

Original sponsor: Rules Committee
by request of the Governor

Offered: 4/28/76
Referred: Resources

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 689

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to a fisheries enhancement loan pro-
7 gram; and providing for an effective date."

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

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

10 ARTICLE 9. FISHERIES ENHANCEMENT LOAN PROGRAM.

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

15 Sec. 16.10.510. POWERS AND DUTIES OF THE COMMISSIONER. The com-
16 missioner may

17 (1) make loans to permit holders, under secs. 400 - 470 of
18 this chapter, for the planning and construction of hatchery facilities;

19 (2) make loans to qualified regional associations which have
20 formed a nonprofit corporation or a local nonprofit corporation estab-
21 lished or approved by a qualified regional association, for pre-
22 construction activities necessary to obtain a permit, provided the
23 hatchery has received preliminary project approval from the commissioner
24 of fish and game;

25 (3) designate agents and delegate powers to them as necessary;

26 (4) adopt regulations necessary to carry out his functions;

27 (5) establish amortization plans for repayment of loans, not
28 to exceed 25 years;

29 (6) establish the rate of interest for loans not to exceed

1 eight per cent a year;

2 (7) establish regional and local offices and advisory groups
3 to carry out, or assist in carrying out, his duties and authority;

4 (8) upon written approval, defer interest and principal pay-
5 ments up to six years.

6 Sec. 16.10.520. LIMITATION ON LOANS. (a) A single fisheries
7 enhancement loan may not exceed \$3,000,000 for a hatchery constructed
8 under a permit granted to a qualified regional association which has
9 formed a nonprofit corporation, or to a local nonprofit corporation
10 established or approved by a qualified regional association. A loan for
11 any other hatchery project may not exceed \$300,000.

12 (b) No loan may exceed 75 per cent of the total project cost as
13 determined by the commissioner.

14 (c) All loans must be secured by collateral satisfactory to the
15 commissioner, including but not limited to a first deed of trust,
16 assignment of lease and leasehold improvements, sale of surplus fish
17 from the hatchery, or assessments from fishermen levied under secs.
18 530 - 540 of this chapter.

19 (d) The commissioner may require what he considers adequate
20 evidence of performance in utilizing loan funds approved for an initial
21 or preliminary project before approving a subsequent loan application.

22 Sec. 16.10.530. ASSESSMENT ON SALE OF SALMON. (a) The commis-
23 sioner of commerce and economic development, with the advice and approv-
24 al of the commissioner of fish and game, may establish areas in which an
25 assessment shall be levied on the sale of one or more species of salmon
26 by persons licensed under AS 16.05.540 - 16.05.600. An assessment
27 levied under this section shall be for the purpose of securing repayment
28 of a loan or loans made to a qualified regional association which has
29 formed a nonprofit corporation, or to a local nonprofit corporation

1 established or approved by a qualified regional association, which has
2 obtained a permit under secs. 400 - 470 of this chapter. The rate and
3 conditions of assessments shall be negotiated between the commissioner
4 and the appropriate qualified regional association in conjunction with
5 the issuance of the loan, and the agreement on the rate and conditions
6 of assessment reached between them shall be incorporated into the pro-
7 visions of the loan contract.

8 (b) If conditions warrant alteration of the rate or conditions of
9 assessment, and the alteration would be inconsistent with the agreement
10 negotiated under (a) of this section, the commissioner shall obtain the
11 consent of the appropriate qualified regional association before alter-
12 ing the rate of assessment.

13 (c) The commissioner and the appropriate qualified regional
14 association must agree on a means of collection of the assessment before
15 a loan is made, and the commissioner may, by regulation, require its
16 collection by buyers of the salmon upon the sale of which an assessment
17 is levied.

18 (d) The assessment shall terminate when the principal and interest
19 on the loan is paid.

20 Sec. 16.10.540. VOLUNTARY ASSESSMENT ON SALE OF SALMON. (a) In
21 place of or in addition to an assessment levied under sec. 530 of this
22 chapter, an association of persons licensed under AS 16.05.540 - 16.05.
23 600, which consists of at least 51 per cent of the persons so licensed
24 and actively participating in a fishery to be benefitted by a hatchery
25 program, may levy and collect an assessment from among its members for
26 the purpose of securing and repaying a loan made under sec. 510 of this
27 chapter.

28 (b) Upon satisfactory demonstration to the commissioner that an
29 assessment levied under this section may reasonably be relied upon to

1 secure and repay a loan to be made under sec. 510 of this chapter, the
2 commissioner may make the loan without requiring an assessment under
3 sec. 530 of this chapter.

4 (c) If an assessment made under this section fails to satisfy the
5 payments required on the principal and interest due on the loan the
6 commissioner may negotiate with the regional association to levy an
7 assessment under sec. 530 of this chapter.

8 Sec. 16.10.550. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The
9 commissioner may sell or transfer at par value to the Department of
10 Revenue the mortgages and notes held by the department as security for
11 loans made under this chapter. The Department of Revenue shall purchase
12 all the mortgages and notes offered until the current principal amount
13 of all the mortgages and notes purchased and held by that department
14 equals \$200,000,000.

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

16 (1) "commissioner" means the commissioner of commerce and
17 economic development;

18 (2) "hatchery" means a facility for the artificial incubation
19 of salmon eggs which may include means for the rearing of juvenile
20 salmon.

21 * Sec. 2. AS 16.10.310(a)(1)(B) is repealed.

22 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
23 070(c).