

LEG. FINANCE - BILLS 1985 - 1986 2172

SB 77 - SB 78

2172

COMMITTEE REPORT
SENATE

FURTHER:

1/25/85

Date _____

Mr. President

The Committee on FINANCE considered SB 77

small claims jurisdictional limitation and the duties of magistrates;
efd.

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

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

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

1/22/85

Date January 24, 1985

Mr. President

The Committee on JUDICIARY considered SB 77

small claims jurisdictional limitation and the duties of magistrates; efd.

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

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

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

James Fair

Rich Halpern

Zick

Tom Kelly

Michael J. Foley

Chairman

DO PASS

Chairman recommendation

Introduced: 1/22/85
Referred: Judiciary and
Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 SENATE BILL NO. 77

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the small claims jurisdictional
7 limitation and the duties of magistrates; and
8 providing for an effective date."

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

10 * Section 1. AS 22.15.040 is amended to read:

11 Sec. 22.15.040. SMALL CLAIMS. When a claim for relief does not
12 exceed \$5,000 [\$2,000] exclusive of costs, interest and attorney fees,
13 and request is so made, the district judge or magistrate shall hear
14 the action as a small claim unless important or unusual points of law
15 are involved. The supreme court shall prescribe the procedural rules
16 and standard forms to assure simplicity and the expeditious handling
17 of small claims.

18 * Sec. 2. AS 22.15.120 is amended to read:

19 Sec. 22.15.120. LIMITATIONS ON PROCEEDINGS WHICH MAGISTRATE MAY
20 HEAR. A magistrate shall preside only in cases and proceedings under
21 AS 22.15.040, 22.15.100, and 22.15.110, and as follows,

22 (1) for the recovery of money or damages only when the
23 amount claimed, exclusive of costs, interest, and attorney fees, does
24 not exceed \$5,000 [\$1,000];

25 (2) for the recovery of specific personal property when the
26 value of the property claimed and the damages for the detention do not
27 exceed \$5,000 [\$1,000];

28 (3) for the recovery of a penalty or forfeiture, whether
29 given by statute or arising out of contract, not exceeding \$5,000

1 [\$1,000];

2 (4) to give judgment without action upon the confession of
3 the defendant for any of the cases specified in this section, except
4 for a penalty or forfeiture imposed by statute;

5 (5) to give judgment of conviction upon a plea of guilty by
6 the defendant in a criminal proceeding within the jurisdiction of the
7 district court;

8 (6) to hear, try, and enter judgments in all cases
9 involving misdemeanors, if the defendant consents in writing that the
10 magistrate may try the case;

11 (7) to hear, try and enter judgments in all cases involving
12 infractions under AS 28 and violations of ordinances of political
13 subdivisions. [;

14 (8) REPEALED]

15 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
16 10.070(c).

ALASKA STATE LEGISLATURE

14th... Legislature .FIRST. Session

SENATE BILL..... NO. 77...

By THE JUDICIARY COMMITTEE.....

"An Act relating to the small jurisdictional limitation and the duties of magistrates; and providing for an effective date.."

Introduced in the Senate ...1/22, 19...85

HISTORY IN THE SENATE

19 85

Read first time and referred to Committee on

1 22 Judiciary and Finance

Jan 25 Reported back with *Judiciary* recommendation that *5 do pass*
J. Linn

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reconsideration

PASS	Effective Date
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19

Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 77
 Title: Small Claims Jurisdiction
al Lmt. and Duties of Magistrates
 Sponsor: Senate Judiciary
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Alaska Court System
 Program Category Affected: _____
Administration of Justice
 BRU, Program or Subprogram(s) Affected: _____
Trial Courts

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		94.8	100.5	106.5	112.9	119.7
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES		2.0	2.1	2.2	2.3	2.4
500 EQUIPMENT		9.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		105.8	102.6	108.7	115.2	122.1
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		105.8	102.6	108.7	115.2	122.1
FEDERAL FUNDS						
OTHER						
TOTAL		105.8	102.6	108.7	115.2	122.1

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Roger Lewis
 Division: Senate Judiciary Committee

Phone: 465-3717
 Date: 1/22/85

Approved by Commissioner: [Signature]
 Agency: Alaska Court System

Date: 1/22/85

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

7/1/84

ALASKA COURT SYSTEM

SB77 - SMALL CLAIMS JURISDICTIONAL LIMITATION AND DUTIES OF MAGISTRATES

FISCAL IMPACT

It is anticipated that the increase in small claims jurisdiction from \$2,000 to \$5,000 will have a significant impact on court operations.

The Civil Division of the Anchorage Clerk's Office, which is the court location with the greatest number of small claims filings, anticipates that a jurisdictional increase would result in a 15-20% increase in small claims filings. Some of these cases would be matters previously handled in District Court. Others would be new to the system, representing legal problems with a relatively low dollar amount involved for which persons are reluctant to incur the costs entailed for an attorney, but which they wish to handle themselves in small claims court.

Additionally, some litigants would be willing to waive the amount of their claim over \$5,000 and proceed in small claims court, balancing the waiver of the claim amount against the savings in attorney fees in small claims.

Judicial resources should not be impacted by the increase since most of these types of cases are already in the system. However, additional clerical help will be required. The small claims procedures involve an extensive amount of clerical assistance, including mailing notices for litigants and substantial time expended in advising the public. General District Court matters require only simple filing and journaling of documents. This impact could be handled by the addition of three and one-half (3½) positions with costs calculated on the following page. One and one-half of these positions would be located in Anchorage. Fairbanks and Juneau would each receive one position.

ALASKA COURT SYSTEM
FISCAL NOTE ANALYSIS

SB77 - SMALL CLAIMS JURISDICTIONAL LIMIT
AND DUTIES OF MAGISTRATES

PERSONNEL:	SALARY	BENEFITS	TOTAL COST
1½ COURT CLERK I (Anchorage - 8B)	\$28,926	\$10,418	\$39,344
1 COURT CLERK I (Fairbanks - 8B)	21,744	7,496	29,240
1 COURT CLERK I (Juneau - 8B)	19,284	6,945	26,229

	Total Personnel Costs		94,813
SUPPLIES			2,000
EQUIPMENT (one-time items)			8,996

TOTAL FY 86 COST			\$105,809
			=====

Subsequent fiscal years adjusted to reflect 6% inflation.

Introduced: 1/22/85
Referred: Judiciary and
Finance

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2

SENATE BILL NO. 77

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the small claims jurisdictional
7 limitation and the duties of magistrates; and
8 providing for an effective date."

9

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

10

* Section 1. AS 22.15.040 is amended to read:

11

Sec. 22.15.040. SMALL CLAIMS. When a claim for relief does not
12 exceed \$5,000 [\$2,000] exclusive of costs, interest and attorney fees,
13 and request is so made, the district judge or magistrate shall hear
14 the action as a small claim unless important or unusual points of law
15 are involved. The supreme court shall prescribe the procedural rules
16 and standard forms to assure simplicity and the expeditious handling
17 of small claims.

18

* Sec. 2. AS 22.15.120 is amended to read:

19

Sec. 22.15.120. LIMITATIONS ON PROCEEDINGS WHICH MAGISTRATE MAY
20 HEAR. A magistrate shall preside only in cases and proceedings under
21 AS 22.15.040, 22.15.100, and 22.15.110, and as follows,

22

(1) for the recovery of money or damages only when the
23 amount claimed, exclusive of costs, interest, and attorney fees, does
24 not exceed \$5,000 [\$1,000];

25

(2) for the recovery of specific personal property when the
26 value of the property claimed and the damages for the detention do not
27 exceed \$5,000 [\$1,000];

28

(3) for the recovery of a penalty or forfeiture, whether
29 given by statute or arising out of contract, not exceeding \$5,000

1 [\$1,000];

2 (4) to give judgment without action upon the confession of
3 the defendant for any of the cases specified in this section, except
4 for a penalty or forfeiture imposed by statute;

5 (5) to give judgment of conviction upon a plea of guilty by
6 the defendant in a criminal proceeding within the jurisdiction of the
7 district court;

8 (6) to hear, try, and enter judgments in all cases
9 involving misdemeanors, if the defendant consents in writing that the
10 magistrate may try the case;

11 (7) to hear, try and enter judgments in all cases involving
12 infractions under AS 28 and violations of ordinances of political
13 subdivisions. [;

14 (8) REPEALED]

15 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
16 10.070(c).

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

1/22/85

Date January 24, 1985

Mr. President

The Committee on JUDICIARY considered SB 77

small claims jurisdictional limitation and the duties of magistrates; efd.

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

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

MEMBERS SIGNING
DO PASS

Jan Fairbairn
Rich Halford
Zink
Tom Kelly

MEMBERS HAVING
OTHER RECOMMENDATIONS

Mark Jolley
Chairman

DO PASS
Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

3/12/85

Date 4/20/85

Mr. President

The Committee on FINANCE considered SB 70

Miscellaneous amendments to state loan programs administered by the Department of Commerce and Economic Development; etc.

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 78 (Fin)
- new title
- same title and recommends do pass
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____

(Committee FN's revised w/ SFC to reflect program needs instead of CF)

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

_____ Chairman

_____ Chairman recommendation

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSSB 78(Fin) Agency Affected: Commerce & Economic Dev
 Title: Miscellaneous amendments to state loan programs Program Category Affected: Development
 Sponsor: Rules/Governor BRU, Program or Subprogram(s) Affected:
 Requestor: _____ Accounting & Collections
 Date of Request: _____

FISCAL DETAIL

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		8.5	8.5	8.5	8.5	8.5
200 TRAVEL						
300 CONTRACTUAL		2.3	2.3	2.3	2.3	2.3
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		10.8	10.8	10.8	10.8	10.8
CAPITAL						
REVENUE		178.0	271.0	364.0	457.0	550.0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER		10.8	10.8	10.8	10.8	10.8
TOTAL		10.8	10.8	10.8	10.8	10.8

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

Prepared By: Jan Faiks, Co-chairman Phone: 465-4523
 Division: Senate Finance Committee Date: 4/26/85

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: April 24, 1985

REQUEST

Bill/Resolution No.: CSSB78 (L&C)
 Title: Technical Amendments to
DCED Loan Programs
 Sponsor: Rules Committee
 Requestor: Governor
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Dept. of Commerce & Econ. Dev.
 Program Category Affected: Development
 BRU, Program or Subprogram(s) Affected:
Division of Accounting & Collections

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		8.5	8.5	8.5	8.5	8.5
200 TRAVEL						
300 CONTRACTUAL		2.3	2.3	2.3	2.3	2.3
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		10.8	10.8	10.8	10.8	10.8
CAPITAL						
REVENUE		175.5	271.0	314.0	457.0	550.0

FUNDING: (Thousands of Dollars)

GENERAL FUND		10.8	10.8	10.8	10.8	10.8
FEDERAL FUNDS						
OTHER						
TOTAL		10.8	10.8	10.8	10.8	10.8

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

See attached

Prepared By: Margaret I. Hamley *Mil*
 Division: Division of Accounting & Collections

Phone: 465-2555

Date: 4-24-85

Approved by Commissioner: Loren H. Lounsbury *Loren*
 Agency: Dept. of Commerce & Economic Development

Date: 4/25/85

Distribution (by Agency preparing fiscal note):

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

7/1/84

TECHNICAL AMENDMENTS TO DCED LOAN PROGRAMS: FISCAL NOTE

In order for 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. While we originally estimated a need for two additional positions within the Division of Accounting & Collections, we have streamlined our operation within the past six months since the original fiscal note was drafted, and we believe we can service Division of Investments' requirements through overtime effort.

The overtime funding requested will provide for records management (filing) effort as well as accounting effort to process refinanced repossessions and assumptions through the loan accounting system.

	200 hours clerical support	\$3522.00
	200 hours accounting support	4962.00
Line 100		<u>\$8484.00</u>
Contractual Services		
	Long Distance/Postage	300.00
	Payment Coupon Printing	1000.00
	DP Chargeback	<u>1000.00</u>
Line 300		<u>\$2300.00</u>
	TOTAL	<u>\$10,784.00</u>

REVENUE ANALYSIS

1. Assumes an estimated 250 applicants and 200 approvals of assumptions per year, with an average assumed balance of \$67,500:
 - a. Nonrefundable application fee \$50 x 250 = \$12,500/year
 - b. Assumption Fee (one-time) of 1/2% of the assumed balance
\$67,500 x .005 x 200 = \$67,500/year
2. Assumes an estimated 25 prequalification applicants per year:
 - a. Nonrefundable application fee \$100 x 25 = \$2500/year
3. Assumes 90% recovery of losses on commercial fishing loans due to the ability to finance and reamortize repossessed vessels and other collateral.

