

LEG. FINANCE - BILLS 1979 - 1980 1237

SB 4am thru SB 5 237

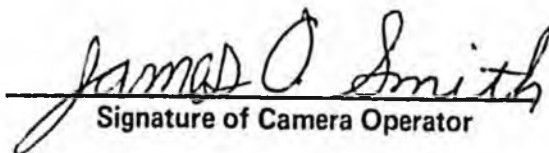


RECORDS



CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.


Signature of Camera Operator


Date

COMMITTEE REPORT

HOUSE

FURTHER:

February 16, 1979

Date: 4/27/79

Mr. Speaker:

The Committee on FINANCE has had SB 4am

"An Act relating to worker's compensation for volunteer ambulance attendants and police."

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

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^{House} CS for SB 4 same title
 new title
- and recommends that it do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

Freeman

McKinon

Smith

Rogers

W.H.

St. John

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

McRee - Montgomery

Freeman
Vice CHAIRMAN

Original sponsor: Ray

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 4

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to worker's compensation; and provid-
7 ing for an effective date."

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

9 * Section 1. AS 23.30.092 is amended to read:

10 Sec. 23.30.092. VOLUNTEER AMBULANCE ATTENDANTS, POLICEMEN AND
11 FIREMEN INSURANCE. A political subdivision may elect to provide bene-
12 fits and compensation to its volunteer ambulance attendants, policemen
13 or firemen by obtaining insurance which would provide its volunteer
14 ambulance attendants, policemen or firemen with benefits and compensa-
15 tion at least equivalent to those conferred upon volunteer ambulance
16 attendants, policemen or firemen by this chapter, and the election shall
17 be considered compliance with the coverage and insurance provisions of
18 this chapter. The election shall be made by filing copies of the insur-
19 ance policy or policies with the commissioner.

20 * Sec. 2. AS 23.30.220(5) is amended to read:

21 (5) if the employee is injured while performing his duties as
22 a volunteer ambulance attendant, policeman or fireman, the wage for
23 calculating compensation shall be the minimum wage paid a full-time
24 ambulance attendant, policeman or fireman in the political subdivision
25 where the injury occurred, or if the subdivision has no full-time
26 ambulance attendants, policemen or firemen employed, at a reasonable
27 wage figure previously set by the subdivision to make [FOR THE PURPOSE
28 OF MAKING] this determination and in no case may the wage for calculat-
29 ing compensation be less than the minimum wage computed on the basis of

1 40 hours work per week.

2 * Sec. 3. AS 23.30.265 is amended by adding new paragraphs to read:

3 (26) "volunteer policeman" means an individual who serves as
4 a peace officer with a full-time police department of a general law or
5 home rule municipality on a temporary, voluntary basis;

6 (27) "volunteer ambulance attendant" means an individual who
7 serves as an ambulance attendant on a temporary, voluntary basis with a
8 volunteer or full-time fire department or municipal ambulance service of
9 a general law or home rule municipality.

10 * Sec. 4. AS 23.30.005(a) is amended to read:

11 (a) The Alaska Workmen's Compensation Board shall consist of seven
12 [FIVE] members, including a southern panel of three members sitting for
13 the first judicial district, [AND] a northern panel of three members
14 sitting for the second [, THIRD] and fourth judicial districts, and a
15 southcentral panel of three members sitting for the third judicial
16 district. Each panel shall include the commissioner of labor or his
17 designated representative, a representative of industry and a represen-
18 tative of labor. The latter two members of each panel shall be ap-
19 pointed by the governor. All panel members are subject to confirmation
20 by a majority of the members of the legislature in joint session.

21 * Sec. 5. AS 23.30.005(b) is amended to read:

22 (b) The commissioner shall act as chairman and executive officer
23 of the board and chairman of each panel [BOTH PANELS]. If he designates
24 a representative to act for him his representative shall serve in that
25 capacity on the board and on each panel [BOTH PANELS].

26 * Sec. 6. AS 23.30.005(c) is repealed and re-enacted to read:

27 (c) The governor shall appoint the members of the panels. Each
28 member, except the commissioner of labor, serves a term of three years.
29 The term of a management member and the term of a labor member of each

1 panel may not expire in the same year. The management and labor members
2 are entitled to compensation in the amount of \$50 a day for each day or
3 portion of a day spent in actual meeting or on authorized official
4 business incidental to their duties and to all other transportation and
5 per diem as provided by law.

6 * Sec. 7. AS 23.30.005(e) is amended to read:

7 (e) A member of one panel may serve on another [THE OTHER] panel
8 when the commissioner considers it necessary for the prompt administra-
9 tion of this chapter. Transfers shall be allowed only if a labor or
10 management representative replaces his counterpart on the other panel.

11 * Sec. 8. AS 23.30.005(h) is amended to read:

12 (h) The Department of Labor may make identical rules for all
13 [BOTH] panels and may make regulations to carry out the provisions of
14 this chapter. Process and procedure under this chapter shall be as
15 summary and simple as possible. The Department of Labor, the board or a
16 member of it may for the purposes of this chapter subpoena witnesses,
17 administer or cause to be administered oaths, and may examine or cause
18 to have examined the parts of the books and records of the parties to a
19 proceeding which relate to questions in dispute. The superior court, on
20 application of the Department of Labor, the board or any members of it,
21 shall enforce the attendance and testimony of witnesses and the produc-
22 tion and examination of books, papers, and records.

23 * Sec. 9. AS 23.30.005(d) is repealed.

24 * Sec. 10. TRANSITIONAL PROVISIONS. (a) The terms of the members of the
25 Workmen's Compensation Board who are serving on the effective date of this
26 Act are not affected by this Act. Their terms expire as provided before
27 enactment of this Act.

28 (b) On the effective date of this Act, the labor member and management
29 member of the northern panel shall be redesignated, on the basis of their

1 residence, as the labor member and management member of the northern or
2 southcentral panel re-enacted by AS 23.30.005(2) in sec. 4 of this Act.
3 Thereafter, the governor shall appoint a labor member and a management member
4 to the remaining vacancies. Notwithstanding AS 23.30.005(c), the governor
5 may designate the length of the term of each of the two members appointed by
6 him under this subsection, not to exceed three years, but the expiration date
7 of the term of a member appointed by the governor under this subsection may
8 not coincide with the expiration date of the term of the remaining member of
9 the same panel.

10 * Sec. 11. Sections 4 - 10 of this Act take effect immediately in accor-
11 dance with AS 01.10.070(c).

FORM 02-0018C

FOR BRIEF COMMUNICATIONS

MAY BE HANDWRITTEN

MEMORANDUM

State of Alaska

TO:

DEPT. _____
DIV. _____
SEC. _____

Legislative Affairs

DATE : April 25, 1979

FROM: Vicki Wilson
House Finance Committee
RM: 411 PH: 3795/3796

SUBJECT: SB 4am

Please prepare a House Finance Committee Substitute for SB 4am, incorporating the attached amendment with an immediate effective date clause.

Introduced: 1/15/79
Referred: Community &
Regional Affairs

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 4 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to worker's compensation for volunteer
7 ambulance attendants and police."

