



Original sponsor: Moss

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 124 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Alaska Agricultural Loan Act  
7 (AS 03.10); and providing for an effective date "

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

9 \* Section 1. AS 03.10.030(a)(1) is amended to read:

10 (1) may not exceed a term of 30 years, except that a chat-  
11 tel loan may not exceed a term of seven years;

12 \* Sec. 2. AS 03.10.030(c) is amended to read:

13 (c) A short term loan, to be amortized within one year, not to  
14 exceed \$350,000 [\$200,000] to any one borrower may be made for operat-  
15 ing purposes, except that a loan made under this subsection may not  
16 exceed \$200,000 unless the loan is made to a borrower in a farm disas-  
17 ter area declared under AS 03.10.050(d).

18 \* Sec. 3. AS 03.10.050 is amended by adding a new subsection to read:

19 (d) The agricultural revolving loan fund board may declare a  
20 farm disaster in an area of the state because of crop failure due to a  
21 natural disaster.

22 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
23 10.070(c).

Aspen

Original sponsor: Moss

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 124 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Alaska Agricultural Loan Act  
7 (AS 03.10); and providing for an effective date."

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

9 \* Section 1. AS 03.10.030(a)(1) is amended to read:

10 (1) may not exceed a term of 30 years, except that a chat-  
11 tel loan may not exceed a term of seven years;

12 \* Sec. 2. AS 03.10.030(c) is amended to read:

13 (c) A short term loan, to be amortized within one year, not to  
14 exceed \$350,000 [\$200,000] to any one borrower may be made for operat-  
15 ing purposes, except that a loan made under this subsection may not  
16 exceed \$200,000 unless the loan is made to a borrower in a farm disas-  
17 ter area declared under AS 03.10.050(d).

18 \* Sec. 3. AS 03.10.050 is amended by adding a new subsection to read:

19 (d) The agricultural revolving loan fund board may declare a  
20 farm disaster in an area of the state because of crop failure due to a  
21 natural disaster.

22 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
23 10.070(c).

Original sponsor: Moss

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 124 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Alaska Agricultural Loan Act  
7 (AS 03.10); and providing for an effective date."

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

9 \* Section 1. AS 03.10.030(a)(1) is amended to read:

10 (1) may not exceed a term of 30 years, except that a chat-  
11 tel loan may not exceed a term of seven years;

12 \* Sec. 2. AS 03.10.030(c) is amended to read:

13 (c) A short term loan, to be amortized within one year, not to  
14 exceed \$350,000 [\$200,000] to any one borrower may be made for operat-  
15 ing purposes, except that a loan made under this subsection may not  
16 exceed \$200,000 unless the loan is made to a borrower in a farm disas-  
17 ter area declared under AS 03.10.050(d).

18 \* Sec. 3. AS 03.10.050 is amended by adding a new subsection to read:

19 (d) The agricultural revolving loan fund board may declare a  
20 farm disaster in an area of the state because of crop failure due to a  
21 natural disaster.

22 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
23 10.070(c).

Original sponsor: Moss

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 124 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Alaska Agricultural Loan Act  
7 (AS 03.10); and providing for an effective date."

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

9 \* Section 1. AS 03.10.030(a)(1) is amended to read:

10 (1) may not exceed a term of 30 years, except that a chat-  
11 tel loan may not exceed a term of seven years;

12 \* Sec. 2. AS 03.10.030(c) is amended to read:

13 (c) A short term loan, to be amortized within one year, not to  
14 exceed \$350,000 [\$200,000] to any one borrower may be made for operat-  
15 ing purposes, except that a loan made under this subsection may not  
16 exceed \$200,000 unless the loan is made to a borrower in a farm disas-  
17 ter area declared under AS 03.10.050(d).

18 \* Sec. 3. AS 03.10.050 is amended by adding a new subsection to read:

19 (d) The agricultural revolving loan fund board may declare a  
20 farm disaster in an area of the state because of crop failure due to a  
21 natural disaster.

