

Original sponsors: Swanson, Beirne,
Bennett, et al

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Finance

1 IN THE HOUSE

BY THE STATE AFFAIRS COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 353 am S

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) seven members appointed by the governor after consulta-
23 tion with

24 (a) the Alaska Soil Conservation Board;

25 (b) the agricultural policy task force established under
26 Senate Concurrent Resolution No. 77 (Ninth Alaska State Legis-
27 lature);

28 (c) the Alaska State Chamber of Commerce;

29 (d) the commissioner of natural resources;

- 1 (e) the Alaska State Banking Association;
- 2 (f) the Alaska Federation of Natives;
- 3 (g) the Alaska Conservation Society;
- 4 (h) any other organizations the governor considers
- 5 appropriate;

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

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

9 (b) Members appointed by the governor are subject to legislative
10 confirmation.

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

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

17 (d) The director of the division of agriculture shall serve as an
18 ex officio member of the authority.

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

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

28 (a) A majority of the members of the authority constitutes a quorum for
29 the transaction of business or the exercise of a power or function at a

1 meeting of the authority. In case of a tie vote on a motion or resolu-
2 tion pending before the authority, the motion or resolution shall be
3 presented to the governor and if approved by him is considered adopted
4 by the authority.

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

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

13 ARTICLE 2. PURPOSE AND POWERS.

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

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

- 23 (1) sue and be sued;
24 (2) have a seal and alter it at pleasure;
25 (3) make and alter bylaws for its organization and internal
26 management;
27 (4) make rules and regulations governing the exercise of its
28 corporate powers;
29 (5) construct and operate facilities for storage, processing,

1 transportation, and marketing of agricultural commodities;

2 (6) provide electrical utility service when unavailable from
3 other sources;

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

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

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

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

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

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

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

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

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

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

6 (17) execute laws, regulations and orders adopted by the
7 commissioner;

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

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

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

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

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

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

1 (24) adopt regulations necessary to administer the provisions
2 of this chapter.

3 ARTICLE 3. DISPOSAL OF LAND.

4 Sec. 44.55.075. REVIEW, DESIGNATION AND APPROVAL. (a) The
5 authority with respect to land available for disposal by the state and
6 classified for agricultural use, shall

7 (1) identify land suitable for agricultural development
8 projects under this chapter;

9 (2) determine whether the project, if developed under this
10 chapter, will be economically advantageous to the state and the general
11 public and will contribute to the economic growth of the state;

12 (3) determine whether provision to meet increased demand upon
13 public facilities, including utilities and public access routes, that
14 would result from the designation of a project is reasonably assured;

15 (4) recommend annually, but not later than October 1 of each
16 year, that the commissioner designate land available for disposal by the
17 state and identified as suitable for development under (1) of this
18 subsection as an agricultural development project.

19 (b) The commissioner shall with respect to a recommendation made
20 under (a)(4) of this section transmit a report containing the infor-
21 mation required under (a)(4) of this section to those local governing
22 bodies and regional corporations entitled to notice and review under AS
23 38.05.305.

24 (c) Within 10 days of the convening of the regular legislative
25 session, the commissioner shall transmit to the president of the senate
26 and the speaker of the house of representatives

27 (1) a report containing the identifications, determinations
28 and recommendations required under (a) of this section;

29 (2) a report containing the department's findings concerning

1 the recommendation made under (a)(4) of this section; and

2 (3) a copy of comments received, if any, from a local
3 governing body or regional corporation under AS 38.05.305.

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

17 Sec. 44.55.080. SALE OF AGRICULTURAL DEVELOPMENT LAND. (a) The
18 authority shall sell an interest in land only for agricultural purposes,
19 and all other interests in the land remain in the state and shall be
20 under the jurisdiction of the director of the division of lands under
21 the provisions of AS 38.05.069. The sale shall be by direct negotiation
22 with an individual selected under sec. 90 of this chapter, and the
23 price shall be the pro rata share of the costs incurred by the state in
24 surveying, clearing, breaking, and administering the sale of the agri-
25 cultural rights to land within the project. The terms of the sale shall
26 be set by regulation adopted under the Administrative Procedure Act (AS
27 44.62) for each project designated under this chapter. The authority
28 shall divide the agricultural development land into parcels for sale that
29 will assure the creation of economical farm units notwithstanding any

1 acreage limitation imposed upon a purchaser under AS 38.05. No land sales
2 may be made by the state within the boundaries of an agricultural project
3 other than under the conditions imposed under this section.

