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Offered: 5/14/77  
Referred: Resources and  
Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 353

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the creation of agricultural  
7 development projects; and providing for an effective  
8 date."

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

10 \* Section 1. AS 44 is amended by adding a new chapter to read:

11 CHAPTER 55. ALASKA AGRICULTURAL AUTHORITY.

12 Sec. 44.55.010. LEGISLATIVE FINDING AND POLICY. (a) The legisla-  
13 ture finds, determines and declares that

14 (1) a sound and sustained agricultural production, processing  
15 and marketing industry is necessary to the healthy economic life and  
16 future well-being of Alaska;

17 (2) no geographic entity has ever attained lasting greatness  
18 through extractive resource production alone;

19 (3) the agricultural potential of Alaska is perhaps the  
20 single most significant prospect for a stable future;

21 (4) the land potentially capable of sustaining agricultural  
22 production in Alaska covers millions of acres throughout the various  
23 regions;

24 (5) agriculture, as a resource management tool, could provide  
25 a large percentage of the state's basic consumer needs in food, fiber,  
26 industrial raw materials, and aesthetic products at a reasonable price.

27 (b) It is declared to be the policy of the state, in the interests  
28 of promoting the health, security and general benefit of all the people  
29 of the state, and a public purpose, to increase job opportunities and

1 otherwise to encourage the economic growth of the state, to stimulate  
2 agricultural production as a renewable resource so that the people of  
3 Alaska can produce a substantial portion of their food for Alaskan and  
4 export markets, to create a legal entity to place state agricultural  
5 land into production, by creating a public corporation with the powers,  
6 duties and functions as provided in this chapter.

7 (c) It is further declared to be the policy of the state to  
8 increase the availability of local farm products, and to achieve that  
9 goal all state institutions, agencies, departments, and political  
10 subdivisions of the state purchasing agricultural products of a type  
11 produced by Alaskan farmers shall make a good faith effort to purchase  
12 locally grown agricultural products before procuring similar agricultural  
13 products outside of Alaska.

14 Sec. 44.55.020. CREATION OF AUTHORITY. There is created the  
15 Alaska Agricultural Authority. The authority is a public corporation of  
16 the state and a body corporate and politic constituting a political sub-  
17 division within the Department of Natural Resources, but with separate  
18 and independent legal existence.

19 Sec. 44.55.030. MEMBERSHIP OF THE AUTHORITY. (a) The membership  
20 of the authority consists of nine persons permanently domiciled in  
21 Alaska to be selected as follows:

22 (1) one member selected by the Alaska Soil Conservation  
23 Board;

24 (2) one member selected by the agricultural policy task force  
25 established under Senate Concurrent Resolution No. 77 (Ninth Alaska  
26 State Legislature);

27 (3) one member selected by the Alaska State Chamber of  
28 Commerce;

29 (4) one member selected by the commissioner of natural

1 resources;

2 (5) one member selected by the Alaska State Banking Associa-  
3 tion;

4 (6) one member selected by the Alaska Federation of Natives;

5 (7) one member selected by the Alaska Conservation Society;

6 (8) one member appointed by the Speaker of the House of  
7 Representatives;

8 (9) one member appointed by the President of the State Senate.

9 (b) The members of the authority shall serve four-year terms ex-  
10 cept that the term of office for the initial members shall be as follows:

11 (1) three members shall serve one-year terms, (2) two members shall  
12 serve two-year terms, (3) two members shall serve three-year terms, and  
13 (4) two members shall serve four-year terms. The initial members shall  
14 draw lots to determine the length of their initial term of office.

15 (c) The director of the division of agriculture shall serve as an  
16 ex officio member of the authority.

17 Sec. 44.55.040. CHAIRMAN AND VICE-CHAIRMAN. The membership of the  
18 authority shall elect a chairman of the authority. He shall preside  
19 over all meetings, has the duties which the authority may direct, and  
20 shall serve for one or more terms of two years each. A vice-chairman  
21 may be elected by the authority from among its other members for one or  
22 more terms of one year each. The vice-chairman presides over all meet-  
23 ings in the absence of the chairman and has other duties which the  
24 authority may direct.

