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SENATE COMMITTEE REPORT

FURTHER

DATE TURNED INTO OFFICE _____

1/26/88

Mr. President:

FINANCE Committee considered SB 353

extending the agricultural production credit law.

and recommended

replace with _____ CS _____) same title
 or adopt _____ CS _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous

zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Chairman signature and recommendation

Committee Backup attached

3/16/88

Hold —

Pending review of fiscal notes for agriculture legislation and receipt of final bill comprising agricultural package.

ML

~~CS (Fin) being drafted~~

Action reporting out CSSB 353 (Fin)
rescinded 3/24/88

SENATE COMMITTEE REPORT

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replace with _____ CS SB 353 (Fin)) same title
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individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous

zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Paul Heff (NO PASS)

Gene Duncan - No Rec
Paul Frick No Rec
W. Henry No Rec.

Rick Halford Do Pass
NO Rec
Chairman signature and recommendation

Committee Backup attached

Original sponsors: Coghill, Kerttula
and Szymanski

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 353 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act extending the agricultural production credit
7 law to cover years 1986 - 1990."

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

9 * Section 1. AS 03.05.015(b) is amended to read:

10 (b) The annual credit for the years 1986 - 1990 [1986 - 1988] is
11 10 percent of the total sales as documented by the farmer on Internal
12 Revenue Service Schedule F (form 1040).

13 * Sec. 2. Section 2, ch. 110, SLA 1986 is amended to read:

14 Sec. 2. AS 03.05.015 is repealed December 31, 1991 [1989].
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Bradley

Original sponsors: Coghill, Kerttula
and Szymanski

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BY THE FINANCE COMMITTEE

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Original sponsors: Coghill, Kerttula
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Introduced: 1/18/88
Referred: Resources and Finance

5-1576A

Finance Committee
BY COGHILL, KERTULA AND
GZYMANSKI

1 IN THE SENATE

2

CS SENATE BILL NO. 353 (*Finance*)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act extending the agricultural production credit

7

law." *to cover years 1986-1990.*

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

9 * Section 1. AS 03.05.015(b) is amended to read:

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(b) The annual credit for the years ¹⁹⁹⁰ 1986 - ~~1991~~ [1986 - 1988] is

11

10 percent of the total sales as documented by the farmer on Internal

12

Revenue Service Schedule F (form 1040).

13

* Sec. 2. Section 2, ch. 110, SLA 1986 is amended to read:

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Sec. 2. AS 03.05.015 is repealed December 31, ¹⁹⁹¹ ~~1992~~ [1989].

1 IN THE SENATE

BY COGHILL, KERTTULA AND
SZYMANSKI

2

SENATE BILL NO. 353

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FIFTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act extending the agricultural production credit
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SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of _____ 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: Finance

**FISCAL NOTE(S) ATTACHED _____ **
IN ACCORDANCE WITH AS 24.08.035
(see below)

1/18/88 DATE TURNED INTO OFFICE _____
Mr. President:

Resources _____ Committee considered _____ SB 353

extending the agricultural production credit law

and recommended:

[] replace with CS _____ [] same title
[] attached amendment(s) and [] new title

[] do pass

[] do not pass

[] no recommendation

[x] *and reports it back as follows*
~~individual recommendations~~

[] further referral to _____

[] letter of intent adopted and attached

** Committee [x] attached or [] adopted fiscal note(s)
[x] zero [] fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

2 Ed Uncan - No Rec.
2 Ken Fanning No Rec
2 Paul Grish No Rec

_____ Chairman signature and recommendation

[] Committee Backup Attached

Introduced: 1/18/88
Referred: Resources and Finance

5-1576A

1 IN THE SENATE

BY COGHILL, KERTTULA AND
SZYMANSKI

2 SENATE BILL NO. 353

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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STATE OF ALASKA
1988 LEGISLATIVE SESSION

BILL VERSION: SB 353
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: 1/21/88 Agency Affected: Natural Resources
Title: Extending Agricultural Production Credits BRU: Agricultural Management
Sponsor: Sen. Cochill, Kerttula, Szymanski Components: _____
Requestor: Senate Resources Committee

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| 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 | * | * | * | * | * | * |

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)

*Extending the production credit program will not result in additional operating expenses for DNR but could result in the attached estimated loss in revenues to the Agricultural Revolving Loan Fund.

