

Original sponsor: Rules Committee
by request of the Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 689 (Finance)

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 a fisheries enhancement loan pro-
7 gram; and providing for an effective date."

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

9 * Section 1. AS 16.10 is amended by adding new sections to read:

10 ARTICLE 9. FISHERIES ENHANCEMENT LOAN PROGRAM.

11 Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the
12 state, under secs. 500 - 550 of this chapter, to promote the enhancement
13 of the state's fisheries by means of long-term, low interest loans for
14 hatchery planning and construction.

15 Sec. 16.10.510. POWERS AND DUTIES OF THE COMMISSIONER. The com-
16 missioner may

17 (1) make loans to permit holders, under secs. 400 - 470 of
18 this chapter, including those holders issued permits before the effective
19 date of this Act, for the planning and construction of hatchery facili-
20 ties;

21 (2) make loans to qualified regional associations which have
22 formed a nonprofit corporation or a local nonprofit corporation estab-
23 lished or approved by a qualified regional association, for pre-construc-
24 tion activities necessary to obtain a permit, provided the hatchery has
25 received preliminary project approval from the commissioner of fish and
26 game;

27 (3) designate agents and delegate powers to them as necessary;

28 (4) adopt regulations necessary to carry out his functions;

29 (5) establish amortization plans for repayment of loans, not

1 to exceed 25 years;

2 (6) establish the rate of interest for loans not to exceed
3 eight per cent a year;

4 (7) establish regional and local offices and advisory groups
5 to carry out, or assist in carrying out, his duties and authority;

6 (8) upon written approval, defer interest and principal pay-
7 ments up to six years.

8 Sec. 16.10.520. LIMITATION ON LOANS. (a) A single fisheries
9 enhancement loan may not exceed \$3,000,000 for a hatchery constructed
10 under a permit granted to a qualified regional association which has
11 formed a nonprofit corporation, or to a local nonprofit corporation
12 established or approved by a qualified regional association. A loan for
13 any other hatchery project may not exceed \$300,000.

14 (b) No loan may exceed 75 per cent of the total project cost as
15 determined by the commissioner.

16 (c) All loans must be secured by collateral satisfactory to the
17 commissioner, including but not limited to a first deed of trust,
18 assignment of lease and leasehold improvements, sale of surplus fish
19 from the hatchery, or assessments from fishermen levied under secs.
20 530 - 540 of this chapter.

21 (d) The commissioner may require what he considers adequate
22 evidence of performance in utilizing loan funds approved for an initial
23 or preliminary project before approving a subsequent loan application.

24 (e) The total amount of loans made or purchased in any fiscal year
25 shall not exceed the amount specifically authorized by statute. The
26 amount to be purchased shall not exceed \$3,000,000 for fiscal year 1977
27 and \$10,000,000 for fiscal year 1978.

28 Sec. 16.10.530. ASSESSMENT ON SALE OF SALMON. (a) The commis-
29 sioner of commerce and economic development, with the advice and approval

1 of the commissioner of fish and game, may establish areas in which an
2 assessment shall be levied on the sale of one or more species of salmon
3 by persons licensed under AS 16.05.540 - 16.05.600. An assessment
4 levied under this section shall be for the purpose of securing repayment
5 of a loan or loans made to a qualified regional association which has
6 formed a nonprofit corporation, or to a local nonprofit corporation
7 established or approved by a qualified regional association, which has
8 obtained a permit under secs. 400 - 470 of this chapter. The rate and
9 conditions of assessments shall be negotiated between the commissioner
10 and the appropriate qualified regional association in conjunction with
11 the issuance of the loan, and the agreement on the rate and conditions
12 of assessment reached between them shall be incorporated into the pro-
13 visions of the loan contract.

14 (b) If conditions warrant alteration of the rate or conditions of
15 assessment, and the alteration would be inconsistent with the agreement
16 negotiated under (a) of this section, the commissioner shall obtain the
17 consent of the appropriate qualified regional association before alter-
18 ing the rate of assessment.

19 (c) The commissioner and the appropriate qualified regional
20 association must agree on a means of collection of the assessment before
21 a loan is made, and the commissioner may, by regulation, require its
22 collection by buyers of the salmon upon the sale of which an assessment
23 is levied.

24 (d) The assessment shall terminate when the principal and interest
25 on the loan is paid.

26 Sec. 16.10.540. VOLUNTARY ASSESSMENT ON SALE OF SALMON. (a) In
27 place of or in addition to an assessment levied under sec. 530 of this
28 chapter, an association of persons licensed under AS 16.05.540 - 16.05.-
29 600, which consists of at least 51 per cent of the persons so licensed

1 and actively participating in a fishery to be benefitted by a hatchery
2 program, may levy and collect an assessment from among its members for
3 the purpose of securing and repaying a loan made under sec. 510 of this
4 chapter.

5 (b) Upon satisfactory demonstration to the commissioner that an
6 assessment levied under this section may reasonably be relied upon to
7 secure and repay a loan to be made under sec. 510 of this chapter, the
8 commissioner may make the loan without requiring an assessment under
9 sec. 530 of this chapter.

10 (c) If an assessment made under this section fails to satisfy the
11 payments required on the principal and interest due on the loan the
12 commissioner may negotiate with the regional association to levy an
13 assessment under sec. 530 of this chapter.

14 Sec. 16.10.550. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The
15 commissioner may sell or transfer at par value to the Department of
16 Revenue the mortgages and notes held by the department as security for
17 loans made under this chapter. The Department of Revenue may purchase
18 all the mortgages and notes offered until the current principal amount
19 of all the mortgages and notes purchased and held by that department
20 equals \$200,000,000.

21 Sec. 16.10.560. DEFINITIONS. In secs. 500 - 560 of this chapter

22 (1) "commissioner" means the commissioner of commerce and
23 economic development;

24 (2) "hatchery" means a facility for the artificial incubation
25 of salmon eggs which may include means for the rearing of juvenile
26 salmon.

27 * Sec. 2. AS 16.10.310(a)(1)(B) is repealed.

28 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
29 070(c).

COMMITTEE REPORT

5/3/76

SENATE

Mr. President:

Date 5/12/76

The Committee on Finance has had SB 689
~~relating to a fisheries enhancement loan program~~

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 SB 689 AND THAT
CS FOR SB 689 DO PASS
- "and" recommends it BE REFERRED TO THE _____
COMMITTEE
- reports it back WITHOUT RECOMMENDATION
- "other"

Members signing the Majority report:

[Signature] _____

[Signature] _____

[Signature] _____

[Signature] _____

Members NOT concurring in the Majority report:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

_____ recommends:

[Signature] Chairman

Original sponsor: Rules Committee
by request of the Governor

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BY THE FINANCE COMMITTEE

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CS FOR SENATE BILL NO. 689 (Finance)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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NINTH LEGISLATURE - SECOND SESSION

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A BILL

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(1) make loans to permit holders, under secs. 400 - 470 of this chapter, including those holders issued permits before the effective date of this Act, for the planning and construction of hatchery facilities;

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(2) make loans to qualified regional associations which have formed a nonprofit corporation or a local nonprofit corporation established or approved by a qualified regional association, for pre-construction activities necessary to obtain a permit, provided the hatchery has received preliminary project approval from the commissioner of fish and game;

22

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

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(4) adopt regulations necessary to carry out his functions;

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(5) establish amortization plans for repayment of loans, not

1 to exceed 25 years;

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3 eight per cent a year;

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15 determined by the commissioner.

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19 from the hatchery, or assessments from fishermen levied under secs.
20 530 - 540 of this chapter.

21 (d) The commissioner may require what he considers adequate
22 evidence of performance in utilizing loan funds approved for an initial
23 or preliminary project before approving a subsequent loan application.

24 (e) The total amount of loans made or purchased in any fiscal year
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27 and \$10,000,000 for fiscal year 1976.

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1 and actively participating in a fishery to be benefitted by a hatchery
2 program, may levy and collect an assessment from among its members for
3 the purpose of securing and repaying a loan made under sec. 510 of this
4 chapter.

5 (b) Upon satisfactory demonstration to the commissioner that an
6 assessment levied under this section may reasonably be relied upon to
7 secure and repay a loan to be made under sec. 510 of this chapter, the
8 commissioner may make the loan without requiring an assessment under
9 sec. 530 of this chapter.

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29 070(c).


MEMORANDUM

State of Alaska

TO: Jay Hogan, Director
Legislative Finance Division

DATE: May 5, 1976

FILE NO:

FROM: Jim Edenso 
Deputy Commissioner
Department of Commerce and
Economic Development

TELEPHONE NO: 465-2501

SUBJECT: Senate Bill 689

Please substitute the attached fiscal note for CSSB 689, the bill addressing the fish hatcheries loan program.

The current fiscal note for CSSB 689 is in error. The note calls for a capitalization of \$12 million in FY 76 which is not what was intended by the Administration. The program will be modeled after the loan programs in the Division of Veterans' Affairs which require no appropriation.

Loan commitments will be made by the Division of Business Loans and the Department of Revenue will purchase the loan documents directly. The Departments of Revenue and Commerce and Economic Development will develop a procedure for processing loan documents and actual cash flow.

