

Offered: 3/4/86
Referred: Rules

Original sponsors: Coghill and
Kerttula

1 IN THE SENATE BY THE FINANCE COMMITTEE
2 CS FOR SENATE BILL NO. 349 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to the reorganization of private
7 debt at a Delta Project."
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
9 * Section 1. LEGISLATIVE FINDINGS. The legislature finds that the
10 large grain farms that were developed on state agricultural land in the
11 Delta Projects are subject to a personal debt load that is unmanageable
12 because of a coincidence of unique and unforeseen circumstances:
13 (1) the unforeseen difficulties with the limited growing seasons
14 including the extremely short period in which the crops may be planted;
15 (2) conflicts with the herds of bison located in the area;
16 (3) the inadequate agricultural infrastructure in the area of
17 the Delta Projects and in the state;
18 (4) the depressed grain prices nationwide;
19 (5) the unexpected problems with economic farm size.
20 * Sec. 2. (a) The commissioner of natural resources shall, at the re-
21 quest of an individual who holds agricultural rights to land purchased from
22 the state in a Delta Project,
23 (1) accept the relinquishment of agricultural land purchased
24 from the state in a Delta Project and credit the percentage of the debt
25 owed to the state on land purchased and land clearing loans that equals the
26 percentage of land relinquished under this section, either by acreage or by
27 value, as determined by the commissioner;
28 (2) enter into an agreement with the individual for the lease
29 for agricultural purposes only of a portion of or all of the land

1 relinquished for a term of 20 years at the full fair market value of the
2 land; a survey under this paragraph, if required, shall be at the expense
3 of the individual.

4 (b) If an individual who has relinquished land under this section
5 applies before July 1, 1987 for a lease on all or part of the land relin-
6 quished, the lease shall provide the lessee an option to purchase the land
7 leased under sec. 2(a)(2) of this Act at full fair market value at the time
8 of purchase without reduction to reflect the remaining lease term.

9 (c) The commissioner of natural resources in consultation with the
10 Agricultural Revolving Loan Board may renegotiate with the individual loans
11 for chattels or farm improvements located on the agricultural land in a
12 Delta Project if the commissioner determines that renegotiation is neces-
13 sary to minimize financial losses to the state and that it is in the best
14 interest of the state.

15 * Sec. 3. The provisions of this Act are not available to an individual
16 participating in a federal farm program that provides monetary or other
17 incentives for keeping agricultural land in a Delta Project out of produc-
18 tion.

19 * Sec. 4. This Act is repealed July 1, 1988.