



Sectional Analysis

CS for Senate Bill 211(L&C) – Agricultural Products/Loans/Sales (33-GS2386\B) “Capital Access, Revenue Protection, and Open Procurement (CROP) Act”

- Section 1** Amends AS 03.09.030, *Agriculture, Animals and Food; Board of Agriculture and Conservation; Quorum*. Reduces from 5 to 4 the number of members required for a quorum to conduct business for the 7-member Board of Agriculture and Conservation. **Effective immediately.**
- Section 2** Amends AS 03.10.020(a), *Agriculture, Animals and Food; Alaska Agricultural Loan Act; Powers of the board*. Expands the activities for which the Board of Agriculture and Conservation can make a loan from the Agriculture Revolving Loan Fund. Loans could now be made to individual residents, partnerships, or corporations to, in addition to current eligible activities, cover shipping costs to and within Alaska; for in-state manufacturing of food or animal feed; and to refinance debt incurred through a different agricultural loan or through another lender as long as that loan was for purposes eligible for agricultural loans and the borrower is otherwise qualified for an agricultural loan. **Effective July 1, 2025.**
- Section 3** Amends AS 03.10.030(a), *Agriculture, Animals and Food; Alaska Agricultural Loan Act; Limitations on loans*. Increases from \$1 million to \$3 million the existing cap of total loans under this chapter to a single borrower and provides for annual inflation adjustments to that cap. **Effective July 1, 2024.**
- Section 4** Amends AS 03.10.030(c), *Agriculture, Animals and Food; Alaska Agricultural Loan Act; Limitations on loans*. Removes statutory caps limiting short term loans to \$350,000 for borrowers in a farm disaster area and \$200,000 for borrowers not in a farm disaster area. Allows the Board of Agriculture and Conservation to set the maximum short-term loan amount in regulation for borrowers in farm disaster areas and retains an increased cap of \$500,000 for a short-term loan made to a borrower not in a farm disaster area. **Effective July 1, 2025.**
- Section 5** Amends AS 03.10.030(f), *Agriculture, Animals and Food; Alaska Agricultural Loans Act; Limitations on loans*. Increases the maximum farm product processing loan from \$250,000 to \$500,000 and makes corresponding adjustments related to loan priority and security. **Effective July 1, 2025.**
- Section 6** Amends AS 03.10.030(g), *Agriculture, Animals and Food; Alaska Agricultural Loan Act; Limitations on loans*. Removes a statutory cap of \$250,000 for loans for clearing land; instead, the Board of Agriculture and Conservation will set a cap in regulation. **Effective July 1, 2025.**

- Section 7** Repeals AS 03.13.030, *Agriculture, Animals and Food; Federal Crop Insurance Contributions*, and reenacts as AS 03.13.030, *State contribution; limitation*. Increases the state contribution toward a producer’s federal crop insurance policy premiums for revenue protection policies. Revises the state share from a maximum of 30% of a producer’s premium on coverage of up to 65% of the recorded or appraised average yield to a tiered system based on a percentage of revenue protection (defined in Sec. 10). Provides more state assistance (85%) over the first two years, decreasing over 3 steps to up to 70% in fifth policy year and any future year. This contribution replaces provisions repealed by Sec. 11. **Effective July 1, 2025.**
- Section 8** Amends AS 03.13.040(b), *Agriculture, Animals and Food; Federal Crop Insurance Contributions; Appropriations*. Conforming change to align with amendments made by Sec. 7 and Sec. 11. **Effective July 1, 2025.**
- Section 9** Adds a new section to AS 03.13, *Agriculture, Animals and Food; Federal Crop Insurance Contributions*. Allows the Department of Natural Resources (DNR) to adopt regulations implementing the federal crop insurance contributions program. **Effective July 1, 2025.**
- Section 10** Adds a new paragraph to AS 03.13.050, *Agriculture, Animals and Food; Federal Crop Insurance Contributions; Definitions*. Adds the term “revenue protection” and defines it in reference to the Code of Federal Regulations. (C.F.R. 457.8 definition: A plan of insurance that provides protection against loss of revenue due to a production loss, price decline or increase, or a combination of both. If the harvest price exclusion is elected, the insurance coverage provides protection only against loss of revenue due to a production loss, price decline, or a combination of both.) **Effective July 1, 2025.**
- Section 11** Repeals AS 03.13.020 (*Agriculture, Animals, and Food; Federal Crop Insurance Contributions; Amount of Contributions*), proscribing the state contribution toward crop insurance for each covered producer. Section 7 establishes a new formula for the state contribution. **Effective July 1, 2025.**
- Section 12** Adds a new section to uncodified law requiring a report to the Legislature evaluating the procurement preferences for Alaska agricultural and fisheries products and recommending potential changes to increase effectiveness.
- Section 13** Adds a new section to uncodified law allowing the Board of Agriculture and Conservation and DNR to adopt regulations implementing the bill. **Effective immediately.**
- Section 14** Sets an immediate effective date for secs. 1 and 13 related to the Board of Agriculture and Conservation quorum and the authority to write regulations.

Section 15 Sets a July 1, 2024, effective date for Sec. 3 increasing the maximum Agriculture Revolving Loan Fund loans to one person.

Section 16 Sets a July 1, 2025, effective date for secs. 2 and 4-11 related to crop insurance premium subsidies.