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

9 * Section 1. AS 23.30.092 is amended to read:

10 Sec. 23.30.092. VOLUNTEER AMBULANCE ATTENDANTS, POLICEMEN AND
11 FIREMEN INSURANCE. A political subdivision may elect to provide bene-
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13 or firemen by obtaining insurance which would provide its volunteer
14 ambulance attendants, policemen or firemen with benefits and compensa-
15 tion at least equivalent to those conferred upon volunteer ambulance
16 attendants, policemen or firemen by this chapter, and the election shall
17 be considered compliance with the coverage and insurance provisions of
18 this chapter. The election shall be made by filing copies of the
19 insurance policy or policies with the commissioner.

20 * Sec. 2. AS 23.30.220(5) is amended to read:

21 (5) if the employee is injured while performing his duties as
22 a volunteer ambulance attendant, policeman or fireman, the wage for
23 calculating compensation shall be the minimum wage paid a full-time
24 ambulance attendant, policeman or fireman in the political subdivision
25 where the injury occurred, or if the subdivision has no full-time
26 ambulance attendants, policemen or firemen employed, at a reasonable
27 wage figure previously set by the subdivision to make [FOR THE PURPOSE
28 OF MAKING] this determination and in no case may the wage for calculating
29 compensation be less than the minimum wage computed on the basis of 40

1 hours work per week.

2 * Sec. 3. AS 23.30.265 is amended by adding new paragraphs to read:

3 (26) "volunteer policeman" means an individual who serves as
4 a peace officer with a full-time police department of a general law or
5 home rule municipality on a temporary, voluntary basis;

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McKinnon's
Proposed
amendment
4/25 a.m.

Introduced:
Referred:

1 IN THE HOUSE

HOUSE BILL NO. _____

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

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11 [FIVE] members, including a southern panel of three members sitting for the
12 first judicial district, ^A ~~and a northern panel~~ of three members
13 sitting for the second, ~~and~~ and fourth judicial districts ^{and a Southcentral}
~~and a Southcentral~~ panel of three members for the third judicial district.

14 *EACH PANEL* shall include the commissioner of labor or his designated representative, a repre-
15 sentative of industry and a representative of labor. The latter two members
16 of each panel shall be appointed by the governor. All panel members are
17 subject to confirmation by a majority of the members of the legislature in
18 joint session.

19 * Sec. ⁵ AS 23.30.005(b) is amended to read:

20 (b) The commissioner shall act as chairman and executive officer of
21 the board and chairman of all [BOTH] panels. If he designates a represen-
22 tative to act for him his representative shall serve in that capacity on the
23 board and on all [BOTH] panels.

24 * Sec. ⁶ AS 23.30.005(c) is amended to read:

25 (c) The governor shall appoint the management member of the southern
26 panel for a term of four years, and the labor member for a term of three years,
27 He shall appoint the management members [MEMBER] of the northern ^{and Southcentral} panels
28 [PANEL] for a term of three years, and the labor members [MEMBER] for a
29 term of four years. The management and labor members are entitled to com-
30 pensation in the amount of \$50 a day for each day or portion of a day spent
31 in actual meeting or on authorized official business incident to their duties

Introduced: 1/15/79
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Regional Affairs

1 IN THE SENATE

BY RAY

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19 insurance policy or policies with the commissioner.

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McKinnons
Proposed
amendment
4/25 a.m.

In need:
Referred:

1 IN THE HOUSE

2 HOUSE BILL NO. _____

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act Relating to Appointment of Members to the Alaska
7 Workmen's Compensation Board."

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

9 * Section ⁴~~2~~ AS 23.30.005(a) is amended to read:

10 (a) The Alaska Workmen's Compensation Board shall consist of seven
11 [FIVE] members, including a southern panel of three members sitting for the
12 first judicial district, ^A~~northern panel~~ of three members
13 sitting for the second, ~~and~~ and fourth judicial districts ^{and a SouthCentral}
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EACH PANEL shall include the commissioner of labor or his designated representative, a repre-
15 sentative of industry and a representative of labor. The latter two members
16 of each panel shall be appointed by the governor. All panel members are
17 subject to confirmation by a majority of the members of the legislature in
18 joint session.

19 * Sec. ⁵~~2~~ AS 23.30.005(b) is amended to read:

20 (b) The commissioner shall act as chairman and executive officer of
21 the board and chairman of all [BOTH] panels. If he designates a represen-
22 tative to act for him his representative shall serve in that capacity on the
23 board and on all [BOTH] panels.

24 * Sec. ⁶~~3~~ AS 23.30.005(c) is amended to read:

25 (c) The governor shall appoint the management member of the southern
26 panel for a term of four years, and the labor member for a term of three years;
27 He shall appoint the management members [MEMBER] of the northern ^{and SouthCentral}
28 [PANEL] for a term of three years, and the labor members [MEMBER] for a
29 term of four years. The management and labor members are entitled to com-
30 pensation in the amount of \$50 a day for each day or portion of a day spent
31 in actual meeting or on authorized official business incident to their duties.

1 and to all other transportation and per diem as provided by law.

2 * Sec. ⁷ 4. AS 23.30.005(d) is repealed.

3 * Sec. ⁸ 5. AS 23.30.005(e) is amended to read:

4 (e) A member of one panel may serve on another [THE OTHER] panel
5 when the commissioner considers it necessary for the prompt administration
6 of this chapter. Transfers shall be allowed only if a labor or management
7 representative replaces his counterpart on the other panel.

8 * Sec. ⁹ 6. AS 23.30.005(h) is amended to read:

9 (h) The Department of Labor may make identical rules for all [BOTH]
10 panels and may make regulations to carry out the provisions of this chapter.
11 Process and procedure under this chapter shall be as summary and simple
12 as possible. The Department of Labor, the board or a member of it may for
13 the purposes of this chapter subpoena witnesses, administer or cause to be
14 administered oaths, and may examine or cause to have examined the parts
15 of the books and records of the parties to a proceeding which relate to ques-
16 tions in dispute. The superior court, on application of the Department of
17 Labor, the board or any members of it, shall enforce the attendance and
18 testimony of witnesses and the production and examination of books, papers,
19 and records.

20 *Immediate Effective Date*

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Original sponsor: Ray

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE OS FOR SENATE BILL NO. 4

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

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17 be considered compliance with the coverage and insurance provisions of
18 this chapter. The election shall be made by filing copies of the insur-
19 ance policy or policies with the commissioner.

20 * Sec. 2. AS 23.30.229(5) is amended to read:

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15 southern panel of three members sitting for the third judicial
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20 by a majority of the members of the legislature in joint session.

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23 of the board and chairman of each panel [BOTH PANELS]. If he designates
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27 enactment of this Act.

