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IN THE HOUSE

BY MR. HARRIS

HOUSE BILL NO. 349

IN THE LEGISLATURE OF THE STATE OF ALASKA
THIRD LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to agricultural loans;
creating an Agricultural Advisory Loan
Board; and providing for an effective date."

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

* Section 1. AS 03.10 is amended by adding a new section to
read:

Sec. 03.10.025. AGRICULTURAL ADVISORY LOAN BOARD. (a)

There is created within the department an Agricultural
Advisory Loan Board to assist the commissioner in carrying
out the provisions of this chapter. The board consists of
five members: one a banker, one representing the general
public, and three who are farmers earning at least three-
fourths of their annual income from farming or agriculture.
One farmer member shall come from each of the principal
agricultural areas, the Matanuska Valley, Tanana Valley, and
the Kenai Peninsula. The members shall be appointed by the
governor from among competent residents of the state and
their appointment is subject to confirmation by the legis-
lature. A member may act and receive compensation from the
time of his appointment until his confirmation or rejection
by the legislature.

(b) The term of office for an appointed member of the
board is five years. A term of office expires on February 1
of each year. A member appointed by the governor to fill a

1 vacancy serves for the unexpired term of the member he
2 succeeds.

3 (c) A majority of the membership constitutes a quorum
4 to transact business.

5 (d) At the first regular meeting of every odd-numbered
6 year, the board shall elect a chairman from among its mem-
7 bers. The director of the division of agriculture shall
8 serve as secretary to the board. The board shall hold
9 regular meetings at least once annually at the times and
10 places it considers desirable. Special meetings shall be
11 held when considered necessary by the chairman, or requested
12 by three or more members, or by the commissioner.

13 (e) Members of the board receive no salary, but are
14 entitled to per diem and travel expenses authorized by law
15 for other boards. The expenses of the board shall be paid
16 from the amount appropriated by the legislature for the
17 administration of the agricultural revolving loan fund.

18 * Sec. 2. Initial appointments of members to the Agricultural
19 Advisory Loan Board are for one, two, three, four, and five years.
20 The board shall meet within 30 days after appointment by the gov-
21 ernor. The board shall elect a chairman at its first meeting.

22 * Sec. 3. AS 03.10.030 is amended to read:

23 Sec. 03.10.030. LIMITATIONS ON LOANS. (a) A farm
24 development loan may not exceed \$40,000 nor raise the total
25 real estate indebtedness above \$40,000. It may not run longer
26 than 20 years nor bear interest exceeding five [FOUR AND ONE-
27 HALF] per cent, and it shall be secured by a real estate or
28 chattel mortgage, or both.

29 (b) A chattel loan may not exceed \$25,000 to any one

1 borrower [FOR EACH FARM UNIT]. It may not run longer than
2 five years or the useful life of the chattel. It may not
3 bear interest exceeding six [FIVE] per cent. It shall be
4 secured by a real estate or chattel mortgage, or both.

5 (c) A short term crop loan, to be amortized within
6 one year, not to exceed \$5,000 to any one borrower may be
7 made for emergency purposes.

8 (d) Agricultural-business loans may be made to respon-
9 sible individuals, corporations, or political subdivisions
10 to provide facilities for assembling, storing, processing,
11 or marketing Alaska farm products. An agricultural-business
12 loan may not exceed \$50,000 for each unit, nor run longer than
13 20 years. It may not bear interest exceeding six per cent.
14 It shall be secured by a real estate or chattel mortgage, or
15 both.

16 * Sec. 4. This Act takes effect on the day after its passage
17 and approval, or on the day it becomes law without such approval.

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