25 Sec. 44.055.050. MEETINGS, COMPENSATION, OFFICERS AND EMPLOYEES.

26 (a) A majority of the members of the authority constitutes a quorum for  
27 the transaction of business or the exercise of a power or function at a  
28 meeting of the authority. In case of a tie vote on a motion or resolu-  
29 tion pending before the authority, the motion or resolution shall be

1 presented to the governor and if approved by him is considered adopted  
2 by the authority.

3 (b) The members of the authority serve without salary, but each  
4 member is entitled to reimbursement from authority funds for actual and  
5 necessary expenses incurred in the performance of his official duties as  
6 a member of the authority.

7 (c) The authority may appoint persons as officers it considers  
8 advisable, including an executive director or executive vice-president,  
9 and may employ professional advisors, counsel, technical experts,  
10 agents, and other employees it considers advisable.

11 ARTICLE 2. PURPOSE AND POWERS.

12 Sec. 44.55.060. PURPOSE OF THE AUTHORITY. The purpose of the  
13 authority is to promote, develop and advance the general prosperity and  
14 general benefit of the people of Alaska, to relieve problems of unem-  
15 ployment and to create additional employment by providing for the means  
16 of developing tracts of agricultural land in the state for agricultural  
17 production.

18 Sec. 44.55.070. POWERS OF THE AUTHORITY. In furtherance of its  
19 corporate purposes, in addition to its other powers the authority has  
20 the power to

- 21 (1) sue and be sued;
- 22 (2) have a seal and alter it at pleasure;
- 23 (3) make and alter bylaws for its organization and internal  
24 management;
- 25 (4) make rules and regulations governing the exercise of its  
26 corporate powers;
- 27 (5) construct and operate facilities for storage, processing,  
28 transportation, and marketing of agricultural commodities;
- 29 (6) provide electrical utility service when unavailable from

1 other sources;

2 (7) make loans to individuals for equipment, improvements, or  
3 operating expenses to put land into agricultural production;

4 (8) encourage agricultural research and development when  
5 necessary to implement the purpose of this chapter;

6 (9) borrow money, issue notes and other evidences of indebt-  
7 edness of the authority for any of its corporate purposes and to secure  
8 payment of its obligations by pledge of or lien on all or any of its  
9 assets, contracts, revenue and income;

10 (10) sell, exchange, donate, convey or encumber in any manner  
11 by mortgage or by creation of any other security interest, real or  
12 personal property owned by it, when, in the judgment of the authority,  
13 the action is in furtherance of its corporate purposes;

14 (11) accept gifts, grants or loans from, and enter into  
15 contracts or other transactions regarding them, with a federal agency or  
16 an agency or instrumentality of the state, a municipality, private or-  
17 ganization or other source;

18 (12) accept from the commissioner the jurisdiction for the  
19 sale, lease and development of land available for disposal by the state  
20 located within a project designated under this chapter and classified  
21 for agricultural use;

22 (13) deposit or invest its funds including revenue received  
23 from the sale or lease of land under its jurisdiction;

24 (14) enter into contracts or agreements with respect to the  
25 exercise of any of its powers, and do all things necessary or convenient  
26 to carry out its corporate purposes and exercise the powers granted in  
27 this chapter;

28 (15) conduct surveys, feasibility studies, and preliminary  
29 development plans required under this chapter;

1 (16) manage, inspect and control state land and improvements  
2 on it belonging to the state and under the jurisdiction of the author-  
3 ity;

4 (17) execute laws, regulations and orders adopted by the  
5 commissioner;

6 (18) prescribe application procedures and practices for the  
7 sale or other disposition of land under the jurisdiction of the  
8 authority;

9 (19) prescribe fees or service charges, with the consent of  
10 the commissioner, for any service rendered;

11 (20) under the conditions and limitations imposed by law and  
12 the commissioner, issue deeds or other conveyances disposing of land  
13 under the jurisdiction of the authority;

14 (21) have jurisdiction over land available for disposal by the  
15 state and located within a project designated under this chapter, to  
16 this end the authority possesses the powers and, with the approval of  
17 the commissioner, shall perform the duties necessary to protect the  
18 state's rights and interest in the land, including the taking of all  
19 necessary action to protect and enforce the state's contractual or other  
20 property rights;

21 (22) account for the fees or other money received in the ad-  
22 ministration of this chapter, including the sale of land, and identify  
23 their source;

24 (23) select and employ or enter into interagency support  
25 agreements for the services of cadastral, appraisal, or other profes-  
26 sional personnel the authority considers necessary for its proper  
27 operation;

28 (24) adopt regulations necessary to administer the provisions  
29 of this chapter.