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McKinnon's
Proposed
amendment
4/25 a.m.
SB 4

Introduced:
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21 (5) if the employee is injured while performing his Duties as
22 a volunteer ambulance attendant, policeman or fireman, the wage for
23 calculating compensation shall be the minimum wage paid a full-time
24 ambulance attendant, policeman or fireman in the political subdivision
25 where the injury occurred, or if the subdivision has no full-time
26 ambulance attendants, policemen or firemen employed, at a reasonable
27 wage figure previously set by the subdivision to make [FOR THE PURPOSE
28 OF MAKING] this determination and in no case may the wage for calculating
29 compensation be less than the minimum wage computed on the basis of 40

THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. Senate Bill No. 4
 Title An Act Relating to Worker's Compensation for Volunteer Police
 Requested by Senator Ray Date 1/25/79

II. FISCAL DETAIL
 Agency Affected Labor
 Program Category Affected Public Protection
 BRU, Program, or Subprogram(s) Affected Worker's Compensation
 (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 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	"	"	"	"	"	"
300 CONTRACTUAL	"	"	"	"	"	"
400 COMMODITIES	"	"	"	"	"	"
500 EQUIPMENT	"	"	"	"	"	"
600 LAND & STRUCTURES	"	"	"	"	"	"
700 GRANTS, CLAIMS, ETC.	"	"	"	"	"	"
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

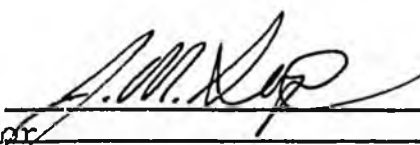
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

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

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

There would be no additional direct costs to the state for extending coverage to volunteer police. Additional costs would be to the individual political subdivisions for increases in insurance premiums for providing this coverage to additional "employees" (volunteer police).

IV. DATE 1/25/79 PREPARED BY 
 AGENCY Labor
 PHONE 465-2702
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Introduced: 1/15/79
Referred: Community &
Regional Affairs

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 4 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to worker's compensation for volunteer
7 ambulance attendants and police."

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

9 * Section 1. AS 23.30.092 is amended to read:

10 Sec. 23.30.092. VOLUNTEER AMBULANCE ATTENDANTS, POLICEMEN AND
11 FIREMEN INSURANCE. A political subdivision may elect to provide bene-
12 fits and compensation to its volunteer ambulance attendants, policemen
13 or firemen by obtaining insurance which would provide its volunteer
14 ambulance attendants, policemen or firemen with benefits and compensa-
15 tion at least equivalent to those conferred upon volunteer ambulance
16 attendants, policemen or firemen by this chapter, and the election shall
17 be considered compliance with the coverage and insurance provisions of
18 this chapter. The election shall be made by filing copies of the
19 insurance policy or policies with the commissioner.

20 * Sec. 2. AS 23.30.220(5) is amended to read:

21 (5) if the employee is injured while performing his duties as
22 a volunteer ambulance attendant, policeman or fireman, the wage for
23 calculating compensation shall be the minimum wage paid a full-time
24 ambulance attendant, policeman or fireman in the political subdivision
25 where the injury occurred, or if the subdivision has no full-time
26 ambulance attendants, policemen or firemen employed, at a reasonable
27 wage figure previously set by the subdivision to make [FOR THE PURPOSE
28 OF MAKING] this determination and in no case may the wage for calculating
29 compensation be less than the minimum wage computed on the basis of 40

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Introduced: 1/15/79
Referred: Community &
Regional Affairs

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 4 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

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27 wage figure previously set by the subdivision to make [FOR THE PURPOSE
28 OF MAKING] this determination and in no case may the wage for calculating
29 compensation be less than the minimum wage computed on the basis of 40

1 hours work per week.

2 * Sec. 3. AS 23.30.265 is amended by adding new paragraphs to read:

3 (26) "volunteer policeman" means an individual who serves as
4 a peace officer with a full-time police department of a general law or
5 home rule municipality on a temporary, voluntary basis;

6 (27) "volunteer ambulance attendant" means an individual who
7 serves as an ambulance attendant on a temporary, voluntary basis with a
8 volunteer or full-time fire department or municipal ambulance service of
9 a general law or home rule municipality."
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THE LEGISLATURE OF THE STATE OF ALASKA
ELEVENTH LEGISLATURE

FISCAL NOTE

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 Title An Act Relating to Worker's Compensation for Volunteer Police
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 (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 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES	0	0	0	0	0	0
200 TRAVEL	"	"	"	"	"	"
300 CONTRACTUAL	"	"	"	"	"	"
400 COMMODITIES	"	"	"	"	"	"
500 EQUIPMENT	"	"	"	"	"	"
600 LAND & STRUCTURES	"	"	"	"	"	"
700 GRANTS, CLAIMS, ETC.	"	"	"	"	"	"
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

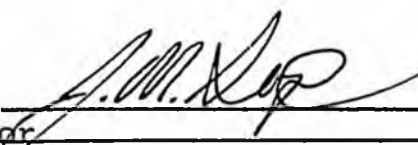
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

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

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

There would be no additional direct costs to the state for extending coverage to volunteer police. Additional costs would be to the individual political subdivisions for increases in insurance premiums for providing this coverage to additional "employees" (volunteer police).

IV. DATE 1/25/79 PREPARED BY 
 AGENCY Labor
 PHONE 465-2702
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Introduced: 1/15/79
Referred: Community &
Regional Affairs

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 4 am

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4 ELEVENTH LEGISLATURE - FIRST SESSION

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14 ambulance attendants, policemen or firemen with benefits and compensa-
15 tion at least equivalent to those conferred upon volunteer ambulance
16 attendants, policemen or firemen by this chapter, and the election shall
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18 this chapter. The election shall be made by filing copies of the
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6 (27) "volunteer ambulance attendant" means an individual who
7 serves as an ambulance attendant on a temporary, voluntary basis with a
8 volunteer or full-time fire department or municipal ambulance service of
9 a general law or home rule municipality."
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RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

3/20/90
Date

COMMITTEE REPORT HOUSE

FURTHER:

April 16, 1979

Date: 4-24-79

Mr. Speaker:

The Committee on FINANCE has had CSSB 5

"An Act relating to agricultural loans under the Alaska Agricultural Loan Act; eff. date."

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

- do pass do not pass
- do pass with attached amendments(s)
- replace with ^{RE-WORKS HOUSE} CS for CSSB 5 same title
 new title
- and recommends it "do pass"
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

McKinnon

Smith

Rogers

Mr. Turner

Febrey

Vick Freeman
CHAIRMAN

Original sponsor: Kerttula

Offered: 4/16/79
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 5

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agricultural loans under the Alaska
7 Agricultural Loan Act; and providing for an effective
8 date."

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

10 * Section 1. AS 03.10.030 is amended by adding a new subsection to read:

11 (e) An installment payment is delinquent unless it is mailed by
12 the borrower on or before the 15th day after the date specified for pay-
13 ment in the loan agreement or unless it is received by the department on
14 or before the 15th day after the date specified for payment in the loan
15 agreement. If an installment payment is delinquent, the director shall
16 assess a delinquency penalty. The delinquency penalty shall be an
17 amount equal to seven per cent of the delinquent payment.