Attachment

cc: Ron Lind, Director
Div. of Budget & Management

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

I. REQUEST

Bill No. Senate Bill 689
 Title: Fisheries Enhancement Loan Program
 Requested by: Senate Finance Date: May 5, 1976
 Return Date Requested: _____
 Agency: Commerce & Economic Development Program: Business Loans
 ment

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	-0-	43.1	45.3	47.6	50.0	52.5
200 TRAVEL	-0-	7.8	8.2	8.6	9.0	9.5
300 CONTRACTUAL	-0-	25.0	5.0	5.0	5.0	5.0
400 COMMODITIES	-0-	1.0	1.0	1.1	1.2	1.3
500 EQUIPMENT	-0-	2.7	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	79.6	59.5	62.3	65.2	68.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	79.6	59.5	62.3	65.2	68.3
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	-0/	2/	2/	2/	2/	2/
MAN MONTHS (P./T.)	-0/	24/	24/	24/	24/	24/

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

1. Assumption is made that the effective date will be July 1, 1976.
2. Assumption is made that administration of the Fisheries Enhancement Loan Program will be consolidated with the Division of Business Loans.
3. 5% inflation factor used throughout.
4. Contractual- promulgation of regulations, publishing and printing, consultants, and equipment lease.
5. Assumption is made that approximately 15 applications will be received and processed each year.

IV. ATTACHMENTS

- (2) Request for new positions.

V. DATE: 5-5-76 PREPARED BY: [Signature]

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

13 Request for New Positions

POSITION TITLE <u>Loan Examiner III</u>		RANGE <u>19</u>		LOCATION <u>Juneau</u>		GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS) _____		NEW <input checked="" type="checkbox"/>	MAINT.	PRIORITY _____ PAGE/LINE _____		APPROVED <input type="checkbox"/>	
		RPA# _____	CHANGE			DISAPPROVED <input type="checkbox"/>	
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES		
		GF	OTHER	RECEIPT CODE			
PERSONAL SERVICES	29,289	X			24,408 and benefits of 4,881		
TRAVEL	7,400				20 trips @ 250 per trip, 60 days per diem		
CONTRACTUAL							
COMMODITIES							
EQUIPMENT	1,220				Desk, chair, bookcase, file cabinet,		
OTHER					calculator.		
TOTAL	37,909				BRU COMPONENT		

JUSTIFICATION:

It is felt the Division will need a loan officer with a thorough knowledge and background in fisheries and fisheries rehabilitation due to the size and complexity of loans available through this program. The position will also assist in establishing policy and promulgation of regulations. The workload of the present staff has reached a point where it is doubtful this program could be administered properly and efficiently without this position.

BRU _____ BRU CODE _____ REVISED _____

13 PERSONAL SERVICES
REQUEST FOR NEW POSITION

13 Request for New Positions

POSITION TITLE Clerk Typist III		RANGE 8		LOCATION Juneau		GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS) _____		NEW X	MAINT.	PRIORITY _____ PAGE/LINE _____		APPROVED <input type="checkbox"/>	
		RF/A	CHANGE			DISAPPROVED <input type="checkbox"/>	
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES		
		GF	OTHER	RECEIPT CODE			
PERSONAL SERVICES	13,781	X			11,484 and benefits of 2,297		
TRAVEL		[Hatched Area]					
CONTRACTUAL							
COMMODITIES							
EQUIPMENT	1,470					Desk, chair, utility table, file cabinet, typewriter.	
OTHER							
TOTAL	15,251				BRU COMPONENT		

JUSTIFICATION:

Clerical support for additional loan examiner.

.BRU _____ BRU CODE _____ REVISED _____

13 PERSONAL SERVICES
REQUEST FOR NEW POSITION

MEMORANDUM

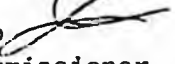
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Economic Development

SUBJECT: Senate Bill 689

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The current fiscal note for CSSB 689 is in error. The note calls for a capitalization of \$12 million in FY 76 which is not what was intended by the Administration. The program will be modeled after the loan programs in the Division of Veterans' Affairs which require no appropriation.

Loan commitments will be made by the Division of Business Loans and the Department of Revenue will purchase the loan documents directly. The Departments of Revenue and Commerce and Economic Development will develop a procedure for processing loan documents and actual cash flow.

Attachment

cc: Ron Lind, Director
Div. of Budget & Management

13 Request for New Positions

POSITION TITLE <u>Loan Examiner III</u>		RANGE <u>19</u>	LOCATION <u>Juneau</u>	GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS) _____		NEW <input checked="" type="checkbox"/> X	MAINT. _____	APPROVED <input type="checkbox"/> DISAPPROVED <input type="checkbox"/>	
		RPA _____	CHANGE _____		
		PRIORITY _____ PAGE/LINE _____			
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES
		GF	OTHER	RECEIPT CODE	
PERSONAL SERVICES	29,289	X			24,408 and benefits of 4,881
TRAVEL	7,400	[Hatched Area]			20 trips @ 250 per trip, 60 days per diem
CONTRACTUAL					
COMMODITIES					
EQUIPMENT	1,220				
OTHER					Desk, chair, bookcase, file cabinet, calculator.
TOTAL	37,909				BRU COMPONENT

JUSTIFICATION:

It is felt the Division will need a loan officer with a thorough knowledge and background in fisheries and fisheries rehabilitation due to the size and complexity of loans available through this program. The position will also assist in establishing policy and promulgation of regulations. The workload of the present staff has reached a point where it is doubtful this program could be administered properly and efficiently without this position.

BRU _____ BRU CODE _____ REVISED _____

13 Request for New Positions

POSITION TITLE Clerk Typist III		RANGE 8		LOCATION Juneau		GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS)		NEW X	MAINT.	PRIORITY		PAGE/LINE	
		RP/A	CHANGE			APPROVED <input type="checkbox"/>	
						DISAPPROVED <input type="checkbox"/>	
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			RECEIPT CODE	DETAIL OF RELATED EXPENSES	
		GF	OTHER				
PERSONAL SERVICES	13,781	X				11,484 and benefits of 2,297	
TRAVEL		[Hatched Area]					
CONTRACTUAL							
COMMODITIES							
EQUIPMENT	1,470						
OTHER							
TOTAL	15,251					BRU COMPONENT	

JUSTIFICATION:

Clerical support for additional loan examiner.

BRU _____ BRU CODE _____ REVISED _____

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

Revised 5/5/76

I. REQUEST

Bill No. Senate Bill 689
Title: Fisheries Enhancement Loan Program
Requested by: Senate Finance Date: May 5, 1976
Return Date Requested: _____
Agency: Commerce & Economic Development Program: Business Loans

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	-0-	43.1	45.3	47.6	50.0	52.5
200 TRAVEL	-0-	7.8	8.2	8.6	9.0	9.5
300 CONTRACTUAL	-0-	25.0	5.0	5.0	5.0	5.0
400 COMMODITIES	-0-	1.0	1.0	1.1	1.2	1.3
500 EQUIPMENT	-0-	2.7	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	79.6	59.5	62.3	65.2	68.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	79.6	59.5	62.3	65.2	68.3
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	-0- /	2 /	2 /	2 /	2 /	2 /
MAN MONTHS (P./T.)	-0- /	24 /	24 /	24 /	24 /	24 /

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

1. Assumption is made that the effective date will be July 1, 1976.
2. Assumption is made that administration of the Fisheries Enhancement Loan Program will be consolidated with the Division of Business Loans.
3. 5% inflation factor used throughout.
4. Contractual- promulgation of regulations, publishing and printing, consultants, and equipment lease.
5. Assumption is made that approximately 15 applications will be received and processed each year.

IV. ATTACHMENTS

- (2) Request for new positions.

V. DATE: 5-5-76 PREPARED BY: [Signature]

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

13 Request for New Positions

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BRU _____ BRU CODE _____ REVISED _____

13 PERSONAL SERVICES
REQUEST FOR NEW POSITION

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PERSONAL SERVICES
REQUEST FOR NEW POSITION

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

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Bill No. Senate Bill 689
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 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Commerce & Economic Program: Business Loans
Development

II. FISCAL DETAIL

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OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
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400 COMMODITIES	.5	1.0	1.0	1.1	1.2	1.3
500 EQUIPMENT	2.7	--	--	--	--	--
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Capitalization	12,000.0					
TOTAL	12,018.5	76.9	59.5	62.3	65.2	68.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND	12,018.5	76.9	59.5	62.3	65.2	68.3
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	2 /	2 /	2 /	2 /	2 /	2 /
MAN MONTHS (P./T.)	6 /	24 /	24 /	24 /	24 /	24 /

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

1. Assumption is made that administration of the Fisheries Enhancement Loan Program will be consolidated with the Division of Business Loans.
2. Figures represent the total cost of administering the program.
3. 5% inflation factor used throughout.
4. Contractual- promulgation of regulations, publishing & printing, consultants, equipment lease.
5. Assumption is made that more than 15 applications will be received and processed each year.
6. F/Y '76 is figured for 3 months only.

IV. ATTACHMENTS

V. DATE: 3-15-76 PREPARED BY: *Pete Lars*

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

13 Request for New Positions

POSITION TITLE <u>Loan Examiner III</u>		RANGE <u>19</u>		LOCATION <u>Juneau</u>		GOVERNOR <input checked="" type="checkbox"/>	
TYPE OF POSITION (PFT, PPT, SEAS) _____		NEW <input checked="" type="checkbox"/>	MAINT.	PRIORITY _____ PAGE/LINE _____		APPROVED <input type="checkbox"/>	
		RPA# _____	CHANGE			DISAPPROVED <input type="checkbox"/>	
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES		
		GF	OTHER	RECEIPT CODE			
PERSONAL SERVICES	29,289	X			24,408 and benefits of 4,881		
TRAVEL	7,400	[Hatched Area]			20 trips @ 250 per trip, 60 days per diem		
CONTRACTUAL							
COMMODITIES							
EQUIPMENT	1,220						
OTHER					Desk, chair, bookcase, file cabinet, calculator.		
TOTAL	37,909				BRU COMPONENT		

JUSTIFICATION:

It is felt the Division will need a loan officer with a thorough knowledge and background in fisheries and fisheries rehabilitation due to the size and complexity of loans available through this program. The position will also assist in establishing policy and promulgation of regulations. The workload of the present staff has reached a point where it is doubtful this program could be administered properly and efficiently without this position.

