



LAWS OF ALASKA

1976

Source

HCS CSSB 689

Chapter No.

190

AN ACT

Relating to a fisheries enhancement loan program; and providing for an effective date.

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

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

ARTICLE 9. FISHERIES ENHANCEMENT LOAN PROGRAM.

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

Sec. 16.10.510. POWERS AND DUTIES OF THE COMMISSIONER. The commissioner may

- (1) make loans to permit holders, under secs. 400 - 470 of this chapter, including those holders issued permits before the effective date of this Act, for the planning and construction of hatchery facilities;
- (2) make loans to qualified regional associations which have formed a nonprofit corporation or a local nonprofit corporation established or approved by a qualified regional association, for pre-construction activities necessary to obtain a permit, provided the hatchery has received preliminary project approval from the commissioner of fish and game;
- (3) designate agents and delegate powers to them as necessary;
- (4) adopt regulations necessary to carry out his

functions;

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

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

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

(8) upon written approval, defer interest and principal payments up to six years.

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

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

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

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

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

Sec. 16.10.530. ASSESSMENT ON SALE OF SALMON. (a) The commissioner of commerce and economic development, with the advice and approval of the commissioner of fish and game, may establish areas in which an assessment shall be levied on the sale of one or more species of salmon by persons licensed under AS 16.05.540 - 16.05.600. An assessment levied under this section shall be for the purpose of securing repayment of a loan or loans made to a qualified regional association which has formed a nonprofit corporation, or to a local nonprofit corporation established or approved by a qualified regional association, which has obtained a permit under secs. 400 - 470 of this chapter. The rate and conditions of assessments shall be negotiated between the commissioner and the appropriate qualified regional association in conjunction with the issuance of the loan, and the agreement on the rate and conditions of assessment reached between them shall be incorporated into the provisions of the loan contract.

(b) If conditions warrant alteration of the rate or conditions of assessment, and the alteration would be inconsistent with the agreement negotiated under (a) of this section, the commissioner shall obtain the consent of the appropriate qualified regional association before altering the rate of assessment.

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

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

Sec. 16.10.540. VOLUNTARY ASSESSMENT ON SALE OF SALMON. (a) In place of or in addition to an assessment levied under sec. 530 of this chapter, an association of persons licensed under AS 16.05.540 - 16.05.600, which consists of at least 51 per cent of the persons so licensed and actively participating in a fishery to be benefitted by a hatchery program, may levy and collect an assessment from among its members for the purpose of securing and repaying a loan made under sec. 510 of this chapter.

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

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

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

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

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

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

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

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.070(c).