

Introduced: 5/13/81
Referred: Judiciary, Labor &
Commerce and
Finance

1 IN THE SENATE

BY HOHMAN

2 SENATE BILL NO. 563

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 production credit revolving
7 loan fund for Alaska fishery cooperatives; and provid-
8 ing for an effective date."

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

10 * Section 1. AS 45 is amended by adding a new chapter to read:

11 CHAPTER 86. ALASKA FISHERY COOPERATIVE PRODUCTION CREDIT
12 REVOLVING LOAN FUND.

13 Sec. 45.86.010. ESTABLISHMENT OF LOAN FUND. The Alaska fishery
14 cooperative production credit revolving loan fund is established in the
15 Department of Revenue.

16 Sec. 45.86.020. PRODUCTION CREDIT REVOLVING LOANS. The depart-
17 ment may make production credit loans to fishery cooperatives to finance
18 inventories of fresh, canned, frozen, or processed products from Alaska
19 fisheries.

20 Sec. 45.86.030. POWERS AND DUTIES OF THE DEPARTMENT. (a) The
21 commissioner may

22 (1) designate agents and delegate powers to them as neces-
23 sary;

24 (2) adopt regulations to implement and administer the fund
25 and fishery cooperative production credit loans under this chapter;

26 (3) make and execute contracts and other instruments to
27 implement this chapter;

28 (4) make loans and contracts in accordance with this chapter;

29 (5) acquire real or personal property by purchase, transfer,

1 or foreclosure when that acquisition is necessary to protect a loan or
2 note in which the fund has an interest.

3 (b) Money in the fund that is not being used for loans to fishery
4 cooperatives must be invested by the department in the manner provided
5 for the investment of general fund surplus under AS 37.10.070.

6 (c) Earnings and interest income from investments and loans shall
7 be transferred to the general fund. Repayments of principal from
8 investments and loans shall be returned to the revolving fund.

9 Sec. 45.08.040. LIMITATIONS ON LOANS. Loans made under this
10 chapter are subject to the following limitations:

11 (1) a loan may not be made under this chapter to a fisheries
12 cooperative to finance inventory unless the cooperative borrows, from
13 other sources, at least 10 percent of the total amount borrowed to
14 finance inventory;

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

16 (3) the loan must be secured by inventory of fishery products
17 or accounts receivable of the fishery cooperative and may not exceed 75
18 percent of the collateral taken as security;

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

22 (5) the servicing charge on a 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 a loan under the fund may not be fixed and shall be
26 determined by the average interest rate at which six-month U.S. Treasury
27 bills are awarded in the weekly auction of U.S. Treasury bills, plus
28 three and three-quarters percentage points;

29 (7) loans may be made only to fishery cooperatives.

1 Sec. 45.86.050. DEFINITIONS. In this chapter

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

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

4 (3) "fishery cooperative" means a cooperative organized
5 under AS 10.15 for the purpose of engaging in a fishery business;

6 (4) "fishery products" means finfish, shellfish, and fish
7 by-products, including but not limited to salmon, halibut, herring,
8 flounder, crab, clam, cod, shrimp and pollock;

9 (5) "fund" means the Alaska fishery cooperative production
10 credit revolving loan fund.

11 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
12 070(c).