

SENATE BILL NO. 156

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

**BY THE SENATE RULES COMMITTEE BY REQUEST OF THE JOINT LEGISLATIVE TASK FORCE
EVALUATING ALASKA'S SEAFOOD INDUSTRY**

Introduced: 4/2/25

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the Department of Commerce, Community, and Economic**
2 **Development; relating to the Alaska Commercial Fishing and Agriculture Bank;**
3 **relating to certain loans made by the Alaska Commercial Fishing and Agriculture Bank;**
4 **and providing for an effective date."**

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

6 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 ALASKA COMMERCIAL FISHING AND AGRICULTURE BANK; LOANS. (a)
9 Subject to legislative appropriation, the Department of Commerce, Community, and
10 Economic Development shall purchase nonvoting, preferred shares issued by the Alaska
11 Commercial Fishing and Agriculture Bank established under AS 44.81.010 for the purpose of
12 enabling the bank to make loans to persons involved in the state's commercial fishing industry
13 under AS 44.81.215. Except as provided in (d) of this section, the bank shall repurchase
14 shares the department purchased under this section 20 years after the purchase. If the bank

1 fails to repurchase the shares 20 years after the purchase by the department, the commissioner
2 of commerce, community, and economic development may appoint a receiver to direct,
3 manage, and operate the bank until the shares have been repurchased. Upon voluntary or
4 involuntary liquidation of the bank, and upon repayment of all legal debts and obligations of
5 the bank, all nonvoting, preferred shares owned by the department have priority for
6 redemption over all other forms and amounts of ownership of the bank.

7 (b) A loan made by the Alaska Commercial Fishing and Agriculture Bank using funds
8 provided by the Department of Commerce, Community, and Economic Development's
9 purchase of shares under this section

10 (1) shall have a fixed term of 15 years;

11 (2) may not bear interest

12 (A) exceeding the prime rate, as defined in AS 44.88.599, plus
13 two percentage points; or

14 (B) at a rate of more than 5.25 percent a year.

15 (c) On the effective date of sec. 4, ch. 25, SLA 2024, the Alaska Commercial Fishing
16 and Agriculture Bank shall provide the division within the Department of Commerce,
17 Community, and Economic Development that is responsible for banking and securities, a list
18 of each loan originated or refinanced under (b) of this section, with confidential borrower
19 information redacted. The list must include, for each loan, a comparison of

20 (1) the loan's baseline interest earnings, which is calculated as the loan's
21 refinanced or originated principal multiplied by the interest rate and term for the loan before it
22 was refinanced, or the interest rate and term that the loan would have had if the loan had not
23 been made by the Alaska Commercial Fishing and Agriculture Bank under (b) of this section,
24 projected over the term of the loan; and

25 (2) the loan's actual interest earnings, which is calculated as the loan's
26 refinanced or originated principal times the loan's actual interest rate as originated or
27 refinanced under (b) of this section, projected over the term of the loan.

28 (d) Within 120 days after the Alaska Commercial Fishing and Agriculture Bank
29 provides the Department of Commerce, Community, and Economic Development the list
30 required under (c) of this section, the department shall audit and review the listed information.
31 If the department determines that the difference in projected interest earnings for all loans

1 originated or refinanced under (b) of this section for the Alaska Commercial Fishing and
2 Agriculture Bank, as calculated under (c) of this section, is less than the par value of the
3 shares purchased by the department under (a) of this section, the department shall request that
4 the bank repay the difference to the department.

5 (e) If the Department of Commerce, Community, and Economic Development
6 requests that the Alaska Commercial Fishing and Agriculture Bank repay a sum of money
7 under (d) of this section, the bank shall make the payment within 30 days.

8 (f) Subject to appropriation, the department shall purchase shares issued by the
9 Alaska Commercial Fishing and Agriculture Bank under (a) of this section using an amount
10 equal to the amount that was in the former Alaska capstone avionics revolving loan fund
11 (former AS 44.33.650 - 44.33.690) and was unobligated on July 1, 2020.

12 * **Sec. 2.** Section 1 of this Act is repealed July 1, 2027.

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