



COMMITTEE REPORT  
HOUSE

4/30

FURTHER: FINANCE

(9)

4/23/85

Date: April 29, 1985

The Committee on RESOURCES has had CSSB 120(Fin)am  
"An Act relating to agriculture; and providing for an effective date."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with <sup>House</sup> CS for CSSB 120 (Res.)  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Shultz [Signature]  
Pearce [Signature]  
Miller(NP) M.W. Miller  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

Cato Bette Cato No Rec  
Jenkins [Signature] No Rec.  
Sund [Signature] No Rec.  
Thompson [Signature] NO REC  
Wallis F. Kay Wallis No Rec.

[Signature] Co-Chair  
[Signature] CHAIRMAN

Offered: 4/30/85  
Referred: Finance

*Avilly*

Original sponsor: Pules/Governor

1 IN THE SENATE BY THE RESOURCES COMMITTEE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 120 (Resources)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agriculture; and providing for an  
7 effective date."

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

9 \* Section 1. AS 03.05.010 is amended to read:

10 Sec. 03.05.010. POWERS AND DUTIES OF COMMISSIONER OF NATURAL  
11 RESOURCES. (a) The commissioner of natural resources shall

12 (1) direct, administer, and supervise promotional and  
13 experimental work, extension services, and agricultural projects for  
14 the purpose of promoting and developing the agricultural industry  
15 within the state including such fields as horticulture, dairying,  
16 cattle raising, fur farming, grain production, vegetable production,  
17 and development of other agricultural products;

18 (2) procure and preserve all information pertaining to the  
19 development of the agricultural industry and disseminate that informa-  
20 tion to the public;

21 (3) assist prospective settlers and others desiring to  
22 engage in the agricultural industry in the state with information  
23 concerning areas suitable for agriculture and other activities and  
24 programs essential to the development of the agricultural industry in  
25 the state;

26 (4) review the marketing, financing, and development of  
27 agricultural products inside the state including transportation, with  
28 special emphasis upon local production, and negotiate for the market-  
29 ing of agricultural products of the state with federal and state

1 agencies operating in the state; [AND]

2 (5) regulate and control the entry into the state and the  
3 transportation, sale or use inside the state of plants, seeds, vegeta-  
4 bles, fruits and berries, nursery stock, shell eggs, animal feeds,  
5 remedies and mineral supplements, fertilizers, and agricultural chemi-  
6 cals in order to prevent the spread of pests, diseases, or toxic  
7 substances injurious to the public interest, and to protect the ag-  
8 ricultural industry against fraud, deception and misrepresentation; in  
9 this connection the commissioner may require registration, inspection,  
10 and testing, and establish procedures and fees;

11 (6) assist in the establishment of commodity marketing  
12 associations, and adopt regulations to implement this paragraph.

13 (b) To carry out the requirements of this title, the commis-  
14 sioner of natural resources may issue orders, regulations, quaran-  
15 tines, and embargoes relating to

16 (1) examination and inspection of premises containing  
17 products, articles, and commodities carrying pests;

18 (2) establishment of quarantines for eradication of pests;

19 (3) establishment of standards and labeling requirements  
20 pertaining to the sale of agricultural and vegetable seeds and pro-  
21 cessed feeds;

22 (4) tests and analyses that [WHICH] may be made and hear-  
23 ings that [WHICH] may be held to determine whether the commissioner  
24 will issue a stop order or quarantine;

25 (5) cooperation with federal and other state agencies;

26 (6) licensing, bonding, inspection, and auditing of records  
27 of public grain, grass, and legume storage or processing facilities.