BRU _____ BRU CODE _____ REVISED _____

13 PERSONAL SERVICES
REQUEST FOR NEW POSITION

13 Request for New Positions

POSITION TITLE <u>Clerk Typist III</u>		RANGE <u>8</u>		LOCATION <u>Juneau</u>		GOVERNOR <input checked="" type="checkbox"/>	
TYPE OF POSITION (PFT, PPT, SEAS) _____		NEW <input checked="" type="checkbox"/>	MAINT. _____	PRIORITY _____ PAGE/LINE _____		APPROVED <input type="checkbox"/>	
		RP# _____	CHANGE _____			DISAPPROVED <input type="checkbox"/>	
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES		
		GF	OTHER	RECEIPT CODE			
PERSONAL SERVICES	13,781	X			11,484 and benefits of 2,297		
TRAVEL		[Hatched Area]					
CONTRACTUAL							
COMMODITIES							
EQUIPMENT	1,470						
OTHER							
TOTAL	15,251				BRU COMPONENT		

JUSTIFICATION:

Clerical support for additional loan examiner.

BRU _____ BRU CODE _____ REVISED _____

13 PERSONAL SERVICES
REQUEST FOR NEW POSITION

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill 689
 Title: Fisheries Enhancement Loan Program
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Commerce & Economic Program: Business Loans
Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	10.8	43.1	45.3	47.6	50.0	52.5
200 TRAVEL	2.0	7.8	8.2	8.6	9.0	9.5
300 CONTRACTUAL	2.5	25.0	5.0	5.0	5.0	5.0
400 COMMODITIES	5	1.0	1.0	1.1	1.2	1.3
500 EQUIPMENT	2.7	--	--	--	--	--
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Capitalization	12,000.0					
TOTAL	12,018.5	76.9	59.5	62.3	65.2	68.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND	12,018.5	76.9	59.5	62.3	65.2	68.3
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	2 /	2 /	2 /	2 /	2 /	2 /
MAN MONTHS (P./T.)	6 /	24 /	24 /	24 /	24 /	24 /

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

1. Assumption is made that administration of the Fisheries Enhancement Loan Program will be consolidated with the Division of Business Loans.
2. Figures represent the total cost of administering the program.
3. 5% inflation factor used throughout.
4. Contractual- promulgation of regulations, publishing & printing, consultants, equipment lease.
5. Assumption is made that more than 15 applications will be received and processed each year.
6. F/Y '76 is figured for 3 months only.

IV. ATTACHMENTS

V. DATE: 3-15-76 PREPARED BY: *[Signature]*

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

13 Request for New Position

POSITION TITLE <u>Loan Examiner III</u>		RANGE <u>19</u>		LOCATION <u>Juneau</u>		GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS) _____		NEW <input checked="" type="checkbox"/>	MAINT. _____	PRIORITY _____ PAGE/LINE _____		APPROVED <input type="checkbox"/>	
		RPA _____	CHANGE _____			DISAPPROVED <input type="checkbox"/>	
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES		
		GF	OTHER	RECEIPT CODE			
PERSONAL SERVICES	29,289	X			24,408 and benefits of 4,881		
TRAVEL	7,400				20 trips @ 250 per trip, 60 days per diem		
CONTRACTUAL							
COMMODITIES							
EQUIPMENT	1,220				Desk, chair, bookcase, file cabinet,		
OTHER					calculator.		
TOTAL	37,909				BRU COMPONENT		

JUSTIFICATION:

It is felt the Division will need a loan officer with a thorough knowledge and background in fisheries and fisheries rehabilitation due to the size and complexity of loans available through this program. The position will also assist in establishing policy and promulgation of regulations. The workload of the present staff has reached a point where it is doubtful this program could be administered properly and efficiently without this position.

BRU _____ BRU CODE _____ REVISED _____



13 Request for New Positions

POSITION TITLE Clerk Typist III		RANGE 8		LOCATION Juneau		GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS)		NEW RPA	X	MAINT. CHANGE	PRIORITY	PAGE/LINE	APPROVED DISAPPROVED
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES		
		GF	OTHER	RECEIPT CODE			
PERSONAL SERVICES	13,781	X			11 BRU and benefits of 2,297		
TRAVEL		[Hatched Area]					
CONTRACTUAL							
COMMODITIES							
EQUIPMENT	1,470						
OTHER					Desk, chair, utility table, file cabinet, typewriter.		
TOTAL	15,251				BRU COMPONENT		

JUSTIFICATION:

Clerical support for additional loan examiner.

BRU _____ BRU CODE _____ REVISED _____

13 PERSONAL SERVICES
REQUEST FOR NEW POSITION



THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill 689
 Title: Fisheries Enhancement Loan Program
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Commerce & Economic Program: Business Loans
Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	10.8	43.1	45.3	47.6	50.0	52.5
200 TRAVEL	2.0	7.8	8.2	8.6	9.0	9.5
300 CONTRACTUAL	2.5	25.0	5.0	5.0	5.0	5.0
400 COMMODITIES	5	1.0	1.0	1.1	1.2	1.3
500 EQUIPMENT	2.7					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Capitalization	12,000.0					
TOTAL	2,018.5	76.9	59.5	62.3	65.2	68.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND	12,018.5	76.9	59.5	62.3	65.2	68.3
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	2 /	2 /	2 /	2 /	2 /	2 /
MAN MONTHS (P./T.)	6 /	24 /	24 /	24 /	24 /	24 /

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

1. Assumption is made that administration of the Fisheries Enhancement Loan Program will be consolidated with the Division of Business Loans.
2. Figures represent the total cost of administering the program.
3. 5% inflation factor used throughout.
4. Contractual- promulgation of regulations, publishing & printing, consultants, equipment lease.
5. Assumption is made that more than 15 applications will be received and processed each year.
6. F/Y '76 is figured for 3 months only.

IV. ATTACHMENTS

V. DATE: 3-15-76 PREPARED BY: [Signature]

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

13 Request for New Position

POSITION TITLE <u>Loan Examiner III</u>		RANGE <u>19</u>	LOCATION <u>Juneau</u>	GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS)		NEW <input checked="" type="checkbox"/> MAINT.	PRIORITY	PAGE/LINE	
		RPA#	CHANGE	APPROVED <input type="checkbox"/>	
				DISAPPROVED <input type="checkbox"/>	
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES
		GF	OTHER	RECEIPT CODE	
PERSONAL SERVICES	29,239	<input checked="" type="checkbox"/>			24,408 and benefits of 4,831
TRAVEL	7,400				20 trips @ 250 per trip, 60 days per diem
CONTRACTUAL					
COMMODITIES					
EQUIPMENT	1,220				
OTHER					
TOTAL	37,909				BRN COMPONENT

JUSTIFICATION:

It is felt the Division will need a loan officer with a thorough knowledge and background in fisheries and fisheries rehabilitation due to the size and complexity of loans available through this program. The position will also assist in establishing policy and promulgation of regulations. The workload of the present staff has reached a point where it is doubtful this program could be administered properly and efficiently without this position.

BRN CODE _____ REVISED _____

13 Request for New Positions

POSITION TITLE Clerk Typist III		RANGE 8		LOCATION Juneau		GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS)		NEW X	MAINT.	PRIORITY		PAGE/LINE	
		RPA	CHANGE			APPROVED DISAPPROVED	
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			RECEIPT CODE	DETAIL OF RELATED EXPENSES	
		GF	OTHER				
PERSONAL SERVICES	13,781	X				11,494 and benefits of 2,297	
TRAVEL		[Hatched Area]					
CONTRACTUAL							
COMMODITIES							
EQUIPMENT	1,470						
OTHER						Desk, chair, utility table, file cabinet, typewriter.	
TOTAL	15,251					BRU COMPONENT	

JUSTIFICATION:

Clerical support for additional loan examiner.

BRU CODE

REVISED

13

PERSONAL SERVICES
REQUEST FOR NEW POSITION

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill 609
 Title: Fisheries Enhancement Loan Program
 Requested by: _____ Date: _____
 Return Date Requested: _____
 Agency: Commerce & Economic Program: Business Loans
Development

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	10.8	43.1	45.3	47.6	50.0	52.5
200 TRAVEL	2.0	7.8	8.3	8.6	9.0	9.5
300 CONTRACTUAL	2.5	25.0	5.0	5.0	5.0	5.0
400 COMMODITIES	5	1.0	1.0	1.1	1.2	1.3
500 EQUIPMENT	2.7					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Capitalization	12,000.0					
TOTAL	12,018.5	76.9	59.5	62.3	65.2	68.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND	12,018.5	76.9	59.5	62.3	65.2	68.3
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	2 /	2 /	2 /	2 /	2 /	2 /
MAN MONTHS (P./T.)	6 /	24 /	24 /	24 /	24 /	24 /

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

1. Assumption is made that administration of the Fisheries Enhancement Loan Program will be consolidated with the Division of Business Loans.
2. Figures represent the total cost of administering the program.
3. 5% inflation factor used throughout.
4. Contractual- promulgation of regulations, publishing & printing, consultants, equipment lease.
5. Assumption is made that more than 15 applications will be received and processed each year.
6. F/Y '76 is figured for 3 months only.

