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Referred: Resources
and Finance

1 IN THE SENATE

BY MOSS

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SENATE BILL NO. 169

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 revolving loan fund; and

8

providing for an effective date."

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

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

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CHAPTER 12. ALASKA GRAIN RESERVE PROGRAM.

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Sec. 03.12.010. ALASKA GRAIN RESERVE PROGRAM ESTABLISHED. The

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Alaska grain reserve program is established in the division of agri-

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culture, Department of Natural Resources, for the purpose of assisting

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state grain producers to develop markets for their products by making

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loans secured by grain reserves.

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Sec. 03.12.020. DUTIES OF THE DIVISION. In carrying out the

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purposes of this chapter the division shall

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(1) make loans to state grain producers under the con-

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ditions set out in this chapter;

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(2) administer and inspect stored grain held as collateral

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for loans made under this chapter; and

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(3) administer the Alaska grain reserve revolving loan fund

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(AS 03.12.040).

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Sec. 03.12.030. CONDITIONS ON LOANS. (a) The division may make

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a loan to a state grain producer secured by grain grown by that pro-

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ducer. Grain that is used as collateral for a loan made under this

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chapter must be graded number three or better.

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(b) The amount of a loan made under this chapter is determined

1 by multiplying the target price per ton for the type and grade of
2 grain offered as collateral by 90 percent of the total tonnage of the
3 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 divi-
8 sion, at the expense of the borrower. The borrower may provide stor-
9 age for the grain if the division determines that the storage provided
10 by the borrower will adequately protect the division's interest in the
11 grain. The division may inspect a storage facility provided by a
12 borrower at any time and shall adopt regulations setting standards for
13 storage facilities.

14 (e) A borrower may not remove, sell, or otherwise dispose of
15 grain held as collateral for a loan under this chapter without the
16 consent of the division. All proceeds from the sale of the collat-
17 eral, up to an amount equal to the value originally assigned to that
18 collateral under (b) of this section, shall be applied to the out-
19 standing balance of the loan.

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

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

27 Sec. 03.12.040. ALASKA GRAIN RESERVE REVOLVING LOAN FUND. The
28 Alaska grain reserve revolving loan fund is established in the divi-
29 sion for the purpose of financing loans made under this chapter. The

1 fund consists of appropriations made to it by the legislature and
2 repayments of principal and interest on loans made from the fund. The
3 division may invest money in the fund in accordance with AS 37.10.070
4 and AS 37.10.075.

5 Sec. 03.12.050. REGULATIONS. The division shall adopt regula-
6 tions to carry out the purposes of this chapter.

7 Sec. 03.12.060. ADMINISTRATIVE PROCEDURE ACT. In carrying out
8 the provisions of this chapter the division is subject to the Adminis-
9 trative Procedure Act (AS 44.62).

10 Sec. 03.12.200. DEFINITIONS. In this chapter

11 (1) "division" means the division of agriculture, Depart-
12 ment of Natural Resources;

13 (2) "fund" means the Alaska grain reserve revolving loan
14 fund; and

15 (3) "grain" means barley, wheat or oats.

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

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

19 * Sec. 3. The Alaska grain reserve program and the Alaska grain reserve
20 revolving loan fund established in sec. 1 of this Act terminate January 1,
21 1987. All money and other assets of the Alaska grain reserve program and
22 all money and other assets in the Alaska grain reserve revolving loan fund,
23 as of January 1, 1987, shall be transferred to the general fund on that
24 date. The division of agriculture, Department of Natural Resources, shall
25 collect loan payments on grain reserve loans that are outstanding on
26 January 1, 1987 and shall transfer those payments into the general fund.

27 * Sec. 4. AS 03.12 is repealed.

28 * Sec. 5. Section 4 of this Act takes effect January 1, 1987.

29 * Sec. 6. Sections 1 - 3 of this Act takes effect immediately in accor-

1 dance with AS 01.10.070(c).