

Introduced: 3/3/76
Referred: Commerce and
Resources

1 IN THE SENATE BY THE RULES COMMITTEE BY
2 REQUEST OF THE GOVERNOR

3 HCS (S) SENATE BILL NO. 689 (Fin)

4 IN THE LEGISLATURE OF THE STATE OF ALASKA

5 NINTH LEGISLATURE - SECOND SESSION

6 A BILL

7 For an Act entitled: "An Act relating to a fisheries enhancement loan
8 program; and providing for an effective date."

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

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

11 ARTICLE 9. FISHERIES ENHANCEMENT LOAN PROGRAM.

12 Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the
13 state, under secs. 500-550 of this chapter, to promote the enhance-
14 ment of the state's fisheries by means of long-term, low interest
15 loans for hatchery construction.

16 Sec. 16.10.510. POWERS AND DUTIES OF THE DEPARTMENT. The
17 department may:

- 18 (1) make loans to permit holders, under secs. 400-470 of this
19 chapter, for the planning and construction of hatchery facilities;
20 (2) designate agents and delegate powers to them as necessary;
21 (3) adopt regulations necessary to carry out its functions;
22 (4) establish amortization plans for repayment of loans, not
23 to exceed 25 years;
24 (5) establish the rate of interest not to exceed 8 per cent;
25 (6) establish regional and local offices and advisory groups
26 to carry out, or assist in carrying out, its duties and authority;
27 (7) upon the written approval of the commissioner, defer
28 interest and principal payments up to four years.

29 Sec. 16.10.520. LIMITATIONS ON LOANS. (a) A single fisheries
enhancement loan may not exceed \$3,000,000 for those hatcheries

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1 constructed under a permit granted to a regional or local corporation
2 under sec. 400(f) of this chapter, and may not exceed \$300,000 for all
3 others, but this does not limit refinancing or funding of expanded
4 projects.

5 (b) No loan may exceed 75 per cent of the total project cost.

6 (c) All loans must be secured by acceptable collateral satis-
7 factory to the department, including but not limited to a first
8 deed of trust, assignment of lease and leasehold improvements, or a
9 pledge of assessments from fishermen.

10 (d) The commissioner may require what he considers adequate
11 evidence of performance in utilizing loan funds approved for an
12 initial project before approving a subsequent loan application.

13 Sec. 16.10.530. MANDATORY ASSESSMENT ON SALE OF SALMON. (a) The
14 department, with the advice and approval of the commissioner of fish
15 and game, may establish areas in which an assessment shall be levied
16 on the sale of one or more species of salmon by persons licensed
17 under AS 16.05.540-16.05.600 for the purpose of securing and repay-
18 ing a loan or loans made to a regional association that qualifies as
19 a non-profit, corporate permit holder under secs. 400-470 of this
20 chapter.

21 (b) The rate of the assessment may be adjusted from time to
22 time as between fisheries in proportion to the benefits to the
23 respective fisheries insofar as a significant difference in benefits
24 exists and adjusted from time to time insofar as is necessary to
25 obtain the funds required to repay the loan or finance additional
26 hatcheries.

27 (c) The department and the non-profit, corporate permit holder
28 under secs. 400-470 of this chapter must agree on a means for
29 collection of the assessment before a loan is made, and the department

1 may, by regulation, require its collection by buyers of the salmon
2 upon the sale of which an assessment is levied.

3 (d) The assessment will terminate when the principal and
4 interest on the loan or loans is paid but may be extended insofar as is
5 necessary to secure and repay any additional loans.

6 Sec. 16.10.540. VOLUNTARY ASSESSMENT ON SALE OF SALMON. (a) In
7 place of or in addition to a mandatory assessment as provided for in
8 sec. 530 of this chapter, an association of persons licensed under
9 AS 16.05.540-16.05.600, which consists of at least 51 per cent of the
10 persons so licensed and actively participating in a fishery to be
11 benefitted by a hatchery program for which it or a non-profit corpora-
12 tion (the membership of which consists of at least 51 per cent of
13 those persons) has obtained a permit under secs. 400-470 of this
14 chapter, may levy and collect an assessment from among its members for
15 the purpose of securing and repaying a loan made under sec. 510 of
16 this chapter and for other purposes related to the enhancement of
17 fisheries.

18 (b) Upon satisfactory demonstration to the commissioner that
19 an assessment levied under this section may reasonably be relied
20 upon to secure and repay a loan to be made under sec. 510 of this
21 chapter, the commissioner may make the loan without levying a
22 mandatory assessment under sec. 530 of this chapter.

23 (c) If an assessment made under this section fails to satisfy
24 the payments required on the principal and interest due on the loan
25 the commissioner may levy an assessment under sec. 530 of this
26 chapter.

27 Sec. 16.10.550. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The
28 commissioner may sell or transfer at par value to the Department of
29 Revenue the mortgages and notes held by the department as security for

1 loans made under this chapter. The Department of Revenue shall pur-
2 chase all the mortgages and notes offered until the current princi-
3 pal amount of all the mortgages and notes purchased and held by that
4 department equals \$200,000,000.

5 Sec. 16.10.560. DEFINITIONS. In secs. 500-560 of this chapter:

6 (1) "commissioner" means the commissioner of commerce
7 and economic development;

8 (2) "department" means the Department of Commerce
9 and Economic Development;

10 (3) "hatchery" means a facility for the artificial incu-
11 bation of salmon eggs and might include means for the rearing of juven-
12 ile salmon.

13 * Sec. 2. This Act takes effect immediately in accordance with
14 AS 01.10.070(c).