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

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

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

26 ARTICLE 4. FINANCIAL PROVISIONS.

27 Sec. 44.55.100. AGRICULTURAL DEVELOPMENT PROJECT REVOLVING FUND.
28 There is established an agricultural development project revolving fund
29 which shall be administered by the authority which shall enter into an

1 interagency support agreement with the commissioner for the utilization
2 of personnel, equipment and office space used for the administration of
3 the Alaska Agricultural Loan Act (AS 03.10). The fund shall be used
4 exclusively for the purposes of this chapter. The fund is composed of
5 money appropriated by the legislature to it and any other money made
6 available for the purposes of this chapter.

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

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

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

25 Sec. 44.55.130. LOAN GUARANTEES. (a) The authority may enter
26 into agreements with private banks, other lending institutions and
27 individuals to guarantee loans made for farm development and operations,
28 storage and processing of farm produce, livestock and machinery, and to
29 individuals, partnerships or corporations, for storage and processing

1 plants for agricultural products, transportation and access for those
2 products and necessary utilities.

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

9 Sec. 44.55.140. DEFINITIONS. In this chapter

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

11 (2) "commissioner" means the commissioner of the Department
12 of Natural Resources;

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

21 ARTICLE 5. DELTA-CLEARWATER-TANANA LOOP

22 AGRICULTURAL DEVELOPMENT PROJECT.

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

26 (1) that all preliminary identifications and determinations
27 required under sec. 30(a)(1) - (4) of this chapter concerning the
28 Delta-Clearwater-Tanana Loop agricultural development project as de-
29 scribed in sec. 110 of this chapter have been satisfied as evidenced by

1 a report entitled "Potential Barley Production in the Delta-Clearwater
2 area of Alaska" and Volumes I, II and IV of the "Delta Land Management
3 Study" prepared by the division of lands;

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

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

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

- 21 (1) Township 10 South, Range 12 East, Fairbanks Meridian
22 Section 26: NW1/4 of NW1/4, SW1/4 of NW1/4, SW1/4
23 Section 31: E1/2 of SW1/4, SE1/4
24 Section 32: S1/2
25 Section 33: S1/2
26 Section 34: S1/2
27 Section 35: NW1/4, NW1/4 of NE1/4, S1/2 of NE1/4, S1/2
28 Section 36: W1/2 of SW1/4, W1/2 of SE1/4 of SW1/4
29 (2) Township 11 South, Range 12 East, Fairbanks Meridian

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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) Township 11 South, Range 13 East, Fairbanks Meridian

Section 1: South of a line from SW corner of 1 to NE
corner of 1

Section 2: South of a line from SE corner of 2 to NW
corner of 2

Section 3: South of a line from SW corner of 3 to NE

1 corner of 3

2 Section 7: NW1/4 of NW1/4, SW1/4 of NW1/4, SE1/4 of
3 NW1/4, SW1/4, NW1/4 of SE1/4, SW1/4 of SE1/4,
4 SE1/4 of SE1/4

5 Section 9: South of a line from SW corner of 9 to
6 NE corner of 9

7 Sections 10 - 16

8 Section 17: NW1/4 of NW 1/4, S1/2 of NW1/4, NE1/4
9 of NE1/4, S1/2 of NE1/2, SE1/4, SW1/4

10 Sections 18 - 30

11 Section 31: North of Alaska Highway Right-of-Way

12 Sections 32 - 36

13 (4) Township 11 South, Range 14 East, Fairbanks Meridian

14 Section 5: South of line from NE corner of 5 to SW
15 corner of 5 and South of a line from NW corner of
16 5 to SE corner of 5

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

19 Sections 7 and 8

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

21 Section 16: W1/2

22 Sections 17 - 20

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

24 Section 22: SW1/4 of SW1/4

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

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

27 Sections 28 - 34

28 Section 35: W1/2

29 (5) Township 12 South, Range 12 East, Fairbanks Meridian

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Section 12: NE1/4 of NE1/4

- (6) 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
- Section 14: North of Alaska Highway Right-of-Way
- Section 24: North of Alaska Highway Right-of-Way

- (7) Township 12 South, Range 14 East, Fairbanks Meridian

- Section 2: NW1/4, W1/2 of SW1/4, W1/2 of NE1/4 of SW1/4, W1/2 of SE1/4 of SW1/4
- Sections 3 - 10
- Section 11: W1/2 NW1/4, W1/2 of SW1/4
- Section 14: W1/2 of NW1/4, SW1/4, W1/2 of SW1/4 of SE1/4

- Sections 15 - 18
- Section 19: North of Alaska Highway Right-of-Way
- Sections 20 - 23
- Section 25: W1/2 of NW1/4, W1/2 of SE1/4 of NW1/4, W1/2 of NE1/4 of SW1/4, W1/2 of SW1/4, SE1/4 of SW1/4
- Sections 26 and 27

