



LAWS OF ALASKA

1973

Source

HB 368 am S

Chapter No.

54

AN ACT

Relating to the Commercial Fishing Loan Act; and providing for an effective date.

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

* Section 1. AS 16.10.300 is amended to read:

Sec. 16.10.300. DECLARATION OF POLICY. It is the policy of the state, under secs. 300 - 370 of this chapter, to promote the development of a predominantly resident fishery and continued maintenance of commercial fishing gear and vessels throughout the state by means of long-term low interest loans.

* Sec. 2. AS 16.10.310(a) is amended to read:

(a) The department may

(1) make loans to individual commercial fishermen who have been state residents for a continuous period of five years and have had a commercial fishing license for three years for the repair, restoration or upgrading of existing vessels and gear and for the purchase of entry permits and gear and the construction and purchase of vessels;

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

(3) adopt rules and regulations necessary to carry out its functions;

(4) establish amortization plans for repayment of loans, which may include extensions for poor fishing seasons;

(5) enter into agreements with private lending institutions, other state agencies or agencies of the federal government, to carry out the purposes of secs. 300 - 370 of this chapter.

* Sec. 3. AS 16.10.320 is amended to read:

Sec. 16.10.320. LIMITATIONS ON LOANS. A commercial fishing loan may not exceed \$100,000. A loan may not run longer than 15 years or bear interest exceeding seven per cent, and it shall be secured by a first lien and appropriate security agreements, except that a lien in favor of the state is not required for loans guaranteed fully by the federal government under the Federal Ship Financing Act of 1972 (46 U.S.C. secs. 1271 - 1279b, 86 Stat. 909), as amended. In the case of a security agreement given to secure a loan made under secs. 300 - 370 of this chapter and covering a vessel documented under the laws of the United States and so long as the Ship Mortgage Act of 1920 (46 U.S.C. secs. 911 - 984, 41 Stat. 1000), as amended, and the Shipping Act of 1916 (46 U.S.C. secs. 801 - 842, 39 Stat. 728), as amended, remain ambiguous with respect to whether or not a state or state agency qualifies as a citizen of the United States for purposes of those Acts, the first lien requirement of this section may be satisfied by the recordation and endorsement of a first preferred ship mortgage under the Ship Mortgage Act of 1920, and by perfection of a security interest under the Uniform Commercial Code -- Secured Transactions (AS 45.05.690 - 45.05.794), provided the approval of the Secretary of Commerce is obtained under 46 U.S.C. sec. 839 for the transfer to the department of the interest in a vessel documented under the laws of the United States. In the case of a security agreement given to secure a loan made under secs. 300 - 370 of this chapter and covering a vessel documented under the laws of the United States, the first lien requirement of this section may also be satisfied by use of a trust deed and bond issue under it, provided the trustee is a citizen of the United States and obtains a first preferred ship mortgage on the vessel under the Ship Mortgage Act of 1920, and the approval of the Secretary of Commerce is obtained under 46 U.S.C. secs. 839 and 961 for the transfer of the bond or bonds to the department if the trustee is not a trustee approved by the Secretary of Commerce under 46 U.S.C. secs. 808, 835 and 961. Loans may not exceed 75 per cent of the appraised value of the collateral used to secure the loan.

* Sec. 4. AS 16.10.330 is amended to read:

Sec. 16.10.330. SALE OR TRANSFER OF MORTGAGES, BONDS AND NOTES. (a) The commissioner of commerce may sell or transfer at par value or at a premium or discount to any bank or other private purchaser for cash or other consideration the mortgages, bonds and notes held by the Department of Commerce as security for loans made under this chapter.

(b) The commissioner of commerce may sell or transfer at par value to the Department of Revenue the mortgages, bonds and notes held by the Department of Commerce as security for loans made under this chapter. However, the commissioner of commerce may not transfer an interest in a

vessel documented under the laws of the United States to the Department of Revenue, except as permitted by the Ship Mortgage Act of 1920 (46 U.S.C. secs. 911 - 984, 41 Stat. 1000), as amended, and the Shipping Act of 1916 (46 U.S.C. secs. 801 - 842, 39 Stat. 728), as amended, so long as those two Acts remain ambiguous with respect to whether or not a state or state agency qualifies as a citizen of the United States for purposes of those two Acts. The Department of Revenue shall purchase all the mortgages, bonds and notes offered until the current principal amount of all the mortgages, bonds and notes purchased and held by the Department of Revenue equals \$5,000,000.

* Sec. 5. Section 2, ch. 134, SIA 1972 is repealed.

* Sec. 6. Section 5 of this Act is retroactive to March 14, 1973.

* Sec. 7. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.