

COMMITTEE REPORT
SENATE

FURTHER:

4/9/85

Date _____

Mr. President

The Committee on FINANCE considered SB 274
relating to renewable resource loans and guarantees; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- ~~do pass with attached amendment(s)~~
- replace with/or adopt CS for _____
- new title _____
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

Introduced: 4/9/85
Referred: Finance

1 IN THE SENATE

BY KERTTULA

2 SENATE BILL NO. 274

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to renewable resource loans and
7 guarantees; and providing for an effective date."

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

9 * Section 1. AS 45.92.010 is amended to read:

10 Sec. 45.92.010. ESTABLISHMENT OF FUND. The renewable resource
11 [FISHERY PRODUCT] revolving [LOAN GUARANTEE] fund is established in
12 the Department of Revenue.

13 * Sec. 2. AS 45.92.020 is amended to read:

14 Sec. 45.92.020. LOANS AND [FISHERY PRODUCT] GUARANTEES. The
15 department may use money in the fund to

16 (1) guarantee a loan made to a fish processor with facil-
17 ities in Alaska for the purpose of financing [(1) THE PURCHASE AND]
18 processing of fishery products from Alaska fisheries; [OR]

19 (2) guarantee loans to finance commercial renewable
20 resource development in the state including timber processing or mar-
21 keting;

22 (3) purchase no more than 80 percent of a loan made by the
23 Commercial Fishing and Agriculture Bank under AS 44.81.210 to finance
24 commercial timber, processing or marketing; and

25 (4) guarantee no more than 80 percent of a bond issued by
26 the Commercial Fishing and Agriculture Bank under AS 44.81.210(a)(7)
27 if the bond proceeds are used only to make loans for a guarantee or
28 purchase authorized under this chapter [THE REPURCHASING, TRANSPORT-
29 ING, REPACKAGING, INSPECTING, AND STORING OF ALASKA FISHERY PRODUCTS
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1 THAT ARE RECALLED IN 1982].

2 * Sec. 3. AS 45.92.040 is amended to read:

3 Sec. 45.92.040. INVESTMENT OF THE FUND. Money in the fund that
4 is not being used [FOR LOAN GUARANTEES] under this chapter shall be
5 invested as provided for the investment of state treasury surplus
6 under AS 37.10.070. Income from investment and repaid principal and
7 interest from loans purchased under this chapter shall be deposited in
8 the fund [SHALL BE TRANSFERRED TO THE GENERAL FUND].

9 * Sec. 4. AS 45.92.050(a) is amended to read:

10 (a) The department may guarantee a loan under this chapter if

11 (1) the term of the loan does not exceed three years [ONE
12 YEAR];

13 (2) the loan is secured by inventory or accounts receivable
14 of the [FISH] processor, and [OR] by other collateral acceptable to
15 the department;

16 (3) the loan is originated with and serviced by the Alaska
17 Commercial Fishing and Agriculture Bank [, OR BY A STATE OR FEDERALLY
18 CHARTERED FINANCIAL INSTITUTION LOCATED IN THE STATE]; and

19 (4) the majority interest in the borrower [FISH PROCESSOR]
20 is beneficially owned by residents of the state and the majority of
21 owners of the borrower [FISH PROCESSOR] are residents of the state.

22 * Sec. 5. AS 45.92.050(b) is amended to read:

23 (b) The department may provide a guarantee from the fund for up
24 to 80 [50] percent of a loan, but may not guarantee more than
25 \$5,000,000 [\$15,000,000 PER LOAN OR \$30,000,000] per borrower. The
26 department may not guarantee the payment of annual interest on the
27 guaranteed portion of a loan.

28 * Sec. 6. AS 45.92.050 is amended by adding new subsections to read:

29 (d) To the extent permitted by federal law, the requirements of

1 the federal farm credit system do not apply to loans guaranteed or
2 purchased under this chapter.

3 (e) The interest rate on a loan of the Commercial Fishing and
4 Agriculture Bank purchased or guaranteed under this chapter may not
5 exceed the average earning rate of the state's treasury investment
6 securities for the quarter before the loan is purchased or guaranteed.

7 * Sec. 7. AS 45.92.060(6) is amended to read:

8 (6) "fund" means the renewable resource [FISHERY PRODUCT]
9 revolving [LOAN GUARANTEE] fund.

10 * Sec. 8. This Act takes effect immediately in accordance with AS 01.-
11 10.070(c).

ALASKA STATE LEGISLATURE

.. 14th. Legislature **FIRST**.. Session

SENATE **BILL**..... NO. **274**...

By **KERTTULA**.....

"An Act relating to renewable resource loans and guarantees; and providing for an effective date."

Introduced in the Senate ...4/9..., 19...85

HISTORY IN THE SENATE

1985

4 9

Read first time and referred to Committee on

Finance

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
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Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date _____

REQUEST

Bill/Resolution No: SB 274
 Title: Renewable Resource Loans and Guarantees
 Sponsor: Kerttula
 Requestor: Senate Finance
 Date of Request: April 11, 1985

FISCAL DETAIL

Agency Affected: Department of Revenue
 Program Category Affected: _____
 BRU, Program of Subprogram(s) Affected: Treasury

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	-	-	-	-	-	-
300 CONTRACTUAL	-	-	-	-	-	-
400 SUPPLIES	-	-	-	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LANDS & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL OPERATING	-	-	-	-	-	-
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-	-	-	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-

POSITIONS:

FULL-TIME	-	-	-	-	-	-
PART-TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

ANALYSIS: Attach a separate page for analysis.

Prepared By: Milt Barker *MB*
 Division: Treasury
 Approved by Commissioner: *Henry D. Stuckale*
 Agency: Department of Revenue

Phone: 465-2350
 Date: April 15, 1985
 Date: 4/16/85

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Introduced: 4/9/85
Referred: Finance

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8 (6) "fund" means the renewable resource [FISHERY PRODUCT]
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