

Offered: 4/29/83  
Referred: Rules

Original sponsor: Shultz

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR HOUSE BILL NO. 156 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act establishing the Alaska grain reserve program  
7 and the Alaska grain reserve loan fund; and providing  
8 for an effective date."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. AS 03 is amended by adding a new chapter to read:  
11 CHAPTER 12. ALASKA GRAIN RESERVE PROGRAM.  
12 Sec. 03.12.010. ALASKA GRAIN RESERVE PROGRAM ESTABLISHED. The  
13 Alaska grain reserve program is established in the Department of  
14 Natural Resources for the purpose of assisting state grain producers  
15 to develop markets for their products by making loans secured by grain  
16 reserves.  
17 Sec. 03.12.020. DUTIES OF THE DEPARTMENT. In carrying out the  
18 purposes of this chapter the department shall  
19 (1) make loans to state grain producers under the con-  
20 ditions set out in this chapter;  
21 (2) administer and inspect stored grain held as collateral  
22 for loans made under this chapter; and  
23 (3) administer the Alaska grain reserve loan fund  
24 (AS 03.12.040).  
25 Sec. 03.12.030. CONDITIONS ON LOANS. (a) The department may  
26 make a loan to a state grain producer secured by grain grown by that  
27 producer in 1983 or 1984. Grain that is used as collateral for a loan  
28 made under this chapter must be graded number four or better.  
29 (b) The amount of a loan made under this chapter is determined

1 by multiplying 90 percent of the United States Department of Agricul-  
2 ture target price per ton for the type and grade of grain offered as  
3 collateral by the total tonnage of the collateral.

4 (c) The interest rate on a loan made under this chapter is equal  
5 to the interest rate on a loan made under AS 03.10.030(a).

6 (d) Grain that is held as collateral for a loan made under this  
7 chapter shall be stored in a storage facility approved by the depart-  
8 ment. The borrower may provide storage for the grain if the depart-  
9 ment determines that the storage provided by the borrower will ade-  
10 quately protect the department's interest in the grain. The depart-  
11 ment may inspect a storage facility provided by a borrower at any time  
12 and shall adopt regulations setting standards for storage facilities.  
13 Storage costs shall be paid to the borrower by the department during  
14 the term of the loan at the United States Department of Agriculture  
15 grain reserve loan storage rate.

16 (e) A borrower may not remove, sell, or otherwise dispose of  
17 grain held as collateral for a loan under this chapter without the  
18 consent of the department. All proceeds from the sale of collateral,  
19 up to an amount equal to the value originally assigned to that col-  
20 lateral under (b) of this section, plus accrued interest on the por-  
21 tion of the loan secured by that collateral, shall be applied to the  
22 outstanding balance of the loan.

23 (f) A loan made under this chapter shall be for a term that may  
24 not exceed three years. The borrower shall make annual payments of  
25 accrued interest during the term of the loan.

26 (g) In this section references to grain grading standards,  
27 target prices, volume or weight calculations and inspection standards,  
28 indicate standards, prices, or calculations that are in accordance  
29 with applicable United States Department of Agriculture standards.

1 (h) A loan may not be made under this chapter to a producer that  
2 is eligible to participate in federal grain reserve loan programs.

3 Sec. 03.12.040. ALASKA GRAIN RESERVE LOAN FUND. The Alaska  
4 grain reserve loan fund is established in the department for the  
5 purpose of financing loans made under this chapter. The fund consists  
6 of appropriations made to it by the legislature.

7 Sec. 03.12.050. ADMINISTRATION OF FUND. The commissioner shall  
8 administer the fund in conjunction with the agricultural loan fund  
9 board established under AS 03.10.050. A loan in excess of \$25,000 may  
10 not be made by the commissioner without the approval of the board.

11 Sec. 03.12.060. REGULATIONS. The department shall adopt regula-  
12 tions to carry out the purposes of this chapter.

13 Sec. 03.12.070. ADMINISTRATIVE PROCEDURE ACT. In carrying out  
14 the provisions of this chapter the department is subject to the Admin-  
15 istrative Procedure Act (AS 44.62).

16 Sec. 03.12.200. DEFINITIONS. In this chapter

17 (1) "commissioner" means the commissioner of natural re-  
18 sources;

19 (2) "department" means the Department of Natural Resources;

20 (3) "fund" means the Alaska grain reserve loan fund; and

21 (4) "grain" means barley, wheat or oats.

22 \* Sec. 2. AS 44.62.330(a) is amended by adding a new paragraph to read:

23 (52) Department of Natural Resources concerning the Alaska  
24 grain reserve program (AS 03.12).

25 \* Sec. 3. The Alaska grain reserve program and the Alaska grain reserve  
26 loan fund established in sec. 1 of this Act terminate January 1, 1988. All  
27 money and other assets of the Alaska grain reserve program and all money  
28 and other assets in the Alaska grain reserve loan fund, as of January 1,  
29 1988, shall be transferred to the general fund on that date. The

1 Department of Natural Resources shall collect loan payments on grain re-  
2 serve loans that are outstanding on January 1, 1988 and shall transfer  
3 those payments into the general fund.

4 \* Sec. 4. AS 03.12 is repealed.

5 \* Sec. 5. Section 4 of this Act takes effect January 1, 1988.

6 \* Sec. 6. Sections 1 - 3 of this Act takes effect immediately in accor-  
7 dance with AS 01.10.070(c).