22 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
23 10.070(c).

Aspen

Original sponsor: Moss

1 IN THE SENATE BY THE FINANCE COMMITTEE  
 2 CS FOR SENATE BILL NO. 124 (Finance)  
 3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 4 THIRTEENTH LEGISLATURE - FIRST SESSION  
 5 A BILL

6 For an Act entitled: "An Act amending the Alaska Agricultural Loan Act  
 7 (AS 03.10); and providing for an effective date."

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

9 \* Section 1. AS 03.10.030(a)(1) is amended to read:  
 10 (1) may not exceed a term of 30 years, except that a chat-  
 11 tel loan may not exceed a term of seven years;

12 \* Sec. 2. AS 03.10.030(c) is amended to read:  
 13 (c) A short term loan, to be amortized within one year, not to  
 14 exceed \$350,000 [\$200,000] to any one borrower may be made for operat-  
 15 ing purposes, except that a loan made under this subsection may not  
 16 exceed \$200,000 unless the loan is made to a borrower in a farm disas-  
 17 ter area declared under AS 03.10.050(d).

18 \* Sec. 3. AS 03.10.050 is amended by adding a new subsection to read:  
 19 (d) The agricultural revolving loan fund board may declare a  
 20 farm disaster in an area of the state because of crop failure due to a  
 21 natural disaster.

22 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
 23 10.070(c).

24  
25  
26  
27  
28  
29

ASPE

Original sponsor: Moss

1 IN THE SENATE BY THE FINANCE COMMITTEE  
 2 CS FOR SENATE BILL NO. 124 (Finance)  
 3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
 4 THIRTEENTH LEGISLATURE - FIRST SESSION  
 5 A BILL

6 For an Act entitled: "An Act amending the Alaska Agricultural Loan Act  
 7 (AS 03.10); and providing for an effective date."

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

9 \* Section 1. AS 03.10.030(a)(1) is amended to read:

10 (1) may not exceed a term of 30 years, except that a chat-  
 11 tel loan may not exceed a term of seven years;

12 \* Sec. 2. AS 03.10.030(c) is amended to read:

13 (c) A short term loan, to be amortized within one year, not to  
 14 exceed \$350,000 [\$200,000] to any one borrower may be made for operat-  
 15 ing purposes, except that a loan made under this subsection may not  
 16 exceed \$200,000 unless the loan is made to a borrower in a farm disas-  
 17 ter area declared under AS 03.10.050(d).

18 \* Sec. 3. AS 03.10.050 is amended by adding a new subsection to read:

19 (d) The agricultural revolving loan fund board may declare a  
 20 farm disaster in an area of the state because of crop failure due to a  
 21 natural disaster.

22 \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
 23 10.070(c).

24  
25  
26  
27  
28  
29

Offered: 3/15/83  
Referred: Finance

Original sponsor: Moss

1 IN THE SENATE BY THE RESOURCES COMMITTEE  
2 CS FOR SENATE BILL NO. 124 (Resources)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act amending the Alaska Agricultural Loan Act  
7 (AS 03.10); and providing for an effective date."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. AS 03.10.030(a)(1) is amended to read:  
10 (1) may not exceed a term of 30 years, except that a  
11 chattel loan may not exceed a term of seven years;  
12 \* Sec. 2. AS 03.10.030(c) is amended to read:  
13 (c) A short term loan, to be amortized within one year, not to  
14 exceed \$300,000 [\$200,000] to any one borrower may be made for operat-  
15 ing purposes.  
16 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
17 10.070(c).

Introduced: 2/14/83  
Referred: Resources and  
Finance

1 IN THE SENATE

BY MOSS

2

SENATE BILL NO. 124

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

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

7

(AS 03.10); and providing for an effective date."

