

Original sponsor: Moss

Offered: 4/23/81
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 237 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Alaska Agricultural Loan Act; and
7 providing for an effective date."

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

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

10 (a) A farm development loan may not exceed \$500,000. The mortgage
11 which secures a farm development loan may be of any priority if the
12 total indebtedness on the real estate, including the secured farm
13 development loan, does not exceed \$500,000. A farm development loan
14 which, if granted, would raise the existing indebtedness on the real
15 estate above \$500,000, or a farm development loan on real estate which
16 has a prior existing indebtedness of \$500,000 or more, may be made only
17 if all prior mortgagees agree to subordinate their mortgages to that of
18 the state for the amount of the farm development loan which exceeds the
19 \$500,000 indebtedness limit on the real estate. A loan may not run
20 longer than 30 years nor bear interest exceeding eight [SIX] percent,
21 and it shall be secured by a real estate or chattel mortgage, or both.

22 * Sec. 2. AS 03.10.030(b) is amended to read:

23 (b) Except for loans for irrigation systems as provided in this
24 subsection, a chattel loan may not exceed \$300,000 for each farm unit
25 and may not run longer than seven years or the useful life of the
26 chattel if more than seven years. It may not bear interest exceeding
27 eight [SIX] percent. It shall be secured by a real estate or chattel
28 mortgage, or both. Loans and the real estate and chattel mortgage
29 security on them for irrigation systems may be in amounts and for terms

1 as determined by the commissioner.

2 * Sec. 3. AS 03.10.030(f) is amended to read:

3 (f) A farm product processing loan may not exceed \$2,500,000. A
4 mortgage which secures a farm product processing loan may be of any
5 priority if the total indebtedness on the real estate, including the
6 secured farm product processing loan, does not exceed \$2,500,000. A
7 farm product processing loan which, if made, would raise the existing
8 indebtedness on the real estate securing the loan above \$2,500,000, or
9 a farm product processing loan on real estate which has a prior indebt-
10 edness of \$2,500,000 or more, may be made only if all prior mortgagees
11 agree to subordinate their mortgages to that of the state for the
12 amount of the farm product processing loan which exceeds the \$2,500,000
13 indebtedness limit on the real estate. A farm product processing loan
14 may not exceed a term of 30 years or bear interest exceeding eight
15 [SIX] percent a year and shall be secured by a real estate or chattel
16 mortgage or both.

17 * Sec. 4. AS 03.10.040 is amended to read:

18 Sec. 03.10.040. CREATION OF FUND. There is an agricultural
19 revolving loan fund which shall not exceed \$75,000,000 [\$20,000,000]
20 to carry out the purpose of this chapter.

21 * Sec. 5. AS 03.10.050 is amended by adding a new subsection to read:

22 (c) A member of the agricultural revolving loan fund board may
23 not, during his term of office or within one year after he ceases to be
24 a member of the board, obtain a loan under this chapter other than a
25 short-term loan under AS 03.10.030(c).

26 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-
27 070(c).