



SENATOR JESSE KIEHL

SB 156: Commercial Fishing Loan Parity

Sponsor Statement

Alaska's commercial fishing industry faces a financial crisis. In the 2024 legislative session, The State's Division of Investments recommended a much-needed, temporary change to let the Commercial Fishing Revolving Loan Fund lend to fishermen at a much-reduced interest rate of 5.25 percent. The legislature agreed, and the change has helped Alaska small fishing businesses tremendously.

An unintended consequence of the HB 273 change was significant harm to the finances of the Alaska Commercial Fishing and Agriculture Bank. Unable to match the revolving loan fund, CFAB is losing significant loan volume. CFAB is chartered in state law, and serves a public purpose, making potentially larger loans to Alaska fishing families.

SB 156 fixes the problem with a one-time, temporary investment of state money from a now-defunct revolving loan fund. The money will only be usable to let CFAB issue comparable low-interest rate loans until the revolving loan fund's rates return to normal. At the end of that time, CFAB will need to return any un-lent state funds. It will have to repay the rest in 20 years.

Protecting Alaska fishermen, especially in this time of crisis, is vital. The Joint Legislative Task Force Evaluating Alaska's Seafood Industry unanimously recommended helping CFAB temporarily lower its interest rates to fishermen. SB 156 does that, protecting an important financial resource for Alaska's private sector economy into the future.

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