	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
Assumptions					
Application Fees	12.5	12.5	12.5	12.5	12.5
Assumption Fees	67.5	67.5	67.5	67.5	67.5
Prequalification Fees	⁵⁰ 2.5	⁵⁰ 2.5	⁵⁰ 2.5	⁵⁰ 2.5	⁵⁰ 2.5
Additional Loss Recovery	<u>93.0</u>	<u>186.0</u>	<u>279.0</u>	<u>372.0</u>	<u>465.0</u>
	<u>\$175.5</u>	<u>\$268.5</u>	<u>\$361.5</u>	<u>\$454.5</u>	<u>\$547.5</u>
	+2.5 178.0	+2.5 271.0	+2.5 364.0	+2.5 457.0	+2.5 550.0

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSSB 78(Fin)
 Title: Miscellaneous amendments
to state loan programs
 Sponsor: Rules/Governor
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		156.7	156.7	156.7	156.7	156.7
200 TRAVEL		7.9	7.9	7.9	7.9	7.9
300 CONTRACTUAL		14.0	12.0	12.0	12.0	12.0
400 SUPPLIES		1.2	1.2	1.2	1.2	1.2
500 EQUIPMENT		18.0	-	-	-	-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		197.8	177.8	177.8	177.8	177.8

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

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER		197.8	177.8	177.8	177.8	177.8
TOTAL						

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By: Jan Faiks, Co-chairman Phone: 465-4523
 Division: Senate Finance Committee Date: 4/26/85

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

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

7/1/84

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

010

SB 78

Revision Date: 11/30/84

REQUEST

Bill/Resolution No.:
Title: Miscellaneous Amendments to State loan programs admin. by DCFD
Sponsor: Rules/Governor
Requestor:
Date of Request:

FISCAL DETAIL

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		156.7	156.7	156.7	156.7	156.7
200 TRAVEL		7.9	7.9	7.9	7.9	7.9
300 CONTRACTUAL		14.0	12.0	12.0	12.0	12.0
400 SUPPLIES		1.2	1.2	1.2	1.2	1.2
500 EQUIPMENT		18.0	-	-	-	-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		197.8	177.8	177.8	177.8	177.8

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

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	197.8	177.8	177.8	177.8	177.8
FEDERAL FUNDS					
OTHER					
TOTAL					

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Paul B. Arnoldt

Prepared By: Paul B. Arnoldt, Director Phone: 465-2510
Division: Investments Date: 12/4/84

Approved by Commissioner: Richard A. Lyon Date: 12-5-84
Agency: Commerce and Economic Development

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

7/1/84

FISCAL NOTE ANALYSIS

Personal Services:

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.

PERSONNEL COSTS

Two Loan Examiners II, Range 17A; one each in Anchorage and Juneau:

Salary	\$34,740	
Benefits	\$10,486	
TOTAL Personal Services		\$45,226
Travel		\$ 3,950
Contractual		\$ 3,000
Commodities		\$ 300
Equipment		\$ 4,750
Total per employee		\$57,226
Subtotal for two Loan Examiners II		\$114,452

Two Loan Closers II, Range 12A; one each in Anchorage and Juneau:

Salary	\$24,864	
Benefits	\$ 8,281	
TOTAL Personal Services		\$33,145
Travel		\$ -0-
Contractual		\$ 3,000
Commodities		\$ 300
Equipment		\$ 4,250
Total per employee		\$40,695

Subtotal for two Loan Closers II \$ 81,390

Estimates for other line items assume that the new employees 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
(for Loan public on program.
Examiners)

Contractual: Space Rental: \$3,000
\$2.50 sq./ft. x 100 sq./ft. x 12 months RSA to Department of
Administration
One time \$2,000 modification and reprinting of the existing
loan application packets.

Commodities: General supplies.

<u>Equipment:</u>	Calculator	\$ 365
(for Loan	Typewriter	\$ 1,369
Closers)	Workstation	\$ 2,516
		\$ 4,250

<u>Equipment:</u>	Calculator	\$ 365
(for Loan	Microfiche Reader	\$ 300
Examiners)	Workstations	\$ 4,085
		\$ 4,750

TOTAL FY '86 PERSONNEL AND ASSOCIATED COSTS

\$197,842

0867Wb111984d

1.	POSITION TITLE LOAN EXAMINER II				RANGE/STEP 17A	DEPT. UNIT GGU	PAGE/LINE	GOV.	APPROV.	DISAPP.					
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT	LEG.							
3.	CONTINUATION LEVEL				JUSTIFICATION										
4.	TYPE OF EXPENDITURE				<p>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. On time expenses would be incurred for equipment.</p> <p>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.</p> <p>Estimates for the 200-500 lines 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.</p> <p><u>Travel:</u> To inspect collateral, interview applicants, and inform public on program.</p> <p><u>Contractual:</u> Space Rental: \$3,000 \$2.50 sq./ft. x 100 sq./ft. x 12 months RSA to Department of Administration.</p> <p><u>Commodities:</u> General supplies.</p> <p><u>Equipment:</u> Calculator \$ 365 Microfiche Reader \$ 300 Workstation \$4,085 \$4,750</p>										
5.	PERSONAL SERVICES														
6.	Salary	34,740													
7.	Benefits	5,624													
8.	Supplemental Benefits	2,130													
9.	Fixed Benefits	2,732													
10.	TOTAL PERSONAL SERVICES	45,226													
11.	Travel	01													
12.	Contractual	02													
13.	Commodities	03													
14.	Equipment	04													
15.	Other	05													
16.	TOTAL COST	57,226													
17.	RECEIPT CODE	FUNDING SOURCE													
18.		Federal Receipts 1002													
19.		C.F. Hatch 1003													
20.		General Funds 1004		57,226											
21.		I-A Receipts 1005													
22.		Program Receipts 1028													
23.		Other													
FOR BSM USE ONLY															
KEY NUMBER															

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
 PROGRAM Economic Development
 BRU Investments
 COMPONENT Administration

Page 1 of 4
 Revised Date _____

FY 86

1.	POSITION TITLE LOAN EXAMINER II				RANGE/STEP 17A	DARG. UNIT GGU	PAGE/LINE	GOV.	APPROV.	DISAP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	DRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				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. On time expenses would be incurred for equipment.					
	PERSONAL SERVICES									
5.	Salary		34,740							
6.	Benefits		5,624							
7.	Supplemental Benefits		2,130							
8.	Fixed Benefits		2,732							
9.	TOTAL PERSONAL SERVICES		01	45,226						
10.	Travel		02	3,950						
11.	Contractual		03	3,000						
12.	Commodities		04	300						
13.	Equipment		05	4,750						
14.	Other									
15.	TOTAL COST			57,226						
16.	RECEIPT CODE	FUNDING SOURCE								
17.		Federal Receipts 1002								
18.		C.F. Match 1003								
19.		General Funds 1004		57,226						
20.		I-A Receipts 1005								
21.		Program Receipts 1028								
		Other								
FOR BSM USE ONLY KEY NUMBER _____										

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. On 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.

Estimates for the 200-500 lines 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 \$4,085
\$4,750

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
PROGRAM Economic Development
DRU Investments
COMPONENT Administration

FY 86

Page 2 of 4
Revised Date _____

1.	POSITION TITLE LOAN CLOSER II				RANGE/STEP 12A	DARG. UNIT GGU	PAGE/LINE	COY.	APPROV.	DISAPP.	
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT	LEG.			
3.	CONTINUATION LEVEL				JUSTIFICATION						
4.	TYPE OF EXPENDITURE				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. On time expenses would be incurred for equipment.						
	PERSONAL SERVICES		AMOUNT								
5.	Salary	24,864									
6.	Benefits	4,025									
7.	Supplemental Benefits	1,524									
8.	Fixed Benefits	2,732									
9.	TOTAL PERSONAL SERVICES	01	33,145								
10.	Travel	02	-0-								
11.	Contractual	03	3,000								
12.	Commodities	04	300								
13.	Equipment	05	4,250								
14.	Other										
15.	TOTAL COST		40,695								
16.	RECEIPT CODE	FUNDING SOURCE									
17.		Federal Receipts 1002									
18.		C.F. Match 1003									
19.		General Funds 1004		40,695							
20.		I-A Receipts 1005									
21.		Program Receipts 1028									
		Other									
FOR BSM USE ONLY				Estimates for the 200-500 lines 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.							
KEY NUMBER				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 \$2,515 \$4,250							

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development

PROGRAM Economic Development

BRU Investments

COMPONENT Administration

Page 3 of 4

Revised Date

FY 86

1.	POSITION TITLE LOAN CLOSER II				RANGE/STEP 12A	DARG. UNIT GGU	PAGE/LINE	GOV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	ADDITION				<p>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. On time expenses would be incurred for equipment.</p> <p>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.</p> <p>Estimates for the 200-500 lines 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.</p> <p><u>Contractual:</u> Space Rental: \$3,000 \$2.50 sq./ft. x 100 sq./ft. x 12 months RSA to Department of Administration.</p> <p><u>Commodities:</u> General supplies.</p> <p><u>Equipment:</u> Calculator \$ 365 Typewriter \$1,369 Workstation \$2,515 \$4,250</p>					
5.	TYPE OF EXPENDITURE		AMOUNT							
6.	PERSONAL SERVICES									
7.	Salary		24,864							
8.	Benefits		4,025							
9.	Supplemental Benefits		1,524							
10.	Fixed Benefits		2,732							
11.	TOTAL PERSONAL SERVICES	01	33,145							
12.	Travel	02	-0-							
13.	Contractual	03	3,000							
14.	Commodities	04	300							
15.	Equipment	05	4,250							
16.	Other									
17.	TOTAL COST		40,695							
18.	RECEIPT CODE	FUNDING SOURCE								
19.		Federal Receipts 1002								
20.		C.F. Match 1003								
21.		General Funds 1004		40,695						
22.		I-A Receipts 1005								
23.		Program Receipts 1028								
24.		Other								

FOR BSM USE ONLY
KEY NUMBER _____

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
PROGRAM Economic Development
BRU Investments
COMPONENT Administration

FY 86

Page 4 of 4
Revised Date _____



Official Business

Alaska State Legislature

Senate

Committee on Labor & Commerce

Pouch V
State Capitol
Juneau, Alaska 99811

"Letter of Intent

CSSB 78 (L&C)

It is the intent of the Legislature that when implementing the Commercial Fishing Loan Act, the Department of Commerce and Economic Development shall:

- (1) 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.
- (2) relinquish the original borrower's obligation under the loan agreement whenever the applicant for the assumption has demonstrated credit worthiness to the satisfaction of the Department.
- (3) allow individuals to pre-qualify for a loan. This pre-qualification status would apply only to loans authorized for the purchase of limited entry permits."

*Adopted
4/26/85*

*BE. am
page 3, line 10*

Original sponsor: Rules/Governor

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
IN THE SENATE

BY THE FINANCE COMMITTEE

CS FOR SENATE BILL NO. 78 (Finance)

IN THE LEGISLATURE OF THE STATE OF ALASKA

FOURTEENTH LEGISLATURE - FIRST SESSION

A BILL

For an Act entitled: "An Act making miscellaneous amendments to state loan programs; and providing for an effective date."

