

COMMITTEE REPORT

2/24/76

HOUSE

Mr. Speaker:

Date \_\_\_\_\_

The Committee on FINANCE has had HB 641

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

( ) recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Members NOT concurring in the Majority report:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ Chairman

"An Act relating to the commercial fishing loan act; and providing for an effective date."

COMMITTEE REPORT

1/23/76

HOUSE

FINANCE

Mr. Speaker:

Date 2-23-76

The Committee on RESOURCES has had HB 641

under consideration. A Majority of the members of the Committee

( ) recommends it DO PASS

( ) recommends it DO NOT PASS

recommends it DO PASS WITH ATTACHED AMENDMENT(S)

( ) recommends it BE REPLACED WITH CS FOR \_\_\_\_\_ AND THAT

CS FOR \_\_\_\_\_ DO PASS

( ) "and" recommends it BE REFERRED TO THE \_\_\_\_\_

COMMITTEE

( ) reports it back WITHOUT RECOMMENDATION

( ) "other"

Members signing the Majority report:

<u>Neil A. Anderson, Jr.</u>	<u>Richard</u>	_____
<u>Joe</u>		_____
<u>Jimmy Huntington</u>		_____
<u>Alvin Osterback</u>		_____

Members NOT concurring in the Majority report:

ITINE HERSHBERGER recommends: Do Not Pass

TRhode recommends: No Rec

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

\_\_\_\_\_ recommends:

Neil A. Anderson, Jr. Chairman  
Chairman's report attached

AMENDMENT # 1

OFFERED IN THE HOUSE:

BY: House Resources Committee

To: Amend HOUSE BILL No. 641

SENATE BILL No. \_\_\_\_\_

PAGE: 1

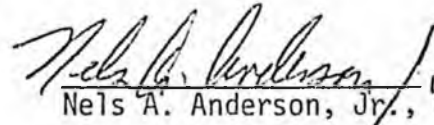
LINE: 14

after the word economically add a  
comma (,)

House Resource Committee - Committee Report

HB 641 The intent of the House Resources Committee in passing HB 641 is to focus attention on areas impacted by adverse fishing conditions. The language contained in the bill is permissive as opposed to mandatory and does not change the requirements of the Division of Loans, Department of Commerce, for securing of or qualifying for a loan. HB 641

The purpose of the legislation is to draw the attention of the Division toward improving loan availability to persons from areas adversely impacted economically.

  
Nels A. Anderson, Jr., Chmn.  
House Resource Committee

1648  
Bennett

Introduced: 1/23/76  
Referred: Resources and  
Finance

BY THE RULES COMMITTEE BY REQUEST OF  
THE LEGISLATIVE COUNCIL SUBCOMMITTEE  
ON FISHERIES

1 IN THE HOUSE

2 HOUSE BILL NO. 641

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the commercial fishing loan act;  
7 and providing for an effective date."

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

9 \* Section 1. AS 16.10.300 is amended to read:

10 Sec. 16.10.300. DECLARATION OF POLICY. It is the policy of the  
11 state, under secs. 300 - 370 of this chapter, to promote the develop-  
12 ment of a predominantly resident fishery and continued maintenance of  
13 commercial fishing gear and vessels throughout the state, and to assist  
14 fishermen adversely affected economically by means of long-term low  
15 interest loans.

16 \* Sec. 2. AS 16.10.310(a) is amended by adding a new paragraph to read:

17 (6) make loans to individual resident commercial fishermen  
18 who have been adversely affected economically by an expanded or de-  
19 pressed fishery.

20 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-

21 070(c).  
22  
23  
24  
25  
26  
27  
28  
29

COMMITTEE COPY

ALASKA STATE LEGISLATURE

1976 Legislature . . . . . SECOND Session

HOUSE . . . . . BILL . . . . . NO. . . . . 641

By FINANCE COMMITTEE BY REQUEST  
OF THE LEGISLATIVE COUNCIL  
SUBCOMMITTEE ON FISHERIES

May Act relating to the  
commercial fishing loan act;

Commercial fishing loan act

Introduced in the House . . . . . 1/23, 1976

HISTORY IN THE HOUSE

1976

Jan 23

Read first time and referred  
to Committee on  
Resources and Finance

Reported back with  
recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by Speaker  
Sent to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Read first time and referred  
to Committee on

Reported back with  
recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed  
Signed by President  
Returned to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Received from Senate

Reported correctly enrolled

Sent to Governor

..... By Governor

Filed with Lt. Governor

Chapter No. ....

Introduced: 1/23/76  
Referred: Resources and  
Finance

BY THE RULES COMMITTEE BY RE-  
QUEST OF THE LEGISLATIVE COUNCIL  
SUBCOMMITTEE ON FISHERIES

1 IN THE HOUSE

2 HOUSE BILL NO. 642

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska fishery impact fund;  
7 and providing for an effective date."

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

9 \* Section 1. AS 37 is amended by adding a new chapter to read:

10 CHAPTER 11. ALASKA FISHERY IMPACT FUND.

11 Sec. 37.11.010. ALASKA FISHERY IMPACT FUND. (a) There is estab-  
12 lished as a separate fund within the Department of Community and Re-  
13 gional Affairs the Alaska fishery impact fund. Funds designated in  
14 this section and apportioned by statute for deposit in the Alaska  
15 fishery impact fund are for grants to assist economically impacted  
16 fishing communities. The Department of Community and Regional Affairs  
17 shall consult with the Department of Fish and Game to determine which  
18 communities are predominantly fishing communities and whether the  
19 expansion or reduction of a fishery in that area has adversely affected  
20 the community economically.

