

COMMITTEE REPORT
SENATE

FURTHER:

1/20/84

Date: 5/2/84

Mr. President:

The Committee on FINANCE has had SA 336

make contributions toward the premium for federal crop insurance; and,

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 SA 336 (Res) same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation 2-21-84 8 FY 85
800 FY 86
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

 CHAIRMAN

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 1-26-84

REQUEST

Bill/Resolution No.: CS SB 336 (Request)
Title: Crop insurance

Sponsor: Moss
Requestor:
Date of Request: 1-26-84

FISCAL DETAIL

Agency Affected: Dept. of Natural Resources
Program Category Affected: Agriculture Management
BRU, Program or Subprogram(s) Affected: Agriculture Management

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			80.0	90.0		
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-*	80.0	90.0		
CAPITAL	-0-	-0-	-0-	-0-		
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-*	80.0	90.0		
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-		
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

* FY 85 funding (\$140.0) appears in the Governor's budget.

ANALYSIS: Attach a separate page for analysis

Prepared By: Sharon L. Barton Phone: 465-2400
Division: Commissioner's Office Date: 2-21-84

Approved by Commissioner: Wm D Amundson Deputy Comm Date: 2-21-84
Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

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

12/1/83

Offered: 1/26/84
Referred: Finance

Original sponsors: Moss, Kerttula
and Fahrenkamp

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE BILL NO. 336 (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 federal crop insurance; and
7 providing for an effective date."

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

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

10 (c) A short term loan, to be amortized within one year, not to
11 exceed \$350,000 to any one borrower may be made for operating
12 purposes, except that a loan made under this subsection may not exceed
13 \$200,000 unless the loan is made to a borrower in a farm disaster area
14 declared under AS 03.10.058. An applicant for a short term loan may
15 be required to purchase insurance through the Federal Crop Insurance
16 Act (7 U.S.C. 1501-1520) as a condition of the loan.

17 * Sec. 2. AS 03 is amended by adding a new chapter to read:

18 CHAPTER 13. FEDERAL CROP INSURANCE CONTRIBUTIONS.

19 Sec. 03.13.010. AGREEMENT WITH FEDERAL CROP INSURANCE CORPO-
20 RATION. The department shall enter into an agreement with the Federal
21 Crop Insurance Corporation under which the department agrees to pay to
22 the corporation a portion of federal crop insurance premiums paid by
23 producers of agricultural commodities in this state. The agreement
24 shall provide for a corresponding reduction in the federal crop insur-
25 ance premium paid by those producers.

26 Sec. 03.13.020. AMOUNT OF CONTRIBUTIONS. Under the agreement,
27 the department shall pay to the corporation for each covered producer
28 an amount equal to the amount that the corporation pays for that
29 producer under 7 U.S.C. 1508(b)(3) of the Federal Crop Insurance Act

1 (7 U.S.C. 1501 - 1520), except as provided otherwise in this chapter.

2 Sec. 03.13.030. LIMITATION. Thirty percent of each producer's
3 premium, as calculated by the corporation, on coverage of up to 65
4 percent of the recorded or appraised average yield, as adjusted, shall
5 be paid by the state.

6 Sec. 03.13.040. APPROPRIATIONS. (a) The payments to the corpo-
7 ration shall be made from funds appropriated from the general fund to
8 the department for that purpose.

9 (b) If for any year the amount appropriated is insufficient to
10 fully fund the contribution required by AS 03.12.020, the department
11 shall allocate funds on a first come basis

12 Sec. 03.13.050. DEFINITIONS. In this chapter, "corporation"
13 means the Federal Crop Insurance Corporation (7 U.S.C. 1503).

14 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
15 10.070(c).

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 336
Title: State contributions to the Federal Crop Ins. Prog.
Sponsor: Moss
Requestor: _____
Date of Request: 1-9-84

FISCAL DETAIL

Agency Affected: Department of Natural Resources
Program Category Affected: Ag Management
ERU, Program or Subprogram(s) Affected: Agricultural Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL	140.0	80.0	90.0			
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	140.0	80.0	90.0			
CAPITAL	-0-	-0-	-0-			
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	140.0	80.0	90.0			
FEDERAL FUNCS						
OTHER						
TOTAL	140.0	80.0	90.0			

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Bill Heim, Director Phone: 376-3276
Division: Agriculture Date: 1-19-84

Approved by Commissioner: Alvin D. Arnold, Deputy Date: 1-20-84
Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

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

12/1/83

Senator Vic Fischer

(907) 465-4954



Alaska State Legislature
Pouch V • Juneau, Alaska 99811 • (907) 465-4954

MEMORANDUM

May 2, 1984

TO: Members, Senate Finance Committee
FROM: Senator Vic Fischer *Vic F.*
RE: CSSB 336 (Res) An act relating to federal crop insurance;
effective date.

The purpose of SB 336 is to support Alaska agriculture by subsidizing farmers' premiums paid to the Federal Crop Insurance Program. A secondary purpose is to protect the state's investment in agriculture by providing insurance coverage of crops supported by Agriculture Revolving Loan Fund loans.

The federal government now will pay 30% of a farmer's crop insurance. Under this program the state will pay an additional 30%, leaving 40% to be paid by the individual farmers.

Virtually all of the administrative costs of the program are paid by the federal government. All of the costs of working with the individual farmers are covered. The only expense left for the state is that of making one lump-sum payment to the Federal Crop Insurance Corporation.

Section 1 provides that the Ag Revolving Loan Fund may require crop insurance as a condition of a loan.

Section 2 establishes the program:

- Agreement with Federal Crop Insurance Corporation
- Amount of contributions (matches feds contribution)
- Limitations on state subsidy (30% of premiums)
- Provides for appropriations from general fund; allocation on first come basis
- Definitions

Section 3 provides an immediate effective date.

The fiscal note is zero for FY 85 and 80.0 per year starting in FY 86. Costs for this program were included in the Governor's FY 85 operating budget for DNR at 140.0, which provides funding for two crop years - 1984 and 1985. At this time, both Senate and House DNR budgets include crop insurance funding.

The bill is favored by the Administration. Sharon Barton of the DNR is expected to be here to answer questions from the Committee.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 336
 Title: State contributions to the Federal Crop Ins. Prog.
 Sponsor: Moss
 Requestor: _____
 Date of Request: 1-9-84

FISCAL DETAIL

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 Program Category Affected: Ag Management
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ANALYSIS: Attach a separate page for analysis

Prepared By: Bill Heim, Director Phone: 376-3276
 Division: Agriculture Date: 1-19-84

Approved by Commissioner: Alvin D. Arnold, Deputy Date: 1-20-84
 Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

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

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

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12/1/83

SENATE

FURTHER: FINANCE

1/9/84

Date: _____

Mr. President:

The Committee on RESOURCES has had SB 336
state contributions toward the premium for federal crop insurance; efd.

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 336 (Res) new title

and recommends may do pass

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

[] reports it back without recommendation

[] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Z. [unclear]
Arthur Stungulinski

[unclear] No Res

[unclear] Do Pass
CHAIRMAN

Introduced: 1/9/84
Referred: Resources and
Finance

BY MOSS, KERTTULA
AND FAHRENKAMP

1 IN THE SENATE

2

SENATE BILL NO. 336

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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