8

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

9

\* Section 1. AS 03.10.030(a) is amended to read:

10

(a) A farm development, chattel, or irrigation loan made under

11

this chapter

12

(1) may not exceed a term of 30 years, except that a

13

chattel loan may not exceed a term of seven years;

14

(2) may not, when added to the outstanding balance of other

15

loans made under this chapter, exceed a total outstanding balance of

16

\$1,000,000;

17

(3) shall be secured by a real estate or chattel mortgage

18

of any priority, except that the portion of a loan that exceeds

19

\$500,000, when added to prior indebtedness that is secured by the same

20

property, must be secured by a first mortgage;

21

(4) shall bear interest at a rate that may not be less than

22

six [EIGHT] percent or more than the commercial rate, unless the

23

commercial rate is six [EIGHT] percent or less; in this paragraph

24

"commercial rate" means the prevailing rate of interest at private

25

lending institutions in the state for loans similar to those referred

26

to in this subsection.

27

\* Sec. 2. AS 03.10.030(c) is amended to read:

28

(c) A short term loan, to be amortized within one year, not to

29

exceed \$1,000,000 [\$200,000] to any one borrower may be made for

1 operating purposes.

2 \* Sec. 3. AS 03.10.030(f) is amended to read:

3 (f) A farm product processing loan may not exceed \$2,500,000  
4 [\$250,000]. A mortgage which secures a farm product processing loan  
5 may be of any priority if the total indebtedness on the real estate,  
6 including the secured farm product processing loan, does not exceed  
7 \$2,500,000 [\$250,000]. A farm product processing loan which, if made,  
8 would raise the existing indebtedness on the real estate securing the  
9 loan above \$2,500,000 [\$250,000], or a farm product processing loan on  
10 real estate which has a prior indebtedness of \$2,500,000 [\$250,000] or  
11 more, may be made only if all prior mortgagees agree to subordinate  
12 their mortgages to that of the state for the amount of the farm  
13 product processing loan which exceeds the \$2,500,000 [\$250,000] in-  
14 debtedness limit on the real estate. A farm product processing loan  
15 may not exceed a term of 30 years or bear interest that is less than  
16 six [EIGHT] percent a year and shall be secured by a real estate or  
17 chattel mortgage or both.

18 \* Sec. 4. AS 03.10.030(g) is amended to read:

19 (g) A loan for clearing land may not

20 (1) exceed \$1,000,000 [\$250,000];

21 (2) bear interest that is less than six [EIGHT] percent;

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

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

27 \* Sec. 5. AS 03.10.050(b) is amended to read:

28 (b) The board is composed of five members. The governor shall  
29 appoint one member and one member shall be elected from each of the

1 four Agricultural Stabilization and Conservation Service counties in  
2 the state by the farmers registered with the soil conservation service  
3 in that county [APPOINTED BY THE GOVERNOR AND CONFIRMED BY THE  
4 LEGISLATURE IN JOINT SESSION. THREE MEMBERS SHALL BE PERSONS WITH  
5 BACKGROUND AND EXPERIENCE IN ALASKA AGRICULTURE]. Members of the  
6 board serve for overlapping two-year [THREE-YEAR] terms. Members of  
7 the board are not entitled to receive compensation for their services,  
8 but shall receive the same travel pay and per diem as provided by law  
9 for boards and commissions.

10 \* Sec. 6. AS 03.10.050 is amended by adding new subsections to read:

11 (d) The agricultural revolving loan fund board shall permit a  
12 person whose loan application is disapproved by the board under (a) of  
13 this section to make a personal appearance before the board to have  
14 the board review the loan application decision.

15 (e) The agricultural revolving loan fund board may declare a  
16 farm disaster in an area of the state because of crop failure due to a  
17 natural disaster and, if the decision is concurred in by the commis-  
18 sioner, may declare a two-year moratorium on principal and interest  
19 payments on a loan made under this chapter to a person whose crops  
20 have failed because of the natural disaster.

