

LEG. FINANCE - BILLS 1983 - 1984 2132

SB 491 cont. - CSSB 496 2132

1 a person who violates (1) any of those limitations, (2) the terms of
2 an overweight or oversize vehicle permit issued under AS 44.33.020(25)
3 and AS 45.75.040, or (3) the provisions of regulations adopted under
4 AS 44.33.020(25) and AS 45.75.050(b)(5). Citations issued under this
5 subsection shall be treated as specified by AS 12.25.180 - 12.25.230
6 for citations issued by a peace officer.

7 * Sec. 14. AS 45.75.140 is amended to read:

8 Sec. 45.75.140. POWERS AND DUTIES OF INSPECTORS [DEPUTY DIRECTOR
9 AND INSPECTOR]. The powers and duties of the commissioner [DIRECTOR]
10 specified in AS 45.75.070, 45.75.080, 45.75.090, 45.75.100, 45.75.120,
11 45.75.130, and 45.75.170 may [, AND 45.75.380 SHALL] also be exercised
12 by [THE DEPUTY DIRECTOR AND] inspectors, when acting under the in-
13 structions and at the direction of the commissioner [DIRECTOR].

14 * Sec. 15. AS 45.75.150 is amended to read:

15 Sec. 45.75.150. APPOINTMENT OF CITY SEALERS AND DEPUTY SEALERS
16 OF WEIGHTS AND MEASURES. (a) A city may appoint a sealer of weights
17 and measures, and the deputy sealers of weights and measures it needs.
18 If the city appoints a sealer, the city [IT] shall obtain at its
19 expense the standards of weight and measure [WEIGHTS AND MEASURES] and
20 the additional equipment, for use in the enforcement of this chapter
21 in the city, that [WHICH] the commissioner [DIRECTOR] prescribes.

22 (b) When the standards of weight and measure provided by a city
23 are examined and approved by the commissioner [DIRECTOR], they are the
24 official standards for the city. At least every five years, the
25 sealer shall make or arrange to have made comparisons between the
26 sealer's [HIS] field standards and appropriate standards of a higher
27 order belonging to the sealer's [HIS] city or to the state, in order
28 to maintain the field standards in accurate condition.

29 * Sec. 16. AS 45.75.160 is amended to read:

1 Sec. 45.75.160. CITY SEALERS AND DEPUTY SEALERS. The sealer of
2 a city, and the sealer's [HIS] deputy [SEALER] when acting under the
3 sealer's [HIS] instructions and [AT HIS] direction, have the same
4 powers and shall perform the same duties within the city as those
5 granted to [AND IMPOSED UPON] the commissioner [DIRECTOR] by
6 AS 45.75.080 - 45.75.130 and 45.75.380.

7 * Sec. 17. AS 45.75.170 is amended to read:

8 Sec. 45.75.170. CONCURRENT JURISDICTION. In each city having a
9 sealer of weights and measures, the commissioner [DIRECTOR] has con-
10 current authority to enforce this chapter.

11 * Sec. 18. AS 45.75.180 is amended to read:

12 Sec. 45.75.180. DUTY OF OWNERS OF INCORRECT APPARATUS. Weights
13 and measures rejected by the commissioner [DIRECTOR] or a sealer
14 remain subject to the control of the rejecting authority until suit-
15 able repair or disposition of them is made as required by this sec-
16 tion. The owner of a rejected weight and measure shall correct it
17 within 30 days or a longer period authorized by the rejecting author-
18 ity, [;] or [,] may dispose of it in the manner authorized by the
19 rejecting authority. Rejected weights and measures may not again be
20 used commercially until officially reexamined [RE-EXAMINED] and found
21 to be correct or until specific written permission for their use is
22 issued by the rejecting authority.

23 * Sec. 19. AS 45.75.190(c) is amended to read:

24 (c) The commissioner [DIRECTOR] may adopt [ISSUE] reasonable
25 regulations necessary to assure that amounts of commodity sold are
26 determined in accordance with good commercial practice and are so
27 determined and represented as to be accurate and informative.

28 * Sec. 20. AS 45.75.200(c) is amended to read:

29 (c) Under (a)(1) of this section the commissioner [DIRECTOR]

1 shall, by regulation, establish

2 (1) reasonable variations or tolerances to be allowed, that
3 [WHICH] may include variations below the declared weight or measure
4 caused by ordinary and customary exposure, only after the commodity is
5 introduced into intrastate commerce, to conditions that normally occur
6 in good distribution practice and that unavoidably result in decreased
7 weight or measure,

8 (2) exemptions [EXEMPTION] as to small packages, and

9 (3) exemptions as to commodities put up in variable weights
10 or sizes for sale to the consumer intact and either customarily not
11 sold as individual units or customarily weighed or measured at the
12 time of sale to the consumer.

13 * Sec. 21. AS 45.75.220 is amended to read:

14 Sec. 45.75.220. MISLEADING PACKAGES. A [NO] commodity in pack-
15 age form may not be so wrapped, or put in a container so made, formed,
16 or filled as to mislead the purchaser as to the quantity of the con-
17 tents of the package, and the contents of a container may not fall
18 below the reasonable standard of fill that [WHICH] the commissioner
19 [DIRECTOR] prescribes for the commodity.

20 * Sec. 22. AS 45.75.282(b) is amended to read:

21 (b) One of the tickets provided for in (a) of this section shall
22 be retained by the vendor, and the other shall be delivered to the
23 purchaser at the time of delivery of the commodity, or surrendered, on
24 demand, to the commissioner [DIRECTOR, OR THE DEPUTY DIRECTOR,] or an
25 inspector, or a sealer [,] or a deputy sealer, who may [,IF HE WANTS
26 TO] retain it as evidence and, if it is retained, shall issue a weight
27 slip in place of it.

28 * Sec. 23. AS 45.75.290(b) is amended to read:

29 (b) One of the tickets provided for under (a) of this section

1 shall be retained by the vendor and the other shall be delivered to
2 the purchaser at the time of delivery of the fuel, or shall be sur-
3 rendered, on demand, to the commissioner [DIRECTOR, OR THE DEPUTY
4 DIRECTOR] or an inspector, or a sealer or deputy sealer, who may [, IF
5 HE DESIRES TO] retain it as evidence and [, SHALL] issue a weight slip
6 in place of it for delivery to the purchaser. If the purchaser car-
7 ries away the [HIS] purchase, the vendor is required only to give to
8 the purchaser at the time of sale a delivery ticket stating the number
9 of pounds of fuel delivered to the purchaser [HIM].

10 * Sec. 24. AS 45.75.300 is amended to read:

11 Sec. 45.75.300. TEXTILE PRODUCTS. (a) It is unlawful to keep
12 for the purpose of sale, offer or expose for sale, or sell textile
13 yard goods put up or packaged in advance of sale in a bolt or roll, or
14 any other textile product put up or packaged in advance of sale in any
15 other unit, for wholesale or retail sale, unless the bolt or roll, or
16 other unit, is definitely, plainly, and conspicuously marked to show
17 its net measure in terms of yards or its net weight, in terms of
18 avoirdupois pounds or ounces, subject to the following limitations and
19 requirements:

20 (1) a unit of twine or cordage may be marked to show its
21 net measure in terms of feet; readywound bobbins not sold separately
22 are not required to be individually marked, but the package containing
23 the bobbins shall be marked to show the number of bobbins contained in
24 it and the net weight or measure of the thread on each bobbin; a unit
25 of sewing, basting, mending, darning, crocheting, tatting, hand-
26 knitting, or embroidery thread or yarn, except nylon hand-knitting
27 yarn, that is not composed in whole or in part of wool, the net weight
28 of which is less than two ounces avoirdupois, shall be marked to show
29 its net measure in terms of yards as unwound from the ball or from the

1 spool or other holder; a retail unit of a textile product sold only
2 for household use consisting of a package containing two or more
3 similar individual units that are not sold separately shall be marked
4 to show the number of individual units in the package and the net
5 weight or net measure of the product in each individual unit, but this
6 does not apply where the individual units are separately marked; a
7 unit of yarn, composed in whole or in part of wool, sold to consumers
8 for handiwork, shall be marked to show the net weight of the yarn,
9 except that any such unit of tapestry, mending, or embroidery yarn,
10 the net measure of which does not exceed 50 yards, may be marked to
11 show its linear measure only;

12 (2) the marking required by this section shall in all cases
13 be in combination with the name and place of business of the manufac-
14 turer, packer, or distributor of the product, or a trademark, symbol,
15 brand, or other mark that identifies the manufacturer, packer, or
16 distributor;

17 (3) reasonable tolerances shall be permitted, and these
18 shall be included in regulations adopted for the enforcement of this
19 section.

20 (b) This [THAT ARE ISSUED BY THE DIRECTOR; (4) THIS] section
21 does not apply to the following textile products when sold at whole-
22 sale in bulk by net weight: cordage, agricultural bag sewing threads,
23 twines, yarns that are to be processed, and yarns that are to be
24 industrially converted into end-use products.

25 * Sec. 25. AS 45.75.330 is amended to read:

26 Sec. 45.75.330. INJUNCTION. The commissioner [DIRECTOR] may
27 apply to a court for a temporary or permanent injunction restraining a
28 person from violating a provision of this chapter.

29 * Sec. 26. AS 45.75.380 is amended to read:

1 Sec. 45.75.080. OFFENSES AND PENALTIES. It is a class B mis-
2 demeanor for a person to perform any of the following acts [A PERSON
3 WHO, BY HIMSELF OR BY HIS SERVANT, OR AGENT, OR AS THE SERVANT OR
4 AGENT OF ANOTHER, PERFORMS ANY ONE OF THE FOLLOWING ACTS IS GUILTY OF
5 A MISDEMEANOR AND UPON A FIRST CONVICTION OF THE VIOLATION IS
6 PUNISHABLE BY A FINE OF NOT LESS THAN \$20 NOR MORE THAN \$200, OR BY
7 IMPRISONMENT FOR NOT MORE THAN THREE MONTHS, OR BY BOTH. UPON A
8 SECOND OR SUBSEQUENT CONVICTION, THE PERSON IS PUNISHABLE BY A FINE OF
9 NOT LESS THAN \$50 NOR MORE THAN \$500, OR BY IMPRISONMENT FOR NOT MORE
10 THAN ONE YEAR, OR BY BOTH]:

11 (1) uses or has in possession for the purpose of using for
12 any commercial purpose specified in AS 45.75.080, sells, offers, or
13 exposes for sale, or hire, or has in possession for the purpose of
14 selling or hiring, an incorrect weight or measure or a device or
15 instrument used to or calculated to falsify a weight or measure;

16 (2) uses or has in possession for current use, in buying or
17 selling a commodity or thing, or for hire or award, or in the computa-
18 tion of a basic charge or payment for services rendered on the basis
19 of weight or measurement, or in the determination of weight or mea-
20 surement when a charge is made for determination, a weight or measure
21 that has not been tested and sealed by the appropriate authority
22 within one year, (A) unless written notice is given to the appropriate
23 authority to the effect that the weight or measure is available for
24 examination, or is due for reexamination [RE-EXAMINATION], as the case
25 may be, (B) unless specific written permission to use the weight or
26 measure is received from the appropriate authority, or (C) unless the
27 weight or measure is exempt from sealing or annual testing require-
28 ments by AS 45.75.080 or by a regulation adopted [OF THE DIRECTOR
29 ISSUED] under AS 45.75.050;

- 1 (3) disposes of a rejected [OR CONDEMNED] weight or measure
2 in a manner contrary to law or regulation;
- 3 (4) removes from a weight or measure, contrary to law or
4 regulation, a tag, seal, or mark placed on it by the appropriate
5 authority;
- 6 (5) sells or [,] offers [OR EXPOSES] for sale less than the
7 quantity the person [HE] represents of a commodity, thing, or service;
- 8 (6) takes more than the quantity the person [HE] represents
9 of a commodity, thing, or service when, as buyer, the person [HE]
10 furnished the weight or measure by means of which the amount of the
11 commodity, thing, or service is determined;
- 12 (7) keeps for the purpose of sale, advertises, or offers
13 [OR EXPOSES] for sale, or sells a commodity, thing, or service in a
14 condition or manner contrary to law or regulation;
- 15 (8) uses in retail trade, except in the preparation of
16 packages put up in advance of sale and of medical prescriptions, a
17 weight or measure that is not so positioned that its indications may
18 be accurately read and the weighing or measuring operation observed
19 from some position that [WHICH] may reasonably be assumed by a cus-
20 tomer;
- 21 (9) hinders or obstructs the commissioner, an inspector, a
22 sealer, or a deputy sealer in the performance of official duties under
23 this chapter;
- 24 (10) violates a provision of an overweight or oversize
25 permit;
- 26 (11) violates a weight, load, or size limitation established
27 under AS 19.10.060 or regulations adopted under AS 19.05.020 or
28 AS 45.75.050(b)(5);
- 29 (12) violates a provision of this chapter or of a regulation

1 adopted under this chapter for which a specific penalty is not pre-
2 scribed.

