

Offered: 3/13/84
Referred: Rules

Original sponsors: Faiks, Kerttula
and Halford

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 342 (Finance)
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 Agricultural Loan
7 Act."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 03.10.020(1) is repealed and reenacted to read:
10 (1) make a loan to
11 (A) an individual resident farmer, homesteader, or a
12 partnership or corporation composed of farmers and homesteaders
13 for
14 (i) clearing land for agricultural purposes;
15 (ii) development of farms;
16 (iii) storage and processing of farm produce; or
17 (iv) the purchase of livestock or machinery;
18 (B) an individual state resident, or a partnership or
19 corporation for
20 (i) storage and processing plants for agricul-
21 tural products;
22 (ii) the commercial production or processing of
23 horticultural products in the state;
24 (iii) the commercial production or processing of
25 animal feed in the state; or
26 (iv) the raising or care of animals in the state
27 for the purpose of marketing their fur;
28 * Sec. 2. AS 03.10.020 is amended by adding a new subsection to read:
29 (b) In this section "horticultural products" means vegetables,

1 fruit plants, grass seed, sod, tree seedlings, ornamental plants,
2 foliage, or flowering plants, grown in a greenhouse or nursery.

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

4 (c) A short term loan, to be amortized within one year, not to
5 exceed \$350,000 to any one borrower may be made for operating pur-
6 poses, except that a loan made under this subsection may not exceed
7 \$200,000 unless the loan is made to a borrower in a farm disaster area
8 declared under AS 03.10.058. The term of a loan made under this
9 subsection may be extended for up to three years by the agricultural
10 revolving loan fund board, in the discretion of the board, upon appli-
11 cation by the borrower.

12 * Sec. 4. AS 03.10.030(g)(4) is repealed and reenacted to read:

13 (4) be made for clearing land other than land that has been
14 classified by the United States Department of Agriculture, Soil Con-
15 servation Service under the Land Capability Classification System as
16 having agricultural potential for the production of annual crops, hay,
17 or for pasture.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No. CS SB 342 (FIN)
Title: Amending the Ak. Ag. Loan Act
Sponsor: Faiks et al
Requestor: _____
Date of Request: 1-10-84

FISCAL DETAIL

Agency Affected: Natural Resources
Program Category Affected: _____
Agricultural Revolving Loan Fund
BRU, Program or Subprogram(s) Affected: _____
ARLF

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-		
CAPITAL		-0-	-0-	-0-		
REVENUE		-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: 1-24-84

Approved by Commissioner: William D. Arnold, Deputy Date: 1-24-84
Agency: Natural Resources

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

Alaska State Legislature

OFFICIAL BUSINESS

CHAIRMAN
RULES COMMITTEE



Senate

JAN FAIKS
POUCH V
CAPITOL BUILDING
JUNEAU, ALASKA 99811

MEMORANDUM

DATE: April 19, 1984

TO: Representative Al Adams
Chair, House Finance Committee

FROM: Senator Jan Faiks

RE: CSSB 342 (FIN)

Senate Bill 342 has been referred to the House Finance Committee. I would very much appreciate a hearing for this bill as soon as your committee schedule allows.

The purpose of the original bill was to amend the Alaska Agriculture Revolving Loan Act to allow loans for the commercial production or processing of horticultural products in the state, the commercial production of animal feed in the state, and the raising or care of animals in the state for the purpose of marketing their fur. The Senate Resources Committee added a definition of horticulture.

At Senator Kerttula's request, two other sections were added to the bill in the Resources Committee. One section would allow a short term loan to be extended at the Board's discretion. The other section would allow clearing loans to be made on any land classified as having agricultural potential. Current law limits clearing loans to Class I, II, or III soils. Some "lower class" soils, though not suitable for crop production, are suitable for growing hay or native grazing after they are cleared.

The Senate Finance Committee further defined the section dealing with short term loan extensions. In that version the short term loan may be extended for up to three years in the Board's discretion. During the Finance hearings the Department of Natural Resources proposed raising the statutory ceiling on the loan fund from its present \$75 million to \$100. There was some discussion about this as well as the delinquency rate of outstanding loans. However the committee decided against raising the loan ceiling, and I am working with the Attorney General's Office and the Division of Agriculture to determine the status of loans referred to the AG's office for collection.

These two items are really a tangent and do not directly impact the bill.

Attached for your reference are the following:

1. SB 342, CSSB 342 (RES), CSSB 342 (FIN)
2. Fiscal Note
3. Draft regulations for DNR governing the ARLF
4. Background information of fur farming
5. AS 03.10 Alaska Agricultural Loan Act
6. Minutes from the Senate Resource Committee and Senate Finance Committee when SB 342 was heard
7. Position paper from the Alaska Horticulture Association
8. Survey of Greenhouse and Nursery Production in Alaska

If you have any questions or need any clarification, please give me a call.

Thank you.

DELIVER TO: <u>NED</u>	LOCATION: <u>TULLY in CO</u>
FROM: <u>DAVID CREEKMAN</u>	LOCATION: <u>CO - Arch</u>
TELEPHONE/TELECOPIER # _____	TOTAL NUMBER OF PAGES: <u>3</u>
TRANSMITTING ON/SPEED _____	DATE: <u>4-17</u> TIME: <u>3:05</u>
PHONE FOR PROBLEMS/NAME/NUMBER _____	
COMMENTS: <u>Section you are interested in and</u>	

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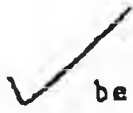
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- (2) a three-year business history and tax returns for the last three years of the borrower and of any person owning 10 percent or more of the business for which the loan is to be utilized;
- (3) proof that the applicant is a state resident, as defined in 11 AAC 39.251;
- (4) current financial statements including as a minimum a balance sheet and a profit-and-loss statement for each of the persons specified under (a)(2) of this section;
- (5) a statement of intent stating the amount requested, a description detailing the proposed use of the loan proceeds, and the plan of repayment of the loan;
- (6) a schedule of acceptable collateral stating date of acquisition, cost, location, market value, and existing liens;
- (7) pro forma financial statements which show the projected income and expenses for the following year;
- (8) cash flow projections demonstrating the ability to make loan payments;
- (9) a five year farm development plan including projected borrowing needs;
- (10) a statement of whether the applicant has ever been the subject of a bankruptcy action; and
- (11) a resume of agricultural experience and education.

(b) Loan applications may be submitted to any loan office of the division. A loan application may be presented to the board at a meeting under 11 AAC 39.031, if it is complete, complies with this chapter, and is received by the division at least 14 days (except in the case of emergencies) before the date of the meeting.

(c) A corporation applying for a loan shall submit a current certificate of good standing in the state and a corporate resolution authorizing the corporation to borrow from the fund. A partnership or joint venture applying for a loan shall submit the partnership or joint venture agreement and proof of the authority to borrow from the fund. (Eff. / /84, Register)

Authority: AS 03.10.020
AS 03.10.030



11 AAC 39.111. QUALIFYING LOANS PURPOSES. (a) Loans may be made for, but are not limited to, the following purposes

- (1) clearing land for farming purposes;
- (2) development of farms;
- (3) processing of agricultural products and animals;
- (4) storage of farming products, equipment, and machinery;
- (5) farm irrigation;
- (6) short term farm operating money;
- (7) livestock;
- (8) crops;
- (9) farm machinery and equipment; and
- (10) other commercial farming purposes, including horse breeding and raising, fur breeding and farming, and greenhouses.

(b) Loans will not be made for the following purposes

- (1) boats;
- (2) airplanes;
- (3) tracked vehicles;
- (4) pickups, automobiles, and multiple use trucks, except specialized farming vehicles not readily convertible to personal or non-farm use;
- (5) silvicultural projects;
- (6) boarding stables and arenas, riding academies and schools;
- (7) establishments which resell rather than produce, process or add value to crops, livestock and livestock products.
- (8) land purchases;
- (9) refinancing, except in emergencies or when in the best interests of the loan fund; and
- (10) residential property.