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

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

(a) The department may

(1) make loans to

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

(B) an individual for the repair, restoration, or upgrading of existing vessels and gear, for the purchase of entry permits and gear, and for the construction and purchase of vessels, if the individual [AN INDIVIDUAL WHO] has been a state resident for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370, and either [WHO]

(i) because of lack of training or lack of employment opportunities in the area of residence does not have occupational opportunities available other than

1 commercial fishing; or

2 (ii) is economically dependent on commercial
3 fishing for a livelihood and for whom commercial fishing has
4 been a traditional way of life [FOR THE INDIVIDUAL] in
5 Alaska [, FOR THE REPAIR, RESTORATION OR UPGRADING OF EXIST-
6 ING VESSELS AND GEAR, FOR THE PURCHASE OF ENTRY PERMITS AND
7 GEAR, AND FOR THE CONSTRUCTION AND PURCHASE OF VESSELS;

8 (C) CORPORATIONS, PARTNERSHIPS, OR JOINT VENTURES, 100
9 PERCENT OF WHICH ARE OWNED BY INDIVIDUAL COMMERCIAL FISHERMEN WHO
10 HAVE BEEN STATE RESIDENTS FOR A CONTINUOUS PERIOD OF TWO YEARS
11 IMMEDIATELY PRECEDING THE DATE OF APPLICATION FOR A LOAN UNDER
12 AS 16.10.310(a)(1)(B) AND HAVE HAD A CREWMEMBER OR COMMERCIAL
13 FISHING LICENSE UNDER AS 16.05.480 OR A PERMIT UNDER AS 16.43 FOR
14 THE YEAR IMMEDIATELY PRECEDING THE DATE OF APPLICATION AND ANY
15 OTHER TWO OF THE PAST FIVE YEARS, AND WHO ACTIVELY PARTICIPATED
16 IN THE FISHERY DURING THAT PERIOD, FOR THE REPAIR, RESTORATION OR
17 UPGRADING OF EXISTING VESSELS AND GEAR, FOR THE PURCHASE OF GEAR,
18 AND FOR THE CONSTRUCTION AND PURCHASE OF VESSELS];

19 (2) designate agents and delegate its powers to them as
20 necessary;

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

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

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

28 (6) enter into agreements with other agencies or organiza-
29 tions to create an outreach program to make loans under AS 16.10.300 -

1 16.10.370 in rural areas of the state;

2 (7) allow an assumption of a loan if

3 (A) the applicant has been a state resident for a
4 continuous period of two years immediately preceding the date of
5 the request for an assumption; and

6 (B) approval of the assumption would be consistent
7 with the purposes of AS 16.10.300; an applicant for a loan
8 assumption may not be disqualified because the applicant does not
9 meet the loan eligibility requirements of⁽¹⁾this subsection;

10 (8) prequalify loan applicants for a limited entry permit
11 loan and charge a fee not to exceed \$200 for prequalification.

12 * Sec. 2. AS 16.10.310 is amended by adding a new subsection to read:

13 (c) In determining whether an individual commercial fisherman is
14 reasonably likely to be able to repay a loan made under AS 16.10.300 -
15 16.10.370, the commissioner shall consider the individual commercial
16 fisherman's income from commercial fishing and from all other sources.

17 * Sec. 3. AS 16.10.315 is amended to read:

18 Sec. 16.10.315. ALLOCATION OF LOANS. The department shall
19 allocate at least 10 percent of the money that is appropriated for a
20 state fiscal year to make loans under AS 16.10.310 for loans of
21 \$35,000 or less made under AS 16.10.310(a)(1)(B) [AND (C)]. An allo-
22 cation made under this section terminates on April 15 of the state
23 fiscal year for which the allocation is made.

24 * Sec. 4. AS 16.10.320(a) is amended to read:

25 (a) Except as permitted in (h) of this section, a [A] loan
26 under AS 16.10.300 - 16.10.370 [16.10.310 - 16.10.370]

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

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

1 (3) must [SHALL] be secured by a first priority lien and
2 appropriate security agreement; and

3 (4) may not exceed 90 percent of the appraised value of the
4 collateral used to secure the loan[, EXCEPT THAT A LOAN GRANTED UNDER
5 AS 16.10.333 FOR THE PURCHASE OF AN ALASKA LIMITED ENTRY PERMIT MAY
6 NOT EXCEED AN AMOUNT DETERMINED IN ACCORDANCE WITH (f) OR (h) OF THIS
7 SECTION].

8 * Sec. 5. AS 16.10.320(d) is amended to read:

9 (d) The total of balances outstanding on loans [LOANS] made to a
10 borrower under AS 16.10.310(a)(1)(A) may not exceed [A TOTAL OF]
11 \$300,000. The total of balances outstanding on loans [LOANS] made to
12 a borrower under AS 16.10.310(a)(1)(B) [OR (C)] may not exceed [A
13 TOTAL OF] \$100,000. [A LOAN TO AN ASSOCIATE OF THE BORROWER IS CON-
14 sidered to be a loan to the borrower. For the purposes of this sec-
15 tion, "ASSOCIATE OF THE BORROWER" means

16 (1) A CORPORATION OR OTHER ORGANIZATION OF WHICH THE BOR-
17 ROWER IS AN OFFICER, DIRECTOR OR PARTNER, OR IS, DIRECTLY OR INDI-
18 RECTLY, THE BENEFICIAL OWNER OF 10 PERCENT OR MORE ON ANY CLASS OF
19 EQUITY SECURITIES;

20 (2) A PERSON WHO IS, DIRECTLY OR INDIRECTLY, THE BENEFICIAL
21 OWNER OF 10 PERCENT OR MORE OF ANY CLASS OF EQUITY SECURITIES OF THE
22 BORROWER;

23 (3) A TRUST OR OTHER ESTATE IN WHICH THE BORROWER HAS A
24 SUBSTANTIAL BENEFICIAL INTEREST OR AS TO WHICH THE BORROWER SERVES AS
25 TRUSTEE OR IN A SIMILAR FIDUCIARY CAPACITY.]

26 * Sec. 6. AS 16.10.320(e) is amended to read:

27 (e) Two or more individual commercial fishermen who each satisfy
28 the requirements specified in AS 16.10.310(a)(1)(B) may jointly,
29 whether operating as a corporation, partnership, joint venture, or

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

otherwise, obtain a commercial fishing loan for the repair, restoration, or upgrading of an existing vessel and gear, for the purchase of gear, and for the construction [OF A FISHING VESSEL] or the purchase of a [AN EXISTING] fishing vessel. Loans granted under this subsection

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

(2) MAY NOT EXCEED A TERM OF 15 YEARS;

(3) SHALL BE SECURED BY A FIRST PRIORITY LIEN AND APPROPRIATE SECURITY AGREEMENT;

(4) MAY NOT BEAR INTEREST EXCEEDING 10-1/2 PERCENT;

AND

(5) MAY NOT EXCEED 90 PERCENT OF THE APPRAISED VALUE OF THE COLLATERAL USED TO SECURE THE LOAN].

* Sec. 7. AS 16.10.320(i) is amended to read:

(i) If a loan is made to a borrower under AS 16.10.310(a)(1)(A), a subsequent loan may not be made to the borrower [OR AN ASSOCIATE OF THE BORROWER] under AS 16.10.310(a)(1)(B) [OR (C)]. If a loan is made to a borrower under AS 16.10.310(a)(1)(B) [OR (C)], a subsequent loan may be made to the borrower [OR AN ASSOCIATE OF THE BORROWER] under AS 16.10.310(a)(1)(A) if the total of the balances outstanding on loans received by the borrower [OR THE ASSOCIATE] under AS 16.10.310 does not exceed \$300,000.

* Sec. 8. AS 16.10.333(a) is amended to read:

(a) Loans under AS 16.10.310(a) [AS 16.10.320(a)] may be made to an individual commercial fisherman for the purchase of a limited entry permit upon certification by the commission that the fisherman is a person who qualifies as a transferee for the permit under AS 16.43 and

1 the regulations adopted by the commission.

2 * Sec. 9. 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 remain 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
2 security under AS 16.10.333 or 16.10.338, the debtor shall maintain on
3 file with the department an address where notice of default is to be
4 sent, if necessary, and where that notice will be timely received by
5 the debtor.

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

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

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

26 * Sec. 10. AS 16.10.339 is amended to read:

27 Sec. 16.10.339. REGULATIONS. The [COMMISSION, WITH THE APPROVAL
28 OF THE] department[,] shall adopt regulations to implement AS 16.10.-
29 333 - 16.10.337.

* Sec. 11. AS 16.10 is amended by adding a new section to read:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

Sec. 16.10.355. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR FORECLOSURE. The department shall dispose of property acquired through default or foreclosure of a loan made under AS 16.10.300 - 16.10.370 or former AS 16.10.650 - 16.10.720. Disposal shall be made in a manner that serves the best interests of the state, and may include the amortization of payments over a period of years, but may not be by lease.

* Sec. 12. AS 16.10 is amended by adding a new section to read:

Sec. 16.10.507. SPECIAL ACCOUNT ESTABLISHED. (a) There is established as a special account within the fisheries enhancement revolving loan fund the foreclosure expense account. This account is established as a reserve from fund equity.

(b) The commissioner may expend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans made under AS 16.10.520 or to defray expenses incurred during foreclosure proceedings after a default by an obligor.

* Sec. 13. AS 16.10 is amended by adding a new section to read:

Sec. 16.10.555. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR FORECLOSURE. The Department of Commerce and Economic Development shall dispose of property acquired through default or foreclosure of a loan made under AS 16.10.500 - 16.10.620. Disposal shall be made in a manner that serves the best interests of the state, and may include the amortization of payments over a period of years.

* Sec. 14. AS 26.15 is amended by adding a new section to read:

Sec. 26.15.085. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR FORECLOSURE. The Department of Commerce and Economic Development shall dispose of property acquired through default or foreclosure of a loan made under this chapter. Disposal shall be made in a manner that

1 serves the best interests of the state, and may include the amortiza-
2 tion of payments over a period of years.

3
4 * Sec. 15. AS 26.15 is amended by adding a new section to read:

5 Sec. 26.15.095. SPECIAL ACCOUNT ESTABLISHED. (a) There is
6 established as a special account within the Alaska World War II veter-
7 ans' revolving fund the foreclosure expense account. This account is
8 established as a reserve from fund equity.

9 (b) The commissioner of commerce and economic development may
10 expend money credited to the foreclosure expense account when neces-
11 sary to protect the state's security interest in collateral on loans
12 made under AS 26.15.040 or to defray expenses incurred during fore-
13 closure proceedings after a default by an obligor.

14 * Sec. 16. AS 27.09 is amended by adding a new section to read:

15 Sec. 27.09.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is
16 established as a special account within the mining loan fund the fore-
17 closure expense account. This account is established as a reserve
18 from fund equity.

19 (b) The commissioner of commerce and economic development may
20 expend money credited to the foreclosure expense account when neces-
21 sary to protect the state's security interest in collateral on loans
22 made under AS 27.09.010 or to defray expenses incurred during fore-
23 closure proceedings after a default by an obligor.

24 * Sec. 17. AS 27.09 is amended by adding a new section to read:

25 Sec. 27.09.055. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
26 FORECLOSURE. The department shall dispose of property acquired
27 through default or foreclosure of a loan made under this chapter.
28 Disposal shall be made in a manner that serves the best interests of
29 the state, and may include the amortization of payments over a period
of years.

1
2 * Sec. 18. AS 44.33 is amended by adding a new section to read:

3 Sec. 44.33.242. SPECIAL ACCOUNT ESTABLISHED. (a) There is
4 established as a special account within the child care facility re-
5 volving loan fund the foreclosure expense account. This account is
6 established as a reserve from fund equity.

7 (b) The commissioner of commerce and economic development may
8 expend money credited to the foreclosure expense account when neces-
9 sary to protect the state's security interest in collateral on loans
10 made under AS 44.33.245 or to defray expenses incurred during fore-
11 closure proceedings after a default by an obligor.

12 * Sec. 19. AS 44.33 is amended by adding a new section to read:

13 Sec. 44.33.272. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
14 FORECLOSURE. The department shall dispose of property acquired
15 through default or foreclosure of a loan made under AS 44.33.240 -
16 44.33.275. Disposal shall be made in a manner that serves the best
17 interests of the state, and may include the amortization of payments
18 over a period of years.

19 * Sec. 20. AS 44.81.210(a) is amended by adding a new paragraph to
20 read:

21 (23) make a loan to a person, regardless of residency, if
22 the board of directors of the bank determines that the loan is
23 necessary to preserve the value of property held by the bank as
24 security for a loan that was made under (a)(1) of this section and
25 that is in default.

