

SCOMM

34:19

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
(907) 465-4821



REPRESENTATIVE RICK UEHLING
CHAIRMAN
REPRESENTATIVE WALT FURNACE
REPRESENTATIVE NILO KOPONEN
REPRESENTATIVE JERRY WARD
REPRESENTATIVE RON WENDTE

House Special Committee on State Loans

HAND DELIVERED

MEMORANDUM

TO: Members of the House Special Committee on State Loans
FROM: Representative Rick Uehling, Chairman
DATE: February 13, 1984

RE: Meeting of Special Committee on State Loans

The House Special Committee on State Loans will meet tomorrow, February 14th at 5:00 p.m. in Capitol Room 118 to hear testimony on House Bill 553, amending the Alaska Grain Reserve Bill.

It is anticipated that the meeting will be short, if we can begin on time, as several members wish to attend the reception with Senator Stevens.

I look forward to seeing you there.

/as

Alaska State Legislature

POUCH V
JUNEAU, ALASKA 99811
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CHAIRMAN
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REPRESENTATIVE RON WENDT

House Special Committee on State Loans

Memorandum

COPY

To: Linn Asper
From: Rep. Uehling *al*
Subject: Committee Substitute for HB 553

The House Special Committee on State Loans would appreciate a CS for HB 553 on the Grain Reserve Program which would include the amendments suggested by the Department of Natural Resources.

The Committee approved the inclusion of amendments number 1 and 2 for the Committee Substitute.

Thank you very much.

MEMORANDUM

State of Alaska

TO: The Honorable Richard Shultz
Co-Chairman
House Resources Committee

DATE: February 7, 1984

FILE NO:

TELEPHONE NO:

FROM: Sharon Barton
Special Assistant
Department of Natural Resources

SUBJECT: DNR Proposed
Amendments - HB 553

As you know, the Grain Reserve Program was established in 1983 to make loans for crops grown in the 1983 and 1984 seasons. The Director of the Division of Agriculture has subsequently recommended to the Governor that the program be extended at least through 1987. He further recommended that the fund be converted to a revolving account to reduce or eliminate the necessity of requesting annual appropriations to the fund. The Governor adopted both of these propositions as part of his agricultural program.

As sponsor of the original legislation, DNR requests your assistance in effecting the necessary statutory changes. Specifically, we ask your consideration of the following additional amendments to CS HB 553 (Resources):

1. AS 03.12.040 is amended to read:

Alaska grain reserve revolving loan fund. The Alaska grain reserve revolving loan fund is established in the department for the purpose of financing loans made under this chapter. The fund consists of appropriations made to it by the legislature, repayments of principal and accrued interest on loans made from the fund.

2. AS 03.12.200 is amended to read:

(3) "fund" means the Alaska grain reserve revolving loan fund.

3. ~~Sec. 3-5 1983 SLA Ch 100 are repealed.~~

With your approval, we will offer these amendments in the House Resources Committee hearing today at 3:00 p.m.

*Amendments #1 and #2 adopted
(by Loans Comm. 2/14/84)*

MEMORANDUM

Startos
State of Alaska

TO: The Honorable Richard Shultz
Co-Chairman
House Resources Committee

DATE: February 7, 1984

FILE NO:

TELEPHONE NO:

FROM: Sharon Barton *SB*
Special Assistant
Department of Natural Resources

SUBJECT: DNR Proposed
Amendments - HB 553

As you know, the Grain Reserve Program was established in 1983 to make loans for crops grown in the 1983 and 1984 seasons. The Director of the Division of Agriculture has subsequently recommended to the Governor that the program be extended at least through 1987. He further recommended that the fund be converted to a revolving account to reduce or eliminate the necessity of requesting annual appropriations to the fund. The Governor adopted both of these propositions as part of his agricultural program.

As sponsor of the original legislation, DNR requests your assistance in effecting the necessary statutory changes. Specifically, we ask your consideration of the following additional amendments to CS HB 553 (Resources):

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2. AS 03.12.200 is amended to read:

(3) "fund" means the Alaska grain reserve revolving loan fund.