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

29 (a) The farm development or [,] chattel [, OR IRRIGATION] loan

1 made under this chapter

2 (1) may not exceed a term of 30 years, except that a chat-  
3 tel loan may not exceed a term of seven years unless the agricultural  
4 revolving loan board determines that a longer term is in the best  
5 interest of the state and would promote the purposes of this chapter  
6 in which case, if the borrower is current in any existing agricultural  
7 loan, an existing chattel loan may be combined with and amortized over  
8 the same period as an existing farm development loan, or a chattel  
9 loan may be extended beyond a seven-year term if the loan is secured  
10 by additional real property as collateral;

11 (2) may not, when added to the outstanding balance of other  
12 loans made under this chapter, exceed a total outstanding balance of  
13 \$1,000,000 except that the total outstanding balance may be increased  
14 up to 50 percent if the borrower has held a loan under this chapter  
15 for at least two years and receives written approval under conditions  
16 and standards established by the agricultural revolving loan board;

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

22 (A) on that portion of the loan below \$1,000,000, at a  
23 rate that may not be less than eight percent or more than the  
24 commercial rate, unless the commercial rate is eight percent or  
25 less; in this paragraph "commercial rate" means the prevailing  
26 rate of interest at private lending institutions in the state for  
27 loans similar to those referred to in this subsection;

28 (B) on that portion of the loan above \$1,000,000, at a  
29 rate that may not be less than the prime rate prevailing at the

1 time of the loan; in this paragraph, "prime rate" means the prime  
2 rate of interest normally charged at private lending institutions  
3 in the state on the day the contract or loan commitment was made.

4 \* Sec. 3. AS 03.10.030(c) is amended to read:

5 (c) A short term loan, to be amortized within one year, not to  
6 exceed \$350,000 to any one borrower may be made for operating pur-  
7 poses, except that a loan made under this subsection may not exceed  
8 \$200,000 unless the loan is made to a borrower in a farm disaster area  
9 declared under AS 03.10.058. The short-term loan limits may be in-  
10 creased up to 50 percent if the borrower has held a loan under this  
11 chapter for at least two years and receives written approval under  
12 conditions and standards established by the agricultural revolving  
13 loan board. An applicant for a short term loan may be required to  
14 purchase insurance through the Federal Crop Insurance Act (7 U.S.C.  
15 1501 - 1520) as a condition of the loan. The term of a loan made  
16 under this subsection may be extended for up to three years by the  
17 agricultural revolving loan fund board, in the discretion of the  
18 board, upon application by the borrower. An existing short-term loan  
19 may be combined with and amortized over the same time period as an  
20 existing farm development loan if the agricultural revolving loan fund  
21 board determines that the combination is in the best interest of the  
22 state and promotes the purposes of this chapter.

23 \* Sec. 4. AS 03.10.040 is amended to read:

24 Sec. 03.10.040. CREATION OF FUND. There is an agricultural  
25 revolving loan fund, which may [SHALL] not exceed \$100,000,000.  
26 [\$75,000,000] to carry out the purpose of this chapter.

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

28 (b) The board is composed of seven [FIVE] members appointed by  
29 the governor and confirmed by the legislature in joint session. Three

1 members must [SHALL] be persons with background and experience in  
2 Alaska agriculture and one additional member must be a person with  
3 background and experience in Alaska horticulture. Members of the  
4 board serve for overlapping three-year terms. Members of the board  
5 are not entitled to receive compensation for their services, but are  
6 entitled to [SHALL] receive the same travel pay and per diem as pro-  
7 vided by law for boards and commissions.

8 \* Sec. 6. AS 03.57.020 is amended to read:

9 Sec. 03.57.020. BOND REQUIRED. Each dealer is required to  
10 obtain and file with the director of the division of agriculture of  
11 the Department of Natural Resources a bond in the amount of \$25,000  
12 [\$5,000]. The bond shall be conditioned on the faithful performance  
13 of the legal duties of the dealer as set out in this chapter and the  
14 payment for vegetables purchased by the dealer. The bond is payable  
15 to the person injured to the extent of the damages. The aggregate  
16 liability of the surety for all breaches of the conditions of the bond  
17 may not [SHALL, IN NO EVENT,] exceed the amount of the bond. The  
18 surety may cancel the bond upon giving 30 days' notice in writing to  
19 the director, and after that is [THEREAFTER SHALL BE] relieved of any  
20 liability for a breach of condition occurring after the effective date  
21 of cancellation.

