

Introduced: 3/16/73  
Referred: Judiciary

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 368 *Am*

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Commercial Fishing Loan Act;  
7 and providing for an effective date."

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

9 \* Section 1. AS 16.10.300 is amended to read:

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

15 \* Sec. 2. AS 16.10.310(a) is amended to read:

16 (a) The department may

17 (1) make loans to individual commercial fishermen who have  
18 been state residents for a continuous period of five years and have  
19 had a commercial gear license for three years for the repair, restora-  
20 tion or upgrading of existing vessels and gear and for the purchase of  
21 entry permits and gear and the construction and purchase of vessels;

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

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

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

28 (5) enter into agreements with private lending institutions,  
29 other state agencies or agencies of the federal government, to carry

1 out the purposes of secs. 300 - 370 of this chapter;

2 (6) reimburse commercial fishermen holding loans granted  
3 under secs. 305 - 375 of this chapter, guaranteed under the Ship  
4 Financing Act of 1972 (46 U.S.C. secs. 1271 - 1279b, 86 Stat. 909), as  
5 amended, for the costs imposed on those fishermen by the federal govern-  
6 ment under the Ship Financing Act of 1972.

7 \* Sec. 3. AS 16.10.320 is amended to read:

8 Sec. 16.10.320. LIMITATIONS ON LOANS. A commercial fishing loan  
9 may not exceed \$100,000. A loan may not run longer than 15 years or  
10 bear interest exceeding seven per cent, and it shall be secured by a  
11 first lien and appropriate security agreements, except that a lien in  
12 favor of the state is not required for loans guaranteed fully by the  
13 federal government under the Federal Ship Financing Act of 1972 (46  
14 U.S.C. secs. 1271 - 1279b, 86 Stat. 909), as amended. In the case of  
15 a security agreement given to secure a loan made under secs. 305 - 375  
16 of this chapter and covering a vessel documented under the laws of the  
17 United States and so long as the Ship Mortgage Act of 1920 (46 U.S.C.  
18 secs. 911 - 984, 41 Stat. 1000), as amended, and the Shipping Act of 1916  
19 (46 U.S.C. secs. 801 - 842, 39 Stat. 728), as amended, remain ambiguous  
20 with respect to whether or not a state or state agency qualifies as a  
21 citizen of the United States for purposes of those Acts, the first lien  
22 requirement of this section may be satisfied by the recordation and  
23 endorsement of a first preferred ship mortgage under the Ship Mortgage  
24 Act of 1920, and by perfection of a security interest under the Uniform  
25 Commercial Code -- Secured Transactions (AS 45.05.690 - 45.05.794),  
26 provided the approval of the Secretary of Commerce is obtained under  
27 46 U.S.C. sec. 839 for the transfer of the security interest to the  
28 department. In the case of a security agreement given to secure a  
29 loan made under secs. 305 - 375 of this chapter and covering a vessel

1 documented under the laws of the United States, the first lien require-  
2 ment of this section may also be satisfied by use of a trust deed and  
3 bond issue under it, provided the trustee is a citizen of the United  
4 States and obtains a first preferred ship mortgage on the vessel under  
5 the Ship Mortgage Act of 1920, and the approval of the Secretary of  
6 Commerce is obtained under 46 U.S.C. secs. 839 and 961 for the transfer  
7 of the bond or bonds to the department if the trustee is not a trustee  
8 approved by the Secretary of Commerce under 46 U.S.C. secs. 808, 835  
9 and 961. Loans may not exceed 75 per cent of the appraised value of  
10 the collateral used to secure the loan.

11 \* Sec. 4. AS 16.10.330 is amended to read:

12       Sec. 16.10.330. SALE OR TRANSFER OF MORTGAGES, BONDS AND NOTES.

13 (a) The commissioner of commerce may sell or transfer at par value or  
14 at a premium or discount to any bank or other private purchaser for  
15 cash or other consideration the mortgages and notes held by the Depart-  
16 ment of Commerce as security for loans made under this chapter.

17 (b) The commissioner of commerce may sell or transfer at par value  
18 to the Department of Revenue the mortgages, bonds and notes held by the  
19 Department of Commerce as security for loans made under this chapter.  
20 However, the commissioner of commerce may not transfer an interest in a  
21 vessel documented under the laws of the United States to the Department  
22 of Revenue, except as permitted by the Ship Mortgage Act of 1920 (46  
23 U.S.C. secs. 911 - 984, 41 Stat. 1000), as amended, and the Shipping Act  
24 of 1916 (46 U.S.C. secs. 801 - 842, 39 Stat. 728), as amended, so long  
25 as those two Acts remain ambiguous with respect to whether or not a  
26 state or state agency qualifies as a citizen of the United States for  
27 purposes of those two Acts. The Department of Revenue shall purchase  
28 all such mortgages, bonds and notes offered.

29 \* Sec. 5. Section 2, ch. 134, SLA 1972 is repealed.

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\* Sec. 6. Section 5 of this Act is retroactive to March 14, 1973.

\* Sec. 7. This Act takes effect on the day after its passage and approval  
or on the day it becomes law without approval.