

Introduced: .3/16/73
Referred: Judiciary

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 368

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 had a
19 commercial fishing [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

AMS

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

2 * Sec. 3. AS 16.10.320 is amended to read:

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 seven percent, and it shall be secured
6 by a first lien and appropriate security agreements, except that a lien
7 in favor of the state is not required for loans guaranteed fully by the
8 federal government under the Federal Ship Financing Act of 1972 (46
9 U.S.C. secs. 1271 - 1279b, 86 Stat. 909), as amended. In the case of
10 a security agreement given to secure a loan made under secs. 300 - 370
11 of this chapter and covering a vessel documented under the laws of the
12 United States and so long as the Ship Mortgage Act of 1920 (46 U.S.C.
13 secs. 911 - 984, 41 Stat. 1000), as amended, and the Shipping Act of 1916
14 (46 U.S.C. secs. 801 - 842, 39 Stat. 728), as amended, remain ambiguous
15 with respect to whether or not a state or state agency qualifies as a
16 citizen of the United States for purposes of those Acts, the first lien
17 requirement of this section may be satisfied by the recordation and
18 endorsement of a first preferred ship mortgage under the Ship Mortgage
19 Act of 1920, and by perfection of a security interest under the Uniform
20 Commercial Code -- Secured Transactions (AS 45.05.690 - 45.05.794),
21 provided the approval of the Secretary of Commerce is obtained under
22 46 U.S.C. sec. 839 for the transfer to the department of the interest in
23 a vessel documented under the laws of the United States. In the case of
24 a security agreement given to secure a loan made under secs. 300 - 370
25 of this chapter and covering a vessel documented under the laws of the
26 United States, the first lien requirement of this section may also be
27 satisfied by use of a trust deed and bond issue under it, provided the
28 trustee is a citizen of the United States and obtains a first preferred
29 ship mortgage on the vessel under the Ship Mortgage Act of 1920, and the

1 approval of the Secretary of Commerce is obtained under 46 U.S.C.
2 secs. 839 and 961 for the transfer of the bond or bonds to the depart-
3 ment if the trustee is not a trustee approved by the Secretary of
4 Commerce under 46 U.S.C. secs. 808, 835 and 961. Loans may not exceed
5 75 per cent of the appraised value of the collateral used to secure
6 the loan.

7 * Sec. 4. AS 16.10.330 is amended to read:

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

9 (a) The commissioner of commerce may sell or transfer at par value or
10 at a premium or discount to any bank or other private purchaser for
11 cash or other consideration the mortgages, bonds and notes held by the
12 Department of Commerce as security for loans made under this chapter.

13 (b) The commissioner of commerce may sell or transfer at par value
14 to the Department of Revenue the mortgages, bonds and notes held by the
15 Department of Commerce as security for loans made under this chapter.
16 However, the commissioner of commerce may not transfer an interest in a
17 vessel documented under the laws of the United States to the Department
18 of Revenue, except as permitted by the Ship Mortgage Act of 1920 (46
19 U.S.C. secs. 911 - 984, 41 Stat. 1000), as amended, and the Shipping
20 Act of 1916 (46 U.S.C. secs. 801 - 842, 39 Stat. 728), as amended, so
21 long as those two Acts remain ambiguous with respect to whether or not a
22 state or state agency qualifies as a citizen of the United States for
23 purposes of those two Acts. The Department of Revenue shall purchase
24 all the mortgages, bonds and notes offered until the current principal
25 amount of all the mortgages, bonds and notes purchased and held by the
26 Department of Revenue equals \$5,000,000. [THE DEPARTMENT OF REVENUE
27 SHALL PURCHASE ALL SUCH MORTGAGES AND NOTES OFFERED.]

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

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

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

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