



# LAWS OF ALASKA

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**Source**  
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**Chapter No.**  
62

## AN ACT

Relating to the commercial fishing revolving loan fund and the fisheries enhancement revolving loan fund; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

**Approved by the Governor:** May 25, 1994

**Actual Effective Date:** Sections 2 and 9 take effect May 26, 1997; remainder of Act takes effect May 26, 1994

AN ACT

1 Relating to the commercial fishing revolving loan fund and the fisheries enhancement  
2 revolving loan fund; and providing for an effective date.

3

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

5 (a) The department may

6 (1) make loans to

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

14 (i) for the purchase of entry permits;

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1 (ii) to upgrade existing vessels and gear for the  
2 purpose of improving the quality of Alaska seafood products; or

3 (iii) to satisfy past due federal tax obligations that  
4 may result in the execution upon and involuntary transfer of the  
5 individual commercial fishermen's entry permits, to the extent  
6 allowed under (d) of this section;

7 (B) an individual for the repair, restoration, or upgrading of  
8 existing vessels and gear, for the purchase of entry permits and gear, [AND]  
9 for the construction and purchase of vessels, or, to the extent allowed under  
10 (d) of this section, to satisfy past due federal tax obligations that may  
11 result in the execution upon and involuntary transfer of the individual's  
12 entry permits, if the individual has been a state resident for a continuous  
13 period of two years immediately preceding the date of application for a loan  
14 under AS 16.10.300 - 16.10.370, and either

15 (i) because of lack of training or lack of employment  
16 opportunities in the area of residence, does not have occupational  
17 opportunities available other than commercial fishing; or

18 (ii) is economically dependent on commercial fishing for  
19 a livelihood and for whom commercial fishing has been a traditional  
20 way of life in Alaska;

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

22 (3) adopt regulations necessary to carry out the provisions of  
23 AS 16.10.300 - 16.10.370, including regulations to establish reasonable fees for  
24 services provided;

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

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

31 (6) enter into agreements with other agencies or organizations to create

1 an outreach program to make loans under AS 16.10.300 - 16.10.370 in rural areas of  
2 the state;

3 (7) allow an assumption of a loan if

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

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

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

13 (9) charge and collect the fees established under this subsection;

14 (10) refinance a debt obligation incurred by a borrower or borrowers  
15 under this section if the borrower or borrowers otherwise qualify for a loan under  
16 AS 16.10.300 - 16.10.370; the department shall collect a refinancing loan origination  
17 charge of one-half percent of the amount of the debt obligation that has been  
18 refinanced when the first refinancing payment is due;

19 **(11) refinance debt obligations, not to exceed \$300,000, incurred by**  
20 **a borrower or borrowers for the purchase of a commercial fishing vessel or gear**  
21 **if the borrower or borrowers otherwise qualify for a loan under AS 16.10.300 -**  
22 **16.10.370; the department may collect a refinancing loan origination charge as**  
23 **provided by regulation.**

24 \* Sec. 2. AS 16.10.310(a) is repealed and reenacted to read:

25 (a) The department may

26 (1) make loans to

27 (A) individual commercial fishermen who have been state  
28 residents for a continuous period of two years immediately preceding the date  
29 of application for a loan under AS 16.10.300 - 16.10.370 and have had a crew  
30 member or commercial fishing license under AS 16.05.480 or a permit under  
31 AS 16.43 for the year immediately preceding the date of application and any

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1 other two of the past five years, and who actively participated in the fishery  
2 during those periods,

3 (i) for the purchase of entry permits; or

4 (ii) to upgrade existing vessels and gear for the purpose  
5 of improving the quality of Alaska seafood products;

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

11 (i) because of lack of training or lack of employment  
12 opportunities in the area of residence, does not have occupational  
13 opportunities available other than commercial fishing; or

14 (ii) is economically dependent on commercial fishing for  
15 a livelihood and for whom commercial fishing has been a traditional  
16 way of life in Alaska;

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

18 (3) adopt regulations necessary to carry out the provisions of  
19 AS 16.10.300 - 16.10.370, including regulations to establish reasonable fees for  
20 services provided;

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

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

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

30 (7) allow an assumption of a loan if

31 (A) the applicant has been a state resident for a continuous

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1 period of two years immediately preceding the date of the request for an  
2 assumption; and

