

Be it enacted by the Legislature of the State of Alaska:

Section 1. Subsec. (j), Sec. 1, Art. I, Ch. 94, SLA 1959 as amended by Sec. 2, Ch. 131, SLA 1960 is amended to read:

(j) "Resident": a person who for twelve consecutive months has maintained a permanent place of abode within the State and who has continually maintained his voting residence in the State; and in the case of a partnership, association, joint stock company, trust, or corporation, "resident" shall mean one that has its main office or headquarters in the State; provided, however, that any member of the military services who has been stationed in the State for the immediately preceding twelve consecutive months shall be considered a resident for the purposes of this Act, and the dependent of any such

member, who has been living in the State for the immediately preceding year shall likewise be considered a resident for the purposes of this Act; provided further, that a person who is an alien but who for three years has maintained a permanent place of abode within the State, shall likewise be considered a resident for the purposes of this Act.

Sec. 2. Subsec. (k), Sec. 2, Art. I, Ch. 94, SLA 1959 is amended to read:

(k) "Non-resident": any person who does not qualify as a resident as herein defined.

Sec. 3. Subsec. 1, Sec. 2, Art. I, Ch. 94, SLA 1959 is hereby repealed.

Sec. 4. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 17, 1961

CHAPTER 103

AN ACT

Creating a public corporation to be known as the Alaska State Mortgage Association; empowering the Association to loan funds upon the security of insured mortgages; prescribing other powers and duties; providing for the organization membership and administration of the Association; and providing for an effective date.

(H.B. 20)

Be it enacted by the Legislature of the State of Alaska:

Section 1. **Purposes.** It is hereby determined and declared as a matter of legislative finding that

a. The lack of sufficient secondary marketing facilities for housing mortgages in Alaska is a deterrent to the entire economy of the state, and a condition which the legislature desires to remedy.

b. Inadequate funds and secondary marketing facilities for housing mortgages restrict the building of adequate housing and create conditions contrary to the public interest which threaten, or may threaten, the health, safety, welfare, comfort and security of its citizens.

c. The scarcity of available housing mortgage financing sources makes such a marketing facility both desirable and necessary and in the best interests of the public welfare.

d. There is a definite need in the state for a secondary market facility for housing mortgages.

Therefore, it is hereby declared to be the policy of the State of Alaska to promote the health, safety and welfare of its citizens by the creation of a body corporate and politic, to exist and operate for the purposes resulting from the conditions caused by the lack of a permanent secondary source of funds for housing financing, thus providing additional financing secured by insured mortgages to persons, firms or financial institutions who are unable to obtain such financing in the general market; thereby improving and stimulating the distribution of investment capital for housing. Such purposes are deemed necessary and are public purposes for which public money may be spent.

Sec. 2. **Definitions.** As used in this Act —

a. "Association" means the Alaska State Mortgage Association.

b. "Board" means the governing body of the Association.

c. "Mortgage" means a first mortgage or deed of trust on real property located in the State of Alaska and the personal property attached or used in conjunction therewith, which is given to secure a loan on said property.

d. "Insured mortgage" means a mortgage or deed of trust insured or approved to be insured by the Federal Housing Administration pursuant to the National Housing Act of June 27, 1934, and its amendments and supplements heretofore and hereinafter enacted.

e. "Secondary market facility" means a facility or entity which retains or sells mortgages or deeds of trust obtained from prior mortgagees or beneficiaries.

f. "Bonds, notes, and debentures" shall mean the bonds, notes and debentures, respectively, issued by the Association pursuant to this Act.

g. "State" shall mean the State of Alaska.

h. "Members" shall mean the members of the board of directors of the Association.

Sec. 3. Association Creation. There is hereby created a body corporate and politic, named the Alaska State Mortgage Association, as a public corporation and government instrumentality to have continuing succession until its existence shall be terminated by law; provided, however, that no such law shall take effect so long as the Association shall have bonds, notes and other obligations outstanding. Upon termination of the existence of the Association, all its rights and properties shall pass to and be vested in the state.

Sec. 4. Association Membership. The Governor shall appoint a board consisting of the three present members of the Board of Commissioners of the Alaska State Housing Authority, its executive director and the Commissioner of Commerce. Members shall serve without compensation except that each member may be reimbursed for actual and necessary expenses under Sec. 1, Ch. 34, SLA 1960.

Sec. 5. Association Governing Body. The board shall be the governing body of the Association. The board shall elect a chairman from among its membership at the first meeting of the board and at its first meeting in each year thereafter. A majority of the members shall constitute a quorum for the purpose of organizing the Association, conducting its business and exercising all powers of the Association. The board of directors shall meet at the call of its chairman who shall require it to meet not less than once each three months.

