

Original sponsor: Kerttula

Offered: 4/30/75
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 181

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to loans for the construction of
7 hatchery facilities; and providing for an effective
8 date."

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

10 * Section 1. AS 16.10.300 is amended to read:

11 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 rehabili-
13 tation of the state's fisheries, the development of a predominantly
14 resident fishery, and the continued maintenance of commercial fishing
15 gear and vessels throughout the state by means of long-term low
16 interest loans.

17 * Sec. 2. AS 16.10.310(a)(1) is amended to read:

18 (1) make loans to

19 (A) individual commercial fishermen who have been state
20 residents for a continuous period of five years and have had a
21 commercial fishing license for three years for the repair, restora-
22 tion or upgrading of existing vessels and gear and for the purchase
23 of entry permits and gear and the construction and purchase of
24 vessels; and

25 (B) permit holders under secs. 400 - 470 of this
26 chapter, for the construction of hatchery facilities;

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

28 Sec. 16.10.320. LIMITATIONS ON LOANS. A commercial fishing loan
29 may not exceed \$100,000. A loan may not run longer than 15 years or

1 bear interest exceeding seven per cent, and it shall be secured by a
2 first lien and appropriate security agreements, except that a lien in
3 favor of the state is not required for loans guaranteed fully by the
4 federal government under the Federal Ship Financing Act of 1972 (46
5 U.S.C. secs. 1271 - 1279b; 86 Stat. 909), as amended, and loans granted
6 under sec. 310(a)(1)(B) of this chapter may be secured by other accept-
7 able collateral as determined appropriate by the department, including
8 but not limited to a pledge of assessments from fishermen to finance the
9 establishment of hatcheries under secs. 400 - 470 of this chapter. In
10 the case of a security agreement given to secure a loan made under secs.
11 300 - 370 of this chapter and covering a vessel documented under the
12 laws of the United States and so long as the Ship Mortgage Act of 1920
13 (46 U.S.C. secs. 911 - 984; 41 Stat. 1000), as amended, and the Shipping
14 Act of 1916 (46 U.S.C. secs. 801 - 842; 39 Stat. 728), as amended,
15 remain ambiguous with respect to whether or not a state or state agency
16 qualifies as a citizen of the United States for purposes of those Acts,
17 the first lien requirement of this section may be satisfied by the re-
18 cordation and endorsement of a first preferred ship mortgage under the
19 Ship Mortgage Act of 1920, and by perfection of a security interest
20 under the Uniform Commercial Code - Secured Transactions (AS 45.05.690 -
21 45.05.794), if the approval of the Secretary of Commerce is obtained
22 under 46 U.S.C. sec. 839 for the transfer to the department of the
23 interest in a vessel documented under the laws of the United States. In
24 the case of a security agreement given to secure a loan made under
25 secs. 300 - 370 of this chapter and covering a vessel documented under
26 the laws of the United States, the first lien requirement of this section
27 may also be satisfied by use of a trust deed and bond issue under it, if
28 the trustee is a citizen of the United States and obtains a first pre-
29 ferred ship mortgage on the vessel under the Ship Mortgage Act of 1920,

1 and the 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 department
3 if the trustee is not a trustee approved by the Secretary of Commerce
4 under 46 U.S.C. secs. 808, 835 and 961. Except for loans granted under
5 sec. 310(a)(1)(B) of this chapter, loans [LOANS] may not exceed 75 per
6 cent of the appraised value of the collateral used to secure the loan.

7 * Sec. 4. This Act takes effect immediately in accordance with AS 01.10.-
8 070(c).

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