1 governing body or regional corporation under AS 38.05.305.

2 (d) The commissioner shall, unless he makes a finding within 30  
3 days after receipt of the authority's recommendation that the deter-  
4 mination under (a)(2) of this section is not in the best interests of  
5 the state, designate the project as an agricultural development project  
6 under this chapter and issue an order describing the land within the  
7 boundaries of the project and placing that land under the jurisdiction  
8 of the authority unless the legislature by concurrent resolution dis-  
9 approves the report of the commissioner under (c) of this section within  
10 30 legislative days of the transmittal of the report, or the end of the  
11 session, whichever occurs first. A decision by the legislature to  
12 disapprove a proposal under this chapter shall be accompanied by a  
13 recommendation to the commissioner with respect to future actions which  
14 he and the authority should take concerning the proposal.

15 Sec. 44.55.080. SALE OF AGRICULTURAL DEVELOPMENT LAND. (a) The  
16 authority shall sell an interest in land only for agricultural purposes,  
17 and all other interests in the land remain in the state and shall be  
18 under the jurisdiction of the director of the division of lands under  
19 the provisions of AS 38.05.069. The sale shall be by direct negotiation  
20 with an individual selected under sec. 90 of this chapter, and the  
21 price shall be the pro rata share of the costs incurred by the state in  
22 surveying, clearing, breaking, and administering the sale of the agri-  
23 cultural rights to land within the project. The terms of the sale shall  
24 be set by regulation adopted under the Administrative Procedure Act (AS  
25 44.62) for each project designated under this chapter. The authority  
26 shall divide the agricultural development land into parcels for sale that  
27 will assure the creation of economical farm units notwithstanding any  
28 acreage limitation imposed upon a purchaser under AS 38.05. No land sales  
29 may be made by the state within the boundaries of an agricultural project

1 other than under the conditions imposed under this section.

2 (b) A subsequent conveyance, assignment or lease of an interest in  
3 land sold under (a) of this section shall be conditioned upon the prior  
4 approval of the authority.

5 (c) Consideration paid by a grantee for a subsequent conveyance,  
6 assignment or lease interest in land sold under (a) of this section may  
7 not be more than the agricultural use value as determined by the autho-  
8 rity.

9 Sec. 44.55.090. SELECTION OF QUALIFIED INDIVIDUALS. (a) The  
10 authority shall, after designation of a project under this chapter,  
11 publicly solicit applications from individuals desiring to participate  
12 in the development of a project under this chapter. The publication of  
13 notice and subsequent disposal of agricultural development land shall be  
14 under the provisions of AS 38.05.345.

15 (b) The authority shall, after consultation with but not limited  
16 to local soil conservation subdistricts, local farm representatives,  
17 chambers of commerce, and ad hoc agricultural groups that reside within  
18 a close vicinity to the agricultural project, select individuals who  
19 have applied for participation in a project and who are best qualified,  
20 to successfully farm the land located within a project. The authority  
21 shall sell the agricultural rights in land under sec. 80 of this chapter  
22 to individuals selected under (a) of this section. Individuals who have  
23 been residents for a minimum of five years before the sale under sec. 50  
24 of this chapter shall be given a preference under this subsection. The  
25 authority shall select individuals in accordance with objective criteria  
26 under regulations adopted after public hearings held in the close  
27 vicinity of a project. The provisions of the Administrative Procedure  
28 Act (AS 44.62) do not apply to the regulations adopted under this section.

29 ARTICLE 4. FINANCIAL PROVISIONS.

1           Sec. 44.55.100. AGRICULTURAL DEVELOPMENT PROJECT REVOLVING FUND.

2           There is established an agricultural development project revolving fund  
3           which shall be administered by the authority which shall enter into an  
4           interagency support agreement with the commissioner for the utilization  
5           of personnel, equipment and office space used for the administration of  
6           the Alaska Agricultural Loan Act (AS 03.10). The fund shall be used  
7           exclusively for the purposes of this chapter. The fund is composed of  
8           money appropriated by the legislature to it and any other money made  
9           available for the purposes of this chapter.

