

AMENDMENT #1

OFFERED IN THE SENATE

BY SENATOR HUGHES

TO: SCS CSHB 298(CRA)

1 Page 1, line 1, following "Act":

2 Insert "establishing forgivable loan programs for farm development and
3 improvement and for certain meat processing facilities; relating to a program of state
4 inspection for certain meat processing facilities;"

5

6 Page 1, following line 11:

7 Insert new bill sections to read:

8 "* Sec. 2. AS 03.20 is amended by adding new sections to read:

9 **Article 3. Forgivable Loan Programs for Farm Development and Improvement and**
10 **Meat Processing Facilities.**

11 **Sec. 03.20.200. Forgivable loan program for farm development and**
12 **improvement.** (a) The division of the department with responsibility for agriculture
13 shall establish a forgivable loan program in regulation, under which a recipient's loan
14 may be forgiven by the department if the recipient implements a business plan
15 approved by the department to develop or make improvements to the recipient's farm
16 as described in (d) of this section. A loan may be used by a recipient to fund
17 investments in agriculture to build resiliency in the state's food supply. The forgivable
18 loan program must allow a loan to be forgiven if the recipient implements the
19 approved business plan and demonstrates a subsequent increase in food production
20 and distribution.

21 (b) In administering the forgivable loan program established under (a) of this
22 section, the department

23 (1) shall develop criteria for awarding a forgivable loan and a process

1 for applying for a forgivable loan that includes requiring

2 (A) a forgivable loan applicant to submit a business plan that
3 provides

4 (i) how the applicant will meet the criteria required by
5 the department to approve a forgivable loan under this section;

6 (ii) a timeline for the applicant to meet the upgrades,
7 construction, or expansion funded by the forgivable loan; and

8 (B) the department to

9 (i) approve an applicant's business plan before awarding
10 a forgivable loan;

11 (ii) visit an applicant's farm, facility, or other site that
12 would receive funding under a forgivable loan made under this section;

13 (2) shall require a recipient of a forgivable loan to report to the
14 department on the use of forgivable loan funds;

15 (3) may make forgivable loans of up to \$150,000 to an applicant for
16 eligible farm development and improvement expenses approved by the department;

17 (4) shall, subject to appropriation, make the program available to
18 applicants annually until all available funds have been distributed.

19 (c) A business plan approved by the department under (b)(1)(B)(i) of this
20 section may be amended upon approval of the department.

21 (d) Expenses eligible for a loan under this section include expenses relating to

22 (1) clearing of land for agricultural purposes; and

23 (2) the purchase, building, installation, maintenance, or improvement
24 of

25 (A) irrigation, drainage, and other water management systems;

26 (B) fencing, trellising, barns, greenhouses, or other farm
27 buildings or structures;

28 (C) agricultural processing and farm equipment, including
29 milking and pasteurization equipment;

30 (D) livestock, feed, seeds, fertilizer, and seasonal extension
31 equipment; and

1 (E) bees and beekeeping equipment.

2 (e) A forgivable loan recipient must repay to the fund any money not spent
3 from a forgivable loan received under this section. Forgivable loan funds used for
4 expenses that are not eligible under (d) of this section or that are not accounted for in a
5 recipient's business plan approved by the department under (b) of this section must
6 also be repaid to the fund. Any money repaid by a forgivable loan recipient shall be
7 deposited into the general fund.

8 **Sec. 03.20.210. Forgivable loan program for meat processing facilities.** (a)

9 The department shall establish a forgivable loan program in regulation, under which a
10 recipient's loan may be forgiven by the department if the recipient implements a
11 business plan approved by the department and begins processing meat, or increases the
12 quantity of meat processed, in the recipient's facility. A loan may be used by a
13 recipient to fund the expansion of a facility that operates under a program of federal
14 inspection that plans to increase processing of meat from animals raised in the state.
15 The forgivable loan program must allow a loan to be forgiven if the recipient
16 implements the approved business plan and demonstrates a subsequent increase in
17 food production and distribution.

18 (b) In administering the forgivable loan program established under (a) of this
19 section, the department

20 (1) shall develop criteria for awarding a forgivable loan and a process
21 for applying for a forgivable loan that includes requiring

22 (A) a forgivable loan applicant to submit a business plan that
23 provides

24 (i) how the applicant will meet the criteria required by
25 the department to approve a forgivable loan under this section;

26 (ii) a timeline for the applicant to meet the upgrades,
27 construction, or expansion funded by the forgivable loan; and

28 (B) the department to

29 (i) approve an applicant's business plan before awarding
30 a forgivable loan;

31 (ii) visit an applicant's facility or the site of a facility

1 proposed by an applicant to be upgraded, constructed, or expanded with
2 forgivable loan funds;

3 (2) shall award forgivable loans preferentially to support facilities that
4 prioritize seasonally feasible processing of meat from animals raised in the state; and

5 (3) shall require a recipient of a forgivable loan to report to the
6 department on the use of forgivable loan funds;

7 (4) may make forgivable loans of up to \$250,000 to an applicant
8 whose business plan is approved under this subsection for eligible expenses approved
9 by the department;

10 (5) shall, subject to appropriation, make the program available to
11 applicants annually until all available funds have been distributed.

12 (c) A recipient of a forgivable loan made under this section may use
13 forgivable loan funds for costs related to activity described in (a) of this section that
14 are approved by the department, including costs of technical assistance and the
15 purchase of equipment.