26 * Sec. 21. AS 45.87 is amended by adding a new section to read:

27 Sec. 45.87.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is
28 established as a special account within the bulk fuel revolving loan
29 fund the foreclosure expense account. This account is established as
a reserve from fund equity.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

(b) The commissioner of commerce and economic development may expend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans made under this chapter or to defray expenses incurred during foreclosure proceedings after a default by an obligor.

* Sec. 22. AS 45.87 is amended by adding new sections to read:

Sec. 45.87.040. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR FORECLOSURE. The department shall dispose of property acquired through default or foreclosure of a loan made under this chapter. Disposal shall be made in a manner that serves the best interests of the state, and may include the amortization of payments over a period of years.

Sec. 45.87.060. REGULATIONS. The department shall adopt regulations to implement this chapter.

* Sec. 23. AS 45.88 is amended by adding a new section to read:

Sec. 45.88.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is established, as a special account within the revolving loan fund established under AS 45.88.010, the foreclosure expense account. This account is established as a reserve from fund equity.

(b) The commissioner of commerce and economic development may expend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans made under AS 45.88.020 or to defray expenses incurred during foreclosure proceedings after a default by an obligor.

* Sec. 24. AS 45.88 is amended by adding a new section to read:

Sec. 45.88.050. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR FORECLOSURE. The Department of Commerce and Economic Development shall dispose of property acquired through default or foreclosure of a loan made under this chapter. Disposal shall be made in a manner that

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

serves the best interests of the state, and may include the amortization of payments over a period of years.

* Sec. 25. AS 45.89 is amended by adding a new section to read:

Sec. 45.89.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is established as a special account within the residential energy conservation fund the foreclosure expense account. This account is established as a reserve from fund equity.

(b) The commissioner may expend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans made under AS 45.89.030 or to defray expenses incurred during foreclosure proceedings after a default by an obligor.

* Sec. 26. AS 45.89 is amended by adding new sections to read:

Sec. 45.89.050. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR FORECLOSURE. The department shall dispose of property acquired through default or foreclosure of a loan made under this chapter. Disposal shall be made in a manner that serves the best interests of the state, and may include the amortization of payments over a period of years.

Sec. 45.89.070. REGULATIONS. The department shall adopt regulations to implement this chapter.

* Sec. 27. AS 45.90 is amended by adding a new section to read:

Sec. 45.90.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is established as a special account within the tourism revolving fund the foreclosure expense account. This account is established as a reserve from fund equity.

(b) The commissioner of commerce and economic development may expend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans

1
2 made under AS 45.90.020 or to defray expenses incurred during fore-
3 closure proceedings after a default by an obligor.

4 * Sec. 28. AS 45.90 is amended by adding a new section to read:

5 Sec. 45.90.050. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
6 FORECLOSURE. The Department of Commerce and Economic Development
7 shall dispose of property acquired through default or foreclosure of a
8 loan made under this chapter. Disposal shall be made in a manner that
9 serves the best interests of the state, and may include the amortiza-
10 tion of payments over a period of years.

11 * Sec. 29. AS 45.95 is amended by adding a new section to read:

12 Sec. 45.95.055. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
13 FORECLOSURE. The Department of Commerce and Economic Development
14 shall dispose of property acquired through default or foreclosure of a
15 loan made under this chapter. Disposal shall be made in a manner that
16 serves the best interests of the state, and may include the amortiza-
17 tion of payments over a period of years.

18 * Sec. 30. AS 45.95 is amended by adding a new section to read:

19 Sec. 45.95.065. SPECIAL ACCOUNT ESTABLISHED. (a) There is
20 established as a special account within the small business revolving
21 loan fund the foreclosure expense account. This account is estab-
22 lished as a reserve from fund equity.

23 (b) The commissioner may expend money credited to the foreclo-
24 sure expense account when necessary to protect the state's security
25 interest in collateral on loans made under AS 45.95.020 or to defray
26 expenses incurred during foreclosure proceedings after default by an
27 obligor.

28 * Sec. 31. AS 45.98 is amended by adding a new section to read:

29 Sec. 45.98.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is
established as a special account within the historical district

1 revolving loan fund the foreclosure expense account. This account is
2 established as a reserve from fund equity.

3 (b) The commissioner of commerce and economic development may
4 expend money credited to the foreclosure expense account when neces-
5 sary to protect the state's security interest in collateral on loans
6 made under this chapter, or to defray expenses incurred during fore-
7 closure proceedings after a default by an obligor.

8 * Sec. 32. AS 45.98.020 is amended to read:

9
10 Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and
11 plan approval by a local historical district commission established
12 under AS 29.48.108 and the recommendation of a majority of the members
13 of the Historic Sites Advisory Committee, the Department of Commerce
14 and Economic Development may make loans to a person, firm, business or
15 municipality subject to applicable laws for the restoration, improve-
16 ment, rehabilitation, or maintenance of

17 (1) a structure which is [(1)] within the boundaries of a
18 historical district established under AS 29.48.110 and [;]

19 [(2)] identified as important in state or national history as
20 provided for in AS 29.48.110(b); or [AND]

21 (2) a [(3) ANOTHER] building or structure within a histor-
22 ical district, that is [AND] suitable for superficial modification so
23 that it can conform to the period or motif of the surrounding build-
24 ings or structures that are the reason for the area's designation as a
25 historical district.

26 * Sec. 33. AS 45.98 is amended by adding a new section to read:

27 Sec. 45.98.055. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
28 FORECLOSURE. The Department of Commerce and Economic Development
29 shall dispose of property acquired through default or foreclosure of a
loan made under this chapter. Disposal shall be made in a manner that

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

serves the best interests of the state, and may include the amortization of payments over a period of years.

* Sec. 34. AS 16.10.310(b), 16.10.320(f), and 16.10.333(f) are repealed.

* Sec. 35. This Act takes effect July 1, 1985.

Offered: 4/26/85
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 78 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act making miscellaneous amendments to state loan
7 programs; 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 for the repair, restoration, or up-
21 grading of existing vessels and gear, for the purchase of entry
22 permits and gear, and for the construction and purchase of ves-
23 sels, if the individual [AN INDIVIDUAL WHO] has been a state
24 resident for a continuous period of two years immediately pre-
25 ceding the date of application for a loan under AS 16.10.300 -
26 16.10.370, and either [WHO]
27 (i) because of lack of training or lack of em-
28 ployment opportunities in the area of residence does not
29 have occupational opportunities available other than

1 16.10.370 in rural areas of the state;

2 (7) allow an assumption of a loan if

3 (A) the applicant has been a state resident for a
4 continuous period of two years immediately preceding the date of
5 the request for an assumption; and

6 (B) approval of the assumption would be consistent
7 with the purposes of AS 16.10.300; an applicant for a loan
8 assumption may not be disqualified because the applicant does not
9 meet the loan eligibility requirements of (1) of this subsection;

10 (8) prequalify loan applicants for a limited entry permit
11 loan and charge a fee not to exceed \$200 for prequalification.

12 * Sec. 2. AS 16.10.310 is amended by adding a new subsection to read:

13 (c) In determining whether an individual commercial fisherman is
14 reasonably likely to be able to repay a loan made under AS 16.10.300 -
15 16.10.370, the commissioner shall consider the individual commercial
16 fisherman's income from commercial fishing and from all other sources.

17 * Sec. 3. AS 16.10.315 is amended to read:

18 Sec. 16.10.315. ALLOCATION OF LOANS. The department shall
19 allocate at least 10 percent of the money that is appropriated for a
20 state fiscal year to make loans under AS 16.10.310 for loans of
21 \$35,000 or less made under AS 16.10.310(a)(1)(B) [AND (C)]. An allo-
22 cation made under this section terminates on April 15 of the state
23 fiscal year for which the allocation is made.

24 * Sec. 4. AS 16.10.320(a) is amended to read:

25 (a) Except as permitted in (h) of this section, a [A] loan
26 under AS 16.10.300 - 16.10.370 [16.10.310 - 16.10.370]

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

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

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

Offered: 4/26/85
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 78 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making miscellaneous amendments to state loan
7 programs; 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 for the repair, restoration, or up-
21 grading of existing vessels and gear, for the purchase of entry
22 permits and gear, and for the construction and purchase of ves-
23 sels, if the individual [AN INDIVIDUAL WHO] has been a state
24 resident for a continuous period of two years immediately pre-
25 ceding the date of application for a loan under AS 16.10.300 -
26 16.10.370, and either [WHO]

27 (i) because of lack of training or lack of em-
28 ployment opportunities in the area of residence does not
29 have occupational opportunities available other than

1 commercial fishing; or

2 (ii) is economically dependent on commercial
3 fishing for a livelihood and for whom commercial fishing has
4 been a traditional way of life [FOR THE INDIVIDUAL] in
5 Alaska [, FOR THE REPAIR, RESTORATION OR UPGRADING OF EXIST-
6 ING VESSELS AND GEAR, FOR THE PURCHASE OF ENTRY PERMITS AND
7 GEAR, AND FOR THE CONSTRUCTION AND PURCHASE OF VESSELS;

8 (C) CORPORATIONS, PARTNERSHIPS, OR JOINT VENTURES, 100
9 PERCENT OF WHICH ARE OWNED BY INDIVIDUAL COMMERCIAL FISHERMEN WHO
10 HAVE BEEN STATE RESIDENTS FOR A CONTINUOUS PERIOD OF TWO YEARS
11 IMMEDIATELY PRECEDING THE DATE OF APPLICATION FOR A LOAN UNDER
12 AS 16.10.310(a)(1)(B) AND HAVE HAD A CREWMEMBER OR COMMERCIAL
13 FISHING LICENSE UNDER AS 16.05.480 OR A PERMIT UNDER AS 16.43 FOR
14 THE YEAR IMMEDIATELY PRECEDING THE DATE OF APPLICATION AND ANY
15 OTHER TWO OF THE PAST FIVE YEARS, AND WHO ACTIVELY PARTICIPATED
16 IN THE FISHERY DURING THAT PERIOD, FOR THE REPAIR, RESTORATION OR
17 UPGRADING OF EXISTING VESSELS AND GEAR, FOR THE PURCHASE OF GEAR,
18 AND FOR THE CONSTRUCTION AND PURCHASE OF VESSELS];

19 (2) designate agents and delegate its powers to them as
20 necessary;

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

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

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

28 (6) enter into agreements with other agencies or organiza-
29 tions to create an outreach program to make loans under AS 16.10.300 -

1 16.10.370 in rural areas of the state;

2 (7) allow an assumption of a loan if

3 (A) the applicant has been a state resident for a
4 continuous period of two years immediately preceding the date of
5 the request for an assumption; and

6 (B) approval of the assumption would be consistent
7 with the purposes of AS 16.10.300; an applicant for a loan
8 assumption may not be disqualified because the applicant does not
9 meet the loan eligibility requirements of (1) of this subsection;

10 (8) prequalify loan applicants for a limited entry permit
11 loan and charge a fee not to exceed \$200 for prequalification.

12 * Sec. 2. AS 16.10.310 is amended by adding a new subsection to read:

13 (c) In determining whether an individual commercial fisherman is
14 reasonably likely to be able to repay a loan made under AS 16.10.300 -
15 16.10.370, the commissioner shall consider the individual commercial
16 fisherman's income from commercial fishing and from all other sources.

17 * Sec. 3. AS 16.10.315 is amended to read:

18 Sec. 16.10.315. ALLOCATION OF LOANS. The department shall
19 allocate at least 10 percent of the money that is appropriated for a
20 state fiscal year to make loans under AS 16.10.310 for loans of
21 \$35,000 or less made under AS 16.10.310(a)(1)(B) [AND (C)]. An allo-
22 cation made under this section terminates on April 15 of the state
23 fiscal year for which the allocation is made.

24 * Sec. 4. AS 16.10.320(a) is amended to read:

25 (a) Except as permitted in (h) of this section, a [A] loan
26 under AS 16.10.300 - 16.10.370 [16.10.310 - 16.10.370]

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

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

1 (3) must [SHALL] be secured by a first priority lien and
2 appropriate security agreement; and

3 (4) may not exceed 90 percent of the appraised value of the
4 collateral used to secure the loan[, EXCEPT THAT A LOAN GRANTED UNDER
5 AS 16.10.333 FOR THE PURCHASE OF AN ALASKA LIMITED ENTRY PERMIT MAY
6 NOT EXCEED AN AMOUNT DETERMINED IN ACCORDANCE WITH (f) OR (h) OF THIS
7 SECTION].