Prepared by: Carol Wilson Phone: 465-2400
Division: Commissioner's Office Date: 1/21/88

Approved by Commissioner: *Julia M. Bury* Date: 1/21/88
Agency: Department of Natural Resources

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

LOSS IN ARLF REVENUES
FROM PRODUCTION CREDITS

| | | | |
|------|--------------------|-------------|------|
| 1986 | Production Credits | \$346,055 | |
| 1987 | Production Credits | \$539,997 | |
| 1988 | Production Credits | \$322,135 | YTD* |
| | Total Cost to ARLF | \$1,208,187 | |
| 1989 | Estimated Credits | \$450,000 | |
| 1990 | Estimated Credits | \$510,000 | |
| 1991 | Estimated Credits | \$540,000 | |

*YTD - Year to Date

Extending the production credit program will effectively eliminate most interest income to the loan fund for all loans that are restructured, within the proposed extension period. This could result in an ARLF with insufficient dollars to fund loan requests or operating costs.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

January 21, 1988

The Honorable Jack Coghill
Chairman, Senate Resources Committee
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Senator Coghill:

Subject

Senate Bill 353, which extends the agricultural production credit law.

Position

The Department of Natural Resources is concerned that this extension of the existing agricultural production credit program for sales through 1991 could have disastrous effects on the Agricultural Revolving Loan Fund (ARLF) and its ability to service the loan needs of viable agricultural operations.

Background

The ARLF has not received an appropriation of funds since FY 1986. Its current balance is approximately \$7.6 million which will be used to provide an estimated \$3 to 4 million in loans each year. Because the production credits program reduces or eliminates income to the ARLF, as do other farm debt relief programs such as debt restructuring and Delta debt renegotiation, unless additional dollars are appropriated or the fund begins to revolve, the ARLF balance will soon decline to zero.

Recommendation

To provide minimal protection to the ARLF if the production credits program is extended, change the program so that:
(1) it applies to no more than 50% of the total ARLF interest owed by any one borrower and; (2) it applies only to borrowers that are current on ARLF loan payments at the time the credit is applied.

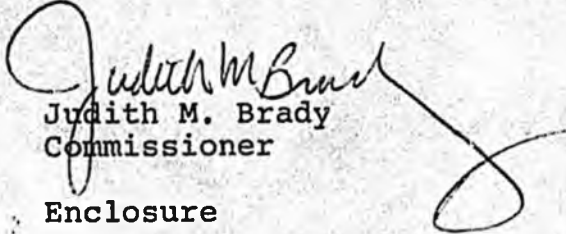
Senator Coghill

-2-

January 21, 1988

I have enclosed information about costs to the ARLF of the production credit program. Please let me know if you have additional questions.

Sincerely,


Judith M. Brady
Commissioner

Enclosure

cc: Senator Kerttula
Senator Szymanski
Rod Swope
Bob Evans

ALASKA STATE LEGISLATURE

. 15th . Legislature . . 2nd . Session

SENATE.....BILL..... NO...353

By ... COGHILL, KERTTULA.....
SZYMANSKI

"An Act extending the agricultural production credit law."

Introduced in the Senate 1/18....., 19 33....

HISTORY IN THE SENATE

19 88

Read first time and referred to Committee on

1 18

Resources, Finance

Reported back with recommendation that *Recessed*

1 25

1 do pass 3 no rec, PFR to Finance

Read second time and

Read third time and

PASSED Effective Date
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reconsideration
Reconsideration not taken up

PASSED Effective Date
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19

Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASSED Effective Date
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reconsideration
Reconsideration not taken up

PASSED Effective Date
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

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

Chapter No.

Filed with Lt. Governor

Senator John B. (Jack) Coghill
Alaska State Legislature



Box V
Juneau, Alaska 99811
(907) 465-4797

Box 55028
North Pole, Alaska 99705
(907) 488-0662

M E M O R A N D U M

TO: Members of the Senate Finance Committee

FROM: Senator John B. Coghill

RE: SB 353, Extension of Production Credit Law

DATE: March 16, 1988

The agricultural production credit program has greatly assisted farmers across the state toward the goal of managing their debt load. While production credits alone cannot change all the financial ills in farming, it helps those who are still producing for the local economy.

