SENATE CS FOR HOUSE BILL NO. 238(RLS)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE RULES COMMITTEE

Offered:  5/2/00
Referred:  Today's First Supplemental Calendar

Sponsor(s):  REPRESENTATIVES KAPSNER, Smalley, Phillips
SENATORS Halford, Hoffman, Ward, Elton, Lincoln, Mackie, Taylor

A BILL

FOR AN ACT ENTITLED

"An Act establishing a federal tax obligation loan program under the commercial fishing loan program; and providing for an effective date."

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

* Section 1.  AS 16.10.310(a) is amended to read:

(a) The department may

(1) make loans

(A) to individual commercial fishermen who have been state residents for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370, who [AND] have 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 actively participated in the fishery during those periods [,]

(i) for the purchase of entry permits; [OR]
(ii) to upgrade existing vessels and gear for the purpose
of improving the quality of Alaska seafood products; or

(iii) to satisfy past due federal tax obligations that
may result in the execution on and involuntary transfer of the
individual commercial fishermen's entry permits, to the extent
allowed under (e) of this section;

(B) to an individual for the repair, restoration, or upgrading of
existing vessels and gear, for the purchase of entry permits and gear, [AND]
for the construction and purchase of vessels, or, to the extent allowed under
(e) of this section, to satisfy past due federal tax obligations that may result
in the execution on and involuntary transfer of the individual's entry
permits, if the individual has been a state resident for a continuous period of
two years immediately preceding the date of application for a loan under
AS 16.10.300 - 16.10.370, and either

(i) because of lack of training or lack of employment
opportunities in the area of residence, does not have occupational
opportunities available other than commercial fishing; or

(ii) is economically dependent on commercial fishing for
a livelihood and for whom commercial fishing has been a traditional
way of life in Alaska;

(C) for the purchase of quota shares for fisheries in or off the
state by individual commercial fishermen who

(i) have been state residents for a continuous period of
two years immediately preceding the date of application for a loan
under AS 16.10.300 - 16.10.370;

(ii) for any two of the past five years, possessed a
crewmember or commercial fishing license under AS 16.05.480 or a
permit under AS 16.43 and actively participated in a fishery for which
the license or permit was issued;

(iii) qualify as transferees [A TRANSFEREE] for quota
shares under applicable law; and
(iv) are not eligible for financing from other recognized commercial lending institutions to purchase quota shares;
(2) designate agents and delegate its powers to them as necessary;
(3) adopt regulations necessary to carry out the provisions of AS 16.10.300 - 16.10.370, including regulations to establish reasonable fees for services provided;
(4) establish amortization plans for repayment of loans, which may include extensions for poor fishing seasons or for adverse market conditions for Alaska products;
(5) enter into agreements with private lending institutions, other state agencies, or agencies of the federal government to carry out the purposes of AS 16.10.300 - 16.10.370;
(6) enter into agreements with other agencies or organizations to create an outreach program to make loans under AS 16.10.300 - 16.10.370 in rural areas of the state;
(7) allow an assumption of a loan if
(A) the applicant has been a state resident for a continuous period of two years immediately preceding the date of the request for an assumption; and
(B) approval of the assumption would be consistent with the purposes of AS 16.10.300; an applicant for a loan assumption may not be disqualified because the applicant does not meet the loan eligibility requirements of (1) of this subsection;
(8) prequalify loan applicants for a limited entry permit loan or a quota shares loan and charge a fee not to exceed $200 for prequalification;
(9) charge and collect the fees established under this subsection;
(10) refinance a debt obligation incurred by a borrower or borrowers under this section if the borrower or borrowers otherwise qualify for a loan under AS 16.10.300 - 16.10.370; the department shall collect a refinancing loan origination charge of one-half percent of the amount of the debt obligation that has been refinanced when the first refinancing payment is due;
(11) refinance debt obligations, not to exceed $300,000, incurred by a borrower or borrowers for the purchase of a commercial fishing vessel or gear if the borrower or borrowers otherwise qualify for a loan under AS 16.10.300 - 16.10.370; the department may collect a refinancing loan origination charge as provided by regulation.