3 * Sec. 27. AS 45.75.380 is amended by adding a new subsection to read:

4 (b) In addition to the penalty provided for in (a) of this
5 section, a fine of five cents a pound shall be imposed for each pound
6 of weight by which a vehicle exceeds an allowable gross weight limita-
7 tion established under AS 19.10.060 or regulations adopted by the
8 Department of Transportation and Public Facilities under AS 19.05.020.

9 * Sec. 28 AS 45.75.390(4) is repealed and reenacted to read:

10 (+) "commissioner" means the commissioner of commerce and
11 economic development or a designee;

12 * Sec. 29. AS 28.35.230(e) and AS 45.75.360 are repealed.

13 * Sec. 30. This Act takes effect immediately in accordance with AS 01.-
14 10.070(c).

2001 1/1/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 5/11/84

REQUEST
 Bill/Resolution No.: CSSB 496
 Title: An Act relating to the
CF loan fund
 Sponsor: _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL
 Agency Affected: Commerce & Economic Development
 Program Category Affected: _____
Economic Development
 BRU, Program or Subprogram(s) Affected:
Accounting & Collections BRU
DP BRU

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		61.6	64.7	67.9	71.3	79.9
200 TRAVEL		0	.0	0	.0	.0
300 CONTRACTUAL		7.0	7.3	8.6	11.2	14.7
400 SUPPLIES		1.2	1.4	1.6	1.8	2.0
500 EQUIPMENT		7.8	.0	.0	.0	.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		77.6	73.4	78.1	84.3	96.6
CAPITAL						
REVENUE		395.0	445.0	495.0	545.0	595.0

FUNDING: (Thousands of Dollars)

GENERAL FUND		77.6	73.4	78.1	84.3	96.6
FEDERAL FUNDS						
OTHER						
TOTAL		77.6	73.4	78.1	84.3	96.6

POSITIONS:

FULL-TIME		2.0	2.0	2.0	2.0	2.0
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

General Funds: earnings from CF loan fund. This fiscal note is one of two from Dept. of Commerce and Economic Development for CSSB 496. It includes all anticipated revenue to be generated as a result of this legislation, as well as expenditures for Accounting & Collections BRU and DP BRU. Investments BRU is separate.
 ANALYSIS: Attach a separate page for analysis

Prepared By: Margaret I. Hamley, Director Phone: 465-2555
 Division: Accounting & Collections Date: _____
 Approved by Commissioner: Richard A. Lyon Date: 5/11/84
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

CSSB 496 FISCAL NOTE ANALYSIS

DIVISION OF ACCOUNTING & COLLECTIONS BRU AND DP BRU

EXPENDITURE ANALYSIS

In order for the Division of Investments to administer this legislation as it relates to commercial fishing loan assumptions, the Division of Accounting & Collections must be staffed to provide minimally adequate service to Investments. A summary of the anticipated increase in workload which Accounting and Collections will encounter is provided below. We estimate that a minimum of two additional permanent, full-time positions will be required to respond to this workload being generated by four additional positions in Investments.

Although there is no net increase in the number of loans Accounting & Collections will service, it is important to recognize that most of the work in this division is associated with loans in transition, not with loans in a steady-state which pay as agreed each month until maturity. While we estimate that approximately 600 formal assumption applications will be received by the Division of Investments, resulting in approximately 400 actual assumptions of commercial fishing loans per year, it is realistic to expect many additional borrowers may inquire about the assumption program. Such calls to Investments will create additional work in Accounting & Collections (pulling files, logging out cards, sending files to regional offices, following up on files slow to return, providing accounting/assumption information, and communicating with loan examiners and loan closers regarding all of these areas), whether or not the borrower ever submits an assumption application. Lack of staff to handle this workload will thwart Accounting & Collections' best efforts to provide files and requested information to Investments' four regional offices which they must have before they will be able to respond to any assumption inquiries of fishermen.

Commercial fishing loans presently represent 20% of the number of loans serviced by Accounting & Collections, or 1,700+ of 8,500. Although the terms of many of these loans call for regular annual payments, many borrowers under this program remit multiple partial payments which require additional accounting work, regardless of the loan system used. Because of this, requests for assumption figures will require more than routine analyses by Accounting & Collections' accounting staff before Investments can respond to borrower inquiries.

If a loan is delinquent or in default, an assumption to cure the default requires additional effort on the part of the collection officers and accountants to monitor the assumption, with additional calls to the old borrower or his/her attorney, the new borrower and the State's legal counsel to ensure that the assumption is completed properly and that foreclosure proceedings are held in abeyance without jeopardizing the State's position pending closure. This requires additional work by the clerical staff and accounting staff to provide adequate support for the collectors. Although a straightforward foreclosure is not preferable to an assumption during foreclosure, it is less complicated.

Once Investments approves an assumption, prior to closing, Accounting & Collections will need to "freeze" the loan; establish and maintain the loan on an assumption log; monitor partial payments; process application fees; set up cross-references for old and new borrowers; update final assumption figures; communicate with Investments' loan closers and loan examiners regularly regarding the status of the assumption; and, in the records management unit, create and manage a suspense for documents needing to be filed pending the return of the loan file from Investments.

When the assumption has been executed (closed) by Investments' staff, Accounting & Collections staff must process the assumption fee; analyze and complete multiple entries on the subsidiary accounting system to delete the old borrower and establish the new borrower and to apply outstanding payments according to the assumption agreement; delete the old borrower's insurance coverage (for vessels) from the tracking system; verify that the new borrower's coverage conforms to the contract and is adequate; establish the new borrower's coverage on the tracking system; prepare and mail out payment cards; data enter and verify all entries to the system; file items held in suspense pending return of the file; file the loan files; respond by phone and in writing to new and old borrowers' inquiries; respond to Division of Investments' staff regarding the assumption; and finally provide quality control on all of the above activities to ensure timeliness and accuracy.

We are requesting the bare minimum required to provide this service, and cannot stress how detrimental lack of funding will be to the successful implementation of this legislation. We cannot implement with less.

EXPENDITURE DETAIL

PERSONAL SERVICES

	<u>FY '85</u>	
Accounting Technician II (Range 14A) (Subsidiary Ledger/Customer Service Assumption and Repo Accounting)	Salary	\$27,000
	Benefits	8,100
Clerk IV (Range 09B) Records Management/Filing Insurance/Phones	Salary	\$20,400
	Benefits	<u>6,120</u>
TOTAL 100		\$61,620

CONTRACTUAL

Data Processing Chargeback	\$ 1,100
Long Distance	200
Postage	100
Printing	500
Space Expense	<u>5,100</u>
TOTAL 300	\$ 7,000

EXPENDITURE DETAIL (Continued)

COMMODITIES

Payment Coupon Forms	\$ 700	
Microfiche Supplies	<u>500</u>	
TOTAL 400		\$ 1,200

EQUIPMENT

Calculator 2 @ \$300/ea	\$ 600	
Microfiche Reader 2 @ \$300/ea	600	
Workstation 2 @ \$2,800/ea	5,600	
Telephones 2 @ \$500	<u>1,000</u>	
TOTAL		\$7,800

FISCAL NOTE CSSB 496

REVENUE ANALYSIS

1. Assumes an estimated 600 applicants and 400 approvals of assumptions per year, with an average assumed balance of \$67,500:
 - a. Nonrefundable application fee $\$125 \times 600 = \$75,000/\text{year}$
 - b. Assumption fee (one-time) of 1% of the assumed balance $\$67,500 \times .01 \times 400 = \$270,000/\text{year}$

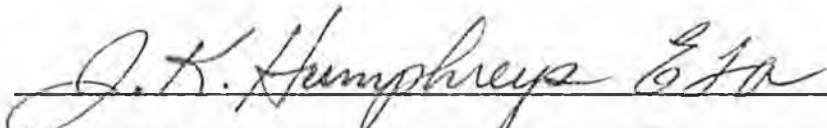
2. Assumes 50% recovery of losses on commercial fishing loans due to ability to finance and reamortize repossessed vessels and other collateral.
 - a. Example: Loss of \$590.7 in FY '84
 $\$590,700 \times .50 = \$295,350$
 Reamortized over 10 years at 10.5% (est.) = \$49,105/year for 10 years.
 - b. Using this example, this analysis assumes an increase in cash flow of \$50,000 per year in loss recovery.

<u>Loss/Revenue</u> <u>Year/Year</u>	<u>FY '85</u>	<u>FY '86</u>	<u>FY '87</u>	<u>FY '88</u>	<u>FY '89</u>
FY '84	50.0	50.0	50.0	50.0	50.0
FY '85		50.0	50.0	50.0	50.0
FY '86			50.0	50.0	50.0
FY '87				50.0	50.0
FY '88					50.0
Assumption Application Fees	75.0	75.0	75.0	75.0	75.0
Assumption fees	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>
Total Est. Revenue	\$395.0	\$445.0	\$495.0	\$545.0	\$595.0

Position Paper


CSSB 469

The department supports this bill. This bill would provide relief for those noncertificated BIA school employees who have "fallen through the cracks" regarding retirement benefits as a result of the federal government transfer of the BIA schools to the State. This bill would allow those covered members who satisfy a membership requirement to establish an indebtedness to the system for federal BIA school service if they do not qualify for a federal benefit.



J.K. Humphreys, Director, Division of Retirement & Benefits

5/7/84
Date



Lisa Rudd, Commissioner, Department of Administration

5-11-84
Date

COMMITTEE REPORT

SENATE

FURTHER:

4/2/84

Date 5/2/84

Mr. President

The Committee on FINANCE considered SB 496

commercial fishing loan fund; sfd.

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 SB 496 (Fin)
- new title
- same title and recommends Do Pass w/L+C letter of intent
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
3/29/84 196.6
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman
Chairman recommendation



OFFICIAL BUSINESS

ALASKA STATE LEGISLATURE - SENATE
COMMITTEE ON LABOR AND COMMERCE

SENATOR RICHARD I. ELIASON
CHAIRMAN

POUCH V • JUNEAU, ALASKA 99811
(907) 465-3344

LETTER OF INTENT

SB 496

It is the intent of the Legislature that the Department of Commerce and Economic Development, in considering applications for loan assumptions under the commercial fish loan program, shall be authorized to utilize maximum flexibility in dealing with loan assumption requests with the understanding that the credit worthiness of the applicant shall be of paramount importance in the decision making process. It is also the intent of the Legislature that the original borrower's obligations under the loan agreement shall be extinguished whenever the applicant for assumption has demonstrated his/her credit worthiness to the satisfaction of the Department.

