

CHAPTER 189
COMMERCIAL FISHING

Part I. License and Regulation

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Environmental courts, jurisdiction over proceedings arising under this chapter, see §604A-2.

"PART I. LICENSE AND REGULATION

§189-1 REPEALED. L 1981, c 85, §78.

" **[§189-1.5] State marine waters.** As used in this chapter, state marine waters shall be defined as extending from the upper reaches of the wash of the waves on shore seaward to the limit of the State's police power and management authority, including the United States territorial sea, notwithstanding any law to the contrary. [L 1990, c 126, §3]

" **§189-2 Commercial marine license.** (a) No person shall take marine life for commercial purposes whether the marine life is caught or taken within or outside of the State, without first obtaining a commercial marine license as provided in this section.

(b) Additionally, any person providing vessel charter services in the State for the taking of marine life in or outside of the State shall obtain a commercial marine license.

(c) The department may adopt rules pursuant to chapter 91 necessary for the purpose of this section and to set fees for commercial marine licensing.

(d) The fees for commercial marine licenses and duplicate commercial marine licenses shall be established by the department by rules adopted in accordance with chapter 91.

(e) The department shall suspend, shall refuse to renew, reinstate, or restore, or shall deny any license issued under this section if the department has received certification from the child support enforcement agency pursuant to section 576D-13 that the licensee or applicant is not in compliance with an order of support or has failed to comply with a subpoena or warrant relating to a paternity or child support proceeding. The department shall issue, renew, reinstate, or restore such a license only upon receipt of authorization from the child support enforcement agency, the office of child support hearings, or the family court.

(f) The department shall not renew or reinstate, or shall deny or suspend any license or application, if the department has received certification from an administering entity pursuant to chapter 436C that the licensee or applicant is in default or breach of any obligation under any student loan, student loan repayment contract, or scholarship contract that financed the

licensee's or applicant's education, or has failed to comply with a repayment plan.

The department in receipt of a certification pursuant to chapter 436C shall, as applicable, and without further review or hearing:

- (1) Suspend the license;
- (2) Deny the application or request for renewal of the license; or
- (3) Deny the request for reinstatement of the license, and unless otherwise provided by law, shall renew, reinstate, or grant the license only upon receipt of an authorization from the administering entity. [L 1929, c 187, §2; RL 1935, §331; RL 1945, §1257; am L 1947, c 39, §2; am L 1949, c 272, §2; am L 1955, c 96, §3; RL 1955, §21-111; am L Sp 1959 2d, c 1, §22; am L 1961, c 132, §2; HRS §189-2; am L 1977, c 128, §2; am L 1981, c 85, §79; am L 1985, c 242, §2; am L 1988, c 117, §3; am L 1998, c 83, §1; am L 1999, c 9, §1; am L 2002, c 86, §6; am L 2003, c 133, §4]

Note

The amendment made by L 2014, c 218, §8 is not included in this section.

Attorney General Opinions

Public disclosure of commercial marine licenses not permitted, but disclosure of some information allowed. Att. Gen. Op. 85-23.

" **§189-2.4 Commercial fisheries special fund.** (a) There is established in the treasury of the State a special fund to be known as the commercial fisheries special fund which shall be administered by the department.

(b) The following revenues shall be deposited into the commercial fisheries special fund:

- (1) Moneys collected as fees for licenses and permits related to commercial fishing and the sale of aquatic life, use of public fishing grounds for commercial fishing purposes, and use of commercial fisheries-related facilities;
- (2) Moneys collected under the provision of any law or rule related to the importation, rearing, fishing, taking, catching, or killing of any aquatic life for commercial purposes;
- (3) Moneys, other than informers' fees authorized under section 187A-14, collected as fines or bail

forfeitures or administrative fines for violations of this chapter;

- (4) Moneys collected from the sale of any article purchased from the department related to aquatic life used for commercial purposes or fishing for commercial purposes;
- (5) Any monetary contributions or moneys collected from the sale of nonmonetary gifts to benefit aquatic life used for commercial purposes or fishing for commercial purposes; and
- (6) Moneys derived from interest, dividend, or other income from the above sources.

