

Original sponsors: Peratrovich, Meland
and Whittaker

Offered: 5/18/72
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

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SENATE CS FOR CS FOR HOUSE BILL NO. 102

am FCC

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SEVENTH LEGISLATURE - SECOND SESSION

5

A BILL

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

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

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* Section 1. AS 16.10 is amended by adding new sections to read:

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ARTICLE 7. COMMERCIAL FISHING LOAN ACT.

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Sec. 16.10.300. DECLARATION OF POLICY. It is the policy of the
12 state, under secs. 300 - 370 of this chapter, to promote the develop-
13 ment and continued maintenance of commercial fishing gear and vessels
14 throughout the state by means of long-term low interest loans.

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Sec. 16.10.310. POWERS OF THE DEPARTMENT. (a) The department

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may

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(1) make loans to individual commercial fishermen who have
18 been state residents for a continuous period of five years and have had
19 a commercial gear license for three years for the repair, restoration
20 or upgrading of existing vessels and gear;

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

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

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(4) establish amortization plans for repayment of loans,
26 which may include extensions for poor fishing seasons;

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(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 secs. 300 - 370 of this chapter.

1 (b) The department shall consult with the Department of Fish and
2 Game on regulations and procedures established under this chapter.

3 Sec. 16.10.320. LIMITATIONS ON LOANS. A commercial fishing loan
4 may not exceed \$100,000. A loan may not run longer than 15 years or
5 bear interest exceeding eight per cent, and it shall be secured by a
6 first lien and appropriate security agreements. Loans may not exceed
7 75 per cent of the appraised value of the collateral used to secure
8 the loan. All loans granted under secs. 300 - 370 of this chapter must
9 be participated in by private financial institutions in an amount
10 equivalent to 25 per cent of the total loan value and the participating
11 private financial institution must administer and service all loans
12 for a reasonable service fee not exceeding one-half of one per cent of
13 the total loan value.

14 Sec. 16.10.330. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a)
15 The commissioner of commerce may sell or transfer at par value or at
16 a premium or discount to any bank or other private purchaser for cash
17 or other consideration the mortgages and notes held by the Department
18 of Commerce as security for loans made under this chapter.

19 (b) The commissioner of commerce may sell or transfer at par
20 value to the Department of Revenue the mortgages and notes held by the
21 Department of Commerce as security for loans made under this chapter.
22 The Department of Revenue shall purchase all such mortgages and notes
23 offered.

24 Sec. 16.10.340. CREATION OF FUND. There is a commercial fishing
25 revolving loan fund which shall not exceed \$1,000,000 to carry out the
26 purpose of secs. 300 - 370 of this chapter.

27 Sec. 16.10.350. ADMINISTRATION OF FUND. The commissioner shall
28 administer the loan fund.

29 Sec. 16.10.360. DEFINITIONS. In secs. 300 - 370 of this chapter

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

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

Sec. 16.10.370. SHORT TITLE. Secs. 300 - 370 of this chapter may
be cited as the Commercial Fishing Loan Act.