Proposed by Dept of Commerce

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

*Fiscal Note
drafted
12/15/83*

Revision Date: _____

REQUEST

Bill/Resolution No.: CSSB 496 (L&C)
Title: An Act relating to Commercial Fishing Loans

Sponsor: Senate Labor & Commerce
Requestor: Labor & Commerce Committee
Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Economic Development
Program Category Affected: Development

BRU, Program or Subprogram(s) Affected: Investments

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		157.8	157.8	157.8	157.8	157.8
200 TRAVEL		7.9	7.9	7.9	7.9	7.9
300 CONTRACTUAL		12.3	12.0	12.0	12.0	12.0
400 SUPPLIES		1.2	1.2	1.2	1.2	1.2
500 EQUIPMENT		17.4				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		196.6	178.9	178.9	178.9	178.9

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		196.6	178.9	178.9	178.9	178.9
FEDERAL FUNDS						
OTHER						
TOTAL		196.6	178.9	178.9	178.9	178.9

POSITIONS:

FULL-TIME		4.0	4.0	4.0	4.0	4.0
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Paul B. Arnoldt, Director
Division: Investments

Phone: 465-2510

Date: 3/29/84

Approved by Commissioner: Richard A. Lynn
Agency: Commerce and Economic Development

Date: _____

Distribution (by Agency preparing fiscal note):

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

12/1/83

FISCAL NOTE ANALYSIS
CSSB 496 (L&C)

100 Line

Processing of an additional 600 applications for assumptions and approval of 400 of those applications per year will create a marked increase in the workload of the division's Anchorage and Juneau regional offices. Two additional loan examiners and two loan closers would be required to handle the increased load and would be spread between the two regional offices. One time expenses would be incurred for equipment.

Consideration of these applications would also require significantly more meetings of the department's loan committees. This fiscal note assumes that this additional burden would be absorbed.

300 Line \$.3

Approval of this measure would require modification and reprinting of the existing loan application packet.

1.	POSITION TITLE Loan Examiner II		RANGE/STEP 17A	BARC. UNIT G			
2.	TYPE OF POSITION PFT	STAFF MONTHS 12		LOCATION Juneau			
3.							
4.	TYPE OF EXPENDITURE		AMOUNT				
	1	2	3				
	PERSONAL SERVICES						
5.	Salary	35,580					
6.	Benefits	10,719					
7.							
8.							
9.	TOTAL PERSONAL SERVICES	01	46,299				
10.	Travel	02	3,950				
11.	Contractual	03	3,000				
12.	Commodities	04	300				
13.	Equipment	05	4,555				
14.	Other						
15.	TOTAL COST		58,104				
ESTIMATES FOR OTHER LINE ITEMS							
16.	RECEIPT CODE	FUNDING SOURCE					
17.		Federal Receipts 1002					
18.		G.F. Match 1003					
19.		General Funds 1004		58,104			
20.		I-A Receipts 1005					
21.		Program Receipts 1028					
22.		Other					
FOR B311 USE ONLY 4A KEY NUMBER _____							

Estimates for other line items assume that the new employee required for this new loan program will require support at levels similar to that actually being incurred by the division on other loan programs.

Travel: To inspect collateral, interview applicants, and inform public on program.

Contractual: Space Rental: \$3,000
\$2.50 sq./ft. x 100 sq./ft. x 12 months RSA to Department of Administration

Commodities: General supplies.

Equipment: Calculator \$ 365
Microfiche Reader 300
Workstation 3,990
\$4,555

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
PROGRAM Development
BRU Investments
COMPONENT _____

Page 1 of 1
Date 3/29/84



CSSB 496 (L&C)

1.	POSITION TITLE Loan Examiner II		RANGE/STEP 17A	BARG. UNIT G			
2.	TYPE OF POSITION PFT	STAFF MONTHS 12		LOCATION Anchorage			
3.							
4.	TYPE OF EXPENDITURE		AMOUNT				
	1	2	3				
	PERSONAL SERVICES						
5.	Salary	35,580					
6.	Benefits	10,719					
7.							
8.							
9.	TOTAL PERSONAL SERVICES	01	46,299				
10.	Travel	02	3,950				
11.	Contractual	03	3,000				
12.	Commodities	04	300				
13.	Equipment	05	4,555				
14.	Other						
15.	TOTAL COST		58,104				
RECEIPT COD. FUNDING SOURCE							
16.		Federal Receipts	1002				
17.		G.F. Match	1003				
18.		General Funds	1004	58,104			
19.		I-A Receipts	1005				
20.		Program Receipts	1028				
21.		Other					
FOR B&M USE ONLY							
4A KEY NUMBER							

Estimates for other line items assume that the new employee required for this new loan program will require support at levels similar to that actually being incurred by the division on other loan programs.

Travel: To inspect collateral, interview applicants, and inform public on program.

Contractual: Space Rental: \$3,000
\$2.50 sq./ft. x 100 sq./ft. x 12 months RSA to Department of Administration

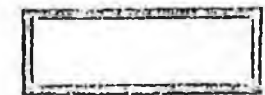
Commodities: General supplies.

Equipment: Calculator \$ 365
Microfiche Reader 300
Workstation 3,890
\$4,555

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
PROGRAM Development
BRU Investments
COMPONENT _____

Page 2 of 4
Date 3/29/84



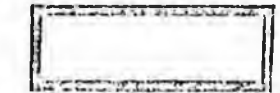
CSSB 496 (I&C)

1.	POSITION TITLE Loan Closer II		RANGE/STEP 12A	BARG. UNIT GGU			
2.	TYPE OF POSITION PFT	STAFF MONTHS 12		LOCATION Juneau			
3.							
4.	TYPE OF EXPENDITURE		AMOUNT				
	1	2	3				
	PERSONAL SERVICES						
5.	Salary	24,396					
6.	Benefits	8,208					
7.							
8.							
9.	TOTAL PERSONAL SERVICES	01	32,604				
10.	Travel	02	-0-				
11.	Contractual	03	3,000				
12.	Commodities	04	300				
13.	Equipment	05	4,130				
14.	Other						
15.	TOTAL COST		40,034				
ESTIMATES FOR OTHER LINE ITEMS ASSUME THAT THE NEW EMPLOYEE REQUIRED FOR THIS NEW LOAN PROGRAM WILL REQUIRE SUPPORT AT LEVELS SIMILAR TO THAT ACTUALLY BEING INCURRED BY THE DIVISION ON OTHER LOAN PROGRAMS.							
<u>Contractual:</u> Space Rental: \$3,000 \$2.50 sq./ft. x 100 sq./ft. x 12 months RSA to Department of Administration							
<u>Commodities:</u> General supplies.							
<u>Equipment:</u> Calculator \$ 365 Typewriter 1,369 Workstation 2,396 <u>\$4,130</u>							
	RECEIPT CODE	FUNDING SOURCE					
16.		Federal Receipts	1002				
17.		G.F. Match	1003				
18.		General Funds	1004	40,034			
19.		I-A Receipts	1005				
20.		Program Receipts	1028				
21.		Other					
FOR B&M USE ONLY							
4A KEY NUMBER - - - - -							

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
 PROGRAM Development
 BRU Investments
 COMPONENT _____

Page 3 of 4
 Date 3/29/84



CSSB 496 (I&C)

1.	POSITION TITLE Loan Closer II	RANGE/STEP 12A	BARG. UNIT GGU		
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	LOCATION Anchorage		
3.					
4.	TYPE OF EXPENDITURE		AMOUNT		
	1	2	3		
	PERSONAL SERVICES				
5.	Salary	24,396			
6.	Benefits	8,208			
7.					
8.					
9.	TOTAL PERSONAL SERVICES	01	32,604		
10.	Travel	02	-0-		
11.	Contractual	03	3,000		
12.	Commodities	04	300		
13.	Equipment	05	4,130		
14.	Other				
15.	TOTAL COST		40,034		

16.	RECEIPT CODE	FUNDING SOURCE	
17.		Federal Receipts 1002	
18.		G.F. Match 1003	
19.		General Funds 1004	40,034
20.		I-A Receipts 1005	
21.		Program Receipts 1028	
		Other	

FOR USA USE ONLY
 4A KEY NUMBER _____

Estimates for other line items assume that the new employee required for this new loan program will require support at levels similar to that actually being incurred by the division on other loan programs.

Contractual: Space Rental: \$3,000
 \$2.50 sq./ft. x 100 sq./ft. x 12 months RSA to Department of Administration

Commodities: General supplies.

Equipment: Calculator \$ 365
 Typewriter 1,369
 Workstation 2,396
 \$4,130

**REQUEST FOR
NEW POSITION**

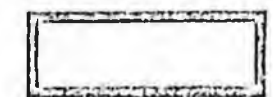
AGENCY Commerce & Economic Development

PROGRAM Development

BRU Investments

COMPONENT _____

Page 1 of 1
 Date 3/27/24



CSSB 496 (1 & C)

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: March 27, 1984

REQUEST

Bill/Resolution No.: CSSB 496
Title: An Act relating to the
CF loan fund
Sponsor: _____
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Economic Development
Program Category Affected: _____
Economic Development
BRU, Program or Subprogram(s) Affected: _____
Accounting & Collections BRU
DP BRU

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		61.6	64.7	67.9	71.3	79.9
200 TRAVEL		.0	.0	.0	.0	.0
300 CONTRACTUAL		7.0	7.3	8.6	11.2	14.7
400 SUPPLIES		1.2	1.4	1.6	1.8	2.0
500 EQUIPMENT		7.8	.0	.0	.0	.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		77.6	73.4	78.1	84.3	96.6
CAPITAL						
REVENUE		395.0	445.0	495.0	545.0	595.0

FUNDING: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
GENERAL FUND		77.6	73.4	78.1	84.3	96.6
FEDERAL FUNDS						
OTHER						
TOTAL		77.6	73.4	78.1	84.3	96.6

POSITIONS:

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
FULL-TIME		2.0	2.0	2.0	2.0	2.0
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

General Funds: earnings from CF loan fund.

ANALYSIS: Attach a separate page for analysis

Prepared By: Margaret I. Hamley, Director Phone: 465-2555
Division: Accounting & Collections Date: 5-31-84
Approved by Commissioner: Richard A. Lyon Date: 7/28/84
Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

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

12/1/83

FISCAL NOTE CSSB 496

EXPENDITURE ANALYSIS

It is absolutely essential that this fiscal note remain intact if the portion of CSSB 496 relating to assumptions becomes law, due to the impact that will have upon our workload. (It would be impossible to administer this statute without these minimal additional resources.)

Because of the complexity of commercial fishing loans relative to the other 11 loan programs this division administers, allowing assumptions will impact our records management workload dramatically. Currently, C.F. filing is three times heavier than that for our other loan programs. (This division manages loan files for all three regional Division of Investments' offices, as well as our own division.) One additional records position, who will also be required to assist with increased phone calls and increased insurance workload, is the absolute minimum the division will require in the Daily Operations Section.

One Accounting Technician II is also requested, as an absolute minimum, in the Customer Service/Subsidiary Ledger Section. This position is needed in order to respond to requests for C.F. account information generated by Division of Investments (relating to assumptions), as well as to correctly process C.F. assumptions within the subsidiary accounting system. Approximately 10% of this position's time will be spent processing refinancing of repossessed collateral through the subsidiary system.