8 * Sec. 5. AS 16.10.320(d) is amended to read:

9 (d) The total of balances outstanding on loans [LOANS] made to a
10 borrower under AS 16.10.310(a)(1)(A) may not exceed [A TOTAL OF]
11 \$300,000. The total of balances outstanding on loans [LOANS] made to
12 a borrower under AS 16.10.310(a)(1)(B) [OR (C)] may not exceed [A
13 TOTAL OF] \$100,000. [A LOAN TO AN ASSOCIATE OF THE BORROWER IS CON-
14 sidered to be a loan to the borrower. FOR THE PURPOSES OF THIS SEC-
15 tion, "ASSOCIATE OF THE BORROWER" MEANS

16 (1) A CORPORATION OR OTHER ORGANIZATION OF WHICH THE BOR-
17 ROWER IS AN OFFICER, DIRECTOR OR PARTNER, OR IS, DIRECTLY OR INDI-
18 RECTLY, THE BENEFICIAL OWNER OF 10 PERCENT OR MORE ON ANY CLASS OF
19 EQUITY SECURITIES;

20 (2) A PERSON WHO IS, DIRECTLY OR INDIRECTLY, THE BENEFICIAL
21 OWNER OF 10 PERCENT OR MORE OF ANY CLASS OF EQUITY SECURITIES OF THE
22 BORROWER;

23 (3) A TRUST OR OTHER ESTATE IN WHICH THE BORROWER HAS A
24 SUBSTANTIAL BENEFICIAL INTEREST OR AS TO WHICH THE BORROWER SERVES AS
25 TRUSTEE OR IN A SIMILAR FIDUCIARY CAPACITY.]

26 * Sec. 6. AS 16.10.320(e) is amended to read:

27 (e) Two or more individual commercial fishermen who each satisfy
28 the requirements specified in AS 16.10.310(a)(1)(B) may jointly,
29 whether operating as a corporation, partnership, joint venture, or

1 otherwise, obtain a commercial fishing loan for the repair, restora-
2 tion, or upgrading of an existing vessel and gear, for the purchase of
3 gear, and for the construction [OF A FISHING VESSEL] or the purchase
4 of a [AN EXISTING] fishing vessel. Loans granted under this subsec-
5 tion

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;

10 (3) SHALL BE SECURED BY A FIRST PRIORITY LIEN AND APPRO-
11 PRIATE SECURITY AGREEMENT;

12 (4) MAY NOT BEAR INTEREST EXCEEDING 10-1/2 PERCENT;

13 AND

14 (5) MAY NOT EXCEED 90 PERCENT OF THE APPRAISED VALUE OF
15 THE COLLATERAL USED TO SECURE THE LOAN].

16 * Sec. 7. AS 16.10.320(i) is amended to read:

17 (i) If a loan is made to a borrower under AS 16.10.310(a)(1)(A),
18 a subsequent loan may not be made to the borrower [OR AN ASSOCIATE OF
19 THE BORROWER] under AS 16.10.310(a)(1)(B) [OR (C)]. If a loan is made
20 to a borrower under AS 16.10.310(a)(1)(B) [OR (C)], a subsequent loan
21 may be made to the borrower [OR AN ASSOCIATE OF THE BORROWER] under
22 AS 16.10.310(a)(1)(A) if the total of the balances outstanding on
23 loans received by the borrower [OR THE ASSOCIATE] under AS 16.10.310
24 does not exceed \$300,000.

25 * Sec. 8. AS 16.10.333(a) is amended to read:

26 (a) Loans under AS 16.10.310(a) [AS 16.10.320(a)] may be made to
27 an individual commercial fisherman for the purchase of a limited entry
28 permit upon certification by the commission that the fisherman is a
29 person who qualifies as a transferee for the permit under AS 16.43 and

1 the regulations adopted by the commission.

2 * Sec. 9. 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 rebut-
8 table 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 must [SHALL]
22 be cancelled immediately upon receipt by the commission of a certifi-
23 cate of termination containing a copy of the notice required by (a) of
24 this section issued by the commissioner.

25 * Sec. 10. AS 16.10.339 is amended to read:

26 Sec. 16.10.339. REGULATIONS. The [COMMISSION, WITH THE APPROVAL
27 OF THE] department[,] shall adopt regulations to implement AS 16.10.-
28 333 - 16.10.337.

29 * Sec. 11. AS 16.10 is amended by adding a new section to read:

1 Sec. 16.10.355. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR FORE-
2 CLOSURE. The department shall dispose of property acquired through
3 default or foreclosure of a loan made under AS 16.10.300 - 16.10.370
4 or former AS 16.10.650 - 16.10.720. Disposal shall be made in a
5 manner that serves the best interests of the state, and may include
6 the amortization of payments over a period of years, but may not be by
7 lease.

8 * Sec. 12. AS 16.10 is amended by adding a new section to read:

9 Sec. 16.10.507. SPECIAL ACCOUNT ESTABLISHED. (a) There is
10 established as a special account within the fisheries enhancement
11 revolving loan fund the foreclosure expense account. This account is
12 established as a reserve from fund equity.

13 (b) The commissioner may expend money credited to the foreclo-
14 sure expense account when necessary to protect the state's security
15 interest in collateral on loans made under AS 16.10.520 or to defray
16 expenses incurred during foreclosure proceedings after a default by an
17 obligor.

18 * Sec. 13. AS 16.10 is amended by adding a new section to read:

19 Sec. 16.10.555. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
20 FORECLOSURE. The Department of Commerce and Economic Development
21 shall dispose of property acquired through default or foreclosure of a
22 loan made under AS 16.10.500 - 16.10.620. Disposal shall be made in a
23 manner that serves the best interests of the state, and may include
24 the amortization of payments over a period of years.

25 * Sec. 14. AS 26.15 is amended by adding a new section to read:

26 Sec. 26.15.085. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
27 FORECLOSURE. The Department of Commerce and Economic Development
28 shall dispose of property acquired through default or foreclosure of a
29 loan made under this chapter. Disposal shall be made in a manner that

1 serves the best interests of the state, and may include the amortiza-
2 tion of payments over a period of years.

3 * Sec. 15. AS 26.15 is amended by adding a new section to read:

4 Sec. 26.15.095. SPECIAL ACCOUNT ESTABLISHED. (a) There is
5 established as a special account within the Alaska World War II veter-
6 ans' revolving fund the foreclosure expense account. This account is
7 established as a reserve from fund equity.

8 (b) The commissioner of commerce and economic development may
9 expend money credited to the foreclosure expense account when neces-
10 sary to protect the state's security interest in collateral on loans
11 made under AS 26.15.040 or to defray expenses incurred during fore-
12 closure proceedings after a default by an obligor.

13 * Sec. 16. AS 27.09 is amended by adding a new section to read:

14 Sec. 27.09.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is
15 established as a special account within the mining loan fund the fore-
16 closure expense account. This account is established as a reserve
17 from fund equity.

18 (b) The commissioner of commerce and economic development may
19 expend money credited to the foreclosure expense account when neces-
20 sary to protect the state's security interest in collateral on loans
21 made under AS 27.09.010 or to defray expenses incurred during fore-
22 closure proceedings after a default by an obligor.

23 * Sec. 17. AS 27.09 is amended by adding a new section to read:

24 Sec. 27.09.055. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
25 FORECLOSURE. The department shall dispose of property acquired
26 through default or foreclosure of a loan made under this chapter.
27 Disposal shall be made in a manner that serves the best interests of
the state, and may include the amortization of payments over a period
29 of years.

1 * Sec. 18. AS 44.33 is amended by adding a new section to read:

2 Sec. 44.33.242. SPECIAL ACCOUNT ESTABLISHED. (a) There is
3 established as a special account within the child care facility re-
4 volving loan fund the foreclosure expense account. This account is
5 established as a reserve from fund equity.

6 (b) The commissioner of commerce and economic development may
7 expend money credited to the foreclosure expense account when neces-
8 sary to protect the state's security interest in collateral on loans
9 made under AS 44.33.245 or to defray expenses incurred during fore-
10 closure proceedings after a default by an obligor.

11 * Sec. 19. AS 44.33 is amended by adding a new section to read:

12 Sec. 44.33.272. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
13 FORECLOSURE. The department shall dispose of property acquired
14 through default or foreclosure of a loan made under AS 44.33.240 -
15 44.33.275. Disposal shall be made in a manner that serves the best
16 interests of the state, and may include the amortization of payments
17 over a period of years.

18 * Sec. 20. AS 44.81.210(a) is amended by adding a new paragraph to
19 read:

20 (23) make a loan to a person, regardless of residency, if
21 the board of directors of the bank determines that the loan is
22 necessary to preserve the value of property held by the bank as
23 security for a loan that was made under (a)(1) of this section and
24 that is in default.

25 * Sec. 21. AS 45.87 is amended by adding a new section to read:

26 Sec. 45.87.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is
27 established as a special account within the bulk fuel revolving loan
28 fund the foreclosure expense account. This account is established as
29 a reserve from fund equity.

1 (b) The commissioner of commerce and economic development may
2 expend money credited to the foreclosure expense account when neces-
3 sary to protect the state's security interest in collateral on loans
4 made under this chapter or to defray expenses incurred during fore-
5 closure proceedings after a default by an obligor.

6 * Sec. 22. AS 45.87 is amended by adding new sections to read:

7 Sec. 45.87.040. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
8 FORECLOSURE. The department shall dispose of property acquired
9 through default or foreclosure of a loan made under this chapter.
10 Disposal shall be made in a manner that serves the best interests of
11 the state, and may include the amortization of payments over a period
12 of years.

13 Sec. 45.87.060. REGULATIONS. The department shall adopt regu-
14 lations to implement this chapter.

15 * Sec. 23. AS 45.88 is amended by adding a new section to read:

16 Sec. 45.88.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is
17 established, as a special account within the revolving loan fund
18 established under AS 45.88.010, the foreclosure expense account. This
19 account is established as a reserve from fund equity.

20 (b) The commissioner of commerce and economic development may
21 expend money credited to the foreclosure expense account when neces-
22 sary to protect the state's security interest in collateral on loans
23 made under AS 45.88.020 or to defray expenses incurred during fore-
24 closure proceedings after a default by an obligor.

25 * Sec. 24. AS 45.88 is amended by adding a new section to read:

26 Sec. 45.88.050. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
27 FORECLOSURE. The Department of Commerce and Economic Development
28 shall dispose of property acquired through default or foreclosure of a
29 loan made under this chapter. Disposal shall be made in a manner that

1 serves the best interests of the state, and may include the amortiza-
2 tion of payments over a period of years.

3 * Sec. 25. AS 45.89 is amended by adding a new section to read:

4 Sec. 45.89.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is
5 established as a special account within the residential energy conser-
6 vation fund the foreclosure expense account. This account is estab-
7 lished as a reserve from fund equity.

8 (b) The commissioner may expend money credited to the foreclo-
9 sure expense account when necessary to protect the state's security
10 interest in collateral on loans made under AS 45.89.030 or to defray
11 expenses incurred during foreclosure proceedings after a default by an
12 obligor.

13 * Sec. 26. AS 45.89 is amended by adding new sections to read:

14 Sec. 45.89.050. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
15 FORECLOSURE. The department shall dispose of property acquired
16 through default or foreclosure of a loan made under this chapter.
17 Disposal shall be made in a manner that serves the best interests of
18 the state, and may include the amortization of payments over a period
19 of years.

20 Sec. 45.89.070. REGULATIONS. The department shall adopt regu-
21 lations to implement this chapter.

22 * Sec. 27. AS 45.90 is amended by adding a new section to read:

23 Sec. 45.90.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is
24 established as a special account within the tourism revolving fund the
25 foreclosure expense account. This account is established as a reserve
26 from fund equity.

27 (b) The commissioner of commerce and economic development may
28 expend money credited to the foreclosure expense account when neces-
29 sary to protect the state's security interest in collateral on loans

1 made under AS 45.90.020 or to defray expenses incurred during fore-
2 closure proceedings after a default by an obligor.

