



# LAWS OF ALASKA

**2005**

**Source**  
HB 230

**Chapter No.**  
85

## AN ACT

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

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**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.

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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

1 AS 16.10.300 - 16.10.370;

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

5 (7) allow an assumption of a loan if

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

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

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

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

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

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

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

25 (d) The total of balances outstanding on loans made to a borrower under  
26 AS 16.10.310(a)(1)(A) may not exceed \$300,000. The total of balances outstanding  
27 on loans made to a borrower under AS 16.10.310(a)(1)(B) may not exceed \$100,000.  
28 The total **of** balances outstanding on loans made to a borrower under  
29 AS 16.10.310(a)(1)(C) may not exceed \$300,000. The total of balances outstanding  
30 on loans made to a borrower under AS 16.10.310(a)(1)(D) to satisfy past due federal  
31 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.