

LEGAL SERVICES

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MEMORANDUM

February 8, 2011

SUBJECT: Sectional summary of HB 141 (Work Order No. 27-LS0158\I)

TO: Representative Alan Austerman
Attn: Steve Ricci

FROM: Brian J. Kane
Legislative Counsel

You have requested a sectional summary of HB 141, a bill relating to loans for the purchase of fishing quota shares by certain community quota entities.

Please note that a sectional summary of a bill is not an authoritative interpretation of a bill. The bill itself is the best statement of its contents.

Section 1 of the bill amends AS 16.10.320(a) to conform to changes made in the bill.

Section 2 of the bill provides that principal and interest payments, and any money chargeable to principal or interest that is collected through liquidation by foreclosure or other process, on loans made to community quota entities under AS 16.10.310(a)(1)(E) after June 30, 2011, shall be paid into the community quota entity revolving loan fund.

Section 3 of the bill states that a community quota entity may use loan terms under sec. 3 of the bill up to a total, cumulative take of 50,000 pounds and that a loan made under AS 16.10.310(a)(1)(E) may not exceed 95 percent of the appraised value of the collateral used to secure the loan. Also, a loan to a community quota entity may not exceed a term of 25 years (except for extensions), may not exceed \$1,000,000 to one entity, and may allow for deferred interest payments for up to 10 years.

Section 4 of the bill amends the creation of the commercial revolving loan fund statute to state that the fund may not be used to make loans under AS 16.10.310(a)(1)(E).

Section 5 of the bill makes an exception for AS 16.10.310(a)(1)(E) to conform with changes made in the bill.

Section 6 of the bill establishes the community quota entity revolving loan fund.

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Section 7 of the bill states that the commissioner of commerce, community, and economic development shall administer the commercial fishing revolving loan fund and the community quota entity revolving loan fund.

Section 8 of the bill sets the effective date for the bill as July 1, 2011.

BJK:ljw

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