

Original sponsor: Peratrovich, Deveau
and Sassara

Offered: 2/26/70
Referred: Finance

1 IN THE HOUSE BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 675

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to loans for commercial fishing
7 purposes."

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

9 * Section 1. AS 45 is amended by adding a new chapter to read:

10 CHAPTER 85. COMMERCIAL FISHING LOAN ACT.

11 Sec. 45.85.010. DECLARATION OF POLICY. It is the policy of the
12 state, under this chapter, to promote the development and continued
13 maintenance of resident commercial fishing gear and vessels throughout
14 the state by means of long-term low interest loans.

15 Sec. 45.85.020. POWERS OF THE DEPARTMENT. The department may

16 (1) make loans or purchase participations in loans made
17 through banks to individual commercial fishermen who have been state
18 residents for a continuous period of five years for the purchase of
19 new vessels and gear or the repair, restoration or upgrading of exist-
20 ing vessels and gear;

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

23 (3) adopt rules and regulations necessary to carry out its
24 functions;

25 (4) establish amortization plans for repayment of loans,
26 which may include delayed payments of principal and interest;

27 (5) enter into agreements with private lending institutions,
28 other state agencies or agencies of the federal government, to carry
29 out the purposes of this chapter.

1 Sec. 45.85.030. LIMITATIONS ON LOANS. (a) A commercial fishing
2 loan may not exceed \$300,000. A loan may not run longer than 30 years
3 or bear interest exceeding six per cent, and it shall be secured by a
4 first preferred ship's mortgage or a chattel mortgage. The mortgage
5 which secures a loan may be of any priority if the total indebtedness
6 on the vessel or gear does not exceed \$300,000.

7 (b) A short-term loan, to be amortized within one year and not
8 to exceed \$25,000 to any one borrower, may be made for emergency
9 purposes.

10 (c) No loan may be made or purchased under this chapter unless
11 at least 10 per cent of the loan is retained by the originating bank.

12 Sec. 45.85.040. SALE OR TRANSFER OF NOTES. The commissioner may
13 sell or transfer at par value or at a premium or discount to the
14 Department of Revenue or a bank or other private purchaser for cash
15 or other consideration the notes held by the Department of Commerce
16 as security for loans made under this chapter.

17 Sec. 45.85.050. CREATION OF FUND. There is a commercial fishing
18 revolving loan fund which shall not exceed \$25,000,000 to carry out
19 the purpose of this chapter.

20 Sec. 45.85.060. ADMINISTRATION OF FUND. The commissioner shall
21 administer the loan fund.

22 Sec. 45.85.070. DEFINITIONS. In this chapter

23 (1) "commissioner" means the commissioner of commerce;

24 (2) "department" means the Department of Commerce.

25 Sec. 45.85.080. SHORT TITLE. This chapter may be cited as the
26 Commercial Fishing Loan Act.
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