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Introduced: 1/18/83
Referred: Resources and
Finance

1 IN THE SENATE

BY MOSS

2

SENATE BILL NO. 45

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the Alaska Agricultural Action Council and transferring the administration of the agricultural revolving loan fund to that council; and providing for an effective date."

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9

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

11

* Section 1. AS 03.10.020 is amended to read:

12

Sec. 03.10.020. POWERS OF THE COUNCIL [DEPARTMENT]. The council

13

[DEPARTMENT] may

14

(1) make loans to individual resident farmers, homestead-

15

ers, and partnerships or corporations composed of farmers and home-

16

stead-ers, for clearing land for agricultural purposes, development of

17

farms, storage and processing of farm produce, livestock and machinery

18

and to individuals, partnerships or corporations, for storage and

19

processing plants for agricultural products;

20

(2) designate agents and delegate its powers to them as

21

necessary;

22

(3) adopt rules and regulations necessary to carry out its

23

functions;

24

(4) establish amortization plans for repayment of loans,

25

which may include delayed payments of principal and interest for not

26

to exceed five years;

27

(5) enter into agreements with private lending institu-

28

tions, other state agencies or agencies of the federal government, to

29

carry out the purposes of this chapter.

1 * Sec. 2. AS 03.10.030(h) is amended to read:

2 (h) The council [COMMISSIONER] shall adopt regulations to estab-
3 lish other terms for loans made under this chapter, consistent with
4 the provisions of this section, and may establish interest rates for
5 loans under (a)(4) of this section that

6 (1) encourage agricultural development;

7 (2) do not subsidize nonviable agricultural enterprises;

8 and

9 (3) do not discriminate against viable existing agricultur-
10 al enterprises.

11 * Sec. 3. AS 03.10.035(a)(1) is amended to read:

12 (1) pays the outstanding balance of the loan in a lump sum
13 or under other terms agreed to by the council [COMMISSIONER] which
14 accelerate payment of the loan; or

15 * Sec. 4. AS 03.10.050(a) is repealed and reenacted to read:

16 (a) The council shall administer the loan fund.

17 * Sec. 5. AS 03.10.050(c) is amended to read:

18 (c) A meeting of the council [AGRICULTURAL REVOLVING LOAN FUND
19 BOARD] to act on applications for loans is exempt from the public
20 meeting requirements of AS 44.62.310.

21 * Sec. 6. AS 03.10 is amended by adding a new section to read:

22 Sec. 03.10.055. DEFINITION. In this chapter "council" means the
23 Alaska Agricultural Action Council (AS 44.33.450).

24 * Sec. 7. AS 44.33.470(a) is amended by adding a new paragraph to read:

25 (12) administer the agricultural revolving loan fund
26 (AS 03.10).

27 * Sec. 8. AS 03.10.050(b) and sec. 4, ch. 75, SLA 1979 are repealed.

28 * Sec. 9. This Act takes effect immediately in accordance with AS 01.-
29 10.070(c).

RELATING TO THE ALASKA AGRICULTURAL ACTION COUNCIL AND TRANSFERRING
THE ADMINISTRATION OF THE AGRICULTURAL REVOLVING LOAN FUND TO THAT
COUNCIL.

SB 45

MOSS

Transfers the administration of the agriculture revolving loan fund from the Department of Natural Resources to the Alaska Agricultural Action Council, effective immediately.

Repeals present law that would terminate the AAAC 7/1/84.

THE LEGISLATURE OF THE STATE OF ALASKA
THIRTEENTH LEGISLATURE

5, 2
RECEIVED

FEB 7 1983

FISCAL NOTE

LEGISLATIVE FINANCE

I. REQUEST
Bill/Resolution No. SB 45
Title An Act relating to the Agricultural Action Council
Requested by _____ Date _____

II. FISCAL DETAIL
Agency Affected Commerce and Economic Development
Program Category Affected Development
BRU, Program, Or Subprogram(s) Affected Division of Loans & Veterans' Affairs
(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	0	0		

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE 1-25-83 PREPARED BY [Signature]
AGENCY Commerce and Economic Development
Original: Legislative Finance PHONE 465-2505
cc: Budget and Management
Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/82)

OMB Reviewed by: Guy Bell [Signature]

SSSB 45

RELATING TO THE ALASKA AGRICULTURAL ACTION COUNCIL,
SPONSOR: MOSS

Transfers the Ag. Action Council from Dept. of Commerce and Economic Development to Dept. of Natural Resources.