(c) The commercial fisheries special fund shall be used for the following:

- (1) Programs and activities for projects concerning aquatic life used for commercial purposes;
- (2) Developing and conducting resource monitoring programs, conducting studies to determine the sustainable use of aquatic life for commercial purposes, and developing recommendations for acceptable levels of use;
- (3) Research programs and activities concerning the conservation and management of aquatic life for commercial purposes;
- (4) Programs and activities concerning the importation and management, preservation, propagation, enforcement, and protection of aquatic life used for commercial purposes; and
- (5) Payroll for personnel of the department or the awarding of grants-in-aid to or contracts with the University of Hawaii or other qualified organizations or individuals to develop or implement the programs and activities for the conservation and management of aquatic life for commercial purposes.

(d) The proceeds of the commercial fisheries special fund shall not be used as security for, or pledged to the payment of principal or interest on, any bonds or instruments of indebtedness.

(e) Nothing in this section shall be construed to prohibit the use of general funds or the funds of other programs and activities to implement or enforce title 12, subtitle 5, concerning management and conservation of aquatic life used for commercial purposes. [L 2000, c 121, §1; am L 2002, c 86, §7]

" **[§189-2.5] Longline fishing; description; prohibition.**

(a) For the purpose of this section, longline fishing means fishing conducted with gear consisting of at least one mainline

over one nautical mile in length, to which is attached a number of branchlines with baited hooks and which is suspended below the surface of the ocean by floatlines attached to surface floats.

(b) It is unlawful to engage in longline fishing or to sell or offer for sale, any marine life taken with longline fishing gear within the boundaries of the State's territorial sea.

(c) Pursuant to and in cooperation with the joint federal-state Western Pacific Regional Fishery Management Council (WPRFMC also known as WESPAC), of which Hawaii is a member, the State adopts and incorporates by reference the rules adopted by the Western Pacific Regional Fishery Management Council through the National Oceanic and Atmospheric Administration (NOAA) for the management and regulation of longline fishing activities.

(1) Accordingly, it is unlawful for any person to possess, land, sell, or offer for sale any marine life taken by longline fishing gear which is prohibited by or in violation of rules properly adopted by the Western Pacific Regional Fishery Management Council through the National Oceanic and Atmospheric Administration, which by incorporation and acceptance are also the law of Hawaii.

(2) Any person or any fishing vessel fishing with gear of at least one mainline over one nautical mile in length within the area prohibited by rules properly adopted by the Western Pacific Regional Fishery Management Council through the National Oceanic and Atmospheric Administration and incorporated by the State shall be in violation of this section.

(d) The State shall have authority to enforce this section and the rules adopted by the Western Pacific Regional Fishery Management Council through the National Oceanic and Atmospheric Administration and incorporated by reference into state law within:

(1) The State's marine waters as defined in section 189-1.5; and

(2) Those areas under the Western Pacific Regional Fishery Management Council's jurisdiction where properly adopted rules have been established to govern, regulate, and manage longline fishing activities; provided that the Western Pacific Regional Fishery Management Council shall have accepted and entered into a mutual working agreement with the State to carry out these rules, including the joint deputizing of law enforcement officials.

(e) The commercial marine license of any person convicted of violating this section shall be revoked and penalties pursuant to section 199-7, including equipment and gear seizure and forfeiture, shall be assessed. Any person whose license has been revoked shall not be eligible to apply for another license until the expiration of one year from the date of revocation. [L 1991, c 161, §1]

" **§189-3 Monthly catch report.** (a) Upon the demand of the department, every commercial marine licensee shall furnish to the department a report or reports with respect to the marine life taken and any other information the department may require for the purposes of this section.

(b) Any information submitted to the department by any person in compliance with any requirement under this section shall be confidential and shall not be disclosed, except when required under court order or pursuant to subpoena issued by the department of the attorney general, or with the prior written consent of the person submitting the information, or under cooperative agreements with government agencies of the United States for exchange and use of the information specifically to manage marine life. The department, by rule, may establish procedures necessary to preserve the confidentiality, except that the department may release or make public any of the information in the aggregate or summary form which does not directly or indirectly disclose the identity of any person who submits information. [L 1929, c 187, §4; RL 1935, §333; RL 1945, §1258; am L 1947, c 39, §3; am L 1949, c 272, §3; am L 1955, c 96, §4; RL 1955, §21-112; am L Sp 1959 2d, c 1, §22; am L 1961, c 132, §2; HRS §189-3; am L 1981, c 85, §80; am L 1985, c 113, §1; am L 1999, c 9, §2]

Note

The amendment made by L 2014, c 218, §8 is not included in this section.

" **[\$189-3.5] Catch report; shared jurisdiction of fisheries.**

(a) Where there is a shared jurisdiction between the state and federal government over a fishery, the department shall adopt rules necessary to effectuate the federal requirements.