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

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

9 (9) charge and collect the fees established under this subsection;

10 (10) refinance a debt obligation incurred by a borrower or borrowers  
11 under this section if the borrower or borrowers otherwise qualify for a loan under  
12 AS 16.10.300 - 16.10.370; the department shall collect a refinancing loan origination  
13 charge of one-half percent of the amount of the debt obligation that has been  
14 refinanced when the first refinancing payment is due;

15 (11) refinance debt obligations, not to exceed \$300,000, incurred by a  
16 borrower or borrowers for the purchase of a commercial fishing vessel or gear if the  
17 borrower or borrowers otherwise qualify for a loan under AS 16.10.300 - 16.10.370;  
18 the department may collect a refinancing loan origination charge as provided by  
19 regulation.

20 \* **Sec. 3.** AS 16.10.310 is amended by adding a new subsection to read:

21 (d) The department may not make a loan to an individual under (a)(1) of this  
22 section to satisfy past due federal tax obligations unless the individual has filed past  
23 and current federal tax returns with the federal government and has executed an  
24 agreement with the federal government for repayment of past due federal tax  
25 obligations. An individual may receive only one loan under (a)(1) of this section to  
26 satisfy past due federal tax obligations during the individual's lifetime. A loan made  
27 under (a)(1) of this section to satisfy past due federal tax obligations may not exceed  
28 \$30,000.

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

30 (d) The total of balances outstanding on loans made to a borrower under  
31 AS 16.10.310(a)(1)(A) may not exceed \$300,000. The total of balances outstanding

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1 on loans made to a borrower under AS 16.10.310(a)(1)(B) may not exceed \$100,000.

2 **The total of balances outstanding on all loans, including debt refinancing under**  
3 **AS 16.10.310(a), made to a borrower under AS 16.10.300 - 16.10.370 may not**  
4 **exceed \$300,000.**

5 \* **Sec. 5.** AS 16.10.340 is amended by adding a new subsection to read:

6 (c) If the commissioner determines that the fund contains money that is excess  
7 to that needed to carry out the purpose of AS 16.10.300 - 16.10.370, then the  
8 commissioner may use the excess money to carry out the purpose of AS 16.10.500 -  
9 16.10.560.

10 \* **Sec. 6.** AS 16.10.505(a) is amended to read:

11 (a) There is created within the Department of Commerce and Economic  
12 Development a revolving fund to be known as the fisheries enhancement revolving  
13 loan fund. Except as provided in (b) **and (c)** of this section, the fund shall be used to  
14 carry out the purposes of AS 16.10.500 - 16.10.560 and for no other purpose. All  
15 principal and interest payments, and money chargeable to principal or interest that is  
16 collected through liquidation by foreclosure or other process on loans made under  
17 AS 16.10.500 - 16.10.560, shall be paid into the fisheries enhancement revolving loan  
18 fund.

19 \* **Sec. 7.** AS 16.10.505 is amended by adding a new subsection to read:

20 (c) Money in the fund that the commissioner determines to be excess to that  
21 needed to carry out the purpose of AS 16.10.500 - 16.10.560 may be used to carry out  
22 the purpose of AS 16.10.300 - 16.10.370.

23 \* **Sec. 8.** AS 16.10.520 is amended by adding a new subsection to read:

24 (f) The commissioner may not make a loan under AS 16.10.500 - 16.10.550  
25 from funds available under AS 16.10.340(c), unless the commissioner determines, in  
26 consultation with the appropriate regional planning team established under  
27 AS 16.10.375, that the hatchery or other enhancement or rehabilitation activity for  
28 which the loan is requested will provide a significant contribution to common property  
29 fisheries, be operated in a manner beneficial to the public interest, and be managed in  
30 a financially viable manner that is reasonably expected to result in repayment of the  
31 loan.

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- 1       \* **Sec. 9.** AS 16.10.310(d) is repealed.
- 2       \* **Sec. 10.** Sections 2 and 9 of this Act take effect three years after the effective date of
- 3       sec. 1 of this Act.
- 4       \* **Sec. 11.** Except for secs. 2 and 9 of this Act, this Act takes effect immediately under
- 5       AS 01.10.070(c).