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4/8



COMMITTEE REPORT

HOUSE

*Rules* 5/27  
*[scribble]*

FURTHER:

(5)

Date: May 19, 1982

Mr. Speaker:

The Committee on RULES has had CSSB 418(Res)am

"An Act relating to agricultural development projects; making clarifying amendments and ratifying certain actions; and providing for an effective date."

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with <sup>H</sup>CS for CSSB 418(R1s)  same title
- new title
- and recommends DO PASS
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

*Jack Fallon*

*Robert Bell Do Pass*

*Joe Z. Hayes*

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

*Jack Fallon*  
CHAIRMAN

COMMITTEE REPORT

HOUSE

5/26/81

FURTHER:

*Ruler*

5/8/81

(11)

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on RESOURCES has had CSSB 418(Res)am

"An Act relating to agricultural development projects; making clarifying amendments and ratifying certain actions; and providing for an effective date."

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with <sup>House</sup> CS for CSSB 418(Res)  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without <sup>and</sup> recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*Terry Gardiner*  
*Frank J. Ziegler*  
*Jared Smith*  
*Robert H. Bittsworth*  
*Jim Dunsen*

*Rick Halpern No Rec*  
*R. Barrie Post Pass*  
*Em Sutcliffe NO REC*

*Terry Gardiner*  
 6 - CHAIRMAN  
*Frank J. Ziegler*

Hein  
5/11/82

Original sponsor: Kerttula

1 IN THE SENATE BY THE RULES COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 418 (Rules)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the disposal of land for agricul-  
7 tural development; and providing for an effective  
8 date."

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

10 \* Section 1. AS 38.05.020(b) is amended by adding a new paragraph to  
11 read:

12 (6) classify tracts for agricultural uses and require the  
13 prequalification, including the submission of conservation plans,  
14 development plans, or other plans, schedules, or programs, of persons  
15 who apply to participate in an agricultural development project under  
16 AS 44.33.475.

17 \* Sec. 2. AS 38.05.057(b)(2) is amended to read: *Delete*

18 (2) submit proof, as required by regulation, that he has been  
19 a resident of the state for not less than one year immediately preceding  
20 the date his application was submitted, except that if the land is part  
21 of an agricultural development project under AS 44.33.475, the potential  
22 purchaser shall submit proof, as required by regulation, that he main-  
23 tains a permanent place of abode in the state, and has been a resident  
24 of the state for not less than 30<sup>1 year</sup> days immediately preceding the date of  
25 application, and shall demonstrate by all attending circumstances an  
26 intention to make Alaska his permanent residence; and

27 \* Sec. 3. AS 38.05.057 is amended by adding a new subsection to read:

28 (j) The commissioner may require a participant in a lottery under  
29 this section for the sale of land that is part of an agricultural devel-

1 opment project under AS 44.33.475 to submit a single application for  
2 that land. Immediately following the drawing of an applicant's name in  
3 the lottery, the applicant shall be given an opportunity to select for  
4 purchase one parcel of the land that is offered in the lottery. The  
5 names of alternate applicants shall be drawn after all parcels have been  
6 selected. If the applicant who originally selected a parcel unequivocally  
7 rejects the offer to purchase the parcel or fails to sign the  
8 contract of sale within the period of time specified by the commissioner,  
9 the parcel shall be offered for sale to alternate applicants in the  
10 order in which their names were drawn.

11 \* Sec. 4. AS 38.05 is amended by adding a new section to read:

12 Sec. 38.05.059. LIMITATION ON PURCHASES OF AGRICULTURAL LAND. A  
13 person may purchase from the state a total of not more than one parcel  
14 of land that is part of an agricultural development project under AS 44.-  
15 33.475 during any eight-year period.

16 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH M  
JUNEAU, ALASKA 99811

PHONE: (907) 465-2400

May 26, 1982

The Honorable John G. Fuller  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

RE: SB 418

Dear Representative Fuller:

The Attorney General has received a court decision invalidating the January 2, 1981, Pt. MacKenzie agricultural project sale. It is the joint goal of both the Department of Natural Resources and the Alaska Agricultural Action Council (AAAC) to reoffer the Pt. MacKenzie agricultural lands in a litigation free disposal. The Department of Natural Resources can proceed with the disposal with the statutes in place at this time, but the Department has been advised that it would be legally vulnerable in several ways.

SB 418 seeks to clarify the statutes in order to offer Pt. MacKenzie under those terms considered by the AAAC to be most beneficial to agricultural development. Those provisions will allow DNR to:

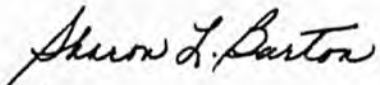
1. Require a 30-day State residency instead of the current one year.
2. Require one application per individual to provide eligibility for all tracts being offered. Current statutes require an individual to make application for each tract for which he wishes to be eligible. This can result in the expenditure of several hundred dollars in filing fees per individual.

The Honorable Robert G. Fuller  
Page Two  
May 26, 1982

3. Sell agricultural project parcels only to those individuals who have not purchased such a parcel in the past eight years. Current statutes would allow a Delta II parcel owner to participate in the Pt. MacKenzie disposal.
4. Designate certain tracts within the disposal for dairy development. Current statutes do not specifically authorize the Department to so designate tracts.

If you have any questions, please give me a call.

Sincerely,



Sharon L. Barton  
Special Assistant  
to the Commissioner

Comparison of terms of the Pt. MacKenzie agricultural project re-offering under current statutes and with proposed changes.

