

Introduced: 4/8/80
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 995

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to repayment of loans made under the
7 Commercial Fishing Loan Act."

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

9 * Section 1. AS 16.10.320(a) is amended to read:

10 (a) Except as provided in (b), (c), (d), [AND] (e), and (i) of
11 this section, commercial fishing loans granted under AS 16.10.300 -
12 16.10.370

13 (1) may not exceed \$500,000;

14 (2) may not exceed a term of 15 years;

15 (3) may not bear interest exceeding nine and one-half per-
16 cent;

17 (4) shall be secured by a first priority lien and appropriate
18 security agreement; and

19 (5) may not exceed 75 percent of the appraised value of the
20 collateral used to secure the loan, except that a loan granted under
21 AS 16.10.333 for the purchase of an Alaska limited entry permit may not
22 exceed an amount determined in accordance with (f) of this section.

23 * Sec. 2. AS 16.10.320(c)(3) is amended to read:

24 (3) may not exceed a term of 15 years except as provided in
25 (i) of this section;

26 * Sec. 3. AS 16.10.320(e)(2) is amended to read:

27 (2) may not exceed a term of 15 years except as provided in
28 (i) of this section;

29 * Sec. 4. AS 16.10.320 is amended by adding new subsections to read:

1 (h) An applicant for a loan under AS 16.10.300 - 16.10.370 may
2 elect to repay the loan in accordance with

3 (1) an amortization plan established under AS 16.10.310(a)(4);
4 or

5 (2) an agreement between the applicant and the commissioner
6 providing for repayment based on a percentage of the applicant's gross
7 income.

8 (i) If the applicant elects to enter into an agreement described
9 in (h)(2) of this section,

10 (1) the applicant and the commissioner or his designee shall
11 enter into negotiations to determine the percentage of the applicant's
12 gross income to be applied toward repayment of the loan; if the appli-
13 cant and the commissioner or his designee cannot agree on a percentage
14 within 90 days of the start of negotiations under this paragraph, the
15 applicant shall repay the loan as provided in (h)(1) of this section;

16 (2) the agreement shall provide that, notwithstanding the
17 amount of the applicant's gross income, repayments under the agreement
18 must be at least equal to the amount of interest accrued under the loan;

19 (3) the applicant shall provide the commissioner with informa-
20 tion the commissioner requests relating to the applicant's gross income
21 during previous years;

22 (4) the provisions in AS 16.10.300 - 16.10.370 relating to
23 the maximum terms of loans do not apply to the loan;

24 (5) the agreement shall provide that if the applicant fails
25 for three consecutive years to repay a portion of the principal on the
26 loan, the applicant shall be required to repay the loan in accordance
27 with an amortization plan established under AS 16.10.310(a)(4) with a
28 maximum term of 15 years which may be reduced by the commissioner by the
29 number of years the loan has been outstanding.

1 * Sec. 5. A person who has received a loan under AS 16.10.300 - 16.10.370
2 and whose loan is outstanding on the effective date of this Act may elect to
3 repay the outstanding portion of the loan as provided in AS 16.10.320(h)(2).
4 If a person elects to repay the outstanding portion of his loan as provided
5 in AS 16.10.320(h)(2), he shall notify the commissioner of commerce and
6 economic development of his election in writing. The election is subject to
7 AS 16.10.320(i).

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