Authority: AS 03.10.020
AS 03.10.030

farming industry and area of the state. The moratorium will be for a one year period and may be extended on a year by year basis, not to exceed five years. (Eff. / /84, Register)

Authority: AS 03.10.020
AS 03.10.030
AS 03.10.050

ARTICLE 3. GENERAL PROVISIONS

Section

511. Definitions

11 AAC 39.511. DEFINITIONS. In this chapter

(1) "acceptable collateral" means adequate security approved by the board to secure repayment of a loan in the event of default and includes, but is not limited to, a mortgage, deed of trust, assignment or other security instrument on real property, buildings, machinery and equipment, fixtures, livestock, crops, accounts receivable, and other contracts;

(2) "applicant" means an individual, partnership, corporation, association, cooperative, or other organization applying for a loan;

(3) "board" means the Agricultural Revolving Loan Fund Board;

(4) "borrower" means all persons liable for a loan or any part of a loan;

(5) "chairperson" means the Chairperson of the Agricultural Revolving Loan Fund Board;

(6) "chattel" means livestock, vehicles, and movable equipment and machinery;

(7) "commercial" means enterprises operated for profit rather than personal or recreational use or as hobbies;

(8) "commissioner" means the Commissioner of the Department of Natural Resources or the Commissioner's designee;

(9) "crops" means small grains, oil seeds, forages, fruits, and vegetables normally grown in northern latitudes;



in alaska

were only 62 fur farms, some raising mink. By 1966, there were only four fur farms in Alaska.

The fur market remained weak until very recently, but now there is renewed interest in farming, evidenced by the number of permits granted. Permits for fur farming are issued by Dr. Bert Gore, State Veterinarian with the Alaska Department of Environmental Conservation. Dr. Gore said there are 14 permits currently issued to fur farmers in Alaska, and there may be 20 more operators in business without a permit.

The present enforcement effort, carried out only by Dr. Gore, consists of preventing escapes of domestic foxes into the environment and blocking the use of rabies vaccine. While the animals may be vaccinated for distemper and a host of other diseases, there is presently no approved rabies vaccine for foxes. Because the vaccine is live, vaccinated animals that escape could spread rabies among wild populations.

In addition to preventing escape and controlling rabies vaccine, state regulations require that animals be maintained in clean and sanitary con-

ditions. Since Dr. Gore is the only inspector in the state, and because fur farms are geographically spread across vast territories, inspections have been limited largely to Southcentral Alaska, where he is stationed.

One of the major problems facing potential fur farmers is a source of food. Over the course of a year, 80

Starting a fox farm is a costly proposition.

female red foxes and 20 males, a recommended number for starting a farm, would require 55,000 pounds of food.

Good breeding stock is critical to the success of a fur farm. The animals must have high reproductive potential, good color, and quality fur. Initial breeding stock is often purchased from other farms. Those animals having excellent characteristics may cost as much as several thousand dollars. One alternative would be trapping wild animals, but selectivity would be lost.

A farmer must take good care of his

animals. Their food supplies and living quarters must be of high quality or they won't produce a pelt good enough to be marketed. The method used to kill the animals is generally electrocution, a very fast and nearly painless death. Poison is sometimes used as an alternative to electrocution, but storing toxic substances can be dangerous.

Starting a fox farm is a costly proposition. A good breeding stock would number 100 animals. No return could be expected for two to four years, so the investor would have to "float" for some time. In a 1981 paper titled "Feasibility of Fox Farming in the NAN Region." Dr. Lawrence S. Underwood calculated start-up costs at \$53,450. This included cage construction materials, freight, labor, and equipment for farms located in the northwestern portions of the state. The total food costs for the first year would be \$116,126 with freight costs of \$19,900.

Other species considered for farming have been lynx, mink, sable, and wolverine. There are problems with each type, and farming methods

Continued on page 42



Dripping wet, this swimming mink looks little like the valuable furbearer he is.

Leonard Lee Rue III photo

Mink, Markets and Money *continued from page 20*

point, our Alaskan minks, now all tanned, polished, and refined, will be intersorted with mink from many places to make the perfect match of the 25 to 50 skins required for one coat.

It is at this stage that the variables of fashion, manufacturing, marketing and merchandising make it difficult to follow exactly where or at what cost our Alaskan mink is affected. This is also where the largest increment of cost is added to the price of a coat, because it is the most labor intensive process.

Based on past trends in fashion, the styles that wear well and sell well, a manufacturer will have developed a line of coats for a given season. Each manufacturer might also have several lines: one for mass produced, more inexpensive coats, and another for individually tailored, luxury coats. Sometimes a manufacturer will team up with a designer to lend a "designer

name" and label to his goods. According to one furrier, this name will make the coat cost more, but it doesn't necessarily guarantee that the coat is top quality because "the manufacturer makes the coat, not the designer."

The manufacturing process involves work by designers, cutters and sewing machine operators who carefully match each skin to be part of the coat, choose certain parts of each pelt to be used in a particular part of the coat, then sew them together in a way that makes the coat appear to be one piece of fur instead of dozens of separate skins. One manufacturer suggests that a good way to tell if you are getting a quality mink coat is to look at the inside of the coat at the reverse or skin side of the pelts to see if they are carefully pieced and sewn in one direction.

After a manufacturer has made up several coats they will be displayed at

fashion shows where retailers view them and place orders. Other unveilings take place at international fur fairs and shows all over the world. To these coats, in addition to the cost of the labor and materials that go into production, the value of the manufacturer's name and the designer's name, costs of marketing and retailing are tacked on. By the time the coat appears in the store window, the difference between the wholesale and retail cost, the costs of advertising and all the other variables that go into a price tag are finally complete.

So if we began with 50 pelts costing \$56.80 each after dressing, for a total of \$2,840, the design, manufacture, marketing, and retailing of that full-length mink coat cost nearly \$8,000!

Suzanne Ludicello is ADF&G's Special Assistant in charge of the Public Communications Section.

Fur Farming in Alaska *continued from page 7*

change from animal to animal. The one constant in the fur farming business, from its beginnings to the present day, is that it is not an easy way to make a living. It requires constant attention to the animals. Some

things have changed, however. Since the early years of the century the required capital investment has risen, and the methods of farming have become increasingly scientific and exacting.

Karen Cantillon is a Publications Specialist for ADF&G's Public Communications Section.

SB 312

Chapter 10. Alaska Agricultural Loan Act.

Section

- 10. Declaration of policy
- 20. Powers of the department
- 30. Limitations on loans
- 35. Use or disposal of mortgaged farm land

Section

- 40. Creation of fund
- 50. Administration of fund
- 52. Limitation on board members
- 58. Farm disaster area
- 60. Short title

Collateral references. — 3 Am. Jur. 2d, Agriculture, § 19 et seq.; 55 Am. Jur. 2d, Mortgages, § 1 et seq.; 63 Am. Jur. 2d, Public Funds, § 1 et seq.
 3 C.J.S., Agriculture, § 57 et seq.; 81A C.J.S., States, § 208.

Power, under statute for stabilization of market for agricultural crops, in respect of crop loans by public agency and the security therefor, 157 ALR 338.

Sec. 03.10.010. Declaration of policy. It is the policy of this chapter to promote the more rapid development of agriculture as an industry throughout the state by means of long-term low-interest loans. (§ 2 ch 122 SLA 1953)

Sec. 03.10.020. Powers of the department. The department may

Resident

- (1) make loans to individual resident farmers, homesteaders, and partnerships or corporations composed of farmers and homesteaders, for clearing land for agricultural purposes, development of farms, storage and processing of farm produce, livestock and machinery and to individuals, partnerships or corporations, for storage and processing plants for agricultural products;
- (2) designate agents and delegate its powers to them as necessary;
- (3) adopt rules and regulations necessary to carry out its functions;
- (4) establish amortization plans for repayment of loans, which may include delayed payments of principal and interest for not to exceed five years;
- (5) enter into agreements with private lending institutions, other state agencies or agencies of the federal government, to carry out the purposes of this chapter. (§ 4 ch 122 SLA 1953; am § 1 ch 156 SLA 1955; am § 1 ch 41 SLA 1961; am § 1 ch 113 SLA 1982)

Effect of amendments. — The 1982 amendment inserted "clearing land for agricultural purposes" in paragraph (1).

Sec. 03.10.030. Limitations on loans. (a) A farm development, chattel, or irrigation loan made under this chapter

- (1) may not exceed a term of 30 years, except that a chattel loan may not exceed a term of seven years;

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§ 03.10.030

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(2) may not, when added to the outstanding balance of other loans made under this chapter, exceed a total outstanding balance of \$1,000,000;

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

(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.

(b) *[Repealed, § 72 ch 113 SLA 1982.]*

(c) A short term loan, to be amortized within one year, not to exceed \$350,000 to any one borrower may be made for operating purposes, except that a loan made under this subsection may not exceed \$200,000 unless the loan is made to a borrower in a farm disaster area declared under AS 03.10.058.