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

19 (a) A farm development loan may not exceed \$500,000 [\$200,000].
20 The mortgage which secures a farm development loan may be of any prior-
21 ity if the total indebtedness on the real estate, including the secured
22 farm development loan, does not exceed \$500,000 [\$200,000]. A farm
23 development loan which, if granted, would raise the existing indebted-
24 ness on the real estate above \$500,000 [\$200,000], or a farm development
25 loan on real estate which has a prior existing indebtedness of \$500,000
26 [\$200,000] or more, may be made only if all prior mortgagees agree to
27 subordinate their mortgages to that of the state for the amount of the
28 farm development loan which exceeds the \$500,000 [\$200,000] indebtedness
29 limit on the real estate. A loan may not run longer than 30 years nor

1 bear interest exceeding six per cent, and it shall be secured by a real
2 estate or chattel mortgage, or both.

3 * Sec. 3. AS 03.10.030(b) is amended to read:

4 (b) Except for loans for irrigation systems as provided in this
5 subsection, a chattel loan may not exceed \$300,000 [\$100,000] for each
6 farm unit and may not run longer than seven years or the useful life of
7 the chattel if more than seven years. It may not bear interest exceed-
8 ing six per cent. It shall be secured by a real estate or chattel
9 mortgage, or both. Loans and the real estate and chattel mortgage
10 security on them for irrigation systems may be in amounts and for terms
11 as determined by the commissioner.

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

13 (c) A short term loan, to be amortized within one year, not to
14 exceed \$200,000 [\$25,000] to any one borrower may be made for operating
15 purposes.

16 * Sec. 5. AS 03.10 is amended by adding a new section to read:

17 Sec. 03.10.035. USE OR DISPOSAL OF MORTGAGED FARM LAND. (a) A
18 borrower may not use farm land for a non-farm use or sell, lease or
19 otherwise dispose of farm land if that land is encumbered by a mortgage
20 given to secure the payment of a farm development, chattel, or irriga-
21 tion system loan under this chapter unless the borrower either

22 (1) pays the outstanding balance of the loan in a lump sum or
23 under other terms agreed to by the commissioner which accelerate payment
24 of the loan; or

25 (2) pays the outstanding principal balance for the remaining
26 term of the loan at the prevailing rate of interest which is charged by
27 commercial banks in the state during the calendar quarter in which the
28 department receives notice of the change of use, sale, lease or other
29 disposal of the farm land.

1 (b) In this section, "non-farm use" means a use of land other than
2 for the production of domesticated plants and animals useful to man,
3 including forage and sod crops, grain and feed crops, fruits, vegetables
4 and livestock.

5 * Sec. 6. AS 03.10.040 is amended to read:

6 Sec. 03.10.040. CREATION OF FUND. There is an agricultural re-
7 volving loan fund which shall not exceed \$20,000,000 [\$5,000,000] to
8 carry out the purpose of this chapter.

9 * Sec. 7. The provisions of AS 03.10.020(e) enacted in sec. 1 of this Act
10 and AS 03.10.035 enacted in sec. 5 of this Act apply to farm development,
11 chattel, and irrigation system loans made after July 1, 1979.

12 * Sec. 8. This Act takes effect July 1, 1979.
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Original sponsor: Kerttula

Offered: 4/16/79
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 5

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agricultural loans under the Alaska
7 Agricultural Loan Act; and providing for an effective
8 date."

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

10 * Section 1. AS 03.10.030 is amended by adding a new subsection to read:

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12 the borrower on or before the 15th day after the date specified for pay-
13 ment in the loan agreement or unless it is received by the department on
14 or before the 15th day after the date specified for payment in the loan
15 agreement. If an installment payment is delinquent, the director shall
16 assess a delinquency penalty. The delinquency penalty shall be an
17 amount equal to seven per cent of the delinquent payment.

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

19 (a) A farm development loan may not exceed \$500,000 [\$200,000].
20 The mortgage which secures a farm development loan may be of any prior-
21 ity if the total indebtedness on the real estate, including the secured
22 farm development loan, does not exceed \$500,000 [\$200,000]. A farm
23 development loan which, if granted, would raise the existing indebted-
24 ness on the real estate above \$500,000 [\$200,000], or a farm development
25 loan on real estate which has a prior existing indebtedness of \$500,000
26 [\$200,000] or more, may be made only if all prior mortgagees agree to
27 subordinate their mortgages to that of the state for the amount of the
28 farm development loan which exceeds the \$500,000 [\$200,000] indebtedness
29 limit on the real estate. A loan may not run longer than 30 years nor

1 bear interest exceeding six per cent, and it shall be secured by a real
2 estate or chattel mortgage, or both.

3 * Sec. 3. AS 03.10.030(b) is amended to read:

4 (b) Except for loans for irrigation systems as provided in this
5 subsection, a chattel loan may not exceed \$300,000 [\$100,000] for each
6 farm unit and may not run longer than seven years or the useful life of
7 the chattel if more than seven years. It may not bear interest exceed-
8 ing six per cent. It shall be secured by a real estate or chattel
9 mortgage, or both. Loans and the real estate and chattel mortgage
10 security on them for irrigation systems may be in amounts and for terms
11 as determined by the commissioner.

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

13 (c) A short term loan, to be amortized within one year, not to
14 exceed \$200,000 [\$25,000] to any one borrower may be made for operating
15 purposes.

16 * Sec. 5. AS 03.10 is amended by adding a new section to read:

17 Sec. 03.10.035. USE OR DISPOSAL OF MORTGAGED FARM LAND. (a) A
18 borrower may not use farm land for a non-farm use or sell, lease or
19 otherwise dispose of farm land if that land is encumbered by a mortgage
20 given to secure the payment of a farm development, chattel, or irriga-
21 tion system loan under this chapter unless the borrower either

22 (1) pays the outstanding balance of the loan in a lump sum or
23 under other terms agreed to by the commissioner which accelerate payment
24 of the loan; or

25 (2) pays the outstanding principal balance for the remaining
26 term of the loan at the prevailing rate of interest which is charged by
27 commercial banks in the state during the calendar quarter in which the
28 department receives notice of the change of use, sale, lease or other
29 disposal of the farm land.

1 (b) In this section, "non-farm use" means a use of land other than
2 for the production of domesticated plants and animals useful to man,
3 including forage and sod crops, grain and feed crops, fruits, vegetables
4 and livestock.

5 * Sec. 6. AS 03.10.040 is amended to read:

6 Sec. 03.10.040. CREATION OF FUND. There is an agricultural re-
7 volving loan fund which shall not exceed \$20,000,000 [\$5,000,000] to
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Original sponsor: Kerttula

Offered: 3/12/79
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 5

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agricultural loans under the Alaska
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18 [\$200,000] or more, may be made only if all prior mortgagees agree to
19 subordinate their mortgages to that of the state for the amount of the
20 farm development loan which exceeds the \$500,000 [\$200,000] indebtedness
21 limit on the real estate. A loan may not run longer than 30 years nor
22 bear interest exceeding six per cent, and it shall be secured by a real
23 estate or chattel mortgage, or both.

24 * Sec. 2. AS 03.10.030(b) is amended to read:

25 (b) Except for loans for irrigation systems as provided in this
26 subsection, a chattel loan may not exceed \$300,000 [\$100,000] for each
27 farm unit and may not run longer than seven years or the useful life of
28 the chattel if more than seven years. It may not bear interest exceed-
29 ing six per cent. It shall be secured by a real estate or chattel

1 mortgage, or both. Loans and the real estate and chattel mortgage
2 security on them for irrigation systems may be in amounts and for terms
3 as determined by the commissioner.