EXPENDITURE DETAIL

PERSONAL SERVICES

	<u>FY '85</u>	
Accounting Technician II (Range 14A) (Subsidiary Ledger/Customer Service Assumption and Repo Accounting)	Salary	\$27,000
	Benefits	8,100
Clerk IV (Range 09B) Records Management/Filing Insurance/Phones	Salary	\$20,400
	Benefits	<u>6,120</u>
TOTAL 100		\$61,620

CONTRACTUAL

Data Processing Chargeback	\$ 1,100
Long Distance	200
Postage	100
Printing	500
Space Expense	<u>5,100</u>
TOTAL 300	\$ 7,000

COMMODITIES

Payment Coupon Forms	\$ 700	
Microfiche Supplies	<u>500</u>	
TOTAL 400		\$ 1,200

EQUIPMENT

Calculator 2 @ \$300/ea	\$ 600	
Microfiche Reader 2 @ \$300/ea	600	
Workstation 2 @ \$2,800/ea	5,600	
Telephones 2 @ \$500	<u>1,000</u>	
TOTAL		\$7,800

FISCAL NOTE CSSB 496

REVENUE ANALYSIS

1. Assumes an estimated 600 applicants and 400 approvals of assumptions per year, with an average assumed balance of \$67,500:
 - a. Nonrefundable application fee $\$125 \times 600 = \$75,000/\text{year}$
 - b. Assumption fee (one-time) of 1% of the assumed balance
 $\$67,500 \times .01 \times 400 = \$270,000/\text{year}$
2. Assumes 50% recovery of losses on commercial fishing loans due to ability to finance and reamortize repossessed vessels and other collateral.
 - a. Example: Loss of \$590.7 in FY '84
 $\$590,700 \times .50 = \$295,350$
 Reamortized over 10 years at 10.5% (est.) = \$49,105/year for 10 years.
 - b. Using this example, this analysis assumes an increase in cash flow of \$50,000 per year in loss recovery.

Loss/Revenue Year/Year	<u>FY '85</u>	<u>FY '86</u>	<u>FY '87</u>	<u>FY '88</u>	<u>FY '89</u>
FY '84	50.0	50.0	50.0	50.0	50.0
FY '85		50.0	50.0	50.0	50.0
FY '86			50.0	50.0	50.0
FY '87				50.0	50.0
FY '88					50.0
Assumption Application Fees	75.0	75.0	75.0	75.0	75.0
Assumption fees	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>
Total Est. Revenue	\$395.0	\$445.0	\$495.0	\$545.0	\$595.0

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 12/13/83

REQUEST
Bill/Resolution No.: _____
Title: An Act relating to the CF
Loan Fund
Sponsor: Rules
Requestor: Governor
Date of Request: _____

FISCAL DETAIL
Agency Affected: Commerce & Econ. Development
Program Category Affected: Economic Development
BRU, Program or Subprogram(s) Affected: _____
Accounting and Collections

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

No fiscal impact.

ANALYSIS: Attach a separate page for analysis

Prepared By: Margaret I. Hamley Phone: 465-2555
Division: Accounting and Collections Date: 12-13-83
Approved by Commissioner: Richard A. Lyon Date: 12/13/83
Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

FISCAL NOTE

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 496 -(Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

10 (a) The department may

11 (1) make loans to

12 (A) individual commercial fishermen who have been
13 state residents for a continuous period of two years immediately
14 preceding the date of application for a loan under AS 16.10.300 -
15 16.10.370 and have had a crewmember or commercial fishing license
16 under AS 16.05.480 or a permit under AS 16.43 for the year imme-
17 diately preceding the date of application and any other two of
18 the past five years, and who actively participated in the fishery
19 during those periods, for the purchase of entry permits;

20 (B) an individual who has been a state resident for a
21 continuous period of two years immediately preceding the date of
22 application for a loan under AS 16.10.300 - 16.10.370, who (i)
23 because of lack of training or lack of employment opportunities
24 in the area of residence does not have occupational opportunities
25 available other than commercial fishing; or (ii) is economically
26 dependent on commercial fishing for a livelihood and for whom
27 commercial fishing has been a traditional way of life for the
28 individual in Alaska; [,] for the repair, restoration or upgrad-
29 ing of existing vessels and gear, for the purchase of entry

1 permits and gear, and for the construction and purchase of ves-
2 sels;

3 (C) corporations, partnerships, or joint ventures, 100
4 percent of which are owned by individual commercial fishermen who
5 have been state residents for a continuous period of two years
6 immediately preceding the date of application for a loan under
7 AS 16.10.310(a)(1)(B) and have had a crewmember or commercial
8 fishing license under AS 16.05.480 or a permit under AS 16.43 for
9 the year immediately preceding the date of application and any
10 other two of the past five years, and who actively participated
11 in the fishery during that period, for the repair, restoration or
12 upgrading of existing vessels and gear, for the purchase of gear,
13 and for the construction and purchase of vessels;

14 (D) individuals, or to corporations, partnerships, or
15 joint ventures, 100 percent of which are owned by individuals,
16 for the repair, restoration or upgrading of existing vessels and
17 gear, for the purchase of entry permits for fisheries in the
18 drainage system of the Yukon and Kuskokwim Rivers, for the pur-
19 chase of gear, and for the construction and purchase of vessels,
20 if the individuals

21 (i) have been state residents for a continuous
22 period of two years immediately preceding the date of appli-
23 cation for a loan under AS 16.10.300 - 16.10.370; and

24 (ii) have documented active participation in a
25 fishery in the drainage system of the Yukon and Kuskokwim
26 Rivers on a subsistence basis for the year immediately
27 preceding the date of application and any other two of the
28 past five years;

29 (2) designate agents and delegate its powers to them as

1 necessary;

2 (3) adopt regulations necessary to carry out its functions;

3 (4) establish amortization plans for repayment of loans,
4 which may include extensions for poor fishing seasons or for adverse
5 market conditions for Alaskan products;

6 (5) enter into agreements with private lending institu-
7 tions, other state agencies, or agencies of the federal government, to
8 carry out the purposes of AS 16.10.300 - 16.10.370;

9 (6) enter into agreements with other agencies or organiza-
10 tions to create an outreach program to make loans under AS 16.10.300 -
11 16.10.370 in rural areas of the state;

12 (7) allow an assumption of a loan if the applicant has been
13 a state resident for a continuous period of two years immediately
14 preceding the date of the request for an assumption.

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

16 (a) A loan under AS 16.10.310 - 16.10.370

17 (1) may not exceed a term of 15 years, except for exten-
18 sions granted under AS 16.10.310(a)(4);

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

20 (3) shall be secured by a first priority lien and appropri-
21 ate security agreement; and

22 (4) may not exceed 90 percent of the appraised value of the
23 collateral used to secure the loan, except that a loan granted under
24 AS 16.10.333 for the purchase of an Alaska limited entry permit may
25 not exceed an amount determined in accordance with (f) or (h) of this
26 section.

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

28 (d) The total of balances outstanding on loans [LOANS] made to a
29 borrower under AS 16.10.310(a)(1)(A) may not exceed [A TOTAL OF]

1 \$300,000. Loans made to a borrower under AS 16.10.310(a)(1)(B) or (C)
2 may not exceed a total of \$100,000. A loan to an associate of the
3 borrower is considered to be a loan to the borrower. For the purposes
4 of this section, "associate of the borrower" means

5 (1) a corporation or other organization of which the
6 borrower is an officer, director or partner, or is, directly or in-
7 directly, the beneficial owner of 10 percent or more of any class of
8 equity securities;

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

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

15 * Sec. 4. AS 16.10.320(e) is amended to read:

16 (e) Two or more individual commercial fishermen who each satisfy
17 the requirements specified in AS 16.10.310(a)(1)(B) may jointly obtain
18 a commercial fishing loan for the construction of a fishing vessel or
19 the purchase of an existing fishing vessel. Loans granted under this
20 subsection

21 (1) may not exceed the amount specified in (d) of this
22 section multiplied by the number of qualified commercial fishermen
23 applying for the loan;

24 (2) may not exceed a term of 15 years, except for exten-
25 sions granted under AS 16.10.310(a)(4);

26 (3) shall be secured by a first priority lien and appropri-
27 ate security agreement;

28 (4) may not bear interest exceeding 10-1/2 percent; and

29 (5) may not exceed 90 percent of the appraised value of the

1 collateral used to secure the loan.

2 * Sec. 5. AS 16.10.335 is amended to read:

3 Sec. 16.10.335. DEFAULT AND FORECLOSURE. (a) If the debtor
4 defaults upon a note for which a limited entry permit has been pledged
5 as security under AS 16.10.333 or [UNDER AS] 16.10.338, the commis-
6 sioner shall provide the debtor, by both [REGISTERED OR] certified and
7 first class mail sent to the debtor's last known address on file with
8 the commissioner, with a notice of default that [WHICH] includes

9 (1) a description of the security given for the note in-
10 cluding the number assigned to the pledged permit by the commission;

11 (2) the date upon which the default occurred;

12 (3) the amount of arrearages as of the date of the notice,
13 the total amount remaining on the note less unearned interest, and the
14 amount of daily interest;

15 (4) a statement that the debtor may, within 15 days after
16 [OF] the postmark date of the notice, request a hearing to submit
17 evidence showing the debtor has not defaulted;

18 (5) a statement that the note may be reinstated if brought
19 current within 60 days after [FROM] the postmark date of the notice;

20 (6) a statement that the note may be paid in full less
21 unearned interest within 120 days after [FROM] the postmark date of
22 the notice;

23 (7) the place where reinstatement or payment in full may be
24 made; and

25 (8) a notice in at least 10-point bold type stating:
26 "IMPORTANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE
27 DATE SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT
28 AND THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

29 (b) In each case of a limited entry permit being pledged as

1 security under AS 16.10.333 or 16.10.338, the debtor shall maintain on
2 file with the department an address where notice of default is to be
3 sent, if necessary, and where that notice will be timely received by
4 the debtor.

5 (c) Upon presentation of evidence of mailing in accordance with
6 (a) of this section, the receipt of the notice of default by the
7 debtor will be presumed for all purposes. This presumption is re-
8 buttable by presentation of evidence sufficient to demonstrate lack of
9 receipt of notice through no fault of the debtor. Upon presentation
10 of evidence sufficient to prove lack of receipt of notice through no
11 fault of the debtor, the notice is a nullity.

12 (d) Upon good cause shown, the commissioner may waive any of the
13 time limits in (a) of this section, if the department receives from
14 the debtor or the debtor's representative a request for the waiver
15 before the expiration of the time limit for which the waiver is
16 sought.

17 (e) Except as otherwise provided in (c) and (d) of this section,
18 upon [UPON] the debtor's failure to satisfy the note within the time
19 specified in (a)(6) of this section, the debtor's interest in the
20 permit is terminated by operation of law without further notice. Any
21 entry permit cards issued to the debtor under the permit shall be
22 cancelled immediately upon receipt by the commission of a certificate
23 of termination containing a copy of the notice required by (a) of this
24 section issued by the commissioner.

25 * Sec. 6. AS 16.10 is amended by adding a new section to read:

26 Sec. 16.10.336. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
27 FORECLOSURE. The department shall dispose of property acquired
28 through default or foreclosure of a loan made under AS 16.10.300 -
29 16.10.370. Disposal shall be made in a manner that serves the best

1 interests of the state and may include the amortization of payments
2 over a period of years, but may not be by lease.

3 * Sec. 7. AS 44.81.210(a) is amended by adding a new paragraph to read:

4 (23) make a loan to a person, regardless of residency, if
5 the board of directors of the bank determines that the loan is neces-
6 sary to preserve the value of property held by the bank as security
7 for a loan that was made under (a)(1) of this section and that is in
8 default.

