

COMMITTEE REPORT
SENATE

FURTHER:

3/17/86

Date 4/28/86

Mr. President

The Committee on FINANCE considered SB 405
relating to loans under the Alaska grain reserve program.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 405 (Fin)
- new title
- ~~same title~~ and recommends "DO PASS"
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
DNR
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]
[Signature]
[Signature]
[Signature]

[Signature]
Chairman
[Signature]
Chairman recommendation

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-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

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 *[Signature]* Phone : 465-2400

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

Approved by Commissioner : Norm D. Smith, 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)

Bradley
4/16/86

Original sponsor: Coghill

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).
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25

Senator John B. (Jack) Coghill
Alaska State Legislature

Conch V
Juneau, Alaska 99811
(907) 465-4921

Box 55028
North Pole, Alaska 99705
(907) 488-7332

April 14, 1986

MEMORANDUM

TO: Senator Jan Faiks
Senate Finance Committee

FROM: Senator Jack Coghill

RE: SB 405



I have introduced SB 405, a bill that will extend the Alaska Grain Reserve Program through 1987 at the request of the Department of Natural Resources. The original intent in setting up the Grain Reserve was to set up a base so that farmers would be able to participate in the Federal Grain Reserve Program. The oversight in the sunset of the original Grain Reserve made this impossible for all farmers to make the base acreage requirements and the non-standard varieties of barley grown in Alaska do not meet present Federal eligibility requirements. No monies will have to be allocated for this program since there are funds available within the program to make new loans.

The Grain Reserve allows Alaskan farmers to market grain in an orderly manner by providing loans to the farmer once the crop is harvested. The farmer can pay planting and harvesting expenses without selling all of the crops at harvest, a time when prices are generally their lowest point for the year. Another reason this is advantageous to the farmer is that with the in state market often times he cannot sell all of the crop at harvest because the market is saturated. As the crop is sold the loan is paid back along with interest computed at 8%.

The program so far has been successful and it does help farmers pay back other loans on time. The grain is graded and inspected. The amount loaned for the grain is based on the grade. For example #2 or better barley could yield a \$97.00 per ton loan amount. A lower quality barley would qualify for a lesser amount. Loans are made for a period of up to three years. If after the three year period the loan is not repaid the state will take ownership of any remaining grain.

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

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7 reserve program."

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COMMITTEE REPORT
SENATE

FURTHER: Finance

2/13/86

Date 3/14/86

Mr. President

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MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

Allen Stangorshi
Chairman

Do Pass
Chairman recommendation