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5 (c) A short term loan, to be amortized within one year, not to
6 exceed \$200,000 [\$25,000] to any one borrower may be made for operating
7 purposes.

8 * Sec. 4. AS 03.10.030 is amended by adding a new subsection to read:

9 (e) An installment payment is delinquent unless it is mailed by
10 the borrower on or before the 60th day after the date specified for
11 payment in the loan agreement or unless it is received by the department
12 on or before the 60th day after the date specified for payment in the
13 loan agreement. If an installment payment is delinquent the director
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17 Sec. 03.10.035. USE OR DISPOSAL OF MORTGAGED FARM LAND. (a) A
18 borrower may not use farm land for a non-farm use or sell, lease or
19 otherwise dispose of farm land if that land is encumbered by a mortgage
20 given to secure the payment of a farm development, chattel, irrigation
21 system or short-term loan under this chapter unless the borrower pays
22 the outstanding balance of the loan in a lump sum or under other terms
23 agreed to by the commissioner which accelerate payment of the loan.

24 (b) In this section, "non-farm use" means a use of land other than
25 for the production of domesticated plants and animals useful to man,
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27 and livestock.

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29 Sec. 03.10.040. CREATION OF FUND. There is an agricultural revolv-

1 ing loan fund which shall not exceed \$20,000,000 [\$5,000,000] to carry
2 out the purpose of this chapter.

3 * Sec. 7. The provisions of AS 03.10.030(e) enacted in sec. 4 of this Act
4 and AS 03.10.035 enacted in sec. 5 of this Act apply to farm development,
5 chattel, irrigation system and short-term loans made after the effective date
6 of this Act.

7 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
8 070(c).

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Introduced: 1/15/79
Referred: Finance

1 IN THE SENATE

BY KERTTULA

2 SENATE BILL NO. 5

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17 loan on real estate which has a prior existing indebtedness of \$500,000
18 [\$200,000] or more, may be made only if all prior mortgagees agree to
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20 farm development loan which exceeds the \$500,000 [\$200,000] indebtedness
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22 bear interest exceeding six per cent, and it shall be secured by a real
23 estate or chattel mortgage, or both.

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25 (b) Except for loans for irrigation systems as provided in this
26 subsection, a chattel loan may not exceed \$300,000 [\$100,000] for each
27 farm unit and may not run longer than seven years or the useful life of
28 the chattel if more than seven years. It may not bear interest exceed-
29 ing six per cent. It shall be secured by a real estate or chattel

1 mortgage, or both. Loans and the real estate and chattel mortgage
2 security on them for irrigation systems may be in amounts and for terms
3 as determined by the commissioner.

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 \$100,000 [\$25,000] to any one borrower may be made for operating
7 purposes.

8 * Sec. 4. AS 03.10.040 is amended to read:

9 Sec. 03.10.040. CREATION OF FUND. There is an agricultural re-
10 volving loan fund which shall not exceed \$20,000,000 [\$5,000,000] to
11 carry out the purpose of this chapter.

12 * Sec. 5. This Act takes effect July 1, 1979.

STATE
OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE, ARLF

MEMORANDUM

SB 5

TO: Robert E. LeResche
Commissioner

DATE: January 15, 1979

FILE NO:

TELEPHONE NO:

FROM: Douglas L. Jacobson
Loan Administrator

SUBJECT: Financing Agriculture

The Governor's Office, through Nick Carney, has requested I submit an opinion regarding financing agriculture in Alaska.

The Agricultural Revolving Loan Fund is an existing program that has proven itself and is capable of administering the needs of the farming sector. There is no need to establish another bureaucracy (Homan Bill for State PCA). Naturally, a few changes must occur. Foremost is legislation similar to last year's SB 281 to raise loan limits and authorization. A ceiling is essential to ensure budgetary management. Twenty million is adequate as proposed in ARLF's FY 80 Capital Budget and this will handle the Delta Barley Project. We should pursue this budget, but move up capitalization one year; i.e., FY 80 should provide \$760,000 capital to attain current authorization plus \$3 million from new authorization. Also, assurance should be obtained that a like amount of \$3 million will be approved automatically each FY 81 through 84.

My calculations foresee crop production and capital needs as follows:

FY 80-81	-	Crop year 1980	-	14,000 acres	-	\$4,426,500
FY 81-82	-	Crop year 1981	-	32,000 acres	-	\$5,344,500
FY 82-83	-	Crop year 1982	-	39,000 acres	-	\$2,429,000

The above includes inflation and delinquency factor due to partial crop failure.

The Agricultural Revolving Loan Fund expects borrowers to have an equity to assure sound and continued growth. This amount may come from personal resources land clearing income and/or FmHA program.

My projection for FY 81 anticipates a delay in construction of farm buildings due to the fire hazard of initial burn. It is possible this will not have an effect and therefore we may find a shortage of funds. When and if this occurs, we may sell additional loans to Revenue. At the present time, we have \$1.5 million of existing loans seasoned/working that could be sold to generate funds on "as needed" basis.

The State has been most cooperative regarding sale of land and clearing contract loans. The ARLF will do its part by continuing at 6% interest. However, because of the risk involved, we feel it practical and equitable to assess farm borrowers a "closing cost" or "points"; i.e., 1% operating, 2% farm development 3% chattel. This will establish a cash reserve (approximately \$310,200). The ARLF will retain the interest; the principal may be returned to the borrower when his loan is paid in full though offset, of course, by losses, if any.

To help hold delinquency to a minimum, we recommend that notes be written to increase interest rate (to 9%, for example) when and if a note becomes delinquent. This will reduce to regular rate when the note is brought current.

Because we will be servicing loans with a majority of the farmers, we should also service the elevator loan and clearing contract loans similar to present handling of the Kodiak Slaughterhouse loan. Principal shall be returned to the General Fund; interest income remain with ARLF.

If ARLF is assured of capitalization through FY 84, we will be in a position to repurchase all loans sold to Revenue - a maximum of \$1.5 million. This will increase our interest income by \$90,000 the first year. By FY 85, our income should exceed \$1.4 million, with operating costs of \$220,000 or 16% of income. This is still high, but considerably less than present 50%. At that time, ARLF will be in financial position to pay for use of capital. We project 3% return to General Fund annually beginning FY 85.

The Commissioner of Natural Resources, in conjunction with the ARLF Board, administers the program. This has proven to be most satisfactory. To provide expeditious handling of loan business, the Commissioner may delegate all or part of his authority to the State employee who is a voting member - not necessarily the Director of Agriculture.

Three members of the Board should be actively engaged in farming and be current ARLF borrowers (a PCA and Federal Land Bank requirement). The farming sector will submit a slate of candidates to be considered for filling the three farm-member positions appointed by the Governor.

Our plan of operation is sound. We can provide this service for the least cost to the State. Money saved is available for additional agricultural loans.

Attached are copies documenting authority and noting changes needed as follows:

- #1 - Alaska Agricultural Loan Act
- #2 - ARLF Regulations
- #3 - Loan Board details
- #4 - Loan limits and authorization modifications

Thank you for your comments and concurrence.