IV. ATTACHMENTS

V. DATE: 3-15-76 PREPARED BY: *Pete Jones*

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

13 Request for New Positions

POSITION TITLE <u>Loan Examiner (II)</u>		RANGE <u>19</u>	LOCATION <u>Juncos</u>	GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS) _____		NEW <input checked="" type="checkbox"/> MAINT. _____	PRIORITY _____	APPROVED <input type="checkbox"/>	
		RPA _____	PAGE/LINE _____	DISAPPROVED <input type="checkbox"/>	
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES
		CF	OTHER	RECEIPT CODE	
PERSONAL SERVICES	26,230	<input checked="" type="checkbox"/>			24,908 and benefits of 4,881
TRAVEL	7,400				20 trips @ 250 per trip, 60 days per diem
CONTRACTUAL					
COMMODITIES					
EQUIPMENT	1,220				Desk, chair, bookcase, file cabinet, calculator
OTHER					
TOTAL	37,900				BRU COMPONENT

JUSTIFICATION:

It is felt the Division will need a loan officer with a thorough knowledge and background in fisheries and fisheries rehabilitation due to the size and complexity of loans available through this program. The position will also assist in establishing policy and promulgation of regulations. The workload of the present staff has reached a point where it is doubtful this program could be administered properly and efficiently without this position.

BRU CODE _____

REVISED _____

13

PERSONAL SERVICES
REQUEST FOR NEW POSITION

13 Request for New Positions

POSITION TITLE Clerk Typist III		RANGE 8		LOCATION Bureau		GOVERNOR
TYPE OF POSITION (PFT, PPT, SEAS)		NEW X	MAINT.	PRIORITY		APPROVED
		RPA	CHANGE	PAGE/LINE		DISAPPROVED
TYPE OF EXPENDITURE		FUNDING SOURCE			DETAIL OF RELATED EXPENSES	
	AMOUNT	GF	OTHER	RECEIPT CODE		
PERSONAL SERVICES	13.781	X			11.000 and benefits of 2.297	
TRAVEL		[Hatched Area]				
CONTRACTUAL						
COMMODITIES					Desk, chair, utility table, file cabinet,	
EQUIPMENT	1.470				typewriter.	
OTHER						
TOTAL	15.251				BRU COMPONENT	

JUSTIFICATION:

Clerical support for additional loan examiner.

BRU CODE

REVISED

13 PERSONAL SERVICES
REQUEST FOR NEW POSITION

SB 689

March 3, 1976

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to a fisheries enhancement loan program. The objective of this bill is to promote the enhancement of the state's fisheries by means of long-term, low-interest loans to qualified applicants for the construction of private, non-profit hatcheries.

Sincerely,

Jay S. Hammond
Governor

SB 689

March 3, 1976

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to a fisheries enhancement loan program. The objective of this bill is to promote the enhancement of the state's fisheries by means of long-term, low-interest loans to qualified applicants for the construction of private, non-profit hatcheries.

Sincerely,

Jay S. Hammond
Governor

A M E N D M E N T

OFFERED IN THE SENATE:

BY: COMMERCE

To: CS SENATE BILL No. 689

HOUSE BILL No. _____

PAGE: 1 and 4

LINE: 18, 11, and 14

To Page 1, Line 18

between the word "chapter," and "for" insert "including those holders issued permits prior to the effective date for this act,"

To Page 4, Line 11

After the word "Revenue" delete "shall" and insert "may"

To Page 4, Line 14

after the word "equals" delete "\$200,000,000" and insert "\$100,000,000"

A M E N D M E N T

OFFERED IN THE SENATE:

BY: COMMERCE

TO: CS SENATE BILL No. 689

HOUSE BILL No. _____

PAGE: 1 and 4

LINE: 18, 11, and 14

To Page 1, Line 18

between the word "chapter," and "for" insert "including those holders issued permits prior to the effective date for this act,"

To Page 4, Line 11

After the word "Revenue" delete "shall" and insert "may"

To Page 4, Line 14

after the word "equals" delete "\$200,000,000" and insert "\$100,000,000"

Original sponsor: Rules Committee
by request of the Governor

Offered: 4/28/76
Referred: Resources

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 689

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 a fisheries enhancement loan pro-
7 gram; and providing for an effective date."

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

9 * Section 1. AS 16.10 is amended by adding new sections to read:

10 ARTICLE 9. FISHERIES ENHANCEMENT LOAN PROGRAM.

11 Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the
12 state, under secs. 500 - 550 of this chapter, to promote the enhancement
13 of the state's fisheries by means of long-term, low interest loans for
14 hatchery planning and construction.

15 Sec. 16.10.510. POWERS AND DUTIES OF THE COMMISSIONER. The com-
16 missioner may

17 (1) make loans to permit holders, under secs. 400 - 470 of
18 this chapter, for the planning and construction of hatchery facilities;

19 (2) make loans to qualified regional associations which have
20 formed a nonprofit corporation or a local nonprofit corporation estab-
21 lished or approved by a qualified regional association, for pre-
22 construction activities necessary to obtain a permit, provided the
23 hatchery has received preliminary project approval from the commissioner
24 of fish and game;

25 (3) designate agents and delegate powers to them as necessary;

26 (4) adopt regulations necessary to carry out his functions;

27 (5) establish amortization plans for repayment of loans, not
28 to exceed 25 years;

29 (6) establish the rate of interest for loans not to exceed

1 eight per cent a year;

2 (7) establish regional and local offices and advisory groups
3 to carry out, or assist in carrying out, his duties and authority;

4 (8) upon written approval, defer interest and principal pay-
5 ments up to six years.

6 Sec. 16.10.520. LIMITATION ON LOANS. (a) A single fisheries
7 enhancement loan may not exceed \$3,000,000 for a hatchery constructed
8 under a permit granted to a qualified regional association which has
9 formed a nonprofit corporation, or to a local nonprofit corporation
10 established or approved by a qualified regional association. A loan for
11 any other hatchery project may not exceed \$300,000.

12 (b) No loan may exceed 75 per cent of the total project cost as
13 determined by the commissioner.

14 (c) All loans must be secured by collateral satisfactory to the
15 commissioner, including but not limited to a first deed of trust,
16 assignment of lease and leasehold improvements, sale of surplus fish
17 from the hatchery, or assessments from fishermen levied under secs.
18 530 - 540 of this chapter.

19 (d) The commissioner may require what he considers adequate
20 evidence of performance in utilizing loan funds approved for an initial
21 or preliminary project before approving a subsequent loan application.

22 Sec. 16.10.530. ASSESSMENT ON SALE OF SALMON. (a) The commis-
23 sioner of commerce and economic development, with the advice and approv-
24 al of the commissioner of fish and game, may establish areas in which an
25 assessment shall be levied on the sale of one or more species of salmon
26 by persons licensed under AS 16.05.540 - 16.05.600. An assessment
27 levied under this section shall be for the purpose of securing repayment
28 of a loan or loans made to a qualified regional association which has
29 formed a nonprofit corporation, or to a local nonprofit corporation

1 established or approved by a qualified regional association, which has
2 obtained a permit under secs. 400 - 470 of this chapter. The rate and
3 conditions of assessments shall be negotiated between the commissioner
4 and the appropriate qualified regional association in conjunction with
5 the issuance of the loan, and the agreement on the rate and conditions
6 of assessment reached between them shall be incorporated into the pro-
7 visions of the loan contract.

8 (b) If conditions warrant alteration of the rate or conditions of
9 assessment, and the alteration would be inconsistent with the agreement
10 negotiated under (a) of this section, the commissioner shall obtain the
11 consent of the appropriate qualified regional association before alter-
12 ing the rate of assessment.

13 (c) The commissioner and the appropriate qualified regional
14 association must agree on a means of collection of the assessment before
15 a loan is made, and the commissioner may, by regulation, require its
16 collection by buyers of the salmon upon the sale of which an assessment
17 is levied.

18 (d) The assessment shall terminate when the principal and interest
19 on the loan is paid.

20 Sec. 16.10.540. VOLUNTARY ASSESSMENT ON SALE OF SALMON. (a) In
21 place of or in addition to an assessment levied under sec. 530 of this
22 chapter, an association of persons licensed under AS 16.05.540 - 16.05.-
23 600, which consists of at least 51 per cent of the persons so licensed
24 and actively participating in a fishery to be benefitted by a hatchery
25 program, may levy and collect an assessment from among its members for
26 the purpose of securing and repaying a loan made under sec. 510 of this
27 chapter.

28 (b) Upon satisfactory demonstration to the commissioner that an
29 assessment levied under this section may reasonably be relied upon to

1 secure and repay a loan to be made under sec. 510 of this chapter, the
2 commissioner may make the loan without requiring an assessment under
3 sec. 530 of this chapter.

4 (c) If an assessment made under this section fails to satisfy the
5 payments required on the principal and interest due on the loan the
6 commissioner may negotiate with the regional association to levy an
7 assessment under sec. 530 of this chapter.

8 Sec. 16.10.550. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The
9 commissioner may sell or transfer at par value to the Department of
10 Revenue the mortgages and notes held by the department as security for
11 loans made under this chapter. The Department of Revenue shall purchase
12 all the mortgages and notes offered until the current principal amount
13 of all the mortgages and notes purchased and held by that department
14 equals \$200,000,000.

15 Sec. 16.10.560. DEFINITIONS. In secs. 500 - 560 of this chapter

16 (1) "commissioner" means the commissioner of commerce and
17 economic development;

18 (2) "hatchery" means a facility for the artificial incubation
19 of salmon eggs which may include means for the rearing of juvenile
20 salmon.

21 * Sec. 2. AS 16.10.310(a)(1)(B) is repealed.

22 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
23 070(c).

Original sponsor: Rules Committee
by request of the Governor

Offered: 4/28/76
Referred: Resources

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2

CS FOR SENATE BILL NO. 639

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 a fisheries enhancement loan pro-
gram; and providing for an effective date."

7

8

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

9

* Section 1. AS 16.10 is amended by adding new sections to read:

10

ARTICLE 9. FISHERIES ENHANCEMENT LOAN PROGRAM.

11

12

Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the
state, under secs. 500 - 550 of this chapter, to promote the enhancement
of the state's fisheries by means of long-term, low interest loans for
hatchery planning and construction.

