



LAWS OF ALASKA

2003

Source
CSHB 105(FIN)

Chapter No.

AN ACT

Relating to loans to satisfy past due federal tax obligations of commercial fishermen and to the commercial fishing loan program.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to loans to satisfy past due federal tax obligations of commercial fishermen and to
2 the commercial fishing loan program.

3 _____

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

5 (a) The department may

6 (1) make loans

7 (A) to individual commercial fishermen who have been state
8 residents 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, **who** [AND] have
10 had a crewmember or commercial fishing license under AS 16.05.480 or a
11 permit under AS 16.43 for the year immediately preceding the date of
12 application and any other two of the past five years, and who actively
13 participated in the fishery during those periods

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

15 (ii) to upgrade existing vessels and gear for the purpose

1 of improving the quality of Alaska seafood products;

2 (B) to an individual for the repair, restoration, or upgrading of
3 existing vessels and gear, for the purchase of entry permits and gear, and for
4 the construction and purchase of vessels, if the individual has been a state
5 resident for a continuous period of two years immediately preceding the date
6 of application for a loan under AS 16.10.300 - 16.10.370, 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 (C) for the purchase of quota shares for fisheries in or off the
14 state by individual commercial fishermen who

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

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

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

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

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

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

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

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

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

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

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

19 (5) enter into agreements with private lending institutions, other state
20 agencies, or agencies of the federal government to carry out the purposes of
21 AS 16.10.300 - 16.10.370;

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

25 (7) allow an assumption of a loan if

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

29 (B) approval of the assumption would be consistent with the
30 purposes of AS 16.10.300; an applicant for a loan assumption may not be
31 disqualified because the applicant does not meet the loan eligibility

1 requirements of (1) of this subsection;

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

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

5 (10) refinance a debt obligation incurred by a borrower or borrowers
6 under this section if the borrower or borrowers otherwise qualify for a loan under
7 AS 16.10.300 - 16.10.370; [THE DEPARTMENT SHALL COLLECT A
8 REFINANCING LOAN ORIGINATION CHARGE OF ONE-HALF PERCENT OF
9 THE AMOUNT OF THE DEBT OBLIGATION THAT HAS BEEN REFINANCED
10 WHEN THE FIRST REFINANCING PAYMENT IS DUE;]

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

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

17 (d) The total of balances outstanding on loans made to a borrower under
18 AS 16.10.310(a)(1)(A) may not exceed \$300,000. The total of balances outstanding
19 on loans made to a borrower under AS 16.10.310(a)(1)(B) may not exceed \$100,000.
20 The total balances outstanding on loans made to a borrower under AS 16.10.310
21 (a)(1)(C) may not exceed \$300,000. **The total of balances outstanding on loans**
22 **made to a borrower under AS 16.10.310(a)(1)(D) to satisfy past due federal tax**
23 **obligations may not exceed \$30,000. Excluding loans made under**
24 **AS 16.10.310(a)(1)(C) and (D), the** [THE] total of balances outstanding on all loans,
25 including debt refinancing under AS 16.10.310(a), made to a borrower under
26 AS 16.10.300 - 16.10.370 may not exceed \$300,000.

27 * **Sec. 3.** AS 16.10.337(b) is amended to read:

28 (b) If the commission does not exercise its right of first refusal within 30 days
29 after it receives the offer, or if the permit is not subject to a buy-back program under
30 AS 16.43.290 - 16.43.330, the department shall [PROMPTLY] advertise and sell the
31 permit. If the proceeds of the sale of a permit exceed the amount necessary to pay the

1 note in full, plus penalties, costs of administration of the note, [AND] attorney fees,
2 **and child support liens of which the department has notice**, the excess shall be
3 transferred by the commissioner to the debtor. At any time until the permit has been
4 sold under this subsection, the debtor may repurchase the permit by paying the
5 department the amount necessary to pay the note in full, plus penalties, costs of
6 administration of the note, and attorney fees, as determined by the commissioner.