

COMMITTEE REPORT
HOUSE

(11)

FURTHER:

4/26/83

Date:

4/27/83

Mr. Speaker:

The Committee on FINANCE has had HB 156

"An Act relating to a state grain reserve program; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 156 (1/11) same title
 new title
and recommends do PASS
- 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

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

CHAIRMAN

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 THIRTIETH 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 Agriculture
2 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 department.
8 The borrower may provide storage for the grain if the department
9 determines that the storage provided by the borrower will adequately
10 protect the department's interest in the grain. The department
11 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 collateral
20 under (b) of this section, plus accrued interest on the portion
21 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 dence with AS 01.10.070(c).

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB 156 (Loans)
 Title An Act establishing the Ak. Grain Reserve Loan Program
 Requested by House Finance Committee Date 4/27/83

II. FISCAL DETAIL

Agency Affected Department of Natural Resources
 Program Category Affected _____
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

0

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The reappropriation contained in CS HB 271 (Loans) includes ample funding to pay for the operational expenses of this program.

IV. DATE 4/27/83 PREPARED BY Al Adams, Chair *RPA*
 AGENCY House Finance Committee
 PHONE 465-3706
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/82)

The following individuals are expected to testify on CS HB 156 (Loans) and CS HB 271 (Loans):

Representative Dick Shultz, prime sponsor

Representative Pappy Moss may testify

Sharon Barton, Special Assistant to the Commissioner, Department of Natural Resources

STATE OF ALASKA
FISCAL NOTE

Revision Date , 1983

I. REQUEST

Bill/Resolution No.: CSHB 156 (Loans)
 Title: State Grain Reserve Program
 Sponsor: Schultz
 Requestor: Loans Committee

II. FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected:
 BRU, Program of Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES		45.0	47.7	50.6		
200 TRAVEL		3.0	3.2	3.4		
300 CONTRACTUAL		3.6	3.8	4.0		
400 COMMODITIES		1.0	1.1	1.2		
500 EQUIPMENT		15.0	--	--		
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		67.6	55.8	59.2		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		67.6	55.8	59.2		
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME		1	1	1		
PART-TIME						
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

CS. SB 170(Res) appropriates funding for operating and capital costs by reallocating \$1.6 million from the Delta II West grain elevator appropriation.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Sharon Barton
 Division: Commissioner's Office

Phone: 465-2400

Date: 4/25/83

Approved by Commissioner: *Mary Halloran*
 Department: Natural Resources

Date: 4/25/83

Distribution:

Original to Legislative Finance
 Copy to Office of Management and Budget (for Legislature introduced bills)
 Copy to Department (for Governor introduced bills)
 Copy to Sponsor

CS HB 156 (Loans) analysis:

Equipment costs are explained in the attached sheet. Personal services costs cover inspection requirements and program administration costs. As the official grain inspection agency in Alaska, the Division of Agriculture would be required to furnish personnel and facilities on a statewide basis throughout the year as grain moves to and from the reserve.

MEMORANDUM

State of Alaska

DEPARTMENT OF NATURAL RESOURCES - DIVISION OF AGRICULTURE

TO: Sharon Barton
Special Assistant

DATE: February 10, 1983

FILE NO:

TELEPHONE NO:

FROM: Ed Kern *EJK*
Development Specialist

SUBJECT: Grain Grading
Station Equipment

Carter Day Dockage Tester (FOB Minneapolis, Minn)	\$ 3,744.00
Barley riddle and sieves	216.00
Wheat riddle and sieves	152.00
Burrows (FOB Illinois)	
Boerner divider	595.00
Extension kit	119.00
Barley sieve kit	90.50
Filling hopper and stand	198.00
Boerner weight per bu apparatus (print-out)	1,750.00
Shadow graph scales	928.00
Armstrong scales	610.00
Gram scales	111.50
Laboratory torsion balance scale	470.00
Weight set	137.00
Sieve shaker	795.00
Motomco moisture meter	640.00
Barley pearler	350.00
Miscellaneous (piks, lights, pewter dishers, magnifying glass, etc.)	750.00
	<hr/>
Equipment costs	\$11,656.00
Set-up & freight estimate	3,344.00
	<hr/>
Total	\$15,000.00

STATE OF ALASKA
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 156 No. 2 Date on Bill: 2/2/83
 Title: State Grain Reserve Prog
 Sponsor: Shultz
 Requestor: _____

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
Capital				
Operating		67.6	52.6	53.6
Total		67.6	52.6	53.6

b. Revenues:

Revenue	FY 83	FY 84	FY 85	FY 86

2. Source of funds to offset fiscal impact of bill:

3. Assumptions:

As the official grain inspection agency in Alaska, the Division of Agriculture would be required by this bill to provide personnel and facilities to carry out the inspection function on a statewide basis as grain moves to and from the reserve. This fiscal note covers one grain inspector and equipment as listed on the attachment.