21 \* Sec. 7. AS 03.15.052 is amended to read:

22 Sec. 03.15.052. LIMITATION ON BOARD MEMBERS. A member of the  
23 agricultural revolving loan fund board may not vote on the approval of  
24 a loan applied for by that member [, DURING THE MEMBER'S TERM OF  
25 OFFICE OR WITHIN ONE YEAR AFTER CEASING TO BE A MEMBER OF THE BOARD,  
26 OBTAIN A LOAN UNDER THIS CHAPTER OTHER THAN A SHORT-TERM LOAN UNDER  
27 AS 03.10.030(c)].

28 \* Sec. 8. Terms of the members of the agricultural revolving loan board  
29 that are first appointed and elected under AS 03.10.050(b), amended by sec.

1 5 of this Act, shall be as follows: (1) member appointed by the gover-  
2 nor--two years; (2) two elected members--one year; (3) one elected  
3 member--two years; (4) one elected member--three years. The commissioner  
4 of natural resources shall determine which elected members hold the one,  
5 two, and three-year terms in the initial board.

6 \* Sec. 9. This Act takes effect immediately in accordance with AS 01.-  
7 10.070(c).

COMMITTEE REPORT

SENATE

2/14/83

FURTHER: Finance

Date: 3-14-83

Mr. President:

The Committee on Resources has had SB 124

Amending the Alaska Agricultural Loan Act(AS 03.10);and 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 SB 124 (Res) [X] same title [ ] new title  
*reports it back and recommends as follows*

[ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*Leslie Thompson with disaster amendment*  
*McLendon*  
*Paul Fritch*

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*B. Thompson, No Rec*  
*Single NFR*

*Butler Fahrenkroy*  
CHAIRMAN

May 3, 1983

TO: Members Finance Committee

FROM: Senator Josephson

SUBJ: CSSB 124 (~~123~~) Chattel loans up to \$350,000 for max 7 year term

ENCLOSURES: 1. CSSB 124

2. Memo from Senator Kerttula to Senator Bennett

3. Memo from Senator Fahrenkamp to Senator Bennett

4. Memo from Dept of Natural Resources & Fiscal Note

5. Report from Senate Resources Committee

*Sen Josephson Copy*

Offered: 5/4/83

Original sponsor: Moss

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

CS FOR SENATE BILL NO. 124 (Finance)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

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

7

(AS 03.10); and providing for an effective date."

8

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

9

\* Section 1. AS 03.10.030(a)(1) is amended to read:

10

(1) may not exceed a term of 30 years, except that a

11

chattel loan may not exceed a term of seven years;

12

\* Sec. 2. AS 03.10.030(c) is amended to read:

13

(c) A short term loan, to be amortized within one year, not to

14

exceed \$350,000 (\$200,000) to any one borrower may be made for

15

operating purposes.

16

\* Sec. 3. This Act takes effect immediately in accordance with

17

AS 01.10.070(c).

MAR 21 1983



Official Business

Alaska State Legislature

Senate

Office of the President

Pouch V  
State Capitol  
Juneau, Alaska 99811

March 21, 1983

TO: Senator Don Bennett  
Co-chairman  
Senate Finance Committee

FROM: Senator Jay Kerttula  
Senate President

Please schedule CS SB 124 (Resources) for hearing before the Finance Committee as soon as possible. The measure amending the agricultural revolving loan fund, would raise operation loan limits to \$300,000. Early passage of this bill will enable those farmers who are nearing their operation limits to get seed in the ground this spring and a crop out this fall.

Your cooperation would be appreciated.

cc: Senator John Sackett

*Subcommittee  
just assigned  
to me.*

B

TO: Senator Don Bennett, Co-Chairman  
Senate Finance Committee

FROM: Senator Bettye Fahrenkamp, Chairman  
Senate Resources Committee

RE: SB 124

DATE: March 21, 1983

-----

SB 124, An Act amending the Alaska Agricultural Loan Act, is currently in the Senate Finance Committee. After passing this bill out of Senate Resources, it has been brought to my attention that the \$300,000 operating loan limit contained in the current bill will prohibit some farmers in the Delta area from obtaining adequate funds to meet this summer's planting needs. I urge your committee to consider the following amendment:

line 14, delete \$300,000 and insert \$350,000

# Alaska State Legislature

BETTYE FAHRENKAMP  
CHAIRMAN  
ROBERT H. ZIEGLER, SR.  
VICE-CHAIRMAN  
DICK ELIASON - PAUL FISCHER  
VIC FISCHER - BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