10           Sec. 44.55.110. ACCOUNTS AND DEPOSIT. The commissioner of revenue  
11           is ex officio the treasurer and custodian of the fund and shall admin-  
12           ister it as directed by the authority. The authority shall transmit all  
13           money received for the sale of agricultural rights in land located  
14           within an agricultural development project to the commissioner of revenue  
15           for deposit in the fund.

16           Sec. 44.55.115. REPAYMENT TO GENERAL FUND. All money made avail-  
17           able to the fund from the general fund or a special fund is a loan from  
18           the general fund or the special fund. All surplus at the end of a  
19           fiscal year over amounts made available to the fund from the general  
20           fund or from any special fund shall be repaid to the general fund or the  
21           special fund until the loan is repaid in full. Repayments need not  
22           begin until after the first five complete fiscal years after the fund is  
23           created.

24           Sec. 44.55.120. EXPENDITURES FROM THE FUND. The authority may  
25           expend money from the fund to contract for the clearing, breaking and  
26           draining of land under AS 38.07.040 if the land to be cleared or drained  
27           is located within an agricultural development project under this chapter.

28           Sec. 44.55.130. LOAN GUARANTEES. (a) The authority may enter  
29           into agreements with private banks, other lending institutions and

1 individuals to guarantee loans made for farm development and operations,  
2 storage and processing of farm produce, livestock and machinery, and to  
3 individuals, partnerships or corporations, for storage and processing  
4 plants for agricultural products, transportation and access for those  
5 products and necessary utilities.

6 (b) The guarantees under (a) of this section may not exceed 90 per  
7 cent of the amount loaned, and the loan shall be secured by acceptable  
8 collateral and may not exceed 90 per cent of the appraised value of the  
9 collateral offered as security. The authority shall by regulation set  
10 the interest rate and terms acceptable for loans guaranteed under this  
11 section.

12 Sec. 44.55.140. DEFINITIONS. In this chapter

13 (1) "authority" means the Alaska Agricultural Authority;

14 (2) "commissioner" means the commissioner of the Department  
15 of Natural Resources;

16 (3) "interest in land only for agricultural purposes" means  
17 fee simple ownership of land conditioned upon the right of the owner to  
18 develop the land only for production of plants and animals useful to man  
19 including forage and sod crops, grains and feed crops, dairy and dairy  
20 products, livestock including breeding and grazing, fruits, vegetables,  
21 and other similar uses and activities; a structure or improvement may  
22 not be placed on the land except for use as a single-family dwelling of  
23 the owner or one that is consistent with agricultural operations.

24 ARTICLE 5. DELTA-CLEARWATER-TANANA LOOP

25 AGRICULTURAL DEVELOPMENT PROJECT.

26 Sec. 44.55.150. LEGISLATIVE FINDINGS AND DESIGNATION. (a) Under  
27 the authority granted by art. VIII, secs. 6, 8, and 9 of the Alaska  
28 State Constitution, the legislature finds

29 (1) that all preliminary identifications and determinations

1 required under sec. 30(a)(1) - (4) of this chapter concerning the  
2 Delta-Clearwater-Tanana Loop agricultural development project as de-  
3 scribed in sec. 110 of this chapter have been satisfied as evidenced by  
4 a report entitled "Potential Barley Production in the Delta-Clearwater  
5 area of Alaska" and Volumes I, II and IV of the "Delta Land Management  
6 Study" prepared by the division of lands;

7 (2) that sec. 30(b)(1) of this chapter has been satisfied and  
8 that notice and review of the proposed action to create the Delta-  
9 Clearwater-Tanana Loop agricultural development project as described in  
10 sec. 120 of this chapter is unnecessary unless a local governing body or  
11 regional corporation entitled to notice and review under AS 38.05.305  
12 enacts a resolution objecting to the designation of the project within  
13 30 days after the effective date of this section.

14 (b) The Delta-Clearwater-Tanana Loop agricultural development  
15 project as described in sec. 120 of this chapter is designated an agri-  
16 cultural development project under this chapter. The review and desig-  
17 nation required under sec. 30(c) and (d) of this chapter are waived  
18 through exercise of the authority granted to the legislature under art.  
19 VIII, secs. 6, 8, and 9 of the Alaska State Constitution.