(d) *[Repealed, § 72 ch 113 SLA 1982.]*

(e) An installment payment is delinquent unless it is mailed by the borrower on or before the 30th day after the date specified for payment in the loan agreement or unless it is received by the department on or before the 30th day after the date specified for payment in the loan agreement. If an installment payment is delinquent, the director may assess a delinquency penalty. The delinquency penalty shall be an amount equal to seven percent of the delinquent payment, but the combined delinquency penalty and loan interest may not exceed 15 percent.

(f) A farm product processing loan may not exceed \$250,000. A mortgage which secures a farm product processing loan may be of any priority if the total indebtedness on the real estate, including the secured farm product processing loan, does not exceed \$250,000. A farm product processing loan which, if made, would raise the existing indebtedness on the real estate securing the loan above \$250,000, or a farm product processing loan on real estate which has a prior indebtedness of \$250,000 or more, may be made only if all prior mortgagees agree to subordinate their mortgages to that of the state for the amount of the farm product processing loan which exceeds the \$250,000 indebtedness limit on the real estate. A farm product processing loan may not exceed a term of 30 years or bear interest that is less than eight percent a year and shall be secured by a real estate or chattel mortgage or both.

(g) A loan for clearing land may not

(1) exceed \$250,000;

(2) bear interest that is less than eight percent;

(3) have a term in excess of 20 years; or

(4) be made for clearing land that is not classified as class III or better by the United States Soil Conservation Service under the land classification system used by the United States Soil Conservation Service.

(h) The commissioner shall adopt regulations to establish other terms for loans made under this chapter, consistent with the provisions of this section, and may establish interest rates for loans under (a)(4) of this section that

(1) encourage agricultural development;

(2) do not subsidize nonviable agricultural enterprises; and

(3) do not discriminate against viable existing agricultural enterprises. (§ 4 ch 122 SLA 1953; am § 1 ch 156 SLA 1955; am § 1 ch 41 SLA 1961; am § 1 ch 144 SLA 1966; am § 1 ch 78 SLA 1967; am § 1 ch 135 SLA 1970; am § 1 ch 22 SLA 1974; am § 1 ch 18 SLA 1975; am §§ 1-4 ch 50 SLA 1979; am § 74 ch 106 SLA 1980; am §§ 1-3 ch 7 SLA 1982; §§ 2-5, 72 ch 113 SLA 1982; am §§ 1, 2 ch 38 SLA 1983)

Revisor's notes. — The director referred to in the second sentence of (e) of this section is the director of the division of agriculture, Department of Natural Resources.

Effect of amendments. — The 1979 amendment increased the farm development loan and indebtedness limit in subsection (a) from \$200,000 to \$500,000, increased the loan limit for chattel loans from \$100,000 to \$300,000 in former subsection (b), substituted "\$200,000" for "\$25,000" in subsection (c), and added subsection (e).

The 1980 amendment added subsection (f).

The first 1982 amendment raised the interest rate limit from six to eight percent in subsections (a) and (f) and in former subsection (b).

The second 1982 amendment rewrote subsection (a); repealed subsections (b) and (d), which read, respectively, "Except for loans for irrigation systems as provided in this subsection, a chattel loan may not exceed \$300,000 for each farm unit and may not run longer than seven years or the useful life of the chattel if more than seven years. It may not bear interest exceeding six per cent. It shall be secured by real

estate or chattel mortgage, or both. Loans and the real estate and chattel mortgage security on them for irrigation systems may be in amounts and for terms as determined by the commissioner" and "Farm development and chattel loans for irrigation systems may be for terms as determined by the commissioner"; substituted "30th day" for "15th day" in two places in the first sentence and "may assess" for "shall assess" in the second sentence, both in subsection (e); added the language beginning "but the combined delinquency penalty" to the end of the third sentence of subsection (e); substituted "\$250,000" for "\$2,500,000" throughout subsection (f); substituted "that is less than eight percent" for "exceeding eight percent" in the last sentence of subsection (f); and added subsections (g) and (h).

The 1983 amendment in paragraph (a)(1) added the language beginning with "except that" and in subsection (c) substituted "\$350,000" for "\$200,000" and added the language beginning with "except that."

Legislative history reports. — For report on ch. 78, SLA 1967 (HB 274), see 1967 Senate Journal, pp. 513-514.

Sec. 03.10.035. Use or disposal of mortgaged farm land. (a) A borrower may not use farm land for a non-farm use or sell, lease or otherwise dispose of farm land if that land is encumbered by a mortgage given to secure the payment of a farm development, chattel, or irrigation system loan under this chapter unless the borrower either

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(1) pays the outstanding balance of the loan in a lump sum or under other terms agreed to by the commissioner which accelerate payment of the loan; or

(2) pays the outstanding principal balance for the remaining term of the loan at the prevailing rate of interest which is charged by commercial banks in the state during the calendar quarter in which the department receives notice of the change of use, sale, lease or other disposal of the farm land.

(b) In this section, "non-farm use" means a use of land other than for the production of domesticated plants and animals useful to humans, including forage and sod crops, grain and feed crops, fruits, vegetables and livestock. (§ 5 ch 50 SLA 1979)

Sec. 03.10.040. Creation of fund. There ~~is~~ an agricultural revolving loan fund which shall not exceed \$75,000,000 to carry out the purpose of this chapter. (§ 5 ch 122 SLA 1953; am § 2 ch 41 SLA 1961; am § 1 ch 81 SLA 1970; am § 6 ch 50 SLA 1979; am § 4 ch 7 SLA 1982)

Effect of amendments. — The 1979 amendment substituted "\$20,000,000" for "\$5,000,000." The 1982 amendment substituted "\$75,000,000" for "\$20,000,000."

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. (§ 6 ch 122 SLA 1953; am § 1 ch 119 SLA 1976; am § 6 ch 113 SLA 1982)

Revisor's notes. — Section 5, ch. 7, SLA 1982 added a subsection (c) to this section but the provisions of that subsection have been transferred to AS 03.10.052. Consequently, the subsection added by § 6, ch. 113, SLA 1982, has been redesignated "(c)."

Effect of amendments. — The 1982 amendment added subsection (c).

Sec. 03.10.052. Limitation on board members. A member of the agricultural revolving loan fund board may not, during the member's term of office or within one year after ceasing to be a member of the board, obtain a loan under this chapter other than a short-term loan under AS 03.10.030(c). (§ 5 ch 7 SLA 1982)

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.

Alaska State Legislature

SB 342

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
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Senate

Committee on Resources

MEMORANDUM

TO: Senate Resources Committee Members

FROM: Senate Resources Committee Staff

RE: Committee Meeting, January 25, 1984

DATE: January 23, 1984

On Wednesday, January 25, the following bills will be heard:

SB 322, An Act relating to the Alaska Agricultural Loan Board

SB 322 would increase the membership of the Agricultural Revolving Loan Fund Board from five to seven members. All members are appointed by the Governor. At present, three of the five members must be persons with background and experience in agriculture. SB 322 would retain that ratio; four of the seven members would be involved in the industry.

SB 342, An Act amending the Alaska Agricultural Loan Act.

SB 342 would expand the agricultural loan program to include loans for the commercial production or processing of horticultural products and animal feed, and for the raising and care of animals for marketing fur. A Resources Committee Substitute has been prepared that would remove the restriction to in-state use of these products.

Loans are currently allowed for land clearing, farm development, storage and processing of farm produce, and purchase of livestock or machinery. Draft DNR regulations (11 AAC 39.111) would expressly prohibit loans from being made for "enterprises not operated primarily for human or livestock food production", which includes fur breeding and fur farming, and greenhouses not operated primarily for food production. Loans for processing feed are currently being made under the "farm product processing loans" authority.

Senator Kerttula has proposed an amendment that would allow land clearing loans to be made on all lands classified by the Soil Conservation Service as having agricultural potential. Current statute limits clearing loans to lands with Class I, II, or III soils.

SB 339, Repealing the expiration date of the Alaska Agricultural Action Council

SB 358, Amending the expiration date of the Alaska Agricultural Action Council

The Alaska Agricultural Action Council was established in 1979 for a set term of five years. The Council is due to expire July 1, 1984. SB 339 would extend the life of the Council for perpetuity; SB 358 would extend its life for five years. The Council is composed of five members appointed by the Governor, and is charged with administering the Delta agricultural project, making recommendations to the Commissioner of Natural Resources regarding the classification of state agricultural land, holding public hearings in areas being considered for agricultural development, and evaluating the need for farm conservation plans.