3. Sec. 3-5 1983 SLA Ch 100 are repealed.

With your approval, we will offer these amendments in the House Resources Committee hearing today at 3:00 p.m.

John Rubini said:

We will defend

recognized exemptions - such as

retained principals - maybe interest earned.

(which is more of a gray area)



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

FEB 10 1984

JOHN RINGSTAD, CO-CHAIRMAN
RICHARD SHULTZ, CO-CHAIRMAN
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3715

To: Rep. Rick Uehling
House Special Loans Committee Chairman

From: Rep. John Ringstad, Co-Chairman
House Resources Committee Chairman

Date: February 9, 1984

Re: CS HB 553

As you know, the House Resources Committee has had before it HB 553 and has replaced it with CS HB 553 and passed this bill on to the House Special Committee on Loans.

It is the desire of the Resources Committee that the Special Committee on Loans, when reviewing this bill, address the issue of legislative oversight of the loan program, and consider different options which would allow the legislature to keep track of the different loan programs as they are administered by the administration.

It is the concern of this Committee that oftentimes, when the legislature establishes these types of loan programs, the administration of these programs is left unchecked, thus allowing the administrators of the funds an uncomfortable level of discretion in the distribution of the funds.

Enclosed is a copy of the amendment to the bill which DNR submitted to our Committee. As we are a committee that deals with resource issues, rather than loan programs, we felt it more appropriate that this issue of establishing a revolving loan program be addressed in your committee.

Therefore, it is the desire of this committee that the Special Committee on Loans take a thorough look at the State's revolving loan programs and other loan programs, as they are now administered.

BACKGROUND

HB 553

"An Act amending the Alaska Grain Reserve Program; and providing for an effective date."

This is a single purpose piece of legislation. It is intended to allow the Director of the Division of Agriculture to accept "hulless" barley as collateral under the Alaska Grain Reserve Program. Since the Reserve Program currently states that only grain which is graded number four or better can be used, and since hulless barley is not USDA graded at all, it cannot be used at this time.

Hulless barley is not grown much in the Lower 48, and the USDA has therefore not begun to grade it. It is however, popular in Alaska due to its' heavy weight and also due to the fact that it is excellent feed for poultry and young pigs.

Two committee amendments are requested for this bill; 1.) to specify hulless barley, and 2.) to require the Director of the Division of Agriculture to have the approval of the Commissioner of the Department of Natural Resources to accept hulless barley as collateral.

**STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date: _____

REQUEST

Bill/Resolution No.: CSHB 553 (RES)

Title: Grain Reserve Program

Amendments

Sponsor: Schultz

Requestor: _____

Date of Request: 2-6-84

FISCAL DETAIL

Agency Affected: Natural Resources

Program Category Affected: _____

Agriculture development

BRU, Program or Subprogram(s) Affected: _____

Agriculture development

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Sharon L. Barton

Phone: 465-2400

Division: Commissioner's Office

Date: 2-6-84

Approved by Commissioner: Mimi D. Arnold, Dept.

Date: 2-6-84

Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

Legislative Finance

Legislative Sponsor

Requestor

Office of Management and Budget

Impacted Agency(ies)

12/1/83

Delta II DelegationMarch 20 & 21, 1984

	<u>1983</u> Acres Actually in Production	<u>1984</u> Acres to be in Production
Charles Trowbridge Owner of Tract 4, Delta II sale.	600	1200
Dick Jensen Owner of Tract 12, Delta II sale.	1140	1940
Scott Schultz and Mike Schultz, Owners of Tract 5, Delta II sale.	600	1200
Tom Krause, Owner of Tract 11, Delta II sale.	710	1200

In 1983, we produced over 50 percent of the barley produced in the state of Alaska. Our estimated production for 1984 will bring that figure to 75 percent.

Our personal investment, per farm, is in the range of \$200,000.00.

FACT: Our wives all work to support us!!

