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Kane

1/29/09

CS FOR HOUSE BILL NO. 20()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY**Offered:****Referred:****Sponsor(s): REPRESENTATIVES EDGMON AND BUCH, Austerman****A BILL****FOR AN ACT ENTITLED**

1 **"An Act relating to commercial fishing loans for energy efficiency upgrades and**
2 **increasing the maximum amount for certain loans under the Commercial Fishing Loan**
3 **Act; and providing for an effective date."**

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

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

6 (a) The department may

7 (1) make loans

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

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

2 (ii) to upgrade existing vessels and gear for the purpose
3 of improving the quality of Alaska seafood products or of improving
4 energy efficiency;

5 (B) to an individual for the repair, restoration, or upgrading of
6 existing vessels and gear, for the purchase of entry permits and gear, and for
7 the construction and purchase of vessels, if the individual has been a state
8 resident for a continuous period of two years immediately preceding the date
9 of application for a loan under AS 16.10.300 - 16.10.370, is not eligible for
10 financing from a state financial institution as defined in AS 06.01.050, a
11 federally chartered financial institution, or the Commercial Fishing and
12 Agricultural Bank, and

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

16 (ii) is economically dependent on commercial fishing
17 for a livelihood and for whom commercial fishing has been a traditional
18 way of life in Alaska;

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

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

24 (ii) for any two of the past five years, possessed an
25 annual crewmember or commercial fishing license under AS 16.05.480
26 or a permit under AS 16.43 and actively participated in a fishery for
27 which the license or permit was issued;

28 (iii) qualify as transferees for quota shares under
29 applicable law; and

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

1 (D) to an individual commercial fisherman to satisfy past due
2 federal tax obligations, if the fisherman has been a state resident for a
3 continuous period of two years immediately preceding the date of application
4 for the loan, has filed past and current federal tax returns with the federal
5 government, has executed an agreement with the federal government for
6 repayment of past due federal tax obligations, and either

7 (i) 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 (ii) 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 vessels
19 and gear to improve the quality of Alaska seafood products, if the individual
20 has been a state resident for a continuous period of two years immediately
21 preceding the date of application for a loan under AS 16.10.300 - 16.10.370;

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

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

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

29 (5) enter into agreements with private lending institutions, other state
30 agencies, or agencies of the federal government to carry out the purposes of
31 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 \$200,000, 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(i) is amended to read:

(i) If a loan is made to a borrower under AS 16.10.310(a)(1)(A), a subsequent loan may not be made to the borrower under AS 16.10.310(a)(1)(B), unless the loan requested under AS 16.10.310(a)(1)(B) is for an energy efficiency upgrade. If a loan is made to a borrower under AS 16.10.310(a)(1)(B), a subsequent loan may be made to the borrower under AS 16.10.310(a)(1)(A) if the total of the balance outstanding on loans received by the borrower under AS 16.10.310(a)(1)(A) and (B) does not exceed \$400,000 [\$300,000].

* **Sec. 3.** The uncoded law of the State of Alaska is amended by adding a new section to

1 read:

2 RETROACTIVITY. This Act is retroactive to September 1, 2008.

3 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).