13

14

15

Sec. 16.10.510. POWERS AND DUTIES OF THE COMMISSIONER. The com-
missioner may

16

17

18

(1) make loans to permit holders, under secs. 400 - 470 of
this chapter, for the planning and construction of hatchery facilities;

19

20

21

(2) make loans to qualified regional associations which have
formed a nonprofit corporation or a local nonprofit corporation estab-
lished or approved by a qualified regional association, for pre-
construction activities necessary to obtain a permit, provided the
hatchery has received preliminary project approval from the commissioner
of fish and game;

22

23

24

25

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

26

27

(4) adopt regulations necessary to carry out his functions;

28

(5) establish amortization plans for repayment of loans, not
to exceed 25 years;

29

29

(6) establish the rate of interest for loans not to exceed

1 eight per cent a year;

2 (7) establish regional and local offices and advisory groups
3 to carry out, or assist in carrying out, his duties and authority;

4 (8) upon written approval, defer interest and principal pay-
5 ments up to six years.

6 Sec. 16.10.520. LIMITATION ON LOANS. (a) A single fisheries
7 enhancement loan may not exceed \$3,000,000 for a hatchery constructed
8 under a permit granted to a qualified regional association which has
9 formed a nonprofit corporation, or to a local nonprofit corporation
10 established or approved by a qualified regional association. A loan for
11 any other hatchery project may not exceed \$300,000.

12 (b) No loan may exceed 75 per cent of the total project cost as
13 determined by the commissioner.

14 (c) All loans must be secured by collateral satisfactory to the
15 commissioner, including but not limited to a first deed of trust,
16 assignment of lease and leasehold improvements, sale of surplus fish
17 from the hatchery, or assessments from fishermen levied under secs.
18 530 - 540 of this chapter.

19 (d) The commissioner may require what he considers adequate
20 evidence of performance in utilizing loan funds approved for an initial
21 or preliminary project before approving a subsequent loan application.

22 Sec. 16.10.530. ASSESSMENT ON SALE OF SALMON. (a) The commis-
23 sioner of commerce and economic development, with the advice and approv-
24 al of the commissioner of fish and game, may establish areas in which an
25 assessment shall be levied on the sale of one or more species of salmon
26 by persons licensed under AS 16.05.540 - 16.05.600. An assessment
27 levied under this section shall be for the purpose of securing repayment
28 of a loan or loans made to a qualified regional association which has
29 formed a nonprofit corporation, or to a local nonprofit corporation

1 established or approved by a qualified regional association, which has
2 obtained a permit under secs. 400 - 470 of this chapter. The rate and
3 conditions of assessments shall be negotiated between the commissioner
4 and the appropriate qualified regional association in conjunction with
5 the issuance of the loan, and the agreement on the rate and conditions
6 of assessment reached between them shall be incorporated into the pro-
7 visions of the loan contract.

8 (b) If conditions warrant alteration of the rate or conditions of
9 assessment, and the alteration would be inconsistent with the agreement
10 negotiated under (a) of this section, the commissioner shall obtain the
11 consent of the appropriate qualified regional association before alter-
12 ing the rate of assessment.

13 (c) The commissioner and the appropriate qualified regional
14 association must agree on a means of collection of the assessment before
15 a loan is made, and the commissioner may, by regulation, require its
16 collection by buyers of the salmon upon the sale of which an assessment
17 is levied.

18 (d) The assessment shall terminate when the principal and interest
19 on the loan is paid.

20 Sec. 16.10.540. VOLUNTARY ASSESSMENT ON SALE OF SALMON. (a) In
21 place of or in addition to an assessment levied under sec. 530 of this
22 chapter, an association of persons licensed under AS 16.05.540 - 16.05.-
23 600, which consists of at least 51 per cent of the persons so licensed
24 and actively participating in a fishery to be benefitted by a hatchery
25 program, may levy and collect an assessment from among its members for
26 the purpose of securing and repaying a loan made under sec. 510 of this
27 chapter.

28 (b) Upon satisfactory demonstration to the commissioner that an
29 assessment levied under this section may reasonably be relied upon to

1 secure and repay a loan to be made under sec. 510 of this chapter, the
2 commissioner may make the loan without requiring an assessment under
3 sec. 530 of this chapter.

4 (c) If an assessment made under this section fails to satisfy the
5 payments required on the principal and interest due on the loan the
6 commissioner may negotiate with the regional association to levy an
7 assessment under sec. 530 of this chapter.

8 Sec. 16.10.550. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The
9 commissioner may sell or transfer at par value to the Department of
10 Revenue the mortgages and notes held by the department as security for
11 loans made under this chapter. The Department of Revenue shall purchase
12 all the mortgages and notes offered until the current principal amount
13 of all the mortgages and notes purchased and held by that department
14 equals \$200,000,000.

15 Sec. 16.10.560. DEFINITIONS. In secs. 500 - 560 of this chapter

16 (1) "commissioner" means the commissioner of commerce and
17 economic development;

18 (2) "hatchery" means a facility for the artificial incubation
19 of salmon eggs which may include means for the rearing of juvenile
20 salmon.

21 * Sec. 2. AS 16.10.310(a)(1)(B) is repealed.

22 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
23 070(c).

Original sponsor: Rules Committee
by request of the Governor

Offered: 4/28/76
Referred: Resources

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 689

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 a fisheries enhancement loan pro-
7 gram; and providing for an effective date."

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

9 * Section 1. AS 16.10 is amended by adding new sections to read:

10 ARTICLE 9. FISHERIES ENHANCEMENT LOAN PROGRAM.

11 Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the
12 state, under secs. 500 - 550 of this chapter, to promote the enhancement
13 of the state's fisheries by means of long-term, low interest loans for
14 hatchery planning and construction.

15 Sec. 16.10.510. POWERS AND DUTIES OF THE COMMISSIONER. The com-
16 missioner may

17 (1) make loans to permit holders, under secs. 400 - 470 of
18 this chapter, for the planning and construction of hatchery facilities;

19 (2) make loans to qualified regional associations which have
20 formed a nonprofit corporation or a local nonprofit corporation estab-
21 lished or approved by a qualified regional association, for pre-
22 construction activities necessary to obtain a permit, provided the
23 hatchery has received preliminary project approval from the commissioner
24 of fish and game;

25 (3) designate agents and delegate powers to them as necessary;

26 (4) adopt regulations necessary to carry out his functions;

27 (5) establish amortization plans for repayment of loans, not
28 to exceed 25 years;

29 (6) establish the rate of interest for loans not to exceed

1 eight per cent a year;

2 (7) establish regional and local offices and advisory groups
3 to carry out, or assist in carrying out, his duties and authority;

4 (8) upon written approval, defer interest and principal pay-
5 ments up to six years.

6 Sec. 16.10.520. LIMITATION ON LOANS. (a) A single fisheries
7 enhancement loan may not exceed \$3,000,000 for a hatchery constructed
8 under a permit granted to a qualified regional association which has
9 formed a nonprofit corporation, or to a local nonprofit corporation
10 established or approved by a qualified regional association. A loan for
11 any other hatchery project may not exceed \$300,000.

12 (b) No loan may exceed 75 per cent of the total project cost as
13 determined by the commissioner.

14 (c) All loans must be secured by collateral satisfactory to the
15 commissioner, including but not limited to a first deed of trust,
16 assignment of lease and leasehold improvements, sale of surplus fish
17 from the hatchery, or assessments from fishermen levied under secs.
18 530 - 540 of this chapter.

19 (d) The commissioner may require what he considers adequate
20 evidence of performance in utilizing loan funds approved for an initial
21 or preliminary project before approving a subsequent loan application.

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29 formed a nonprofit corporation, or to a local nonprofit corporation

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24 and actively participating in a fishery to be benefitted by a hatchery
25 program, may levy and collect an assessment from among its members for
26 the purpose of securing and repaying a loan made under sec. 510 of this
27 chapter.

28 (b) Upon satisfactory demonstration to the commissioner that an
29 assessment levied under this section may reasonably be relied upon to

1 secure and repay a loan to be made under sec. 510 of this chapter, the
2 commissioner may make the loan without requiring an assessment under
3 sec. 530 of this chapter.

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Introduced: 3/3/76
Referred: Commerce and
Resources

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 689

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

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6 For an Act entitled: "An Act relating to a fisheries enhancement loan
7 program; and providing for an effective date."

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12 state, under secs. 500-550 of this chapter, to promote the enhance-
13 ment of the state's fisheries by means of long-term, low interest
14 loans for hatchery construction.

15 Sec. 16.10.510. POWERS AND DUTIES OF THE DEPARTMENT. The
16 department may:

- 17 (1) make loans to permit holders, under secs. 400-470 of this
18 chapter, for the planning and construction of hatchery facilities;
19 (2) designate agents and delegate powers to them as necessary;
20 (3) adopt regulations necessary to carry out its functions;
21 (4) establish amortization plans for repayment of loans, not
22 to exceed 25 years;
23 (5) establish the rate of interest not to exceed 8 per cent;
24 (6) establish regional and local offices and advisory groups
25 to carry out, or assist in carrying out, its duties and authority;
26 (7) upon the written approval of the commissioner, defer
27 interest and principal payments up to four years.

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29 enhancement loan may not exceed \$3,000,000 for those hatcheries

SB 689

1 constructed under a permit granted to a regional or local corporation
2 under sec. 400(f) of this chapter, and may not exceed \$300,000 for all
3 others, but this does not limit refinancing or funding of expanded
4 projects.

5 (b) No loan may exceed 75 per cent of the total project cost.

6 (c) All loans must be secured by acceptable collateral satis-
7 factory to the department, including but not limited to a first
8 deed of trust, assignment of lease and leasehold improvements, or a
9 pledge of assessments from fishermen.

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11 evidence of performance in utilizing loan funds approved for an
12 initial project before approving a subsequent loan application.