(b) Any information submitted to the department by any person in compliance with any requirement under this section shall be confidential and shall not be disclosed, except when required under court order or pursuant to subpoena issued by the department of the attorney general, or with the prior written consent of the person who submitted the information, or under

cooperative agreements with government agencies of the United States for exchange and use of the information specifically to manage marine life. The department, by rule, may establish procedures necessary to preserve the confidentiality, except that the department may release or make public any information in the aggregate or summary form which does not directly or indirectly disclose the identity of any person who submits information.

(c) This section shall not apply to the Papahānaumokuākea Marine National Monument. [L 2008, c 113, §2]

Note

The amendment made by L 2014, c 218, §8 is not included in this section.

" **§189-4 Penalties.** (a) Any person violating any of the provisions of this chapter for which a penalty is not otherwise provided, or any rule of the department adopted thereunder, shall be guilty of a petty misdemeanor and punishable as provided in subsection (b); provided that in the case of a corporation violating any of the provisions only the fine shall be imposed, but any officer of the corporation who wilfully procures or permits the violation of the provisions by the corporation shall be punishable as in the case of an individual violating the same.

(b) The punishment, in addition to any other penalties, shall be a fine of not less than:

(1) \$250 for a first offense;

(2) \$500 for a second offense;

(3) \$1,000 for a third or subsequent offense.

(c) The fines specified in this section shall not be suspended or waived. [L 1929, c 187, §5; RL 1935, §334; RL 1945, §1259; am L 1947, c 39, §5; am L 1949, c 272, §5; am L 1955, c 96, §5; RL 1955, §21-114; HRS §189-4; am L 1981, c 85, §81; am L 1999, c 195, §7]

" **§189-5 Aliens not admitted to United States.** It is unlawful for any person who has not been lawfully admitted to the United States to engage in taking marine life for commercial purposes in the waters of the State. The term "United States" as used in this section, includes the several states and the territories and possessions of the United States. [L 1929, c 187, §7; RL 1935, §336; RL 1945, §1260; am L 1947, c 39, §6; am L 1955, c 96, §6; RL 1955, §21-115; HRS §189-5; am L 1981, c 85, §82]

" **§189-6 Licenses for marine life from waters not within state jurisdiction.** Any other provision of law to the contrary notwithstanding, wherever the possession or sale of marine life or products within the State is prohibited as for instance by a closed season, the prohibition shall not apply where the marine life or products have been taken from or caught outside of the waters of the State and the possession or sale has been licensed by the department of land and natural resources under rules adopted by the department. The department may make rules pursuant to chapter 91 governing the issuance, suspension, and revocation and all other terms of the licenses. In addition, the department may specify in the rules that any berried, undersized, or out-of-season lobsters taken from the waters of the Northwestern Hawaiian Islands may not be possessed and sold under authority of the license. [L 1929, c 187, §8; RL 1935, §337; RL 1945, §1261; am L 1947, c 39, §7; am L 1955, c 96, §7; RL 1955, §21-116; am L Sp 1959 2d, c 1, §22; am L 1961, c 132, §2; HRS §189-6; am L 1981, c 85, §83; am L 1999, c 234, §1]

Cross References

Fishing in Northwestern Hawaiian Islands, see §188-37.

" **§§189-7 to 9 REPEALED.** L 1971, c 58, §2.

" **§189-10 Commercial marine dealers.** (a) The department may require a license of any commercial marine dealer to sell or offer for sale, to purchase or attempt to purchase, to exchange, or to act as an agent in the transfer of, any marine life taken within the jurisdiction of the State for commercial purposes. It is unlawful for any commercial marine dealer to sell or offer for sale, to purchase or attempt to purchase, to exchange, or to act as an agent in the transfer of, any marine life taken within the jurisdiction of the State for commercial purpose, that is obtained from any person whom the department has required to have, but does not have, a valid commercial marine license, commercial marine dealer license, or other license or permit authorizing such sale, purchase, exchange, or transfer for commercial purpose.

(b) The department may require a license of any person to export any marine life taken within the jurisdiction of the State for commercial purpose.

(c) Upon the written demand of the department, a commercial marine dealer shall render to the department a true and correct statement showing the name of the commercial marine dealer; year; month; day; weight; number; value of each of the species of marine life purchased, transferred, exchanged, or

sold during the previous month; name and current license number of the commercial marine licensee from whom the marine life was obtained; and such other information as the department may require.

