

Introduced: 2/24/77
Referred: Resources,
Commerce and Finance

1 IN THE SENATE

BY POLAND

2 *HCS* SENATE BILL NO. 184 *am (FIN) H*
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

19 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).