The original production credit law was passed in 1986. This act mandated that the commissioner of natural resources establish a program of production credits to be applied against interest due on agricultural loans and on agricultural land sales loans. The credit is based on agricultural products grown in the state. The annual credit is 10 percent of the total sales as documented by the farmer on his IRS form 1040. This program would expire December 31, 1989. SB 353 extends the program for three years.

Production credits makes a difference to farmers, especially in light of the current Alaskan economy. A three-year extension will help this sector of the economy adjust to the present financial downturn.

The Department has taken the position that the credit program will jeopardize the Agriculture Revolving Loan Fund because it decreases interest income to the fund. This they say, in conjunction with debt restructuring programs, may soon wipe out the fund because no general fund monies have been appropriated to the fund since FY 1986.

Since 1986 to date credits have totalled \$1,208,187. In 1986 alone, the ARLF was charged nearly \$800,000 in salaries and expenses of the Division of Agriculture. Over 40 percent of the personnel cost of the division were charged to the fund in FY 87. This alone totaled \$830,937. I think the division should reevaluate the need to raid the fund for its own in-house purposes, before its starts protecting the fund from use by producing farmers.

(4) tests and analyses which may be made and hearings which may be held to determine whether the commissioner will issue a stop order or quarantine;

(5) cooperation with federal and other state agencies;

(6) regulation of fur farming; for purposes of this paragraph, "fur farming" means the raising of and caring for animals for the purpose of marketing their fur, or animals themselves for breeding stock;

(7) examination and inspection of meat, fish, and poultry advertised for sale or sold to the public;

(8) enforcement of quality assurance plans developed in cooperation with appropriate industry representatives.

(b) The commissioner of environmental conservation shall regulate the farming of elk in a manner similar to the manner in which the commissioner regulates domestic animals and livestock, to the extent that is appropriate. (§ 33-1-2 ACLA 1949; am § 1 ch 46 SLA 1960; am § 1 ch 82 SLA 1974; am §§ 3, 4 ch 138 SLA 1974; am § 1 ch 58 SLA 1978; am Executive Order No. 51, § 2 (1981); am § 1 ch 57 SLA 1982; am § 1 ch 23 SLA 1983; am § 2 ch 88 SLA 1987)

Effect of amendments. — The 1987 amendment added subsection (b).

Sec. 03.05.015. Agricultural production credits [Repealed effective December 31, 1989]: (a) The commissioner of natural resources shall establish a program of agricultural production credits to be applied against interest due on agricultural loans made under this title and AS 44 and interest due on the sale of agricultural land under AS 38.05. The credits shall be based on agricultural products grown or raised in the state.

(b) The annual credit for the years 1986 — 1988 is 10 percent of the total sales as documented by the farmer on Internal Revenue Service Schedule F (form 1040).

(c) A credit granted under this section may not be transferred. (§ 1 ch 110 SLA 1986; r § 2 ch 110 SLA 1986)

Repeal of section. — Section 2, ch. 110, SLA 1986, repeals this section December 31, 1989.