(d) The department may require any term or condition of the licenses issued pursuant to this section, including, but not limited to, reports, fees and exemptions. The department may adopt rules pursuant to chapter 91 for the purposes of this section. [L 1925, c 202, §1; am L 1929, c 115, §1; RL 1935, §380; RL 1945, §1265; am L 1945, c 24, §1; RL 1955, §21-122; am L Sp 1959 2d, c 1, §22; am L 1961, c 132, §2; HRS §189-10; am L 1981, c 85, §84; am L 1986, c 2, §1; am L 1997, c 307, §1]

" **§189-11 Receipts in duplicate.** Every commercial marine dealer shall issue receipts to the person from whom marine life is obtained and shall provide the following information in the receipt:

- (1) The date of the issuance;
- (2) The name of the person to whom the receipt is issued;
- (3) The following information with respect to each of the varieties of marine life as the department shall require including:
 - (A) The weight in pounds of each of the varieties received;
 - (B) The numbers of marine life when they average a pound or more; and
 - (C) The price per pound paid; and
 - (D) With regard to aquarium fish, regardless of weight, the number and species of the fishes; and
- (4) The signature of the dealer who issues the receipt.

Any dealer taking the dealer's own marine life or handling any marine life taken by commercial marine licensees working for or with the dealer, shall make out the same receipt, giving market price for the marine life as prevails on the date of receipt. A duplicate copy of this receipt shall be kept on file at the premise where the marine life was sold by the dealer issuing the same for a period of twelve months from the date of issuance, and the duplicate copy shall be available for inspection upon the demand of any conservation officer authorized to enforce the laws of the State. [L 1925, c 202, §2; am L 1929, c 115, §2; RL 1935, §381; RL 1945, §1266; am L 1945, c 24, §2; RL 1955, §21-123; am L Sp 1959 2d, c 1, §22; am L 1961, c 132, §2; HRS §189-11; am L 1981, c 85, §85; gen ch 1985; am L 1986, c 2, §2; am L 1997, c 307, §2]

" **§189-12 REPEALED.** L 1981, c 85, §86.

" **§189-13 REPEALED.** L 1999, c 195, §11.

" **§189-14 Rights of entry, penalties.** The department may board any vessel, whether commercial or non-commercial, capable of being used in taking marine life, or enter any place of business where marine life is sold, stored, processed, cooked, canned, or cured, for purposes of investigation and inspection, and inspect any and all books and records containing account of the marine life taken, bought, or sold.

Any person who fails to permit an inspection as provided in this section, or who refuses to produce any book or record containing any information of the marine life taken, bought, or sold, and any person who interferes with any officer or agent of the department in the performance of the officer's or agent's duty as authorized in this section, shall be guilty of a petty misdemeanor and punished as provided by section 189-4. [L 1929, c 235, §1, 2; RL 1935, §338; RL 1945, §1268; RL 1955, §21-126; am L Sp 1959 2d, c 1, §22; am L 1961, c 132, §2; HRS §189-14; am L 1981, c 85, §87; gen ch 1985; am L 1999, c 195, §8]

" **[§189-15] Authority.** The department of land and natural resources may promulgate and enforce rules concerning the use of fish aggregation devices deployed under the Statewide Fish Aggregating System. The rules may include provisions that prohibit attaching, mooring, or tying any boat or other watercraft to the fish aggregating devices, or boarding, defacing, damaging, removing or destroying such devices; provided that the department may engage in such activities as deemed necessary to enhance the fish aggregating system. [L 1981, c 80, pt of §2]

" **§189-16 REPEALED.** L 1999, c 195, §12.

**"PART II. LARGE FISHING VESSEL PURCHASE, CONSTRUCTION,
RENOVATION, MAINTENANCE, AND REPAIR LOAN PROGRAM**

Note

Part heading amended by L 1975, c 167, §4; L 1976, c 70, §1.

§189-21 Definitions. As used in this part:

"Department" means the department of business, economic development, and tourism.

"Director" means the director of business, economic development, and tourism.

"Large fishing vessel" means any vessel five net tons and over designed to be used in the Hawaii commercial fisheries for

catching fish, processing, or transporting fish loaded on the high seas that derives at least fifty-one per cent of that vessel's gross annual income from commercial (as opposed to recreational) operations, or any vessel outfitted for such activity.

"National Marine Fisheries Service" means the Financial Assistance Division, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, United States Department of Commerce.

