

Offered: 3/20/85
Referred: Finance

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 120 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agriculture; and providing for an
7 effective date."

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

9 * Section 1. AS 03.05.010 is amended to read:

10 Sec. 03.05.010. POWERS AND DUTIES OF COMMISSIONER OF NATURAL
11 RESOURCES. (a) The commissioner of natural resources shall

12 (1) direct, administer, and supervise promotional and
13 experimental work, extension services, and agricultural projects for
14 the purpose of promoting and developing the agricultural industry
15 within the state including such fields as horticulture, dairying,
16 cattle raising, fur farming, grain production, vegetable production,
17 and development of other agricultural products;

18 (2) procure and preserve all information pertaining to the
19 development of the agricultural industry and disseminate that informa-
20 tion to the public;

21 (3) assist prospective settlers and others desiring to
22 engage in the agricultural industry in the state with information
23 concerning areas suitable for agriculture and other activities and
24 programs essential to the development of the agricultural industry in
25 the state;

26 (4) review the marketing, financing, and development of
27 agricultural products inside the state including transportation, with
28 special emphasis upon local production, and negotiate for the market-
29 ing of agricultural products of the state with federal and state

1 agencies operating in the state; [AND]

2 (5) regulate and control the entry into the state and the
3 transportation, sale or use inside the state of plants, seeds, vegeta-
4 bles, fruits and berries, nursery stock, shell eggs, animal feeds,
5 remedies and mineral supplements, fertilizers, and agricultural chemi-
6 cals in order to prevent the spread of pests, diseases, or toxic
7 substances injurious to the public interest, and to protect the ag-
8 ricultural industry against fraud, deception and misrepresentation; in
9 this connection the commissioner may require registration, inspection,
10 and testing, and establish procedures and fees;

11 (6) assist in the establishment of commodity marketing
12 associations, make matching grants to commodity marketing associations
13 to aid in their establishment, and adopt regulations to implement this
14 paragraph; and

15 (7) establish and administer a grain warehouse and merchan-
16 dising program.

17 (b) To carry out the requirements of this title, the commis-
18 sioner of natural resources may issue orders, regulations, quaran-
19 tines, and embargoes relating to

20 (1) examination and inspection of premises containing
21 products, articles, and commodities carrying pests;

22 (2) establishment of quarantines for eradication of pests;

23 (3) establishment of standards and labeling requirements
24 pertaining to the sale of agricultural and vegetable seeds and
25 processed feeds;

26 (4) tests and analyses that [WHICH] may be made and hear-
27 ings that [WHICH] may be held to determine whether the commissioner
28 will issue a stop order or quarantine;

29 (5) cooperation with federal and other state agencies;

1 (6) licensing, bonding, inspection, and auditing of records
2 of public grain, grass, and legume storage or processing facilities.

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

4 (a) The farm development or [,] chattel [, OR IRRIGATION] loan
5 made under this chapter

6 (1) may not exceed a term of 30 years, except that a chat-
7 tel loan may not exceed a term of seven years unless the agricultural
8 revolving loan board determines that a longer term is in the best
9 interest of the state and would promote the purposes of this chapter
10 in which case an existing chattel loan may be combined with and amor-
11 tized over the same period as an existing farm development loan, or a
12 chattel loan may be extended beyond a seven-year term if the loan is
13 secured by additional real property as collateral;

14 (2) may not, when added to the outstanding balance of other
15 loans made under this chapter, exceed a total outstanding balance of
16 \$1,000,000 except that the total outstanding balance may be increased
17 up to 50 percent if the borrower has held a loan under this chapter
18 for at least three years and receives written approval under
19 conditions and standards established by the agricultural revolving
20 loan board;

21 (3) shall be secured by a real estate or chattel mortgage
22 of any priority, except that the portion of a loan that exceeds
23 \$500,000, when added to prior indebtedness that is secured by the same
24 property, must be secured by a first mortgage;

25 (4) shall bear interest at a rate that may not be less than
26 eight percent or more than the commercial rate, unless the commercial
27 rate is eight percent or less; in this paragraph "commercial rate"
28 means the prevailing rate of interest at private lending institutions
29 in the state for loans similar to those referred to in this

1 subsection.

