



**Official Business**

# Alaska State Legislature

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**Representative Drew Scalzi**  
State Capitol  
Juneau, Alaska 99801-1182

**(907)465-2689; (800)665-2689**  
**FAX: (907)465-3472**

*Representative\_Drew\_Scalzi@legis.state.ak.us*

## **Sponsor Statement**

**HB 287 "An Act relating to the exemption of commercial fishing entry permits from claims of creditors, to loans to satisfy past due federal tax obligations of commercial fishing entry permit holders, and to loan origination charges for loans made by the commercial fishing loan program to refinance a debt obligation; and providing for an effective date."**

Recent developments in law require a clear statement of the principle embodied in the original Limited Entry Act that limited entry permits are not property subject to the claims of creditors.

The long-term crisis facing the Alaska salmon industry due to dramatic increases in world salmon production coupled with equally dramatic reductions in salmon prices make this principle all the more important. If Alaska fishermen are forced out of the water because creditors take their limited fishing privileges, everyone in Alaska loses.

In this same spirit, this bill would extend the existing tax obligation loan program portion of the commercial fishing loan program now scheduled to sunset.

This bill continues the Division of Investments existing loan program for satisfying past due tax obligations. It keeps the same limit of \$30,000, but allows an individual to apply for a secured loan under this program more than once and removes the one-half percent refinancing fee.

This bill does not alter any current claim exemptions, but simply strengthens and clarifies the exemptions.