



CS for House Bill 121

Sectional Analysis

Section 1. Amends AS 16.10.320 by adding a new subsection:

This section would allow the Department of Commerce, Community, and Economic Development to give Commercial Fishing Loan Fund borrowers a reduction in the interest rate on their loan if 50% of the loan is spent on a product produced or manufactured in the State of Alaska.

Section 2. Amends AS 16.10 by adding new sections:

16.10.801 – Commercial charter fisheries revolving loan fund

This section creates a revolving loan fund for commercial charter fisheries within the department of Commerce, Community and Economic Development. The loan fund consists of money that has been appropriated, transferred, or received by gift/donation to the fund; principal and interest earned on investment of the fund; money that has been collected through foreclosure; or appropriations from the legislature.

16.10.805 – Powers and duties of the department

This section outlines the powers and duties of the Department of Commerce, Community and Economic Development as it pertains to the commercial charter fisheries loan fund.

16.10.810 – Eligibility

This section outlines the eligibility requirement for an applicant to receive a commercial fisheries loan. Some of the requirements the applicant must meet are being a resident of the state; qualify for the purchase of a charter halibut permit; purchase, construct, or upgrade an existing charter halibut fishing vessel; and must not be eligible for financing or only able to obtain a portion of the total loan from a recognized commercial lending institution.

16.10.815 – Limitations on loans

This section outlines the limits on the commercial fisheries loans. Some of the limitations are that the loan may not exceed \$100,000; may not exceed a term of 15 years; may not be made to a person who has past due child support obligations.

16.10.820 – Default

This section states that if the borrower defaults upon a note the department shall notify the borrower about the default and consequences by mailing a notice to the borrower's most recent address.

16.10.825 – Special account established

This section establishes a special account within the commercial charter fisheries revolving loan fund a foreclosure expense account in which the department may spend money credited to this account when necessary to protect the state's security interest in collateral on loans or foreclosure proceedings.

16.10.830 – Disposal of property acquired after default

This section states that the department shall dispose of property acquired from the default on a loan in a manner that best serves the interest of the state.

16.10.835 – Waiver of confidentiality

This section states that the commissioner of Commerce, Community and Economic Development may release information about the borrower's loan if the borrower has given authorization to do so.

16.10.890 – Definitions

This section defines commissioner and department to be from Commerce, Community and Economic Development.

16.10.900 – Mariculture revolving loan fund

This section creates a mariculture revolving loan fund within the department of Commerce, Community and Economic Development. The loan fund consists of money that has been appropriated, transferred, or received by gift/donation to the fund; principal and interest earned on investment of the fund; money that has been collected through foreclosure; or appropriations from the legislature.

16.10.905 – Powers and duties of the department

This section outlines the powers and duties of the Department of Commerce, Community and Economic Development as it pertains to the mariculture revolving loan fund.

16.10.910 – Eligibility

This section outlines the eligibility requirement for an applicant to receive a mariculture revolving loan. Some of the requirements the applicant must meet are being a resident of the state; have a permitted mariculture farm location in the state; have one year of experience/training in the mariculture industry; and must not be eligible for financing or only able to obtain a portion of the total loan from a recognized commercial lending institution.

16.10.915 – Limitations on loans

This section outlines the limits on the mariculture revolving loans. Some of the limitations are that the loan may not exceed \$100,000; may not exceed a term of 20 years; and may not be made to a person who has past due child support obligations.

16.10.920 – Repayment of principal and interest on loans

This section states that the department may not require the repayment of the principal on the loan for six years from the date the loan is made.

16.10.925 – Default

This section states that if the borrower defaults upon a note the department shall notify the borrower about the default and consequences by mailing a notice to the borrower's most recent address.

16.10.930 – Special account established

This section establishes a special account within the mariculture revolving loan fund a foreclosure expense account in which the department may spend money credited to this account when necessary to protect the state's security interest in collateral on loans or foreclosure proceedings.

16.10.935 – Disposal of property acquired after default

This section states that the department shall dispose of property acquired from the default on a loan in a manner that best serves the interest of the state.

16.10.940 – Waiver of confidentiality

This section states that the commissioner of Commerce, Community and Economic Development may release information about the borrower's loan if the borrower has given authorization to do so.

16.10.945 – Definitions

This section defines commissioner and department to be from Commerce, Community and Economic Development and also defined mariculture as the farming of shellfish, echinoderms, seaweeds, and algae.

Section 3. Amends AS 44.33 by adding new sections:

44.33.950 – Alaska microloan revolving loan fund

This section creates a microloan revolving loan fund within the department of Commerce, Community and Economic Development. The loan fund consists of money that has been appropriated, transferred, or received by gift/donation to the fund; principal and interest earned on investment of the fund; money that has been collected through foreclosure; or appropriations from the legislature.

44.33.955 – Powers and duties of the department

This section outlines the powers and duties of the Department of Commerce, Community and Economic Development as it pertains to the microloan revolving loan fund.

44.33.960 – Eligibility

This section outlines the eligibility requirement for an applicant to receive a microloan revolving loan. The requirements the applicant must meet are being a resident of the state and provide a reasonable amount of money from other non-state sources for use on any project the loan money will be used.

44.33.965 – Limitations on loans

This section outlines the limits on the microloan revolving loans. The department may use money from this fund to make loans of up to \$35,000 to a person, or loans of up to \$70,000 to two or more persons. The loans may not exceed a term of six years and may not be made to a person who has past due child support obligations.

44.33.970 – Special account established

This section establishes a special account within the Alaska microloan revolving loan fund a foreclosure expense account in which the department may spend money credited to this account when necessary to protect the state's security interest in collateral on loans or foreclosure proceedings.

44.33.975 – Default

This section states that if the borrower defaults upon a note the department shall notify the borrower about the default and consequences by mailing a notice to the borrower's most recent address.

44.33.980 – Disposal of property acquired after default

This section states that the department shall dispose of property acquired from the default on a loan in a manner that best serves the interest of the state.

44.33.990 – Definitions

This section defines commissioner and department to be Commerce, Community and Economic Development.

Section 4. Amends the Uncodified law of the State of Alaska

Adds a new section that state the Department of Commerce, Community and Economic Development may adopt regulations to implement this Act

Section 5. Effective date clause

Immediate effective date

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