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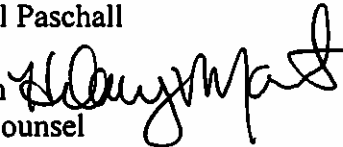
MEMORANDUM

March 13, 2014

SUBJECT: Sectional Summary of CSHB 207()
(Work Order No. 28-LS0675\R)

TO: Representative Eric Feige
Attn: Michael Paschall

FROM: Hilary Martin
Legislative Counsel



You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill -- the bill itself is the best statement of its contents.

This version of the bill does not repeal the Natural Resource Conservation and Development Board and no longer transfers the board's functions and duties.

Section 1. Repeals and reenacts AS 03.09.010(a). Establishes the Board of Agriculture and Conservation (board) in the Department of Natural Resources. The board consists of 10 members, including three ex officio nonvoting members.

Section 2. Repeals and reenacts AS 03.09.010(d). Allows a person with a lease, permit, installment contract, or loan under AS 03.10 or AS 38.05 to be appointed to the board. However, that person may not take official action that affects their own lease, permit, installment contract, or loan. Permits a person to be removed from the board for violating the terms of a lease, permit, installment contract, or loan.

Section 3. Requires the board to meet at least four times a year, and defines "commercial production agriculture" with regard to certain members of the board.

Section 4. Adds a new section, AS 03.09.015, that sets out the powers of the board, including advising the commissioner on agricultural policy, consulting with the director of the division of lands regarding agricultural lands, and adopting regulations.

Section 5. Makes the director of the division of the Department of Natural Resources, who is responsible for agriculture, responsible for the overall management and policy of the agricultural revolving loan fund.

Section 6. Requires five voting members of the board for a quorum.

Section 7. Allows the board to adopt regulations to carry out its duties, including establishing fees for services provided.

Section 8. Makes a conforming amendment for a reference to the board.

Section 9. Defines "agriculture" and "board."

Section 10. Adds a new section, AS 03.10.025, regarding loans from the agricultural revolving loan fund. Requires the Department of Commerce, Community, and Economic Development to approve loans from the fund and sets out the types of loans that may be approved.

Section 11. Removes a reference to the fixed rate of interest for a farm development, chattel, or irrigation loan in AS 03.10.030(a).

Section 12. Changes a reference from the board to the Department of Commerce, Community, and Economic Development. States that the interest rates for loans may not be less than three percent.

Section 13. Changes the references from the board to the Department of Natural Resources.

Section 14. Removes a reference to fixed rate of interest for farm processing loans.

Section 15. Deletes language regarding parameters for interest rates on loans.

Section 16. Allows the Department of Commerce, Community, and Economic Development to restructure certain loans under guidelines approved by the board. Restructured loans must have an interest rate not more than one percent less than the current rate for similar loans made from the agricultural revolving loan fund, but the interest rate may not be less than three percent.

Section 17. Requires funds from assignments of proceeds under this section to be deposited in the agricultural revolving loan fund.

Section 18. Repeals and reenacts AS 03.10.033(d) and requires that excess proceeds collection from an assignment to be refunded to the applicant.

Section 19. Changes a reference from the board to the Department of Commerce, Community, and Economic Development.

Section 20. Amends the definition of "nonfarm use."

Section 21. Allows the legislature to appropriate money from the fund for the costs of administering AS 03.10.

Section 22. Requires the board to administer the agricultural revolving loan fund.

Section 23. Adds new subsections to AS 03.10.050 regarding interest rates set by the board on loans from the agricultural revolving loan fund. Allows the board to set a lower interest rate under certain circumstances.

Section 24. Defines "agricultural," "board," and "department."

Section 25. Repeals statutes.

Section 26. Provides a transitional section that terminates the terms of the current members of the Board of Agriculture and Conservation; allows former members of the board to be eligible for reappointment; and sets out the terms for the newly appointed members of the Board of Agriculture and Conservation.

Section 27. Provides a transitional provision to allow the Department of Commerce, Community, and Economic Development to adopt regulations prior to January 31, 2015.

Section 28. Sets out an immediate effective date for sections 27(d) and 28.

Section 29. Provides that the effective date for the Act is January 31, 2015.

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