Repeals Sec. 4, Ch. 75 SLA 1979, which would have terminated the Ag. Action Council effective 7/1/84.

APR 29 1983

Alaska State Legislature

SENATOR
H. PAPPY MOSS
PO BOX 182
DELTA JUNCTION ALASKA 99737
(907) 895-4384



WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99911
(907) 465-4921

State Senate

MEMORANDUM

April 29, 1983

SUBJECT: SSSB 45

TO: The Honorable Bettye Fahrenkamp, Chair
Senate Resources Committee

FROM: H. Pappy Moss, Chair
Senate Special Committee on Agriculture

In the course of this legislative session, it has become very apparent that the future of agriculture in the state of Alaska is in jeopardy as long as control of its development rests with the Department of Commerce and Economic Development. To avert that situation, I have introduced Sponsor Substitute for Senate Bill 45, which removes the Agricultural Action Council from the jurisdiction of the Department of Commerce and Economic Development and places it within the Department of Natural Resources. In the interests of the responsible and timely development of the agricultural industry in this state, I would ask that you consider waiving the five-day rule and hearing SSSB 45 in the Senate Resources Committee as soon as possible.

Thank you for your consideration.

SENATE RESOURCES COMMITTEE
LEGISLATION CHECKLIST

IDENTIFICATION:

BILL NUMBER: *2d SSSB 45*
BILL NAME: *MOSS - An Act establishing an agricultural land
sale payment moratorium; et al*
SPONSOR(S): *MOSS* RELATED BILLS PENDING:
DATE INTRODUCED: *5/22/34*
REFERRALS: *Resources
Finance*

INITIAL RESEARCH:

BILL SUMMARY COMPLETED: SUMMARY BY LEGAL DIVISION:
SPONSOR CONTACTED FOR DEPT. OF LAW SUMMARY:
BACKUP MATERIALS: FISCAL NOTE:
AGENCY RESPONSE: OTHER INTERESTED SENATORS OR
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:
RESPONSES FROM INTERESTED PERSONS/GROUPS:
OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPARATION:

CHAIRMAN BRIEFED: DATE AND PLACE SET:
STAFF MEMO TO COMMITTEE: TELECONFERENCE:
BACKGROUND MATERIAL DISTRIBUTED: PSA/PRESS RELEASE:
LIST OF WITNESSES: SUGGESTED AMENDMENTS/COMMITTEE
SUBSTITUTES DRAFTED:

SPONSORED BY MOSS.

AUTHORIZES DNR TO DECLARE A MORATORIUM OF UP TO 5 YEARS ON AGRICULTURAL LAND PURCHASE PAYMENTS IF CERTAIN CONDITIONS ARE MET. MAKES NO DIFFERENCE IN THE AMOUNT OF THE TOTAL LOAN PAYMENT (MERELY A POSTPONEMENT OF PAYMENTS); ACCRUAL OF INTEREST WILL CEASE.

IS TO ALLOW MORE TIME TO DEVELOP FARMS AND MARKETS.

Introduced: 3/22/84
Referred: Resources and
Finance

1 IN THE SENATE

BY MOSS

2

2d SPONSOR SUBSTITUTE FOR SENATE BILL NO. 45

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act establishing an agricultural land sale
7 payment moratorium; and providing for an effective
8 date."