4. Disclaimer:

This statement has not been reviewed by the OMB in the Office of the Governor. It therefore does not represent the final estimate of fiscal impact.

Prepared By: Ed Kern
 Division: Agriculture

Phone: 376-3276
 Date: _____

Approved by Commissioner: Maurice J. Peltola
 Department: Natural Resources

Date: 2/2/83

5. Distribution:

- Original to Legislative Finance
- Copy to OMB
- Copy to Sponsor
- Copy to Requestor

2/15/83

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS HB 156 (Loans)
 Title An Act establishing the Ak. Grain Reserve Loan Program .
 Requested by House Finance Committee Date 4/27/83

II. FISCAL DETAIL
 Agency Affected Department of Natural Resources
 Program Category Affected _____
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

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100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
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500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0				

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

0

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The reappropriation contained in CS HB 271 (Loans) includes ample funding to pay for the operational expenses of this program.

IV. DATE 4/27/83 PREPARED BY Al Adams, Chair *APA*
 AGENCY House Finance Committee
 Original: Legislative Finance PHONE 465-3706
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800


LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

April 26, 1983

SUBJECT: Grain reserve program/fund
[CSHB 156 (Loans)]

TO: Representative Rick Uehling
Chairman, House Special Committee on Loans

FROM: Richard A. Bradley 
Legislative Counsel

You have requested a sectional analysis of the above described bill.

As a preliminary matter, I must advise you that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill; the bill itself is the best statement of its contents. For a full explanation of any point, please consult the bill itself; if you would like an interpretation of the bill as it may apply to a particular set of circumstances, please address a specific request to this office.

Sec. 1 adds a new chapter, AS 03.12, Alaska Grain Reserve Program.

Sec. 10 is an introductory section: it establishes the program in the Department of Natural Resources and states a purpose.

Sec. 20 establishes the duties of the Department of Natural Resources. It directs the department to make loans under the law, to administer and inspect stored grain held as collateral for loans, and to administer the fund established under AS 03.12.040.

Sec. 30 establishes conditions on loans.

Sec. 30(a) provides that the department may make a loan to a state grain producer secured by grain grown by that producer

Representative Rick Uehling

Page 2

April 26, 1983

during 1983 and 1984. To be used as collateral, the grain must be graded as "number four" or better.

Sec. 30(b) provides that the amount of a loan 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."

Sec. 30(c) establishes the interest rate on a loan as the interest rate established under AS 03.10.030(a); that section provides:

Sec. 03.10.030. LIMITATIONS ON LOANS. (a) A farm development, chattel, or irrigation loan made under this chapter

* * *

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

Sec. 30(d) relates to the storage of the grain. The department is required to approve a storage facility where grain held as collateral is stored. The borrower may provide the storage if the department is satisfied with the arrangement. The department may inspect a storage facility at any time. Storage costs shall be paid to the borrower by the department during the term of the loan at a rate established by the U.S. Department of Agriculture.

Sec. 30(e) provides that a borrower may not remove, sell, or otherwise dispose of grain held as collateral for a loan without the consent of the Department of Natural Resources. The proceeds from the sale of grain held as collateral, "up to an amount equal to the value originally assigned to that collateral under (a) of this section" plus accrued interest shall be applied to the outstanding balance.

Sec. 30(f) limits the term of a loan to three years. Annual interest payments shall be made during the term of the loan.

Representative Rick Uehling

Page 3

April 26, 1983

Sec. 30(g) ties references to "grain grading standards, target prices, volume or weight calculations and inspection standards" to standards, prices, and calculations that are in accordance with applicable U.S. Department of Agriculture standards.

Sec. 40 establishes the Alaska Grain Reserve Loan Fund. The fund consists of appropriations made by the legislature.

Sec. 50 provides that the commissioner will administer the fund "in conjunction with the agricultural loan fund board established under AS 03.10.050 and a loan may not be made by the commissioner in excess of \$25,000 without the approval of the board. AS 03.10.050 provides:

Sec. 03.10.050. ADMINISTRATION OF FUND. (a) The commissioner shall administer the loan fund in conjunction with the agricultural revolving loan fund board. No loan in excess of \$25,000 may be made by the commissioner without the approval of a majority of the board.

(b) The board is composed of five members appointed by the governor and confirmed by the legislature in joint session. Three members shall be persons with background and experience in Alaska agriculture. Members of the board serve for overlapping three-year terms. Members of the board are not entitled to receive compensation for their services, but shall receive the same travel pay and per diem as provided by law for boards and commissions.