* Sec. 2. AS 16.10.310 is amended by adding a new subsection to read:

(e) The department may not make a loan to an individual under (a)(1) of this section to satisfy past due federal tax obligations unless the individual has filed past and current federal tax returns with the federal government and has executed an agreement with the federal government for repayment of past due federal tax obligations. During an individual's lifetime, the individual may receive only one loan to satisfy past due federal tax obligations under (a)(1) of this section, whether under (a)(1) of this section as it now reads or under any other former version of (a)(1) of this section. A loan made under (a)(1) of this section to satisfy past due federal tax obligations may not exceed $30,000.

* Sec. 3. AS 16.10.310(a) is amended to read:

(a) The department may

(1) make loans

(A) to individual commercial fishermen who have been state residents for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370 and who have 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 actively participated in the fishery during those periods,

(i) for the purchase of entry permits; or

(ii) to upgrade existing vessels and gear for the purpose of improving the quality of Alaska seafood products; or

(iii) TO SATISFY PAST DUE FEDERAL TAX OBLIGATIONS THAT MAY RESULT IN THE EXECUTION ON AND INVOLUNTARY TRANSFER OF THE INDIVIDUAL
COMMERCIAL FISHERMEN'S ENTRY PERMITS, TO THE EXTENT ALLOWED UNDER (e) OF THIS SECTION;]

(B) to an individual for the repair, restoration, or upgrading of existing vessels and gear, for the purchase of entry permits and gear, and for the construction and purchase of vessels [OR, TO THE EXTENT ALLOWED UNDER (e) OF THIS SECTION, TO SATISFY PAST DUE FEDERAL TAX OBLIGATIONS THAT MAY RESULT IN THE EXECUTION ON AND INVOLUNTARY TRANSFER OF THE INDIVIDUAL'S ENTRY PERMITS], if the individual has been a state resident for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370, and either

(i) because of lack of training or lack of employment opportunities in the area of residence, does not have occupational opportunities available other than commercial fishing; or

(ii) is economically dependent on commercial fishing for a livelihood and for whom commercial fishing has been a traditional way of life in Alaska;

(C) for the purchase of quota shares for fisheries in or off the state by individual commercial fishermen who

(i) have been state residents for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370;

(ii) for any two of the past five years, possessed a crewmember or commercial fishing license under AS 16.05.480 or a permit under AS 16.43 and actively participated in a fishery for which the license or permit was issued;

(iii) qualify as a transferee for quota shares under applicable law; and

(iv) are not eligible for financing from other recognized commercial lending institutions to purchase quota shares;

(2) designate agents and delegate its powers to them as necessary;
(3) adopt regulations necessary to carry out the provisions of AS 16.10.300 - 16.10.370, including regulations to establish reasonable fees for services provided;

(4) establish amortization plans for repayment of loans, which may include extensions for poor fishing seasons or for adverse market conditions for Alaska products;

(5) enter into agreements with private lending institutions, other state agencies, or agencies of the federal government, to carry out the purposes of AS 16.10.300 - 16.10.370;

(6) enter into agreements with other agencies or organizations to create an outreach program to make loans under AS 16.10.300 - 16.10.370 in rural areas of the state;

(7) allow an assumption of a loan if

(A) the applicant has been a state resident for a continuous period of two years immediately preceding the date of the request for an assumption; and

(B) approval of the assumption would be consistent with the purposes of AS 16.10.300; an applicant for a loan assumption may not be disqualified because the applicant does not meet the loan eligibility requirements of (1) of this subsection;

(8) prequalify loan applicants for a limited entry permit loan or a quota shares loan and charge a fee not to exceed $200 for prequalification;

(9) charge and collect the fees established under this subsection;

(10) refinance a debt obligation incurred by a borrower or borrowers under this section if the borrower or borrowers otherwise qualify for a loan under AS 16.10.300 - 16.10.370; the department shall collect a refinancing loan origination charge of one-half percent of the amount of the debt obligation that has been refinanced when the first refinancing payment is due;

(11) refinance debt obligations, not to exceed $300,000, incurred by a borrower or borrowers for the purchase of a commercial fishing vessel or gear if the borrower or borrowers otherwise qualify for a loan under AS 16.10.300 - 16.10.370;
the department may collect a refinancing loan origination charge as provided by regulation.

* Sec. 4. AS 16.10.310(e) is repealed.

* Sec. 5. Sections 1 and 2 of this Act take effect August 1, 2000.

* Sec. 6. Sections 3 and 4 of this Act take effect August 1, 2002.