The meeting will be held at 3:00 pm in the Beltz Room, and will be teleconferenced to Anchorage, Wasilla/Palmer, and Delta, and Fairbanks.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



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Senate Committee on Resources

MEMORANDUM

TO: Senate Resources Committee Members

FROM: Senate Resources Committee Staff

RE: SB 342, An Act amending the Alaska Agricultural Loan Act

DATE: January 31, 1984

Following the recent Resources Committee hearing on SB 342, the Chairman asked staff to follow up on the questions raised regarding the proposed uses of Agricultural Revolving Loan Fund (ARLF) monies.

1) Loan Fund

AS 03.10.040 places a limit on the ARLF of \$75 million. Appropriations to the fund to date total \$62.5 million; an additional \$12.5 million has been requested for FY 85. \$10 million is currently available for loans.

One fur farming loan and five horticulture loans were made several years ago. However, as demand on the fund increased, the Agricultural Loan Board established development of enterprises operated primarily for human or livestock food production as a priority use of the loan funds.

2) Limit Loans to Residents

Bill Heim, Director, Division of Agriculture, DNR, proposed that the term "individual residents" as used in AS 03.10.020(1)(a) be repeated in AS 03.10.020(1)(b). This proposal is contained on line 17 of the draft Committee Substitute. Residency requirements for "partnerships" and "corporations" are not contained in current statute. The proposed regulations on the Agricultural Revolving Loan Fund define partnership or joint venture as "a resident if all the partners or joint venturers are residents." A corporation is "a resident if it is currently registered to do business in the state and persons holding the majority stock in the corporation are residents." (proposed 11 AAC 39.251).

3) Limit to In-State Production

The phrase "in-state commercial production" has been added to lines 20, 22, and 24 of the draft Committee Substitute. Committee members suggested that a distinction should be made between establishments that raise and harvest horticultural crops and products in the state, and those that resell products received from other states. DNR's survey of greenhouse and nursery production in Alaska in 1982 indicates that there are many producers who do ship plants into the state for resale.

4) Definition of Horticulture

It was suggested that a definition of horticulture be placed in AS 03.10. Horticulture could be defined through a specific listing of products and crops:
"For the purpose of this section, horticulture is defined as the growing and production in greenhouses or nurseries of vegetables, fruit plants, grass seed, sod, tree seedlings, ornamental plants, foliage, and flowering plants."

5) Regulation of Fur Farming

AS 03.25.020 governs the involvement of Department of Environmental Conservation (DEC) veterinarians in the care and breeding of fur bearing animals. DEC has the authority to permit the farms and inspect them for health and sanitary standards. As of December, 1982, there were 14 permits issued to fur farmers in Alaska. In addition, the Alaska Department of Fish and Game (ADF&G), issues permits for the capture of wild fur bearers to mix with the domestic animals to enhance genetic stock.

SB 342, (Agricultural Revolving Loan Fund), SB 339 and SB 353 (Alaska Agricultural Action Council), and SB 322 (Agricultural Revolving Loan Board) will be heard on Wednesday, February 1, 1984 at 3:00 pm in the Beltz Room.

The following items are attached:

- 1) Proposed Committee Substitute for SB 339, which would put the Alaska Agricultural Action Council on a five year sunset provision.
- 2) Proposed Committee Substitute for SB 342, containing the changes noted in the memo.
- 3) A proposed amendment to SB 342 that would give the Agricultural Revolving Loan Board the discretion to extend the term of a short term loan beyond one year.
- 4) Background information on fur farming.

SENATE FINANCE COMMITTEE

February 22, 1984

9:20 a.m.

SFC-84, #4, Side 1 (000-end)

CALL TO ORDEP

Co-chairman Don Bennett convened the meeting at approximately 9:20 a.m.

PRESENT

All committee members (Senators Bennett, Faiks, Ferguson, V. Fischer, Josephson, Mulcahy, and Sackett) were present. Also attending were Dean Brown, Deputy Director, Division of Agriculture, Department of Natural Resources; Bill McIlroy, Chairman, Legislative Committee, Pioneers of Alaska; Wally Kubley, representing the Pioneers of Alaska; Michael Greany, Director, Division of Legislative Finance; Marylou Burton, Fiscal Analyst, Division of Legislative Finance; aides to committee members and other members of the legislature; and representatives of the press and television media.

SUMMARY INFORMATION

- SB 83 Act relating to court leave for nonpermanent and temporary employees of the state.
- Reported out with unanimous do pass recommendation and zero fiscal note.
- SB 342 Act amending the Alaska Agricultural Loan Act
- Held in committee pending requested information from DMP and Dept. of Law regarding state action against delinquent loans.
- SB 347 Act authorizing the use of Alaska permanent fund income to pay longevity bonuses; amending the longevity bonus program and the permanent fund dividend distribution program
- Held in committee pending receipt of a revised fiscal note from the Dept. of Administration.

SB 83

Co-chairman Bennett moved that SB 83 (ACT RELATING TO COURT LEAVE FOR NONPERMANENT AND TEMPORARY EMPLOYEES OF THE STATE) be brought on for discussion. Senator Ferguson explained that the bill was

introduced by the Blue Ribbon Commission on the State Personnel Act. It represents a technical amendment to state statutes which currently allow court leave for nonpermanent employees in one section while denying leave in another section. The bill will right existing contradiction in the statutes. A zero fiscal note accompanies the bill. Senator Ferguson moved for passage with individual recommendations. No objection having been raised, SB 83 passed from Senate Finance with a unanimous do pass recommendation.

SB 342

Co-chairman Bennett moved that SB 342 (ACT AMENDING THE ALASKA AGRICULTURAL LOAN ACT) be brought on for discussion. Co-chairman Sackett directed committee attention to backup in members' files including a handout demonstrating the difference between the proposed legislation and existing law. He also referred to a memorandum from Senate President Kerttula conveying a request by the Commissioner of Natural Resources for an increase in the limit of the loan fund. Co-chairman Sackett then asked that representatives from the department appear before committee to speak to the ceiling increase.

Dean Brown, Deputy Director of Agriculture, appeared on behalf of the department. Co-chairman Sackett advised that fiscal information relating to the program shows that \$10.0 million was added in FY 84 for total funding of \$62.5 million under a \$75 million ceiling. The governor has requested \$11.6 million for FY 85. Ms. Brown explained that the Commissioner of Natural Resources supports an increase in the loan ceiling to \$100 million since current land disposal and agricultural projects will require an injection of \$10 million for the next three years.

The fund presently receives approximately \$4 million per year in interest repayments which meet annual operating expenses for planting and fertilizer. This demonstrates that at the current level the fund is sustaining itself. However, in order to develop farms now underway, the capital limit needs to be increased beyond the present ceiling.

Co-chairman Sackett inquired concerning the need for an increase from \$75 to \$100 million when the department is only requesting \$11.6 million for FY 85, thus bringing the program total to \$74.1 million. Ms. Brown responded that the department has identified a demand to the extent of approximately \$31 million within the next eighteen months, based on upcoming development schedules for projects currently underway. Rather than requesting an increase in the fund limit and an appropriation up to that limit simultaneously, the department is at this time requesting only the increase in the ceiling. Appropriation requests will then be made in accordance with the development schedule.

Responding to a question from Co-chair Sackett concerning audit recommendations and the loan fund's delinquency rate, Ms. Brown explained that the fund has been strengthened procedurally since growing from its initial \$8 million to the current \$62.5. Delinquencies have grown along with increased capitalization. The fund currently experiences some "built-in" delinquency in short-term loans. Under present law, the department may amortize these loans over a one-year period only. Such loans account for 41% of the fund's delinquency. If a farmer experiences a crop failure in a year, he immediately becomes delinquent since the department cannot legally extend his loan.

Senator Fischer voiced concern over situations highlighted in the audit report which indicate that delinquencies appear to be piling up (an individual may have one delinquent loan on top of another). How does the department handle these loans? Ms. Brown advised that in the past the loans were merely "rolled over." The board, within the last nine months, has taken an aggressive stand on delinquencies, has formulated a delinquency policy, and increased the number of loans being referred to the attorney general's office for foreclosure.

Following the years of rapid fund growth and large land disposals, the department is now beginning to identify those who have gotten into farming and demonstrated that they are not good managers. Their loans have become delinquent. The department and board have adopted the philosophy that delinquencies must be acted upon, the land repossessed by the state, and the farms gotten back into good farming hands. Under current board policies, a letter issues after 30 days of delinquency. The letter is followed by a visit by the "examiner" (the individual who initially made the loan) to the farmer. The board is currently re-examining "built-in" delinquency situations and attempting to come up with reasonable repayment schedules. Ms. Brown further explained that delinquency rates experienced by the fund represent a national trend in that agricultural loans have not traditionally been rewritten to hide delinquencies.