9

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

10

* Section 1. AS 38.05.065 is amended by adding a new subsection to
11 read:

12

(d) The commissioner may declare a moratorium of up to five
13 years on principal payments and the accrual of interest on a sale of
14 agricultural land under this section if

15

(1) the commissioner determines that the moratorium is in
16 the best interest of the state;

17

(2) the commissioner certifies and the contract purchaser
18 agrees to perform farm development, crop production, and harvesting,
19 not including land clearing or related activity, requiring the
20 expenditure of amounts equivalent to the payments that would otherwise
21 be made during the moratorium;

22

(3) the sale of the agricultural land takes place after
23 July 1, 1979; and *→ date the original Homestead Entry*

24

(4) the contract purchaser is in compliance with the devel- *was*
25 opment plan specified in the purchase contract at the time the per- *repealed*
26 chaser applies for a moratorium under this subsection. *So those*

27

* Sec. 2. This Act takes effect immediately in accordance with AS 01.- *who got*
28 10.070(c). *ag. land*

*through sweat
equity won't
benefit from the
purchase payment
moratorium.*

2d SS for SB 45: "An Act relating to an emergency farm relief program;
and providing for an effective date."

The Department of Commerce and Economic Development finds that this bill
brings the land purchase contracts into a logical parallel with similar
agriculture loan programs.



3/30/84

Richard A. Lyon, Commissioner

CHAIRMAN
SENATE TRANSPORTATION
COMMITTEE
SENATE SPECIAL AGRICULTURE
COMMITTEE

MEMBER
HEALTH, EDUCATION AND
SOCIAL SERVICES
COMMITTEE
LEGISLATIVE COUNCIL
REAA BUDGET OVERSIGHT
COMMITTEE

Alaska State Legislature



State Senate

SENATOR
H. PAPPY MOSS
P.O. BOX 182
DELTA JUNCTION, ALASKA 99737
(907) 895-4384

JUNEAU OFFICE
POUCH V
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SENATE SPECIAL COMMITTEE ON AGRICULTURE

MEMORANDUM

March 20, 1984

TO: Senator Bettye Fahrenkamp, Chair
Senate Resources Committee

FROM: Senator H. Pappy Moss, Chair
Senate Special Committee on Agriculture *H. P. Moss*

RE: 2nd Sponsor Substitute for Senate Bill 45

This sponsor substitute for Senate Bill 45 provides relief to farmers of the State of Alaska who are actually working on developing their farms. This legislation makes no significant changes in the terms of the original contract for land payments, and makes no difference in the amount of the total payment. The state is paid in full by the farmers for the amount specified at the time of the land sale.

The 2nd sponsor substitute for SB 45 provides for the postponement of principal payments and the ceasing of interest accrual, for a period not to exceed five years, if the commissioner determines it to be in the best interest of the state, and if the following conditions are met:

The farmer must have invested an amount equal to his payment which would otherwise be due in farm development, crop production, and harvesting expenses. Expenses involved in land clearing or related activities would not be considered in the application for this moratorium.

The expenses must be certified by the commissioner.

The sales of agricultural land were made after the repeal of AS 38.05.325 Homestead Entry which occurred in 1979.

The contract purchaser must be in compliance with the development plan as specified in the contract before applying for this postponement of payments.

This legislation was developed with help from the Division of Forest, Land and Water Management, who administer the sale of these lands and is supported by the Department of Natural Resources. This bill does not ask for money--only for time to enable Alaska's farmers to develop their farms.

This legislation is not offered to assist poor business managers in the area of farming to continue where they are failing. This legislation is offered to support the successful, producing farmer who is contributing to agricultural development in the state of Alaska.

SB4'S

NRN

March 22, 1984

Senator Bettye Fahrenkamp
Pouch V
Juneau, Alaska 99811

Dear Senator Fahrenkamp;

This week you were so kind in sharing your precious time with our farm group from Delta II. We want to take this opportunity to thank you for lending your support to our cause.

We need more time to develop our farms and markets, and having the payments and interest on our land payments tolled for a few years will help us get this accomplished. The sponsor substitute for Senate Bill 45 will give us that opportunity without reducing the purchase price or changing the terms of our original contracts.

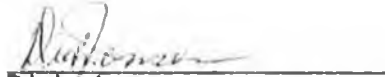
We are actively involved in promoting the dairy industry and beef and hog production, and are working to supply grain to these groups at a lower cost so our agriculture base will expand and as it grows we all hope to become successfully self-supporting.


There is a real future for Agriculture here in Alaska and we feel that it makes a valuable contribution to our way of life here. We are excited about farming here and are engaged in making Alaska a better place to live and raise our families. Isn't this really what life is all about?

