Offered: 4/6/83
Referred: Rules

Original sponsors: Hayes, Flood, Lindauer, et al

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 15 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to commercial fishing loans (AS 16.-
7 10.300 - 16.10.370); and providing for an effective
8 date."

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

10 * Section 1. AS 16.10.310(a) is amended to read:

11 (a) The department may

12 (1) make loans to

13 (A) individual commercial fishermen who have been
14 state residents for a continuous period of two years [FIVE YEARS
15 immediately preceding the date of application for a loan under
16 AS 16.10.300 - 16.10.370 and have had a crewmember or commercial
17 fishing license under AS 16.05.480 or a permit under AS 16.43 for
18 the year immediately preceding the date of application and any
19 other two [ANY ONE] of the past five years, and who actively
20 participated in the fishery during those periods [THAT PERIOD],
21 for the purchase of entry permits;

22 (B) an individual who has been a state resident for a
23 continuous period of two years [FIVE YEARS] immediately preceding
24 the date of application for a loan under AS 16.10.300 - 16.10.-
25 370, who

26 (i) because of lack of training or lack of em-
27 ployment opportunities in the area of residence does not
28 have occupational opportunities available other than commer-
29 cial fishing; or

(ii) is economically dependent on commercial fishing for a livelihood and <u>for whom</u> commercial fishing has been a traditional way of life for the individual in Alaska, for the repair, restoration or upgrading of existing vessels and gear, for the purchase of entry permits and gear, and for the construction and purchase of vessels;

(C) corporations, partnerships, or joint ventures, 100 percent of which are owned by individual commercial fishermen who have been state residents for a continuous period of <u>two years</u> [FIVE YEARS] immediately preceding the date of application for a loan under AS 16.10.310(a)(1)(B) and have had a crewmember or commercial fishing license under AS 16.05.480 or a permit under AS 16.43 for <u>the year immediately preceding the date of application and any other two</u> [ANY ONE] of the past five years, and who actively participated in the fishery during that period, for the repair, restoration or upgrading of existing vessels and gear, for the purchase of gear, and for the construction and purchase of vessels;

(2) designate agents and delegate its powers to them as necessary;

(3) adopt regulations necessary to carry out its functions;

(4) establish amortization plans for repayment of loans, which may include extensions for poor fishing seasons or for adverse market conditions for Alaskan products;

(5) enter into agreements with private lending institutions, other state agencies, or agencies of the federal government, to carry out the purposes of AS 16.10.300 - 16.10.370;

(6) enter into agreements with other agencies or organizations to create an outreach program to make loans under AS 16.10.300 -

16.10.370 in rural areas of the state.

* Sec. 2. AS 16.10 is amended by adding a new section to read:

Sec. 16.10.315. ALLOCATION OF LOANS. The department shall allocate at least 10 percent of the money that is appropriated for a state fiscal year to make loans under AS 16.10.310 for loans of $35,000 or less made under AS 16.10.310(a)(1)(B) and (C). An allocation made under this section terminates on April 15 of the state fiscal year for which the allocation is made.

* Sec. 3. AS 16.10.335(a)(6) is amended to read:

(6) a statement that the note may be paid in full less unearned interest within 120 [90] days from the postmark date of the notice;

* Sec. 4. AS 16.10.335(b) is amended to read:

(b) Upon the debtor's failure to [REINSTATE OR] satisfy the note within the time specified in (a)(6) of this section, the debtor's [HIS] interest in the permit is terminated by operation of law without further notice. Any entry permit cards issued to the debtor [HIM] under the permit shall be cancelled immediately upon receipt by the commission of a certificate of termination containing a copy of the notice required by (a) of this section issued by the commissioner.

* Sec. 5. AS 16.10.337(b) is amended to read:

(b) If the commission does not exercise its right of first refusal within 30 days after it receives the offer, or if the permit is not subject to a buy-back program under AS 16.43.290 - 16.43.330, the department shall promptly advertise and sell the permit. If the proceeds of the sale of a permit exceed the amount necessary to pay the note in full, plus penalties, costs of administration of the note, and attorney fees, the excess will be transferred by the commissioner to the debtor. At any time until the permit has been sold under this

1 subsection the debtor may repurchase the permit by paying the
2 department the amount necessary to pay the note in full, plus
3 penalties, costs of administration of the note, and attorney fees, as
4 determined by the commissioner [NOTIFY THE DEBTOR OF THIS FACT. THE
5 DEBTOR HAS 30 DAYS FROM THE POSTMARK DATE OF THE NOTICE TO NOMINATE A
6 PERSON QUALIFIED TO ASSUME THE NOTE. THE PERSON NOMINATED MUST
7 QUALIFY UNDER THE REQUIREMENTS OF AS 16.10.333(a). IF QUALIFIED, HE
8 MAY ASSUME ALL RIGHTS AND LIABILITIES OF THE ORIGINAL DEBTOR].
9 * Sec. 6. SAVING PROVISION. If an application for a loan under AS 16.-
10 10.310 - 16.10.370 is filed with the department before the effective date
11 of this Act, eligibility for the loan shall be determined by the law in
12 effect at the time of the filing of the application if the applicant is
13 eligible under the terms of that law.
14 * Sec. 7. This Act takes effect immediately in accordance with AS 01.-
15 10.070(c).