

Introduced: 1/9/78  
Referred: Resources and  
Finance

1 IN THE HOUSE

BY OSTERBACK AND SNIDER

2 HOUSE BILL NO. 574

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to commercial fishing loans; and  
7 providing for an effective date."

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

9 \* Section 1. AS 16.10.320 is amended to read:

10 Sec. 16.10.320. LIMITATIONS ON LOANS. A commercial fishing loan  
11 may not exceed \$300,000 [\$150,000]. A loan may not run longer than  
12 20 [15] years or bear interest exceeding five [SEVEN] per cent, and it  
13 shall be secured by a first lien and appropriate security agreements,  
14 except that a lien in favor of the state is not required for loans  
15 guaranteed fully by the federal government under the Federal Ship  
16 Financing Act of 1972 (46 U.S.C. secs. 1271 - 1279b; 86 Stat. 909), as  
17 amended. In the case of a security agreement given to secure a loan  
18 made under secs. 300 - 370 of this chapter and covering a vessel  
19 documented under the laws of the United States and so long as the Ship  
20 Mortgage Act of 1920 (46 U.S.C. secs. 911 - 984; 41 Stat. 1000), as  
21 amended, and the Shipping Act of 1916 (46 U.S.C. secs. 801 - 842; 39  
22 Stat. 728), as amended, remain ambiguous with respect to whether or not  
23 a state or state agency qualifies as a citizen of the United States for  
24 purposes of those Acts, the first lien requirement of this section may  
25 be satisfied by the recordation and endorsement of a first preferred  
26 ship mortgage under the Ship Mortgage Act of 1920, and by perfection of  
27 a security interest under the Uniform Commercial Code - Secured Trans-  
28 actions (AS 45.05.690 - 45.05.794), if the approval of the Secretary of  
29 Commerce is obtained under 46 U.S.C. sec. 839 for the transfer to the

1 department of the interest in a vessel documented under the laws of the  
2 United States. In the case of a security agreement given to secure a  
3 loan made under secs. 300 - 370 of this chapter and covering a vessel  
4 documented under the laws of the United States, the first lien require-  
5 ment of this section may also be satisfied by use of a trust deed and  
6 bond issue under it, if the trustee is a citizen of the United States  
7 and obtains a first preferred ship mortgage on the vessel under the  
8 Ship Mortgage Act of 1920, and the approval of the Secretary of Commerce  
9 is obtained under 46 U.S.C. secs. 839 and 961 for the transfer of the  
10 bond or bonds to the department if the trustee is not a trustee approved  
11 by the Secretary of Commerce under 46 U.S.C. secs. 808, 835 and 961.  
12 Loans may not exceed 90 [75] per cent of the appraised value of the  
13 collateral used to secure the loan.

14 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
15 070(c).