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SB 322 RELATING TO THE ALASKA AGRICULTURAL LOAN BOARD.

(KERTTULA AND MOSS BOTH SPONSORED.)

INCREASES MEMBERSHIP ON AG. BOARD FROM 5 TO 7. ALL ARE APPOINTED BY THE GOVERNOR. 4 OF THE 7 WILL BE PERSONS WITH BACKGROUND OR EXPERIENCE IN ALASKA AGRICULTURE.

INTENT IS TO PROVIDE GREATER STATEWIDE REPRESENTATION, AND MAKE THE BOARD MORE RESPONSIVE TO THE PRIVATE SECTOR NEEDS.

*urgents passage*

PASSED OUT OF RESOURCES FEBRUARY 7, 1984 - YOU WERE A DO PASS.  
(SO WERE MULCAHY, STURGULEWSKI, ZIEGLER, P. FISCHER.)

18-0

## BILL SUMMARY

SB 322 - Increase membership of the AALB  
Sponsor: Kertulla

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Senate Bill 322 would expand the membership of the Agriculture Revolving Loan Fund Board from five to 7 members. At present, 5 of the seven members are persons with background and experience in agriculture. SB 322 would retain that ratio - four of the seven members would be involved in the industry.

The expansion of the board is necessary to obtain a greater statewide representation. As the agriculture industry expands, the ARLF must remain flexible to adapt to the expansion. SB 342, which is also being heard today, would expand the responsibilities of the ARLF to include fur farming, horticulture, and animal feed processing facility loans.

The sponsor is not opposed to including provisions from SB 342, for example, in this bill. By expanding the size of the board and the responsibilities, we are making the state support for the industry more responsive to the private sector needs.

### SUMMARY OF SB 322 - Ag. Loan Board

Increases Board membership from five to seven; four of which will be persons with background or experience in Alaska agriculture. Members serve overlapping three year terms, and receive travel pay and per diem as provided for boards and commissions. The increase in membership is an effort to reduce the monopolization by one or two members of the existing board.

Bill Heim (Ag Div) says 35% of loans are north of Alaska Range but only 1 Board member is from there.

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

The 1982 amendment, effective February 2, 1982, 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)

**Effect of amendments.** — The 1976 amendment rewrote this section.

The 1982 amendment, effective June 25, 1982, added subsection (c).

**Editor's notes.** — Section 5, ch. 7, SLA 1982 added a subsection (c) to this section

but the provision of that subsection have been transferred to AS 03.15.052 by the revisor of statutes pursuant to AS 01.05.031(b). Consequently, the subsection added by § 6, ch. 113, SLA 1982, has been redesignated "(c)."

#### **Sec. 03.10.054. Sale or transfer of mortgages and notes.**

Repealed by § 14 ch 122 SLA 1980.

**Editor's notes.** — The repealed section derived from § 1, ch. 4, SLA 1964.

### **Chapter 15. Agriculture Pest and Disease Control Fund.**

#### **Section**

20. Purpose of appropriations

52. Limitation on board members

**Sec. 03.15.020. Purpose of appropriations.** Appropriations available to the Department of Natural Resources or to the Department of Environmental Conservation may be used

(1) to buy materials or equipment needed to control agricultural pests when the persons directly affected cannot bear the total cost and the pest is one that is or may become a public problem;

(2) to charter or hire on a custom basis equipment and operators necessary for pest-control work when the persons directly affected cannot provide the service and the pest is one that is or may become a public problem;

(3) to match federal indemnity payments to livestock owners for livestock slaughtered under any cooperating livestock health program;

(4) to maintain a supply of vaccines, serums and chemicals needed for emergency pest control, that are not commercially available in the state. (§ 2 ch 90 SLA 1955; am § 3 ch 34 SLA 1968; am Executive Order No. 51, § 11 (1981))

**Effect of amendments.** — The 1981 amendment substituted "Department of Natural Resources or to the Department of

Environmental Conservation" for "Department" in the introductory language.