21 (b) Not less than two per cent of the receipts paid the state  
22 from mineral lease bonuses and rentals for state land and royalties  
23 derived from minerals produced on state land shall be deposited in the  
24 Alaska fishery impact fund. *add. howel money*

25 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-  
26 070(c).

Introduced: 1/23/76  
Referred: Resources and  
Finance

BY THE RULES COMMITTEE BY REQUEST OF  
THE LEGISLATIVE COUNCIL SUBCOMMITTEE  
ON FISHERIES

1 IN THE HOUSE

2 HOUSE BILL NO. 641

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the commercial fishing loan act;  
7 and providing for an effective date."

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

9 \* Section 1. AS 16.10.300 is amended to read:

10 Sec. 16.10.300. DECLARATION OF POLICY. It is the policy of the  
11 state, under secs. 300 - 370 of this chapter, to promote the develop-  
12 ment of a predominantly resident fishery and continued maintenance of  
13 commercial fishing gear and vessels throughout the state, and to assist  
14 fishermen adversely affected economically by means of long-term low  
15 interest loans.

16 \* Sec. 2. AS 16.10.310(a) is amended by adding a new paragraph to read:

17 (6) make loans to individual resident commercial fishermen  
18 who have been adversely affected economically by an expanded or de-  
19 pressed fishery.

20 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
21 070(c).

Introduced: 1/23/76  
Referred: Resources and  
Finance

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21 070(c).

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE  
 Second Session - Ninth Legislature

I. REQUEST

Bill No. HB 641  
 Title: An Act relating to the Commercial Fishing Loan Act  
 Requested by: \_\_\_\_\_ Date: February 5, 1976  
 Return Date Requested: \_\_\_\_\_  
 Agency: Commerce & Ec. Development Program: Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: Division of Business Loans  
 A. EXPENDITURES: (Thousands of dollars)

		<u>NONE</u>					
OBJECT		FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100	PERSONAL SERVICES						
200	TRAVEL						
300	CONTRACTUAL						
400	COMMODITIES						
500	EQUIPMENT						
600	LAND & STRUCTURES						
700	GRANTS, CLAIMS, ETC.						
TOTAL							

B. FUNDING: (Thousands of dollars)

		<u>NONE</u>					
GENERAL FUND							
FEDERAL FUNDS							
OTHER							

C. POSITIONS:

		<u>NONE</u>					
PERMANENT/TEMPORARY		/	/	/	/	/	/
MAN MONTHS (P./T.)		/	/	/	/	/	/

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Loan applicants would be required to meet other requirements in AS 16.10.300 - 300. If the fishermen that are adversely affected economically can offer sufficient collateral and show they have the ability to repay the loan, we would make them a loan at this time without this provision in the Statute. I do not feel the volume would increase enough to require additional staff or operating cost.

IV. ATTACHMENTS

V. DATE: February 5, 1976 PREPARED BY: Pete Jones

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

# MEMORANDUM

# State of Alaska

TO: R. D. Stevenson  
Special Assistant  
Department of Revenue

DATE: February 3, 1976

FILE NO:

TELEPHONE NO:

FROM: Lawrence C. Eppenbach  
Deputy Commissioner, Treasury  
Department of Revenue

SUBJECT: Request for Fiscal Impact on  
House Bill No. 641

There are several possibilities regarding House Bill 641's financial impact.

1. Should there be no expansion of the mandatory mortgage purchase ceiling of \$5 million. Because the Fishermen's loan fund today has loans and commitments for nearly \$5 million and because the Department of Revenue sees a cash crunch affecting the State through the middle of fiscal year 1978, it is unreasonable to expect the Department to purchase additional fishermen's loans. Under this circumstance HB 641 will have no affect until some time in fiscal year 1978 when the State's financial position improves to the extent that a surplus once again will exist in Treasury and the Department of Revenue purchases additional loans from the Department of Commerce and Economic Development.

2. Should there be some expansion of the \$5 million ceiling. The more likely situation is that some version of HB 571 will pass causing the ceiling to be raised. Should this occur then whatever new loans were purchased will have the same affect as an appropriation since new loans would diminish cash available. In addition, loans to assist fishermen adversely affected economically have a certain speculative character that may place them in an assistance grant category and not make them part of an otherwise reasonably secured loan program.

3. Should there be a complete removal of the loan ceiling. In this case some measure of uncertainty exists. It is entirely possible to expect a conservative interpretation of the statute to generate \$2 million of additional loan demand and for a liberal interpretation to contribute well in excess of \$100 million of additional loan demand.

There is in HB 641 the opportunity for financial actions which may act like major appropriations while at the same time there will be no record in the State's financial reports to display either their cost or the impact. At the very least this raises the question of full disclosure required by the State since our current and forecasted financial position is an important concern to buyers of State bonds.

LCE:ge

THE LEGISLATURE OF THE STATE OF ALASKA  
FISCAL NOTE  
Second Session - Ninth Legislature

I. REQUEST

Bill No. HB 641  
 Title: An Act relating to the Commercial Fishing Loan Act  
 Requested by: \_\_\_\_\_ Date: February 5, 1976  
 Return Date Requested: \_\_\_\_\_  
 Agency: Commerce & Ec. Development Program: Development

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		<u>NONE</u>					
	OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
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700	GRANTS, CLAIMS, ETC.						
	TOTAL						

B. FUNDING: (Thousands of dollars)

NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

NONE

PERMANENT/TEMPORARY	/	/	/	/	/	/
MAN MONTHS (P./T.)	/	/	/	/	/	/

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V. DATE: February 5, 1976 PREPARED BY: *Pete Jones*

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

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# State of Alaska

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Special Assistant  
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FILE NO:

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LCE:ge