## Senate

### Committee on Resources

TO: Senate Resources Committee Members  
FROM: Senate Resources Committee Staff  
RE: Committee Substitute for SB 124,  
Amending the Alaska Agricultural Loan Act  
DATE: March 11, 1983

---

Attached is a Committee Substitute for SB 124 which will be considered by the Committee at a meeting which will be held Monday, March 14 at 3:00 p.m. in the Beltz Room.

The Committee Substitute contains only the following provisions:

- 1) reduces the terms for chattel loans from 30 years to 7 years maximum;
- 2) increases the maximum short term loan for operating purposes from \$200,000 to \$350,000

The first provision was supported by the Administration and the bill's sponsor as being consistent with the normal life of "chattel". The second provision is intended to provide short-term relief for those farmers who cannot borrow additional monies for seed this spring without exceeding the maximum short-term borrowing limits.

All provisions relating to reduction in interest rates and changes in the composition and operations of the Loan Board were deleted.

It is hoped that final Committee action could be taken on SB 124 at the Monday meeting.

# MEMORANDUM

State of Alaska <sup>MAR 14 1983</sup>

TO: The Honorable Bettye Fahrenkamp  
Alaska State Senate

DATE: March 14, 1983

FILE NO:

TELEPHONE NO:

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

SUBJECT: SB 124

While the Department does not have a big problem with the \$300,000 operating loan limit, we feel that under normal circumstances the \$200,000 is still sufficient. The ARLF Board concurs in this view. As an alternative to raising the maximum, we recommend leaving in the disaster provision of SB 124 and expanding it to authorize the waiving or raising of the \$200,000 maximum in case of a declared area disaster. To accomplish the purpose of this legislation, language should be drafted in such a way that offers relief in the current situation at Delta.

MAR 1 4 1983

STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: CSSB 124 Date on Bill: 2-14-83  
Title: An Act amending the Alaska Agricultural Loan Act etc.  
Sponsor: Moss  
Requestor: \_\_\_\_\_

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86
CAPITAL				
OPERATING				
TOTAL		-0-	-0-	-0-

b. Revenues:

REVENUE				
---------	--	--	--	--

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

3. Assumptions:

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: Sharon Barton Phone: 465-2400  
Division: Commissioner's Office Date: 3-15-83

Approved <sup>For</sup> Commissioner: *Mary H. Anderson* Date: 3-15-83  
Department: Natural Resources

5. Distribution:

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

2/15/83

STATE OF ALASKA  
PRELIMINARY STATEMENT OF FISCAL IMPACT

Bill No: SB 124 Date on Bill: 2/14/83  
 Title: "An Act amending the Alaska Agricultural Loan Act (AS 03.10); ....."  
 Sponsor: Moss  
 Requestor: \_\_\_\_\_

1. Estimated fiscal impacts on:

a. Expenditures:

(Thousands of Dollars)

			FY 83	FY 84	FY 85	FY 86
Capital						
Operating						
Total			0	0	0	

b. Revenues:

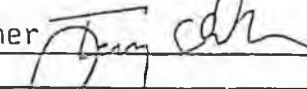
Revenue						
---------	--	--	--	--	--	--


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

3. Assumptions:

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: Terry Elder, Deputy Commissioner  Phone: 465-2501  
 Division: \_\_\_\_\_ Date: \_\_\_\_\_

Approved by Commissioner: Richard A. Lvon  Date: \_\_\_\_\_  
 Department: Department of Commerce & Economic Development

5. Distribution:  
 Original to Legislative Finance  
 Copy to OMB  
 Copy to Sponsor  
 Copy to Requestor