"An Act amending the Alaska Grain Reserve Program; and providing for an effective date"

- 1) This piece of legislation is intended to allow the Director of the Division of Agriculture to accept "hulless" barley as collateral under the Alaska Grain Reserve Program.**
- 2) Presently there must be 4 to 5 years growth experience before USDA will grade new products.**
- 3) The Reserve Program currently states that only grain which is graded number four or better can be used, and since hulless barley is not USDA graded at all, it cannot be used at this time.**
- 4) Hulless barley is not grown in the lower 48 and therefore USDA has not even begun to grade it.**
- 5) Hulless barley is very popular in Alaska due to its heavy weight which makes it excellent feed for poultry and young pigs.**
- 6) Hulless barley was developed at the University of Fairbanks and tested at the University's Experiment Farm in Delta and is specially developed for growth in the North.**
- 7) This bill would also change the program to a revolving loan fund; a change made in the Special Loans Committee at the request of the Director of Agriculture. This would allow the Revolving Loan Fund to reuse loans that are repaid, rather than having the legislature appropriate money each year.**

March 5, 1983
Rep. Shultz



Official Business

Alaska State Legislature

House of Representatives

Office of the Majority Leader

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

TO: House Majority Coalition Members

FROM: Representative Ramona Barnes
House Majority Leader

DATE: March 6, 1984

RE: CSHB 553 (Loans) "An Act amending the Alaska Grain Reserve Program;
and providing for an effective date."

ISSUE The state should loan money only against graded barley; to loan against hulless barley, which is ungraded, will encourage farmers to produce a lower quality product.

ANSWER Barley is graded by the USDA. However, the USDA only assigns a grade to barley with a track record. Hulless barley was developed only 2 years ago, specifically for northern areas. It is actually superior to ordinary barleys, even though it is currently ungraded. Thus, by allowing hulless barley to serve as collateral for state loans, farmers will be encouraged to grow a superior product, rather than discouraged from growing it.

Revisor's notes. — Enacted as AS 03.10.050(c). Renumbered in 1982.

Sec. 03.10.054. Sale or transfer of mortgages and notes. [Repealed, § 14 ch 122 SLA 1980.]

Sec. 03.10.058. Farm disaster area. The governor may declare a farm disaster in an area of the state if a natural disaster causes a crop failure. (§ 3 ch 38 SLA 1983)

Sec. 03.10.060. Short title. This chapter may be cited as the Alaska Agricultural Loan Act. (§ 1 ch 122 SLA 1953)

Chapter 12. Alaska Grain Reserve Program.

Section	Section
10. Alaska grain reserve program established	50. Administration of fund
20. Duties of the department	60. Regulations
30. Conditions on loans	70. Administrative Procedure Act
40. Alaska grain reserve loan fund	200. Definitions

Repeal of chapter. — Sections 4 and 5, ch. 100, SLA 1983 provide that this chapter is repealed effective January 1, 1988.

For termination and transition provisions, see § 3, ch. 100, SLA 1983, in the Temporary and Special Acts.

Sec. 03.12.010. Alaska grain reserve program established [Repealed effective January 1, 1988]. The Alaska grain reserve program is established in the Department of Natural Resources for the purpose of assisting state grain producers to develop markets for their products by making loans secured by grain reserves. (§ 1 ch 100 SLA 1983)

Sec. 03.12.020. Duties of the department [Repealed effective January 1, 1988]. In carrying out the purposes of this chapter the department shall

- (1) make loans to state grain producers under the conditions set out in this chapter;
- (2) administer and inspect stored grain held as collateral for loans made under this chapter; and
- (3) administer the Alaska grain reserve loan fund (AS 03.12.040). (§ 1 ch 100 SLA 1983)

Sec. 03.12.030. Conditions on loans [Repealed effective January 1, 1988]. (a) The department may make a loan to a state grain producer secured by grain grown by that producer in 1983 or 1984. Grain that is used as collateral for a loan made under this chapter must be graded number four or better.

