

Introduced: 4/9/85
Referred: Finance

1 IN THE SENATE

BY KERTTULA

2

SENATE BILL NO. 274

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to renewable resource loans and
7 guarantees; and providing for an effective date."

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

9 * Section 1. AS 45.92.010 is amended to read:

10 Sec. 45.92.010. ESTABLISHMENT OF FUND. The renewable resource
11 [FISHERY PRODUCT] revolving [LOAN GUARANTEE] fund is established in
12 the Department of Revenue.

13 * Sec. 2. AS 45.92.020 is amended to read:

14 Sec. 45.92.020. LOANS AND [FISHERY PRODUCT] GUARANTEES. The
15 department may use money in the fund to

16 (1) guarantee a loan made to a fish processor with facil-
17 ities in Alaska for the purpose of financing [(1) THE PURCHASE AND]
18 processing of fishery products from Alaska fisheries; [OR]

19 (2) guarantee loans to finance commercial renewable
20 resource development in the state including timber processing or mar-
21 keting;

22 (3) purchase no more than 80 percent of a loan made by the
23 Commercial Fishing and Agriculture Bank under AS 44.81.210 to finance
24 commercial timber, processing or marketing; and

25 (4) guarantee no more than 80 percent of a bond issued by
26 the Commercial Fishing and Agriculture Bank under AS 44.81.210(a)(7)
27 if the bond proceeds are used only to make loans for a guarantee or
28 purchase authorized under this chapter [THE REPURCHASING, TRANSPORT-
29 ING, REPACKAGING, INSPECTING, AND STORING OF ALASKA FISHERY PRODUCTS

1 THAT ARE RECALLED IN 1982].

2 * Sec. 3. AS 45.92.040 is amended to read:

3 Sec. 45.92.040. INVESTMENT OF THE FUND. Money in the fund that
4 is not being used [FOR LOAN GUARANTEES] under this chapter shall be
5 invested as provided for the investment of state treasury surplus
6 under AS 37.10.070. Income from investment and repaid principal and
7 interest from loans purchased under this chapter shall be deposited in
8 the fund [SHALL BE TRANSFERRED TO THE GENERAL FUND].

9 * Sec. 4. AS 45.92.050(a) is amended to read:

10 (a) The department may guarantee a loan under this chapter if

11 (1) the term of the loan does not exceed three years [ONE
12 YEAR];

13 (2) the loan is secured by inventory or accounts receivable
14 of the [FISH] processor, and [OR] by other collateral acceptable to
15 the department;

16 (3) the loan is originated with and serviced by the Alaska
17 Commercial Fishing and Agriculture Bank [, OR BY A STATE OR FEDERALLY
18 CHARTERED FINANCIAL INSTITUTION LOCATED IN THE STATE]; and

19 (4) the majority interest in the borrower [FISH PROCESSOR]
20 is beneficially owned by residents of the state and the majority of
21 owners of the borrower [FISH PROCESSOR] are residents of the state.

22 * Sec. 5. AS 45.92.050(b) is amended to read:

23 (b) The department may provide a guarantee from the fund for up
24 to 80 [50] percent of a loan, but may not guarantee more than
25 \$5,000,000 [\$15,000,000 PER LOAN OR \$30,000,000] per borrower. The
26 department may not guarantee the payment of annual interest on the
27 guaranteed portion of a loan.

28 * Sec. 6. AS 45.92.050 is amended by adding new subsections to read:

29 (d) To the extent permitted by federal law, the requirements of

1 the federal farm credit system do not apply to loans guaranteed or
2 purchased under this chapter.

3 (e) The interest rate on a loan of the Commercial Fishing and
4 Agriculture Bank purchased or guaranteed under this chapter may not
5 exceed the average earning rate of the state's treasury investment
6 securities for the quarter before the loan is purchased or guaranteed.

7 * Sec. 7. AS 45.92.060(6) is amended to read:

8 (6) "fund" means the renewable resource [FISHERY PRODUCT]
9 revolving [LOAN GUARANTEE] fund.

10 * Sec. 8. This Act takes effect immediately in accordance with AS 01.-
11 10.070(c).