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16 on the sale of one or more species of salmon by persons licensed
17 under AS 16.05.540-16.05.600 for the purpose of securing and repay-
18 ing a loan or loans made to a regional association that qualifies as
19 a non-profit, corporate permit holder under secs. 400-470 of this
20 chapter.

21 (b) The rate of the assessment may be adjusted from time to
22 time as between fisheries in proportion to the benefits to the
23 respective fisheries insofar as a significant difference in benefits
24 exists and adjusted from time to time insofar as is necessary to
25 obtain the funds required to repay the loan or finance additional
26 hatcheries.

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28 under secs. 400-470 of this chapter must agree on a means for
29 collection of the assessment before a loan is made, and the department

1 may, by regulation, require its collection by buyers of the salmon
2 upon the sale of which an assessment is levied.

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4 interest on the loan or loans is paid but may be extended insofar as is
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9 AS 16.05.540-16.05.600, which consists of at least 51 per cent of the
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11 benefitted by a hatchery program for which it or a non-profit corpora-
12 tion (the membership of which consists of at least 51 per cent of
13 those persons) has obtained a permit under secs. 400-470 of this
14 chapter, may levy and collect an assessment from among its members for
15 the purpose of securing and repaying a loan made under sec. 510 of
16 this chapter and for other purposes related to the enhancement of
17 fisheries.

18 (b) Upon satisfactory demonstration to the commissioner that
19 an assessment levied under this section may reasonably be relied
20 upon to secure and repay a loan to be made under sec. 510 of this
21 chapter, the commissioner may make the loan without levying a
22 mandatory assessment under sec. 530 of this chapter.

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11 bation of salmon eggs and might include means for the rearing of juven-
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13 * Sec. 2. This Act takes effect immediately in accordance with
14 AS 01.10.070(c).

Introduced: 3/3/76
Referred: Commerce and
Resources

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SB 689

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12 tion (the membership of which consists of at least 51 per cent of
13 those persons) has obtained a permit under secs. 400-470 of this
14 chapter, may levy and collect an assessment from among its members for
15 the purpose of securing and repaying a loan made under sec. 510 of
16 this chapter and for other purposes related to the enhancement of
17 fisheries.

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20 upon to secure and repay a loan to be made under sec. 510 of this
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11 bation of salmon eggs and might include means for the rearing of juven-
12 ile salmon.

13 * Sec. 2. This Act takes effect immediately in accordance with
14 AS 01.10.070(c).

MEMORANDUM


State of Alaska

TO: Jay Hogan, Director
Legislative Finance Division

DATE: May 5, 1976

FILE NO:

TELEPHONE NO: 465-2501

FROM: Jim Edenso 
Deputy Commissioner
Department of Commerce and
Economic Development

SUBJECT: Senate Bill 689

Please substitute the attached fiscal note for CSSB 689, the bill addressing the fish hatcheries loan program.

The current fiscal note for CSSB 689 is in error. The note calls for a capitalization of \$12 million in FY 76 which is not what was intended by the Administration. The program will be modeled after the loan programs in the Division of Veterans' Affairs which require no appropriation.

Loan commitments will be made by the Division of Business Loans and the Department of Revenue will purchase the loan documents directly. The Departments of Revenue and Commerce and Economic Development will develop a procedure for processing loan documents and actual cash flow.

Attachment

cc: Ron Lind, Director
Div. of Budget & Management

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

I. REQUEST

Bill No. Senate Bill 689
 Title: Fisheries Enhancement Loan Program
 Requested by: Senate Finance Date: May 5, 1976
 Return Date Requested: _____
 Agency: Commerce & Economic Development Program: Business Loans
 ment

II. FISCAL DETAIL

Budget Request Unit(s) Affected: _____

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	-0-	43.1	45.3	47.6	50.0	52.5
200 TRAVEL	-0-	7.8	8.2	8.6	9.0	9.5
300 CONTRACTUAL	-0-	25.0	5.0	5.0	5.0	5.0
400 COMMODITIES	-0-	1.0	1.0	1.1	1.2	1.3
500 EQUIPMENT	-0-	2.7	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	79.6	59.5	62.3	65.2	68.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	79.6	59.5	62.3	65.2	68.3
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	-0/	2/	2/	2/	2/	2/
MAN MONTHS (P./T.)	-0/	24/	24/	24/	24/	24/

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

1. Assumption is made that the effective date will be July 1, 1976.
2. Assumption is made that administration of the Fisheries Enhancement Loan Program will be consolidated with the Division of Business Loans.
3. 5% inflation factor used throughout.
4. Contractual- promulgation of regulations, publishing and printing, consultants, and equipment lease.
5. Assumption is made that approximately 15 applications will be received and processed each year.

IV. ATTACHMENTS

- (2) Request for new positions.

V. DATE: 5-5-76 PREPARED BY: [Signature]

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

13 Request for New Positions

POSITION TITLE <u>Loan Examiner III</u>		RANGE <u>19</u>	LOCATION <u>Juneau</u>	GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS) _____		NEW <input checked="" type="checkbox"/>	MAINT. _____	APPROVED <input type="checkbox"/> DISAPPROVED <input type="checkbox"/>	
		RPA* _____	CHANGE _____		
		PRIORITY _____ PAGE/LINE _____			
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES
		GF	OTHER	RECEIPT CODE	
PERSONAL SERVICES	29,289	X			24,408 and benefits of 4,881
TRAVEL	7,400	[Hatched Area]			20 trips @ 250 per trip, 60 days per diem
CONTRACTUAL					
COMMODITIES					
EQUIPMENT	1,220				
OTHER					Desk, chair, bookcase, file cabinet, calculator.
TOTAL	37,909				BRU COMPONENT

JUSTIFICATION:

It is felt the Division will need a loan officer with a thorough knowledge and background in fisheries and fisheries rehabilitation due to the size and complexity of loans available through this program. The position will also assist in establishing policy and promulgation of regulations. The workload of the present staff has reached a point where it is doubtful this program could be administered properly and efficiently without this position.

ERU _____ BRU CODE _____ REVISED _____

13

PERSONAL SERVICES
REQUEST FOR NEW POSITION

13 Request for New Positions

POSITION TITLE Clerk Typist III		RANGE 8		LOCATION Juneau		GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS)		NEW X	MAINT.	PRIORITY		PAGE/LINE	
		RP/A	CHANGE			APPROVED <input type="checkbox"/> DISAPPROVED <input type="checkbox"/>	
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES		
		GF	OTHER	RECEIPT CODE			
PERSONAL SERVICES	13,781	X			11,484 and benefits of 2,297		
TRAVEL		[Hatched Area]					
CONTRACTUAL							
COMMODITIES							
EQUIPMENT	1,470						
OTHER							
TOTAL	15,251				BRU COMPONENT		

JUSTIFICATION:

Clerical support for additional loan examiner.

BRU _____ BRU CODE _____ REVISED _____

"An Act relating to a fisheries enhancement loan program; and providing for an effective date."

COMMITTEE REPORT

(9)

5/19/76

HOUSE

Mr. Speaker:

Date 5-22-76

The Committee on FINANCE has had CSSB 689 (Finance)

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)

(X) recommends it BE REPLACED WITH CS FOR CSSB 689 (Finance) AND THAT
CS FOR CSSB 689 (Finance) DO PASS

() "and" recommends it BE REFERRED TO THE _____
COMMITTEE

() reports it back WITHOUT RECOMMENDATION

() "other"

Members signing the Majority report:

<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>
<u>[Signature]</u>	<u>[Signature]</u>	<u>[Signature]</u>

Members NOT concurring in the Majority report:

<u>[Signature]</u>	recommends: <u>[Signature]</u>
<u>[Signature]</u>	recommends:
<u>[Signature]</u>	recommends:
<u>[Signature]</u>	recommends:
<u>[Signature]</u>	recommends:

[Signature] Chairman

Original sponsor: Rules Committee
by request of the Governor

Offered: 5/12/76
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 689 (Finance)

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 a fisheries enhancement loan pro-
7 gram; and providing for an effective date."

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

9 * Section 1. AS 16.10 is amended by adding new sections to read:

10 ARTICLE 9. FISHERIES ENHANCEMENT LOAN PROGRAM.

11 Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the
12 state, under secs. 500 - 550 of this chapter, to promote the enhancement
13 of the state's fisheries by means of long-term, low interest loans for
14 hatchery planning and construction.

15 Sec. 16.10.510. POWERS AND DUTIES OF THE COMMISSIONER. The com-
16 missioner may

17 (1) make loans to permit holders, under secs. 400 - 470 of
18 this chapter, including those holders issued permits before the effective
19 date of this Act, for the planning and construction of hatchery facili-
20 ties;

21 (2) make loans to qualified regional associations which have
22 formed a nonprofit corporation or a local nonprofit corporation estab-
23 lished or approved by a qualified regional association, for pre-construc-
24 tion activities necessary to obtain a permit, provided the hatchery has
25 received preliminary project approval from the commissioner of fish and
26 game;

27 (3) designate agents and delegate powers to them as necessary;

28 (4) adopt regulations necessary to carry out his functions;

29 (5) establish amortization plans for repayment of loans, not

1 to exceed 25 years;

2 (6) establish the rate of interest for loans not to exceed
3 eight per cent a year;

4 (7) establish regional and local offices and advisory groups
5 to carry out, or assist in carrying out, his duties and authority;

6 (8) upon written approval, defer interest and principal pay-
7 ments up to six years.

8 Sec. 16.10.520. LIMITATION ON LOANS. (a) A single fisheries
9 enhancement loan may not exceed \$3,000,000 for a hatchery constructed
10 under a permit granted to a qualified regional association which has
11 formed a nonprofit corporation, or a local nonprofit corporation
12 established or approved by a qualified regional association. A loan for
13 any other hatchery project may not exceed \$300,000.