16 (d) The department may charge an administrative fee to the recipient of a
17 forgivable loan made under this section to cover the department's costs of
18 administering the forgivable loan program. The department

19 (1) shall deduct the fee from the forgivable loan funds provided to the
20 recipient; and

21 (2) may not charge a recipient more than three percent of the amount
22 of a forgivable loan made to the recipient applicant under this section.

23 (e) The meat processing facilities forgivable loan fund is established in the
24 department and consists of appropriations to the fund. Appropriations to the fund do
25 not lapse.

26 (f) A business plan approved by the department under (b)(1)(B)(i) of this
27 section may be amended upon approval of the department.

28 (g) A forgivable loan recipient must repay to the fund any money not spent
29 from a forgivable loan received under this section. Forgivable loan funds used for
30 expenses that are not eligible under (a) of this section or that are not accounted for in a
31 recipient's business plan approved by the department under (b) of this section must

1 also be repaid to the fund. Any money repaid by a forgivable loan recipient shall be
2 deposited into the general fund.

3 * **Sec. 3.** AS 17.20.005 is amended to read:

4 **Sec. 17.20.005. Powers and duties of commissioner.** To carry out the
5 requirements of this chapter, the commissioner may issue orders, regulations, permits,
6 quarantines, and embargoes relating to

7 (1) food offered to the public or sold, subject to AS 17.20.017,
8 including

9 (A) inspection of meat, fish, poultry, and other food products;

10 (B) standards of sanitation and handling methods for all phases
11 of slaughtering, processing, storing, transporting, displaying, and selling;

12 (C) labeling; and

13 (D) the training, testing, and certification requirements for
14 individuals who handle or prepare food, their supervisors, and their employers
15 to ensure their knowledge of food safety and sanitation principles and
16 requirements;

17 (2) control and eradication of pests;

18 (3) enforcement of hazard analysis critical control point programs for
19 seafood processing that are developed in cooperation with appropriate industry
20 representatives or, to the extent not inconsistent with this chapter or regulations
21 adopted under the authority of this chapter, that are established by regulations of the
22 United States Food and Drug Administration as they may periodically be revised;

23 (4) labeling, subject to AS 17.20.013, and grading of milk and milk
24 products and standards of sanitation for dairies offering to the public or selling milk or
25 milk products to at least the minimum of current recommendations of the United
26 States Public Health Service pasteurized milk ordinance as it may periodically be
27 revised;

28 (5) standards and conditions for the operation and siting of aquatic
29 farms and related hatcheries, including

30 (A) restrictions on the use of chemicals; and

31 (B) requirements to protect the public from contaminated

1 aquatic farm products that pose a risk to health;

2 (6) monitoring aquatic farms and aquatic farm products to ensure
3 compliance with this chapter and, to the extent not inconsistent with this chapter or
4 regulations adopted under the authority of this chapter, with the requirements of the
5 national shellfish sanitation program manual of operations published by the United
6 States Food and Drug Administration as it may periodically be revised;

7 (7) tests and analyses that may be made and hearings that may be held
8 to determine whether the commissioner will issue a stop order or quarantine;

9 (8) transportation of, use of, disposal of, recalls of, or warnings
10 concerning quarantined or embargoed items;

11 (9) cooperation with federal and other state agencies.

12 * **Sec. 4.** AS 17.20 is amended by adding new sections to read:

13 **Sec. 17.20.017. Inspection of processed meat products.** (a) The department
14 may adopt regulations to establish a program of state inspection for the processing and
15 sale of meat products, including meat products from amenable species.

16 (b) The department may administer and enforce regulations adopted under (a)
17 of this section for a program of state inspection for the processing and sale of meat
18 products from amenable species only if the program is approved by the federal
19 government.

20 (c) Regulations adopted by the department under this section must impose
21 requirements that are not less stringent than the requirements imposed under 21 U.S.C.
22 601 - 695 (Federal Meat Inspection Act) and 7 U.S.C. 1901 - 1907 (Humane Methods
23 of Slaughter Act).

24 (d) Subject to (b) of this section, and except as provided in (e) of this section,
25 if the department adopts regulations to establish a program of state inspection for the
26 processing and sale of meat products, the department shall

27 (1) license facilities that process meat products for sale to the public;

28 (2) adopt license requirements and fees for facilities that process meat
29 products for sale to the public; and

30 (3) use officers and employees of the department to inspect facilities
31 that are licensed under this subsection.

1 (e) The department may not establish, administer, or enforce a program of
2 inspection under this section for facilities that process meat products from equines.

3 (f) In this section,

4 (1) "amenable species" has the meaning given in 21 U.S.C. 601(w);

5 (2) "equine" means a member of the family Equidae."
6

7 Renumber the following bill sections accordingly.
8

9 Page 5, line 29:

10 Delete "sec. 2(c)"

11 Insert "sec. 5(c)"
12

13 Page 6, line 10:

14 Delete "sec. 2"

15 Insert "sec. 5"
16

17 Page 6, following line 12:

18 Insert a new bill section to read:

19 **** Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to
20 read:

21 **TRANSITION: REGULATIONS.** The Department of Natural Resources shall adopt
22 regulations necessary to implement AS 03.20.200 and 03.20.210, enacted by sec. 2 of this
23 Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not
24 before the effective date of the law implemented by the regulation."
25

26 Renumber the following bill sections accordingly.
27

28 Page 6, line 13:

29 Delete "Sections 1 - 3"

30 Insert "Sections 1, 5, and 6"
31

1 Page 6, line 14:

2 Delete "Section 3 of this Act takes"

3 Insert "Sections 2 - 4 and 6 of this Act take"

4

5 Page 6, line 15:

6 Delete "sec. 6"

7 Insert "sec. 10"