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507



FISCAL NOTE  
 (Revised)

I. REQUEST  
 Bill/Resolution No. CSHB 507 (Res) am  
 Title An Act Relating to the Fishermen's Mortgage and Note Program  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Department of Commerce & Economic Development  
 Program Category Affected Development  
 BRU, Program, or Subprogram(s) Affected Division of Business Loans  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		67.8	74.6	82.0	90.2	99.3
200 TRAVEL		-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL		8.8	9.7	10.6	11.7	12.9
400 COMMODITIES		.1	.1	.1	.1	.1
500 EQUIPMENT		4.0	4.4	4.8	5.3	5.9
600 LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.		-0-	-0-	-0-	-0-	-0-
<b>TOTAL</b>		<b>80.7</b>	<b>88.8</b>	<b>97.5</b>	<b>107.3</b>	<b>118.2</b>

FUNDING (Thousands of Dollars)

GENERAL FUND		80.7	88.8	97.5	107.3	118.2
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

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

Staffing required to process loans based on the \$1,800,000 funding level of the Governor's budget request.

Fiscal Note Detail is attached.

IV. DATE May 20, 1981 PREPARED BY D. A. Hostak, Acting Director  
 AGENCY Division of Business Loans, Department of Commerce & Economic Development  
 PHONE 465-2510  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

FISCAL NOTE DETAIL  
(Revised)

100	1 Loan Examiner III @\$2,837/mo.	34.0	
	1 Documents Processing Clerk III @\$1,564/mo.	<u>18.8</u>	
	Total Wages	52.8	
	Standard Benefits (Wages x .1555)	8.2	
	Supplemental Benefits (Wages x .0613)	3.2	
	Health Insurance (Man Months x \$150)	<u>3.6</u>	
	Total Benefits	15.0	
	TOTAL PERSONAL SERVICES		67.8
200	Travel		-0-
300	Telephone & Postage	6.6	
	Printing of Applications & Advertising	<u>2.2</u>	
	TOTAL CONTRACTUAL		8.8
400	Office Supplies	.1	
	TOTAL COMMODITIES		.1
500	Equipment		
	2 Desks @\$330	.6	
	1 Credenza @\$470	.5	
	1 Typist Extension @\$455	.5	
	1 Executive Chair @\$190	.2	
	1 Secretarial Chair @\$150	.2	
	2 Side Chairs @\$100	.2	
	2 Filing Cabinets @\$200	.4	
	2 Calculators @\$200	.4	
	1 Typewriter @\$1,000	1.0	
	2 Waste Baskets @\$25	<u>.0</u>	
	TOTAL EQUIPMENT		<u>4.0</u>
			<u><u>80.7</u></u>

10% inflation for succeeding years

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 507

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the fishermen's mortgage and note  
7 program under AS 16.10.650 - 16.10.720; and providing  
8 for an effective date."

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

10 \* Section 1. AS 16.10.660(a) is amended by adding a new paragraph to  
11 read:

12 (7) develop procedures for precommitting to the purchase of  
13 notes and mortgages securing loans under ~~with~~ (b) of this section;

14 \* Sec. 2. AS 16.10.680(a)(2) is amended to read:

15 (2) does not qualify for a loan for the purposes described  
16 in AS 16.10.670 under a state [OR FEDERAL] loan program;

17 \* Sec. 3. AS 16.10.680(a)(3) is amended to read:

18 (3) has not previously participated in the loan program  
19 established in AS 16.10.650 - 16.10.720 or in any other state [OR  
20 FEDERAL] loan program for the purposes described in AS 16.10.670; and

21 \* Sec. 4. AS 16.10.680(a)(4) is amended to read:

22 (4) meets the guidelines established by the commissioner ~~and~~  
23 being [DEMONSTRATES TO THE SATISFACTION OF THE PRIVATE FINANCIAL INSTI-  
24 TUTION WHICH MADE THE LOAN THAT HE IS] <sup>That the applicant is</sup> reasonably likely to succeed as  
25 a commercial fisherman and ~~to be~~ able to repay the loan.

26 \* Sec. 5. AS 16.10.680(b) is amended to read:

27 (b) In addition to the requirements of (a)(1) - (4) of this sec-  
28 tion, the commissioner may purchase a mortgage or note under AS 16.10.-  
29 660(b) only if it secures a loan to an individual who demonstrates

1 under guidelines established by the commissioner [DEMONSTRATED TO THE  
2 SATISFACTION OF THE PRIVATE FINANCIAL INSTITUTION WHICH MADE THE LOAN]  
3 that

4 (1) because of his lack of training or the lack of employ-  
5 ment opportunities in the area in which he resides, he does not have  
6 occupational opportunities available to him other than commercial  
7 fishing; or

8 (2) he is economically dependent on commercial fishing for a  
9 livelihood and commercial fishing is a cultural and traditional way of  
10 life for him.

11 \* Sec. 6. AS 16.10.690(a)(1) is amended to read:

12 (1) exceeds \$100,000 [\$200,000];

13 \* Sec. 7. AS 16.10.690(b) is amended to read:

14 (b) The commissioner may not purchase a mortgage or note under  
15 AS 16.10.660(b) if it secures a loan which results in an outstanding  
16 debt of the borrower in excess of \$100,000 [\$200,000]. For purposes of  
17 this subsection a loan to an associate of the borrower is considered to  
18 be a loan to the borrower. For the purposes of this subsection, "asso-  
19 ciate of the borrower" means

20 (1) a corporation or other organization of which the borrower  
21 is an officer, director or partner, or is, directly or indirectly, the  
22 beneficial owner of 10 percent or more of any class of equity securi-  
23 ties;

24 (2) a person who is, directly or indirectly, the beneficial  
25 owner of 10 percent or more of any class of equity securities of the  
26 borrower;

27 (3) a trust or other estate in which the borrower has a  
28 substantial beneficial interest or as to which the borrower serves as  
29 trustee or in a similar fiduciary capacity.

1 \* Sec. 8. AS 16.01.710 is repealed and reenacted to read:

2           Sec. 16.10.710. PREQUALIFICATION FOR LOANS. The commissioner may  
3 not purchase mortgages and notes under AS 16.10.660(b) unless the  
4 private financial institution agrees to make preliminary determinations  
5 of applicant eligibility for loans under AS 16.10.650 - 16.10.720. The  
6 commissioner shall develop, in cooperation with private financial  
7 institutions, guidelines and procedures for making preliminary deter-  
8 minations of eligibility.

9 \* Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-  
10 070(c).

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