20 Sec. 44.55.160. PROJECT DESCRIPTION. The lands designated as the  
21 Delta-Clearwater-Tanana Loop agricultural development project and  
22 limited to agricultural use are those within the following described  
23 parcels:

- 24 (1) Township 10 South, Range 12 East, Fairbanks Meridian  
25 Section 26: NW1/4 of NW1/4, SW1/4 of NW1/4, SW1/4  
26 Section 31: E1/2 of SW1/4, SE1/4  
27 Section 32: S1/2  
28 Section 33: S1/2  
29 Section 34: S1/2

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Section 35: NW1/4, NW1/4 of NE1/4, S1/2 of NE1/4, S1/2

Section 36: W1/2 of SW1/4, W1/2 of SE1/4 of SW1/4

(2) Township 11 South, Range 12 East, Fairbanks Meridian

Section 1: NW1/4, SW1/4 of NE1/4, W1/2 of SE1/4 of  
NE1/4, SW1/4, W1/2 of SE1/4, W1/2 of NE1/4 of  
SE1/4, W1/2 of SE1/4 of SE1/4

Sections 2 - 5

Section 6: NE1/4, NE1/4 of NW1/4, SE1/4 of NW1/4,  
NE1/4 of SW1/4, SE1/4 of SW1/4, SE1/4

Section 7: NE1/4 of SW1/4, SE1/4 of SW1/4, SE1/4

Sections 8 - 16

Section 17: North of Alaska Highway Right-of-Way

Section 18: North of Alaska Highway Right-of-Way

Section 19: North of Alaska Highway Right-of-Way

Section 20: North of Alaska Highway Right-of-Way

Section 21: North of Alaska Highway Right-of-Way

Section 22: North of Alaska Highway Right-of-Way

Sections 23 - 25: North of Alaska Highway Right-of-Way

Section 26: North of Alaska Highway Right-of-Way

Section 27: North of Alaska Highway Right-of-Way

Section 27: South of Alaska Highway Right-of-Way and  
East of a line from SW corner of 27 to NE corner  
of 27

Section 34

Section 35: North of Alaska Highway Right-of-Way

Section 36: North of Alaska Highway Right-of-Way

(3) A 4.84 square mile parcel of land lying south of the  
Alaska Highway and north of the northern boundary of the Fort Greely  
Military Reservation and described as follows: Beginning at the

1 Alaska Highway crossing of Rhoads Creek in Section 26, T11S, R12E,  
2 Fairbanks Meridian; then southwesterly up Rhoads Creek approximately  
3 1.0 miles to a point 2,376 feet north and 1,056 feet west of the SE  
4 corner of Section 34, T11S, R12E, Fairbanks Meridian; then northwesterly  
5 along the northern boundary of the Fort Greely Military Reservation  
6 approximately 4.4 miles to a point 1,056 feet south of the NW corner of  
7 Section 19, T11S, R12E, Fairbanks Meridian; then northerly along the  
8 range line approximately 1.2 miles to the Alaska Highway; then south-  
9 easterly along the Alaska Highway approximately 5.28 miles to the point  
10 of beginning.

- 11 (4) Township 11 South, Range 13 East, Fairbanks Meridian
- 12 Section 1: South of a line from SW corner of 1 to NE
- 13 corner of 1
- 14 Section 2: South of a line from SE corner of 2 to NW
- 15 corner of 2
- 16 Section 3: South of a line from SW corner of 3 to NE
- 17 corner of 3
- 18 Section 7: NW1/4 of NW1/4, SW1/4 of NW1/4, SE1/4 of
- 19 NW1/4, SW1/4, NW1/4 of SE1/4, SW1/4 of SE1/4,
- 20 SE1/4 of SE1/4
- 21 Section 9: South of a line from SW corner of 9 to
- 22 NE corner of 9
- 23 Sections 10 - 16
- 24 Section 17: NW1/4 of NW 1/4, S1/2 of NW1/4, NE1/4
- 25 of NE1/4, S1/2 of NE1/2, SE1/4, SW1/4
- 26 Sections 18 - 30
- 27 Section 31: North of Alaska Highway Right-of-Way
- 28 Sections 32 - 36
- 29 (5) Township 11 South, Range 14 East, Fairbanks Meridian