FY 87 SALARY FUNDING SOURCE

| PCN | JOB CLASS TITLE | RANGE | ANNUAL POSITION COST | FUNDING SOURCE | | | | | | | |
|------|----------------------------|-------|----------------------------|----------------|-----------|--------|---------|----------|---------|-----------|--|
| | | | | GF | % | ARLF | % | PG RCPTS | % | | |
| 259 | ACCOUNTANT III | 18 | 52,305 | 0 | | 52,305 | 100% | 0 | | IARLF | |
| 3001 | DIRECTOR | 26 | 89,903 | 44,952 | 50% | 44,952 | 50% | 0 | | IAG ADMIN | |
| 3002 | SECRETARY I | 10 | 37,785 | 20,404 | 54% | 17,381 | 46% | 0 | | IAG ADMIN | |
| 3006 | AG INSPECTOR III | 18 | 59,332 | 59,332 | 100% | 0 | | 0 | | I | |
| 3008 | LOAN MANAGER | 20 | 59,893 | 0 | | 59,893 | 100% | 0 | | IARLF | |
| 3011 | CLERK TYPIST II | 7 | 27,814 | 27,814 | 100% | 0 | | 0 | | I | |
| 3013 | DEVELOPMENT SPEC II | 20 | 73,691 | 36,846 | 50% | 36,846 | 50% | 0 | | IDEV | |
| 3017 | LOAN CLOSER II | 12 | 37,785 | 0 | | 37,785 | 100% | 0 | | IARLF | |
| 3020 | LOAN EXAMINER III | 19 | 54,004 | 0 | | 54,004 | 100% | 0 | | IARLF | |
| 3024 | AGRONOMIST IV | 20 | 65,676 | 65,676 | 100% | 0 | | 0 | | I | |
| 3025 | AGRONOMIST II | 16 | 49,011 | 49,011 | 100% | 0 | | 0 | | I | |
| 3026 | MAINT MECH VII | 52 | 54,068 | 54,068 | 100% | 0 | | 0 | | I | |
| 3027 | CLERK TYPIST III | 8 | 34,564 | 34,564 | 100% | 0 | | 0 | | I | |
| 3029 | AGRONOMIST II | 16 | 44,447 | 44,447 | 100% | 0 | | 0 | | I | |
| 3030 | ACCOUNTING CLERK II | 9 | 34,564 | 0 | | 34,564 | 100% | 0 | | IARLF | |
| 3031 | MAIN WORKER II | 54 | 47,155 | 47,155 | 100% | 0 | | 0 | | I | |
| 3032 | EQUIP OPERATOR IV | 54 | 43,227 | 43,227 | 100% | 0 | | 0 | | I | |
| 3033 | MAINTENANCE WORKER II | 54 | 27,505 | 27,505 | 100% | 0 | | 0 | | I | |
| 3034 | LABORER VIII | 54 | 14,220 | 14,220 | 100% | 0 | | 0 | | I | |
| 3033 | LABORER VIII | 54 | 12,640 | 12,640 | 100% | 0 | | 0 | | I | |
| 3036 | AGRONOMIST I | 14 | 37,039 | 37,039 | 100% | 0 | | 0 | | I | |
| 3039 | LABORER VIII | 54 | 14,220 | 14,220 | 100% | 0 | | 0 | | I | |
| 3040 | LABORER VIII | 54 | 12,640 | 12,640 | 100% | 0 | | 0 | | I | |
| 3043 | NATURAL RESOURCE MANAGER I | 18 | 54,004 | 27,002 | 50% | 27,002 | 50% | 0 | | IDEV | |
| 3045 | DEPUTY DIRECTOR | 23 | 79,081 | 39,541 | 50% | 39,541 | 50% | 0 | | IAG ADMIN | |
| 3046 | AG INSPECTOR II | 16 | 52,305 | 26,153 | 50% | 0 | | 26,153 | 50% | I | |
| 3047 | ADMIN ASSISTANT I | 12 | 36,618 | 25,633 | 70% | 10,985 | 30% | 0 | | IDEV | |
| 3048 | DEVELOPMENT SPECIALIST I | 18 | 52,305 | 0 | | 52,305 | 100% | 0 | | IMKT | |
| 3051 | AGRONOMIST II | 16 | 49,011 | 49,011 | 100% | 0 | | 0 | | I | |
| 3052 | CLERK TYPIST III | 8 | 28,597 | 0 | | 28,597 | 100% | 0 | | IARLF | |
| 3054 | LABORER VIII | 54 | 9,479 | 9,479 | 100% | 0 | | 0 | | I | |
| 3055 | LABORER VIII | 54 | 9,479 | 9,479 | 100% | 0 | | 0 | | I | |
| 3056 | CLERK TYPIST II | 7 | 12,803 | 0 | 0% | 12,803 | 100% | 0 | | IARLF | |
| 3058 | DEVELOPMENT SPEC I | 18 | 66,968 | 0 | | 66,968 | 100% | 0 | | IMKT | |
| 3059 | AGRONOMIST III | 18 | 55,673 | 55,673 | 100% | 0 | | 0 | | I | |
| 3060 | CLERK TYPIST III | 8 | 30,133 | 0 | | 30,133 | 100% | 0 | | IARLF | |
| 3061 | AGRONOMIST II | 16 | 45,791 | 45,791 | 100% | 0 | | 0 | | I | |
| 3063 | NATURAL RESOURCE MANAGER I | 18 | 54,004 | 40,503 | 75% | 13,501 | 25% | 0 | | IDEV | |
| 3064 | LOAN EXAMINER III | 19 | 66,968 | 0 | | 66,968 | 100% | 0 | | IARLF | |
| 3065 | LOAN EXAMINER III | 19 | 57,652 | 0 | | 57,652 | 100% | 0 | | IARLF | |
| 3066 | LABORER VIII | 54 | 9,479 | 9,479 | 100% | 0 | | 0 | | I | |
| 3067 | NATURAL RESOURCE OFFICER I | 16 | 52,306 | 0 | | 0 | | 52,306 | 100% | I | |
| 3068 | NATURAL RESOURCE OFFICER I | 16 | 71,277 | 0 | | 0 | | 71,277 | 100% | I | |
| 3069 | CLERK TYPIST III | 8 | 36,618 | 0 | | 0 | | 36,618 | 100% | I | |
| 3070 | LOAN EXAMINER III | 19 | 54,004 | 0 | | 54,004 | 100% | 0 | | IARLF | |
| 3071 | PLANNER IV | 19 | 52,687 | 34,247 | 65% | 18,440 | 35% | 0 | | IDEV | |
| 3072 | CLERK TYPIST II | 7 | 14,309 | 0 | | 14,309 | 100% | 0 | | IARLF | |
| | | | | 2,035,039 | 1,017,748 | 50% | 830,937 | 41% | 186,354 | 9% | |

