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Bullard
4/26/25

CS FOR SENATE BILL NO. 156()

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY

**Offered:
Referred:**

**Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE JOINT LEGISLATIVE TASK FORCE
EVALUATING ALASKA'S SEAFOOD INDUSTRY**

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the Department of Commerce, Community, and Economic**
2 **Development; relating to the Alaska Commercial Fishing and Agriculture Bank;**
3 **relating to certain loans made by the Alaska Commercial Fishing and Agriculture Bank;**
4 **and providing for an effective date."**

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

6 * **Section 1.** The uncoded law of the State of Alaska is amended by adding a new section
7 to read:

8 ALASKA COMMERCIAL FISHING AND AGRICULTURE BANK; LOANS. (a)
9 Subject to legislative appropriation, the Department of Commerce, Community, and
10 Economic Development shall purchase nonvoting, preferred shares issued by the Alaska
11 Commercial Fishing and Agriculture Bank established under AS 44.81.010 for the purpose of
12 enabling the bank to make loans to persons involved in the state's commercial fishing industry
13 under AS 44.81.215. Except as provided in (d) of this section, the bank shall repurchase
14 shares the department purchased under this section 20 years after the purchase. If the bank

fails to repurchase the shares 20 years after the purchase by the department, the commissioner of commerce, community, and economic development may appoint a receiver to direct, manage, and operate the bank until the shares have been repurchased. Upon voluntary or involuntary liquidation of the bank, and upon repayment of all legal debts and obligations of the bank, all nonvoting, preferred shares owned by the department have priority for redemption over all other forms and amounts of ownership of the bank.

(b) A loan made by the Alaska Commercial Fishing and Agriculture Bank using funds provided by the Department of Commerce, Community, and Economic Development's purchase of shares under this section

(1) shall have a fixed term of 15 years;

(2) shall have a fixed interest rate;

(3) may not bear interest

(A) exceeding the prime rate, as defined in AS 44.88.599, plus two percentage points; or

(B) at a rate of more than 5.25 percent a year.

(c) On the effective date of sec. 4, ch. 25, SLA 2024, the Alaska Commercial Fishing and Agriculture Bank shall provide the division within the Department of Commerce, Community, and Economic Development that is responsible for banking and securities a list of each loan originated or refinanced under (b) of this section, with confidential borrower information redacted. The list must include, for each loan,

(1) the loan number, principal balance, interest rate, and loan term;

(2) a copy of the loan agreement;

(3) an amortization schedule, including the comparison made under (4) of this subsection;

(4) a comparison of

(A) the loan's baseline interest earnings, calculated as the projection of the refinanced or originated loan's interest using the principal and the interest rate in effect for the loan before it was refinanced, or the interest rate and term that the loan would have had if the loan had not been made by the Alaska Commercial Fishing and Agriculture Bank under (b) of this section, amortized over a 15-year term assuming timely loan payments; and

1 (B) the loan's post-refinance or post-origination interest earnings,
2 calculated as the loan's projected interest earnings using the loan's principal, the loan's
3 actual interest rate as originated or refinanced under (b) of this section, and a 15-year
4 term assuming timely loan repayments; and

5 (5) any other information that the division may need to complete the review.

6 (d) Within 120 days after the Alaska Commercial Fishing and Agriculture Bank
7 provides the Department of Commerce, Community, and Economic Development the list
8 required under (c) of this section, the department shall conduct a one-time review of the listed
9 information. If the department determines that the difference in projected interest earnings for
10 all loans originated or refinanced under (b) of this section for the Alaska Commercial Fishing
11 and Agriculture Bank, as calculated under (c) of this section, is less than the par value of the
12 shares purchased by the department under (a) of this section, the department shall request that
13 the bank repay the difference to the department by buying back the requisite quantity of
14 shares.

15 (e) If the Department of Commerce, Community, and Economic Development
16 requests that the Alaska Commercial Fishing and Agriculture Bank buy back the shares under
17 (d) of this section, the bank shall buy back the shares within 30 days.

18 (f) Subject to appropriation, the department shall purchase shares issued by the
19 Alaska Commercial Fishing and Agriculture Bank under (a) of this section using an amount
20 equal to the amount that was in the former Alaska capstone avionics revolving loan fund
21 (former AS 44.33.650 - 44.33.690) and was unobligated on July 1, 2020.

22 * **Sec. 2.** Section 1 of this Act is repealed July 1, 2027.

23 * **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).