22 \* Sec. 7. AS 36 is amended by adding a new chapter to read:

23 CHAPTER 16. PREFERENTIAL USE OF ALASKA AGRICULTURAL PRODUCTS.

24 Sec. 36.16.010. USE OF LOCAL AGRICULTURAL PRODUCTS REQUIRED IN  
25 PURCHASES WITH STATE MONEY. In the purchase of agricultural products  
26 financed by state money, only agricultural products originating in  
27 this state may be used whenever competitively priced, available, and  
28 of like quality compared with agricultural products originating out-  
29 side the state.

1           Sec. 36.16.020.   INSERTION OF CLAUSE IN CALLS FOR BIDS AND IN  
2   CONTRACTS.   A clause containing the substance of AS 36.16.010 must be  
3   inserted in all calls for bids and in all contracts awarded that  
4   involve agricultural products.

5           Sec. 36.16.030.   INSPECTION CERTIFICATE.   Before purchase by the  
6   state, an agricultural product originating in this state must receive  
7   an inspection certificate from the commissioner of natural resources  
8   under AS 03.05.010 or the commissioner of environmental conservation  
9   under AS 03.05.011.

10   \* Sec. 8.   AS 38.09.050(a) is amended to read:

11           (a)   The commissioner shall issue a patent to homestead entry  
12   land if the permit holder

13               (1)   resides and lives on the homestead entry land for not  
14   less than 25 months within five years after the issuance of the home-  
15   stead entry permit;

16               (2)   completes an approved survey of the land within two  
17   years after the issuance of the permit or under AS 38.09.040(b);

18               (3)   erects a habitable, permanent dwelling on the homestead  
19   within three years after the issuance of the homestead entry permit;

20               (4)   brushes the boundaries of the land within 90 days after  
21   the issuance of the permit;

22               (5)   clears and either puts into production or prepares for  
23   cultivation either 25 percent of the land classified for agricultural  
24   use or 50 percent of the suitable agricultural land, consisting of  
25   [HAVING] class II, or III soils, whichever is more [LESS], within five  
26   years after issuance of the permit.

27   \* Sec. 9.   Sections 1 - 4 and 7 of this Act take effect July 1, 1985.

28   \* Sec. 10.   Section 5 of this Act takes effect immediately in accordance  
29   with AS 01.10.070(c).

Offered: 4/15/85  
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

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17 and development of other agricultural products;

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19 development of the agricultural industry and disseminate that informa-  
20 tion to the public;

21 (3) assist prospective settlers and others desiring to  
22 engage in the agricultural industry in the state with information  
23 concerning areas suitable for agriculture and other activities and  
24 programs essential to the development of the agricultural industry in  
25 the state;

26 (4) review the marketing, financing, and development of  
27 agricultural products inside the state including transportation, with  
28 special emphasis upon local production, and negotiate for the market-  
29 ing of agricultural products of the state with federal and state  
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COMMITTEE COPY

1 agencies operating in the state; [AND]

2 (5) regulate and control the entry into the state and the  
3 transportation, sale or use inside the state of plants, seeds, vegeta-  
4 bles, fruits and berries, nursery stock, shell eggs, animal feeds,  
5 remedies and mineral supplements, fertilizers, and agricultural chemi-  
6 cals in order to prevent the spread of pests, diseases, or toxic  
7 substances injurious to the public interest, and to protect the ag-  
8 ricultural industry against fraud, deception and misrepresentation; in  
9 this connection the commissioner may require registration, inspection,  
10 and testing, and establish procedures and fees;

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8 the same period as an existing farm development loan, or a chattel  
9 loan may be extended beyond a seven-year term if the loan is secured  
10 by additional real property as collateral;

11 (2) may not, when added to the outstanding balance of other  
12 loans made under this chapter, exceed a total outstanding balance of  
13 \$1,000,000 except that the total outstanding balance may be increased  
14 up to 50 percent if the borrower is a dairy farmer, has held a loan  
15 under this chapter for at least two years, and receives written  
16 approval under conditions and standards established by the agricul-  
17 tural revolving loan board;

