

HOUSE BILL NO. 76

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES ORTIZ, Kreiss-Tomkins

Introduced: 1/25/17

Referred: House Special Committee on Fisheries, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the mariculture revolving loan fund and loans from the fund; and
2 providing for an effective date."

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

4 * **Section 1.** AS 16.10.905 is amended to read:

5 **Sec. 16.10.905. Powers and duties of the department.** The department may

6 (1) make loans to eligible applicants under AS 16.10.900 - 16.10.945
7 for the planning, construction, and operation of a

8 (A) mariculture business; or

9 (B) hatchery that artificially propagates aquatic plants and
10 shellfish for sale to aquatic farms;

11 (2) receive, take, hold, and administer any appropriation, transfer, gift,
12 grant, bequest, devise, or donation of money for the fund;

13 (3) establish amortization plans for repayment of loans, including
14 extensions of the terms of loans;

- (4) allow an assumption of a loan if
- (A) the applicant meets the requirements established under this section; and
- (B) approval of the assumption would be consistent with the purposes of AS 16.10.900 - 16.10.945;
- (5) establish the rate of interest for loans consistent with law;
- (6) charge and collect fees for services provided under AS 16.10.900 - 16.10.945;
- (7) adopt regulations under AS 44.62 necessary to carry out the provisions of AS 16.10.900 - 16.10.945, including regulations to establish reasonable fees for services provided; and
- (8) designate agents and delegate powers as necessary to the agents.

* **Sec. 2.** AS 16.10.910(a) is amended to read:

(a) For an applicant to be eligible for a loan under AS 16.10.900 - 16.10.945, the applicant shall **be**

(1) [BE] a resident of the state **who has**

(A) [, AS DETERMINED UNDER (c) OF THIS SECTION;

(2) HAVE] a permitted mariculture farm location in this state; and

(B) [(3) HAVE] experience or training in the mariculture industry; **or**

(2) a resident of the state or entity organized under the laws of this state that holds a permit under AS 16.40.100 to operate a hatchery for the purpose of supplying aquatic plants or shellfish to an aquatic farm.

* **Sec. 3.** AS 16.10.910(c) is amended to read:

(c) To meet the residency requirements of (a) of this section, **an individual** [THE] applicant

(1) shall physically reside in this state and maintain a domicile in this state during the 24 consecutive months preceding the date of application for the program; and

(2) may not have

(A) declared or established residency in another state; or

(B) received residency or a benefit based on residency from another state.

* **Sec. 4.** AS 16.10.915(a) is amended to read:

(a) Except as provided in (b) and (c) of this section, a loan under AS 16.10.900 - 16.10.945

(1) may not exceed

(A) \$100,000 a year for an applicant under AS 16.10.910(a)(1); or

(B) \$1,000,000 a year for an applicant under AS 16.10.910(a)(2);

(2) may not exceed a term of 20 years, except for extensions under AS 16.10.905;

(3) may not bear interest at a rate greater than the prime rate, as defined in AS 44.88.599, plus one percentage point, but which may not be less than five percent a year or more than nine percent a year;

(4) must be secured by a first priority lien on collateral acceptable to the department; and

(5) may not be made to a person who has a past due child support obligation established by court order or by the child support services agency under AS 25.27.160 - 25.27.220 at the time of application.

* **Sec. 5.** AS 16.10.915(b) is amended to read:

(b) Subsequent loans may be made to a [THE] borrower under

(1) AS 16.10.910(a)(1), [AS 16.10.910] if the total of the balances outstanding on the loans received by the borrower does not exceed \$300,000; or

(2) AS 16.10.910(a)(2), if the total of the balances outstanding on the loans received by the borrower does not exceed \$1,000,000.

* **Sec. 6.** AS 16.10.915(c) is amended to read:

(c) A loan under AS 16.10.910 may be made for the purchase of boats or vessels determined to be integral to the operation of the farm or hatchery.

* **Sec. 7.** AS 16.10.915 is amended by adding a new subsection to read:

(e) The total of balances outstanding on loans made to borrowers under

1 AS 16.10.910(a)(2) may not exceed 40 percent of the principal of the mariculture
2 revolving loan fund.

3 * **Sec. 8.** AS 16.10.945 is amended by adding a new paragraph to read:

4 (4) "hatchery" has the meaning given in AS 16.40.199.

5 * **Sec. 9.** This Act takes effect immediately under AS 01.10.070(c).