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

Introduced: 2/14/84
Referred: Labor and Commerce
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 496

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 * Section 1. AS 16.10.335 is amended to read:

10 Sec. 16.10.335. DEFAULT AND FORECLOSURE. (a) If the debtor
11 defaults upon a note for which a limited entry permit has been pledged
12 as security under AS 16.10.333 or under AS 16.10.338, the commissioner
13 shall provide the debtor, by both [REGISTERED OR] certified and first
14 class mail sent to the debtor's last known address on file with the
15 commissioner, with a notice of default which includes

16 (1) a description of the security given for the note in-
17 cluding the number assigned to the pledged permit by the commission;

18 (2) the date upon which the default occurred;

19 (3) the amount of arrearages as of the date of the notice,
20 the total amount remaining on the note less unearned interest, and the
21 amount of daily interest;

22 (4) a statement that the debtor may, within 15 days after
23 [OF] the postmark date of the notice, request a hearing at which he
24 may submit evidence showing he has not defaulted;

25 (5) a statement that the note may be reinstated if brought
26 current within 60 days after [FROM] the postmark date of the notice;

27 (6) a statement that the note may be paid in full less
28 unearned interest within 120 days after [FROM] the postmark date of
29 the notice;

1 (7) the place where reinstatement or payment in full may be
2 made; and

3 (8) a notice in at least 10-point bold type stating:
4 "IMPORTANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE
5 DATE SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT
6 AND THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

7 (b) In each case of a limited entry permit being pledged as
8 security under AS 16.10.333 or under AS 16.10.338, the debtor shall
9 maintain on file with the department an address where notice of de-
10 fault is to be sent, if necessary, and where that notice will be
11 timely received by the debtor.

12 (c) Upon evidence of mailing in accordance with (a) of this
13 section, the receipt of the notice of default by the debtor will be
14 presumed for all purposes. This presumption is rebuttable by presen-
15 tation of evidence sufficient to demonstrate lack of receipt of notice
16 through no fault of the debtor. Upon presentation of evidence suffi-
17 cient to prove lack of receipt of notice through no fault of the
18 debtor, the notice is considered a nullity.

19 (d) Upon good cause shown, the commissioner may waive any of the
20 time limits required by (a) of this section, if the department re-
21 ceives from the debtor or the debtor's representative a request for
22 the waiver before the expiration of the time limit for which the
23 waiver is sought.

24 (e) Except as otherwise provided in (c) and (d) of this section,
25 upon [UPON] the debtor's failure to satisfy the note within the time
26 specified in (a)(6) of this section, the debtor's interest in the
27 permit is terminated by operation of law without further notice. Any
28 entry permit cards issued to the debtor under the permit shall be
29 cancelled immediately upon receipt by the commission of a certificate

1 of termination containing a copy of the notice required by (a) of this
2 section issued by the commissioner.

3 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
4 10.070(c).

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSSB 496 (L&C)
 Title: An Act relating to Commercial Fishing Loans
 Sponsor: Senate Labor & Commerce
 Requestor: Labor & Commerce Committee
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Economic Development
 Program Category Affected: Development
 BRU, Program or Subprogram(s) Affected: Investments

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 PERSONAL SERVICES		157.8	157.8	157.8	157.8	157.8
200 TRAVEL		7.9	7.9	7.9	7.9	7.9
300 CONTRACTUAL		12.3	12.0	12.0	12.0	12.0
400 SUPPLIES		1.2	1.2	1.2	1.2	1.2
500 EQUIPMENT		17.4				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		196.6	178.9	178.9	178.9	178.9
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		196.6	178.9	178.9	178.9	178.9
FEDERAL FUNDS						
OTHER						
TOTAL		196.6	178.9	178.9	178.9	178.9

POSITIONS:

FULL-TIME		4.0	4.0	4.0	4.0	4.0
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Paul B. Arnoldt, Director
 Division: Investments

Phone: 465-2510

Date: 3/29/84

Approved by Commissioner: Richard A. Lyon
 Agency: Commerce and Economic Development

Date: 3/31/84

Distribution (by Agency preparing fiscal note):

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

12/1/83

FISCAL NOTE ANALYSIS
CSSB 496 (L&C)

100 Line

Processing of an additional 600 applications for assumptions and approval of 400 of those applications per year will create a marked increase in the workload of the division's Anchorage and Juneau regional offices. Two additional loan examiners and two loan closers would be required to handle the increased load and would be spread between the two regional offices. One time expenses would be incurred for equipment.

Consideration of these applications would also require significantly more meetings of the department's loan committees. This fiscal note assumes that this additional burden would be absorbed.

300 Line \$.3

Approval of this measure would require modification and reprinting of the existing loan application packet.

1.	POSITION TITLE Loan Examiner II			RANGE/STEP 17A	BARG. UNIT G			
2.	TYPE OF POSITION PFT	STAFF MONTHS 12			LOCATION Juneau			
3.								
4.	TYPE OF EXPENDITURE			AMOUNT				
	1	2	3					
	PERSONAL SERVICES							
5.	Salary	35,580						
6.	Benefits	10,719						
7.								
8.								
9.	TOTAL PERSONAL SERVICES	01	46,299					
10.	Travel	02	3,950					
11.	Contractual	03	3,000					
12.	Commodities	04	300					
13.	Equipment	05	4,555					
14.	Other							
15.	TOTAL COST		58,104					
	RECEIPT CODE	FUNDING SOURCE						
16.		Federal Receipts	1002					
17.		G.F. Match	1003					
18.		General Funds	1004	58,104				
19.		I-A Receipts	1005					
20.		Program Receipts	1026					
21.		Other						
FOR B&M USE ONLY								
4A KEY NUMBER _____								

Estimates for other line items assume that the new employee required for this new loan program will require support at levels similar to that actually being incurred by the division on other loan programs.

Travel: To inspect collateral, interview applicants, and inform public on program.

Contractual: Space Rental: \$3,000
\$2.50 sq./ft. x 100 sq./ft. x 12 months RSA to Department of Administration

Commodities: General supplies.

Equipment: Calculator \$ 365
Microfiche Reader 300
Workstation 3,890
\$4,555

**REQUEST FOR
NEW POSITION**

AGENCY Commerce & Economic Development

PROGRAM Development

BRU Investments

COMPONENT _____

Page 1 of 4
Date 3/23/84



CSSB 496 (L&C)

1.	POSITION TITLE Loan Examiner II			RANGE/STEP 17A	BARG. UNIT G											
2.	TYPE OF POSITION PFT	STAFF MONTHS 12			LOCATION Anchorage											
3.																
4.	TYPE OF EXPENDITURE			AMOUNT												
	1	2	3													
	PERSONAL SERVICES															
5.	Salary	35,580														
6.	Benefits	10,719														
7.																
8.																
9.	TOTAL PERSONAL SERVICES	01	46,299													
10.	Travel	02	3,950													
11.	Contractual	03	3,000													
12.	Commodities	04	300													
13.	Equipment	05	4,555													
14.	Other															
15.	TOTAL COST		58,104													
ESTIMATES FOR OTHER LINE ITEMS ASSUME THAT THE NEW EMPLOYEE REQUIRED FOR THIS NEW LOAN PROGRAM WILL REQUIRE SUPPORT AT LEVELS SIMILAR TO THAT ACTUALLY BEING INCURRED BY THE DIVISION ON OTHER LOAN PROGRAMS.																
<u>Travel:</u> To inspect collateral, interview applicants, and inform public on program.																
<u>Contractual:</u> Space Rental: \$3,000 \$2.50 sq./ft. x 100 sq./ft. x 12 months RSA to Department of Administration																
<u>Commodities:</u> General supplies.																
<u>Equipment:</u> <table style="float: right;"> <tr> <td>Calculator</td> <td>\$ 365</td> </tr> <tr> <td>Microfiche Reader</td> <td>300</td> </tr> <tr> <td>Workstation</td> <td>3,890</td> </tr> <tr> <td></td> <td><u>\$4,555</u></td> </tr> </table>									Calculator	\$ 365	Microfiche Reader	300	Workstation	3,890		<u>\$4,555</u>
Calculator	\$ 365															
Microfiche Reader	300															
Workstation	3,890															
	<u>\$4,555</u>															
16.	RECEIPT CODE	FUNDING SOURCE														
17.		Federal Receipts	1002													
18.		G.F. Match	1003													
19.		General Funds	1004	58,104												
20.		I-A Receipts	1005													
21.		Program Receipts	1028													
		Other														
FOR B&M USE ONLY																
4A KEY NUMBER _____																

**REQUEST FOR
NEW POSITION**

AGENCY Commerce & Economic Development
PROGRAM Development
BRU Investments
COMPONENT _____

Page 2 of 4
Date 3/29/84



1.	POSITION TITLE Loan Closer II		RANGE/STEP 12A	BARG. UNIT GGU			
2.	TYPE OF POSITION PFT	STAFF MONTHS 12		LOCATION Juneau			
3.							
4.	TYPE OF EXPENDITURE		AMOUNT				
	1	2	3				
	PERSONAL SERVICES						
5.	Salary	24,396					
6.	Benefits	8,208					
7.							
8.							
9.	TOTAL PERSONAL SERVICES	01	32,604				
10.	Travel	02	-0-				
11.	Contractual	03	3,000				
12.	Commodities	04	300				
13.	Equipment	05	4,130				
14.	Other						
15.	TOTAL COST		40,034				
	RECEIPT CODE	FUNDING SOURCE					
16.		Federal Receipts 1002					
17.		G.F. Match 1003					
18.		General Funds 1004		40,034			
19.		I-A Receipts 1005					
20.		Program Receipts 1028					
21.		Other					
FOR B&M USE ONLY							
4A KEY NUMBER _____							

Estimates for other line items assume that the new employee required for this new loan program will require support at levels similar to that actually being incurred by the division on other loan programs.

Contractual: Space Rental: \$3,000
\$2.50 sq./ft. x 100 sq./ft. x 12 months RSA to Department of Administration

Commodities: General supplies.

Equipment: Calculator \$ 365
Typewriter 1,369
Workstation 2,396
\$4,130

**REQUEST FOR
NEW POSITION**

AGENCY Commerce & Economic Development

PROGRAM Development

BRU Investments

COMPONENT _____

Page 3 of 4
Date 3/29/14



CSSB 496 (L&C)

1.	POSITION TITLE Loan Closer II		RANGE/STEP 12A	BARG. UNIT GGU		
2.	TYPE OF POSITION PFT	STAFF MONTHS 12		LOCATION Anchorage		
3.						
4.	TYPE OF EXPENDITURE		AMOUNT			
	1	2	3			
	PERSONAL SERVICES					
5.	Salary	24,396				
6.	Benefits	8,208				
7.						
8.						
9.	TOTAL PERSONAL SERVICES	01	32,604			
10.	Travel	02	-0-			
11.	Contractual	03	3,000			
12.	Commodities	04	300			
13.	Equipment	05	4,130			
14.	Other					
15.	TOTAL COST		40,034			
16.	RECEIPT CODE	FUNDING SOURCE				
17.		Federal Receipts 1002				
18.		C.F. Match 1003				
19.		General Funds 1004		40,034		
20.		I-A Receipts 1005				
21.		Program Receipts 1028				
		Other				

FOR B&M USE ONLY
4A KEY NUMBER _____

Estimates for other line items assume that the new employee required for this new loan program will require support at levels similar to that actually being incurred by the division on other loan programs.

Contractual: Space Rental: \$3,000
\$2.50 sq./ft. x 100 sq./ft. x 12 months RSA to Department of Administration

Commodities: General supplies.