(b) The amount of a loan made under this chapter is determined by multiplying 90 percent of the United States Department of Agriculture target price per ton for the type and grade of grain offered as collateral by the total tonnage of the collateral.

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

(d) Grain that is held as collateral for a loan made under this chapter shall be stored in a storage facility approved by the department. The borrower may provide storage for the grain if the department determines that the storage provided by the borrower will adequately protect the department's interest in the grain. The department may inspect a storage facility provided by a borrower at any time and shall adopt regulations setting standards for storage facilities. Storage costs shall be paid to the borrower by the department during the term of the loan at the United States Department of Agriculture grain reserve loan storage rate.

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

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

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

(h) A loan may not be made under this chapter to a producer that is eligible to participate in federal grain reserve loan programs. (§ 1 ch 100 SLA 1983)

no longer a
Sec. 03.12.040. Alaska grain reserve loan fund [Repealed effective January 1, 1988]. The Alaska grain reserve loan fund is established in the department for the purpose of financing loans made under this chapter. The fund consists of appropriations made to it by the legislature. (§ 1 ch 100 SLA 1983)

Sec. 03.12.050. Administration of fund [Repealed effective January 1, 1988]. The commissioner shall administer the fund in conjunction with the agricultural loan fund board established under AS 03.10.050. A loan in excess of \$25,000 may not be made by the commissioner without the approval of the board. (§ 1 ch 100 SLA 1983)

Sec. 03.12.060. Regulations [Repealed effective January 1, 1988]. The department shall adopt regulations to carry out the purposes of this chapter. (§ 1 ch 100 SLA 1983)

Sec. 03.12.070. Administrative Procedure Act [Repealed effective January 1, 1988]. In carrying out the provisions of this chapter the department is subject to the Administrative Procedure Act (AS 44.62). (§ 1 ch 100 SLA 1983)

Sec. 03.12.200. Definitions [Repealed effective January 1, 1988]. In this chapter

- (1) "commissioner" means the commissioner of natural resources;
- (2) "department" means the Department of Natural Resources;
- (3) "fund" means the Alaska grain reserve loan fund; and
- (4) "grain" means barley, wheat or oats. (§ 1 ch 100 SLA 1983)

Chapter 15. Agriculture Pest and Disease Control Fund.

Section

20. Purpose of appropriations

Collateral references. — 3 Am. Jur. 2d, Agriculture, §§ 38-47; 4 Am. Jur. 2d, Animals, §§ 31-39.

3 C.J.S., Agriculture, §§ 83-104; 3A C.J.S., Animals, §§ 66-98.

Liability for injury caused by spraying or dusting of crops, 37 ALR3d 833.

Products liability — fertilizers, insecticides, pesticides, fungicides, weed killers, and the like, or articles used in application thereof, 12 ALR4th 462.

Crop duster's failure to exercise care in spraying crops, 9 Am. Jur. POF2d, pp. 623-657.

Sec. 03.15.010. Agricultural pest and disease control fund. [Repealed, § 2 ch 34 SLA 1968.]

Sec. 03.15.020. Purpose of appropriations. Appropriations available to the Department of Natural Resources or to the Department of Environmental Conservation may be used

(1) to buy materials or equipment needed to control agricultural pests when the persons directly affected cannot bear the total cost and the pest is one that is or may become a public problem;

(2) to charter or hire on a custom basis equipment and operators necessary for pest-control work when the persons directly affected cannot provide the service and the pest is one that is or may become a public problem;

(3) to match federal indemnity payments to livestock owners for livestock slaughtered under any cooperating livestock health program;

(4) to maintain a supply of vaccines, serums and chemicals needed for emergency pest control, that are not commercially available in the state. (§ 2 ch 90 SLA 1955; am § 3 ch 34 SLA 1968; am Executive Order No. 51, § 11 (1981))

Effect of amendments. — The 1981 amendment substituted "Department of Natural Resources or to the Department of

Environmental Conservation" for "department" in the introductory language.