3 * Sec. 28. AS 45.90 is amended by adding a new section to read:

4 Sec. 45.90.050. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
5 FORECLOSURE. The Department of Commerce and Economic Development
6 shall dispose of property acquired through default or foreclosure of a
7 loan made under this chapter. Disposal shall be made in a manner that
8 serves the best interests of the state, and may include the amortiza-
9 tion of payments over a period of years.

10 * Sec. 29. AS 45.95 is amended by adding a new section to read:

11 Sec. 45.95.055. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
12 FORECLOSURE. The Department of Commerce and Economic Development
13 shall dispose of property acquired through default or foreclosure of a
14 loan made under this chapter. Disposal shall be made in a manner that
15 serves the best interests of the state, and may include the amortiza-
16 tion of payments over a period of years.

17 * Sec. 30. AS 45.95 is amended by adding a new section to read:

18 Sec. 45.95.065. SPECIAL ACCOUNT ESTABLISHED. (a) There is
19 established as a special account within the small business revolving
20 loan fund the foreclosure expense account. This account is estab-
21 lished as a reserve from fund equity.

22 (b) The commissioner may expend money credited to the foreclo-
23 sure expense account when necessary to protect the state's security
24 interest in collateral on loans made under AS 45.95.020 or to defray
25 expenses incurred during foreclosure proceedings after a default by an
26 obligor.

27 * Sec. 31. AS 45.98 is amended by adding a new section to read:

28 Sec. 45.98.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is
29 established as a special account within the historical district

1 revolving loan fund the foreclosure expense account. This account is
2 established as a reserve from fund equity.

3 (b) The commissioner of commerce and economic development may
4 expend money credited to the foreclosure expense account when neces-
5 sary to protect the state's security interest in collateral on loans
6 made under this chapter, or to defray expenses incurred during fore-
7 closure proceedings after a default by an obligor.

8 * Sec. 32. AS 45.98.020 is amended to read:

9 Sec. 45.98.020. HISTORICAL DISTRICT LOANS. Upon endorsement and
10 plan approval by a local historical district commission established
11 under AS 29.48.108 and the recommendation of a majority of the members
12 of the Historic Sites Advisory Committee, the Department of Commerce
13 and Economic Development may make loans to a person, firm, business or
14 municipality subject to applicable laws for the restoration, improve-
15 ment, rehabilitation, or maintenance of

16 (1) a structure which is [(1)] within the boundaries of a
17 historical district established under AS 29.48.110 and [;]

18 [(2)] identified as important in state or national history as
19 provided for in AS 29.48.110(b); or [AND]

20 (2) a [(3) ANOTHER] building or structure within a histor-
21 ical district, that is [AND] suitable for superficial modification so
22 that it can conform to the period or motif of the surrounding build-
23 ings or structures that are the reason for the area's designation as a
24 historical district.

25 * Sec. 33. AS 45.98 is amended by adding a new section to read:

26 Sec. 45.98.055. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
27 FORECLOSURE. The Department of Commerce and Economic Development
28 shall dispose of property acquired through default or foreclosure of a
29 loan made under this chapter. Disposal shall be made in a manner that

1 serves the best interests of the state, and may include the amortiza-
2 tion of payments over a period of years.

3 * Sec. 34. AS 16.10.310(b), 16.10.320(f), and 16.10.333(f) are re-
4 pealed.

5 * Sec. 35. This Act takes effect July 1, 1985.

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: April 26, 1985

REQUEST

Bill/Resolution No.: CSSB 78 (FIN)
 Title: Technical Amendments to
DCED Loan Program
 Sponsor: Rules Committee
 Requestor: Governor
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce & Econ. Dev.
 Program Category Affected: Development
 BRU, Program or Subprogram(s) Affected: _____
 Division of Accounting & Collections _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		8.5	8.5	8.5	8.5	8.5
200 TRAVEL						
300 CONTRACTUAL		2.3	2.3	2.3	2.3	2.3
400 SUPPLIES						
500 EQUIPMENT						
500 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
300 MISCELLANEOUS						
TOTAL OPERATING		10.8	10.8	10.8	10.8	10.8
CAPITAL						
REVENUE		178.0	271.0	364.0	457.0	550.0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	CFRLF	10.8	10.8	10.8	10.8	10.8
		10.8	10.8	10.8	10.8	10.8

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

See attached.

Prepared By: Margaret I. Hamley, Director
 Division: Accounting & Collections
 Approved by Commissioner: Loren H. Lounsbury
 Agency: Commerce and Economic Development

Phone: 465-2555

Date: 4-26-85

Date: 4/26/85

Distribution (by Agency preparing fiscal note):

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

7/1/84

TECHNICAL AMENDMENTS TO DCED LOAN PROGRAMS: FISCAL NOTE

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. While we originally estimated a need for two additional positions within the Division of Accounting & Collections, we have streamlined our operation within the past six months since the original fiscal note was drafted, and we believe we can service Division of Investments' requirements through overtime effort.

The overtime funding requested will provide for records management (filing) effort as well as accounting effort to process refinanced repossessions and assumptions through the loan accounting system.

	200 hours clerical support	\$ 3,522.00
	200 hours accounting support	<u>4,962.00</u>
Line 100		<u>\$ 8,484.00</u>
Contractual Services		
	Long Distance/Postage	\$ 300.00
	Payment Coupon Printing	1,000.00
	DP Chargeback	<u>1,000.00</u>
Line 300		<u>\$ 2,300.00</u>
	TOTAL	<u>\$10,784.00</u>

REVENUE ANALYSIS

1. Assumes an estimated 250 applicants and 200 approvals of assumptions per year, with an average assumed balance of \$67,500:
 - a. Nonrefundable application fee \$50 x 250 = \$12,500/year
 - b. Assumption fee (one-time) of 1/2% of the assumed balance
 $\$67,500 \times .005 \times 200 = \$67,500/\text{year}$
2. Assumes an estimated 25 prequalification applicants per year:
 - a. Nonrefundable application fee \$200 x 25 = \$5,000/year
3. Assumes 90% recovery of losses on commercial fishing loans due to the ability of finance and reamortize repossessed vessels and other collateral.

	<u>FY '86</u>	<u>FY '87</u>	<u>FY '88</u>	<u>FY '89</u>	<u>FY '90</u>
Assumptions					
Application Fees	12.5	12.5	12.5	12.5	12.5
Assumption Fees	67.5	67.5	67.5	67.5	67.5
Prequalification Fees	5.0	5.0	5.0	5.0	5.0
Additional Loss Recovery	<u>93.0</u>	<u>186.0</u>	<u>279.0</u>	<u>372.0</u>	<u>465.0</u>
	<u>\$178.0</u>	<u>\$271.0</u>	<u>\$364.0</u>	<u>\$457.0</u>	<u>\$550.0</u>

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: April 26, 1985

REQUEST

Bill/Resolution No.: CSSB 78 (FIN)
 Title: Miscellaneous Amendments to State loan programs admin. by DCED
 Sponsor: Rules/Governor
 Requestor: S. Finance
 Date of Request: 4/26/85

FISCAL DETAIL

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		156.7	156.7	156.7	156.7	156.7
200 TRAVEL		7.9	7.9	7.9	7.9	7.9
300 CONTRACTUAL		14.0	12.0	12.0	12.0	12.0
400 SUPPLIES		1.2	1.2	1.2	1.2	1.2
500 EQUIPMENT		18.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		197.8	177.8	177.8	177.8	177.8
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL (CF LOAN FUNDS)		197.8	177.8	177.8	177.8	177.8
		197.8	177.8	177.8	177.8	177.8

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

See attached seven pages.

Prepared By: Paul B. Arnoldt, Director Phone: 465-2510
 Division: Investments Date: 4/26/85
 Approved by Commissioner: Loren H. Lounsbury Date: 4/26/85
 Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

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

7/1/84

FISCAL NOTE ANALYSIS

Personal Services:

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.

PERSONNEL COSTS

Two Loan Examiners II, Range 17A; one each in Anchorage and Juneau:

Salary	\$34,740	
Benefits	\$10,486	
TOTAL Personal Services		\$45,226
Travel		\$ 3,950
Contractual		\$ 3,000
Commodities		\$ 300
Equipment		\$ 4,750
Total per employee		\$57,226
Subtotal for two Loan Examiners II		\$114,452

Two Loan Closers II, Range 12A; one each in Anchorage and Juneau:

Salary	\$24,864	
Benefits	\$ 8,281	
TOTAL Personal Services		\$33,145
Travel		\$ -0-
Contractual		\$ 3,000
Commodities		\$ 300
Equipment		\$ 4,250
Total per employee		\$40,695
Subtotal for two Loan Closers II		\$ 81,390

Estimates for other line items assume that the new employees 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
(for Loan public on program.
Examiners)

Contractual: Space Rental: \$3,000
\$2.50 sq./ft. x 100 sq./ft. x 12 months RSA to Department of
Administration
One time \$2,000 modification and reprinting of the existing
loan application packets.

Commodities: General supplies.

<u>Equipment:</u>	Calculator	\$ 365
(for Loan	Typewriter	\$ 1,369
Closers)	Workstation	\$ 2,516
		<u>\$ 4,250</u>

<u>Equipment:</u>	Calculator	\$ 365
(for Loan	Microfiche Reader	\$ 300
Examiners)	Workstations	\$ 4,085
		<u>\$ 4,750</u>

TOTAL FY '86 PERSONNEL AND ASSOCIATED COSTS

\$197,842

0867Wb111984d

TITLE OF INCREMENT/DECREMENT:	AGENCY CONTACT/PHONE NUMBER:
Technical Amendments Legislation	Paul B. Arnoldt Director
DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:	
<p>It is anticipated that the 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 (\$18.0), and modification and reprinting of existing loan application packets (\$2.0).</p> <p>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.</p>	

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services	156.7	
200	Travel	7.9	
300	Contractual Services	14.0	
400	Supplies	1.2	
500	Equipment	18.0	
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		197.8	
I-A Transfer (NON-ADD)		14.0	
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	I-A Receipts		
102B	Program Receipts		
Other CERLF		197.8	
POSITION INFORMATION	PFT	4.0	
	PPT		
	Non Permanent		
	Staff Months	48.0	

Enhance Existing Service Compared to FY 85
 New Service Compared to FY 85
 Continuation of FY 85 Service Level

Formula Program

IMPACT FROM CAPITAL PROJECT (NAME)

 Chapter _____ SLA _____ Page/Line _____

C5 INCREMENT/DECREMENT REQUEST

Agency Priority _____ of _____

AGENCY Commerce and Economic Development

PROGRAM Economic Development

BRU Investments

COMPONENT Administration

PROJECT _____

FY 86

PAGE 1 OF 1

REVISED DATE _____

1.	POSITION TITLE LOAN EXAMINER II			RANGE/STEP 17A	BARG. UNIT GGU	PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT	LEG.	
3.	CONTINUATION LEVEL			ADDITION	JUSTIFICATION				
4.	TYPE OF EXPENDITURE			AMOUNT	<p>Processing of an additional 600 applications for assumption 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. On time expenses would be incurred for equipment.</p> <p>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.</p> <p>Estimates for the 200-500 lines 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.</p> <p><u>Travel:</u> To inspect collateral, interview applicants and inform public on program.</p> <p><u>Contractual:</u> Space Rental: \$3,000 \$2.50 sq./ft. x 100 sq./ft. x 12 months RSA to Department of Administration.</p> <p><u>Commodities:</u> General supplies.</p> <p><u>Equipment:</u> Calculator \$ 365 Microfiche Reader \$ 300 Workstation \$4,085 \$4,750</p>				
	PERSONAL SERVICES								
5.	Salary		34,740						
6.	Benefits		5,624						
7.	Supplemental Benefits		2,130						
8.	Fixed Benefits		2,732						
9.	TOTAL PERSONAL SERVICES	01		45,226					
10.	Travel	02		3,950					
11.	Contractual	03		3,000					
12.	Commodities	04		300					
13.	Equipment	05		4,750					
14.	Other								
15.	TOTAL COST			57,226					
	RECEIPT CODE	FUNDING SOURCE							
16.		Federal Receipts	1002						
17.		C.F. Match	1003						
18.		General Funds	1004						
19.		I-A Receipts	1005						
20.		Program Receipts	1020						
21.		Other							
		CFRLF		57,226					

FOR BSM USE ONLY
KEY NUMBER _____

AGENCY Commerce & Economic Development
PROGRAM Economic Development
BRU Investments
COMPONENT Administration

FY 86

Page 1 of 4
Revised Date _____

REQUEST FOR
NEW POSITION

1.	POSITION TITLE LOAN EXAMINER II				RANGE/STEP 17A	DARG UNIT GGU	PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BIRD PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				Processing of an additional 600 applications for assumption 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. On time expenses would be incurred for equipment.					
	1		2		3					
	PERSONAL SERVICES									
5.	Salary		34,740							
6.	Benefits		5,624							
7.	Supplemental Benefits		2,130							
8.	Fixed Benefits		2,732							
9.	TOTAL PERSONAL SERVICES	01		45,226						
10.	Travel	02		3,950						
11.	Contractual	03		3,000						
12.	Commodities	04		300						
13.	Equipment	05		4,750						
14.	Other									
15.	TOTAL COST			57,226						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004								
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
		CFRLF		57,226						
FOR BSM USE ONLY										
KEY NUMBER										

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.