18 (3) shall be secured by a real estate or chattel mortgage  
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3 Alaska agriculture and one additional member must be a person with  
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13 [\$5,000]. The bond shall be conditioned on the faithful performance  
14 of the legal duties of the dealer as set out in this chapter and the  
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17 liability of the surety for all breaches of the conditions of the bond  
18 may not [SHALL, IN NO EVENT,] exceed the amount of the bond. The  
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23 \* Sec. 7. AS 38.09.050(a) is amended to read:

24 (a) The commissioner shall issue a patent to homestead entry  
25 land if the permit holder

26 (1) resides and lives on the homestead entry land for not  
27 less than 25 months within five years after the issuance of the home-  
28 stead entry permit;

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30

1 years after the issuance of the permit or under AS 38.09.040(b);

2 (3) erects a habitable, permanent dwelling on the homestead  
3 within three years after the issuance of the homestead entry permit;

4 (4) brushes the boundaries of the land within 90 days after  
5 the issuance of the permit;

6 (5) clears and either puts into production or prepares for  
7 cultivation either 25 percent of the land classified for agricultural  
8 use or 50 percent of the suitable agricultural land, consisting of  
9 [HAVING] class II, or III soils, whichever is more [LESS], within five  
10 years after issuance of the permit.

11 \* Sec. 8. Sections 1 - 4 of this Act take effect July 1, 1985.

12 \* Sec. 9. Section 5 of this Act takes effect immediately in accordance  
13 with AS 01.10.070(c).

STATE OF ALASKA 1985 LEGISLATIVE SESSION  
FISCAL NOTE

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

REQUEST  
 Bill/Resolution No.: CSSB 120(Fi)  
 Title: Agriculture Omnibus

FISCAL DETAIL  
 Agency Affected: Natural Resources  
 Program Category Affected: NRMEC

Sponsor: Senate Finance  
 Requestor: Senator Finance Committee  
 Date of Request: \_\_\_\_\_

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

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	0				
FEDERAL FUNDS	0	0				
OTHER	0	0				
<b>TOTAL</b>	0	0				

POSITIONS:

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

ANALYSIS: Attach a separate page if necessary

Prepared By: \_\_\_\_\_  
 Division: Jan Faiks, Co-chairman  
                   Senate Finance Committee

Approved by Commissioner: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Phone: 465-4523  
 Date: 4/15/85

Distribution (by Agency preparing fiscal note):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

*Supersedes F.Y. 4 3/20/85*  
 7/1/84



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

February 1, 1985

The Honorable Don Bennett  
President of the Senate  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill addressing various agriculture issues.

Section 1 of the bill amends AS 03.05.010(a) to add regulation and control of shell eggs to the duties of the commissioner of natural resources, and to require the commissioner to assist in the establishment of commodity marketing associations.

Section 2 of the bill increases the ceiling on the agricultural revolving loan fund from \$75,000,000 to \$100,000,000. Section 3 of the bill increases the number of members of the agricultural revolving loan fund board from five to seven, and specifies that four members (rather than just three) must have background and experience in Alaska agriculture.

Section 4 increases the bond required of dealers in agriculture from \$5,000 to \$25,000. It also makes some minor changes in wording style.

Section 5 of the bill creates a new chapter, AS 36.16, requiring that preference be given to local agricultural products when the products are purchased by the state. (Cf. other preference provisions in AS 36.15.010 and 36.20.010.) An inspection certificate will be required for an agricultural product to be purchased by the state under new AS 36.16.

sk/20

-2-

Last, sec. 6 makes a minor amendment to the Homestead Act to include class IV soils as part of the land that must be developed before issuance of a patent.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield". The signature is written in dark ink and is positioned above the typed name.

Bill Sheffield  
Governor

ALASKA STATE LEGISLATURE

1935 Legislature FIRST Session

SENATE ... BILL ... NO. 120...

By THE SENATE COMMITTEE BY REPORT OF THE GOVERNOR

"An Act relating to agriculture; and providing for an effective date."

Introduced in the Senate 2/11/35, 19...35

HISTORY IN THE SENATE

19 85 Read first time and referred to Committee on Resources & Finance

2 1

3 20 Reported back with *Resources* recommendation that *replace* w/cs, 3 do pass, 1 do not pass, 3 no rec, to Finance.

