

1 IN THE SENATE

BY SENATORS POLLOCK, GREIMANN,
V. PHILLIPS AND B. PHILLIPS

2 SENATE BILL NO. 118

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SECOND LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act creating an Agricultural Loan Board;
7 expanding the capitalization of the agri-
8 cultural revolving loan fund; repealing and
9 re-enacting Sec. 4, Ch. 122, SLA 1953, as
10 amended by Ch. 156, SLA 1955; amending Sec.
11 5, Ch. 122, SLA 1953; repealing Secs. 1, 2,
12 3, 6, 7 and 8, Ch. 122, SLA 1953; and pro-
13 viding for an effective date."

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

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

25 b. The term of office of board members shall be for four
26 years, except that those first appointed shall be designated to
27 serve two for four years and three for two years. If a vacancy
28 occurs by resignation or otherwise during a term, the governor
29 shall appoint to fill the unexpired term, subject to confirmation

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1 by the legislature at its next session.

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

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

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

18 f. The members of the board shall receive actual travel ex-
19 penses and per diem while attending meetings of the board.

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

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

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

1 machinery, subject to the following limitations:

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

8 (b) Chattel loans shall not exceed
9 \$25,000.00 to any one borrower, shall not run longer
10 than five years or the useful life of the chattel, or
11 bear interest in excess of $6\frac{1}{2}\%$, and shall be secured
12 by a real estate or chattel mortgage, or both.

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

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

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

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

28 (4) Establish amortization plans for repayment of
29 loans, which may include delayed payments of principal and/or

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interest for not to exceed five years.

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

Sec. 3. Sec. 5, Ch. 122, SLA 1953, is amended to read:

Sec. 5. CREATION OF FUND. a. There is hereby created
an agricultural revolving loan fund which fund shall not
exceed \$2,000,000.00 [ONE MILLION DOLLARS (\$1,000,000.00)] to
carry out the purposes and provisions of this Act under the
administration of the Agricultural Loan Board.

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

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

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