Chapter 17. Marketing of Milk.

Section

10. Duties of the director

20. Milk advisory board

30. Duties of the board

40. Milk marketing orders

50. Content of marketing orders

60. Procedure for issuance of marketing orders

Section

65. Examination and production of records and persons

70. Unauthorized actions

80. Scope

90. Penalties

100. Definitions

Collateral references. — 35 Am. Jur. 2d, Food, §§ 11-32, 47-62.

36A C.J.S., Food, §§ 5, 6(1), 6(4), 8, 9(1), 9(3), 12(1) — 12(7), 14(1), 14(2).

Constitutionality of regulations as to milk, 18 ALR 235; 42 ALR 556; 58 ALR 672; 80 ALR 1225; 101 ALR 64; 110 ALR 644; 119 ALR 243; 155 ALR 1383.

Delegation of legislative power to board of health or other board, officer or group with regard to milk regulations, 18 ALR 237; 42 ALR 556; 58 ALR 672; 80 ALR 1225; 101 ALR 64; 110 ALR 644; 119 ALR 243; 155 ALR 1383.

Constitutionality of statutes relating to purchase of farm and dairy products from producers for purposes of resale, 117 ALR 347.

Construction and application of regulations of milk control commission as to milk, 122 ALR 1062.

Differentiation or variation in prices of milk for consumption in fluid form, based on differences other than those relating to quantity or quality, 149 ALR 1208.

Breed of cows as basis of milk price differential, 153 ALR 1174.

Sec. 03.17.010. Duties of the director. The director shall (1) administer this chapter, (2) enforce this chapter and the provisions of marketing orders issued under this chapter, and (3) have an accounting made of the funds held by the board at least annually. (§ 2 ch 136 SLA 1962)

Sec. 03.17.020. Milk advisory board. There is a milk advisory board consisting of five members. The director shall select the members of the board from among Alaskan producers, handlers, and retailers. No more than one handler and one retailer may serve on the board at one time. (§ 3 ch 136 SLA 1962)

Sec. 03.17.030. Duties of the board. The board shall

(1) advise the director in the formulation of policy for the operation of the market program,

(2) receive and report complaints and violations of a marketing order,

(3) assist the director in collection of data,

(4) collect, hold, and account for the assessments authorized by this chapter. (§ 4 ch 136 SLA 1962)

BILL HB0553
PAGE 02393
DATE 01/30/84
CHAMBER HOUSE
TEXT

HOUSE BILL NO. 553 by Shultz, entitled:
"An Act amending the Alaska Grain Reserve Program; and providing for an effective date."

was read the first time and referred to the Resources Committee.

BILL HB0553
PAGE 02477
DATE 02/06/84
CHAMBER HOUSE
TEXT

The Speaker added a referral to the House Special Committee on State Loans for HOUSE BILL NO. 553 (amending the Alaska Grain Reserve Program; effective date). HB 553 is currently in the Resources Committee.

BILL HB0553
PAGE 02488
DATE 02/08/84
CHAMBER HOUSE
TEXT

The Resources Committee has had HOUSE BILL NO. 553 (amending the Alaska Grain Reserve Program; effective date) under consideration, recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 553 (Resources)(same title) and reports it back as follows: Ringstad (Co-Chairman), Larson, Shultz and Liska recommend do pass; Vaska, Cowdery and Bussell have no recommendation. A zero fiscal note was attached.

HB 553 was referred to the House Special Committee on State Loans.

BILL HB0553
PAGE 02617
DATE 02/16/84
CHAMBER HOUSE
TEXT

The House Special Committee on State Loans has had HOUSE BILL NO. 553 (amending the Alaska Grain Reserve Program; effective date) under consideration, recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 553 (Loans) (same title) and reports it back as follows: Uehling (Chairman), Ward, Koponen and Wendte recommend do pass; Furnace signed "Only if sunsetted and amended".

HB 553 was referred to the Rules Committee for placement on the calendar.

