

1 IN THE HOUSE

BY KERTTULA

2 HOUSE BILL NO. 26

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for loans to processors of agricul-
7 tural and fisheries products."

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

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

10 CHAPTER 12. AGRICULTURAL AND FISHERIES PRODUCTS LOAN FUND.

11 Sec. 03.12.010. DECLARATION OF POLICY. It is the policy of this
12 chapter to promote the development of the agricultural and fisheries
13 products processing industries throughout the state by means of long-
14 term low-interest loans.

15 Sec. 03.12.020. POWERS OF THE DIVISION OF AGRICULTURE. The
16 division of agriculture may

17 (1) make loans to processors of agricultural and fisheries
18 products of the state for real estate, buildings and equipment;

19 (2) designate agents and delegate its powers to them as
20 necessary to carry out the provisions of this chapter;

21 (3) adopt regulations under the Administrative Procedure
22 Act necessary to carry out the provisions of this chapter;

23 (4) establish amortization plans for repayment of loans,
24 which may include delayed payments of principal and interest for not
25 to exceed five years;

26 (5) enter into agreements with private lending institutions
27 other state agencies of the federal government, to carry out the
28 purposes of this chapter.

29 Sec. 03.12.030. LIMITATIONS ON LOANS. (a) The total amount

1 of a loan or loans made under this chapter to any one borrower may not
2 exceed \$500,000. Each loan shall be secured by a real estate or
3 chattel mortgage, or both. The mortgage shall be a first mortgage.
4 A loan may not run longer than 25 years in the case of a loan for real
5 estate or buildings, nor longer than 15 years in the case of a loan
6 for equipment. No loan may bear interest exceeding six per cent.

7 (b) A chattel loan may not exceed \$500,000 for each agricultural
8 or fisheries product processing unit. It may not run longer than
9 15 years or the useful life of the chattel. It may not bear interest
10 exceeding six per cent. It shall be secured by a real estate or
11 chattel mortgage, or both.

12 (c) A short term loan, to be amortized within one year, not to
13 exceed \$50,000 to any one borrower may be made for emergency purposes.

14 Sec. 03.12.040. CREATION OF FUND. There is an agricultural and
15 fisheries products loan fund which shall not exceed \$5,000,000 to
16 carry out the purpose of this chapter.

17 Sec. 03.12.050. ADMINISTRATION OF FUND. The director of the
18 division of agriculture shall administer the loan fund through the
19 same body that administers the Alaska Agricultural Loan Act (AS 03.10).

20 Sec. 03.12.060. SALE OR TRANSFER OF MORTGAGES AND NOTES. The
21 director of the division of agriculture may sell or transfer at par
22 value or at a premium or discount to the Department of Revenue or a
23 bank or other private purchaser for cash or other consideration the
24 mortgages and notes held by the division as security for loans made
25 under this chapter.
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