| | | | | |
|--------------------------------------|----|----|----|---|
| # OF EMPLOYEES FUNDED FROM SOURCE | 47 | 30 | 22 | 4 |
| # OF EMPLOYEES @ 100% ONE SOURCE | 38 | 21 | 14 | 3 |
| # OF EMPLOYEES PARTIAL % TWO SOURCES | 9 | 9 | 8 | 1 |

NOTE: ARLF EMPLOYS 10 PFT AND 2 PPT; MARKETING EMPLOYS 2 PFT;
PARTIALLY FUNDED BY ARLF ARE IN AG ADMIN (3) & DEVELOPMENT (5).

Also, livestock breeders have contacted by office regarding production credits. Apparently this income is reported on another IRS form and does not flow through Schedule F. Livestock breeders were given credit prior to 1987, but the division has reversed its policy. I would recommend that the Senate Finance Committee amend SB 353 to allow livestock breeders to participate in production credits. We need to diversify our economy and livestock breeders produce cattle for other farmers to purchase and start operations.

I urge your support on this bill.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

January 21, 1988

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Chairman, Senate Resources Committee
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Senator Coghill:

Subject

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Position

The Department of Natural Resources is concerned that this extension of the existing agricultural production credit program for sales through 1991 could have disastrous effects on the Agricultural Revolving Loan Fund (ARLF) and its ability to service the loan needs of viable agricultural operations.

Background

The ARLF has not received an appropriation of funds since FY 1986. Its current balance is approximately \$7.6 million which will be used to provide an estimated \$3 to 4 million in loans each year. Because the production credits program reduces or eliminates income to the ARLF, as do other farm debt relief programs such as debt restructuring and Delta debt renegotiation, unless additional dollars are appropriated or the fund begins to revolve, the ARLF balance will soon decline to zero.

Recommendation

To provide minimal protection to the ARLF if the production credits program is extended, change the program so that:
(1) it applies to no more than 50% of the total ARLF interest owed by any one borrower and; (2) it applies only to borrowers that are current on ARLF loan payments at the time the credit is applied.