In response to a question from Senator Fischer concerning how much it costs the state to administer the program, Ms. Brown answered \$402 thousand. She noted that promotional funds are derived from revolving moneys returning to the fund. The only general funds involved are the yearly capital appropriations.

Intrigued by the zero fiscal note and the fact that the department is this year going to "hit the ceiling" while requesting only \$11.6 for FY 85, Senator Fischer asked for an explanation. Ms. Brown responded that the fiscal note was written prior to the proposed amendment raising the loan ceiling. However, the department believes demands on the fund can be met by the FY 85 capitalization request. The increased ceiling should not require additional funding until next fiscal year when increased funding will be included within the department's

regular request. Land disposal projections and development schedules required by law predict a larger demand than the department is requesting. The board grants loans on an individual basis, however, and a funding increase via fiscal note is not deemed warranted at this time. The \$11.6 request should be adequate.

Senator Fischer referred to language on page 2 of the bill which would allow the board to extend a short-term loan over a period as long as 20 years. He advised that he would propose an amendment which would permit extension for one year only. Ms. Brown stated that Senator Fischer's amendment should not create problems as long as it would allow for extension through an additional cropping season.

Senator Faiks advised of concern for the program and its 40% default rate. She further questioned the practice of giving additional loans to those already in default. Ms. Brown explained that there is a \$350 thousand loan limit. She further noted that the program has only 6 borrowers among 270 who are approaching the \$200 thousand limit. She concurred in the Senator's concern that successive crop failures seem to multiply delinquencies and perhaps indicate that the operation will never be successful. This represents a problem with which the board is currently faced.

Senator Faiks next asked how many files had been forwarded to the attorney general. Ms. Brown responded, "approximately 25." Senator Faiks asked how many of the 25 are in the process of prosecution. Ms. Brown answered, "probably a third of those." The Senator then asked how many lands had been won back for the state as a result of delinquency actions. Ms. Brown stated that she would have to research her files to make a determination since the department deals with both the Fairbanks and Anchorage branches of the attorney general's office. She noted, however, that not a significant number of foreclosure actions have reached completion at this time. Senator Faiks requested that the aforementioned information be provided to committee.

Senator Mulcahy, speaking to Senator Fischer's proposed amendment regarding extension of short-term loans, advised of need to amortize such loans over at least a five year period in order to provide enough time to "work out" the loan. A good crop year cannot be expected to pay off two crops if the previous year was poor.

Senator Josephson reiterated Senator's Faiks request for information regarding the number of cases forwarded to the attorney general, the dates referred, the cases in which the debtor regained good standing, the cases which were handled through judicial procedures resulting in money judgments, and cases which went to foreclosure through non-judicial procedures resulting in recapture of the land. Ms. Brown advised that she

would obtain the information. She further stated that since active referral to the attorney general's office had only begun within the last 9 months, most cases are likely to be in early stages of action. Co-chairman Sackett requested that the bill be held in committee pending receipt of the requested information.

Senator Vic Fischer also requested expert testimony on Section 4 of the legislation, dealing with the types of land for which clearing loans may be made. Citing the description of qualifying lands as those having "agricultural potential," the Senator questioned the implication of such broad wording. Ms. Brown commented that the section would allow clearing of Class 4 lands for grazing. Under present law the program is restricted to Class 2 and 3 lands based on soil type and slope. A significant percentage of Class 4 land (designated for agriculture only) is, due to slope and topographic conditions-- good grazing land. Under present statute the program has no latitude which would allow for clearing of such lands for grazing.

Co-chairman Bennett directed that the bill be held in committee pending receipt of requested information from the attorney general's office.

SB 347

Co-chairman Bennett moved that SB 347 (ACT AUTHORIZING THE USE OF ALASKA PERMANENT FUND INCOME TO PAY LONGEVITY BONUSES; AMENDING THE LONGEVITY BONUS PROGRAM AND THE PERMANENT FUND DIVIDEND DISTRIBUTION PROGRAM; AND PROVIDING FOR AN EFFECTIVE DATE) be brought on for discussion.

Senator Mulcahy explained that the legislature had a similar bill before it during the previous session. He then conducted the following sectional review:

Sec. 1 - Establishes a longevity bonus account within the permanent fund at 12.5% of the income stream. This money can be invested, and the legislature can add to the account through appropriation.

Sec. 2 - Changes percentage of disbursement to the permanent fund distribution fund from 50% to 37.5% as a result of the use of 12.5% for longevity bonuses.

Sec. 3 - Establishes one-year residency and 65-years of age as qualifications.

Sec. 4 - Establishes monthly payments of \$200 with a 3% per annum increase if funding is available.

Sec. 5 - Technical change substituting "recipient" for "his."

Sec. 6 - Revises longevity bonus legislation in order that the account may receive funding from the permanent fund.

Sec. 7 - Allows Commissioner of Administration access to state records (driver and hunting or fishing licenses) to verify residency.

Sec. 8 - Defines "resident."

Sec. 9 - Defines purpose.

Sec. 10 - Repeals the current statutory definition of "residency."

Sec. 11 - Retroactive clause.

Sec. 12 - Contains backstop provisions.

Senator Mulcahy explained that the current bill differs from that of last year in that it reduces the monthly payment from \$250 to \$200. Further, current legislation contains retroactive provisions while that of last year did not. And Section 12 makes the program dependent upon the Supreme Court decision (if the state loses the Vest case, the bill becomes effective--if the state prevails, the bill will not be needed).

Senator Mulcahy advised of difficulties in tracking information presented on the fiscal note from the Dept. of Administration. Directing attention to the note dated 2/3/84, the Senator noted that funding shown in parenthesis represents deficit funding--general fund amounts which the Dept. of Administration would normally be requesting. However, because of the shift to the permanent fund for the flow of income, general funds will not be needed. The \$42.5 million shown under permanent funds does not represent the income flow into the account; it represents the projected cost of the program. The difference between the deficit funding and projected costs is shown under revenue and expenditures.

Co-chairman Sackett noted that the fiscal note presents information in an incorrect manner and requested that it be redone. The Co-chairman also questioned the great difference in FY 35 general funds (\$11 million to \$30 million) between the department's first and second fiscal note.

Co-chairman Bennett directed that the bill be held in committee pending appearance before committee of a representative from the department and updated, clarified fiscal information.

A brief discussion followed concerning the retroactive clause in the bill. Senator Mulcahy stated that last year the committee decided that it would not include retroactive provisions.

Referring to Section 12, Senator Josephson advised of his understanding that the proposed bill would go into effect only if the Vest suit is lost. He added that he wished it made clear that the legislature does not prefer the proposed program over the current program. The proposed legislation represents only a backstop or contingency in the event the current program is lost.

Senator Vic Fischer voiced opposition to the bill at the \$200 level and asked that a fiscal note be prepared showing costs under the bill if payments are \$250 a month.

ADJOURNMENT

The meeting was adjourned at approximately 9:50 a.m.

SFC-84, #4, Side 1 (000-end)

SENATE FINANCE COMMITTEE

March 13, 1984

9:10 a.m.

SFC-84, #9, Side 2 (000-462)

CALL TO ORDER

Co-chairman Don Bennett convened the meeting at approximately 9:10 a.m.

PRESENT

Members present were Senators Bennett, Sackett, Mulcahy, Ferguson and V. Fischer. Senator Josephson came in later and Senator Faiks was absent.

ALSO PRESENT were Senators Kerttula, Gilman, Paul Fischer, Representative Fritz; Gary Miller, Board of Directors, Alaska Lung Association; Deena J. Henkins, Reg. Env. Super. ADEC; Lisa P. Nelson, Assistant Attorney General, Department of Law; Don Kubley, Gov. Liaison, C.H.A.R.R.; Don Allan, Alaska Lung Association; E.S. Rabeau, Deputy Commissioner, Department of Health & Social Services; Dean Brown, Deputy Director, Division of Agriculture, Department of Natural Resources; Sharon Barton, Special Assistant, Department of Natural Resources; Marylou Furton, Fiscal Analyst, Legislative Finance; Janelle King, Legislative Affairs Agency; Don Magnuson, Alaska Retailers Assoc., Inc.; and aides to Senators and Representatives.

SUMMARY INFORMATION

SB 342

An Act relating to the Alaska Agricultural Loan Act.