14 (b) No loan may exceed 75 per cent of the total project cost as
15 determined by the commissioner.

16 (c) All loans must be secured by collateral satisfactory to the
17 commissioner, including but not limited to a first deed of trust,
18 assignment of lease and leasehold improvements, sale of surplus fish
19 from the hatchery, or assessments from fishermen levied under secs.
20 530 - 540 of this chapter.

21 (d) The commissioner may require what he considers adequate
22 evidence of performance in utilizing loan funds approved for an initial
23 or preliminary project before approving a subsequent loan application.

24 (e) The total amount of loans made or purchased in any fiscal year
25 shall not exceed the amount specifically authorized by statute. The
26 amount to be purchased shall not exceed \$3,000,000 for fiscal year 1977
27 and \$10,000,000 for fiscal year 1978.

28 Sec. 16.10.530. ASSESSMENT ON SALE OF SALMON. (a) The commis-
29 sioner of commerce and economic development, with the advice and approval

1 of the commissioner of fish and game, may establish areas in which an
2 assessment shall be levied on the sale of one or more species of salmon
3 by persons licensed under AS 16.05.540 - 16.05.600. An assessment
4 levied under this section shall be for the purpose of securing repayment
5 of a loan or loans made to a qualified regional association which has
6 formed a nonprofit corporation, or to a local nonprofit corporation
7 established or approved by a qualified regional association, which has
8 obtained a permit under secs. 400 - 470 of this chapter. The rate and
9 conditions of assessments shall be negotiated between the commissioner
10 and the appropriate qualified regional association in conjunction with
11 the issuance of the loan, and the agreement on the rate and conditions
12 of assessment reached between them shall be incorporated into the pro-
13 visions of the loan contract.

14 (b) If conditions warrant alteration of the rate or conditions of
15 assessment, and the alteration would be inconsistent with the agreement
16 negotiated under (a) of this section, the commissioner shall obtain the
17 consent of the appropriate qualified regional association before alter-
18 ing the rate of assessment.

19 (c) The commissioner and the appropriate qualified regional
20 association must agree on a means of collection of the assessment before
21 a loan is made, and the commissioner may, by regulation, require its
22 collection by buyers of the salmon upon the sale of which an assessment
23 is levied.

24 (d) The assessment shall terminate when the principal and interest
25 on the loan is paid.

26 Sec. 16.10.540. VOLUNTARY ASSESSMENT ON SALE OF SALMON. (a) In
27 place of or in addition to an assessment levied under sec. 530 of this
28 chapter, an association of persons licensed under AS 16.05.540 - 16.05.-
29 600, which consists of at least 51 per cent of the persons so licensed

1 and actively participating in a fishery to be benefitted by a hatchery
2 program, may levy and collect an assessment from among its members for
3 the purpose of securing and repaying a loan made under sec. 510 of this
4 chapter.

5 (b) Upon satisfactory demonstration to the commissioner that an
6 assessment levied under this section may reasonably be relied upon to
7 secure and repay a loan to be made under sec. 510 of this chapter, the
8 commissioner may make the loan without requiring an assessment under
9 sec. 530 of this chapter.

10 (c) If an assessment made under this section fails to satisfy the
11 payments required on the principal and interest due on the loan the
12 commissioner may negotiate with the regional association to levy an
13 assessment under sec. 530 of this chapter.

14 Sec. 16.10.550. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The
15 commissioner may sell or transfer at par value to the Department of
16 Revenue the mortgages and notes held by the department as security for
17 loans made under this chapter. The Department of Revenue may purchase
18 all the mortgages and notes offered until the current principal amount
19 of all the mortgages and notes purchased and held by that department
20 equals \$200,000,000.

21 Sec. 16.10.560. DEFINITIONS. In secs. 500 - 560 of this chapter

22 (1) "commissioner" means the commissioner of commerce and
23 economic development;

24 (2) "hatchery" means a facility for the artificial incubation
25 of salmon eggs which may include means for the rearing of juvenile
26 salmon.

27 * Sec. 2. AS 16.10.310(a)(1)(B) is repealed.

28 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
29 070(c).

Original sponsor: Rules Committee
by request of the Governor

Offered: 4/28/76
Referred: Resources

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO: 689

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 a fisheries enhancement loan pro-
7 gram; and providing for an effective date."

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12 state, under secs. 500 - 550 of this chapter, to promote the enhancement
13 of the state's fisheries by means of long-term, low interest loans for
14 hatchery planning and construction.

15 Sec. 16.10.510. POWERS AND DUTIES OF THE COMMISSIONER. The com-
16 missioner may

17 (1) make loans to permit holders, under secs. 400 - 470 of
18 this chapter, for the planning and construction of hatchery facilities;

19 (2) make loans to qualified regional associations which have
20 formed a nonprofit corporation or a local nonprofit corporation estab-
21 lished or approved by a qualified regional association, for pre-
22 construction activities necessary to obtain a permit, provided the
23 hatchery has received preliminary project approval from the commissioner
24 of fish and game;

25 (3) designate agents and delegate powers to them as necessary;

26 (4) adopt regulations necessary to carry out his functions;

27 (5) establish amortization plans for repayment of loans, not
28 to exceed 25 years;

29 (6) establish the rate of interest for loans not to exceed

1 eight per cent a year;

2 (7) establish regional and local offices and advisory groups
3 to carry out, or assist in carrying out, his duties and authority;

4 (8) upon written approval, defer interest and principal pay-
5 ments up to six years.

6 Sec. 16.10.520. LIMITATION ON LOANS. (a) A single fisheries
7 enhancement loan may not exceed \$3,000,000 for a hatchery constructed
8 under a permit granted to a qualified regional association which has
9 formed a nonprofit corporation, or to a local nonprofit corporation
10 established or approved by a qualified regional association. A loan for
11 any other hatchery project may not exceed \$300,000.

12 (b) No loan may exceed 75 per cent of the total project cost as
13 determined by the commissioner.

14 (c) All loans must be secured by collateral satisfactory to the
15 commissioner, including but not limited to a first deed of trust,
16 assignment of lease and leasehold improvements, sale of surplus fish
17 from the hatchery, or assessments from fishermen levied under secs.
18 530 - 540 of this chapter.

19 (d) The commissioner may require what he considers adequate
20 evidence of performance in utilizing loan funds approved for an initial
21 or preliminary project before approving a subsequent loan application.

22 Sec. 16.10.530. ASSESSMENT ON SALE OF SALMON. (a) The commis-
23 sioner of commerce and economic development, with the advice and approv-
24 al of the commissioner of fish and game, may establish areas in which an
25 assessment shall be levied on the sale of one or more species of salmon
26 by persons licensed under AS 16.05.540 - 16.05.600. An assessment
27 levied under this section shall be for the purpose of securing repayment
28 of a loan or loans made to a qualified regional association which has
29 formed a nonprofit corporation, or to a local nonprofit corporation

1 established or approved by a qualified regional association, which has
2 obtained a permit under secs. 400 - 470 of this chapter. The rate and
3 conditions of assessments shall be negotiated between the commissioner
4 and the appropriate qualified regional association in conjunction with
5 the issuance of the loan, and the agreement on the rate and conditions
6 of assessment reached between them shall be incorporated into the pro-
7 visions of the loan contract.

8 (b) If conditions warrant alteration of the rate or conditions of
9 assessment, and the alteration would be inconsistent with the agreement
10 negotiated under (a) of this section, the commissioner shall obtain the
11 consent of the appropriate qualified regional association before alter-
12 ing the rate of assessment.

13 (c) The commissioner and the appropriate qualified regional
14 association must agree on a means of collection of the assessment before
15 a loan is made, and the commissioner may, by regulation, require its
16 collection by buyers of the salmon upon the sale of which an assessment
17 is levied.

18 (d) The assessment shall terminate when the principal and interest
19 on the loan is paid.

20 Sec. 16.10.540. VOLUNTARY ASSESSMENT ON SALE OF SALMON. (a) In
21 place of or in addition to an assessment levied under sec. 530 of this
22 chapter, an association of persons licensed under AS 16.05.540 - 16.05.-
23 600, which consists of at least 51 per cent of the persons so licensed
24 and actively participating in a fishery to be benefitted by a hatchery
25 program, may levy and collect an assessment from among its members for
26 the purpose of securing and repaying a loan made under sec. 510 of this
27 chapter.

28 (b) Upon satisfactory demonstration to the commissioner that an
29 assessment levied under this section may reasonably be relied upon to

1 secure and repay a loan to be made under sec. 510 of this chapter, the
2 commissioner may make the loan without requiring an assessment under
3 sec. 530 of this chapter.

4 (c) If an assessment made under this section fails to satisfy the
5 payments required on the principal and interest due on the loan the
6 commissioner may negotiate with the regional association to levy an
7 assessment under sec. 530 of this chapter.

8 Sec. 16.10.550. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The
9 commissioner may sell or transfer at par value to the Department of
10 Revenue the mortgages and notes held by the department as security for
11 loans made under this chapter. The Department of Revenue shall purchase
12 all the mortgages and notes offered until the current principal amount
13 of all the mortgages and notes purchased and held by that department
14 equals \$200,000,000.

15 Sec. 16.10.560. DEFINITIONS. In secs. 500 - 560 of this chapter

16 (1) "commissioner" means the commissioner of commerce and
17 economic development;

18 (2) "hatchery" means a facility for the artificial incubation
19 of salmon eggs which may include means for the rearing of juvenile
20 salmon.

21 * Sec. 2. AS 16.10.310(a)(1)(B) is repealed.

22 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
23 070(c).

Introduced: 3/3/76
Referred: Commerce and
Resources

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 689

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 a fisheries enhancement loan
7 program; and providing for an effective date."

