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Alaska State Legislature

SENATE Resources Committee

Official Business

BETTYE FAHRENKAMP, Chairman
VIC FISCHER, Vice-Chairman
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Bradley
Senator Eliason
Senator Gilman
Senator Mulcahy
Senator Sturuglewski

POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

March 26, 1982
1:40 p.m.

Beltz Room
Room 211 - Capitol

Hearing:

- SB 772 Making a special appropriation to the Department of Natural Resources for construction of a plant quarantine station at the plant material center operated in cooperation with the Institute of Agricultural Sciences.
- SB 803 Establishing the land clearing account in the agricultural revolving loan fund.
- SB 804 Making a continuing appropriation of repayments of the principal and interest on loans made by the Alaska Agriculture Action Council for land clearing to the land clearing account in the agricultural revolving loan fund.
- SB 843 Relating to surface coal mining and the underground effects of underground coal mining.
- SB 697 An Act relating to the Alaska Renewable Resources Corporation.

SB 772

Paul Huppert, Matanuska Valley farmer, explained that a quarantine center is needed at the latitudes of the Matanuska Valley for plants brought in from that latitude. This would require modification of existing facilities at the plant material center, and employment of a person to collect plant material worldwide.

Nick Carney, Director, Division of Agriculture, Department of Natural Resources, explained that the appropriation would pay for construction of a "screen house". Bud materials would be reproduced inside, with the screen restricting movement of insects, thus inhibiting the spread of disease. The long term fiscal needs are minor, as most of the infrastructure is already in place.

Bob Palmer, Alaska Agriculture Action Council, expressed support for the bill, stating that it was long overdue.

Senator Sturgulewski moved SB 772 with individual recommendations.

SB 803 and SB 804

Nick Carney expressed support for SB 803. It helps small farmers who do not presently qualify for land clearing loans.

Bob Palmer said he supports both SB 803 and SB 804.

Senator Sturgulewski pointed out that SB 804 has a negative impact on the general fund, by allowing repayment of principal and interest of loans to the revolving loan fund rather than to the general fund, and thinks this should be reflected in a fiscal note.

Senator Fahrenkamp stated this should be brought to the attention of the Finance Committee.

Ken Vassar, Assistant Attorney General, Department of Law, expressed concern over the constitutionality of SB 804, specifically the dedicated fund prohibition.

Paul Huppert supports SB 803 as curing the current inequity, by allowing all farmers to obtain land clearing loans.

Senator Mulcahy moved SB 803 and SB 804 with individual recommendations.

SB 843

Mark Wittow, Special Assistant to the Commissioner, Department of Natural Resources, discussed several amendments DNR is proposing, mostly of a technical nature.

Howard Roitman, Consultant to DNR, explained DNR's suggested solution to the issue raised by the Office of Surface Mining, namely the prepayment of penalties into an escrow account pending appeal. DNR's proposed alternative would require submitting a bond for the amount of the penalty.

Phil Holdsworth, COAL, expressed the coal operators support for the bond alternative.

Senator Gilman moved and asked unanimous consent for several amendments to SB 843. (For brevity's sake, please see attached copy of memo to Billy Berrier, Legal Division.)

Senator Fischer moved and asked unanimous consent for several amendments which serve to neuter SB 843. (Again, see attached copy of memo.)

Senator Mulcahy moved CSSB 843, as amended, with individual recommendations.

SB 697

Senator Fahrenkamp explained that three Committee Substitutes had been prepared for SB 697.

Senator Rodey testified in support of Committee Substitute #3, which reflects the work done by the Banking Committee.

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Dean Olson, Chairman of the Board, Alaska Renewable Resources Corporation, endorsed Committee Substitute #3.

Senator Sturgulewski emphasized the drastic changes Committee Substitute #3 makes to the Corporation, and expressed concern over what impact these changes would have on the current investments made through ARRC.

Wayne Littleton, President, ARRC, stated that funding is adequate to continue the Corporation.

Senator Rodev explained that the sunset provision for ARRC, which is much longer than most other sunset provisions, is a traditional banking concept, as a longer period is required to adequately judge the competency of such a corporation. He also explained that there is a confusing section at the top of page 5, and that correct language will be prepared by the time the bill goes to Finance Committee.

Don Hostak, Director, Division of Business Loans, Department of Commerce, stated that a fiscal note is needed, because the Department of Commerce will need operating funds for ARRC.

