

~~HOUSE~~
~~COMMITTEE REPORT~~

(11)

Date referred: 5/8/86

FURTHER REFERRALS:

DATE: 5-10-86

The FINANCE Committee has considered CSSB 405(Fin)

"An Act relating to loans under the Alaska grain reserve program; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with _____ same title
- new title

and recommends _____

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note

SIGNING DO PASS:

Robert P. Glavin
John H. ...
Fast ...
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SIGNING OTHER RECOMMENDATIONS:

Mike ...
...
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...
...

Robert P. Glavin
Chairman

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. SB 405
Title : Ak Grain Reserve Program

Sponsor : Sen. Coghill
Requestor : Senate Resources Committee
Date of Request : 3/12/86

FISCAL DETAIL

Agency Affected : Natural Resources
BRU : Agricultural Management

Components : Agricultural Revolving Loan Fund

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Carol Wilson *RW* Phone : 465-2400

Division : Commissioner's Office Date : 3/13/86

Approved by Commissioner : James D. Arnold, Deputy Date : 3/13/86

Agency : Department of Natural Resources

Distribution (by Agency preparing fiscal note) :

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

Offered: 4/28/86
Referred: Rules

Original sponsors: Coghill and
Kerttula

1 IN THE SENATE BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 405 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to loans under the Alaska grain
7 reserve program; and providing for an effective
8 date."

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

10 * Section 1. AS 03.12.030(a) is amended to read:

11 (a) The department may make a loan to a state grain producer
12 secured by grain grown by that producer in 1983 - 1987 [1983 OR 1984].
13 Grain that is used as collateral for a loan made under this chapter
14 must be graded number four or better, except that hulless barley may
15 be accepted as collateral under conditions determined by the commis-
16 sioner.

17 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).

Chapter 12. Alaska Grain Reserve Program.

Section

20. Duties of the department
30. Conditions on loans

Section

40. Alaska grain reserve revolving loan
fund
200. Definitions

Sec. 03.12.020. Duties of the department [Repealed effective January 1, 1988]. In carrying out the purposes of this chapter the department shall

- (1) make loans to state grain producers under the conditions set out in this chapter;
- (2) administer and inspect stored grain held as collateral for loans made under this chapter; and
- (3) administer the Alaska grain reserve revolving loan fund (AS 03.12.040). (§ 1 ch 100 SLA 1983; am § 1 ch 109 SLA 1984)

Sec. 03.12.030. Conditions on loans [Repealed effective January 1, 1988]. (a) The department may make a loan to a state grain producer secured by grain grown by that producer in 1983 or 1984. Grain that is used as collateral for a loan made under this chapter must be graded number four or better, except that hulless barley may be accepted as collateral under conditions determined by the commissioner.

(b) The amount of a loan made under this chapter is determined by multiplying 90 percent of the United States Department of Agriculture target price per ton for the type and grade of grain offered as collateral by the total tonnage of the collateral.

(c) The interest rate on a loan made under this chapter is equal to the interest rate on a loan made under AS 03.10.030(a).

(d) Grain that is held as collateral for a loan made under this chapter shall be stored in a storage facility approved by the department. The borrower may provide storage for the grain if the department determines that the storage provided by the borrower will adequately protect the department's interest in the grain. The department may inspect a storage facility provided by a borrower at any time and shall adopt regulations setting standards for storage facilities. Storage costs shall be paid to the borrower by the department during the term of the loan at the United States Department of Agriculture grain reserve loan storage rate.

(e) A borrower may not remove, sell, or otherwise dispose of grain held as collateral for a loan under this chapter without the consent of the department. All proceeds from the sale of collateral, up to an amount equal to the value originally assigned to that collateral under (b) of this section, plus accrued interest on the portion of the loan secured by that collateral, shall be applied to the outstanding balance of the loan.

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(f) A loan made under this chapter shall be for a term that may not exceed three years. The borrower shall make annual payments of accrued interest during the term of the loan.

(g) In this section references to grain grading standards, target prices, volume or weight calculations and inspection standards, indicate standards, prices, or calculations that are in accordance with applicable United States Department of Agriculture standards.

(h) A loan may not be made under this chapter to a producer that is eligible to participate in federal grain reserve loan programs. (§ 1 ch 100 SLA 1983; am § 2 ch 109 SLA 1984)

Revisor's notes. — In 1984, "of the Department of Natural Resources." added at the end of the second sentence in subsection (a) in 1984, was deleted.

amendment added "except that hulless barley may be accepted as collateral under conditions determined by the commissioner" at the end of the second sentence in subsection (a).

Effect of amendments. — The 1984

Sec. 03.12.040. Alaska grain reserve revolving loan fund [Repealed effective January 1, 1988]. The Alaska grain reserve revolving loan fund is established in the department for the purpose of financing loans made under this chapter. The fund consists of appropriations made to it by the legislature and repayments of principal and accrued interest on loans made from the fund. (§ 1 ch 100 SLA 1983; am § 3 ch 109 SLA 1984)

Effect of amendments. — The 1984 amendment inserted "revolving" in the catchline and in the first sentence and

added "and repayments of principal and accrued interest on loans made from the fund" at the end of the second sentence.

Sec. 03.12.200. Definitions [Repealed effective January 1, 1988]. In this chapter

- (1) "commissioner" means the commissioner of natural resources;
- (2) "department" means the Department of Natural Resources;
- (3) "fund" means the Alaska grain reserve revolving loan fund; and
- (4) "grain" means barley, wheat or oats. (§ 1 ch 100 SLA 1983; am § 4 ch 109 SLA 1984)

Effect of amendments. — The 1984 amendment inserted "revolving" in paragraph (3).

Offered: 4/28/86
Referred: Rules

Original sponsors: Coghill and
Kerttula

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18 10.070(c).

Introduced: 2/13/86
Referred: Resources
and Finance

1 IN THE SENATE

BY COGHILL

2

SENATE BILL NO. 405

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to loans under the Alaska grain
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