



**DIVISION OF
ECONOMIC
DEVELOPMENT**



**PROMOTING
ECONOMIC
OPPORTUNITIES**

<http://commerce.alaska.gov/ded>

HB 121

**COMMERCIAL CHARTER FISHERIES
REVOLVING LOAN FUND**

**MARICULTURE
REVOLVING LOAN FUND**

**ALASKA MICROLOAN
REVOLVING LOAN FUND**

**HOUSE FISHERIES
COMMITTEE**

TUESDAY, FEBRUARY 8, 2011

HB 121 – REVOLVING LOAN FUNDS

- A Suite of Three Revolving Loan Funds

	Commercial Charter Fisheries	Mariculture	Microloans
Capitalization	\$5,000.0	\$3,000.0	\$3,500.0
Loan Limit	\$100.0	\$100.0	\$35.0/\$70.0
Term	15 years	20 years	6 years
Interest	may not exceed Prime + 2	may not exceed Prime + 1	may not exceed Prime + 1
Floor/Ceiling	3 – 10.5%	5 – 9 %	6 – 8%
		Delayed Repayment & Accrual	

HB 121 – REVOLVING LOAN FUNDS

Background

- All three funds are set up as revolving loan funds
- All earnings, loan repayments and fees would be retained by the fund for future loans.
- All operating expenses would also be paid from earnings of the fund

HB 121 – REVOLVING LOAN FUNDS

Background

Input from:

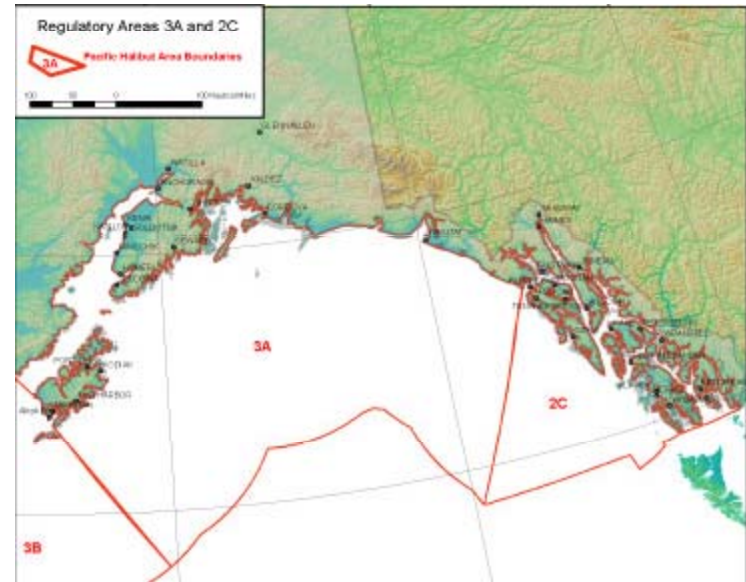
- ADEPT/Legacy Working Groups
- Non-Governmental Organizations and Trade Associations
- Commissioner's Economic Advisors Council
- ARDORs
- CDQs
- ANCSA Corporations

HB 121 – REVOLVING LOAN FUNDS

- Commercial Charter Fisheries Revolving Loan Fund

Current Halibut Charter Activity

Effective February 1, 2011 all vessel operators in Areas 2C and 3A with charter anglers onboard catching and retaining Pacific halibut must have an original, valid Charter Halibut Permit (CHP).



Based on log books NOAA estimates 532 Eligible Permittees; some 800 applications were received.

Permit prices are still being established in the marketplace. Current asking prices range from \$40,000 to over \$100,000 depending on the number of fishermen the permit allows.

HB 121 – REVOLVING LOAN FUNDS

- Commercial Charter Fisheries Revolving Loan Fund
 - Provide access to capital for Alaskan-owned Charters
 - Repatriate permits to Alaska
 - Increase economic benefits from this sector

By offering a loan program to Alaska residents, business owners will have greater access to capital when purchasing permits over non-residents. This in turn should allow Alaska business owners to repatriate more permits than otherwise using traditional financing. Additionally, with Alaska's year-round residents owning permits, Alaska's economy will realize more of the benefits associated with the sport/charter industry. Resident's contribution to the local economy will be greater than non-resident permit holders as they circulate funds in the economy year round.

HB 121 – REVOLVING LOAN FUNDS

- Commercial Charter Fisheries Revolving Loan Fund

Loan Fund Features

	Commercial Charter Fisheries
Capitalization	\$5,000.0
Loan Limit	\$100.0
Term	15 years
Interest	may not exceed Prime + 2
Floor/Ceiling	3 – 10.5%

HB 121 – REVOLVING LOAN FUNDS

- Mariculture Revolving Loan Fund

Current Mariculture Activity

- 67 permitted farms
- 25 producing farms
 - Ten farms in Southeast Alaska
 - 15 farms in Southcentral Alaska