Equipment: Calculator \$ 365
Typewriter 1,369
Workstation 2,396
\$4,130

AGENCY Commerce & Economic Development

PROGRAM Development

BRU Investments

COMPONENT _____

**REQUEST FOR
NEW POSITION**

Page 4 of 4

Date 3/6/24

CSSB 496 (L&C)

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: March 23, 1984

REQUEST
Bill/Resolution No.: CSSB 470 (L&C)
Title: Relating to insurance

FISCAL DETAIL
Agency Affected: Commerce & Economic Development
Program Category Affected: _____

Sponsor: Labor & Commerce Committee
Requestor: _____
Date of Request: _____

Public Protection
BRU, Program or Subprogram(s) Affected: Insurance

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Kenneth C. Moore, Director
Division: Insurance

Phone: 465-2515
Date: 3/30/84

Approved by Commissioner: Richard A. Lyon
Agency: Commerce and Economic Development

Date: 3/31/84

Distribution (by Agency preparing fiscal note):

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

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 4/3/84

REQUEST

Bill/Resolution No.: CS SB 419 (SA)
Title: Historical Preservation of
the Governors Mansion
Sponsor: Faik ~~W~~ Moss, Gilman &
Requestor: P. Fischer
Date of Request: 2/27/84

FISCAL DETAIL

Agency Affected: Natural Resources
Program Category Affected: Parks and Recreation Management
BRU, Program or Subprogram(s) Affected: Historic Resource Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Carol Wilson Phone: 465-2400
Division: Commissioner's Office Date: 2/27/84

Approved by Commissioner: *William D. Annals, Director* Date: 2/27/84
Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

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

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: March 27, 1984

REQUEST

Bill/Resolution No.: CSSB 496
Title: An Act relating to the
CF loan fund
Sponsor: _____
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Economic Development
Program Category Affected: _____
Economic Development
BRU, Program or Subprogram(s) Affected: _____
Accounting & Collections BRU
DP BRU

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		61.6	64.7	67.9	71.3	79.9
200 TRAVEL		.0	.0	.0	.0	.0
300 CONTRACTUAL		7.0	7.3	8.6	11.2	14.7
400 SUPPLIES		1.2	1.4	1.6	1.8	2.1
500 EQUIPMENT		7.8	.0	.0	.0	.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		77.6	73.4	78.1	84.3	96.6

CAPITAL						
---------	--	--	--	--	--	--

REVENUE		395.0	445.0	495.0	545.0	595.0
---------	--	-------	-------	-------	-------	-------

FUNDING: (Thousands of Dollars)

GENERAL FUND		77.6	73.4	78.1	84.3	96.6
FEDERAL FUNDS						
OTHER						
TOTAL		77.6	73.4	78.1	84.3	96.6

POSITIONS:

FULL-TIME		2.0	2.0	2.0	2.0	2.0
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

General Funds: earnings from CF loan fund.

ANALYSIS: Attach a separate page for analysis

Prepared By: Margaret I. Hamley, Director
Division: Accounting & Collections

Phone: 465-2555
Date: 3-27-84

Approved by Commissioner: Richard A. Lvon
Agency: Commerce and Economic Development

Date: 3/28/84

Distribution (by Agency preparing fiscal note):

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

12/1/83

FISCAL NOTE CSSB 496

EXPENDITURE ANALYSIS

It is absolutely essential that this fiscal note remain intact if the portion of CSSB 496 relating to assumptions becomes law, due to the impact that will have upon our workload. (It would be impossible to administer this statute without these minimal additional resources.)

Because of the complexity of commercial fishing loans relative to the other 11 loan programs this division administers, allowing assumptions will impact our records management workload dramatically. Currently, C.F. filing is three times heavier than that for our other loan programs. (This division manages loan files for all three regional Division of Investments' offices, as well as our own division.) One additional records position, who will also be required to assist with increased phone calls and increased insurance workload, is the absolute minimum the division will require in the Daily Operations Section.

One Accounting Technician II is also requested, as an absolute minimum, in the Customer Service/Subsidiary Ledger Section. This position is needed in order to respond to requests for C.F. account information generated by Division of Investments (relating to assumptions), as well as to correctly process C.F. assumptions within the subsidiary accounting system. Approximately 10% of this position's time will be spent processing refinancing of repossessed collateral through the subsidiary system.

EXPENDITURE DETAIL

PERSONAL SERVICES

	<u>FY '85</u>	
Accounting Technician II (Range 14A) (Subsidiary Ledger/Customer Service Assumption and Repo Accounting)	Salary	\$27,000
	Benefits	8,100
Clerk IV (Range 09B) Records Management/Filing Insurance/Phones	Salary	\$20,400
	Benefits	<u>6,120</u>
TOTAL 100		\$61,620

CONTRACTUAL

Data Processing Chargeback	\$ 1,100
Long Distance	200
Postage	100
Printing	500
Space Expense	<u>5,100</u>
TOTAL 300	\$ 7,000

COMMODITIES

Payment Coupon Forms	\$ 700	
Microfiche Supplies	<u>500</u>	
TOTAL 400		\$ 1,200

EQUIPMENT

Calculator 2 @ \$300/ea	\$ 600	
Microfiche Reader 2 @ \$300/ea	600	
Workstation 2 @ \$2,800/ea	5,600	
Telephones 2 @ \$500	<u>1,000</u>	
TOTAL		\$7,800

FISCAL NOTE CSSB 496

REVENUE ANALYSIS

1. Assumes an estimated 600 applicants and 400 approvals of assumptions per year, with an average assumed balance of \$67,500:
 - a. Nonrefundable application fee $\$125 \times 600 = \$75,000/\text{year}$
 - b. Assumption fee (one-time) of 1% of the assumed balance $\$67,500 \times .01 \times 400 = \$270,000/\text{year}$

2. Assumes 50% recovery of losses on commercial fishing loans due to ability to finance and reamortize repossessed vessels and other collateral.
 - a. Example: Loss of \$590.7 in FY '84.
 $\$590,700 \times .50 = \$295,350$
 Reamortized over 10 years at 10.5% (est.) = \$49,105/year for 10 years.
 - b. Using this example, this analysis assumes an increase in cash flow of \$50,000 per year in loss recovery.

<u>Loss/Revenue</u> <u>Year/Year</u>	<u>FY '85</u>	<u>FY '86</u>	<u>FY '87</u>	<u>FY '88</u>	<u>FY '89</u>
FY '84	50.0	50.0	50.0	50.0	50.0
FY '85		50.0	50.0	50.0	50.0
FY '86			50.0	50.0	50.0
FY '87				50.0	50.0
FY '88					50.0
Assumption Application Fees	75.0	75.0	75.0	75.0	75.0
Assumption fees	" <u>270.0</u>	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>
Total Est. Revenue	\$395.0	\$445.0	\$495.0	\$545.0	\$595.0

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: March 27, 1984

REQUEST

Bill/Resolution No.: CSSB 496
 Title: An Act relating to the
CF loan fund
 Sponsor: _____
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Economic Development
 Program Category Affected: _____
Economic Development
 BRU, Program or Subprogram(s) Affected: _____
Accounting & Collections BRU
DP BRU

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 8J
OPERATING						
100 PERSONAL SERVICES		61.6	64.7	67.9	71.3	79.9
200 TRAVEL		.0	.0	.0	.0	.0
300 CONTRACTUAL		7.0	7.3	8.6	11.2	14.7
400 SUPPLIES		1.2	1.4	1.6	1.8	2.0
500 EQUIPMENT		7.8	.0	.0	.0	.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		77.6	73.4	78.1	84.3	96.6
CAPITAL						
REVENUE		395.0	445.0	495.0	545.0	595.0

FUNDING: (Thousands of Dollars)

GENERAL FUND		77.6	73.4	78.1	84.3	96.6
FEDERAL FUNDS						
OTHER						
TOTAL		77.6	73.4	78.1	84.3	96.6

POSITIONS:

FULL-TIME		2.0	2.0	2.0	2.0	2.0
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

General Funds: earnings from CF loan fund.

ANALYSIS: Attach a separate page for analysis

Prepared By: Margaret I. Hamley, Director Phone: 465-2555
 Division: Accounting & Collections Date: 3-27-84
 Approved by Commissioner: Richard A. Lyon Date: 3/28/84
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

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

12/1/83

FISCAL NOTE CSSB 496

EXPENDITURE ANALYSIS

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EXPENDITURE DETAIL

PERSONAL SERVICES

	<u>FY '85</u>	
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	Benefits	8,100
Clerk IV (Range 09B) Records Management/Filing Insurance/Phones	Salary	\$20,400
	Benefits	<u>6,120</u>
TOTAL 100		\$61,620

CONTRACTUAL

Data Processing Chargeback	\$ 1,100
Long Distance	200
Postage	100
Printing	500
Space Expense	<u>5,100</u>
TOTAL 300	\$ 7,000

COMMODITIES

Payment Coupon Forms	\$ 700	
Microfiche Supplies	<u>500</u>	
TOTAL 400		\$ 1,200

EQUIPMENT

Calculator 2 @ \$300/ea	\$ 600	
Microfiche Reader 2 @ \$300/ea	600	
Workstation 2 @ \$2,800/ea	5,600	
Telephones 2 @ \$500	<u>1,000</u>	
TOTAL		\$7,800

FISCAL NOTE CSSB 496

REVENUE ANALYSIS

1. Assumes an estimated 600 applicants and 400 approvals of assumptions per year, with an average assumed balance of \$67,500:
 - a. Nonrefundable application fee $\$125 \times 600 = \$75,000/\text{year}$
 - b. Assumption fee (one-time) of 1% of the assumed balance
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 Reamortized over 10 years at 10.5% (est.) = \$49,105/year for 10 years.
 - b. Using this example, this analysis assumes an increase in cash flow of \$50,000 per year in loss recovery.

<u>Loss/Revenue</u> <u>Year/Year</u>	<u>FY '85</u>	<u>FY '86</u>	<u>FY '87</u>	<u>FY '88</u>	<u>FY '89</u>
FY '84	50.0	50.0	50.0	50.0	50.0
FY '85		50.0	50.0	50.0	50.0
FY '86			50.0	50.0	50.0
FY '87				50.0	50.0
FY '88					50.0
Assumption Application Fees	75.0	75.0	75.0	75.0	75.0
Assumption fees	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>	<u>270.0</u>
Total Est. Revenue	\$395.0	\$445.0	\$495.0	\$545.0	\$595.0



OFFICIAL BUSINESS

ALASKA STATE LEGISLATURE - SENATE

COMMITTEE ON LABOR AND COMMERCE

SENATOR RICHARD I. ELIASON
CHAIRMAN

POUCH V • JUNEAU, ALASKA 99811
(907) 465-3844

LETTER OF INTENT

SB 496

It is the intent of the Legislature that the Department of Commerce and Economic Development, in considering applications for loan assumptions under the commercial fish loan program, shall be authorized to utilize maximum flexibility in dealing with loan assumption requests with the understanding that the credit worthiness of the applicant shall be of paramount importance in the decision making process. It is also the intent of the Legislature that the original borrower's obligations under the loan agreement shall be extinguished whenever the applicant for assumption has demonstrated his/her credit worthiness to the satisfaction of the Department.

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 1984

The Honorable Jalmar Kerttula
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Kerttula:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the default provisions of the commercial fishing loan program. This bill will permit the Department of Commerce and Economic Development to take a more flexible approach in dealing with persons who are technically in default on their commercial fishing loans in specific cases where the forfeiture of an individual's commercial fishing permit is neither desirable nor advantageous to the state. The bill also makes some minor clarifications, such as changing "of" to "after" in AS 16.10.335(a)(4) and changing "from" to "after" in AS 16.10.335(a)(5) and (6).

The bill is designed to deal with two specific cases. First, if a commercial fisherman is able to show that he or she never received notice of default under the loan, that person would be able to present evidence to the department that he or she failed to receive the notice, and the department would then dismiss the default proceedings. Second, if an individual fisherman contacts the department to state that he or she is unable, for financial or other reasons, to make payment in accordance with the default statute, but does not wish to sacrifice his permit and truly wants to cooperate with the department, the department would be able to negotiate with the individual in order to attempt to work out some alternative satisfactory to both the fisherman and the state.

GOVERNOR'S SUMMARY

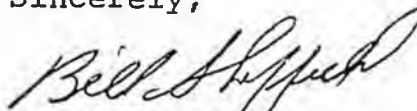
The amendment to AS 16.10.335(a) requires the notice of default, sent by the Department of Commerce and Economic Development to the debtor, to be sent by both certified and first class mail, rather than by just registered or certified mail. This in fact conforms with present practice, and past history indicates that many individuals receive first class mail while refusing to accept registered or certified mail. The proposed change, therefore, in comparison to current statutory requirements, will increase the probability that the debtor will receive the default notice. The new language in AS 16.10.335(b) requires each fisherman to keep a current address on file with the department.