	<u>With SB 418</u>	<u>Without SB 418</u>
Method of Sale	lottery without prequalification	lottery without prequalification
Residence requirement	30 days	one year
Application	one application per individual provides eligibility for all parcels in lottery	a separate application for each parcel would be required
Eligibility	all former winners of project agricultural land will not be eligible	former winners of agricultural land by auction will be eligible
Tract use designation	dairy tracts will be designated	dairy tracts will be designated although the Department may be legally vulnerable on this point

Comparison of terms of the Pt. MacKenzie agricultural project re-offering under current statutes and with proposed changes.

	<u>With SB 418</u>	<u>Without SB 418</u>
Method of Sale	lottery without prequalification	lottery without prequalification
Residence requirement	30 days	one year
Appraisal method	production or income	comparables
Price	\$100.00/acre per minimum using production appraisal	\$100/acre assuming commissioner's finding of scarcity or fair market value if such a finding cannot be made
Application	one application per individual per entire lottery allowed	one application per tract per individual allowed
	alternates will be drawn	alternates will be drawn
Eligibility	former winners of project agricultural land by auction (Delta II) will not be eligible	former winners of project agricultural land by auction will be eligible
Tract use designation	dairy tracts will be designated	dairy tracts will be designated

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y - STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465-3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 11, 1982

SUBJECT: McKenzie Point land sale  
(HCS CSSB 418 (Rules))

TO: Representative Eric G. Sutcliffe

FROM: Edward H. Hein *EHH*  
Legislative Counsel

Enclosed is the draft Rules Committee substitute you requested for CSSB 418 (Resources).

I have deleted section 1 and replaced it with an amendment to AS 38.05.020(b). As I mentioned to your administrative assistant, Pat Lawler, I question whether this amendment conflicts with the recent Alaska Supreme Court decision in LeResche v. Lustig, which has not yet been issued as a written opinion. I will continue to try to determine whether a conflict exists and will report back to you when I have more information.

Other changes made by this committee substitute include:

Page 1, lines 20 - 26: I reworded this language to provide a 30-day residency requirement for participants in an agricultural land lottery under AS 38.05.057.

Page 2, line 13: After the word "purchase" I inserted "from the state" to clarify that the one-parcel limitation does not apply to agricultural land sold by a party other than the state.

EHH:ljb

Enclosure

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HCS CSSB 418  
 Title Relating to the disposal of land for agricultural development: etc.  
 Requested by Rules Committee Date 5-12-82

II. FISCAL DETAIL

Agency Affected Department of Natural Resources  
 Program Category Affected Land disposal  
 BRU, Program, or Subprogram(s) Affected \_\_\_\_\_  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>			0	0	0	0

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

- Provides for certain changes in disposal of project agricultural lands:
- reduces residency requirement for lottery to 30 days.
  - changes application procedures for lottery to one application per individual per disposal
  - limits purchase of project ag parcels to one per individual in eight years
  - authorizes the department to require prequalifications
  - authorizes the department to classify tracts for different uses within a disposal

IV. DATE 5-12-82 PREPARED BY Sharon Barton  
 AGENCY Department of Natural Resources  
 PHONE 465-2400  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named) 364-3153

SB 418 TITLE & SPONSOR SUMMARY

13:25 1/06/82 PAGE 1 OF 3

AMENDED TITLE: CSSB 418(RES)AM

AN ACT RELATING TO AGRICULTURAL DEVELOPMENT PROJECTS; MAKING CLARIFYING AMENDMENTS AND PATIFYING CERTAIN ACTIONS; AND PROVIDING FOR AN EFFECTIVE DATE

GENERAL DOLLARS: \$0 (F. NOTE)

PRIME SPONSOR: KERTTULA.

OTHER DOLLARS: \$0

CO-SPONSORS:

CURRENT STATUS: 5/26/81 IN (H) RULES

SB 418 SENATE ACTION

13:25 1/06/82 PAGE 2 OF 3

DATE SEQ PAGE

LEGISLATIVE ACTION

04/10/81	01	0711	FIRST READING -- COMMITTEE REPORTS
04/20/81	02	0799	RES -- CS04, NR02
04/27/81	03	0876	FIN -- RES CS07
05/01/81	04	0927	RLS -- OTHER05
			TAKEN UP IMMEDIATELY
05/01/81	05	0932	POSTPONED UNTIL 05/05/81 BY UNAN CONSENT
05/05/81	06	0964	SECOND READING
05/05/81	07	0964	RES CS ADOPTED BY UNAN CONSENT
05/05/81	08	0965	POSTPONED UNTIL 05/06/81 BY UNAN CONSENT
05/06/81	09	0979	AM01 WITHDRAWN
05/06/81	10	0979	AM02 ADOPTED BY VOICE VOTE
05/07/81	11	0992	THIRD READING
05/07/81	12	0992	PASSED BY DIV 16-00-04
05/07/81	13	0992	EFFECTIVE DATE VOTE SAME AS PASSAGE
06/05/81	16	1381	ATTY GENENERAL'S LETTER SEN SUPPL #53

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SB 418 HOUSE ACTION

13:25 1/06/82 PAGE 3 OF 3

DATE SEQ PAGE

LEGISLATIVE ACTION

05/08/81	14	1273	READY -- COMMITTEE REPORTS
05/26/81	15	1722	RES -- DNP01, CS05, NR02
			RULES
			RULES

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