Sec. 6. Association Administration. The board shall have the power to manage the assets and business of the Association and to prescribe, amend and repeal by-laws, rules and regulations governing the manner in which the business of the Association is conducted and the manner in which the powers granted to it are exercised. The Association may delegate to one or more of its directors, officers, agents or employees such powers and duties as it may deem proper. The board may delegate supervision of the administration of the Association to an executive officer. The Association may appoint other officers, hire employees and agents, and engage professional and technical services and advice upon employment or independent-contract bases. The board shall prescribe the duties and compensation of Association personnel. The personnel of the Association shall be exempt from the provisions of Chapter 144, SLA 1960 to the same extent as the personnel of the Alaska State Housing Authority. All departments, agencies and public corporations of the state may provide information, services, facilities and loans to the Association upon its request. The Association may reimburse departments, agencies and public corporations of the state for loans advanced or for expenses incurred on the Association's behalf.

Sec. 7. Association Powers. The Association shall have the following powers:

a. To adopt, use and alter at will a corporate seal.

b. To make and alter by-laws for its organization and internal management.

c. To be a party litigant in any court, having jurisdiction according to law, in any form of action whatsoever.

d. To enter into contracts of all kinds

and to execute all instruments necessary or convenient for carrying on its operations.

e. To acquire, hold and dispose of personal property, tangible and intangible.

f. To acquire real property, or any interest therein, by purchase or foreclosure where such acquisition is necessary or appropriate to protect any loan in which the Association has an interest; to sell, transfer and convey any such property to a buyer, and in the event such sale, transfer or conveyance cannot be effected with reasonable promptness or at a reasonable price, to rent or lease such property to a tenant.

g. To borrow money and issue negotiable notes, bonds, debentures or other obligations, and to provide for the rights of the holders thereof.

h. To purchase and to sell, at its own discretion, mortgages insured by the Federal Housing Administration, or mortgages obtained by the Division of Veterans Affairs, Department of Commerce, State of Alaska, which have been assigned, sold or pledged to the Association in return for cash, notes, bonds or debentures of the Association.

i. To invest any funds held in reserve or sinking funds or any monies not required for immediate use or disbursement, at the discretion of the Association, in obligations of the state or the United States Government, or obligations, the principal and interest of which are guaranteed by the state or the United States Government.

j. In connection with the purchasing of mortgages and commitments therefor, the Association shall have the power to make and collect such fees and charges, including, but not limited to, reimbursement of all costs of financing by the Association and to prescribe rules, regulations and limitations under which purchases may be made under the Administrative Procedure Act.

k. To accept grants and subsidies from any federal or state agency, or any private person, and to enter into agreements required as a condition to obtaining such grants and subsidies.

l. To accept grants-in-aid, donations, legacies or usages of money made or intended by individuals, organizations, pub-

lic or private corporations or the federal government, and to return money advanced for its usage if required by the agreement or grant.

m. To procure insurance against any loss in connection with its property and other assets (including mortgages and mortgage loans) in such amounts, and from such insurers, as it deems desirable.

n. Subject to the provisions of any contract with noteholders or bondholders, whenever it deems it necessary or desirable, to consent to the modification, with respect to rate of interest, time of payment or any installment of principal or interest, security, or any other term, of any mortgage, mortgage loan, mortgage loan commitment, contract or agreement of any kind to which the Association is a party.

Sec. 8. Bonds, Notes and Debentures.
The Association shall have the power and is hereby authorized from time to time to issue its negotiable bonds, notes and debentures in such principal amount as, in the opinion of the Association, shall be necessary to provide sufficient funds for achieving its corporate purposes, including the purchasing of home mortgages, the payment of interest on bonds of the Association, establishment of reserves to secure such bonds, notes and debentures, and all other expenditures of the Association incident to and necessary or convenient to carry out its corporate purposes and powers.

The Association shall have the power from time to time to issue renewal notes and debentures, to issue bonds, to pay notes and debentures and whenever it deems refunding expedient, to refund any bonds by the issuance of new bonds, whether the bonds to be refunded have or have not matured, and to issue bonds partly to refund bonds then outstanding and partly for any other purpose. The refunding bonds shall be sold and the proceeds applied to the purchase, redemption or payment of the bonds to be refunded.