Estimates for the 200-500 lines 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 \$4,085
\$4,750

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
PROGRAM Economic Development
BRU Investments
COMPONENT Administration

Page 2 of 4
Revised Date

FY 86

1.	POSITION TITLE LOAN CLOSER II				RANGE/STEP 12A	DARG UNIT GGU	PAGE/LINE	COV.	APPROV.	DISAPP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Juneau	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	ADDITION				<p>Processing of an additional 600 applications for assumption 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. On time expenses would be incurred for equipment.</p> <p>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.</p> <p>Estimates for the 200-500 lines 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.</p> <p><u>Travel:</u> To inspect collateral, interview applicants and inform public on program.</p> <p><u>Contractual:</u> Space Rental: \$3,000 \$2.50 sq./ft. x 100 sq./ft. x 12 months RSA to Department of Administration.</p> <p><u>Commodities:</u> General supplies.</p> <p><u>Equipment:</u> Calculator \$ 365 Typewriter \$1,369 Workstation \$2,515 \$4,250</p>					
5.	TYPE OF EXPENDITURE		AMOUNT							
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	24,864								
6.	Benefits	4,025								
7.	Supplemental Benefits	1,524								
8.	Fixed Benefits	2,732								
9.	TOTAL PERSONAL SERVICES	01	33,145							
10.	Travel	02	-0-							
11.	Contractual	03	3,000							
12.	Commodities	04	300							
13.	Equipment	05	4,250							
14.	Other									
15.	TOTAL COST		40,695							
16.	RECEIPT CODE	FUNDING SOURCE								
17.		Federal Receipts 1002								
18.		G.F. Match 1003								
19.		General Funds 1004								
20.		I-A Receipts 1005								
21.		Program Receipts 1028								
		Other								
		CFRLF	40,695							

FOR BSM USE ONLY
KEY NUMBER _____

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
 PROGRAM Economic Development
 BRU Investments
 COMPONENT Administration

Page 3 of 4
Revised Date _____

FY 86

1.	POSITION TITLE LOAN CLOSER II				RANGE/STEP 12A	ORG. UNIT GGU	PAGE/LINE	COV.	APPROV.	DISAP.
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION					
4.	TYPE OF EXPENDITURE				Processing of an additional 600 applications for assumption 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. On time expenses would be incurred for equipment.					
	PERSONAL SERVICES		AMOUNT							
5.	Salary		24,864							
6.	Benefits		4,025							
7.	Supplemental Benefits		1,524							
8.	Fixed Benefits		2,732							
9.	TOTAL PERSONAL SERVICES	01		33,145						
10.	Travel	02		-0-						
11.	Contractual	03		3,000						
12.	Commodities	04		300						
13.	Equipment	05		4,250						
14.	Other									
15.	TOTAL COST			40,695						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		C.F. Hatch 1003								
18.		General Funds 1004								
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other CERLF		40,695						

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.

Estimates for the 200-500 lines 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
Typewriter \$1,369
Workstation \$2,515
\$4,250

FOR BSM USE ONLY
KEY NUMBER _____

REQUEST FOR
NEW POSITION

AGENCY Commerce & Economic Development
PROGRAM Economic Development
BRU Investments
COMPONENT Administration

FY 86

Page 4 of 4

Revised Date _____

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: April 24, 1985

REQUEST

Bill/Resolution No.: CSSB78 (L&C)
 Title: Technical Amendments to
DCFD Loan Programs
 Sponsor: Rules Committee
 Requestor: Governor
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Dept. of Commerce & Econ. Dev.
 Program Category Affected: Development
 BRU, Program or Subprogram(s) Affected:
Division of Accounting & Collections

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES		8.5	8.5	8.5	8.5	8.5
200 TRAVEL						
300 CONTRACTUAL		2.3	2.3	2.3	2.3	2.3
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		10.8	10.8	10.8	10.8	10.8
CAPITAL						
REVENUE		175.5	268.5	361.5	454.5	547.5

FUNDING: (Thousands of Dollars)

GENERAL FUND		10.8	10.8	10.8	10.8	10.8
FEDERAL FUNDS						
OTHER						
TOTAL		10.8	10.8	10.8	10.8	10.8

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

See attached

Prepared By: Margaret I. Hamley *MH*
 Division: Division of Accounting & Collections
 Approved by Commissioner: Loren H. Lounsbury *LHL*
 Agency: Dept. of Commerce & Economic Development

Phone: 465-2555
 Date: 4-24-85
 Date: 4/25/85

Distribution (by Agency preparing fiscal note):

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

7/1/84

TECHNICAL AMENDMENTS TO DCED LOAN PROGRAMS: FISCAL NOTE

In order for 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. While we originally estimated a need for two additional positions within the Division of Accounting & Collections, we have streamlined our operation within the past six months since the original fiscal note was drafted, and we believe we can service Division of Investments' requirements through overtime effort.

The overtime funding requested will provide for records management (filing) effort as well as accounting effort to process refinanced repossessions and assumptions through the loan accounting system.

	200 hours clerical support	\$3522.00
	200 hours accounting support	<u>4962.00</u>
Line 100		<u>\$8484.00</u>
Contractual Services		
	Long Distance/Postage	300.00
	Payment Coupon Printing	1000.00
	DP Chargeback	<u>1000.00</u>
Line 300		<u>\$2300.00</u>
	TOTAL	<u>\$10,784.00</u>

REVENUE ANALYSIS

1. Assumes an estimated 250 applicants and 200 approvals of assumptions per year, with an average assumed balance of \$67,500:
 - a. Nonrefundable application fee \$50 x 250 = \$12,500/year
 - b. Assumption Fee (one-time) of $\frac{1}{2}\%$ of the assumed balance
 $\$67,500 \times .005 \times 200 = \$67,500/\text{year}$
2. Assumes an estimated 25 prequalification applicants per year:
 - a. Nonrefundable application fee \$100 x 25 = \$2500/year
3. Assumes 90% recovery of losses on commercial fishing loans due to the ability to finance and reamortize repossessed vessels and other collateral.

	<u>FY 86</u>	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>
Assumptions					
Application Fees	12.5	12.5	12.5	12.5	12.5
Assumption Fees	67.5	67.5	67.5	67.5	67.5
Prequalification Fees	2.5	2.5	2.5	2.5	2.5
Additional Loss Recovery	<u>93.0</u>	<u>186.0</u>	<u>279.0</u>	<u>372.0</u>	<u>465.0</u>
	<u>\$175.5</u>	<u>\$268.5</u>	<u>\$361.5</u>	<u>\$454.5</u>	<u>\$547.5</u>



2550 Denali Street, Suite 1201
P.O. Box 4-2070
Anchorage, Alaska 99509-2070
(907) 276-2007

March 12, 1985

The Honorable Richard I. Eliason
Alaska State Legislature
Pouch V (M.S. 3100)
Juneau, Alaska 99811

Dear Senator Eliason:

The Alaska Commercial Fishing & Agriculture Bank finds it necessary from time to time to repossess boats, processing plants, farm lands and other like items that it has taken as collateral for loans. The dollar amount of these items varies from \$10,000 to \$3,500,000 plus.

In the case of large dollar items, it is our experience that the market in which to sell these repossessed items is drastically limited when we cannot provide financing to good credit buyers outside of Alaska. We want to remain Alaskan, but we must also maximize the recovery on repossessed assets for the bank and equally important, recovery for our individual Alaskan borrower involved in the loan to reduce their loss. Any loss in this area is a drain on equity.

Experience has demonstrated that Alaskan buyers have been under capitalized to buy out large ticket items such as processing plants. Thus, the plant sits idle waiting for an outside cash buyer. We have a plant that could have been sold a year ago to a credit worthy buyer if we could have only financed the deal.

Therefore, we ask your help to attain legislation such as was proposed last year, i.e.:

Section 7 of AS 44.81.210(a) is amended by adding a new paragraph to read:

(23) Make a loan to a person regardless of residency if the Board of Directors of the bank determines that the loan is necessary to preserve the value of property held by the bank as security for a loan that was made under (a) (1) of this section and that is in default.

7/10
CS SB 78 (Fin)

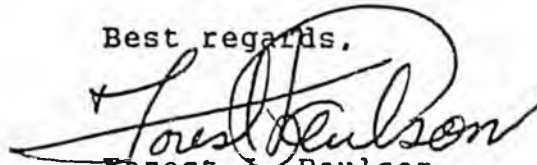
4/24/85
Senator Ferguson
moved to ADOPT
Senator Eliason's
AMENDMENT (p. 10,
Sec. 23)
Discussion
SB 78 HELD till 4/26

The Honorable Richard I. Eliason
March 12, 1985
Page 2 of 2

The above language was contained in House Committee Substitute
for Committee Substitute for Senate Bill 496 (Finance) which was
passed by the Senate last year.

Your assistance is appreciated.

Best regards,

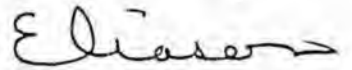


Forest J. Paulson
President/CEO

FJP:dmv
cc: Paul Huppert
Chairman of the Board
Bill Hall
0341V

CFAB Amendment is on
page 10.

Original sponsor: Rules/Governor



1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 78 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making miscellaneous amendments to state loan
7 programs; 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 for the repair, restoration, or up-
21 grading of existing vessels and gear, for the purchase of entry
22 permits and gear, and for the construction and purchase of ves-
23 sels, if the individual [AN INDIVIDUAL WHO] has been a state
24 resident for a continuous period of two years immediately pre-
25 ceding the date of application for a loan under AS 16.10.300 -
26 16.10.370, and either [WHO]

27 (i) because of lack of training or lack of em-
28 ployment opportunities in the area of residence does not
29 have occupational opportunities available other than

1 commercial fishing; or

2 (ii) is economically dependent on commercial
3 fishing for a livelihood and for whom commercial fishing has
4 been a traditional way of life [FOR THE INDIVIDUAL] in
5 Alaska [, FOR THE REPAIR, RESTORATION OR UPGRADING OF EXIST-
6 ING VESSELS AND GEAR, FOR THE PURCHASE OF ENTRY PERMITS AND
7 GEAR, AND FOR THE CONSTRUCTION AND PURCHASE OF VESSELS;

8 (C) CORPORATIONS, PARTNERSHIPS, OR JOINT VENTURES, 100
9 PERCENT OF WHICH ARE OWNED BY INDIVIDUAL COMMERCIAL FISHERMEN WHO
10 HAVE BEEN STATE RESIDENTS FOR A CONTINUOUS PERIOD OF TWO YEARS
11 IMMEDIATELY PRECEDING THE DATE OF APPLICATION FOR A LOAN UNDER
12 AS 16.10.310(a)(1)(B) AND HAVE HAD A CREWMEMBER OR COMMERCIAL
13 FISHING LICENSE UNDER AS 16.05.480 OR A PERMIT UNDER AS 16.43 FOR
14 THE YEAR IMMEDIATELY PRECEDING THE DATE OF APPLICATION AND ANY
15 OTHER TWO OF THE PAST FIVE YEARS, AND WHO ACTIVELY PARTICIPATED
16 IN THE FISHERY DURING THAT PERIOD, FOR THE REPAIR, RESTORATION OR
17 UPGRADING OF EXISTING VESSELS AND GEAR, FOR THE PURCHASE OF GEAR,
18 AND FOR THE CONSTRUCTION AND PURCHASE OF VESSELS];

19 (2) designate agents and delegate its powers to them as
20 necessary;

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

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

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

28 (6) enter into agreements with other agencies or organiza-
29 tions to create an outreach program to make loans under AS 16.10.300 -

1 16.10.370 in rural areas of the state;

2 (7) allow an assumption of a loan if

3 (A) the applicant has been a state resident for a
4 continuous period of two years immediately preceding the date of
5 the request for an assumption; and

6 (B) approval of the assumption would be consistent
7 with the purposes of AS 16.10.300 - 16.10.370; it is not neces-
8 sarily inconsistent with the purposes of AS 16.10.300 - 16.10.370
9 to approve an assumption by an applicant who does not meet the
10 loan eligibility requirements as they exist at the time of the
11 application;

12 (8) prequalify loan applicants and charge a fee not to
13 exceed \$100 for prequalification.