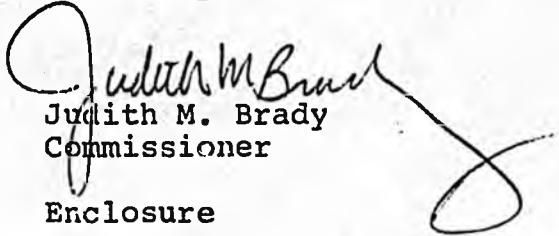
Senator Coghill

-2-

January 21, 1988

I have enclosed information about costs to the ARLF of the production credit program. Please let me know if you have additional questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Judith M. Brady". The signature is written in dark ink and is positioned to the right of the typed name and title.

Judith M. Brady
Commissioner

Enclosure

cc: Senator Kerttula
Senator Szymanski
Rod Swope
Bob Evans

Sec. 24.08.030. Appropriation bills. Bills for appropriation shall be confined to appropriations and shall include the amount involved and the purpose, method, manner and other related conditions of payment. (§ 31 ch 157 SLA 1959)

Revisor's notes. — Formerly AS
24.30.030. Renumbered in 1985.

Sec. 24.08.035. Fiscal notes on bills. (a) Before a bill or resolution, except an appropriation bill, is reported from the committee of first referral, there shall be attached to the bill a fiscal note containing an estimate of the amount of the appropriation increase or decrease which would result from enactment of the bill for the current fiscal year and five succeeding fiscal years or, if the bill has no fiscal impact, a statement to that effect shall be attached. The fiscal note or statement shall be prepared in conformity with the requirements of this section by the department or departments affected and may be reviewed by the office of management and budget. The fiscal note or statement shall be delivered to the committee requesting it within five days of the request or within two days if the request is made after the 90th day of a regular session, or during a special session of the legislature. If the bill is presented by the governor for introduction in accordance with AS 24.08.060(b) and the uniform rules of the legislature, the fiscal note or statement shall be attached to the bill before the bill is introduced. An amendment or a substitute bill proposed by a committee of referral that changes the fiscal impact of a bill shall be explained in a revised fiscal note or statement attached to the bill.

(b) In addition to the fiscal note required by this section, the sponsor of a bill or resolution may prepare a fiscal note in conformity with the requirements of this section and submit it to the committee of first referral or the finance committee. A committee may prepare an additional fiscal note in conformity with the requirements of this section.

(c) A fiscal note for a bill or resolution must contain the following information:

- (1) the fiscal impact on existing programs;
- (2) the fiscal impact of new programs or activities;
- (3) a line item detail of the fiscal impact;
- (4) the source of funds expected to be utilized by general fund source, federal fund source, or other identified source;
- (5) the number of new positions which may be required, identified as full-time, part-time, or temporary;
- (6) an analysis of how the figures in the fiscal note were derived;
- (7) additional information necessary to explain the fiscal note;

- (8) a fiscal impact projection for the current fiscal year and for the succeeding five fiscal years; and
- (9) formal information consisting of
 - (A) the bill or resolution number,
 - (B) the name of the prime sponsors,
 - (C) the date the fiscal note was prepared,
 - (D) the name of the committee requesting the fiscal note,
 - (E) the name and phone number of the person who prepared the fiscal note, and
 - (F) the budget request unit, program, or subprogram affected.

(d) The original of a fiscal note shall be submitted to the Division of Legislative Finance and copies shall be sent to the prime sponsor, the committee requesting the fiscal note, and the office of management and budget. (§ 1 ch 153 SLA 1968; am § 1 ch 20 SLA 1972; am § 1 ch 42 SLA 1976; am § 2 ch 60 SLA 1979; am §§ 3, 4 ch 63 SLA 1983)

Revisor's notes. — Formerly AS 24.30.035. Renumbered in 1985.

Effect of amendments. — The 1983 amendment designated the existing language as subsection (a) and added subsections (b), (c), and (d); and in present subsection (a), in the first sentence inserted "or resolution, except an appropriation bill," following "Before a bill" and

substituted "current fiscal year and five succeeding fiscal years" for "ensuing fiscal year and at least two succeeding fiscal years", in the second sentence inserted "in conformity with the requirements of this section" and added the language beginning "and may be reviewed", and inserted the present third sentence.