Except as may otherwise be expressly provided by the Association, every issue of its notes, debentures or bonds shall be general obligations of the Association payable out of any revenues or monies of the Association, subject only to any agreements with the holders of particular notes, debentures or bonds pledging any particular receipts or revenues.

Whether or not the notes, debentures or bonds are of such form and character as to be negotiable instruments under the provisions of the negotiable instruments law, the notes, debentures or bonds shall be and hereby are made negotiable instruments within the meaning of and for all the purposes of the negotiable instruments law.

The notes, debentures and bonds shall be authorized by resolution of the board of directors of the Association, shall bear such date or dates, and shall mature at such time or times, in the case of any such note or debenture or any renewals thereof not exceeding five years from the date of issue of such original note of debenture; and in the case of any such bond, not exceeding fifty years from the date of issue as such resolution or resolutions may provide. The notes, debentures and bonds shall bear interest at such rate or rates, be in such denominations, be in such form, be executed in such manner, be payable in such medium of payment at such place or places, and be subject to such terms of redemption as such resolution or resolutions may provide. The notes, debentures and bonds of the Association may be sold by the Association at public sale at such price or prices as the Association may determine.

Any resolution or resolutions authorizing any notes, debentures or bonds or any issue thereof may contain provisions which shall be a part of the contract with the holders thereof, as to:

a. Pledging all or any part of the monies received in payment of mortgage loans and interest thereon, and other monies received or to be received, to secure the payment of the notes, debentures or bonds or of any issue thereof, subject to such agreements with bondholders, noteholders, or debenture holders as may then exist;

b. Pledging all or any part of the assets of the Association, including mortgages and obligations securing the same, to secure the payment of the notes, debentures or bonds or of any issue of notes, debentures or bonds, subject to such agreements with noteholders, debenture holders, or bondholders as may then exist;

c. The use and disposition of the gross income from mortgages owned by the Association;

d. The setting aside of reserves or sinking funds and the regulation and disposition thereof;

e. Limitations on the purpose to which the proceeds of sale of notes, debentures or bonds may be applied and pledging such proceeds to secure the payment of the notes, debentures or bonds or of any issue thereof;

f. Limitations on the issuance of additional notes, debentures or bonds; the terms upon which additional notes, debentures or bonds may be issued and secured; the refunding of outstanding or other notes, debentures or bonds;

g. The procedure, if any, by which the terms of any contract with noteholders, bondholders or debenture holders may be amended or abrogated, the amount of notes, debentures or bonds the holders of which must consent thereto, and the manner in which such consent may be given;

h. Vesting in a trustee or trustees such property, rights, powers and duties in trust as the Association may determine, which may include any or all of the rights, powers, and duties of the trustee appointed by the bondholders pursuant to this section, and limiting or abrogating the right of the bondholders to appoint a trustee under this section, or limiting the rights, powers and duties of such trustee;

i. Provide for the replacement of lost, destroyed or mutilated bonds, notes and debentures;

j. Any other matters, of like or different character, which in any way affect the security or protecting of the notes, bonds or debentures.

It is the intention hereof that any pledge made by the Association shall be valid and binding from the time when the pledge is made; that the monies or properties so pledged and thereafter received by the Association shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act; and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Association, irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

Neither the members of this Association nor any persons executing the notes, debentures or bonds shall be liable personally on the notes, debentures or bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The Association, subject to such agreement with noteholders, debenture holders or bondholders as may then exist, shall have power out of any funds available therefor to purchase notes, debentures or bonds of the Association, which shall thereupon be cancelled, at a price not exceeding

a. the redemption price then applicable plus accrued interest to the next interest payment date thereon, if the notes, debentures or bonds are then redeemable, or

b. the redemption price applicable on the first date after such purchase upon which the notes, debentures or bonds become subject to redemption plus accrued interest to such date, if the notes, debentures or bonds are not then redeemable.

The state shall not be liable on notes, bonds or debentures of the Association and such notes, bonds or debentures shall not be a debt of the state.

Subject to any contractual limitations or restrictions adopted pursuant to other provisions of this section, any holder of bonds, notes or debentures, in addition to other remedies, shall have the right by appropriate action or proceeding, at law or in equity, to require the Association to carry out any of its covenants and agreements made with or for the benefit of such holder.