4 15 *Final Replace w/cs, 4 do pass, 1 no rec, 2 no F.Y. & Oiler.*

4 17 *Calender*

4 17 Read second time and *CS - Fin adopted amended*

4 22 *made further amend*

4 17 Read third time and *hold 4/18*

4 18 *hold to 22nd*

4 22 *set to 22nd for vote*

<b>PASS</b>	<b>Effective Date</b>
Yeas - 16	Yeas <i>same</i>
Nays - 4	Nays <i>sc. 8</i>
Absent - 0	Absent <i>17</i>
Excused - 0	Excused

**Reconsideration**

<b>PASS</b>	<b>Effective Date</b>
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

4 22 Reported correctly engrossed

22 Signed by President

22 Sent to House

*Ray M. Mulligan*  
SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19 85 Read first time and referred to Committee on *Resources Finance*

*open 23*

Reported back with recommendation that

Read second time and

Read third time and

<b>PASS</b>	<b>Effective Date</b>
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

**Reconsideration**

<b>PASS</b>	<b>Effective Date</b>
Yeas	Yeas
Nays	Nays
Absent	Absent
Excused	Excused

Reported correctly engrossed

Signed by Speaker

Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No. ....

Offered: 4/30/85  
Referred: Finance

Original sponsor: Rules/Governor

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23 concerning areas suitable for agriculture and other activities and  
24 programs essential to the development of the agricultural industry in  
25 the state;

26 (4) review the marketing, financing, and development of  
27 agricultural products inside the state including transportation, with  
28 special emphasis upon local production, and negotiate for the market-  
29 ing of agricultural products of the state with federal and state

1 agencies operating in the state; [AND]

2 (5) regulate and control the entry into the state and the  
3 transportation, sale or use inside the state of plants, seeds, vegeta-  
4 bles, fruits and berries, nursery stock, shell eggs, animal feeds,  
5 remedies and mineral supplements, fertilizers, and agricultural chemi-  
6 cals in order to prevent the spread of pests, diseases, or toxic  
7 substances injurious to the public interest, and to protect the ag-  
8 ricultural industry against fraud, deception and misrepresentation; in  
9 this connection the commissioner may require registration, inspection,  
10 and testing, and establish procedures and fees;

11 (6) assist in the establishment of commodity marketing  
12 associations, and adopt regulations to implement this paragraph.

13 (b) To carry out the requirements of this title, the commis-  
14 sioner of natural resources may issue orders, regulations, quaran-  
15 tines, and embargoes relating to

16 (1) examination and inspection of premises containing  
17 products, articles, and commodities carrying pests;

18 (2) establishment of quarantines for eradication of pests;

19 (3) establishment of standards and labeling requirements  
20 pertaining to the sale of agricultural and vegetable seeds and pro-  
21 cessed feeds;

22 (4) tests and analyses that [WHICH] may be made and hear-  
23 ings that [WHICH] may be held to determine whether the commissioner  
24 will issue a stop order or quarantine;

25 (5) cooperation with federal and other state agencies;

26 (6) licensing, bonding, inspection, and auditing of records  
27 of public grain, grass, and legume storage or processing facilities.

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

29 (a) The farm development or [,] chattel [, OR IRRIGATION] loan

1 made under this chapter

2 (1) may not exceed a term of 30 years, except that a chat-  
3 tel loan may not exceed a term of seven years unless the agricultural  
4 revolving loan board determines that a longer term is in the best  
5 interest of the state and would promote the purposes of this chapter  
6 in which case, if the borrower is current in any existing agricultural  
7 loan, an existing chattel loan may be combined with and amortized over  
8 the same period as an existing farm development loan, or a chattel  
9 loan may be extended beyond a seven-year term if the loan is secured  
10 by additional real property as collateral;

11 (2) may not, when added to the outstanding balance of other  
12 loans made under this chapter, exceed a total outstanding balance of  
13 \$1,000,000 except that the total outstanding balance may be increased  
14 up to 50 percent if the borrower has held a loan under this chapter  
15 for at least two years and receives written approval under conditions  
16 and standards established by the agricultural revolving loan board;

