ment, institution, board, commission or other agency of state govern-  
15 ment.

16 \* Sec. 2. AS 08.03; AS 37.07.050(f); AS 44.66; and sec. 1, ch. 149, SLA  
17 1977 are repealed.

18 \* Sec. 3. On the effective date of this Act any limitation of the powers  
19 or responsibilities of a board or commission which was imposed under AS 08.03  
20 or AS 44.66 is removed.

21 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-  
22 070(c).

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COMMITTEE COPY

ALASKA STATE LEGISLATURE

ELEVENTH Legislature SECOND Session

SENATE BILL NO. 445

By ELLY

"An Act relating to the evaluation, continuation, termination, and reestablishment of certain boards, commissions and agency programs; and providing for an effective date."

Introduced in the Senate 2/18/80, 19....

HISTORY IN THE SENATE

1980

2 18

3 31

Read first time and referred to Committee on

Commerce & Finance

Reported back with recommendation that *Commerce & Finance*

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reported correctly engrossed  
Signed by President  
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reconsideration

PASS Effective Date  
Yeas Yeas  
Nays Nays  
Absent Absent  
Excused Excused

Reported correctly engrossed  
Signed by Speaker  
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....

Introduced: 2/18/80  
Referred: Commerce and  
Finance

1 IN THE SENATE

BY KELLY

2 SENATE BILL NO. 445

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

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