**Grain Reserve
Program
(loans)**

HOUSE BILL NO. 553, by Rep. Shultz. Amends AS 03.12.030, the Alaska Grain Reserve Program, section relating to loan conditions, to allow grain that is not graded to be accepted as collateral for loans made from the Alaska Grain Reserve Loan Fund, under conditions determined by the Director of the Division of Agriculture (current law allows that grain used as collateral must be graded number four or better). Provides Act takes effect immediately. Identical to SB 335, page 8.

Introduced January 30 and referred to Resources.

**Grain Reserve
Program
(loans)**

HOUSE BILL NO. 553, (see page 178). Reported back to the House February 8 by Resources recommending it be replaced with a substitute and as follows: Ringstad (Co-Chair), Larson, Shultz and Liska recommend do pass; Vaska, Cowdery and Bussell have no recommendation. On February 6 the Speaker added a referral to the House Special Committee on Loans. To Loans.

The Resources CS would allow hulless barley to be accepted as collateral under conditions determined by the Commissioner of Natural Resources (original bill allowed grain that is not graded to be accepted as collateral under conditions determined by the Director of the Division of Agriculture).

**Grain Reserve
Program
(loans)**

HOUSE BILL NO. 553, (see pages 178;281). Reported back to the House February 16 by the House Special Committee on State Loans recommending it be replaced with a Loans CS and that it do pass. Concurring: Uehling (Chair), Ward, Koponen and Wendte. Not concurring: Furnace signed "Only if sunsetted and amended." To Rules.

The Rules CS would make the Grain Reserve Loan fund a "revolving" fund, and it would consist of legislative appropriations "...and repayments of principal and accrued interest on loans made from the fund."

COMMITTEE REPORT
HOUSE

(5)

FURTHER:

(Loans added 2/6/84)
2/8/84

Date:

FEB 14 1984

The Committee on HOUSE SPECIAL COMMITTEE
ON STATE LOANS has had HB 553

"An Act amending the Alaska Grain Reserve Program; and
providing for an effective date."

under consideration and recommends:

☐ do pass

☐ do not pass

☒ do pass with attached amendments(s)

☒ replace with CS for

LOANS

☒ same title
☐ new title

and recommends

☐ AND attaches a "Letter of Intent"

☐ New Fiscal Note

☐ reports it back without recommendation

☐ Zero Fiscal Note Attached

☐ referred to the

Committee

MEMBERS SIGNING
DO PASS

Paul Bell
James Walsh
John H. Brown
Bob Burt

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Walt Furnace only if
Sims, H. and amended -

Paul Bell
CHAIRMAN

Original sponsor: Shultz

IN THE HOUSE

BY THE HOUSE SPECIAL
COMMITTEE ON STATE LOANS

CS FOR HOUSE BILL NO. 553 (Loans)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act amending the Alaska Grain Reserve Program;
and providing for an effective date."

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

* Section 1. AS 03.12.020 is amended to read:

Sec. 03.12.020. DUTIES OF THE DEPARTMENT. In carrying out the
purposes of this chapter the department shall

(1) make loans to state grain producers under the condi-
tions set out in this chapter;

(2) administer and inspect stored grain held as collateral
for loans made under this chapter; and

(3) administer the Alaska grain reserve revolving loan fund
(AS 03.12.040).

* Sec. 2. AS 03.12.030(a) is amended to read:

(a) The department may make a loan to a state grain producer
secured by grain grown by that producer in 1983 or 1984. Grain that
is used as collateral for a loan made under this chapter must be
graded number four or better, except that hulless barley may be ac-
cepted as collateral under conditions determined by the commissioner
of the Department of Natural Resources.

* Sec. 3. AS 03.12.040 is amended to read:

Sec. 03.12.040. ALASKA GRAIN RESERVE REVOLVING LOAN FUND.

The Alaska grain reserve revolving loan fund is established in the
department for the purpose of financing loans made under this chapter.
The fund consists of appropriations made to it by the legislature and

1 repayments of principal and accrued interest on loans made from the
2 fund.