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Section 5: South of line from NE corner of 5 to SW corner of 5 and South of a line from NW corner of 5 to SE corner of 5

Section 6: South of a line from SE corner of 6 to NW corner of 6

Sections 7 and 8

Section 9: NW1/4 of NW1/4, S1/2 of NW1/4, SW1/4

Section 16: W1/2

Sections 17 - 20

Section 21: W1/2 of NE1/4, SE1/4, W1/2

Section 22: SW1/4 of SW1/4

Section 26: NW1/4 of SW1/4, SW1/4 of SW1/4

Section 27: NW1/4, SW1/4, SE1/4

Sections 28 - 34

Section 35: W1/2

(6) Township 12 South, Range 12 East, Fairbanks Meridian

Section 12: NE1/4 of NE1/4

(7) Township 12 South, Range 13 East, Fairbanks Meridian

Sections 1 - 4: Excluding T. and M. site in S1/2 and North of Alaska Highway Right-of-Way

Section 5: North of Alaska Highway Right-of-Way and excluding T. and M. site in NE1/4

Section 6: North of Alaska Highway Right-of-Way

Section 9: North of Alaska Highway Right-of-Way excluding T. and M. site in NE1/4

Section 10: North of Alaska Highway Right-of-Way and excluding T. and M. site in the SE1/4 of section 10

Sections 11 and 12

Section 13: North of Alaska Highway Right-of-Way

1 Section 14: North of Alaska Highway Right-of-Way  
 2 Section 24: North of Alaska Highway Right-of-Way  
 3 (8) Township 12 South, Range 14 East, Fairbanks Meridian  
 4 Section 2: NW1/4, W1/2 of SW1/4, W1/2 of NE1/4 of  
 5 SW1/4, W1/2 of SE1/4 of SW1/4  
 6 Sections 3 - 10  
 7 Section 11: W1/2 NW1/4, W1/2 of SW1/4  
 8 Section 14: W1/2 of NW1/4, SW1/4, W1/2 of SW1/4  
 9 of SE1/4  
 10 Sections 15 - 18  
 11 Section 19: North of Alaska Highway Right-of-Way  
 12 Sections 20 - 23  
 13 Section 25: W1/2 of NW1/4, W1/2 of SE1/4 of NW1/4,  
 14 W1/2 of NE1/4 of SW1/4, W1/2 of SW1/4, SE1/4  
 15 of SW1/4  
 16 Sections 26 and 27  
 17 Section 28: North of Alaska Highway Right-of-Way  
 18 Section 29: North of Alaska Highway Right-of-Way  
 19 Section 36: W1/2  
 20 (9) Township 8 South, Range 10 East, Fairbanks Meridian  
 21 Section 36: S1/2  
 22 (10) Township 9 South, Range 10 East, Fairbanks Meridian  
 23 Section 1: NE1/4  
 24 Section 2: W1/2  
 25 Section 3: E1/2, S1/2 of SW1/4  
 26 Section 9: N1/2, NE1/4 of SW1/4, N1/4 of SE1/4  
 27 Section 10  
 28 Section 11: W1/2  
 29 Section 11: SE & SW1/4 of SE1/4

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Section 12: W1/2 & SE1/4  
Sections 13 - 15  
Section 22: N1/2 & SE1/4  
Sections 23 - 26  
Sections 35 and 36

(11) Township 10 South, Range 10 East, Fairbanks Meridian  
Section 2: NE1/4 of NW1/4, NW1/4 of NE1/4, NE1/4 of  
NE1/4, SE1/4 of NE1/4, E1/2 of SW1/4 of NE1/4,  
E1/2, NW1/4 of SE1/4, NE1/4 of SE1/4, SE1/4 of  
SE1/4

(12) Township 9 South, Range 11 East, Fairbanks Meridian  
Section 6: NW1/4 of NW1/4, S1/2 of NW1/4, N1/2 of  
NE1/4 of SW1/4, N1/2 of NW1/4 of SW1/4  
Section 7: SW1/4 of NW1/4, SW1/4, SW1/4 of SE1/4,  
SE1/4 of SE1/4  
Section 17: NW1/4 of NW1/4, S1/2 of NW1/4, SW1/4,  
SW1/4 of SE1/4

