

HB

716

3/16/76

COMMENTS ON HOUSE BILL 716

Department of Natural Resources

This memorandum briefly comments on the provisions of House Bill 716 regarding the classification of State land according to soil conservation categories for agricultural use and outlines the Department's plans to aid agricultural development.

COMMENTS ON PROVISIONS OF HOUSE BILL NO. 716

Section 1 - (a)

1. The proposal bases the definition of agricultural land on only one (soil type) of many relevant factors. By not considering factors such as existing and potential transportation facilities, size of areas related to markets (is an area big enough to function as an agricultural production unit?), production capabilities, and the general characteristics of an area, lands classified for agricultural use may never be appropriate for agriculture. (It should also be noted that there is significant variation within the Class II and III soil categories.)
2. The proposal's mandate to classify areas for a specific use based on one consideration is contrary to sound land use planning practices.
  - a. Using only soil type, the bill prioritizes agriculture above all other land-use alternatives for large expanses of State land. The proposed legislation does not allow for consideration of alternative use options for Class II and III soil regions beyond a minimal 20 percent flexibility factor. Given the various characteristics of a region, the State's interest might best be served by classifying the land for uses which may be incompatible with agriculture such as coal development, wildlife refuge, or recreation. The proposal may also interfere with previously designated uses for certain areas.
  - b. The proposal doesn't consider the statewide potential for various land uses which must be inter-related to the land-use potential such as agriculture for a given area. A newly selected region might be one of the State's best recreation areas or long-term forest management regions, but a poor agricultural region despite the presence of Class II and III soils. Nevertheless, 80 percent of the new area might have to be classified for agriculture.

- c. The proposal focuses on State lands and does not consider the need for coordination of compatible land uses between adjacent State, private, Federal, and Native lands.
3. No rationale is given for the 80 percent figure. The bill sets forth the 80 percent requirement without asserting the acreage of Class II and III lands on existing State selections or future land selections. The proposed legislation does not consider the ownership of good agricultural land by private parties, borough governments and Native corporations.
4. The attempt to classify a large quantity of agricultural land at one time based on one consideration might make it difficult to insure the classification properly preserves agricultural use. Pressures accompanying a conflict use situation would encourage a more lenient classification system.
5. Administrative Problems: The Soil Conservation Survey has only classified about 2.4 million acres of the State selected lands. (The survey has classified about 3 million acres of Federal and Native lands.) A survey review would be necessary to identify Class II and III lands included in the 2.4 million acres. It is optimistically estimated that around 1 million acres of the surveyed State lands fall into Classes II and III. With the current Division of Lands staff, it would be extremely difficult to identify these lands and classify them within the year timeframe.

In order to meet the intent of the bill, additional soil surveys would need to be carried out on other potential areas. At least another 2.4 million acres of current State lands would need to be surveyed. The State costs for completion of such a survey would be 75 cents an acre or \$1.8 million.

#### Section 1 - (b)

Apparently, the required public hearing is only for the purpose of gathering public input on which land should be included in the agricultural classification. Since 80 percent of the eligible land must be classified for agricultural use regardless of hearing testimony, the utility of the public input process is limited.

#### Section 1 - (c)

In order to maintain an 80 percent ratio, the Commissioner would apparently have to classify additional lands for agricultural use if an earlier agricultural classification was changed. This situation might result in a reluctance to change previous classifications.

The specification to hold a hearing on a requested reclassification within 20 days is too short a period to insure public awareness and input.

Section 1 - (d)

Since a large amount of land will be classified for agricultural use by mandate, it may be difficult to provide for a strict classification system which insures protection and maintenance of land for agricultural use.

Current Program to Aid Agricultural Development in the State--

The Natural Resources Planning and Research Section and the Division of Agriculture are working on a three-phased program to facilitate the classification, preservation and use of agricultural lands. The phases include (1) the establishment of priorities for selection and classification of agricultural lands, (2) an analysis of available classification and disposal techniques which contribute to the preservation of potential farm lands, and (3) an examination of economical size units and management schemes for successful agricultural enterprise in Alaska.

The establishment of priorities for the selection and classification of agricultural land is part of a Department-wide effort to identify appropriate land uses for Alaskan lands. The analysis of agricultural lands concentrates on the already identified 17 million acres of potential farmland. This acreage is being separated into geographical regions ranging from 50,000 to 500,000 acres. Each of these regions is evaluated according to eight weighted categories: Productive capability (including climatic limitations), existing and potential transport access, required supplementary soil conservation practices, economy of scale considerations, potential market locations, varied crop capabilities, competing land use considerations, probable development time, and the economics of the adjacent localities. Through the use of these criteria, the potential agricultural areas will be prioritized for selection purposes on Statewide scale and classification purposes on current State lands. The priorities will then be compared with the other prioritized land uses such as forestry, mineral development, wildlife, parks, and existing uses. The evaluation of use priorities will identify potential use conflict situations, compatible land uses, and the most valuable lands to preserve for agricultural purposes.

The analysis of classification and disposal techniques will focus on both methods to preserve existing agricultural enterprises, and the preservation of potential farm lands. The primary focus on existing farmland will be to soften the impact of speculator-induced inflation of land values. Techniques such as purchase of development rights, or speculation taxes will be examined. The preservation of future lands analysis will concentrate on classification, disposal, and leasing methods which encourage farm development and insure that the land will primarily be used for agricultural purposes. The results will be incorporated into our efforts to appropriately classify the most valuable agricultural lands.

The examination of economical size units and management schemes will investigate the Alaskan agricultural situation. Emphasis will be placed on the viability of a large area of land divided into many farms being intensively farmed for specified crops in great enough quantities to support storage and processing facilities in the immediate area.

SUMMARY--The Department does not believe that House Bill 716 represents the best present approach to the problem of designating and protecting State agricultural land. The Department shares fully the concerns of the sponsors on this issue, and is committed that its classification and land selection policy will reflect this concern. Because of past inaction, the matter of agricultural potential is being treated now as a priority within the Department of Natural Resource's Planning and Research Section, and it is expected that during 1976 a number of new proposals and recommendations in this area will be developed.

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Recommended Amendments--should the bill be further considered for amendment.

1. Mandatory 80 percent figure should be reduced to a maximum of 50 percent for agricultural classification.
2. Mandatory classification should be prospective and apply only to lands to which the State gains "tentative approval or patent after the effective date of the Act."
3. The time limit for such mandatory classification should be two years rather than one. It might be done earlier but likely with greater expense. (Two years after T.A. or patent)
4. The mandate should apply only to tentatively approved or patented land; not "selected" as in Subsection (a).
5. In Subsection (c) change 20 days to 60 days.
6. Subsection (c) places the responsibility for change in classification on the Commissioner including hearing and decision. This should specifically allow for delegation, or place the primary duty (subject to appeal) on the Director of the Division of Lands.