Replaced with a Finance CS and reported out with individual recommendations.

SB 383

An Act making special appropriations to the Departments of Law and Education for miscellaneous claims; and providing for an effective date.

Replaced with Finance CS and reported out with a unanimous do pass recommendation.

SCSCSFB 691 (Finance) An Act making special appropriations for capital projects; and providing for an effective date

SCSCSHP 691 (Finance) reported out of committee with a majority do pass recommendation.

SE 342

Co-chairman Don Bennett moved that SE 342 (AN ACT RELATING TO THE ALASKA AGRICULTURAL LOAN ACT) be brought on for discussion and asked Co-chairman Sackett, who had been assigned this legislation, to give a brief history on the bill. Senator Sackett called the committee's attention to the proposed Committee Substitute which had been passed around to the members. He stated this was the same as the Resources Committee Substitute with the exception of Sec. 3. The concern from the testimony last time was in the language and has been changed so that the term of the loan made under this subsection may be extended for up to three additional years. The key words were "up to." He asked Senator Mulcahy if this would take care of the concerns he had. Senator Mulcahy replied it would.

With regard to Sec. 4, Senator Sackett recalled testimony from the Division of Agriculture last time, indicating they were interested in the terms of expansion and the type of land was Type 4 land. However, when the Division of Agriculture was called back, they said that was not correct and recommended keeping the new language there in terms of the clearing land for other than land that has been classified by the United States, Department of Agriculture Conservation under the Land Capability Classification System. The existing language reads that it is clearing land, that it is not classified as Class 3 or better by the United States Soil Conservation Service. So based on that, and after talking with Senator Kerttula, Senator Sackett left the language as is.

Senator Bennett asked if anyone in the audience had come to town to testify on this bill. There were none.

Senator Sackett said that Senator Kerttula had another request which was to increase the amount of indebtedness over and above \$75 million. However, he felt this could be done next year because the appropriation for this year just comes to under \$75 million.

Senator Kerttula

Senator Kerttula said he was in agreement with this. He said the Department of Natural Resources had brought this to his attention since the Senate had amended the authorization several times over the years, to accommodate the increased appropriation, that very shortly they would need to amend the authorization. Senator Kerttula further said he felt there was some discipline and the reason he didn't want to increase it some years ago to \$100

million was the very reason that the Finance Committee is speaking to it now

Senator Sackett moved that the Committee Substitute for SB 342 (Finance) be adopted. Upon a show of hands, CS for SB 342 (Finance) was adopted.

Co-chairman Bennett asked Dean Brown if she wished to testify on this legislation.

Dean Brown

Dean Brown, Deputy Director of the Division of Agriculture in the Department of Natural Resources, addressed the committee. She commented in particular on the Committee Substitute, saying Senator Sackett had been correct when he stated Class 4 soils had been used as an example under Sec. 3 in previous testimony. She said the Soil Conservation Service does consider class 4 and 6 soils to be agricultural potential lands. She said the problem is the statutes state Class 3 lands would be the lowest number. One, two and three are excellent class lands and the higher the number gets, 4, 5, & 6, the more problems there are in farming the lands. She felt the wording should be changed to allow class 4, 5 and 6 lands but it would not mean lending on non-agricultural soils.

Senator Kerttula felt separate legislation should be written regarding this. He said that the bill does speak to a very serious problem and didn't feel it should be "hogged" down further.

Senator Sackett moved that CS for SB 342 (Finance) be passed from committee with individual recommendations. There being no objection, the bill passed from committee with Senators Sackett, Mulcahy and Bennett signing do pass and Senators Ferguson and V. Fischer signing no recommendation.

SB 383

Co-chairman Bennett moved that SB 383 (AN ACT MAKING SPECIAL APPROPRIATIONS TO THE DEPARTMENTS OF LAW AND EDUCATION FOR MISCELLANEOUS CLAIMS) be brought on for discussion and asked if anyone was present that wished to testify on this bill. There were none. Senator Bennett said SB 383 combined the outstanding court consent decrees to the Department of Law and the Department of Education into one bill. He said several consent decrees have been generated since the bill has been introduced and they will be presented as amendments at the Finance hearings.

Senator Ferguson called attention to the CS for SB 383 (Finance) which had been placed in all of the member's files and explained this would allow for the inclusion of Beaver and Wales schools.

Senator Bennett moved that CS for SB 383 (Finance) be adopted as the working document. Upon a show of hands, the motion carried and the Senate Finance Committee Substitute was adopted by the committee as the working document.

Senator Ferguson moved that CS for SB 383 (Finance) be passed from committee with individual recommendation. There being no objection, the Finance Committee Substitute was passed from Committee with a unanimous do pass recommendation.

Co-chairman Bennett announced that there would be a five-minute recess at this time.

RECESS 9:20 a.m.

RECONVENE 9:35 a.m.

Announcement

Upon reconvening Co-chairman Bennett announced SP 471 was assigned to Senator Sackett.

SCS CS HB 691

Co-chairman Bennett then announced that the Committee had before it SCSCSPB 691 (Finance) and there was a run which also encompassed the Governor's portion of the budget, the figure was \$613,800,600, and he asked for the consent of the committee to use this as their working document. This was agreed by the committee.

Senator Bennett moved that Sec. 6 be amended to read " This Act takes effect July 1, 1984." Upon a show of hands the motion carried and the effective date was changed.

Senator Sackett passed out a memorandum dated March 12, 1984, listing revisions for HB 691 from him and Representative Hurlbert. He said the net affect of these revisions should be zero.

Senator Sackett made a motion to pull all purchases of mini computers and computer systems equipment until the legislature could get a figure on these purchases. By a show of hands, the motion carried and all mini computers will be removed from this budget document and the financial total will be adjusted accordingly.

Senator Sackett moved to delete from the Department of Corrections (page 69 of the working document) "statewide renovation and repair" and "combined facility leasing payment," which is a continuation of the Seward Jail. He asked that these

be removed until the question could be resolved. Upon a show of hands, the motion carried.

Senator Sackett moved that Stevens Village for 1.3 be changed to Quinahagak Phase I, 1.3. He said the reason was that in a bill that passed previously he had put in \$1 million and that will be used for Phase I for Stevens Village. Upon a show of hands, the motion carried.

Senator Josephson arrived at the meeting at this time.

Senator Sackett reverted back to his original motion on his specific changes which he had passed out to the committee and said it is a reduction deletion and informed the committee that what he needed to do was to go back to a bill that had previously passed and have the governor veto 1.5 million for Beaver from the appropriation. He moved for this reduction and the additions as he had listed. Upon a show of hands, the motion carried.

Senator Sackett then moved to change all "allocations" to "appropriations." Upon a show of hands, the motion carried.

Senator Ferguson moved to change Kotzebue City Streets \$1.2 million. He had placed \$500,000 in the Transportation bill and would like to reduce this by \$500,000 and provide that money for Noatak's streets and facility for \$500,000. Upon a show of hands, the motion carried.

Senator V. Fischer moved that on page 21, line 16 on the latest draft, after Anchorage Mountain View Elementary heating unit replacement, add "and other improvements." Upon a show of hands, the motion carried.

Senator Sackett moved that Senate CS for CS for HB 691 (Finance) be passed from committee with individual recommendations. There being no objection, SCS CS HB 691 (Finance) passed out of committee with Senators Mulcahy, Ferguson, Josephson, Sackett and Bennett signing do pass and Senator V. Fischer signing no recommendation.

Senator Bennett announced that HB 84 would be taken up the next day at 9:00 a.m.

ADJOURNMENT

There being nothing further to come before committee at this time, the meeting was adjourned at 9:45 a.m.

SFC-84, #9, Side 2 (000-462)



Position Paper
Alaska Horticultural Association
Testimony By: Steven Shropshire
AHA Board Member: Owner Green Connection

Wednesday January 25 1984
Before: Senate Resource Committee

Good Afternoon,


I am Steve Shropshire owner of the Green Connection and board member of the Alaska Horticultural Association.

The Board of Directors of the Alaska Horticultural Association would like to express its support for senate bill # 342.

Although there are several chapters of our statutes that deal with the agricultural industry, definitions do not exist which provide clarity to the administration of our state's policy on agriculture. Accordingly, it is the recommendation of the Board of Directors of the Alaska Horticultural Association that this legislation be put into effect as soon as possible so as to provide a set of statutory definitions which accurately reflect existing practices in Alaska and common usage of terms in the industry, as well as existing laws of Alaska.