New AS 16.10.335(c) provides that if the department follows the procedures of (a) of that section, the department, and, after that, the courts, will presume that the debtor received the default notice, and it will be the debtor's responsibility to prove otherwise. Absent evidence that the debtor did not receive the notice, the department would still be able to continue with its default proceedings. However, if such evidence is presented, the default proceedings could be terminated.

New AS 16.10.335(d) gives the department the right to waive the time limits provided in AS 16.10.335(a) (15 days to request a hearing, 60 days to bring the note current, and 120 days to pay the note in full), if a request for a waiver is made by the debtor to the department before the expiration of the relevant time limit. Thus, if an individual calls the department on day 59 and asks that he be given an extension in which to bring his note current, the department would have the discretion to grant this extension. On the other hand, if someone contacts the department on day 121 and requests an extension, no waiver would be possible (assuming that there is no evidence that the debtor failed to receive the notice). This avoids the potential problem of numerous unwarranted requests, and also allows the department to proceed with default proceedings without the risk that its actions will be overturned later.

This bill will allow fisherman who have defaulted on their loans to avoid forfeiture of their commercial fishing permits if exceptional circumstances warrant their retention of the permit. I urge your support of, and prompt action on, this measure.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield
Governor



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 1984

The Honorable Jalmar Kerttula
Alaska State Senate
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Juneau, AK 99811

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The bill is designed to deal with two specific cases. First, if a commercial fisherman is able to show that he or she never received notice of default under the loan, that person would be able to present evidence to the department that he or she failed to receive the notice, and the department would then dismiss the default proceedings. Second, if an individual fisherman contacts the department to state that he or she is unable, for financial or other reasons, to make payment in accordance with the default statute, but does not wish to sacrifice his permit and truly wants to cooperate with the department, the department would be able to negotiate with the individual in order to attempt to work out some alternative satisfactory to both the fisherman and the state.

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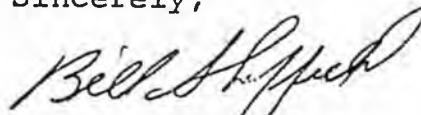
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- 3 -

This bill will allow fisherman who have defaulted on their loans to avoid forfeiture of their commercial fishing permits if exceptional circumstances warrant their retention of the permit. I urge your support of, and prompt action on, this measure.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Sheffield".

Bill Sheffield
Governor

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

2/14/84

Date 3/29/84

Mr. President

The Committee on LABOR AND COMMERCE considered SB 496

commercial fishing loan fund; 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 SB 496 (L4C)

new title

same title and recommends NO PASS

and attached a "LETTER OF INTENT"

NEW FISCAL NOTES

reports it back without recommendation

recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Bob Pulcino

John [unclear] no rec
[unclear] no rec

[Signature]
Chairman

[Signature]
Chairman recommendation

Offered: 4/2/84
Referred: Finance

Original sponsor: Rules/Governor

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE SENATE

2

CS FOR SENATE BILL NO. 496 (L&C)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to commercial fishing loans; and
providing for an effective date."

7

8

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

9

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

10

(a) The department may

11

(1) make loans to

12

(A) individual commercial fishermen who have been

13

state residents for a continuous period of two years immediately

14

preceding the date of application for a loan under AS 16.10.300 -

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16.10.370 and have had a crewmember or commercial fishing license

16

under AS 16.05.480 or a permit under AS 16.43 for the year imme-

17

diately preceding the date of application and any other two of

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the past five years, and who actively participated in the fishery

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during those periods, for the purchase of entry permits;

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(B) an individual who has been a state resident for a

21

continuous period of two years immediately preceding the date of

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application for a loan under AS 16.10.300 - 16.10.370, who (i)

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because of lack of training or lack of employment opportunities

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in the area of residence does not have occupational opportunities

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available other than commercial fishing; or (ii) is economically

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dependent on commercial fishing for a livelihood and for whom

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commercial fishing has been a traditional way of life for the

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individual in Alaska; [,] for the repair, restoration or upgrad-

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ing of existing vessels and gear, for the purchase of entry

1 permits and gear, and for the construction and purchase of ves-
2 sels;

3 (C) corporations, partnerships, or joint ventures, 100
4 percent of which are owned by individual commercial fishermen who
5 have been state residents for a continuous period of two years
6 immediately preceding the date of application for a loan under
7 AS 16.10.310(a)(1)(B) and have had a crewmember or commercial
8 fishing license under AS 16.05.480 or a permit under AS 16.43 for
9 the year immediately preceding the date of application and any
10 other two of the past five years, and who actively participated
11 in the fishery during that period, for the repair, restoration or
12 upgrading of existing vessels and gear, for the purchase of gear,
13 and for the construction and purchase of vessels;

14 (2) designate agents and delegate its powers to them as
15 necessary;

16 (3) adopt regulations necessary to carry out its functions;

17 (4) establish amortization plans for repayment of loans,
18 which may include extensions for poor fishing seasons or for adverse
19 market conditions for Alaskan products;

20 (5) enter into agreements with private lending institu-
21 tions, other state agencies, or agencies of the federal government, to
22 carry out the purposes of AS 16.10.300 - 16.10.370;

23 (6) enter into agreements with other agencies or organiza-
24 tions to create an outreach program to make loans under AS 16.10.300 -
25 16.10.370 in rural areas of the state;

26 (7) allow an assumption of a loan if the applicant has been
27 a state resident for a continuous period of two years immediately
28 preceding the date of the request for an assumption.

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

- 1 (a) A loan under AS 16.10.310 - 16.10.370
2 (1) may not exceed a term of 15 years, except for exten-
3 sions granted under AS 16.10.310(a)(4);
4 (2) may not bear interest exceeding 10-1/2 percent;
5 (3) shall be secured by a first priority lien and appropri-
6 ate security agreement; and
7 (4) may not exceed 90 percent of the appraised value of the
8 collateral used to secure the loan, except that a loan granted under
9 AS 16.10.333 for the purchase of an Alaska limited entry permit may
10 not exceed an amount determined in accordance with (f) or (h) of this
11 section.

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

13 (d) The total of balances outstanding on loans [LOANS] made to a
14 borrower under AS 16.10.310(a)(1)(A) may not exceed [A TOTAL OF]
15 \$300,000. Loans made to a borrower under AS 16.10.310(a)(1)(B) or (C)
16 may not exceed a total of \$100,000. A loan to an associate of the
17 borrower is considered to be a loan to the borrower. For the purposes
18 of this section, "associate of the borrower" means

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

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

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

29 * Sec. 4. AS 16.10.320(e) is amended to read:

1 (e) Two or more individual commercial fishermen who each satisfy
2 the requirements specified in AS 16.10.310(a)(1)(B) may jointly obtain
3 a commercial fishing loan for the construction of a fishing vessel or
4 the purchase of an existing fishing vessel. Loans granted under this
5 subsection

6 (1) may not exceed the amount specified in (d) of this
7 section multiplied by the number of qualified commercial fishermen
8 applying for the loan;

9 (2) may not exceed a term of 15 years, except for exten-
10 sions granted under AS 16.10.310(a)(4);

11 (3) shall be secured by a first priority lien and appropri-
12 ate security agreement;

13 (4) may not bear interest exceeding 10-1/2 percent; and

14 (5) may not exceed 90 percent of the appraised value of the
15 collateral used to secure the loan.

16 * Sec. 5. AS 16.10.335 is amended to read:

17 Sec. 16.10.335. DEFAULT AND FORECLOSURE. (a) If the debtor
18 defaults upon a note for which a limited entry permit has been pledged
19 as security under AS 16.10.333 or [UNDER AS] 16.10.338, the commis-
20 sioner shall provide the debtor, by both [REGISTERED OR] certified and
21 first class mail sent to the debtor's last known address on file with
22 the commissioner, with a notice of default that [WHICH] includes

23 (1) a description of the security given for the note in-
24 cluding the number assigned to the pledged permit by the commission;

25 (2) the date upon which the default occurred;

26 (3) the amount of arrearages as of the date of the notice,
27 the total amount remaining on the note less unearned interest, and the
28 amount of daily interest;

29 (4) a statement that the debtor may, within 15 days after

1 [OF] the postmark date of the notice, request a hearing to submit
2 evidence showing the debtor has not defaulted;

3 (5) a statement that the note may be reinstated if brought
4 current within 60 days after [FROM] the postmark date of the notice;

5 (6) a statement that the note may be paid in full less
6 unearned interest within 120 days after [FROM] the postmark date of
7 the notice;

8 (7) the place where reinstatement or payment in full may be
9 made; and

10 (8) a notice in at least 10-point bold type stating:
11 "IMPORTANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE
12 DATE SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT
13 AND THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

14 (b) In each case of a limited entry permit being pledged as
15 security under AS 16.10.333 or 16.10.338, the debtor shall maintain on
16 file with the department an address where notice of default is to be
17 sent, if necessary, and where that notice will be timely received by
18 the debtor.

19 (c) Upon presentation of evidence of mailing in accordance with
20 (a) of this section, the receipt of the notice of default by the
21 debtor will be presumed for all purposes. This presumption is re-
22 buttable by presentation of evidence sufficient to demonstrate lack of
23 receipt of notice through no fault of the debtor. Upon presentation
24 of evidence sufficient to prove lack of receipt of notice through no
25 fault of the debtor, the notice is a nullity.

26 (d) Upon good cause shown, the commissioner may waive any of the
27 time limits in (a) of this section, if the department receives from
28 the debtor or the debtor's representative a request for the waiver
29 before the expiration of the time limit for which the waiver is

1 sought.

2 (e) Except as otherwise provided in (c) and (d) of this section,
3 upon [UPON] the debtor's failure to satisfy the note within the time
4 specified in (a)(6) of this section, the debtor's interest in the
5 permit is terminated by operation of law without further notice. Any
6 entry permit cards issued to the debtor under the permit shall be
7 cancelled immediately upon receipt by the commission of a certificate
8 of termination containing a copy of the notice required by (a) of this
9 section issued by the commissioner.

10 * Sec. 6. AS 16.10 is amended by adding a new section to read:

11 Sec. 16.10.336. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
12 FORECLOSURE. The department shall dispose of property acquired
13 through default or foreclosure of a loan made under AS 16.10.300 -
14 16.10.370. Disposal shall be made in a manner that serves the best
15 interests of the state and may include the amortization of payments
16 over a period of years, but may not be by lease.

17 * Sec. 7. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).