Attachments - 4

cc: Fred Boness
Jeff Haines
Bob Palmer
Nick Carney
Allan Linn
Jim Reaves

AGRICULTURAL REVOLVING LOAN FUND
DIVISION OF AGRICULTURE
DEPARTMENT OF NATURAL RESOURCES
STATE OF ALASKA

SCHEDULE OF DELINQUENT NOTES RECEIVABLE

DECEMBER 31, 1978

Summary by Type (including loans in Litigation):

<u>TYPE</u>	<u>TOTAL NOTES OUTSTANDING</u>	<u>NUMBER OF DELINQUENT BORROWERS</u>	<u>NUMBER OF DELINQUENT NOTES</u>	<u>PAYMENTS DELINQUENT</u>
SHORT TERM	540,978	9	9	85,586
CHATTEL	1,343,054	10	11	65,989
FARM DEVELOPMENT	3,315,809	7	15	145,045
IRRIGATION	254,236	5	6	82,701
KSH	145,019	0	0	0
TOTAL	5,599,095	31	42	379,321

Summary by Area:

<u>TYPE</u>	<u>TOTAL NOTES OUTSTANDING</u>	<u>NUMBER OF DELINQUENT BORROWERS</u>	<u>NUMBER OF DELINQUENT NOTES</u>	<u>PAYMENTS DELINQUENT</u>
HATANUSKA	2,646,578	10	18	81,167
TANANA	1,858,808	8	21	292,773
KENAI	484,551	0	0	0
OTHER	350,282	1	2	5,381
KSH	145,019	0	0	0
TOTAL	5,599,095	19	41	379,321

Borrowers 119; Loans 223

Number of Borrowers Delinquent: 16.0%

Number of Loans Delinquent 18.5%

Dollar Delinquency 6.75

AGRICULTURAL REVOLVING LOAN FUND
DIVISION OF AGRICULTURE
DEPARTMENT OF NATURAL RESOURCES
STATE OF ALASKA

LOAN BALANCES AS OF DECEMBER 31

<u>YEAR</u>	<u>SHORT-TERM</u>	<u>CHATTEL</u>	<u>FARM DEVELOPMENT</u>	<u>IRRIGATION</u>	<u>TOTAL</u>
1974	340,177	673,627	2,597,609	343,028	3,954,441
1975	361,970	662,057	2,813,360	319,888	4,157,275
1976	263,455	624,882	3,167,887	306,355	4,362,579
1977	370,226	598,759	3,347,899	295,293	4,612,173
1978	540,978	1,343,054	3,315,809	254,236	5,454,076

NUMBER OF LOAN TYPES

1974	60	67*	87#	33	257
	*Includes 6 loans totaling \$10,253 which are irrigation related				
	#Includes 1 loan totaling \$16,000 which is irrigation related				
1975	48	64*	95#	30	237
	*Includes 3 loans totaling \$3,332 which are irrigation related				
	#Includes 1 loan totaling \$16,000 which is irrigation related				
1976	35	59*	93#	28	215
	*Includes 1 loan totaling \$846 which is irrigation related				
	#Includes 1 loan totaling \$16,000 which is irrigation related				
1977	46	48	93	22	209
1978	55	63	86	19	223

NOTE: None of the above statistics include Kodiak Slaughterhouse loans which are administered by ARLF; 12/31/78 balance \$145,019.

AGRICULTURAL REVOLVING LOAN FUND

STATUS AS OF JUNE 30 YEARLY 1972 - 1978

<u>6-30 YEAR</u>	<u>TOTAL APPROPRIATED</u>	<u>LOANS OUTSTANDING</u>	<u>LOAN \$. DELINQUENCY</u>	<u>PERCENT DELINQUENT</u>	<u>OWED TO OTHERS</u>	<u>INCOME FOR YEAR</u>	<u>RETAINED EARNINGS</u>
1972	3,040,000	3,661,800	430,015	11.7	709,978	126,709	166,030
1973	3,040,000	3,772,477	299,572	8.0	843,037	188,980	111,362
1974	3,040,000	3,878,487	535,053	13.8	755,830	172,807	166,593
1975	3,240,000	4,010,240	450,957	11.17	662,721	219,604	220,166
1976	3,440,000	4,161,495	681,413	16.4	600,201	228,460	386,901
1977	3,640,000	4,396,164	552,111	12.55	453,780	224,833	451,183
1978	4,040,000	5,259,331	92,876	1.77	731,003	415,090	760,998
12/31/78	4,240,000	5,454,076	379,321	6.95	686,485	114,131	811,411

<u>ADMINISTRATIVE EXPENSES:</u>	<u>YEAR</u>	<u>AUTHORIZED</u>	<u>ACTUAL</u>
	1972	76,300	67,481
	1973	81,400	72,107
	1974	88,887	77,086
	1975	88,400	78,238
	1976	97,900	74,761
	1977	112,900	75,593
	1978	139,200	108,995
	12/31/78	160,200	31,019

AGRICULTURAL REVOLVING LOAN FUND
 DIVISION OF AGRICULTURE
 DEPARTMENT OF NATURAL RESOURCES
 STATE OF ALASKA

SUMMARY OF LOANS, BY TYPE, AS OF JUNE 30

<u>6-30 Year</u>	<u>Short- Term</u>	<u>Chattel</u>	<u>Farm Development</u>	<u>Irrigation</u>	<u>Total</u>
1963	124,639	521,861	444,018	0	1,090,518
1964	145,915	575,911	651,947	0	1,373,773
1965	158,917	631,456	837,667	0	1,628,040
1966	174,153	557,699	815,387	0	1,547,239
1967	225,315	575,360	853,617	0	1,654,292
1968	212,067	538,746	820,762	0	1,571,575
1969	194,231	538,873	841,705	0	1,574,809
1970	245,151	487,458	777,736	110,033	1,620,378
1971	223,137	658,788	1,742,007	457,033	3,080,965
1972	315,778	824,703	2,084,315	436,862	3,661,658
1973	287,165	721,777	2,289,934	423,600	3,722,477
1974	349,386	719,013	2,453,436	356,652	3,878,487
1975	393,766	678,916	2,631,302	331,607	4,185,590
1976	307,577	619,804	2,914,579	319,536	4,161,495
1977	362,333	579,315	3,157,008	297,508	4,396,164
1978	561,019	1,073,796	3,349,645	274,872	5,259,332

AGRICULTURAL REVOLVING LOAN FUND

INCOME ANALYSIS FOR FISCAL 1979

An analysis of loans and potential income based on loans in effect June 30, 1978:

6.0% loans total	\$4,151,248.82	(76.80 % of total)	Potential yearly interest yield =	\$249,074.93
5.5% loans total	920,558.35	(17.10 % of total)	Potential yearly interest yield =	50,630.71
5.0% loans total	31,521.50	(.59 % of total)	Potential yearly interest yield =	1,576.08
4.5% loans total	44,483.53	(.83 % of total)	Potential yearly interest yield =	2,001.76
4.0% loans total	<u>256,537.66*</u>	(4.75 % of total)	Potential yearly interest yield =	<u>10,261.51*</u>
	<u>\$5,404,349.86</u>	<u>100.00 %</u>		<u>\$313,544.99</u>

