

Introduced: 4/22/89
Referred: Resources and Finance

6-1296A

1 IN THE SENATE

BY KERTTULA

2

SENATE BILL NO. 303

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to reorganization of the assets and
7 obligations of the agricultural revolving loan fund
8 that relate to the Matanuska Maid Creamery and feed
9 mill and to producers of milk for the creamery."

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

11 * Section 1. PURPOSE. The legislature intends by the enactment of
12 AS 03.10.070 - 03.10.100 to create an authority within the Department of
13 Revenue that will have the broad stated powers over the assets and obliga-
14 tions of the agricultural revolving loan fund relating to the Matanuska
15 Maid Creamery and feed mill and to the obligations to borrowers who produce
16 milk in the state and sell the milk to the creamery.

17 * Sec. 2. AS 03.10 is amended by adding new sections to read:

18

ARTICLE 2. REORGANIZATION OF DAIRY ASSETS.

19

Sec. 03.10.070. DAIRY REORGANIZATION BOARD ESTABLISHED. (a)

20

The Dairy Reorganization Board is established in the Department of
21 Revenue. The board consists of three members appointed by the gover-
22 nor.

23

(b) The governor shall appoint members of the board with the
24 following qualifications:

25

(1) one board member shall have experience in the produc-
26 tion and marketing of agricultural products in the state;

27

(2) one board member shall be licensed to practice law in
28 the state or possess a masters degree in business administration; and

29

(3) one board member shall have experience in the financing

1 of agriculture in the state.

2 (c) At least two of the members appointed under this section
3 shall be familiar with the dairy industry in the state.

4 Sec. 03.10.080. DUTIES OF THE BOARD. The board shall, to the
5 maximum extent feasible,

6 (1) divest the state of administrative, financial, legal,
7 and other liabilities or obligations that relate to assets transferred
8 to the board;

9 (2) provide for the private ownership and management of the
10 assets transferred including the Matanuska Maid Creamery and feed
11 mill;

12 (3) secure a reasonable return to the state or minimize
13 state liabilities for state assets transferred by the board under
14 AS 03.10.070 - 03.10.100;

15 (4) promote continued private sector production, process-
16 ing, and marketing of local dairy products to the extent that the
17 production, processing, and marketing can be accomplished without
18 state financing and without the control of dairy assets by the state;

19 (5) report its activities to the Legislative Budget and
20 Audit Committee quarterly.

21 Sec. 03.10.090. POWERS OF THE BOARD. In the execution of its
22 duties under AS 03.10.070 - 03.10.100, the board may

23 (1) manage, reorganize, sell, lease, or otherwise dispose
24 of state assets transferred to it, including the Matanuska Maid
25 Creamery and feed mill;

26 (2) modify the terms of a loan existing on the effective
27 date of this Act that was transferred to it;

28 (3) make expenditures necessary to preserve or protect
29 collateral of the state;

1 (4) collect, foreclose on, and otherwise exercise the
2 powers of a private lender over its portfolio; and

3 (5) contract for legal, lending, management, consultation,
4 labor, and other services.

5 Sec. 03.10.100. EXEMPTIONS. (a) The board and the operations
6 involving assets of the board are exempt from AS 36.30 (State Procure-
7 ment Code).

8 (b) Employees of the board and of assets of the board are not
9 state employees and receive no benefits under AS 39.

10 (c) The board is exempt from AS 44.62 (Administrative Procedure
11 Act) except that the board is subject to AS 44.62.310 - 44.62.312.

12 * Sec. 3. AS 36.30.850(b) is amended by adding a new paragraph to read:

13 (18) management and disposal of dairy assets by the Dairy
14 Reorganization Board under AS 03.10.070 - 03.10.100.

15 * Sec. 4. AS 39.50.200(b) is amended by adding a new paragraph to read:

16 (50) Dairy Reorganization Board (AS 03.10.070).

17 * Sec. 5. TRANSFER OF ASSETS. (a) Notwithstanding any provision of
18 AS 03.10.010 - 03.10.058, the Agricultural Revolving Loan Fund Board estab-
19 lished under AS 03.10.050 shall, on the effective date of this Act, trans-
20 fer to the Dairy Reorganization Board established under AS 03.10.070, as
21 enacted in sec. 2 of this Act, management and control of

22 (1) each agricultural revolving loan fund note, security, or
23 other asset arising out of obligations incurred by or to dairy producers
24 who have sold milk to the Matanuska Maid Creamery during 1989 including the
25 Matanuska Maid Creamery and feed mill; and

26 (2) \$1,000,000 of the funds within the agricultural revolving
27 loan fund.

28 (b) Assets of the Dairy Reorganization Board on July 1, 1991, are
29 transferred to the Agricultural Revolving Loan Fund Board established under

1 AS 03.10.050.

2 * Sec. 6. AS 03.10.060 is repealed.

3 * Sec. 7. AS 03.10.070 - 03.10.100, as enacted in sec. 2 of this Act,
4 AS 36.30.850(b)(18), as enacted in sec. 3 of this Act, and AS 39.50.-
5 200(b)(50), as enacted in sec. 4 of this Act, are repealed July 1, 1991.