

Introduced: 2/7/68
Referred: Resources
& Finance

1 IN THE SENATE

BY SMITH

2 SENATE BILL NO. 300

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agricultural cooperative loans."

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

8 * Section 1. AS 03 is amended by adding a new chapter to read:

9 CHAPTER 11. ALASKA AGRICULTURAL COOPERATIVE LOAN ACT.

10 Sec. 03.11.010. POWERS OF THE DEPARTMENT. (a) The department may

11 (1) make loans to a group organized under AS 10.15 upon a
12 showing that the purpose for organizing is to provide agricultural
13 processing facilities in an agricultural community;

14 (2) designate agents and delegate its powers to them as neces-
15 sary;

16 (3) adopt rules and regulations necessary to carry out its
17 functions;

18 (4) establish amortization plans for repayment of loans,
19 which may include delayed payments of principal and interest for a
20 period not to exceed five years;

21 (5) enter into agreements with private lending institutions,
22 other state agencies or agencies of the federal government, to carry
23 out the provisions of this chapter.

24 (b) The department shall

25 (1) make feasibility studies on all applications for loans
26 under this chapter and determine

27 (A) the need for a food processing facility in the
28 area proposed,

29 (B) the probability of its success,

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(C) the overall impact a processing facility will have on the community;

(2) use the conclusions drawn from this study as one of the guidelines in determining whether or not it would be beneficial to grant the loan.

Sec. 03.11.020. LIMITATIONS ON ORGANIZATION UNDER AS 10.15. A group organized under AS 10.15 and this chapter shall adopt bylaws providing that membership is open to every person in the community having a need for these facilities; and providing that the membership fee shall be set at \$500 each.

Sec. 03.11.030. LIMITATIONS ON LOANS. A loan under this chapter may not exceed \$60,000 for any one cooperative in any five-year period.

Sec. 03.11.040. CREATION OF FUND. There is authorized an agricultural cooperative revolving loan fund not to exceed \$1,000,000 to carry out the purpose of this chapter.

Sec. 03.11.050. ADMINISTRATION OF FUND. The commissioner shall administer the loan fund.

Sec. 03.11.060. SHORT TITLE. This chapter may be cited as the Alaska Agricultural Cooperative Loan Act.