(Average rate of interest on 6/30/78 loans = 5.8%)

As of 6/30/78, ARLF owed Revenue \$230,198.58 on 5.5% loans
500,804.06 on 6.0% loans
\$731,002.64

At this level, ARLF's cost of use of these funds would total annually: 5.5% loans \$11,509.93
6.0% loans 27,544.22

\$39,054.15

Net potential interest revenue based on 6/30/78 levels \$274,490.84

LESS FY 79 authorized administrative budget 160,200.00

Potential net gain for 1 year from 6/30/78 \$114,290.84

*Includes Kodiak Slaughterhouse Loans with a principal balance \$145,019.00

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND

NOT FOR PUBLICATION

BALANCE SHEET

AS OF DECEMBER 31, 1978

CURRENT ASSETS

Cash in Treasury	118,073.36
Cash in Transit	35,244.92
Loans in Process*	<u>33,500.00</u>

Funds Available	186,818.28
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Repossessed Property	97,000.59
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Loans Outstanding:

Agricultural Loans:	
Farm Development	3,315,808.82
Chattel	1,343,053.52
Short-term	<u>540,978.38</u>

Total Agricultural Loans	5,199,840.72
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Irrigation Loans:	<u>254,235.76</u>
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Total Revolving Loans	5,454,076.48
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Kodiak Slaughterhouse Loans	<u>145,019.00</u>
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Total Loans Supervised	<u>5,599,095.48</u>
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TOTAL ASSETS	<u><u>5,882,914.35</u></u>
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LIABILITIES

Due Department of Revenue (sold loans)	686,484.53
Due General Fund (KSH loans)	<u>145,019.00</u>

Total Liabilities	831,503.53
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Capitalization	4,240,000.00
Retained Earnings	<u>811,410.82</u>

Total Capitalization & Retained Earnings	<u>5,051,410.82</u>
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TOTAL LIABILITIES AND CAPITALIZATION	<u><u>5,882,914.35</u></u>
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* S-942 Risse 15,000
F-342 McKee 15,000
F-343 Brasier 3,500

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND

CASH FLOW

For Period 7-1-78 through 12-31-78

Opening Balance 7-1-78:		
Cash in Treasury	131,225.68	
Loans in Process	16,824.85	
Cash in Transit	<u>32,000.00</u>	180,050.53
General Fund Appropriation (capitalization)		<u>200,000.00</u>
		380,050.53
Received from Operations		
Principal Payments, AG	247,253.84	
Principal Payments, IR	<u>20,769.73</u>	268,023.57
Interest Payments, AG	108,913.62	
Interest Payments, IR	<u>4,540.92</u>	113,454.54
Refinanced Interest, AG		31.44
Repossessed Property Recovery		600.00
Gain On Loans		<u>600.00</u>
		382,709.55
Miscellaneous Revenue		<u>45.00</u>
TOTAL AVAILABLE FUNDS		<u><u>762,805.03</u></u>
DISBURSEMENTS		
Loans Issued:		
Loans In Process		33,500.00
PY Loans, AG	32,000.00	
CY Loans, AG	430,635.19	
Refinanced Interest, AG	31.44	
CY Loans, IR	<u>134.00</u>	462,769.19
Kodiak Slaughterhouse Principal Paid Revenue		4,981.00
Interest Paid Revenue	24,295.32	
Principal Paid Revenue	<u>44,518.11</u>	<u>68,813.43</u>
Total Operating Disbursements		570,063.62
Administration Costs, CY	31,019.46	
Administration Costs, PY	<u>8,403.72</u>	<u>39,423.18</u>
Total Operating and Administration Disbursements		<u>609,486.80</u>
NET CASH WITH TREASURY AND IN TRANSIT		<u><u>153,318.23</u></u>

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF AGRICULTURE
AGRICULTURAL REVOLVING LOAN FUND

INCOME STATEMENT

July 1, 1978 through December 31, 1978

INCOME

Interest:

Agricultural Loans	108,913.62	
Irrigation Loans	4,540.92	
Refinanced, AG	<u>31.44</u>	113,485.98

Gain on Loans, AG		600.00
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Miscellaneous Revenue		<u>45.00</u>
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TOTAL INCOME		<u>114,130.98</u>
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EXPENSE

Administration Costs:

Current Year	31,019.46	
Prior Year	<u>8,403.72</u>	39,423.18

Interest Expense		<u>24,295.32</u>
------------------	--	------------------

TOTAL EXPENSES		<u>68,699.50</u>
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NET OPERATING INCOME AND RETAINED EARNINGS		<u>50,412.48</u>
--	--	------------------



RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith
Signature of Camera Operator

3/20/90
Date

COMMITTEE REPORT
SENATE

FURTHER: None

1/15/79

Date: March 10, 1979

Mr. President:

The Committee on FINANCE has had SB 5
agricultural loans under the Alaska Agricultural Loan Act

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

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for _____ same title
 new title
- and recommends individual accounts
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature] [Signature]

CHAIRMAN

M E M O R A N D U M

To: Senate Finance Committee
From: Senator Ed Dankworth
Date: March 7, 1979
Re: SB 5, "An Act relating to agricultural loans under the Alaska Agricultural Loan Act; and providing for an effective date."

As Sub-Committee Chairman for SB 5, I propose the following amendments:

Page 1, line 10:

Insert the following:

Section 1. AS 03.10.030 is amended by adding a new subsection to read:

(e) An installment payment is delinquent unless it is mailed by the borrower on or before the 60th day after the date specified for payment in the loan agreement or unless it is received by the department on or before the 60th day after the date specified for payment in the loan agreement. If an installment payment is delinquent, the director ^{may} ~~shall~~ access a delinquency penalty. The delinquency penalty shall be an amount equal to seven per cent of the delinquent payment.

Page 2, line 6:

Delete "\$100,000" and insert "\$200,000 in its place

Page 2, line 8:

Insert the following:

Sec. 5. AS 03.10 is amended by adding a new section to read:

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 this chapter 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.

Replace with new language.

(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.

Page 2, line 12:

Insert the following:

~~Sec. 7. The provisions of AS 03.10.020(e) enacted in sec. 1 of this Act and AS 03.10.035 enacted in sec. 5 of this Act apply to farm development, chattel, and irrigation system loans made after July 1, 1979.~~

Replace with 1 E

Change to immediate effective date.

(All existing sections to be re-numbered accordingly)

Page 2, Line 6:

Delete "\$100,000" and insert "\$200,000" in its place.

Page 2, Insert the following before Line 8:

Sec. 4. AS 03.10.030 is amended by adding a new subsection to read:

(e) An installment payment is delinquent unless it is mailed by the borrower on or before the 60th day after the date specified for payment in the loan agreement or unless it is received by the department on or before the 60th 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 per cent of the delinquent payment.

Sec. 5. AS 03.10 is amended by adding a new section to read:

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,

irrigation system or short term loan under this chapter unless the borrower 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

(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.

Sec. 6. The provisions of AS 03.10.030(e) enacted in Sec. 4 of this Act and AS 03.10.035 enacted in Sec. 5 of this Act apply to farm development, chattel, irrigation system and short term loans made after the effective date of this act.