HB 121 – REVOLVING LOAN FUNDS

- Mariculture Revolving Loan Fund

Current Mariculture Activity

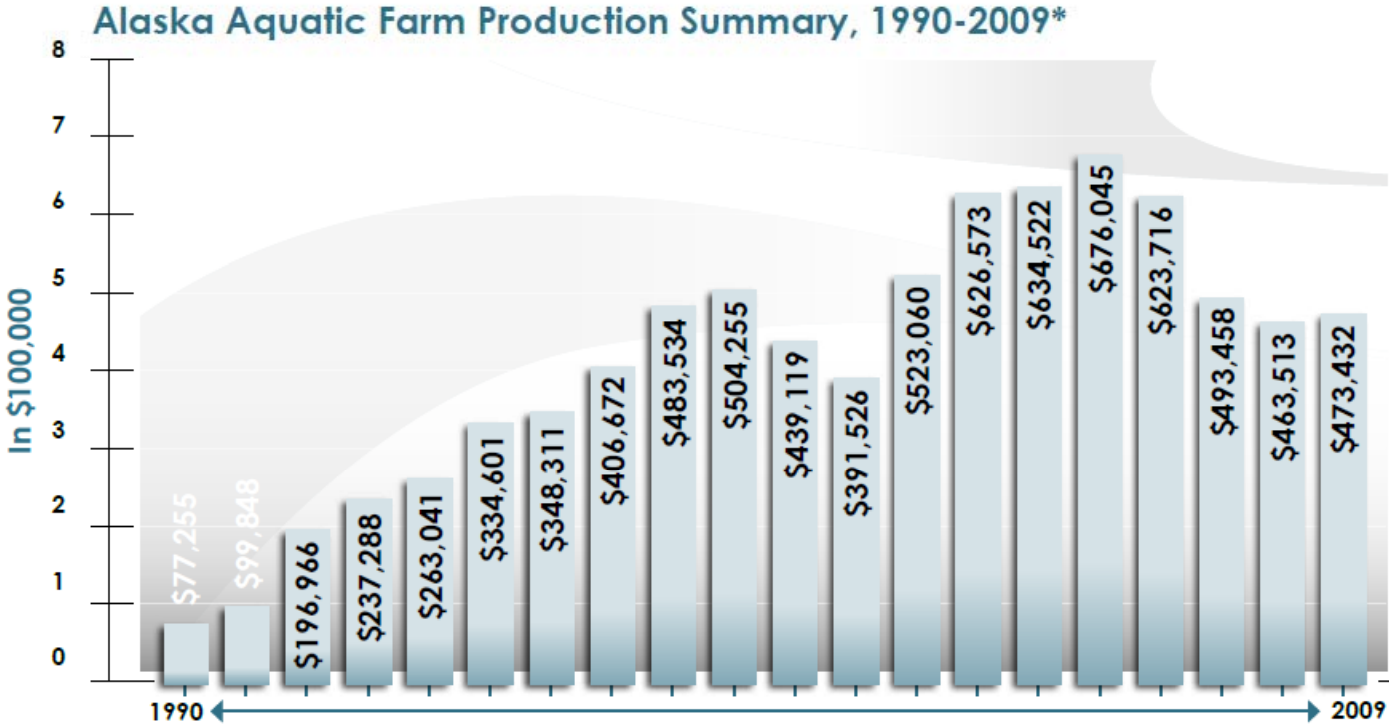
Regulated By

- Department of Fish & Game
 - Commercial Fisheries Division/Mariculture Program
- Department of Natural Resources
 - Aquatic Farm Lease Program
- Department of Environmental Conservation
 - Food Safety and Sanitation Program/Shellfish Section
- Alaska Coastal Management Program

HB 121 – REVOLVING LOAN FUNDS

- Mariculture Revolving Loan Fund

Current Mariculture Activity



*Numbers generated from the Mariculture Information Database. Production was taken directly from the Aquatic Farm Operation Permit Annual Reports. Production numbers listed here do not include hatchery or flupsy (nursery) sales.

HB 121 – REVOLVING LOAN FUNDS

- Mariculture Revolving Loan Fund

Current Mariculture Activity

Training Resources

Alaska Sea Grant/Marine Advisory Program
Mariculture research education and extension
NOAA Mariculture Initiative

Collaborative Research

Alaska Shellfish Growers Association
EDA grant to write best management practices
for the industry

HB 121 – REVOLVING LOAN FUNDS

- Mariculture Revolving Loan Fund

Loan Fund Features

	Mariculture
Capitalization	\$3,000.0
Loan Limit	\$100.0
Term	20 years
Interest	may not exceed Prime + 1
Floor/Ceiling	5 – 9 %
	Delayed Repayment & Accrual

HB 121 – REVOLVING LOAN FUNDS

- Alaska Microloan Revolving Loan Fund

26th Legislature (2009-2010)

Bill History/Action for 26 Legislature

BILL: HB 412 SHORT TITLE: MICROLOAN REVOLVING FUND

04/13/10 - PASSED Y40

HB 121 – REVOLVING LOAN FUNDS

- Alaska Microloan Revolving Loan Fund

Loan Fund Features

	Microloans
Capitalization	\$3,500.0
Loan Limit	\$35.0/\$70.0
Term	6 years
Interest	Prime + 1
Floor/Ceiling	6 – 8%



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TUESDAY, FEBRUARY 8, 2011

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