

Introduced: 3/23/77
Referred: Resources and
Finance

1 IN THE SENATE

BY KERTTULA

CS
2 SENATE BILL NO. 281
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agricultural loans under the Alaska
7 Agricultural Loan Act; and providing for an effective
8 date."

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

10 * Section 1. AS 03.10.030(a) is amended to read:

11 (a) A farm development loan may not exceed \$250,000 [\$200,000].

12 The mortgage which secures a farm development loan may be of any prior-
13 ity if the total indebtedness on the real estate, including the secured
14 farm development loan, does not exceed \$250,000 [\$200,000]. A farm
15 development loan which, if granted, would raise the existing indebted-
16 ness on the real estate above \$250,000 [\$200,000], or a farm development
17 loan on real estate which has a prior existing indebtedness of \$250,000
18 [\$200,000] or more, may be made only if all prior mortgagees agree to
19 subordinate their mortgages to that of the state for the amount of the
20 farm development loan which exceeds the \$250,000 [\$200,000] indebtedness
21 limit on the real estate. A loan may not run longer than 30 years nor
22 bear interest exceeding six per cent, and it shall be secured by a real
23 estate or chattel mortgage, or both.

24 * Sec. 2. AS 03.10.040 is amended to read:

25 Sec. 03.10.040. CREATION OF FUND. There is created an agricul-
26 tural revolving loan fund within the general fund [WHICH SHALL NOT
27 EXCEED \$5,000,000] to carry out the purpose of this chapter. The
28 appropriate state department or agency shall disburse five per cent of
29 the income of the fund created under art. IX, sec. 15, Constitution of

1 the State of Alaska for deposit in the agricultural revolving loan fund
2 until that fund reaches \$20,000,000 at which time disbursement of the
3 income shall be suspended. The disbursements shall be resumed when the
4 agricultural revolving loan fund is reduced below \$10,000,000 and shall
5 continue until the agricultural revolving loan fund again reaches
6 \$20,000,000. All sums repaid on loans granted under this chapter shall
7 be deposited in the agricultural revolving loan fund and included in
8 calculating the balance.

9 * Sec. 3. This Act takes effect July 1, 1978.
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