A review of the current statutes and regulations, indicates a distressing trend in how our industry is being restricted by the failure to properly define "agriculture". Agriculture is one of the very foundation blocks upon which settlement was encouraged in Alaska and this industry was one of the first to receive state support by means of long-term, low interest loans. The restrictive development of the term "agriculture," however, has now taken on the force of law as promulgated in Chapter 39 of the Alaska Administrative Code. The enabling legislation of 1953 declares that it is the policy of the state to "promote the more rapid development of agriculture as an industry..." The enabling statutes also set forth State policy which will

- 1) Encourage agricultural development:



green connection

Position Paper
Alaska Horticultural Association
Wednesday 25, 1984
Page 2


- 2) Do not discriminate against viable existing agricultural enterprises." (AS 03.10.030 (h), Limitations on Loans (1982 Amendment.)

Nonetheless, the regulations set forth in 11 AAC 39.010 are inconsistent with the provisions on the statute and establish an unprecedented restriction which, if left unchanged, will drastically affect the future of the entire agricultural industry in Alaska.

11 AAC 39.111, Qualifying Loan Purposes, provides in section b(5), Loans will not be made for the following purposes: "Enterprises not operated primarily for human or livestock food production, including, but not limited to, horse breeding and raising operations, fur breeding and fur farming enterprises, silviculture projects and greenhouses not operated primarily for food production;" subsection 9 provides "establishments which resell rather than produce crops, livestock and livestock products."

Not only is the restrictive language of the regulations inconsistent with the Alaska Agricultural Loan Act itself, it is also inconsistent with every other statute of Alaska where "agricultural" terminology is used.

- A. The Standard Industrial Classification clearly includes horticulture as a subdivision of major group 01, Agricultural Production. This is a national classification of standard industrial codes and is used by every state, including Alaska. It includes short definitions.



green connection

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Page 3

- B. California law defines "growing agriculture crops" as follows:


In as much as the planned production of trees, vines, rosebushes, ornamental plants and other horticultural crops is distinguished from the production of other products of the soil only in relation to the time elapsing before maturity, plants being produced by nurseries shall be considered to be 'growing horticultural crops' for the purpose of and laws pertaining to the agricultural industry of the state.

- C. Florida provides:

That where ever the terms 'agriculture, horticultural purposes, agricultural uses' or words of similar import are used in any of the statutes of the State of Florida, such terms shall include horticulture and floriculture, horticultural purposes and floricultural purposes, horticultural uses and floricultural uses, and words of similar import applicable to agriculture shall likewise be applicable to horticulture and floriculture.

Alaska's Horticultural Industry is a young vigorous industry, with estimated sales in 1984 at well over 8 million dollars. As is typical in most segments of agriculture the horticultural industry is a labor intense one. This relates to jobs for Alaskans, thus having a major economic impact in our state.

Currently, the Alaska Horticultural Association is made up of some eighty individuals and or organizations statewide, with membership classifications ranging within the following categories.



green connection

Position Paper
Alaska Horticultural Association
Wednesday 25, 1984
Page 4

Types of Membership:

Florist
Garden Center
Nursery
Processors of fruit or vegetables

Greenhouse production
Interiorscape industry
Landscape industry
Production of fruit and vegetables

Alaska's greenhouse and nursery producers have an opportunity to enter the market for foliage and flowering plant production as well as for landscaping and ornamental plants. One of the advantages of in-state productions is to encourage reproduction of plants that are naturally well-suited to Alaska's environment. Although many of these plants can be produced in other parts of the country (or world), the genetic stock may become less-suited to Alaska's conditions if all propagation and production takes place in milder climates. However, Alaska's greenhouse and nursery producers cope with higher costs of energy, labor, fertilizers, and chemicals and a shorter growing season than do producers in other parts of the United States.

It was once said, "Man does not live by bread alone". Horticultural products are consumed by Alaskans. They are consumed psychologically by thousands on a daily basis. Providing a natural buffer to our home and work environment. Generally enhancing the quality of life for us all.

We trust that you also share with us in recognizing the significance of our contribution to the Alaska Agricultural Industry, and will join us in supporting Senate Bill 342.

Respectfully Submitted,



Steven M. Sinforshire

DEPARTMENT OF LAW

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

OFFICE OF THE ATTORNEY GENERAL

March 16, 1984

The Honorable Jan Faiks
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Faiks:

This responds to your request of March 5, 1984, for information regarding the status of certain Agricultural Revolving Loan Fund loans designated by the Department of Natural Resources as having been referred to the Department of Law for collection:

1. Bearson. The file was opened by Fairbanks AGO on June 14, 1983. In both November and December 1983, that office was advised by Division of Agriculture personnel to take no action in this matter as they felt Bearson might yet make a go of it. No further action has been requested of our office to date.

2. Beaver. The file was opened by Anchorage AGO on March 1, 1984. The file is currently under review by that office.

3. Burkett. The file was opened by Fairbanks AGO on June 14, 1983. The borrowers were killed in an auto accident. A claim was filed against the estate July 6, 1983. On February 17, 1984, the administrator of the estate indicated a distribution was anticipated between April 1 and May 1, 1984, and the loan should be paid off then.

4. Crowson. The file was opened by Fairbanks AGO on September 16, 1983. The borrower has filed for bankruptcy in federal court, and we have filed our claim in that proceeding.

5. Delta K Farms. The file was opened by Fairbanks AGO in July 1982. It was opened as a result of a lawsuit brought against Delta K Farms and the State by a third party for clearing contract money owed, not for collection of the loan. To date, no foreclosure or collection action has been requested by Division of Agriculture against Delta K Farms.

6. Far North Apiaries. The file was opened by Fairbanks AGO on June 14, 1983. In October, 1983, the equipment securing the borrower's loan was returned to the Division of Agriculture by the borrower. The Division indicated at that time that it would sell the property and that we should close our file. The file was closed on October 13, 1983.

7. Gilliland. The file was opened by Fairbanks AGO on December 17, 1982. A default sale was conducted at which there were no bidders. The State obtained five acres of road front Delta subdivision property for a \$10,000 bid. This file was closed on September 6, 1983, upon the recording of a Trustee's Deed.

8. Hartman. The file was opened by Anchorage AGO in November 1982. A demand letter was sent to the borrower on November 30, 1982. The borrower came in on January 7, 1983, and agreed to resume making monthly payments. We agreed to hold off foreclosure so long as he remained current in his payments. Borrower remained current in his payments through the end of 1983, however he failed to make the December 15, 1983, annual payment. Our office commenced foreclosure in late December, 1983.

9. Heather Farms. The file was opened by Fairbanks AGO on August 31, 1983. On February 27, 1984, that office was advised by the Division of Agriculture that there was a question as to the State's security position, and that communications and negotiations were going on with regard to it with a banking institution. Our office was instructed to do nothing further until the Division so advised.

10. Hins. The file was opened by Anchorage AGO on March 1, 1984. The file is currently under review by that office.

11. Joyce. The file was opened by Anchorage AGO in June 1983. The borrower is deceased. The loans were secured by a Deed of Trust and the property has been listed with a real estate agent, but has not yet sold. The borrower's father met with our office in August 1983, to work out a settlement on behalf of his son's estate. We requested input regarding that proposed settlement from the Division in August, and again in December 1983. On March 8, 1984, we received a memorandum from the Division authorizing us to renegotiate a repayment plan with the attorney for the estate.

12. Kachelmeier. The file was opened by Fairbanks AGO in 1980. Suit was initiated to enforce a \$25,000 note and judgment in the amount of \$27,000 (includes interest) was obtained. That judgment was satisfied in 1980, and the file was subsequently closed.

13. Kodiak Cattle Company. This filed was referred to the Anchorage AGO in 1982, but not for foreclosure or collection action.

14. OHM. This file was referred to the Anchorage AGO in 1983. However, the files were in such a bad state that we were unable to determine what it was the Division wanted us to do. The fil was subsequently returned to the Division of Agriculture.

15. Pedrick. The file was opened by the Fairbanks AGO in 1977. The borrower's debt was discharged in bankruptcy in 1979. The State was in a second position to another lender and lost all.

16. Schenk. The file was opened by the Fairbanks AGO in 1983. The borrower is presently in bankruptcy proceedings in federal court. The loan appears to be well protected.

17. Schmidt. The file was opened by the Fairbanks AGO on June 14, 1983. A note in the file by one of the attorneys in that office recites, "Hold in abeyance until after July 27 board meeting. Pete Probasco, loan officer, met with Schmidt and they may be able to resolve this." We have received no further communications from the Division regarding this file and have taken no further action, pending direction from the Division.