14 * Sec. 2. AS 16.10.310 is amended by adding a new subsection to read:

15 (c) In determining whether an individual commercial fisherman is
16 reasonably likely to be able to repay a loan made under AS 16.10.300 -
17 16.10.370, the commissioner shall consider the individual commercial
18 fisherman's income from commercial fishing and from all other sources.

19 * Sec. 3. AS 16.10.315 is amended to read:

20 Sec. 16.10.315. ALLOCATION OF LOANS. The department shall
21 allocate at least 10 percent of the money that is appropriated for a
22 state fiscal year to make loans under AS 16.10.310 for loans of
23 \$35,000 or less made under AS 16.10.310(a)(1)(B) [AND (C)]. An allo-
24 cation made under this section terminates on April 15 of the state
25 fiscal year for which the allocation is made.

26 * Sec. 4. AS 16.10.320(a) is amended to read:

27 (a) Except as permitted in (h) of this section, a [A] loan
28 under AS 16.10.300 - 16.10.370 [16.10.310 - 16.10.370]

29 (1) may not exceed a term of 15 years, except for

1 extensions under AS 16.10.310(a)(4);

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

3 (3) must [SHALL] be secured by a first priority lien and
4 appropriate security agreement; and

5 (4) may not exceed 90 percent of the appraised value of the
6 collateral used to secure the loan[, EXCEPT THAT A LOAN GRANTED UNDER
7 AS 16.10.333 FOR THE PURCHASE OF AN ALASKA LIMITED ENTRY PERMIT MAY
8 NOT EXCEED AN AMOUNT DETERMINED IN ACCORDANCE WITH (f) OR (h) OF THIS
9 SECTION].

10 * Sec. 5. AS 16.10.320(d) is amended to read:

11 (d) The total of balances outstanding on loans [LOANS] made to a
12 borrower under AS 16.10.310(a)(1)(A) may not exceed [A TOTAL OF]
13 \$300,000. The total of balances outstanding on loans [LOANS] made to
14 a borrower under AS 16.10.310(a)(1)(B) [OR (C)] may not exceed [A
15 TOTAL OF] \$100,000. [A LOAN TO AN ASSOCIATE OF THE BORROWER IS CON-
16 sidered to be a loan to the borrower. FOR THE PURPOSES OF THIS SEC-
17 tion, "ASSOCIATE OF THE BORROWER" MEANS

18 (1) A CORPORATION OR OTHER ORGANIZATION OF WHICH THE BOR-
19 ROWER IS AN OFFICER, DIRECTOR OR PARTNER, OR IS, DIRECTLY OR INDI-
20 RECTLY, THE BENEFICIAL OWNER OF 10 PERCENT OR MORE ON ANY CLASS OF
21 EQUITY SECURITIES;

22 (2) A PERSON WHO IS, DIRECTLY OR INDIRECTLY, THE BENEFICIAL
23 OWNER OF 10 PERCENT OR MORE OF ANY CLASS OF EQUITY SECURITIES OF THE
24 BORROWER;

25 (3) A TRUST OR OTHER ESTATE IN WHICH THE BORROWER HAS A
26 SUBSTANTIAL BENEFICIAL INTEREST OR AS TO WHICH THE BORROWER SERVES AS
27 TRUSTEE OR IN A SIMILAR FIDUCIARY CAPACITY.]

28 * Sec. 6. AS 16.10.320(e) is amended to read:

29 (e) Two or more individual commercial fishermen who each satisfy

1 the requirements specified in AS 16.10.310(a)(1)(B) may jointly,
2 whether operating as a corporation, partnership, joint venture, or
3 otherwise, obtain a commercial fishing loan for the repair, restora-
4 tion, or upgrading of an existing vessel and gear, for the purchase of
5 gear, and for the construction [OF A FISHING VESSEL] or the purchase
6 of a [AN EXISTING] fishing vessel. Loans granted under this subsec-
7 tion

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

11 (2) MAY NOT EXCEED A TERM OF 15 YEARS;

12 (3) SHALL BE SECURED BY A FIRST PRIORITY LIEN AND APPRO-
13 PRIATE SECURITY AGREEMENT;

14 (4) MAY NOT BEAR INTEREST EXCEEDING 10-1/2 PERCENT;

15 AND

16 (5) MAY NOT EXCEED 90 PERCENT OF THE APPRAISED VALUE OF
17 THE COLLATERAL USED TO SECURE THE LOAN].

18 * Sec. 7. AS 16.10.320(i) is amended to read:

19 (i) If a loan is made to a borrower under AS 16.10.310(a)(1)(A),
20 a subsequent loan may not be made to the borrower [OR AN ASSOCIATE OF
21 THE BORROWER] under AS 16.10.310(a)(1)(B) [OR (C)]. If a loan is made
22 to a borrower under AS 16.10.310(a)(1)(B) [OR (C)], a subsequent loan
23 may be made to the borrower [OR AN ASSOCIATE OF THE BORROWER] under
24 AS 16.10.310(a)(1)(A) if the total of the balances outstanding on
25 loans received by the borrower [OR THE ASSOCIATE] under AS 16.10.310
26 does not exceed \$300,000.

27 * Sec. 8. AS 16.10.333(a) is amended to read:

28 (a) Loans under AS 16.10.310(a) [AS 16.10.320(a)] may be made to
29 an individual commercial fisherman for the purchase of a limited entry

1 permit upon certification by the commission that the fisherman is a
2 person who qualifies as a transferee for the permit under AS 16.43 and
3 the regulations adopted by the commission.

4 * Sec. 9. AS 16.10.335 is amended to read:

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

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

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

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

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

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

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

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

27 (8) a notice in at least 10-point bold type stating:
28 "IMPORTANT: YOUR FAILURE TO REINSTATE OR PAY THIS NOTE IN FULL BY THE
29 DATE SPECIFIED WILL RESULT IN A FORFEITURE OF ALL RIGHTS TO THE PERMIT

1 AND THE POSSIBILITY OF LEGAL ACTION BEING INSTITUTED AGAINST YOU."

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

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

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

19 (e) Except as otherwise provided in (c) and (d) of this section
20 upon [UPON] the debtor's failure to satisfy the note within the tim
21 specified in (a)(6) of this section, the debtor's interest in th
22 permit is terminated by operation of law without further notice. An
23 entry permit cards issued to the debtor under the permit must [SHALL
24 be cancelled immediately upon receipt by the commission of a certifi-
25 cate of termination containing a copy of the notice required by (a) ,
26 this section issued by the commissioner.

27 * Sec. 10. AS 16.10.339 is amended to read:

28 Sec. 16.10.339. REGULATIONS. The [COMMISSION, WITH THE APP
29 OF THE] department[,] shall adopt regulations to impleme

1 AS 16.10.333 - 16.10.337.

2 * Sec. 11. AS 16.10 is amended by adding a new section to read:

3 Sec. 16.10.355. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR FORE-
4 CLOSURE. The department shall dispose of property acquired through
5 default or foreclosure of a loan made under AS 16.10.300 - 16.10.370
6 or former AS 16.10.650 - 16.10.720. Disposal shall be made in a
7 manner that serves the best interests of the state, and may include
8 the amortization of payments over a period of years, but may not be by
9 lease.

10 * Sec. 12. AS 16.10 is amended by adding a new section to read:

11 Sec. 16.10.507. SPECIAL ACCOUNT ESTABLISHED. (a) There is
12 established as a special account within the fisheries enhancement
13 revolving loan fund the foreclosure expense account. This account is
14 established as a reserve from fund equity.

15 (b) The commissioner may expend money credited to the foreclo-
16 sure expense account when necessary to protect the state's security
17 interest in collateral on loans made under AS 16.10.520 or to defray
18 expenses incurred during foreclosure proceedings after a default by an
19 obligor.

20 * Sec. 13. AS 16.10 is amended by adding a new section to read:

21 Sec. 16.10.555. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
22 FORECLOSURE. The Department of Commerce and Economic Development
23 shall dispose of property acquired through default or foreclosure of a
24 loan made under AS 16.10.500 - 16.10.620. Disposal shall be made in a
25 manner that serves the best interests of the state, and may include
26 the amortization of payments over a period of years.

27 * Sec. 14. AS 26.15 is amended by adding a new section to read:

28 Sec. 26.15.085. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
29 FORECLOSURE. The Department of Commerce and Economic Development

1 shall dispose of property acquired through default or foreclosure of a
2 loan made under this chapter. Disposal shall be made in a manner that
3 serves the best interests of the state, and may include the amortiza-
4 tion of payments over a period of years.

5 * Sec. 15. AS 26.15 is amended by adding a new section to read:

6 Sec. 26.15.095. SPECIAL ACCOUNT ESTABLISHED. (a) There is
7 established as a special account within the Alaska World War II veter-
8 ans' revolving fund the foreclosure expense account. This account is
9 established as a reserve from fund equity.

10 (b) The commissioner of commerce and economic development may
11 expend money credited to the foreclosure expense account when neces-
12 sary to protect the state's security interest in collateral on loans
13 made under AS 26.15.040 or to defray expenses incurred during fore-
14 closure proceedings after a default by an obligor.

15 * Sec. 16. AS 27.09 is amended by adding a new section to read:

16 Sec. 27.09.015. SPECIAL ACCOUNT ESTABLISHED. (a) There is
17 established as a special account within the mining loan fund the fore-
18 closure expense account. This account is established as a reserve
19 from fund equity.

20 (b) The commissioner of commerce and economic development may
21 expend money credited to the foreclosure expense account when neces-
22 sary to protect the state's security interest in collateral on loans
23 made under AS 27.09.010 or to defray expenses incurred during fore-
24 closure proceedings after a default by an obligor.

25 * Sec. 17. AS 27.09 is amended by adding a new section to read:

26 Sec. 27.09.055. 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 this cha, r.
29 Disposal shall be made in a manner that serves the best interests of

1 the state, and may include the amortization of payments over a period
2 of years.

3 * Sec. 18. AS 44.33 is amended by adding a new section to read:

4 Sec. 44.33.242. SPECIAL ACCOUNT ESTABLISHED. (a) There is
5 established as a special account within the child care facility re-
6 volving loan fund the foreclosure expense account. This account is
7 established as a reserve from fund equity.

8 (b) The commissioner of commerce and economic development may
9 expend money credited to the foreclosure expense account when neces-
10 sary to protect the state's security interest in collateral on loans
11 made under AS 44.33.245 or to defray expenses incurred during fore-
12 closure proceedings after a default by an obligor.

13 * Sec. 19. AS 44.33 is amended by adding a new section to read:

14 Sec. 44.33.272. DISPOSAL OF PROPERTY ACQUIRED BY DEFAULT OR
15 FORECLOSURE. The department shall dispose of property acquired
16 through default or foreclosure of a loan made under AS 44.33.240 -
17 44.33.275. Disposal shall be made in a manner that serves the best
18 interests of the state, and may include the amortization of payments
19 over a period of years.

20 * Sec. 20. AS 44.81.210(a) is amended by adding a new paragraph to
21 read:

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

Sec. 21. AS 45.87 is amended by adding a new section to read:

28 Sec. 45.87.015. SPECIAL ACCOUNT ESTABLISHED. (a) Ther is
29 established as a special account within the bulk fuel revolving loan

CFAB Amendment
Handwritten notes and arrows pointing to the text.