

CS FOR SENATE BILL NO. 416 (FINANCE) am
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 5/8/92
Offered: 5/7/92

Sponsor(s): SENATORS ZHAROFF, Jones

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing the commissioner of commerce and economic development to defer
2 certain principal and interest payments on loans made under the fishery enhancement loan
3 program to accommodate transfer of operational responsibility for state-owned hatcheries."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * Section 1. PURPOSE. It is the purpose of this Act to provide assistance to qualified regional
6 aquaculture associations and their nonprofit corporations in order to accommodate a transfer of
7 operational responsibility for hatcheries that are or have been operated by the state. Deferral of the
8 principal and interest payments due on fisheries enhancement loans by these associations and
9 corporations would provide these entities necessary operating capital without payment of direct state aid
10 by appropriations of state money necessary to make those hatcheries self-sufficient.

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

12 Sec. 16.10.527. DEFERRAL OF CERTAIN PAYMENTS ON LOANS. (a) In addition
13 to deferral of repayment of principal under AS 16.10.525, the commissioner may defer repayment
14 of principal on a loan made under AS 16.10.510 to a regional aquaculture association or a

1 nonprofit corporation owned by a regional aquaculture association if the loan qualifies under (c)
2 of this section. The regional aquaculture association's or nonprofit corporation's repayment may
3 be deferred under this section for a period of time determined by the commissioner that is
4 sufficient to defray the costs of operation of a hatchery that are to be paid from money earned
5 by the hatchery's fish cost recovery program. The deferment period may not exceed five years.

6 (b) Interest on the principal of a loan made under AS 16.10.510 does not accrue during
7 the period of deferral approved by the commissioner under this section.

8 (c) The commissioner may defer repayment of a loan under this section if

9 (1) the association or corporation holding the loan has entered into a multi-year
10 agreement with the state to assume the operational responsibility for and payment of the
11 associated costs of operation of the hatchery;

12 (2) the subject of the agreement is a state-owned hatchery that had insufficient
13 returning adult salmon to support a cost-recovery program while operated by the state;

14 (3) the association or corporation assumed operational responsibility for the
15 hatchery after June 30, 1991; and

16 (4) in the judgment of the commissioner, deferral of repayment of the loan
17 principal would materially assist the association or corporation to pay the costs of operation of
18 the hatchery that are to be paid from money earned by the hatchery's fish cost recovery program.