



LAWS OF ALASKA

1987

Source

CSSB 8 (Fin)

Chapter No.

49

AN ACT

Relating to the Commercial Fishing and Agriculture Bank; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9.

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 8, 1987
Actual Effective Date: June 9, 1987

AN ACT

Relating to the Commercial Fishing and Agriculture Bank;
and providing for an effective date.

* Section 1. AS 44.81.010(a) is amended to read:

(a) There is established the Alaska Commercial Fishing and Agriculture Bank. The exercise by the bank of the powers conferred by this chapter is considered to be for a public purpose. [EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, AND EXCEPT THAT ANY FILING FEES SHALL BE WAIVED, THE BANK IS SUBJECT TO THE PROVISIONS OF AS 10.15 (ALASKA COOPERATIVE CORPORATION ACT).] The bank is exempt from the provisions of AS 06.05 (Alaska Banking Code) and AS 10.15 (Alaska Cooperative Corporation Act) in the exercise of powers granted by this chapter.

* Sec. 2. AS 44.81.020(a) is amended to read:

(a) The bank shall be managed by a board of directors consisting of seven members. Five [AT LEAST ONE MEMBER OF THE BOARD SHALL BE AN ALASKA FARMER WITH AT LEAST 10 YEARS OF ALASKAN FARM EXPERIENCE. INITIAL APPOINTMENTS TO THE BOARD SHALL BE MADE BY THE GOVERNOR. TWO OF THE INITIAL APPOINTMENTS SHALL BE MADE AT THE TIME OF THE FIRST ANNUAL MEMBERSHIP MEETING OF THE BANK. THEREAFTER, FIVE] board members shall be elected by the members of the bank, with at least one of the elected board members being an Alaska farmer [WITH AT LEAST 10 YEARS OF ALASKAN FARM EXPERIENCE], and two board members shall be appointed by the governor until the repurchase of all the nonvoting,

Chapter 49

1 preferred shares initially issued by the bank and purchased by agen-
2 cies of the state. After repurchase is completed, all board members
3 shall be elected by the members of the bank. The board members shall
4 annually elect a chairman from among themselves. The purpose of the
5 board is to manage the assets of the bank.

6 * Sec. 3. AS 44.81.090 is amended to read:

7 Sec. 44.81.090. TERM OF OFFICE AND REMOVAL. The members of the
8 board shall serve for terms of three years, and they may serve succes-
9 sive terms. Terms shall be staggered. An elected member of the board
10 who releases confidential information in violation of AS 44.81.260,
11 commits serious ethical misconduct that relates to the member's fit-
12 ness to serve as a member of the board, or maintains a chronically and
13 irredeemably substandard borrowing relationship with the bank may be
14 removed from the board by affirmative vote of a majority of the mem-
15 bers of the board [INITIAL TERMS OF THE FIRST FIVE MEMBERS APPOINTED
16 TO THE BOARD SHALL BE TWO MEMBERS SERVING UNTIL THE FIRST ANNUAL
17 MEMBERSHIP MEETING OF THE BANK, TWO MEMBERS SERVING UNTIL THE SECOND
18 ANNUAL MEMBERSHIP MEETING OF THE BANK, AND ONE MEMBER SERVING UNTIL
19 THE THIRD ANNUAL MEMBERSHIP MEETING OF THE BANK. INITIAL TERMS OF THE
20 TWO MEMBERS APPOINTED AT THE TIME OF THE FIRST ANNUAL MEMBERSHIP
21 MEETING OF THE BANK SHALL BE ONE MEMBER SERVING UNTIL THE SECOND
22 ANNUAL MEMBERSHIP MEETING OF THE BANK AND ONE MEMBER SERVING UNTIL THE
23 THIRD ANNUAL MEMBERSHIP MEETING OF THE BANK].

24 * Sec. 4. AS 44.81.210(a)(20) is amended to read:

25 (20) make loans to individual commercial fishermen for
26 limited entry permits; a loan under this paragraph may be made only to
27 an individual commercial fisherman who has been a state resident for a
28 continuous period of two years immediately preceding the date of
29 application for the loan [AND WHO HAS HAD A CREWMEMBER OR COMMERCIAL

FISHING LICENSE UNDER AS 16.05.480 OR A PERMIT UNDER AS 16.43 FOR THE YEAR IMMEDIATELY PRECEDING THE DATE OF APPLICATION AND ANY OTHER TWO OF THE PAST FIVE YEARS, AND WHO HAS ACTIVELY PARTICIPATED IN THE FISHERY DURING THAT PERIOD]; loans made under this paragraph are subject to [THE PROVISIONS OF] AS 44.81.230;

* Sec. 5. AS 44.81.210(a)(22) is amended to read:

(22) accept the pledge of a limited entry permit as security for a loan made under this chapter [FOR THE REPAIR, RESTORATION, OR IMPROVEMENT OF A COMMERCIAL FISHING VESSEL OR COMMERCIAL FISHING GEAR, OR FOR THE CONSTRUCTION OR PURCHASE OF A COMMERCIAL FISHING VESSEL,] subject to the conditions set out in AS 44.81.230 - 44.81.250 on pledges of limited entry permits;

* Sec. 6. AS 44.81 is amended by adding a new section to read:

Sec. 44.81.235. LIMITATIONS ON PLEDGE OF PERMITS. (a) The bank may issue a loan secured by a limited entry permit for

(1) purchase, repair, restoration, or improvement of a commercial fishing vessel or commercial fishing gear;

(2) construction of a commercial fishing vessel;

(3) working capital, including insurance premiums, fuel, bait, and boat storage and launching expenses; or

(4) purchase and improvement of set net sites and associated equipment.

(b) A limited entry permit may be used as security for more than one loan if each loan meets the requirements of (a) of this section.

(c) A limited entry permit may be used as security for a loan to refinance existing debts if the proceeds of each original loan were used in accordance with (a) of this section.

* Sec. 7. AS 44.81.270 is amended by adding new subsections to read:

(b) The bank shall be audited annually by independent outside

Chapter 49

1 auditors. The legislative auditor may confer with the outside audi-
2 tors and review the workpapers of the audit. At the direction of the
3 Legislative Budget and Audit Committee under AS 24.20.271, the legis-
4 lative auditor may conduct an audit of the bank.

5 (c) The state bank examiners shall perform an annual qualitative
6 examination and evaluation of the bank. The commissioner of commerce
7 and economic development shall assess the bank a fee established under
8 AS 06.01.010(b) for the actual expenses incurred by the Department of
9 Commerce and Economic Development in connection with the examination.
10 The examiners shall report to the board of directors on the examina-
11 tion. The examiners shall prepare a summary report evaluating the
12 bank's loan portfolio quality on a statistical basis and addressing
13 the appropriateness and effectiveness of the bank's policies, prac-
14 tices, and management within the context of the bank's statutory
15 purposes. The examiners shall distribute copies of the summary report
16 to the bank, the legislature, and the governor.

17 * Sec. 8. This Act takes effect immediately under AS 01.10.070(c).
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