

BY ELIASON, AKERS, BENNETT, DUNCAN,
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1 IN THE HOUSE

2 HOUSE BILL NO. 255

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Commercial Fishing Loan Act."

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

8 * Section 1. AS 16.10.320 is amended to read:

9 Sec. 16.10.320. LIMITATIONS ON LOANS. A commercial fishing loan
10 may not exceed \$150,000 [\$100,000]. A loan may not run longer than 15
11 years or bear interest exceeding seven per cent, and it shall be secured
12 by a first lien and appropriate security agreements, except that a lien
13 in favor of the state is not required for loans guaranteed fully by the
14 federal government under the Federal Ship Financing Act of 1972 (46
15 U.S.C. secs. 1271 - 1279b; 86 Stat. 909), as amended, and loans granted
16 under sec. 310(a)(1)(B) of this chapter may be secured by other accept-
17 able collateral as determined appropriate by the department, including
18 but not limited to a pledge of assessments from fishermen to finance the
19 establishment of hatcheries under secs. 400 - 470 of this chapter. In
20 the case of a security agreement given to secure a loan made under secs.
21 300 - 370 of this chapter and covering a vessel documented under the
22 laws of the United States and so long as the Ship Mortgage Act of 1920
23 (46 U.S.C. secs. 911 - 984; 41 Stat. 1000), as amended, and the Shipping
24 Act of 1916 (46 U.S.C. secs. 801 - 842; 39 Stat. 728), as amended,
25 remain ambiguous with respect to whether or not a state or state agency
26 qualifies as a citizen of the United States for purposes of those Acts,
27 the first lien requirement of this section may be satisfied by the
28 recordation and endorsement of a first preferred ship mortgage under the
29 Ship Mortgage Act of 1920, and by perfection of a security interest

1 under the Uniform Commercial Code - Secured Transactions (AS 45.05.690 -
2 45.05.794), if the approval of the Secretary of Commerce is obtained
3 under 46 U.S.C. sec. 839 for the transfer to the department of the
4 interest in a vessel documented under the laws of the United States. In
5 the case of a security agreement given to secure a loan made under secs.
6 300 - 370 of this chapter and covering a vessel documented under the
7 laws of the United States, the first lien requirement of this section
8 may also be satisfied by use of a trust deed and bond issue under it, if
9 the trustee is a citizen of the United States and obtains a first pre-
10 ferred ship mortgage on the vessel under the Ship Mortgage Act of 1920,
11 and the approval of the Secretary of Commerce is obtained under 46
12 U.S.C. secs. 839 and 961 for the transfer of the bond or bonds to the
13 department if the trustee is not a trustee approved by the Secretary of
14 Commerce under 46 U.S.C. secs. 808, 835 and 961. Except for loans
15 granted under sec. 310(a)(1)(B) of this chapter, loans may not exceed 75
16 per cent of the appraised value of the collateral used to secure the
17 loan.