

HB 207

“An Act establishing the Board of Agriculture, Conservation, and Development; transferring the powers and duties of the Board of Agriculture and Conservation and the Natural Resource Conservation and Development Board to the Board of Agriculture, Conservation, and Development; transferring to the Department of Commerce, Community, and Economic Development the authority to approve loans from the agricultural revolving loan fund; terminating the Board of Agriculture and Conservation; terminating the Natural Resource Conservation and Development Board and repealing statutes relating to the board; relating to loans from the agricultural revolving loan fund; and providing for an effective date.”

Why HB 207?

Concerns Expressed

- ❖ Lack of formal communication between agricultural industry and state government
- ❖ Composition of Board of Agriculture and Conservation is limited to those farmers not applying for or modifying loans
- ❖ Potential loan applicants don't want to share personal financial information with friends or business competitors on board
- ❖ Lack of oversight for soil and water conservation districts
- ❖ Legislative audit concerns with Agriculture Revolving Loan Fund
- ❖ Depletion of ARLF principal

What HB 207 Will Do

Combine the BAC and NRCDB into a single board

Call it the Board of Agricultural, Conservation, and Development (BACD)

New board provides input to state agencies on agriculture, conservation, food production, and land use, and oversees soil and water conservation districts

Moves Agriculture Revolving Loan Fund loan approval to the Dept. of Commerce with an appeal process to the BACD and Commissioner of DNR

Authorizes BACD to oversee soil and water districts

Current Board Composition

❖ Board of Agriculture and Conservation

- Four engaged in commercial production agriculture (from four different agricultural enterprises)
- One member of a soil and water conservation district engaged in commercial production agriculture
- One member of a statewide agricultural promotion organization
- One member with general business or financial experience

❖ Natural Resources Conservation Development Board

- Five resident bona fide users of land from the five major land areas of the state (subject to confirmation)
- Commissioner of DNR (Director of Agriculture in commissioners absence) – non voting

New Board Composition

❖ 12 Voting Members

- Five engaged in commercial production agriculture (at least one from each of the four judicial districts)
- Five land users of a soil and water conservation district
- One member with general business or financial experience and not involved in commercial production agriculture
- One member with experience in preparation, storage, processing, handling, sale, or marketing of food products and not involved in commercial production agriculture

❖ 3 Nonvoting Members

- Commissioner of DNR or designee
- Commissioner of DEC or designee
- Chancellor of UAF or designee from Cooperative Extension Service or School of Natural Resources and Agricultural Sciences

Current BAC Duties

1. Administer and make loans from the ARLF
2. Adopt regulations to carry out the board's function
3. Enter into agreements to carry out the board's duties
4. Recommend land be classified as agricultural and offered for sale

Current NRCDB Duties

1. Advise the commissioner of DNR in the exercise of powers, duties, and functions of the commissioner
2. Receive and review reports concerning the use of soil resources and hold public hearings and meetings to determine if land is being used in a manner consistent with sound soil and water conservation practices and advise on the review of conservation plans for agricultural land sales
3. Recommend action to provide for effective and orderly development of agricultural, forest, and grazing land
4. Review appeals regarding a sale/lease of agricultural/grazing land
5. Advise soil and water conservation districts in the state
6. Serves as the Board of Supervisors for the Alaska District
 - Review conservation plans in the Alaska District

BACD Duties

1. Advise the commissioner of DNR, DEC, and ADF&G in the exercise of powers, duties, and functions of the commissioner
2. Receive and review reports concerning the use of soil resources and hold public hearings and meetings to determine if land is being used in a manner consistent with sound soil and water conservation practices and advise on the review of conservation plans for agricultural land sales
3. Recommend action to provide for effective and orderly development of agricultural, forest, and grazing land
4. Review appeals regarding a sale/lease of agricultural/grazing land
5. Advise and supervise the soil and water conservation districts in the state
6. Serves as the Board of Supervisors for the Alaska District
 - Review conservation plans in the Alaska District

BACD Duties

1. Administer the ARLF and review loan denial appeals
2. Adopt regulations to carry out the board's function, including guidelines for loan approvals from the ARLF
3. Enter into agreements to carry out the board's duties
4. Recommend land be classified as agricultural and offered for sale
5. Make recommendations to the University of Alaska Cooperative Extension Service or School of Natural Resources and Agricultural Sciences for programs and activities that will further the promotion, regulation, and protection of the agricultural and food industry, broaden the economic base of the state, and protect consumers

BACD Duties

1. Advises the commissioner of natural resources, environmental conservation, and fish and game on
 - (A) promotion, regulation, and protection of the agricultural and food industry to broaden the economic base of the state and to protect consumers;
 - (B) policy relating to
 - (i) agriculture;
 - (ii) land use;
 - (iii) resource conservation;
 - (iv) food safety and security;
 - (v) pesticides and herbicides;
 - (vi) noxious and invasive plants;
 - (vii) animals and pests;
 - (viii) animal care;
 - (ix) forestry; and
 - (x) mariculture;

Fiscal Notes

	FY16	FY17	
DEC	\$ 0	\$ 0	
CCED	0	0	
DNR 2633	(116,500)	(116,500)	← Not reflected in fiscal note.
DNR 2235	<u>173,800</u>	<u>156,500</u>	
	\$57,300	\$40,000	← Cost of loan approval. Based upon number of loans and services provided – Should be reduced by CS.

Includes \$17,300 for writing new regulations.

Advantages

The new Board of Agriculture, Conservation, and Development provides an efficient and formal avenue for communication between farmers/land users and the administration.

Farmers and land users will have more input into administration policy.

Loan approvals for the ARLF can be handled faster and with more efficiency and with common underwriting requirements.

Less meetings will allow improved efficiencies within the administration and realize modest cost savings.

Less funds should be removed from the ARLF for administrative purposes, retaining more of the ARLF's capital