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

3 (c) A short term loan, to be amortized within one year, not to
4 exceed \$350,000 to any one borrower may be made for operating pur-
5 poses, except that a loan made under this subsection may not exceed
6 \$200,000 unless the loan is made to a borrower in a farm disaster area
7 declared under AS 03.10.058. The short-term loan limits may be
8 increased up to 50 percent if the borrower has held a loan under this
9 chapter for at least three years and receives written approval under
10 conditions and standards established by the agricultural revolving
11 loan board. An applicant for a short term loan may be required to
12 purchase insurance through the Federal Crop Insurance Act (7 U.S.C.
13 1501 - 1520) as a condition of the loan. The term of a loan made
14 under this subsection may be extended for up to three years by the
15 agricultural revolving loan fund board, in the discretion of the
16 board, upon application by the borrower. An existing short-term loan
17 may be combined with and amortized over the same time period as an
18 existing farm development loan if the agricultural revolving loan fund
19 board determines that the combination is in the best interest of the
20 state and promotes the purposes of this chapter.

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

22 Sec. 03.10.040. CREATION OF FUND. There is an agricultural
23 revolving loan fund, which may [SHALL] not exceed \$100,000,000,
24 [\$75,000,000] to carry out the purpose of this chapter.

25 * Sec. 5. AS 03.10.050(b) is amended to read:

26 (b) The board is composed of seven [FIVE] members appointed by
27 the governor and confirmed by the legislature in joint session. Four
28 [THREE] members must [SHALL] be persons with background and experience
29 in Alaska agriculture or horticulture. Members of the board serve for

1 overlapping three-year terms. Members of the board are not entitled
2 to receive compensation for their services, but are entitled to
3 [SHALL] receive the same travel pay and per diem as provided by law
4 for boards and commissions.

5 * Sec. 6. AS 03.57.020 is amended to read:

6 Sec. 03.57.020. BOND REQUIRED. Each dealer is required to
7 obtain and file with the director of the division of agriculture of
8 the Department of Natural Resources a bond in the amount of \$25,000
9 [\$5,000]. The bond must [SHALL] be conditioned on the faithful per-
10 formance of the legal duties of the dealer as set out in this chapter
11 and the payment for vegetables purchased by the dealer. The bond is
12 payable to the person injured to the extent of the damages. The
13 aggregate liability of the surety for all breaches of the conditions
14 of the bond may not [SHALL, IN NO EVENT,] exceed the amount of the
15 bond. The surety may cancel the bond upon giving 30 days' notice in
16 writing to the director, and after that is [THEREAFTER SHALL BE]
17 relieved of any liability for a breach of condition occurring after
18 the effective date of cancellation.

19 * Sec. 7. AS 38.09.050(a) is amended to read:

20 (a) The commissioner shall issue a patent to homestead entry
21 land if the permit holder

22 (1) resides and lives on the homestead entry land for not
23 less than 25 months within five years after the issuance of the home-
24 stead entry permit;

25 (2) completes an approved survey of the land within two
26 years after the issuance of the permit or under AS 38.09.040(b);

27 (3) erects a habitable, permanent dwelling on the homestead
28 within three years after the issuance of the homestead entry permit;

29 (4) brushes the boundaries of the land within 90 days after

1 the issuance of the permit;

2 (5) clears and either puts into production or prepares for
3 cultivation either 25 percent of the land classified for agricultural
4 use or 50 percent of the suitable agricultural land, consisting of
5 [HAVING] class II, [OR] III, and IV soils, whichever is less, within
6 five years after issuance of the permit.

7 * Sec. 8. Sections 1 - 4 of this Act take effect July 1, 1985.

8 * Sec. 9. Section 5 of this Act takes effect immediately in accordance
9 with AS 01.10.070(c).