

HOUSE BILL NO. 20

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES EDGMON AND BUCH, Austerman, Thomas, Muñoz

Introduced: 1/20/09

Referred: House Special Committee on Fisheries, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to commercial fishing loans for energy efficiency upgrades."**

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

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 an
9 annual crewmember or commercial fishing license under AS 16.05.480 or a
10 permit under AS 16.43 for the year immediately preceding the date of
11 application and any other two of the past five years, and who actively
12 participated in the fishery during those periods

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

14 (ii) to upgrade existing vessels and gear for the purpose
15 of improving the quality of Alaska seafood products; **or of improving**

1 **energy efficiency**;

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, is not eligible for
7 financing from a state financial institution as defined in AS 06.01.050, a
8 federally chartered financial institution, or the Commercial Fishing and
9 Agricultural Bank, and

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

13 (ii) is economically dependent on commercial fishing
14 for a livelihood and for whom commercial fishing has been a traditional
15 way of life in Alaska;

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

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

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

25 (iii) qualify as transferees for quota shares under
26 applicable law; and

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

29 (D) to an individual commercial fisherman to satisfy past due
30 federal tax obligations, if the fisherman has been a state resident for a
31 continuous period of two years immediately preceding the date of application

1 for the loan, has filed past and current federal tax returns with the federal
2 government, has executed an agreement with the federal government for
3 repayment of past due federal tax obligations, and either

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

7 (ii) is economically dependent on commercial fishing
8 for a livelihood and for whom commercial fishing has been a traditional
9 way of life in Alaska;

10 (E) for the purchase of fishing quota shares by a community
11 quota entity eligible under federal statute or regulation to purchase the fishing
12 quota shares if the community quota entity is not eligible or qualified for
13 financing from other recognized commercial lending institutions to purchase
14 the fishing quota shares;

15 (F) to an individual for the upgrade of existing tender vessels
16 and gear to improve the quality of Alaska seafood products, if the individual
17 has been a state resident for a continuous period of two years immediately
18 preceding the date of application for a loan under AS 16.10.300 - 16.10.370;

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

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

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

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

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

1 (7) allow an assumption of a loan if

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

5 (B) approval of the assumption would be consistent with the
6 purposes of AS 16.10.300; an applicant for a loan assumption may not be
7 disqualified because the applicant does not meet the loan eligibility
8 requirements of (1) of this subsection;

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

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

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

15 (11) refinance debt obligations, not to exceed \$200,000, incurred by a
16 borrower or borrowers for the purchase of a commercial fishing vessel or gear if the
17 borrower or borrowers otherwise qualify for a loan under AS 16.10.300 - 16.10.370;
18 the department may collect a refinancing loan origination charge as provided by
19 regulation.