

ALASKA STATE HOUSE OF REPRESENTATIVES

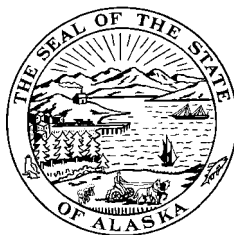
Interim Address:

119 N. Cushman, Suite 211

Fairbanks, AK 99701

(907)-456-5081

Fax# (907)-456-8245



Session Contact:

(907)-465-3719

FAX# (907)-465-3258

State Capitol

Room 102

REPRESENTATIVE JOHN COGHILL

HB 456 Commercial Fishing Loan Program

Sponsor Statement

Government agencies should not be in direct competition with private business and excess revenues from a government operation should be managed through the appropriation authority of the legislature. These two basic principles are the reason I introduced this legislation.

[HB 456](#) limits the scope of loans from the [Commercial Fishing Loan Program](#). It narrows the lending ability of the loan program to commercial fisherman who cannot get a loan in the private sector so that the state is not competing with the private sector. It creates a level playing field for all fishermen by eliminating the ability of the department to defer or waiver interest and payments. HB 456 reduces the prequalify loan fee from \$200 to \$50 and limits to one borrower a maximum of two \$35,000 loans.

The legislation adds language to uncodified law to ensure that the borrower's rights are protected should the Division of Investments decide to sell that individual's loan. HB 456 would allow the transfer of the loan but requires that it be done without a change in the original terms of the loan such as increased interest rates or payments.

HB 456 curtails the current practice of transferring excess funds from the revolving loan program to the Fisheries Enhancement Loan Program, which has a separate statutory purpose than the Commercial Fishing Loan Act. I strongly believe the legislature should preserve its authority to appropriate and this legislation provides that excess funds will be appropriated by the legislature for public purpose.