Sections 18 - 20  
Sections 29 - 31  
Section 32: NW1/4, W1/2 of NE1/4, SW1/4, SE1/4

(13) Township 10 South, Range 11 East, Fairbanks Meridian  
Section 6: NW1/4, NE1/4, N1/2 of NW1/4 of SW1/4, N1/2  
of NE1/4 of SW1/4, N1/2 of NW1/4 of SE1/4, N1/2  
of NE1/4 of SE1/4

Sec. 44.55.170. PUBLIC HIGHWAY RIGHT-OF-WAY. All rights-of-way  
for public highways under AS 19.10.010 not in use on the effective date  
of this section and located within the boundaries of the Delta-Clear-  
water-Tanana Loop agricultural development project as described in sec.  
160 of this chapter remain in effect. An agricultural production area

1 established within the project as described in sec. 160 of this chapter  
2 may utilize the public right-of-way for agricultural production. If the  
3 public right-of-way is needed for public use, the owner or lessee of the  
4 land encumbered by the right-of-way shall be compensated for agricul-  
5 tural development land necessary for the public use.

6 \* Sec. 2. AS 03.10.050(a) is amended to read:

7 (a) The commissioner shall administer the loan fund in conjunction  
8 with the agricultural revolving loan fund board. No loan in excess of  
9 \$50,000 [\$25,000] may be made by the commissioner without the approval  
10 of a majority of the board.

11 \* Sec. 3. AS 38.05.030 is amended by adding a new subsection to read:

12 (f) The sale of an interest in state lands available for disposal  
13 by the state and classified for agricultural use and located within a  
14 project under AS 44.55 shall be under the jurisdiction of the authority.

15 \* Sec. 4. AS 38.05.035(7) is amended to read:

16 (7) have jurisdiction over state lands, except for those  
17 lands located within an agricultural development project under AS 44.55  
18 and those lands acquired by the Alaska World War II Veterans Board and  
19 the Agricultural Loan Board or the departments or agencies succeeding to  
20 their respective functions through foreclosure or default; to this end  
21 the director possesses the powers and, with the approval of the commis-  
22 sioner, shall perform the duties necessary to protect the state's rights  
23 and interest in state lands, including the taking of all necessary  
24 action to protect and enforce the state's contractual or other property  
25 rights;

26 \* Sec. 5. AS 38.05.045 is amended to read:

27 Sec. 38.05.045. GENERALLY. All lands owned in fee by the state or  
28 to which the state may become entitled, excepting tide, submerged [SUB-  
29 MERGER] or shorelands, [AND] timber or grazing lands, and lands located

1 within an agricultural development project under AS 44.55 may be sold  
2 as provided in secs. 45 - 69 of this chapter. However, this section  
3 does not prevent the disposition of lands as provided in secs. 300 - 348  
4 of this chapter.

5 \* Sec. 6. AS 38.07.010 is amended to read:

6 Sec. 38.07.010. SELECTION AND LEASE. (a) The commissioner may  
7 select areas of state land classified as agricultural and contract for  
8 the land to be cleared, broken or drained [OR BOTH] at state expense.  
9 In this selection and contracting, the commissioner shall be guided by  
10 the recommendations of the U. S. Soil Conservation Service. The Alaska  
11 Agricultural Authority may contract for the clearing, draining and  
12 breaking of land located within an agricultural development project  
13 designated under AS 44.55.

14 (b) Except as provided in sec. 20(e) of this chapter the [THE]  
15 land thus cleared or drained shall be put up for competitive lease in  
16 lots that are determined to be economical farm units by the commissioner  
17 [OF NOT LESS THAN 320 ACRES EACH].

18 \* Sec. 7. AS 38.07.020(a) is amended to read:

19 (a) Except as provided in (e) of this section, the [THE] lease in  
20 sec. 10(b) of this chapter shall be for 10 years with an option for a  
21 five-year renewal.

22 \* Sec. 8. AS 38.07.020 is amended by adding a new subsection to read:

23 (e) This section does not apply to the disposal of lands located  
24 within an agricultural development project under AS 44.55.

25 \* Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-  
26 070(c).

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