

**CS FOR HOUSE BILL NO. 20(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 4/1/09**

**Referred: Rules**

**Sponsor(s): REPRESENTATIVES EDGMON AND BUCH, Austerman, Thomas, Peggy Wilson, Muñoz, Johansen, Kerttula, Seaton, Gara, Tuck, Lynn**

**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;

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

4 (7) allow an assumption of a loan if

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

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

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

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

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

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

23 \* **Sec. 2.** AS 16.10.320(i) is amended to read:

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

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