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

22 (A) on that portion of the loan below \$1,000,000, at a  
23 rate that may not be less than eight percent or more than the  
24 commercial rate, unless the commercial rate is eight percent or  
25 less; in this paragraph "commercial rate" means the prevailing  
26 rate of interest at private lending institutions in the state for  
27 loans similar to those referred to in this subsection;

28 (B) on that portion of the loan above \$1,000,000, at a  
29 rate that may not be less than the prime rate prevailing at the

1           time of the loan; in this paragraph, "prime rate" means the prime  
2           rate of interest normally charged at private lending institutions  
3           in the state on the day the contract or loan commitment was made.

4       \* Sec. 3. AS 03.10.030(c) is amended to read:

5           (c) A short term loan, to be amortized within one year, not to  
6           exceed \$350,000 to any one borrower may be made for operating pur-  
7           poses, except that a loan made under this subsection may not exceed  
8           \$200,000 unless the loan is made to a borrower in a farm disaster area  
9           declared under AS 03.10.058. The short-term loan limits may be in-  
10          creased up to 50 percent if the borrower has held a loan under this  
11          chapter for at least two years and receives written approval under  
12          conditions and standards established by the agricultural revolving  
13          loan board. An applicant for a short term loan may be required to  
14          purchase insurance through the Federal Crop Insurance Act (7 U.S.C.  
15          1501 - 1520) as a condition of the loan. The term of a loan made  
16          under this subsection may be extended for up to three years by the  
17          agricultural revolving loan fund board, in the discretion of the  
18          board, upon application by the borrower. An existing short-term loan  
19          may be combined with and amortized over the same time period as an  
20          existing farm development loan if the agricultural revolving loan fund  
21          board determines that the combination is in the best interest of the  
22          state and promotes the purposes of this chapter.

23       \* Sec. 4. AS 03.10.040 is amended to read:

24           Sec. 03.10.040. CREATION OF FUND. There is an agricultural  
25           revolving loan fund, which may [SHALL] not exceed \$100,000,000,  
26           [\$75,000,000] to carry out the purpose of this chapter.

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

28           (b) The board is composed of seven [FIVE] members appointed by  
29           the governor and confirmed by the legislature in joint session. Three

1 members must [SHALL] be persons with background and experience in  
2 Alaska agriculture and one additional member must be a person with  
3 background and experience in Alaska horticulture. Members of the  
4 board serve for overlapping three-year terms. Members of the board  
5 are not entitled to receive compensation for their services, but are  
6 entitled to [SHALL] receive the same travel pay and per diem as pro-  
7 vided by law for boards and commissions.

8 \* Sec. 6. AS 03.57.020 is amended to read:

9 Sec. 03.57.020. BOND REQUIRED. Each dealer is required to  
10 obtain and file with the director of the division of agriculture of  
11 the Department of Natural Resources a bond in the amount of \$25,000  
12 [\$5,000]. The bond shall be conditioned on the faithful performance  
13 of the legal duties of the dealer as set out in this chapter and the  
14 payment for vegetables purchased by the dealer. The bond is payable  
15 to the person injured to the extent of the damages. The aggregate  
16 liability of the surety for all breaches of the conditions of the bond  
17 may not [SHALL, IN NO EVENT,] exceed the amount of the bond. The  
18 surety may cancel the bond upon giving 30 days' notice in writing to  
19 the director, and after that is [THEREAFTER SHALL BE] relieved of any  
20 liability for a breach of condition occurring after the effective date  
21 of cancellation.

22 \* Sec. 7. AS 36 is amended by adding a new chapter to read:

23 CHAPTER 16. PREFERENTIAL USE OF ALASKA AGRICULTURAL PRODUCTS.

24 Sec. 36.16.010. USE OF LOCAL AGRICULTURAL PRODUCTS REQUIRED IN  
25 PURCHASES WITH STATE MONEY. In the purchase of agricultural products  
26 financed by state money, only agricultural products originating in  
27 this state may be used whenever competitively priced, available, and  
28 of like quality compared with agricultural products originating out-  
29 side the state.