3 * Sec. 4. AS 03.12.200 is amended to read:

4 Sec. 03.12.200. DEFINITIONS. In this chapter

5 (1) "commissioner" means the commissioner of natural
6 resources;

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

8 (3) "fund" means the Alaska grain reserve revolving loan
9 fund; and

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

11 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
12 10.070(c).

Offered: 2/29/84
Referred: Finance

See back

Original sponsor: Moss

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE BILL NO. 335 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to the Alaska Grain Reserve Program;
7 and providing for an effective date."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 03.12.020 is amended to read:
10 Sec. 03.12.020. DUTIES OF THE DEPARTMENT. In carrying out the
11 purposes of this chapter the department shall
12 (1) make loans to state grain producers under the condi-
13 tions set out in this chapter;
14 (2) administer and inspect stored grain held as collateral
15 for loans made under this chapter; and
16 (3) administer the Alaska grain reserve revolving loan fund
17 (AS 03.12.040).
18 * Sec. 2. AS 03.12.030(a) is amended to read:
19 (a) The department may make a loan to a state grain producer
20 secured by grain grown by that producer [IN 1983 OR 1984]. Grain that
21 is used as collateral for a loan made under this chapter must be
22 graded number four or better, except that grain that is non-standard-
23 ized may be accepted as collateral under conditions determined by the
24 director of the division of agriculture.
25 * Sec. 3. AS 03.12.040 is amended to read:
26 Sec. 03.12.040. ALASKA GRAIN RESERVE REVOLVING LOAN FUND.
27 The Alaska grain reserve revolving loan fund is established in the
28 department for the purpose of financing loans made under this chapter.
29 The fund consists of appropriations made to it by the legislature and

1 repayments of principal and accrued interest on loans made from the
2 fund.

3 * Sec. 4. AS 03.12.200 is amended to read:

4 Sec. 03.12.200. DEFINITIONS. In this chapter

5 (1) "commissioner" means the commissioner of natural
6 resources;

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

8 (3) "fund" means the Alaska grain reserve revolving loan
9 fund; and

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

11 * Sec. 5. Sections 3 - 5, ch. 100, SLA 1983 are repealed.

12 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-

13 10.070(c).

*These are the repealers that
the Loans Comm. refused to adopt.*

CS#B 553 Grain Reserve Program.

Rep Schults.

non-standard
not sub-standard. Did not cover hullless barley.
(under USDA standards) so that
borrowers would not qualify for Fed.
Changes rec. by DNR.
& make a revolving loan fund -

? on definitions of "hullless."

? on revolving loans.

Bill Heim:

Hullless barley - heavier than other
barley - more like wheat.

- Commissioners - Natural Resources. -

6 people applied

2 not meeting standards

others - about \$50,000 expended.

When they sell - the repayment schedule
is set up (regs.).

Sale for some by next harvest time.
could be a 5% carryover.

Barley can be stored for several years.
Moisture content must be watched.

Revolving - aspect allows more latitude
for spring planting.

(unexpended portion.)
Carryover - should be good for 2 yrs.
according to the original appropriation.

SNR. would like to see 5 yrs for the program.
It would fall under Ag. Rev. loan fund.
and not need added staff.

Consideration should be given to Sunset clause -
Wendte - "Interest" of the State.

Draft 5.

incorporating original &
first 2 amendments.

{ Wendte
Furnace
Ward. }

not the repealers.

Check on fiscal note.

Motion to
adopt
C.S. HB 553. (Resources.)

no objection

Adoption of AM #1 and #2
on DNR. memo.

Motion to ^{Adopt.} ~~pass~~ out of conun.
C.S.
with individual recommendations.

Free Conun. Informal meeting

HB. 574 -

Q's ① on .125 rate of risks. (formula).
② on Veterans rates. (assumption).

Get the numbers ~~out~~ ⁱⁿ & the politics out.

~~Survey~~ Priority listing will be done.

State Loan subsidy report. for '83 is missing