

## SENATE BILL NO. 251

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY SENATOR JACKO

Introduced: 1/14/94  
Referred: L&C, FIN

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to the commercial fishing revolving loan fund and the fisheries  
2 enhancement revolving loan fund."

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

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

5 (a) The department may

6 (1) make loans to

7 (A) individual commercial fishermen who have been state  
8 residents for a continuous period of two years immediately preceding the date  
9 of application for a loan under AS 16.10.300 - 16.10.370 and have had a  
10 crewmember or commercial fishing license under AS 16.05.480 or a permit  
11 under AS 16.43 for the year immediately preceding the date of application and  
12 any other two of the past five years, and who actively participated in the  
13 fishery during those periods,

14 (i) for the purchase of entry permits;



1 an outreach program to make loans under AS 16.10.300 - 16.10.370 in rural areas of  
2 the state;

3 (7) allow an assumption of a loan if

4 (A) the applicant has been a state resident for a continuous  
5 period of two years immediately preceding the date of the request for an  
6 assumption; and

7 (B) approval of the assumption would be consistent with the  
8 purposes of AS 16.10.300; an applicant for a loan assumption may not be  
9 disqualified because the applicant does not meet the loan eligibility  
10 requirements of (1) of this subsection;

11 (8) prequalify loan applicants for a limited entry permit loan and charge  
12 a fee not to exceed \$200 for prequalification;

13 (9) charge and collect the fees established under this subsection;

14 (10) refinance a debt obligation incurred by a borrower or borrowers  
15 under this section if the borrower or borrowers otherwise qualify for a loan under  
16 AS 16.10.300 - 16.10.370; the department shall collect a refinancing loan origination  
17 charge of one-half percent of the amount of the debt obligation that has been  
18 refinanced when the first refinancing payment is due;

19 (11) refinance debt obligations, not to exceed \$300,000, incurred by  
20 a borrower or borrowers for the purchase of a commercial fishing vessel or gear  
21 if the borrower or borrowers otherwise qualify for a loan under AS 16.10.300 -  
22 16.10.370; the department may collect a refinancing loan origination charge as  
23 provided by regulation.

24 \* Sec. 2. AS 16.10.320(a) is amended to read:

25 (a) Except as permitted in (h) of this section, a loan under AS 16.10.300 -  
26 16.10.370

27 (1) may not exceed a term of 15 years, except for extensions under  
28 AS 16.10.310(a)(4);

29 (2) may not bear interest exceeding 10 1/2 percent;

30 (3) must be secured by a first priority lien and appropriate security  
31 agreement;

1 (4) may not exceed 90 percent of the appraised value of the collateral  
2 used to secure the loan; and

3 (5) may not be made to a person who has a past due child support  
4 obligation established by court order or by the child support enforcement division  
5 under AS 25.27.160 - 25.27.220 at the time of application, unless the loan is made  
6 to satisfy past due child support obligations that may result in the execution upon  
7 and involuntary transfer of the person's entry permit.

8 \* Sec. 3. AS 16.10.320(d) is amended to read:

9 (d) The total of balances outstanding on loans made to a borrower under  
10 AS 16.10.310(a)(1)(A) may not exceed \$300,000. The total of balances outstanding  
11 on loans made to a borrower under AS 16.10.310(a)(1)(B) may not exceed \$100,000.  
12 The total of balances outstanding on all loans, including debt refinancing under  
13 AS 16.10.310(a), made to a borrower under AS 16.10.300 - 16.10.370 may not  
14 exceed \$300,000.

15 \* Sec. 4. AS 16.10.340 is amended by adding a new subsection to read:

16 (c) Money in the fund that the commissioner determines to be excess to that  
17 needed to carry out the purpose of AS 16.10.300 - 16.10.370 may be used to carry out  
18 the purpose of AS 16.10.500 - 16.10.560.

19 \* Sec. 5. AS 16.10.505(a) is amended to read:

20 (a) There is created within the Department of Commerce and Economic  
21 Development a revolving fund to be known as the fisheries enhancement revolving  
22 loan fund. Except as provided in (b) and (c) of this section, the fund shall be used to  
23 carry out the purposes of AS 16.10.500 - 16.10.560 and for no other purpose. All  
24 principal and interest payments, and money chargeable to principal or interest that is  
25 collected through liquidation by foreclosure or other process on loans made under  
26 AS 16.10.500 - 16.10.560, shall be paid into the fisheries enhancement revolving loan  
27 fund.

28 \* Sec. 6. AS 16.10.505 is amended by adding a new subsection to read:

29 (c) Money in the fund that the commissioner determines to be excess to that  
30 needed to carry out the purpose of AS 16.10.500 - 16.10.560 may be used to carry out  
31 the purpose of AS 16.10.300 - 16.10.370.