Sec. 24.08.036. Fiscal notes on bills affecting state retirement systems. Before a bill which would have an effect on the retirement systems of the state is reported to the rules committee, there shall be attached to the bill an analysis of the long-term and short-term costs to the state if the bill is adopted, as well as the impact of the bill on the actuarial soundness of the fund. The analysis is in addition to the fiscal note requirements of AS 24.08.035. (§ 2 ch 130 SLA 1977; am § 3 ch 60 SLA 1979; am § 81 ch 6 SLA 1984)

Revisor's notes. — Enacted as AS 24.30.037. Renumbered as AS 24.30.036 in 1977. Renumbered again in 1985.

Effect of amendments. — The 1984

amendment deleted "shall be prepared by the Legislative Board of Retirement Benefits and" following "analysis" in the second sentence.

Sec. 24.08.037. General obligation bond bills. A bill authorizing the issuance of general obligation bonds creating a state debt for capital improvements shall contain a statement of the scope of each project included in the proposed bond issue. The statement shall include a brief description of each capital improvement project, its location, and, in dollars, that portion of the total bond issue to be allocated to the project. (§ 2 ch 70 SLA 1973; am § 30 ch 197 SLA 1975)

FISCAL NOTE

REQUEST:

Revision Date: 3/22/88
 Title: Extending Agricultural Production Credits
 Sponsor: Sen. Coghill, Kerttula, Szymanski
 Requestor: Senate Finance Committee

Agency Affected: Natural Resources
 BRU: Agricultural Management

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES | | | | | | |
| TRAVEL | | | | | | |
| CONTRACTUAL | | | | | | |
| SUPPLIES | | | | | | |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | -0- | -0- | -0- | -0- | -0- | -0- |

| | | | | | | |
|---------|--|--|--|--|--|--|
| CAPITAL | | | | | | |
|---------|--|--|--|--|--|--|

| | | | | | | |
|---------|---------|---------|---------|---------|---------|-----|
| REVENUE | (506.4) | (450.0) | (510.0) | (540.0) | (550.0) | -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)

Extending the production credit program will not result in additional operating expenses for DNR but could result the noted estimated loss in revenues to the Agricultural Revolving Loan Fund.

Prepared by: Hal Ward

Phone: 465-2400

Division: Agriculture

Date: 3/22/88

Approved by Commissioner: ky Tom Hawkins

Date: 3/22/88

Agency: Natural Resources

Distribution (by preparer):

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

*Update
for
CS(FIN)*

FISCAL NOTE

REQUEST:

Revision Date: 1/21/88
Title: Extending Agricultural Production Credits
Sponsor: Sen. Cochill, Kerttula, Szymanski
Requestor: Senate Resources Committee

Agency Affected: Natural Resources
BRU: Agricultural Management
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

| OPERATING | FY 88 | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 |
|-------------------|-------|-------|-------|-------|-------|-------|
| 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 | * | * | * | * | * | * |

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)

*Extending the production credit program will not result in additional operating expenses for DNR but could result in the attached estimated loss in revenues to the Agricultural Revolving Loan Fund.

Prepared by: Carol Wilson
Division: Commissioner's Office

Phone: 465-2400
Date: 1/21/88

Approved by Commissioner: [Signature]
Agency: Department of Natural Resources

Date: 1/21/88

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

Update to reflect OS (Fin)

LOSS IN ARLF REVENUES
FROM PRODUCTION CREDITS

| | | | |
|--------------------|--------------------|-------------|------|
| 1986 | Production Credits | \$346,055 | |
| 1987 | Production Credits | \$539,997 | |
| 1988 | Production Credits | \$322,135 | YTD* |
| Total Cost to ARLF | | \$1,203,187 | |
| | | | |
| 1989 | Estimated Credits | \$450,000 | |
| 1990 | Estimated Credits | \$510,000 | |
| 1991 | Estimated Credits | \$540,000 | |

*YTD - Year to Date

Extending the production credit program will effectively eliminate most interest income to the loan fund for all loans that are restructured, within the proposed extension period. This could result in an ARLF with insufficient dollars to fund loan requests or operating costs.