

Original sponsor: Rules Committee
by request of the Governor

Offered: 5/24/76
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR 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, including those holders issued permits before the effective
19 date of this Act, for the planning and construction of hatchery facili-
20 ties;

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

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

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

29 (5) establish amortization plans for repayment of loans, not

1 to exceed 25 years;

2 (6) establish the rate of interest for loans not to exceed
3 eight per cent a year;

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

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

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

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

16 (c) All loans must be secured by collateral satisfactory to the
17 commissioner, including but not limited to a first deed of trust,
18 assignment of lease and leasehold improvements, sale of surplus fish
19 from the hatchery, or assessments from fishermen levied under secs.
20 530 - 540 of this chapter.

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

24 (e) The total amount of loans made or purchased in any fiscal year
25 shall not exceed the amount specifically authorized by statute. The
26 amount to be purchased shall not exceed \$3,000,000 for fiscal year 1977
27 and \$10,000,000 for fiscal year 1978.

28 Sec. 16.10.530. ASSESSMENT ON SALE OF SALMON. (a) The commis-
29 sioner of commerce and economic development, with the advice and approval

1 of the commissioner of fish and game, may establish areas in which an
2 assessment shall be levied on the sale of one or more species of salmon
3 by persons licensed under AS 16.05.540 - 16.05.600. An assessment
4 levied under this section shall be for the purpose of securing repayment
5 of a loan or loans made to a qualified regional association which has
6 formed a nonprofit corporation, or to a local nonprofit corporation
7 established or approved by a qualified regional association, which has
8 obtained a permit under secs. 400 - 470 of this chapter. The rate and
9 conditions of assessments shall be negotiated between the commissioner
10 and the appropriate qualified regional association in conjunction with
11 the issuance of the loan, and the agreement on the rate and conditions
12 of assessment reached between them shall be incorporated into the pro-
13 visions of the loan contract.

14 (b) If conditions warrant alteration of the rate or conditions of
15 assessment, and the alteration would be inconsistent with the agreement
16 negotiated under (a) of this section, the commissioner shall obtain the
17 consent of the appropriate qualified regional association before alter-
18 ing the rate of assessment.

19 (c) The commissioner and the appropriate qualified regional
20 association must agree on a means of collection of the assessment before
21 a loan is made, and the commissioner may, by regulation, require its
22 collection by buyers of the salmon upon the sale of which an assessment
23 is levied.

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

26 Sec. 16.10.540. VOLUNTARY ASSESSMENT ON SALE OF SALMON. (a) In
27 place of or in addition to an assessment levied under sec. 530 of this
28 chapter, an association of persons licensed under AS 16.05.540 - 16.05.-
29 600, which consists of at least 51 per cent of the persons so licensed

1 and actively participating in a fishery to be benefitted by a hatchery
2 program, may levy and collect an assessment from among its members for
3 the purpose of securing and repaying a loan made under sec. 510 of this
4 chapter.

5 (b) Upon satisfactory demonstration to the commissioner that an
6 assessment levied under this section may reasonably be relied upon to
7 secure and repay a loan to be made under sec. 510 of this chapter, the
8 commissioner may make the loan without requiring an assessment under
9 sec. 530 of this chapter.

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

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

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

22 (1) "commissioner" means the commissioner of commerce and
23 economic development;

24 (2) "hatchery" means a facility for the artificial incubation
25 of salmon eggs which may include means for the rearing of juvenile
26 salmon.

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

28 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
29 070(c).