COMMITTEE REPORT

HOUSE

(11)

FURTHER:

(waived from State Loans to Finance 5/24/84)

Date: 5 25 84

5/24/84

The Committee on FINANCE has had CS 496 (Fin)

"An Act relating to loans for commercial fishing and agriculture; and providing for an effective date."

under consideration and recommends:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for CS 496 (Fin) same title new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note Zero Fiscal Note Attached
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

CHAIRMAN

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 496 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

10 (a) The department may

11 (1) make loans to

12 (A) individual commercial fishermen who have been
13 state residents for a continuous period of two years immediately
14 preceding the date of application for a loan under AS 16.10.300 -
15 16.10.370 and have had a crewmember or commercial fishing license
16 under AS 16.05.480 or a permit under AS 16.43 for the year imme-
17 diately preceding the date of application and any other two of
18 the past five years, and who actively participated in the fishery
19 during those periods, for the purchase of entry permits;

20 (B) an individual who has been a state resident for a
21 continuous period of two years immediately preceding the date of
22 application for a loan under AS 16.10.300 - 16.10.370, who (i)
23 because of lack of training or lack of employment opportunities
24 in the area of residence does not have occupational opportunities
25 available other than commercial fishing; or (ii) is economically
26 dependent on commercial fishing for a livelihood or [AND] for
27 whom commercial fishing has been a traditional way of life for
28 the individual in Alaska; [,] for the repair, restoration or
29 upgrading of existing vessels and gear, for the purchase of entry

1 permits and gear, and for the construction and purchase of ves-
2 sels;

3 (C) corporations, partnerships, or joint ventures, 100
4 percent of which are owned by individual commercial fishermen who
5 have been state residents for a continuous period of two years
6 immediately preceding the date of application for a loan under
7 AS 16.10.310(a)(1)(B) and have had a crewmember or commercial
8 fishing license under AS 16.05.480 or a permit under AS 16.43 for
9 the year immediately preceding the date of application and any
10 other two of the past five years, and who actively participated
11 in the fishery during that period, for the repair, restoration or
12 upgrading of existing vessels and gear, for the purchase of gear,
13 and for the construction and purchase of vessels;

14 (D) individuals, or to corporations, partnerships, or
15 joint ventures, 100 percent of which are owned by individuals,
16 for the repair, restoration or upgrading of existing vessels and
17 gear, for the purchase of entry permits for fisheries in the
18 drainage system of the Yukon and Kuskokwim Rivers, for the pur-
19 chase of gear, and for the construction and purchase of vessels,
20 if the individuals

21 (i) have been state residents for a continuous
22 period of two years immediately preceding the date of appli-
23 cation for a loan under AS 16.10.300 - 16.10.370; and

24 (ii) have documented active participation in a
25 fishery in the drainage system of the Yukon and Kuskokwim
26 Rivers on a subsistence basis for the year immediately
27 preceding the date of application and any other two of the
28 past five years;

29 (2) designate agents and delegate its powers to them as

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necessary;

(3) adopt regulations necessary to carry out its functions;

(4) establish amortization plans for repayment of loans, which may include extensions for poor fishing seasons or for adverse market conditions for Alaskan products;

(5) enter into agreements with private lending institutions, other state agencies, or agencies of the federal government, to carry out the purposes of AS 16.10.300 - 16.10.370;

(6) enter into agreements with other agencies or organizations to create an outreach program to make loans under AS 16.10.300 - 16.10.370 in rural areas of the state;

(7) allow an assumption of a loan if the applicant has been a state resident for a continuous period of two years immediately preceding the date of the request for an assumption.

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

(a) A loan under AS 16.10.310 - 16.10.370

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

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

(3) shall be secured by a first priority lien and appropriate security agreement; and

(4) may not exceed 90 percent of the appraised value of the collateral used to secure the loan, except that a loan granted under AS 16.10.333 for the purchase of an Alaska limited entry permit may not exceed an amount determined in accordance with (f) or (h) of this section.

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

(d) The total of balances outstanding on loans [LOANS] made to a borrower under AS 16.10.310(a)(1)(A) may not exceed [A TOTAL OF]

1 \$300,000. Loans made to a borrower under AS 16.10.310(a)(1)(B) or (C)
2 may not exceed a total of \$100,000. A loan to an associate of the
3 borrower is considered to be a loan to the borrower. For the purposes
4 of this section, "associate of the borrower" means

5 (1) a corporation or other organization of which the
6 borrower is an officer, director or partner, or is, directly or in-
7 directly, the beneficial owner of 10 percent or more of any class of
8 equity securities;

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

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

15 * Sec. 4. AS 16.10.320(e) is amended to read:

16 (e) Two or more individual commercial fishermen who each satisfy
17 the requirements specified in AS 16.10.310(a)(1)(B) may jointly obtain
18 a commercial fishing loan for the construction of a fishing vessel or
19 the purchase of an existing fishing vessel. Loans granted under this
20 subsection

21 (1) may not exceed the amount specified in (d) of this
22 section multiplied by the number of qualified commercial fishermen
23 applying for the loan;

24 (2) may not exceed a term of 15 years, except for exten-
25 sions granted under AS 16.10.310(a)(4);

26 (3) shall be secured by a first priority lien and appropri-
27 ate security agreement;

28 (4) may not bear interest exceeding 10-1/2 percent; and

29 (5) may not exceed 90 percent of the appraised value of the

1 collateral used to secure the loan.

2 * Sec. 5. AS 16.10.335 is amended to read:

3 Sec. 16.10.335. DEFAULT AND FORECLOSURE. (a) If the debtor
4 defaults upon a note for which a limited entry permit has been pledged
5 as security under AS 16.10.333 or [UNDER AS] 16.10.338, the commis-
6 sioner shall provide the debtor, by both [REGISTERED OR] certified and
7 first class mail sent to the debtor's last known address on file with
8 the commissioner, with a notice of default that [WHICH] includes

9 (1) a description of the security given for the note in-
10 cluding the number assigned to the pledged permit by the commission;

11 (2) the date upon which the default occurred;

12 (3) the amount of arrearages as of the date of the notice,
13 the total amount remaining on the note less unearned interest, and the
14 amount of daily interest;

15 (4) a statement that the debtor may, within 15 days after
16 [OF] the postmark date of the notice, request a hearing to submit
17 evidence showing the debtor has not defaulted;

18 (5) a statement that the note may be reinstated if brought
19 current within 60 days after [FROM] the postmark date of the notice;

20 (6) a statement that the note may be paid in full less
21 unearned interest within 120 days after [FROM] the postmark date of
22 the notice;

23 (7) the place where reinstatement or payment in full may be
24 made; and

25 (8) a notice in at least 10-point bold type stating:
26 "IMPORTANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE
27 DATE SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT
28 AND THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

29 (b) In each case of a limited entry permit being pledged as

1 security under AS 16.10.333 or 16.10.338, the debtor shall maintain on
2 file with the department an address where notice of default is to be
3 sent, if necessary, and where that notice will be timely received by
4 the debtor.

5 (c) Upon presentation of evidence of mailing in accordance with
6 (a) of this section, the receipt of the notice of default by the
7 debtor will be presumed for all purposes. This presumption is re-
8 buttable by presentation of evidence sufficient to demonstrate lack of
9 receipt of notice through no fault of the debtor. Upon presentation
10 of evidence sufficient to prove lack of receipt of notice through no
11 fault of the debtor, the notice is a nullity.

12 (d) Upon good cause shown, the commissioner may waive any of the
13 time limits in (a) of this section, if the department receives from
14 the debtor or the debtor's representative a request for the waiver
15 before the expiration of the time limit for which the waiver is
16 sought.

17 (e) Except as otherwise provided in (c) and (d) of this section,
18 upon [UPON] the debtor's failure to satisfy the note within the time
19 specified in (a)(6) of this section, the debtor's interest in the
20 permit is terminated by operation of law without further notice. Any
21 entry permit cards issued to the debtor under the permit shall be
22 cancelled immediately upon receipt by the commission of a certificate
23 of termination containing a copy of the notice required by (a) of this
24 section issued by the commissioner.

25 * Sec. 6. AS 16.10 is amended by adding a new section to read:

26 Sec. 16.10.336. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
27 FORECLOSURE. The department shall dispose of property acquired
28 through default or foreclosure of a loan made under AS 16.10.300 -
29 16.10.370. Disposal shall be made in a manner that serves the best

1 interests of the state and may include the amortization of payments
2 over a period of years, but may not be by lease.

3 * Sec. 7. AS 44.81.210(a) is amended by adding a new paragraph to read:

4 (23) make a loan to a person, regardless of residency, if
5 the board of directors of the bank determines that the loan is neces-
6 sary to preserve the value of property held by the bank as security
7 for a loan that was made under (a)(1) of this section and that is in
8 default.

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

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

CSSB
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TOTAL = \$274.2
\$395.0 Revenue

recruitment for all job classes in which positions be open to recruitment at least similar to the State's recruiting practice change is that collective bargaining provisions for all job classes. Applications under these conditions use thereafter is expected to be 1000.

Department and Examining Section staff determination of meeting minimum rating of Training and Experience of eight minutes. Prior to 1983, used T&E. Therefore average processing time (eight minutes for minimum for T&E). In 1983, all written examination was not on hand were eliminated. Average processing time is now 14.4 minutes and eight minutes x .8 for five it allows for greater individual

above, the examining staff must act in response to appeals.

advance for paid vacations and 1631 productive hours per year. This and 489 hours on appeals and other can process 4758 applications.

Personnel Technicians I) will be needed to there are only eight positions in the task.

clerical support operations - log in, test scoring, data entry, letter grading. Currently and historically 2.1 each examiner. A total of 4.2 needed. The fractional position will be

and published. In addition, additional job classes annually will be added. An additional Personnel staff this function. \$33,000 in also be needed.

REQUEST

Bill/Resolution No.: CSSB 496
Title: An Act relating to the CF loan fund
Sponsor:
Requestor:
Date of Request:

FISCAL DETAIL

Agency Affected: Commerce & Economic
Program Category Affected: Economic Development
BRU, Program or Subprogram(s) Affected: Accounting & Collections BRU
UP BRU

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
100 PERSONAL SERVICES		61.6	64.7	67.9	71.3	74.9
200 TRAVEL		.0	.0	.0	.0	.0
300 CONTRACTUAL		7.0	7.3	8.6	11.2	14.7
400 SUPPLIES		1.2	1.4	1.6	1.8	2.0
500 EQUIPMENT		7.8	.0	.0	.0	.0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		77.6	73.4	78.1	84.3	96.6

CAPITAL	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
REVENUE		395.0	445.0	495.0	545.0	595.0

FUNDING: (Thousands of Dollars)

GENERAL FUND	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
FEDERAL FUNDS		77.6	73.4	78.1	84.3	96.6
OTHER						
TOTAL		77.6	73.4	78.1	84.3	96.6

POSITIONS:

FULL-TIME	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
PART-TIME		2.0	2.0	2.0	2.0	2.0
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

General Funds: earnings from CF loan fund.

ANALYSIS: Attach a separate page for analysis

Prepared By: Margaret I. Hamlev, Director
Division: Accounting & Collections
Phone: 465-2555
Date: 4-19-84

Approved by Commissioner: Richard A. Luon
Agency: Commerce and Economic Development
Date: 3/21/84

CSSB
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(L&C)

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

EXPENDITURE ANALYSIS

It is absolutely essential that this fiscal note remain intact if the portion of CSSB 496 relating to assumptions becomes law, due to the impact that will have upon our workload. (It would be impossible to administer this statute without these minimal additional resources.)

Because of the complexity of commercial fishing loans relative to the other 11 loan programs this division administers, allowing assumptions will impact our records management workload dramatically. Currently, C.F. filing is three times heavier than that for our other loan programs. (This division manages loan files for all three regional Division of Investments' offices, as well as our own division.) One additional records position, who will also be required to assist with increased phone calls and increased insurance workload, is the absolute minimum the division will require in the Daily Operations Section.

One Accounting Technician II is also requested, as an absolute minimum, in the Customer Service/Subsidiary Ledger Section. This position is needed in order to respond to requests for C.F. account information generated by Division of Investments (relating to assumptions), as well as to correctly process C.F. assumptions within the subsidiary accounting system. Approximately 10% of this position's time will be spent processing refinancing of repossessed collateral through the subsidiary system.

REVENUE ANALYSIS

Assumes an estimated 600 applicants and 400 approvals of assumptions per year, with an average assumed balance of \$67,500:

- a. Nonrefundable application fee $\$125 \times 600 = \$75,000/\text{year}$
- b. Assumption fee (one-time) of 1% of the assumed balance
 $-\$67,500 \times .01 \times 400 = \$270,000/\text{year}$

Assumes 50% recovery of losses on commercial fishing loans due to ability to finance and reamortize repossessed vessels and other collateral.

- a. Example: Loss of \$590.7 in FY '84
 $\$590,700 \times .50 = \$295,350$
 Reamortized over 10 years at 10.5% (est.) = $\$49,105/\text{year}$ for 10 years.
- b. Using this example, this analysis assumes an increase in cash flow of \$50,000 per year in loss recovery.