Sec. 9. Default; Trustee for Benefit of Holders. In the event that the Association shall default in the payment of principal of or interest on any issue of bonds, notes or debentures after the same shall become due, either at maturity or upon call for redemption, and such default shall continue for a period of thirty days, or in the event that the Association shall fail or refuse to comply with the provisions of this Act or shall default in any agreement made with or for the benefit of the holders of any issue of bonds, notes or debentures, the holders of twenty-five per centum in aggregate principal amount of the bonds, notes or debentures of such issue then outstanding, may appoint a trustee to represent the holders of such bonds, notes or debentures, which trustee may, and, upon

written request of the holders of twenty-five per centum in principal amount of such bonds, notes or debentures then outstanding, shall in his or its own name:

a. By appropriate action or proceeding at law or in equity, enforce all rights of the holders of such bonds, notes or debentures, including the right to require the Association subject to existing provisions in obligations to collect interest and amortization payments on mortgages held by it adequate to carry out any agreement as to or pledge of such interest and amortization payments and mortgages and to require the Association to carry out any other agreements with the holders of such bonds, notes or debentures and to perform its duties under this Act.

b. Bring suit upon such bonds, notes, or debentures.

c. By action in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the holders of such bonds, notes or debentures.

d. By action in equity, require the Association to account as if it were the trustees of an express trust for the holders of such bonds, notes or debentures.

e. Declare all such bonds, notes or debentures due and payable and if all defaults shall be made good, then with the consent of the holders of twenty-five per centum of the principal amount of such bonds, debentures or notes then outstanding, annul such declaration and its consequences.

Such trustees shall, in addition, have and possess all the powers necessary or appropriate for the exercise of any functions specifically set forth herein or incident to the general representation of the holders of such bonds, notes or debentures in the enforcement and protection of their rights.

Sec. 10. General Provisions; Policy. The State of Alaska hereby pledges to and agrees with the holders of any bonds, notes or debentures issued under this Act that the state will not dissolve the Association and will not revoke, limit or alter the rights and powers hereby vested in the Association to fulfill the terms of any agreements made with the holders thereof, or in any way impair the rights and remedies of such holders until such bonds, notes or debentures, together with the

interest thereon, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders if required to be paid by a court are fully met and discharged. The state further does hereby pledge to and agree with any federal agency providing funds, mortgage insurance or other assistance to the operations of the Association that the state will not limit or alter the rights and powers hereby vested in the Association in any manner which would be inconsistent with the due performance of any agreements between the Association and such federal agency.

It is hereby determined that the creation of the Association is in all respects for the benefit of the people of the state and for the improvement of their health, safety, welfare, comfort and security, and that said purposes are public purposes and that the Association will be performing an essential governmental function in the exercise of the powers conferred upon it by this Act. The state covenants with the purchasers and all subsequent holders and transferees of notes, bonds and debentures issued by the Association, in consideration of the acceptance of and payment for the notes, bonds and debentures, that the notes, bonds and debentures of the Association, issued pursuant to the Act and the

income therefrom and all its fees, charges, gifts, grants, revenues, receipts, and other monies received or to be received, pledged to pay or secure the payment of such notes, bonds or debentures shall at all times be free from taxation and assessments of every kind and nature, except for estate and gift taxes and taxes on transfers.

Bonds, notes and debentures of the Association, the income therefrom, and the income and revenues of the Association shall at all times be free from taxation and assessments of every kind and nature.

Notwithstanding the provisions of any other act, bonds, notes and debentures of the Association are hereby made authorized and legal investments for all departments, boards and commissions of the state and its political subdivisions, all banks, savings banks, trust companies, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business and all guardians, committees, trustees and other fiduciaries.

Sec. 11. Effective Date. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 17, 1961

CHAPTER 104

AN ACT

Relating to the seizure and forfeiture of certain conveyances used in the transportation of illegally possessed narcotic drugs; and providing for an effective date.

(C.S.H.B. 25)

Be it enacted by the Legislature of the State of Alaska:

Section 1. Any vessel, vehicle, aircraft or other conveyance used in the transportation of any illegally possessed narcotic drug, shall be seized and forfeited to the state in a proceeding in rem by order of the court issuing the process by virtue of which the conveyance was seized, or before which the person violating the law, or the conveyance is taken, by the officer or officers making the seizure. An illegally possessed narcotic drug is any narcotic drug which has been or is possessed with intent to sell or offer for sale in violation of any laws or regulations of

the United States or of this state dealing therewith; or which has been acquired or is possessed, sold, transferred, or offered for sale, in violation of any laws of the United States or of this state dealing therewith; or which has been acquired by theft, robbery, or burglary.

Sec. 2. The court having jurisdiction over the conveyance so seized shall order an immediate hearing as to whether the conveyance was being used in the transportation of any illegally possessed narcotic drug, and take such evidence as is offered and determine the same as in civil cases. Should the court find from a preponderance of the testimony that the