Senator Fischer moved the acceptance of Committee Substitute #3.

Senator Sturgulewski moved CSSB 697 with individual recommendations.

The meeting was adjourned at 3:05 p.m.

LEGISLATION SUMMARY

SB 804: "An Act making a continuing appropriation of repayments of the principal and interest on loans made by the Alaska Agricultural Action Council for land clearing to the land clearing account in the agricultural revolving loan fund (AS 03.10.040); and providing for an effective date."

Sec. 1: Appropriates repayments of principal and interest on loans made for land clearing in the Delta I, Delta II, and Point MacKenzie agricultural development projects to the land clearing account in the agricultural revolving loan fund as they are received.

Sec. 2: Effective date the same as an Act establishing the land clearing account (SB 803).

PRIME SPONSOR: Resources

CO-SPONSOR(S): None

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 804
 Title Clearing Loan Fund Appropriation
 Requested by Resources Committee Date 2/19/82

II. FISCAL DETAIL

Agency Affected DNR/Division of Agriculture
 Program Category Affected Development
 BRU, Program, or Subprogram(s) Affected Financing/Marketing
 (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	NONE					
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND	NONE					
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	NONE					
PART TIME						
TEMPORARY						

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

While bill will result in no additional expenditures (See Fiscal Note for SB 803), it will cause a reduction in funds returned to the general fund, since repayments of "project" clearing loan will come to ARLF Special Clearing Fund for lending statewide. This could in turn result in a corresponding decrease in requested additional appropriation for the ARLF.

IV. DATE 2/19/82 PREPARED BY Nick Carney

AGENCY DNR - Wasilla

Original: Legislative Finance PHONE 376-3276

cc: Budget and Management
 Prime Sponsor (First Legislator Named)



UNIVERSITY OF ALASKA, FAIRBANKS
Fairbanks, Alaska 99701

Senator Jalmar Kerttula
State Capitol
Pouch V
Juneau, Alaska 99811

Dear Senator Kerttula:

I am sorry that I am unable to come to Juneau to testify personally before your committee concerned with a plant quarantine facility associated with the Plant Materials Center. I support your efforts to establish a quarantine center in Alaska and would like to relate some experiences and offer some observations that may be useful in developing legislation for this purpose.

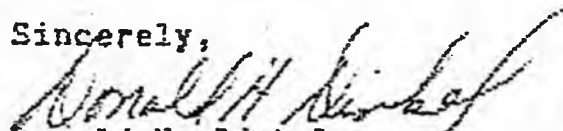
There are many potentially hardy and adapted varieties of food, fibre and ornamental crops available from foreign sources that ought to be tested in Alaska. The other states have had the opportunity of utilizing the genetic resources of the world in developing a more dependable food supply and esthetically satisfying environment. This opportunity existed because of their efforts to import plants prior to the advent of more stringent import regulations and because the federal plant quarantine facilities are more appropriately located from a climate standpoint. The federal plant quarantine facilities are less useful to us in Alaska because of the great difference in photoperiod and climate. Plants from northern sources tend to go into dormancy at longer daylengths which confuses the officials into thinking that they are diseased and therefore they are destroyed before they can be tested in Alaska. This ability to develop hardiness at the longer daylengths is essential for winter survival in the northern latitudes. Since plant material from the northern sources will have the most potential for adaptation to our climate we need a method of importing these for test and possible distribution to users.

Certain plants are more restricted in the import regulations that pertain to them. Members of the rose family are in the most restricted categories. This family contains most of the temperate zone tree fruits and the raspberries and strawberries as well as many ornamental trees and shrubs. The residents of the state are very interested in obtaining the material available in Canada and other northern countries but have been unsuccessful during the last 10 to 15 years. The interest has been so great that I understand that there have been efforts to illegally import these restricted plants. Illegal importation is certainly a much less desirable option for Alaska than is a well run and responsive plant quarantine facility in the state.

The federal officials have been quick to inform us that there are ways to get these materials imported, however we have been largely unsuccessful. The system does seem to work for the people in the rest of the U.S.

I have even been unsuccessful in obtaining plant materials that I know is available at the National Arboretum that I have offered to pay propagation costs on. We need better systems for importing plant material to Alaska.

Sincerely,



Donald H. Dinkel
Professor of Plant Physiology

520 Resources Bldg.

474-7187