"SBA" means the Federal Small Business Administration. [L 1965, c 193, §2; Supp, §21-101; HRS §189-21; am L 1975, c 167, pt of §4; am L 1976, c 70, pt of §1; am L 1987, c 336, §7; am L 1990, c 293, §8]

Note

"Financial Assistance Division", National Marine Fisheries Service, now known as "Financial Services Division".

Revision Note

Numeric designations deleted and definitions rearranged.

" **§189-22 Hawaii large fishing vessel purchase, construction, renovation, maintenance, and repair loan program.** There is hereby created the Hawaii large fishing vessel purchase, construction, renovation, maintenance, and repair loan program which shall be administered by the director in accordance with the spirit and intent of this part. [L 1965, c 193, §3; Supp, §21-102; HRS §189-22; am L 1975, c 167, pt of §4; am L 1976, c 70, pt of §1]

" **§189-23 REPEALED.** L 1996, c 143, §5.

" **§189-24 Functions, powers, and duties of director.** In the performance of, and with respect to, the functions, powers, and duties vested in the director by this part, the director shall:

- (1) Prescribe the qualifications for eligibility of applicants for loans and, in so doing, be guided by requirements as set forth in Public Law 88-498.
- (2) Establish preferences and priorities in determining eligibility for loans.
- (3) Establish the conditions, consistent with the purposes of this part, for the granting of the loan.
- (4) Provide for inspection, at reasonable hours, of the vessel, books, and records of an individual or enterprise who has applied for or has been granted a

loan and to require the submission of progress and final reports.

- (5) Adopt rules and regulations under chapter 91 to carry out this part. [L 1965, c 193, §5; Supp, §21-104; HRS §189-24; am L 1968, c 28, §2; am L 1975, c 167, pt of §4; am L 1976, c 70, pt of §1; gen ch 1985]

" **§189-25 Loans, terms, and restrictions.** The department may make loans to individuals or businesses for the financing of the purchase, construction, renovation, maintenance, or repair of vessels. The loans may be made in conjunction with loans made by other financial institutions including the Financial Assistance Division of the National Marine Fisheries Service and the SBA. Where the loans made by the department are secured, such security may be subordinated to the loans made by other financial institutions, when subordination is required in order to obtain loans from the institutions. The necessity for and the extent of security required in any loan shall be determined by the director.

The foregoing powers shall be subject, however, to the following restrictions and limitations:

- (1) No loan of state funds shall exceed eighty per cent of the cost of purchase, construction, renovation, maintenance, or repair of a vessel.
- (2) No loan for renovation, maintenance, or repair of a fishing vessel shall exceed \$50,000 nor for a term exceeding ten years.
- (3) No loan for purchase or construction of a fishing vessel shall be made for a term exceeding twenty years.
- (4) Each loan shall bear simple interest at the rate of seven and one-half per cent a year.
- (5) The commencement date for the repayment of the first installment on the principal of each loan may be deferred by the director, but in no event shall such initial payment be deferred in excess of two years.
- (6) In the event the State repossesses any vessel financed under this program, the repossessed vessel shall not be resold to the individual to whom the loan has been made, or to anyone with a financial interest in the vessel. [L 1965, c 193, §6; Supp, §21-105; HRS §189-25; am L 1968, c 28, §3; am L 1975, c 167, pt of §4; am L 1976, c 70, pt of §1]

Note

"Financial Assistance Division", National Marine Fisheries Service, now known as "Financial Services Division".

" **§189-26 Reports.** The department shall make an annual report for the period ending December 31 to the governor, the president of the senate, and the speaker of the house of representatives, on the progress made under this part. The report shall be submitted not later than February 1 immediately following the calendar-year period covered by the report. [L 1965, c 193, §7; Supp, §21-106; HRS §189-26; am L 1975, c 167, pt of §4; am L 1976, c 70, pt of §1]

"PART III. FISHERMAN TRAINING

§§189-31 to 35 REPEALED. L 1973, c 79, §1.

"PART IV. HAWAII SMALL FISHING VESSEL LOAN PROGRAM

Note

Part heading amended by L 1976, c 70, pt of §2.