**Sec. 03.15.052. Limitation on board members.** A member of the agricultural revolving loan fund board may not, during the member's

# Alaska State Legislature

BETTIE 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  
(907) 465-3835

## Senate

### Committee on Resources

#### MINUTES

February 3, 1994  
3:07 pm

Beltz Room  
Room 211, Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp, Chairman  
Senator Vic Fischer  
Senator Paul Fischer  
Senator Mulcahy  
Senator Sturgulewski

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#### CALENDAR

- SB 322 An Act relating to the Alaska Agricultural Loan Board; and providing for an effective date.
- SB 342 An Act amending the Alaska Agricultural Loan Act.
- SB 339 An Act repealing the expiration date of the Agricultural Action Council; and providing for an effective date.
- SB 358 An Act amending the expiration date of the Alaska Agricultural Action Council.

Briefing on Bristol Bay Cooperative Management Plan

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#### SB 339

Vince O Reilly, Deputy Commissioner, Department of Commerce and Economic Development, testified against SB 339. He stressed the Administration's commitment to agriculture, with an emphasis on production for in-state market needs. A Memorandum of Understanding is being written that would divide the responsibilities of the Alaska Agricultural Action Council between the Departments of Natural Resources, Commerce and Economic Development, and Transportation. Also, by transferring those duties to line agencies, more emphasis would be placed on forest product marketing.

Senator Mulcahy moved to adopt the Resources Committee Substitute for SB 339, and move it from committee with individual recommendations. There was no objection.

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SB 342

Alex Shadura, testified in favor of SB 342, supporting horticulture as an important part of the agriculture industry. He expressed concern that the definition of horticulture as "growth in greenhouses or nurseries" contained in the Committee Substitute was restrictive.

Senator Mulcahy moved to adopt the Resources Committee Substitute for SB 342, and moved the bill from Committee with individual recommendations. There was no objection.

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SB 322

Senator Mulcahy moved the bill from Committee with individual recommendations. There was no objection.

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Frank Rue, Department of Natural Resources, Division of Land and Water Management, Resource Allocations, presented the committee with a brief overview of the changes that were made to the draft version of the Bristol Bay Cooperative Management Plan. Changes were made in the areas of oil and gas leasing, mineral exploration and development, and land disposals. Many of the original guidelines were seen as too specific and were dropped or rewritten in the final draft. Senator Sturqulewski and Senator Fahrenkamp had questions about the amendment process and asked for a more in-depth report on how Legislative authority over the lands will be affected under the plan.

The meeting adjourned at 4:38 pm.

# Alaska State Legislature

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POUCH V  
STATE CAPITAL  
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(907) 465-3835

## Senate

### Committee on Resources

#### MINUTES

January 25, 1984  
3:03 pm

Beltz Room  
Room 211, Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp, Chairman  
Senator Ziegler, Vice Chair  
Senator V. Fischer  
Senator Paul Fischer  
Senator Mulcahy  
Senator Sturgulewski

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#### CALENDAR

- SB 322 An Act relating to the Alaska Agricultural Loan Board; and providing for an effective date.
- SB 342 An Act amending the Alaska Agricultural Loan Act.
- SB 339 An Act repealing the expiration date of the Agricultural Action Council; and providing for an effective date.
- SB 358 An Act amending the expiration date of the Alaska Agricultural Action Council.

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#### TELECONFERENCED TO:

Fairbanks	Anchorage
Delta	Homer
Palmer/Wasilla	Soldotna

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Senator Kerttula testified in support of SB 322. He said the geographic areas where agricultural development exists have expanded and suggested the Governor appoint two more members to represent farmers from those areas.

Senator Faiks testified in favor of SB 342. She answered questions about the bill and also supported the Kerttula amendment regarding soil classification.

Bob Arnold, Deputy Commissioner, Department of Natural Resources, acknowledged that SB 342 would create a greater demand on the Agricultural Revolving Loan Fund and asked for clarification from the Legislature on granting loans for non-food products.

Steve Shropshire, Alaska Horticulture Association, spoke in support of SB 342. He felt the definition of "agriculture" should include horticulture.