18. Smith. It is unclear when this file was opened by the Fairbanks AGO. A judgment in favor of the State was obtained in May 1982, and equipment which secured the loan was delivered to the State. Our office advised the Division of the judgment in June, 1982, and instructed it to process the recovery of the equipment and sell it. The balance of the judgment (portion not paid off through sale of equipment) is now a collections matter, requiring the location of additional unencumbered property and then seizure and sale of it by legal process.

19. Spears. This file was referred to the Anchorage AGO in 1983. However, as with OHM, the files were in such a bad state that we were unable to determine what it was the Division wanted us to do. The file was subsequently returned to the Division of Agriculture.

Honorable Jan Faiks
Senator

March 16, 1984
Page 4

As you have probably observed in reading the above case summaries, "success" in collecting on agriculture loan delinquencies is difficult to gauge. I think it is fair to say, however, that there are basically two factors which have a direct relationship to our ability to successfully enforce collection of these debts: 1) whether the Division obtained adequate unencumbered security to cover the amount of the loan in case of default, and 2) the condition of the loan file (completeness, organization and documentation) when it is referred to us for enforcement.

If you have any further questions in this regard, please let me know.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By: 

Ronald W. Lorensen
Deputy Attorney General

RWL:vrb

cc: David LeBlond
Assistant Attorney General
Anchorage AGO

Randy Olsen
Assistant Attorney General
Fairbanks AGO

Sharon Barton
Special Assistant
Department of Natural Resources

MEMORANDUM

State of Alaska

DEPARTMENT OF NATURAL RESOURCES - DIVISION OF AGRICULTURE

TO: Sharon Barton
Special Assistant

THRU: Bill Heim *JBH*
Director

FROM: Dean Brown *DB*
Deputy Director

DATE February 29, 1984

FILE NO:

TELEPHONE NO:

SUBJECT: Senate Finance
Questions

In the Senate Finance hearing on 2/22/84, specific questions were asked by Senator Jan Faiks regarding the ARLF delinquencies which required researching our response.

1) Is the A.G. process working?

The ARLF feels that the A.G. process will work, however it is only recently that the ARLF Board has taken aggressive action in both foreclosures and developing a streamlined processing system to facilitate A.G. actions on loan files. It has been only during the past eight months that systematic action on defaults has occurred. In many cases loan files which had been in default with the fund for some years were addressed. Upon advice from the auditors and A.G., the fund developed the necessary record of notice and documentation required to legally proceed. Consequently, the process is in the early stages of realizing results.

2) Provide a list of cases referred to the A.G. Office and dates referred.

The following list shows all cases that have been referred to the A.G., however, dates on some of the cases were not well documented in the files and may reflect dates of earliest correspondence rather than transmittal.

Name	Area	Date
Bearson	Tanana	6/10/83
Beaver	Mat-Su	2/28/84
Burkett	Tanana	3/3/83
Crowson	Delta	9/16/83
Delta K Farms	Delta	7/28/82
Far North Apiaries	Delta	6/15/83
Gilliland	Delta	10/11/82
Hartman	Mat-Su	9/1/82
Heather Farms	Delta	8/23/83
Hins	Mat-Su	2/28/84
Joyce	Kenai	6/3/83
Kachelmeier	Delta	3/18/80
Kodiak Cattle Co	Kodiak	3/82
OHM	Delta	3/31/83
Pedrick	Tanana	7/25/77
Schenk	Delta	2/25/83
Schmidt	Delta	3/3/83
Smith	Delta	7/25/77
Spears	Delta	3/31/83

February 29, 1984

3) How many loans were repaid at the point of foreclosure?

Three borrowers repaid their complete loans to ARLF at the point of foreclosure.

4) How many loans have been actually foreclosed?

One since 11/14/81

5) How many borrowers paid ARLF after judicial action?

None to date.

cc: James K Barnett, Deputy Commissioner
John Messenger, ARLF Chairman

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No. CS SB 342 (FIN)
Title: Amending the Ak. Ag. Loan Act
Sponsor: Faiks et al
Requestor: _____
Date of Request: 1-10-84

FISCAL DETAIL

Agency Affected: Natural Resources
Program Category Affected: _____
Agricultural Revolving Loan Fund
BRU, Program or Subprogram(s) Affected: _____
ARLF

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-		
CAPITAL		-0-	-0-	-0-		
REVENUE		-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: 1-24-84

Approved by Commissioner: Wm D. Small, Deputy Date: 1-24-84
Agency: Natural Resources

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Offered: 3/13/84
Referred: Rules

Original sponsors: Faiks, Kerttula
and Halford

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 342 (Finance)
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 Agricultural Loan
7 Act."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. AS 03.10.020(1) is repealed and reenacted to read:
10 (1) make a loan to
11 (A) an individual resident farmer, homesteader, or a
12 partnership or corporation composed of farmers and homesteaders
13 for
14 (i) clearing land for agricultural purposes;
15 (ii) development of farms;
16 (iii) storage and processing of farm produce; or
17 (iv) the purchase of livestock or machinery;
18 (B) an individual state resident, or a partnership or
19 corporation for
20 (i) storage and processing plants for agricul-
21 tural products;
22 (ii) the commercial production or processing of
23 horticultural products in the state;
24 (iii) the commercial production or processing of
25 animal feed in the state; or
26 (iv) the raising or care of animals in the state
27 for the purpose of marketing their fur;
28 * Sec. 2. AS 03.10.020 is amended by adding a new subsection to read:
29 (b) In this section "horticultural products" means vegetables,

1 fruit plants, grass seed, sod, tree seedlings, ornamental plants,
2 foliage, or flowering plants, grown in a greenhouse or nursery.

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

4 (c) A short term loan, to be amortized within one year, not to
5 exceed \$350,000 to any one borrower may be made for operating pur-
6 poses, except that a loan made under this subsection may not exceed
7 \$200,000 unless the loan is made to a borrower in a farm disaster area
8 declared under AS 03.10.058. The term of a loan made under this
9 subsection may be extended for up to three years by the agricultural
10 revolving loan fund board, in the discretion of the board, upon appli-
11 cation by the borrower.

12 * Sec. 4. AS 03.10.030(g)(4) is repealed and reenacted to read:

13 (4) be made for clearing land other than land that has been
14 classified by the United States Department of Agriculture, Soil Con-
15 servation Service under the Land Capability Classification System as
16 having agricultural potential for the production of annual crops, hay,
17 or for pasture.

Offered: 2/8/84
Referred: Finance

Original sponsors: Faiks, Kerttula
and Halford

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 342 (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 Agricultural Loan
7 Act."

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

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15 (ii) development of farms;

16 (iii) storage and processing of farm produce; or

17 (iv) the purchase of livestock or machinery;

18 (B) an individual state resident, or a partnership or
19 corporation for

20 (i) storage and processing plants for agricul-
21 tural products;

22 (ii) the commercial production or processing of
23 horticultural products in the state;

24 (iii) the commercial production or processing of
25 animal feed in the state; or

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14 classified by the United States Department of Agriculture, Soil Con-
15 servation Service under the Land Capability Classification System as
16 having agricultural potential for the production of annual crops, hay,
17 or for pasture.

Introduced: 1/10/84
Referred: Resources and
Finance

BY FAIKS, KERTTULA
AND HALFORD

1 IN THE SENATE

2 SENATE BILL NO. 342

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Alaska Agricultural Loan Act."

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

8 * Section 1. AS 03.10.020(1) is repealed and reenacted to read:

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15 (iii) storage and processing of farm produce; or

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17 (B) individuals, partnerships or corporations for

18 (i) storage and processing plants for agricul-
19 tural products;

20 (ii) the commercial production or processing of
21 horticultural products for use in the state;

22 (iii) the commercial production or processing of
23 animal feed for use in the state; or

24 (iv) the raising or care of animals for the pur-
25 pose of marketing their fur in the state;

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 342
 Title: Amending the Ak. Ag. Loan Act
 Sponsor: Faiks et al
 Requestor: _____
 Date of Request: 1-10-84

FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected: _____
Agricultural Revolving Loan Fund
 BRU, Program or Subprogram(s) Affected: _____
ARLF

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-		
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REVENUE		-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: 1-24-84
 Approved by Commissioner: William D. Small, Deputy Date: 1-24-84
 Agency: Natural Resources

Distribution (by Agency preparing fiscal note):

Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

12/1/83