

COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

5/4/83

Date: 5-25-83

Mr. President:

The Committee on RESOURCES has had CSHB 156(Fin)  
Establishing the Alaska grain reserve program and the Alaska grain  
reserve loan fund; eff. date.

under consideration and (a majority of the committee) (the committee)  
reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*[Signature]*  
*Paul Frank*  
*Bob Mulcahy*  
*Archie Ferguson*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*[Signature]*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*[Signature]*  
 CHAIRMAN

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 Halderson*  
 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 Kero *EK*  
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,<br>magnifying glass, etc.) | 750.00      |
|   | <hr/>       |
| Equipment costs   | \$11,656.00 |
| Set-up & freight estimate   | 3,344.00    |
|   | <hr/>       |
| Total   | \$15,000.00 |

THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTIETH LEGISLATURE

R/E

*Al  
4/29*

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 \_\_\_\_\_  
ERU, 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)

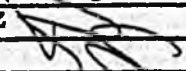
The reappropriation contained in CS HB 271 (Loans) includes ample funding to pay for the operational expenses of this program.

IV. DATE 4/27/83 PREPARED BY Al Adams, Chair  
AGENCY House Finance Committee

*RPA*

A/B

STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: HB 156 No. 1 Page 1 of 2 Date on Bill: 2/02/83  
Title: An Act relating to a state grain reserve program  
Sponsor: Shultz  
Requestor: 

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

|           | FY 83 | FY 84  | FY 85  | FY 86  |  |  |
|-----------|-------|--------|--------|--------|--|--|
| Capital   |       | 1980.0 | 3960.0 | 5940.0 |  |  |
| Operating |       | 4      | 6      | 7      |  |  |
| Total     |       | 1980.4 | 3960.6 | 5940.7 |  |  |

b. Revenues:

|         |  |        |        |        |  |  |
|---------|--|--------|--------|--------|--|--|
| Revenue |  | 2138.4 | 4276.8 | 6415.2 |  |  |
|---------|--|--------|--------|--------|--|--|

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

Repayment of loans plus interest at 8% per annum.


3. Assumptions:

FY 84 - 20,000 tons of barley harvested and stored; 30 farms  
FY 85 - 40,000 tons of barley harvested and stored; 40 farms  
FY 86 - 60,000 tons of barley harvested and stored; 50 farms

Loan interest assumes term of one year.

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: Rep. Dick Shultz  Phone: 465-4940  
Division: House Resources Date: 2/28/83

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Department: \_\_\_\_\_

5. Distribution:

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

2/15/83

HB 156 - Grain Reserve

No. 1 Page 2 of 2

|       | <u>Capital</u> | <u>Operating</u> |   |
|-------|----------------|------------------|---|
| FY 84 | \$1,980,000    | \$420            | 20,000 tons at \$110/ton; 90%<br>Loan processing, 30 loans<br>(ASDS \$10 application, plus<br>\$4/bin, avg. 4 bins) |
| FY 85 | \$3,960,000    | \$560            | 40,000 tons at \$110/ton; 90%<br>Loan processing, 40 loans  |
| FY 86 | \$5,940,000    | \$700            | 60,000 tons at \$110/ton; 90%<br>Loan processing; 50 loans  |

Revenues

|       | <u>Principle</u> | <u>Interest</u> | <u>Total</u> |
|-------|------------------|-----------------|--------------|
| FY 84 | \$1,980,000      | 158,400         | \$2,138,400  |
| FY 85 | \$3,960,000      | 316,800         | \$4,276,800  |
| FY 86 | \$5,940,000      | 475,200         | \$6,415,200  |

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: Chulka  
 Requestor: \_\_\_\_\_

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

|           | FY 83 | FY 84 | FY 85 | FY 86 |
|-----------|-------|-------|-------|-------|
| Capital   |       |       |       |       |
| Operative |       | 67.6  | 52.6  | 52.6  |
| Total     |       | 67.6  | 52.6  | 52.6  |

b. Revenues:

|         |  |  |  |  |
|---------|--|--|--|--|
| Revenue |  |  |  |  |
|---------|--|--|--|--|

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 Phone: 376-2276  
 Division: Agriculture Date: \_\_\_\_\_

Approved by Commissioner: Maurice O'Brien Date: 2/28/83  
 Department: Natural Resources

5. Distribution:

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

2/15/83

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/Wrngl | 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             |

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 *B*

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

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.

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

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 Phone: 465-2400  
 Division: Commissioner's Office Date: 4/25/83

Approved by Commissioner: *Maui Halloran* Date: 4/25/83  
 Department: Natural Resources

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   
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      |
| Burrrows (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,<br>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 Phone: 376-2276  
 Division: Agriculture Date: \_\_\_\_\_

Approved by Commissioner: Marshall Olson Date: 2/28/83  
 Department: Natural Resources

5. Distribution:

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

2/15/83

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/Wrngl | 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             |

STATE OF ALASKA  
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY


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

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

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.

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