Thank you again, our visit with you was delightful.

Yours very truly,


Charles Trowbridge


Dick Jensen


Tom Krause


Mike Schultz


Scott Schultz

MAR 28 1984

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 CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

MINUTES

March 30, 1984
3:55 pm

Beltz Room
Room 211, Capitol

MEMBERS PRESENT

Senator Fahrenkamp, Chairman
Senator Ziegler, Vice Chairman
Senator Paul Fischer
Senator Mulcahy
Senator Sturgulewski

CALENDAR

SB 225, Creating the Matanuska Valley Moose Range.

2dSSSB 45, Establishing an agricultural land sale payment moratorium.

SB 369, An Act relating to the planning, designing, and construction of agriculture and forestry facilities by the Department of Natural Resources.

SCR 42, Relating to sport fishing of salmon and underutilized species.

SB 225

Ned Farquhar, Special Assistant to the Commissioner of the Department of Natural Resources, testified in support of the Committee Substitute, and proposed an amendment that would clarify that coal and mineral entry and development would be allowed within the Range.

Leborah Heidecker, Aide to Senator Kerttula, explained that the Committee Substitute, a result of negotiations with the Department of Natural Resources and the Department of Fish and Game, contains specifics on management responsibility, multiple use definitions, and boundaries.

Senator Kerttula explained why the proposed Chickaloon Bench subdivision should remain within the Moose Range and not be disposed.

John Clark, Habitat Division, Department of Fish and Game, spoke in support of the Committee Substitute.

Senator Mulcahy moved to adopt DNR's proposed amendment. There was no objection.

Ron Sommerville, Alaska Outdoor Council, spoke in support of the Committee Substitute.

Jay Nelson, Alaska Environmental Lobby, spoke in support of the Committee Substitute and recommended that a timetable for implementing the management plan be included in the bill.

Senator Sturqulewski moved to adopt the proposed amendment regarding the timetable for a management plan. There was no objection.

Senator Mulcahy moved CS SB 215 from Committee with individual recommendations. There was no objection.

2dSSSB 45

Senator Moss explained that this bill would authorize the Department of Natural Resources to declare a moratorium of up to five years on agricultural land purchase payments if certain conditions are met.

Senator Mulcahy moved 2dSSSB 45 from Committee with individual recommendations. There was no objection.

SB 369

Senator Kerttula reviewed the history of construction cost overruns at the Department of Natural Resources plant materials center. SB 369 would begin to solve those problems by transferring construction responsibilities from the Department of Transportation and Public Facilities to DNR.

Senator Mulcahy moved SB 369 from Committee with individual recommendations. There was no objection.

SCR 42

Phil Daniel, United Fishermen of Alaska (UFA), spoke in support of the resolution, recommending aquaculture as a way of guaranteeing sportsfishermen an adequate supply of fish, and resolving user group conflicts.

Ron Sommerville, Alaska Outdoor Council offered no formal position on the bill, but supported enhancement of sportfishing stocks as a way of resolving user group conflicts.

Senator Mulcahy moved SCR 42 from Committee with individual recommendations. There was no objection.

The meeting adjourned at 4:40 pm.

	<u>1983</u> Acres Actually in Production	<u>1984</u> Acres to be in Production
Charles Trowbridge Owner of Tract 4, Delta II sale.	600	1200
Dick Jensen Owner of Tract 12, Delta II sale.	1140	1940
Scott Schultz and Mike Schultz, Owners of Tract 5, Delta II sale.	600	1200
Tom Krause, Owner of Tract 11, Delta II sale.	710	1200

In 1983, we produced over 50 percent of the barley produced in the state of Alaska. Our estimated production for 1984 will bring that figure to 75 percent.

Our personal investment, per farm, is in the range of \$200,000

FACT: Our wives all work to support us!!

contracts with public or private agencies, organizations, or individuals,

(1) to improve sanitation practices in the processing of fish and fisheries products; and

(2) to develop improved techniques for surveillance and inspection activities under this chapter. (§ 3 ch 57 SLA 1982)

Effective dates. — Section 7, ch. 57, May 28, 1982 in accordance with AS SLA 1982, makes this section effective 01.19.070(c).