Mavor Bill Allen, Fairbanks North Star Borough, supported all the bills before the Committee. He urged the continuation of the Alaska Agricultural Action Council and the expansion of the agricultural loan program.

Frank Geiger, Mavor, Delta Junction, spoke in support of all four bills. He recommended that two Boards be established, one for the Interior and one for the rest of the state.

Richard Ramsey, Aide to Senator Kerttula, testified in support of Kerttula's proposed amendment to SB 342. This amendment would allow more lands to be eligible for clearing loans.

Edna Anderson, Homer, recommended passage of SB 339 and SB 358 and said she agreed with Mayor Allen's comments.

Pete Roberts, Homer, supported Kerttula's proposed amendment to SB 342.

Ed Merdes, Fairbanks, supported all the bills being heard. He introduced the idea of "production incentives" to lower costs of production and make our crops more competitively priced.

Pat Mulligan, President, Alaska Farmers and Stock Growers, spoke in support of SB 342 and horticulture.

Bill Heim, Director, Division of Agriculture, DNR, wanted legislative guidance, through SB 342, on the expansion of the loan program. He supported Kerttula's proposed amendment to SB 342. Regarding SB 322, he recommended that the two new members be from Delta and Fairbanks.

Ken Ulz, Kobuk Fuel and Feed, spoke in support of all the bills being heard. He felt fur ranching was just as valid as any other ranching enterprise.

Bruce Willard, Homer, supported the continuation of the Alaska Agricultural Action Council.

Harry Wassink, Anchorage, proposed raising the cap on ARLF loans, particularly for dairy farmers.

Sig Restad, Agricultural Experimental Station, Palmer, testified in support of the four bills before the Committee.

Burton L. Clifford, U.S Department of Agriculture (USDA), spoke in support of all of the bills.

Carrol Martin, Soldotna, testified in support of all the bills heard today.

Jerry Giaouque, Palmer, spoke in support of all the bills.

Terry Weiland, Palmer, supported SB 339 and SB 358 and also wanted the cap raised on ARLF loans.

Jerry Brehmer, Delta, was in favor of all of the bills.

Vincent O'Reilly, Deputy Commissioner, Department of Commerce and Economic Development, testified that the Administration supports agricultural development. They are currently reexamining the program, trying to focus on in-state market needs. He felt that coordinating that effort should be done by the line agencies, specifically the Department of Natural Resources and the Department of Commerce and Economic Development, rather than the Alaska Agricultural Action Council.

Annely Girard, Palmer, testified that farmers need to diversify. She felt the passage of SB 342 would allow them to do that. She spoke of growing shrubs and fast growing trees such as poplars in greenhouses for use as windbreaks.

Bob Arnold, Deputy Commissioner, Department of Natural Resources, spoke again to concur with Vincent O'Reilly, Deputy Commissioner, Department of Commerce and Economic Development, that the functions of the Alaska Agricultural Action Council can be better carried out by the line agencies, particularly the Department of Natural Resources.

The meeting adjourned at 4:42 pm.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

**REQUEST**

Bill/Resolution No.: SB 322  
Title: ARLF Board

**FISCAL DETAIL**

Agency Affected: Natural Resources  
Program Category Affected: ARLF

Sponsor: Kerttula  
Requestor: \_\_\_\_\_  
Date of Request: 1/23/84

BRU, Program or Subprogram(s) Affected: \_\_\_\_\_  
Agriculture Revolving Loan Fund

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL		5.0	5.0	5.0		
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, COMMODITIES						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		5.0	5.0	5.0		
<b>CAPITAL</b>		0	0	0		
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER (ARLF)		5.0	5.0	5.0		
<b>TOTAL</b>		5.0	5.0	5.0		

**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 L. Heim, Director Phone: 376-3276  
Division: Agriculture Date: 1/24/84

Approved by Commissioner: Wm 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

SB 342

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

### Committee on Resources

#### M E M O R A N D U M

TO: Senate Resources Committee Members

FROM: Senate Resources Committee Staff

RE: Committee Meeting, January 25, 1984

DATE: January 23, 1984

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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.