1 Section 28: North of Alaska Highway Right-of-Way

2 Section 29: North of Alaska Highway Right-of-Way

3 Section 36: W1/2

4 (8) Township 8 South, Range 10 East, Fairbanks Meridian

5 Section 36: S1/2

6 ((9) Township 9 South, Range 10 East, Fairbanks Meridian

7 Section 1: NE1/4

8 Section 2: W1/2

9 Section 3: E1/2, S1/2 of SW1/4

10 Section 9: N1/2, NE1/4 of SW1/4, N1/4 of SE1/4

11 Section 10

12 Section 11: W1/2

13 Section 11: SE & SW1/4 of SE1/4

14 Section 12: W1/2 & SE1/4

15 Sections 13 - 15

16 Section 22: N1/2 & SE1/4

17 Sections 23 - 26

18 Sections 35 and 36

19 (10) Township 10 South, Range 10 East, Fairbanks Meridian

20 Section 2: NE1/4 of NW1/4, NW1/4 of NE1/4, NE1/4 of
21 NE1/4, SE1/4 of NE1/4, E1/2 of SW1/4 of NE1/4,
22 E1/2, NW1/4 of SE1/4, NE1/4 of SE1/4, SE1/4 of
23 SE1/4

24 (11) Township 9 South, Range 11 East, Fairbanks Meridian

25 Section 6: NW1/4 of NW1/4, S1/2 of NW1/4, N1/2 of
26 NE1/4 of SW1/4, N1/2 of NW1/4 of SW1/4

27 Section 7: SW1/4 of NW1/4, SW1/4, SW1/4 of SE1/4,
28 SE1/4 of SE1/4

29 Section 17: NW1/4 of NW1/4, S1/2 of NW1/4, SW1/4,

1 SW1/4 of SE1/4

2 Sections 18 - 20

3 Sections 29 - 31

4 Section 32: NW1/4, W1/2 of NE1/4, SW1/4, SE1/4

5 (12) Township 10 South, Range 11 East, Fairbanks Meridian

6 Section 6: NW1/4, NE1/4, N1/2 of NW1/4 of SW1/4, N1/2

7 of NE1/4 of SW1/4, N1/2 of NW1/4 of SE1/4, N1/2

8 of NE1/4 of SE1/4

9 Sec. 44.55.170. PUBLIC HIGHWAY RIGHT-OF-WAY. All rights-of-way
10 for public highways under AS 19.10.010 not in use on the effective date
11 of this section and located within the boundaries of the Delta-Clear-
12 water-Tanana Loop agricultural development project as described in sec.
13 160 of this chapter remain in effect. An agricultural production area
14 established within the project as described in sec. 160 of this chapter
15 may utilize the public right-of-way for agricultural production. If the
16 public right-of-way is needed for public use, the owner or lessee of the
17 land encumbered by the right-of-way shall be compensated for agricul-
18 tural development land necessary for the public use.

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

20 (a) The commissioner shall administer the loan fund in conjunction
21 with the agricultural revolving loan fund board. No loan in excess of
22 \$50,000 [\$25,000] may be made by the commissioner without the approval
23 of a majority of the board.

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

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

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

29 (7) have jurisdiction over state lands, except for those

1 lands located within an agricultural development project under AS 44.55
2 and those lands acquired by the Alaska World War II Veterans Board and
3 the Agricultural Loan Board or the departments or agencies succeeding to
4 their respective functions through foreclosure or default; to this end
5 the director possesses the powers and, with the approval of the commis-
6 sioner, shall perform the duties necessary to protect the state's rights
7 and interest in state lands, including the taking of all necessary
8 action to protect and enforce the state's contractual or other property
9 rights;

10 * Sec. 5. AS 38.05.045 is amended to read:

11 Sec. 38.05.045. GENERALLY. All lands owned in fee by the state or
12 to which the state may become entitled, excepting tide, submerged [SUB-
13 MERGER] or shorelands, [AND] timber or grazing lands, and lands located
14 within an agricultural development project under AS 44.55 may be sold
15 as provided in secs. 45 - 69 of this chapter. However, this section
16 does not prevent the disposition of lands as provided in secs. 300 - 348
17 of this chapter.

18 * Sec. 6. AS 38.07.010 is amended to read:

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

27 (b) Except as provided in sec. 20(e) of this chapter the [THE]
28 land thus cleared or drained shall be put up for competitive lease in
29 lots that are determined to be economical farm units by the commissioner

1 [OF NOT LESS THAN 320 ACRES EACH].

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

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

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

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

9 * Sec. 9. This Act takes effect immediately in accordance with AS 01.10.-
10 070(c).

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