Page 2, Line 8:

Re-number Sec. 4 making it Sec. 7.

Page 2, Line 12:

Eliminate *Sec. 5 and substitute the following:

Sec. 8. This Act takes effect immediately in accordance with AS 01.10.070(c).

COMMITTEE SUBSTITUTE FOR SB 5

As Sub-Committee Chairman for SB 5, I propose the following amendments:

Page ² 1, line 10: *Insert the following before Line 8*

~~Insert the following:~~

Section 4. AS 03.10.030 is amended by adding a new subsection to read:

(e) An installment payment is delinquent unless it is mailed by the borrower on or before the 60th day after the date specified for payment in the loan agreement or unless it is received by the department on or before the 60th 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 per cent of the delinquent payment.

Page 2, line 6:

Delete "\$100,000" and insert "\$200,000" in its place

Page 2, line 8

Insert the following:

Sec. 5. AS ~~03~~.10 is amended by adding a new section to read:

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, irrigation system or short term loan under this chapter unless the borrower 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

(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.

Page 2, line 12:

Insert the following:

Sec. ~~4~~ The provisions of AS 03.10.030(e) enacted in sec. ~~4~~ of this Act and AS 03.10.035 enacted in sec. 5 of this Act apply to farm development, chattel, irrigation system and short term loans made after the effective date of this act.

Sec. 8. This Act takes effect immediately in accordance with AS 01.10.070 (c).

(All existing sections to be re-numbered accordingly.)

*Exclude all of Page 1 & Page 2 down to
Line 6.*

Page 2, Line 6:

Delete "\$100,000" and insert "\$200,000" in its place.

Page 2, Insert the following before Line 8:

Sec. 4. AS 03.10.030 is amended by adding a new sub-section to read:

(e) An installment payment is delinquent unless it is mailed by the borrower on or before the 60th day after the date specified for payment in the loan agreement or unless it is received by the department on or before the 60th 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 per cent of the delinquent payment.

Sec. 5. AS 03.10 is amended by adding a new section to read:

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,

irrigation system or short term loan under this chapter unless the borrower 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

(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.

Sec. 6. The provisions of AS 03.10.030(e) enacted in Sec. 4 of this Act and AS 03.10.035 enacted in Sec. 5 of this Act apply to farm development, chattel, irrigation system and short term loans made after the effective date of this act.

Page 2, Line 8:

Renumber Sec. 4 making it Sec. 7.

Page 2, Line 12:

Eliminate *Sec. 5 and substitute the following:

Sec. 8. This Act takes effect immediately in accordance with AS 01.10.070(c).

Introduced: 1/15/79
Referred: Finance

1 IN THE SENATE

BY KERTTULA

2 SENATE BILL NO. 5

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agricultural loans under the Alaska
7 Agricultural Loan Act; and providing for an effective
8 date."

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

10 * Section 1. AS 03.10.030(a) is amended to read:

11 (a) A farm development loan may not exceed \$500,000 [\$200,000].

12 The mortgage which secures a farm development loan may be of any prior-
13 ity if the total indebtedness on the real estate, including the secured
14 farm development loan, does not exceed \$500,000 [\$200,000]. A farm
15 development loan which, if granted, would raise the existing indebted-
16 ness on the real estate above \$500,000 [\$200,000], or a farm development
17 loan on real estate which has a prior existing indebtedness of \$500,000
18 [\$200,000] or more, may be made only if all prior mortgagees agree to
19 subordinate their mortgages to that of the state for the amount of the
20 farm development loan which exceeds the \$500,000 [\$200,000] indebtedness
21 limit on the real estate. A loan may not run longer than 30 years nor
22 bear interest exceeding six per cent, and it shall be secured by a real
23 estate or chattel mortgage, or both.

24 * Sec. 2. AS 03.10.030(b) is amended to read:

25 (b) Except for loans for irrigation systems as provided in this
26 subsection, a chattel loan may not exceed \$300,000 [\$100,000] for each
27 farm unit and may not run longer than seven years or the useful life of
28 the chattel if more than seven years. It may not bear interest exceed-
29 ing six per cent. It shall be secured by a real estate or chattel

1 mortgage, or both. Loans and the real estate and chattel mortgage
2 security on them for irrigation systems may be in amounts and for terms
3 as determined by the commissioner.

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 \$100,000 [\$25,000] to any one borrower may be made for operating
7 purposes.

8 * Sec. 4. AS 03.10.040 is amended to read:

9 Sec. 03.10.040. CREATION OF FUND. There is an agricultural re-
10 volving loan fund which shall not exceed \$20,000,000 [\$5,000,000] to
11 carry out the purpose of this chapter.

12 * Sec. 5. This Act takes effect July 1, 1979.
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Original sponsor: Kerttula

Offered: 3/12/79
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 5

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agricultural loans under the Alaska
7 Agricultural Loan Act; and providing for an effective
8 date."

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6 exceed \$200,000 [\$25,000] to any one borrower may be made for operating
7 purposes.

8 * Sec. 4. AS 03.10.030 is amended by adding a new subsection to read:

9 (e) An installment payment is delinquent unless it is mailed by
10 the borrower on or before the 60th day after the date specified for
11 payment in the loan agreement or unless it is received by the department
12 on or before the 60th day after the date specified for payment in the
13 loan agreement. If an installment payment is delinquent the director
14 may assess a delinquency penalty. The delinquency penalty shall be an
15 amount equal to seven per cent of the delinquent payment.

16 * Sec. 5. AS 03.10 is amended by adding a new section to read:

17 Sec. 03.10.035. USE OR DISPOSAL OF MORTGAGED FARM LAND. (a) A
18 borrower may not use farm land for a non-farm use or sell, lease or
19 otherwise dispose of farm land if that land is encumbered by a mortgage
20 given to secure the payment of a farm development, chattel, irrigation
21 system or short-term loan under this chapter unless the borrower pays
22 the outstanding balance of the loan in a lump sum or under other terms
23 agreed to by the commissioner which accelerate payment of the loan.

24 (b) In this section, "non-farm use" means a use of land other than
25 for the production of domesticated plants and animals useful to man,
26 including forage and sod crops, grain and feed crops, fruits, vegetables
27 and livestock.

28 * Sec. 6. AS 03.10.040 is amended to read:

29 Sec. 03.10.040. CREATION OF FUND. There is an agricultural revolv-

1 ing loan fund which shall not exceed \$20,000,000 [\$5,000,000] to carry
2 out the purpose of this chapter.

3 * Sec. 7. The provisions of AS 03.10.030(e) enacted in sec. 4 of this Act
4 and AS 03.10.035 enacted in sec. 5 of this Act apply to farm development,
5 chattel, irrigation system and short-term loans made after the effective date
6 of this Act.

7 * Sec. 8. This Act takes effect immediately in accordance with AS 01.10.-
8 070(c).

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Introduced: 1/15/79
Referred: Finance

1 IN THE SENATE

BY KERTTULA

2 SENATE BILL NO. 5

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

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5 A BILL

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12 * Sec. 5. This Act takes effect July 1, 1979.