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

9 * Sec. 1. AS 16.10 is amended by adding new sections to read:

10 ARTICLE 9. FISHERIES ENHANCEMENT LOAN PROGRAM.

11 Sec. 16.10.500. DECLARATION OF POLICY. It is the policy of the
12 state, under secs. 500-550 of this chapter, to promote the enhance-
13 ment of the state's fisheries by means of long-term, low interest
14 loans for hatchery construction.

15 Sec. 16.10.510. POWERS AND DUTIES OF THE DEPARTMENT. The
16 department may:

- 17 (1) make loans to permit holders, under secs. 400-470 of this
18 chapter, for the planning and construction of hatchery facilities;
19 (2) designate agents and delegate powers to them as necessary;
20 (3) adopt regulations necessary to carry out its functions;
21 (4) establish amortization plans for repayment of loans, not
22 to exceed 25 years;
23 (5) establish the rate of interest not to exceed 8 per cent;
24 (6) establish regional and local offices and advisory groups
25 to carry out, or assist in carrying out, its duties and authority;
26 (7) upon the written approval of the commissioner, defer
27 interest and principal payments up to four years.

28 Sec. 16.10.520. LIMITATIONS ON LOANS. (a) A single fisheries
29 enhancement loan may not exceed \$3,000,000 for those hatcheries

SB 689

1 constructed under a permit granted to a regional or local corporation
2 under sec. 400(f) of this chapter, and may not exceed \$300,000 for all
3 others, but this does not limit refinancing or funding of expanded
4 projects.

5 (b) No loan may exceed 75 per cent of the total project cost.

6 (c) All loans must be secured by acceptable collateral satis-
7 factory to the department, including but not limited to a first
8 deed of trust, assignment of lease and leasehold improvements, or a
9 pledge of assessments from fishermen.

10 (d) The commissioner may require what he considers adequate
11 evidence of performance in utilizing loan funds approved for an
12 initial project before approving a subsequent loan application.

13 Sec. 16.10.530. MANDATORY ASSESSMENT ON SALE OF SALMON. (a) The
14 department, with the advice and approval of the commissioner of fish
15 and game, may establish areas in which an assessment shall be levied
16 on the sale of one or more species of salmon by persons licensed
17 under AS 16.05.540-16.05.600 for the purpose of securing and repay-
18 ing a loan or loans made to a regional association that qualifies as
19 a non-profit, corporate permit holder under secs. 400-470 of this
20 chapter.

21 (b) The rate of the assessment may be adjusted from time to
22 time as between fisheries in proportion to the benefits to the
23 respective fisheries insofar as a significant difference in benefits
24 exists and adjusted from time to time insofar as is necessary to
25 obtain the funds required to repay the loan or finance additional
26 hatcheries.

27 (c) The department and the non-profit, corporate permit holder
28 under secs. 400-470 of this chapter must agree on a means for
29 collection of the assessment before a loan is made, and the department

1 may, by regulation, require its collection by buyers of the salmon
2 upon the sale of which an assessment is levied.

3 (d) The assessment will terminate when the principal and
4 interest on the loan or loans is paid but may be extended insofar as is
5 necessary to secure and repay any additional loans.

6 Sec. 16.10.540. VOLUNTARY ASSESSMENT ON SALE OF SALMON. (a) In
7 place of or in addition to a mandatory assessment as provided for in
8 sec. 530 of this chapter, an association of persons licensed under
9 AS 16.05.540-16.05.600, which consists of at least 51 per cent of the
10 persons so licensed and actively participating in a fishery to be
11 benefitted by a hatchery program for which it or a non-profit corpora-
12 tion (the membership of which consists of at least 51 per cent of
13 those persons) has obtained a permit under secs. 400-470 of this
14 chapter, may levy and collect an assessment from among its members for
15 the purpose of securing and repaying a loan made under sec. 510 of
16 this chapter and for other purposes related to the enhancement of
17 fisheries.

18 (b) Upon satisfactory demonstration to the commissioner that
19 an assessment levied under this section may reasonably be relied
20 upon to secure and repay a loan to be made under sec. 510 of this
21 chapter, the commissioner may make the loan without levying a
22 mandatory assessment under sec. 530 of this chapter.

23 (c) If an assessment made under this section fails to satisfy
24 the payments required on the principal and interest due on the loan
25 the commissioner may levy an assessment under sec. 530 of this
26 chapter.

27 Sec. 16.10.550. SALE OR TRANSFER OF MORTGAGES AND NOTES. (a) The
28 commissioner may sell or transfer at par value to the Department of
29 Revenue the mortgages and notes held by the department as security for

1 loans made under this chapter. The Department of Revenue shall pur-
2 chase all the mortgages and notes offered until the current princi-
3 pal amount of all the mortgages and notes purchased and held by that
4 department equals \$200,000,000.

5 Sec. 16.10.560. DEFINITIONS. In secs. 500-560 of this chapter:

6 (1) "commissioner" means the commissioner of commerce
7 and economic development;

8 (2) "department" means the Department of Commerce
9 and Economic Development;

10 (3) "hatchery" means a facility for the artificial incu-
11 bation of salmon eggs and might include means for the rearing of juven-
12 ile salmon.

13 * Sec. 2. This Act takes effect immediately in accordance with
14 AS 01.10.070(c).

SB 689

March 3, 1976

The Honorable Chancy Croft
President of the Senate
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. President:

In accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to a fisheries enhancement loan program. The objective of this bill is to promote the enhancement of the state's fisheries by means of long-term, low-interest loans to qualified applicants for the construction of private, non-profit hatcheries.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
FISCAL NOTE

Second Session - Ninth Legislature

Revised 5/5/76

I. REQUEST

Bill No. Senate Bill 689
 Title: Fisheries Enhancement Loan Program
 Requested by: Senate Finance Date: May 5, 1976
 Return Date Requested:
 Agency: Commerce & Economic Development Program: Business Loans
 ment

II. FISCAL DETAIL

Budget Request Unit(s) Affected:

A. EXPENDITURES: (Thousands of dollars)

OBJECT	FY 76	FY 77	FY 78	FY 79	FY 80	FY 81
100 PERSONAL SERVICES	-0-	43.1	45.3	47.6	50.0	52.5
200 TRAVEL	-0-	7.8	8.2	8.6	9.0	9.5
300 CONTRACTUAL	-0-	25.0	5.0	5.0	5.0	5.0
400 COMMODITIES	-0-	1.0	1.0	1.1	1.2	1.3
500 EQUIPMENT	-0-	2.7	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	79.6	59.5	62.3	65.2	68.3

B. FUNDING: (Thousands of dollars)

GENERAL FUND	-0-	79.6	59.5	62.3	65.2	68.3
FEDERAL FUNDS						
OTHER						

C. POSITIONS:

PERMANENT/TEMPORARY	-0/	2/	2/	2/	2/	2/
MAN MONTHS (P./T.)	-0/	24/	24/	24/	24/	24/

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

1. Assumption is made that the effective date will be July 1, 1976.
2. Assumption is made that administration of the Fisheries Enhancement Loan Program will be consolidated with the Division of Business Loans.
3. 5% inflation factor used throughout.
4. Contractual- promulgation of regulations, publishing and printing, consultants, and equipment lease.
5. Assumption is made that approximately 15 applications will be received and processed each year.

IV. ATTACHMENTS

- (2) Request for new positions.

V. DATE: 5-5-76 PREPARED BY: *[Signature]*

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

13 Request for New Positions

POSITION TITLE <u>Loan Examiner III</u>		RANGE <u>19</u>		LOCATION <u>Juneau</u>		GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS) _____		NEW <input checked="" type="checkbox"/>	MAINT. _____	PRIORITY _____ PAGE/LINE _____		APPROVED <input type="checkbox"/>	
		RPA# _____	CHANGE _____			DISAPPROVED <input type="checkbox"/>	
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES		
		GF	OTHER	RECEIPT CODE			
PERSONAL SERVICES	29,289	X			24,408 and benefits of 4,881		
TRAVEL	7,400	[Hatched Area]			20 trips @ 250 per trip, 60 days per diem		
CONTRACTUAL							
COMMODITIES							
EQUIPMENT	1,220						
OTHER					Desk, chair, bookcase, file cabinet, calculator.		
TOTAL	37,909				BRU COMPONENT		

JUSTIFICATION:

It is felt the Division will need a loan officer with a thorough knowledge and background in fisheries and fisheries rehabilitation due to the size and complexity of loans available through this program. The position will also assist in establishing policy and promulgation of regulations. The workload of the present staff has reached a point where it is doubtful this program could be administered properly and efficiently without this position.

BRU _____ BRU CODE _____ REVISED _____

13 PERSONAL SERVICES
REQUEST FOR NEW POSITION



13 Request for New Positions

POSITION TITLE Clerk Typist III		RANGE 8		LOCATION Juneau		GOVERNOR	
TYPE OF POSITION (PFT, PPT, SEAS)		NEW X	MAINT.	PRIORITY		PAGE/LINE	
		RP#	CHANGE			APPROVED <input type="checkbox"/> DISAPPROVED <input type="checkbox"/>	
TYPE OF EXPENDITURE	AMOUNT	FUNDING SOURCE			DETAIL OF RELATED EXPENSES		
		GF	OTHER	RECEIPT CODE			
PERSONAL SERVICES	13,781	X			11,484 and benefits of 2,297		
TRAVEL		[Hatched Area]					
CONTRACTUAL							
COMMODITIES							
EQUIPMENT	1,470						
OTHER					Desk, chair, utility table, file cabinet, typewriter.		
TOTAL	15,251				BRU COMPONENT		

JUSTIFICATION:

Clerical support for additional loan examiner.

BRU _____ BRU CODE _____ REVISED _____

13 PERSONAL SERVICES
REQUEST FOR NEW POSITION