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IN THE HOUSE

BY MESSRS. RHODE, A. HARRIS,  
KERTTULA AND KENDALL

HOUSE BILL NO. 304

IN THE LEGISLATURE OF THE STATE OF ALASKA

SECOND LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act creating an Agricultural Loan Board; expanding the capitalization of the agricultural revolving loan fund; repealing and re-enacting Sec. 4, Ch. 122, SLA 1953, as amended by Ch. 156, SLA 1955; amending Sec. 5, Ch. 122, SLA 1953, as amended by Sec. 2, Ch. 41, SLA 1961; repealing Secs. 1, 2, 3, 6, 7 and 8, Ch. 122, SLA 1953; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

Section 1. AGRICULTURAL LOAN BOARD. a. There is hereby created within the division of agriculture an Agricultural Loan Board to carry out the provisions of this Act. The board consists of five members, three of whom shall be farmers, one a banker and one representing the general public. The members shall be appointed by the governor from among competent residents of the state representing the principal agricultural areas, and their appointment is subject to confirmation by the Legislature. A majority of the membership constitutes a quorum to transact business.

b. The term of office of board members shall be for four years, except that those first appointed shall be designated to serve two for four years and three for two years. If a vacancy occurs by resignation or otherwise during a term, the governor

1 shall appoint to fill the unexpired term, subject to confirmation  
2 by the legislature at its next session.

3 c. The board shall meet within 30 days after appointment by  
4 the governor, shall promulgate such rules and regulations relat-  
5 ing to the agricultural loan program as they deem desirable and  
6 necessary, and as are within the powers delegated by this Act.  
7 At its first meeting the board shall elect from among its members  
8 a president, vice president, and secretary. The board shall co-  
9 operate with agencies of the federal government concerned with  
10 agriculture and with other state agencies and political sub-  
11 divisions within Alaska.

12 d. The board shall establish such local advisory committees  
13 as may be necessary or deemed expedient to assist in carrying out  
14 any duty assigned to it.

15 e. The board shall hold regular meetings at least once  
16 annually at such times and places as it deems desirable, and  
17 shall hold such special meetings as are deemed necessary by the  
18 president or requested by two or more members.

19 f. The members of the board shall receive actual travel  
20 expenses and per diem while attending meetings of the board.

21 Sec. 2. Sec. 4, Ch. 122, SLA 1953, as amended by Ch. 156,  
22 SLA 1955, is repealed and re-enacted to read:

23 Sec. 4. POWERS OF BOARD. The Agricultural Loan Board  
24 has the following powers:

25 . (1) To make loans to individual resident Alaska  
26 farmers, homesteaders, and partnerships or corporations com-  
27 posed of farmers and homesteaders, with the exception of  
28 members of the Agricultural Loan Board as described in this  
29 Act, for development of farms and facilities for storage,

1 marketing, and processing of farm produce, livestock and  
2 machinery, subject to the following limitations:

3 (a) Farm development loans shall not exceed  
4 \$40,000.00 or raise the total real estate indebtedness  
5 above \$40,000.00. Such loans shall not run longer  
6 than 20 years or bear interest in excess of  $5\frac{1}{2}\%$ , and  
7 shall be secured by a real estate or chattel mortgage,  
8 or both.

9 (b) Chattel loans shall not exceed  
10 \$40,000.00 to any one borrower, shall not run longer  
11 than five years or the useful life of the chattel, or  
12 bear interest in excess of  $6\frac{1}{2}\%$ , and shall be secured  
13 by a real estate or chattel mortgage, or both.

14 (c) Short term crop loans to be amortized  
15 within one year, not to exceed \$5,000.00 to any one  
16 borrower, may be made for emergency purposes.

17 (d) Agricultural-business loans may be made  
18 to responsible individuals, corporations, or political  
19 subdivisions to provide facilities for assembling,  
20 storing, processing, or marketing Alaska farm products,  
21 and such loans shall not exceed \$200,000.00 for each  
22 unit, nor run longer than 20 years, nor bear interest  
23 in excess of  $6\frac{1}{2}\%$ , and shall be secured by a real estate  
24 or chattel mortgage, or both.

25 (2) Designate agents and delegate such of its  
26 powers as deemed necessary to such agents.

27 (3) Adopt rules and regulations necessary to  
28 carry out its functions.

29 (4) Establish amortization plans for repayment of

1 loans, which may include delayed payments of principal and/or  
2 interest for not to exceed five years.

3 (5) To enter into agreements with private loan-  
4 ing institutions, other state agencies or agencies of the  
5 federal government, to carry out the purposes of this Act.

6 Sec. 3. Sec. 5, Ch. 122, SLA 1953, as amended by Sec. 2,  
7 Ch. 41, SLA 1961, is amended to read:

8 Sec. 5. CREATION OF FUND. a. There is hereby created  
9 an agricultural revolving loan fund which fund shall not  
10 exceed \$3,000,000.00 [\$2,000,000.00] to carry out the  
11 purposes and provisions of this Act under the administration  
12 of the Agricultural Loan Board.

13 b. The Board is authorized to negotiate loans from  
14 the various state funds in the custody of the commissioners  
15 of the Departments of Administration and Revenue.

16 Sec. 4. Secs. 1, 2, 3, 6, 7 and 8, Ch. 122, SLA 1953, are  
17 repealed.

18 Sec. 5. This Act takes effect on the day after its passage  
19 and approval or on the day it becomes law without such approval.  
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