



LAWS OF ALASKA

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Source

SCS CSHB 20(FIN)

Chapter No.

120

AN ACT

Relating to commercial fishing loans for improving fuel efficiency and increasing the maximum amount for certain loans under the Commercial Fishing Loan Act; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to commercial fishing loans for improving fuel efficiency and increasing the
2 maximum amount for certain loans under the Commercial Fishing Loan Act; and providing
3 for an effective date.

4

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

6 (a) The department may

7 (1) make loans

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

- 1 (i) for the purchase of entry permits; [OR]
2 (ii) to upgrade existing vessels and gear for the purpose
3 of improving the quality of Alaska seafood products; or
4 **(iii) for propulsion engine or generator engine**
5 **replacements on existing vessels for the purpose of improving fuel**
6 **efficiency;**

7 (B) to an individual for the repair, restoration, or upgrading of
8 existing vessels and gear, for the purchase of entry permits and gear, and for
9 the construction and purchase of vessels, if the individual has been a state
10 resident for a continuous period of two years immediately preceding the date
11 of application for a loan under AS 16.10.300 - 16.10.370, is not eligible for
12 financing from a state financial institution as defined in AS 06.01.050, a
13 federally chartered financial institution, or the Commercial Fishing and
14 Agricultural Bank, and

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
19 for a livelihood and for whom commercial fishing has been a traditional
20 way of life in Alaska;

21 (C) for the purchase of quota shares for fisheries in or off the
22 state by individual commercial fishermen who

23 (i) have been state residents for a continuous period of
24 two years immediately preceding the date of application for a loan
25 under AS 16.10.300 - 16.10.370;

26 (ii) for any two of the past five years, possessed an
27 annual crewmember or commercial fishing license under AS 16.05.480
28 or a permit under AS 16.43 and actively participated in a fishery for
29 which the license or permit was issued;

30 (iii) qualify as transferees for quota shares under
31 applicable law; and

1 (iv) are not eligible for financing from other recognized
2 commercial lending institutions to purchase quota shares;

3 (D) to an individual commercial fisherman to satisfy past due
4 federal tax obligations, if the fisherman has been a state resident for a
5 continuous period of two years immediately preceding the date of application
6 for the loan, has filed past and current federal tax returns with the federal
7 government, has executed an agreement with the federal government for
8 repayment of past due federal tax obligations, and either

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

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

15 (E) for the purchase of fishing quota shares by a community
16 quota entity eligible under federal statute or regulation to purchase the fishing
17 quota shares if the community quota entity is not eligible or qualified for
18 financing from other recognized commercial lending institutions to purchase
19 the fishing quota shares;

20 (F) to an individual for the upgrade of existing tender vessels
21 and gear to improve the quality of Alaska seafood products, if the individual
22 has been a state resident for a continuous period of two years immediately
23 preceding the date of application for a loan under AS 16.10.300 - 16.10.370;

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

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

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

31 (5) enter into agreements with private lending institutions, other state

1 agencies, or agencies of the federal government to carry out the purposes of
2 AS 16.10.300 - 16.10.370;

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

6 (7) allow an assumption of a loan if

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

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

14 (8) prequalify loan applicants for a limited entry permit loan or a quota
15 shares loan and charge a fee not to exceed \$200 for prequalification;

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

17 (10) refinance a debt obligation incurred by a borrower or borrowers
18 under this section if the borrower or borrowers otherwise qualify for a loan under
19 AS 16.10.300 - 16.10.370;

20 (11) refinance debt obligations, not to exceed \$200,000, incurred by a
21 borrower or borrowers for the purchase of a commercial fishing vessel or gear if the
22 borrower or borrowers otherwise qualify for a loan under AS 16.10.300 - 16.10.370;
23 the department may collect a refinancing loan origination charge as provided by
24 regulation.

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

26 (i) If a loan is made to a borrower under AS 16.10.310(a)(1)(A), a subsequent
27 loan may not be made to the borrower under AS 16.10.310(a)(1)(B), **unless the loan**
28 **requested under AS 16.10.310(a)(1) is for propulsion engine or generator engine**
29 **replacement on an existing vessel for the purpose of improving fuel efficiency.** If a
30 loan is made to a borrower under AS 16.10.310(a)(1)(B), a subsequent loan may be
31 made to the borrower under AS 16.10.310(a)(1)(A) if the total of the balance

1 outstanding on loans received by the borrower under AS 16.10.310(a)(1)(A) and (B)
2 does not exceed **\$400,000** [\$300,000].
3 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).