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## **HB 56 Commercial Fishing Vessel Loan Sponsor Statement**

This bill increases the section amount a borrower may hold unpaid from \$300,000 to \$400,000. The amount of 300,000 was assigned in 1982. This bill does not raise the aggregate amount a borrower may hold unpaid, and therefore does not affect the solvency of the fund. Due to inflation and technological advances, this \$300,000 amount has become outdated. According to the calculation method of the Consumer Price Index, \$300,000 in 1982 is equivalent to approximately \$746,136 today. This is why a \$100,000 increase to the aggregate limit of \$300,000 to \$400,000, is reasonable and pertinent today. An aggregate limit of \$400,000 is a reasonable aggregate unpaid limit for Alaska's commercial fishing businesses.