

Introduced: 2/3/81
Referred: Resources and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 140

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a fishery product revolving loan
7 fund; and providing for an effective date."

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

9 * Section 1. AS 44.25 is amended by adding new sections to read:

10 ARTICLE 3. FISHERY PRODUCT REVOLVING LOAN FUND.

11 Sec. 44.25.040. CREATION OF LOAN FUND. There is created in the
12 Department of Revenue a fishery product revolving loan fund.

13 Sec. 44.25.045. FISHERY PRODUCT LOANS. The department may pur-
14 chase participations in loans made to fish processors with facilities
15 located in Alaska and which are used to finance processing of fishery
16 products from Alaskan fisheries.

17 Sec. 44.25.050. POWERS AND DUTIES OF THE DEPARTMENT. (a) The
18 commissioner may

19 (1) designate agents and delegate powers to them as is
20 necessary;

21 (2) adopt regulations to implement AS 44.25.040 -- 44.25.065;

22 (3) make and execute contracts and other instruments to im-
23 plement AS 44.25.040 -- 44.25.065;

24 (4) purchase participations in notes and agreements securing
25 loans in accordance with AS 44.25.040 -- 44.25.065;

26 (5) require that loans in which the fishery product re-
27 volving loan fund participates be secured by adequate collateral;

28 (6) acquire real or personal property by purchase, transfer,
29 or foreclosure when that acquisition is necessary to protect a note in

1 which the fund has an interest.

2 (b) Money in the revolving loan fund that is not being used for
3 participations in fishery product loans must be invested by the depart-
4 ment in the same manner as provided for the investment of general fund
5 surplus under AS 37.10.070.

6 (c) Earnings and interest income from investment and fishery pro-
7 duct loan participations must be transferred to the general fund. Re-
8 payments of principal from investments and loan participations must be
9 returned to the fishery product revolving loan fund.

10 Sec. 44.25.055. LIMITATIONS ON LOANS. Loan participations pur-
11 chased under AS 44.25.040 -- 44.25.065 are subject to the following
12 limitations:

13 (1) state participation in a single loan may not exceed 90
14 percent of the total amount of the loan;

15 (2) the term of a loan may not exceed one year;

16 (3) the loan must be secured by inventory or accounts re-
17 ceivable of the fish processor and may not exceed 75 percent of the
18 appraised value of the collateral taken as security;

19 (4) the loan must be originated and serviced by either the
20 Alaska Commercial Fishing and Agriculture Bank (AS 44.81.010) or by a
21 state or federally chartered financial institution;

22 (5) the servicing charge on the loan may not exceed one-half
23 of one percent of the outstanding balance of the loan;

24 (6) the rate of interest, including all service fees, on the
25 unpaid balance of one loan fund's participation in a loan shall float
26 at the average rate at which six month U.S. Treasury bills are awarded
27 in the weekly auction of U.S. Treasury bills, plus three and three-
28 fourths percentage points, but may not exceed the applicable interest
29 rate;

1 (7) loans must be made only to fish processors with facil-
2 ities located in Alaska.

3 Sec. 44.25.060. SALE OR TRANSFER OF MORTGAGES AND NOTES. The de-
4 partment may sell or transfer at par value or at a premium or discount
5 to any bank or other private purchaser for cash or other consideration
6 the mortgages and notes held as security for loans made under AS 44.-
7 25.040 -- 44.25.065. The proceeds from such a sale or transfer are
8 assets of the fishery product revolving loan fund.

9 Sec. 44.25.065. DEFINITIONS. In AS 44.25.040 -- 44.25.065

10 (1) "commissioner" means the commissioner of revenue;

11 (2) "department" means the Department of Revenue;

12 (3) "fish processor" means a person engaging in a business
13 for which a license is required under AS 43.75.010 -- 43.75.090;

14 (4) "fishery product" means fin fish, shellfish, and fish
15 byproducts, including but not limited to salmon, halibut, herring,
16 flounder, crab, clam, cod, shrimp, and pollock;

17 (5) "fund" means the fishery product revolving loan fund.

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