1           Sec. 36.16.020. INSERTION OF CLAUSE IN CALLS FOR BIDS AND IN  
2 CONTRACTS. A clause containing the substance of AS 36.16.010 must be  
3 inserted in all calls for bids and in all contracts awarded that  
4 involve agricultural products.

5           Sec. 36.16.030. INSPECTION CERTIFICATE. Before purchase by the  
6 state, an agricultural product originating in this state must receive  
7 an inspection certificate from the commissioner of natural resources  
8 under AS 03.05.010 or the commissioner of environmental conservation  
9 under AS 03.05.011.

10 \* Sec. 8. AS 38.09.050(a) is amended to read:

11           (a) The commissioner shall issue a patent to homestead entry  
12 land if the permit holder

13                 (1) resides and lives on the homestead entry land for not  
14 less than 25 months within five years after the issuance of the home-  
15 stead entry permit;

16                 (2) completes an approved survey of the land within two  
17 years after the issuance of the permit or under AS 38.09.040(b);

18                 (3) erects a habitable, permanent dwelling on the homestead  
19 within three years after the issuance of the homestead entry permit;

20                 (4) brushes the boundaries of the land within 90 days after  
21 the issuance of the permit;

22                 (5) clears and either puts into production or prepares for  
23 cultivation: either 25 percent of the land classified for agricultural  
24 use or 50 percent of the suitable agricultural land, consisting of  
25 [HAVING] class II, or III soils, whichever is more [LESS], within five  
26 years after issuance of the permit.

27 \* Sec. 9. Sections 1 - 4 and 7 of this Act take effect July 1, 1985.

28 \* Sec. 10. Section 5 of this Act takes effect immediately in accordance  
29 with AS 01.10.070(c).

Offered: 4/15/85  
Referred: Rules

Original sponsor: Rules/Governor

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 CS FOR SENATE BILL NO. 120 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 FOURTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to agriculture; and providing for an  
7 effective date."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. AS 03.05.010 is amended to read:  
10 Sec. 03.05.010. POWERS AND DUTIES OF COMMISSIONER OF NATURAL  
11 RESOURCES. (a) The commissioner of natural resources shall  
12 (1) direct, administer, and supervise promotional and  
13 experimental work, extension services, and agricultural projects for  
14 the purpose of promoting and developing the agricultural industry  
15 within the state including such fields as horticulture, dairying,  
16 cattle raising, fur farming, grain production, vegetable production,  
17 and development of other agricultural products;  
18 (2) procure and preserve all information pertaining to the  
19 development of the agricultural industry and disseminate that informa-  
20 tion to the public;  
21 (3) assist prospective settlers and others desiring to  
22 engage in the agricultural industry in the state with information  
23 concerning areas suitable for agriculture and other activities and  
24 programs essential to the development of the agricultural industry in  
25 the state;  
26 (4) review the marketing, financing, and development of  
27 agricultural products inside the state including transportation, with  
28 special emphasis upon local production, and negotiate for the market-  
29 ing of agricultural products of the state with federal and state

1 agencies operating in the state; [AND]

2 (5) regulate and control the entry into the state and the  
3 transportation, sale or use inside the state of plants, seeds, vegeta-  
4 bles, fruits and berries, nursery stock, shell eggs, animal feeds,  
5 remedies and mineral supplements, fertilizers, and agricultural chemi-  
6 cals in order to prevent the spread of pests, diseases, or toxic  
7 substances injurious to the public interest, and to protect the ag-  
8 ricultural industry against fraud, deception and misrepresentation; in  
9 this connection the commissioner may require registration, inspection,  
10 and testing, and establish procedures and fees;

11 (6) assist in the establishment of commodity marketing  
12 associations, and adopt regulations to implement this paragraph; and

13 (7) establish and administer a grain warehouse and merchan-  
14 dising program.

15 (b) To carry out the requirements of this title, the commis-  
16 sioner of natural resources may issue orders, regulations, quaran-  
17 tines, and embargoes relating to

18 (1) examination and inspection of premises containing  
19 products, articles, and commodities carrying pests;

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26 will issue a stop order or quarantine;

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