Sec. 03.05.090. Penalty for violation. A person who violates this chapter or a regulation, order, or quarantine made under authority of this chapter, or violates a provision of a permit issued under this chapter, or sells seeds failing to meet the labeling requirements, standards, and tests provided for by regulation of the commissioner of natural resources or the commissioner of environmental conservation is guilty of a class A misdemeanor for each offense. (§ 33-1-3 ACLA 1949; am Executive Order No. 51, § 10 (1981); am § 4 ch 57 SLA 1982)

Cross references. — For sentences of imprisonment for misdemeanors, see AS 12.55.135.

Effect of amendments. — The 1981 amendment added "of natural resources or the commissioner of environmental conservation" following "regulation of the commissioner."

The 1982 amendment, effective May 28, 1982, substituted "a" for "any," deleted

"rule" preceding "regulation," inserted "or violates a provision of a permit issued under this chapter" preceding "or sells seeds," substituted "guilty of a class A misdemeanor for each offense" for "upon conviction, punishable for each offense by a fine of not more than \$1,000, or by imprisonment for not more than one year, or by both" and made other minor changes.

Sec. 03.05.100. Definitions. In AS 03.05.010 — 03.05.100,

(1) "agricultural products" does not include fish or fisheries products;

(2) "fish or fisheries products" means any aquatic animal, including amphibians, or aquatic plants or parts of those plants, animals or amphibians that are usable as human food. (§ 5 ch 58 SLA 1978)

Chapter 10. Alaska Agricultural Loan Act.

Section	Section
20. Powers of the department	40. Creation of fund
30. Limitations on loans	50. Administration of fund
35. Use or disposal of mortgaged farm land	54. [Repealed]

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

(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) desi

(3) adop

(4) estal

include de

five years;

(5) enter

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1955; am §

Effect of an amendment.

Sec. 03.10.020. Chattel, or in

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(2) may n

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(b) Repealed

(c) A short t

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(d) Repealed

(e) An insta

borrower on or

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before the 30th

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amount equal t

combined delinq

percent.

(f) A farm pro

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product processi

- (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 inserted "clearing land for agricultural amendment, effective June 25, 1982, 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;
 - (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 by § 72 ch 113 SLA 1982.
- (c) A short term loan, to be amortized within one year, not to exceed \$200,000 to any one borrower may be made for operating purposes.
- (d) Repealed by § 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)

Effect of amendments. — The 1974 amendment, in subsection (c), substituted "\$25,000" for "\$15,000" and "operating" for "emergency."

The 1975 amendment increased the farm development loan and indebtedness limit in subsection (a) from \$150,000 to \$200,000.

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, effective February 2, 1982, raised the interest rate limit from six to eight percent in subsections (a) and (f) and in former subsection (b).

The second 1982 amendment, effective June 25, 1982, 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 percent. 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 "the penalty" to the subsection (e) "\$2,500,000"

Sec. 03.10

borrower may otherwise be given a mortgage given irrigation systems borrower either

(1) pays the other terms of the loan;

(2) pays the loan at the special banks in the amount received of the farm

(b) In this the product including for and livestock

Editor's note 1979 provides 03.10.030(e) en. and AS 03.10.0

Sec. 03.10

revolving loan purpose of the am § 1 ch 81

Effect of an amendment substituted "\$5,000,000."

Sec. 03.10

shall administered revolving loan by the commissioner

(b) The board and confirmed by the persons who Members of the board of the board but shall receive for boards and

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).

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 AS 03.10.010 — 03.10.060 unless the borrower either

(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 man, including forage and sod crops, grain and feed crops, fruits, vegetables and livestock. (§ 5 ch 50 SLA 1979)

Editor's notes. — Section 7, ch. 50, SLA 1979 provides: "The provisions of AS 03.10.030(e) enacted in sec. 1 of this Act and AS 03.10.035 enacted in sec. 5 of this Act applied to farm development, chattel, and irrigation system loans made after July 1, 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, 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

term of of board. ob; under AS

Effective 1962, made 2, 1982. 01.10.070(c) **Editor's** originally en

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