



Sponsor Statement

HB 261 COMMERCIAL FISHING ENTRY PERMIT LOANS

SPONSOR'S INTENT

House Bill 261 seeks to increase Alaskan ownership of Alaskan fisheries by enabling a larger number of state residents to purchase limited entry commercial fishing permits.

HB 261 would modify Section B of the Commercial Fishing Loan Act to allow loans for entry permits at two percent below the prime rate with an interest floor of three percent. Additionally, to address the reality of today's permit costs, HB 261 would increase the maximum loan amount for entry permits under Section B from \$100,000 to \$200,000.

These loans would only be available to new Alaska-resident borrowers who are not eligible for financing from commercial banks or from the Commercial Fishing and Agriculture Bank; HB 261 therefore avoids putting the state in competition with private-sector lenders.

This legislation holds special promise for young Alaskan entrepreneurs, who in recent years have found it more difficult to secure the large amounts of capital needed to launch gainful, life-long fisheries businesses. By helping a larger number of young Alaskans pursue ownership-level careers in fisheries, HB 261 will contribute to efforts to reverse the "graying of the fleet"—the worrying increase in the average age of resident skippers in commercial fisheries across Alaska.

Your support for HB 261 will strengthen one of the Commercial Fishing Loan Act's most important purposes: To develop predominantly resident fisheries in Alaska. In turn, by helping to put a greater number of limited entry permits in residents' hands and by keeping a greater proportion of fisheries earnings in the state, HB 261 will strengthen Alaska's economy.

Prepared by the Office of Rep. Edgmon.