

Offered: 3/17/88
Referred: Finance

5-1589L

Original sponsors: Josephson, Szymanski,
Halford, et al.

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 472 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act authorizing the commissioner of natural
7 resources to transfer the creamery formerly owned by
8 Matanuska Maid, Inc."

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

10 * Section 1. LEGISLATIVE INTENT. It is the intent of the legislature
11 that the authority granted by sec. 2 of this Act be exercised to

12 (1) promote development of a stable, profitable, and
13 unsubsidized Alaskan dairy industry;

14 (2) encourage innovative and efficient management of dairy farms
15 and processing facilities by the private sector;

16 (3) encourage production and marketing of competitively-priced
17 Alaskan dairy products in lieu of imported products; and

18 (4) use past investments of public money in the dairy industry
19 to further the objectives described in (1) - (3) of this section without
20 depleting the agricultural revolving loan fund.

21 * Sec. 2. LEASE-PURCHASE AUTHORIZED. The commissioner of natural
22 resources may enter into a one-year lease with a cooperative composed of
23 Alaska dairy product producers for the management and operation of the
24 former Matanuska Maid Creamery at 814 Northern Lights Boulevard, in
25 Anchorage. The commissioner and the cooperative shall agree on the compo-
26 sition and membership of the board of directors that manages the Matanuska
27 Maid Creamery unless the commissioner chooses not to retain veto authority
28 over the composition and membership of the board. The lease is renewable
29 annually for 14 years if the lessee has complied with health, product

1 quality, and other terms and conditions of the lease and has managed the
2 former Matanuska Maid Creamery economically, profitably, and efficiently
3 under the terms of the lease. The lease shall require the lessee to treat
4 each producer of dairy products equally. The lease may be negotiated by
5 the commissioner of natural resources at any time before July 1, 1989, but
6 it is the intent of the legislature that the lease be in effect on July 1,
7 1989. The lease payment due from the lessee is an amount equal to \$.50 per
8 hundredweight of milk processed per month at the creamery or \$13,000 per
9 month, whichever is greater, and the lease payment shall be applied to the
10 purchase price. If the cooperative composed of dairy product producers has
11 continuously operated the former Matanuska Maid Creamery under a lease
12 granted under this section through June 30, 1999, the commissioner of
13 natural resources shall, at the request of the lessee at any time after
14 June 30, 1999, but before June 30, 2004, transfer the creamery to the
15 lessee. In valuing the assets of the former Matanuska Maid Creamery for
16 the purposes of a transfer under this section, the building shall be valued
17 at its fair market value at the initiation of the lease and the land shall
18 be valued at its fair market value on the date of the request by the lessee
19 for a transfer under this section.