§189-41 Findings and purpose. The purpose of this part is to insure the continued orderly development of Hawaii's small commercial fishing vessel fleet by providing financial assistance for the maintenance and repair of small commercial fishing vessels in order to increase productivity in traditional state fishing grounds and to foster development of new fishing grounds by Hawaii's small commercial fishing vessels. The legislature finds that: (1) the several financial assistance programs available to Hawaii's commercial marine licensees are primarily for new vessel construction with national agency program emphasis on large fishing vessels; (2) that the large majority of Hawaii's commercial fishing vessels are small vessels (under 5 net tons, i.e., under 31 feet long) whose owners often do not have the financial resources of the larger vessels; (3) there is no financial program specializing in providing financial assistance for the maintenance and repair of smaller commercial fishing vessels; (4) that the nature of commercial fishing is noted for occasional poor years when reduced landings adversely affect the economic resources of commercial marine licensees, especially those with the smaller vessels; (5) that the recently released report "Hawaii and the Sea - 1974" calls for further development of measures to strengthen Hawaii's commercial fishing fleet, for example, by expanding the present Hawaii Fisheries New Vessel Construction Loan Program (Act 193, Session Laws of Hawaii 1965, as amended

by Act 28, Session Laws of Hawaii 1968); (6) that the Hawaii Fisheries New Vessel Construction Loan Program does not include maintenance and repair of small commercial fishing vessels; (7) that the creation of a maintenance and repair loan program would help fulfill the intent of "Hawaii and the Sea - 1974"; (8) that some usually efficient commercial marine licensees, due to the above reasons, are unable to upgrade their vessels in order to take advantage of new fishing gear and technology; and (9) that the State of Hawaii should make every effort to strengthen its small commercial fishing vessel fleet. [L 1975, c 167, §7; am L 1976, c 70, pt of §2; gen ch 1993]

" **§189-42 Definitions.** As used in this part:

"Department" means the department of business, economic development, and tourism.

"Director" means the director of business, economic development, and tourism.

"National Marine Fisheries Service" means Financial Assistance Division, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, United States Department of Commerce.

"SBA" means the Federal Small Business Administration.

"Small fishing vessel" means any vessel under five net tons designed to be used in catching fish, processing, or transporting fish loaded on the high seas that derives at least fifty-one per cent of that vessel's gross annual income from commercial (as opposed to recreational) operations, or any vessel outfitted for such activity. [L 1975, c 167, §8; am L 1976, c 70, pt of §2; am L 1987, c 336, §7; am L 1990, c 293, §8]

Note

"Financial Assistance Division", National Marine Fisheries Service, now known as "Financial Services Division".

Revision Note

Numeric designations deleted and definitions rearranged.

" **§189-43 REPEALED.** L 1996, c 143, §6.

" **§189-44 Functions, powers, and duties of the director.** In performance of, and with respect to, the functions, powers, and duties vested in the director by this part, the director shall:

- (1) Prescribe the qualifications for eligibility of applicants for loans.

- (2) Establish preferences and priorities in determining eligibility for loans.
- (3) Establish the conditions, consistent with the purposes of this part, for the granting of the loan.
- (4) Provide for inspection, at reasonable hours, of the vessel, records and books of an individual or enterprise who has applied for or has been granted a loan and to require the submission of periodic reports.
- (5) Adopt rules and regulations under chapter 91 to carry out this part. [L 1975, c 167, §10; am L 1976, c 70, pt of §2; gen ch 1985]

" **§189-45 Loans, terms, and restrictions.** The department may make loans to individuals or businesses for the financing of expenses incurred in the purchase, construction, renovation, maintenance, and repair of small fishing vessels. The loans may be made in conjunction with loans made by other financial institutions including the Small Business Administration or loans guaranteed by the National Marine Fisheries Service. Where the loans made by the department are secured, such security may be subordinated to the loans made by other financial institutions, when such subordination is required in order to obtain loans from such institutions. The necessity for and the extent of security required in any loan shall be determined by the director.

The foregoing powers shall be subject, however, to the following restrictions and limitations:

- (1) No loan shall exceed \$50,000.
- (2) No loan shall be made for a term exceeding ten years.
- (3) Each loan shall bear simple interest at the rate of seven and one-half per cent a year.
- (4) The commencement date for the repayment of the first installment on the principal of each loan may be deferred by the director, but in no event shall such initial payment be deferred in excess of two years. [L 1975, c 167, §11; am L 1976, c 70, pt of §2]

" **§189-46 Reports.** The department shall make a report for the period ending December 31 of each year to the governor, the president of the senate, and the speaker of the house of representatives, on the progress made under this part. The report shall be submitted not later than February 1 immediately following the period covered by the report. [L 1975, c 167, §12; am L 1976, c 70, pt of §2]