(c) A meeting of the agricultural revolving loan fund board to act on applications for loans is exempt from the public meeting requirements of AS 44.62.310.

Sec. 60 permits the department to adopt regulations.

Sec. 70 provides that the department will follow the Administrative Procedures Act (AS 44.62) in implementing the Act.

Sec. 200 establishes definitions. The only significant definition is that of "grain:" it means "barley, wheat, or oats."

Sec. 2 of the bill establishes an amendment to AS 44.-62.330(a). It makes clear that the Department of Natural

Representative Rick Uehling

Page 4

April 26, 1983

Resources is governed by the Administrative Procedure Act, particularly its provisions of administrative adjudication [AS 44.62.330 et seq.] in implementing the grain reserve program.

Sec. 3 of the bill terminates the program and the fund January 1, 1988. The money and other assets of the program and the fund are transferred to the general fund on that date. If loans are outstanding as of that date, the Department of Natural Resources shall undertake to collect them and deposit the payments to the general fund.

Sec. 4 of the bill repeals AS 03.12 (the provisions established in sec. 1).

Sec. 5 provides that sec. 4 takes effect January 1, 1988, thus implementing sec. 3.

Sec. 6 provides that secs. 1 - 3 of the bill take effect immediately. This effective date thus puts the program enacted in sec. 1 (AS 03.12), the APA amendment added in sec. 2, and the termination provisions in effect immediately. Sections 4 - 6 take effect by operation of law 90 days after enactment but are not, of course, needed until January 1, 1988.

If I may be of further assistance, please advise.

RAB:ljb
16/018

CASELOAD

The communities of Valdez, Glenallen and Cordova are presently served by a single District Court Judge, located in Valdez, and by traveling Superior Court judges from Anchorage.

The following represents the FY 81-82 caseload: (AK Court System Annual Report)

	Valdez	Glenallen	Cordova	TOTAL
FELONIES	11	34	12	= 57
MISD.	196	297	163	= 656
OTHER CRIMES	0	1	5	= 6
TRAFFIC	569	249	474	= 1,292
SM. CLAIMS	118	63	224	= 405
OTHER CIV.	<u>103</u>	<u>54</u>	<u>21</u>	= <u>198</u>
TOTAL:	997	698	899	= 2,594

1/1/83 - 3/31/83 Valdez alone took on 18 felony, 57 small claim, and 20 civil case filings.

The following represents the FY 81-82 caseload for communities now being served individually by a Superior Court judge.

	Petersburg/Wrangl	Barrow	Nome	Kotzebue/Bethel
FELONIES	38	62	17	31
MISD.	421	425	443	640
OTHER CRIMES	12	4	126	9
TRAFFIC	453	3	211	2
SM. CLAIMS	94	104	81	119
OTHER CIV.	<u>41</u>	<u>14</u>	<u>17</u>	<u>3</u>
TOTAL:	1,059	612	895	804

HB 156

WHD

Amendment # _____

Thoro FT

CS HB 156 Leaves

line 27
page 3

delete: general fund

Add: "Division of Agriculture for
the development of future
grain markets"

Introduced: 2/2/83
Referred: Resources, House Special
Committee on State Loans and Finance

1 IN THE HOUSE

BY SHULTZ

2

HOUSE BILL NO. 156

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to a state 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 44.33 is amended by adding a new section to read:

10 Sec. 44.33.480. STATE GRAIN RESERVE PROGRAM. (a) The council
11 shall administer the state grain reserve program under this section.

12 (b) When grain is harvested in the state, graded as number three
13 or better according to the standards of the United States Department
14 of Agriculture, and placed in a storage facility approved by the
15 council, the owner of the grain may use the grain as collateral for a
16 loan from the council under (c) of this section. The owner of grain
17 placed in a storage facility approved by the council who has received
18 a loan under this section may not remove grain used as collateral from
19 the approved storage facility without the approval of the council.

20 (c) The amount of the loan shall be an amount not in excess of
21 the United States target price for the particular grain times 90
22 percent of the total number of bushels of grain offered as collateral.
23 The loan shall bear interest at eight percent a year.

24 (d) As used in this section, "grain" means barley, wheat, and
25 oats.

26 * Sec. 2. This Act takes effect July 1, 1983.

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
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7 and the Alaska grain reserve loan fund; and providing
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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.

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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).

Offered: 4/29/83
Referred: Rules

Original sponsor: Shultz

1 IN THE HOUSE BY THE FINANCE COMMITTEE

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4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

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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).