



LAWS OF ALASKA

2005

Source
HB 230

Chapter No.

AN ACT

Authorizing the making of loans for upgrade of commercial fishing tender vessels and gear.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Authorizing the making of loans for upgrade of commercial fishing tender vessels and gear.

2
3 * **Section 1.** AS 16.10.310(a) is amended to read:

4 (a) The department may

5 (1) make loans

6 (A) to individual commercial fishermen who have been state
7 residents for a continuous period of two years immediately preceding the date
8 of application for a loan under AS 16.10.300 - 16.10.370, who have had a
9 crewmember or commercial fishing license under AS 16.05.480 or a permit
10 under AS 16.43 for the year immediately preceding the date of application and
11 any other two of the past five years, and who actively participated in the
12 fishery during those periods

13 (i) for the purchase of entry permits; or

1 (ii) to upgrade existing vessels and gear for the purpose
2 of improving the quality of Alaska seafood products;

3 (B) to an individual for the repair, restoration, or upgrading of
4 existing vessels and gear, for the purchase of entry permits and gear, and for
5 the construction and purchase of vessels, if the individual has been a state
6 resident for a continuous period of two years immediately preceding the date
7 of application for a loan under AS 16.10.300 - 16.10.370, and either

8 (i) because of lack of training or lack of employment
9 opportunities in the area of residence, does not have occupational
10 opportunities available other than commercial fishing; or

11 (ii) is economically dependent on commercial fishing
12 for a livelihood and for whom commercial fishing has been a traditional
13 way of life in Alaska;

14 (C) for the purchase of quota shares for fisheries in or off the
15 state by individual commercial fishermen who

16 (i) have been state residents for a continuous period of
17 two years immediately preceding the date of application for a loan
18 under AS 16.10.300 - 16.10.370;

19 (ii) for any two of the past five years, possessed a
20 crewmember or commercial fishing license under AS 16.05.480 or a
21 permit under AS 16.43 and actively participated in a fishery for which
22 the license or permit was issued;

23 (iii) qualify as transferees for quota shares under
24 applicable law; and

25 (iv) are not eligible for financing from other recognized
26 commercial lending institutions to purchase quota shares;

27 (D) to an individual commercial fisherman to satisfy past due
28 federal tax obligations, if the fisherman has been a state resident for a
29 continuous period of two years immediately preceding the date of application
30 for the loan, has filed past and current federal tax returns with the federal
31 government, has executed an agreement with the federal government for

1 repayment of past due federal tax obligations, and either

2 (i) has had a crewmember or commercial fishing license
3 under AS 16.05.480 or a permit under AS 16.43 for the year
4 immediately preceding the date of application and any other two of the
5 past five years, and has actively participated in the fishery during those
6 periods;

7 (ii) because of lack of training or lack of employment
8 opportunities in the area of residence, does not have occupational
9 opportunities available other than commercial fishing; or

10 (iii) is economically dependent on commercial fishing
11 for a livelihood and for whom commercial fishing has been a traditional
12 way of life in Alaska;

13 (E) for the purchase of fishing quota shares by a community
14 quota entity eligible under federal statute or regulation to purchase the fishing
15 quota shares if the community quota entity is not eligible or qualified for
16 financing from other recognized commercial lending institutions to purchase
17 the fishing quota shares;

18 **(F) to an individual for the upgrade of existing tender**
19 **vessels and gear to improve the quality of Alaska seafood products, if the**
20 **individual has been a state resident for a continuous period of two years**
21 **immediately preceding the date of application for a loan under**
22 **AS 16.10.300 - 16.10.370;**

23 (2) designate agents and delegate its powers to them as necessary;

24 (3) adopt regulations necessary to carry out the provisions of
25 AS 16.10.300 - 16.10.370, including regulations to establish reasonable fees for
26 services provided;

27 (4) establish amortization plans for repayment of loans, which may
28 include extensions for poor fishing seasons or for adverse market conditions for
29 Alaska products;

30 (5) enter into agreements with private lending institutions, other state
31 agencies, or agencies of the federal government to carry out the purposes of

AS 16.10.300 - 16.10.370;

(6) enter into agreements with other agencies or organizations to create an outreach program to make loans under AS 16.10.300 - 16.10.370 in rural areas of the state;

(7) allow an assumption of a loan if

(A) the applicant has been a state resident for a continuous period of two years immediately preceding the date of the request for an assumption; and

(B) approval of the assumption would be consistent with the purposes of AS 16.10.300; an applicant for a loan assumption may not be disqualified because the applicant does not meet the loan eligibility requirements of (1) of this subsection;

(8) prequalify loan applicants for a limited entry permit loan or a quota shares loan and charge a fee not to exceed \$200 for prequalification;

(9) charge and collect the fees established under this subsection;

(10) refinance a debt obligation incurred by a borrower or borrowers under this section if the borrower or borrowers otherwise qualify for a loan under AS 16.10.300 - 16.10.370;

(11) refinance debt obligations, not to exceed \$300,000, incurred by a borrower or borrowers for the purchase of a commercial fishing vessel or gear if the borrower or borrowers otherwise qualify for a loan under AS 16.10.300 - 16.10.370; the department may collect a refinancing loan origination charge as provided by regulation.

* **Sec. 2.** AS 16.10.320(d) is amended to read:

(d) The total of balances outstanding on loans made to a borrower under AS 16.10.310(a)(1)(A) may not exceed \$300,000. The total of balances outstanding on loans made to a borrower under AS 16.10.310(a)(1)(B) may not exceed \$100,000. The total of balances outstanding on loans made to a borrower under AS 16.10.310(a)(1)(C) may not exceed \$300,000. The total of balances outstanding on loans made to a borrower under AS 16.10.310(a)(1)(D) to satisfy past due federal tax obligations may not exceed \$30,000. The total of balances outstanding on loans

1 made under AS 16.10.310(a)(1)(E) may not exceed \$2,000,000 per community
2 eligible under federal statute or regulation to establish or participate in the
3 establishment of a community quota entity. **The total of balances outstanding on**

4 **loans made to a borrower under AS 16.10.310(a)(1)(F) may not exceed \$300,000.**

5 Excluding loans made under **AS 16.10.310(a)(1)(C) - (F)** [AS 16.10.310(a)(1)(C),
6 (D), AND (E)], the total of balances outstanding on all loans, including debt
7 refinancing under AS 16.10.310(a), made to a borrower under AS 16.10.300 -
8 16.10.370 may not exceed \$300,000.

9 * **Sec. 3.** AS 16.10.320 is amended by adding a new subsection to read:

10 (k) Two or more individuals who each satisfy the requirement specified in
11 AS 16.10.310(a)(1)(F) may jointly, whether operating as a corporation, partnership,
12 joint venture, or otherwise, obtain a commercial fishing loan, not to exceed \$300,000,
13 for the upgrade of existing tender vessels and gear to improve the quality of Alaska
14 seafood products.