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45

Sectional Analysis  
of 2ndSJSB 45am:

"An Act relating to reimbursement for the cost of land clearing; and providing for an effective date."

Section 1. AS 38.05.065 is amended by adding a new section under which the commissioner of DNR may declare a moratorium of up to five years on principal payments if:

- (1) it is in the best interest of the state;
- (2) the purchaser performs farm development, crop production, and harvesting requiring expenditures equivalent to the payments that would otherwise be due;
- (3) the sale of the land takes place after July 1, 1979;
- (4) the purchaser is in compliance with the development plan specified in the purchase contract at the time of application for the moratorium and continues to remain in compliance during the moratorium.

Section 2. Provides that the Act is effective immediately.

IMPORTANT POINTS ON 2nd SSSB45

There are no significant changes in the terms of payments proposed by this legislation.

This legislation will help those who are actually working and investing money in their farm development.

The land sale payments will be paid in full. This legislation seeks only a postponement of payments to allow a few more years to develop the farms.

COMPARISON OF 2ndSSSB 45 and CSSSB 47(Res)

2ndSSSB 45 "An Act establishing an agricultural land sale payment moratorium; and providing for an effective date."

CSSSB 47(Res) "An Act relating to reimbursement for the cost of land clearing; and providing for an effective date."

2nd SSSB 45  
LAND PAYMENT MORATORIUM

CSSB 47 (Res)  
CLEARING PAYMENT MORATORIUM

Amends AS 38.05.065  
(Title 38: Public Lands,  
Ch.5: Alaska Land Act,  
Art.2: Sale of Lands)

Relates to AS 44.33.470(8)  
(Title 44: State Government,  
Ch.33: DCED,  
Art.10:AAAC)

Terms of Contract of Sale

Powers and Duties of the Council

Up to five year moratorium  
on principal payments  
on the sale  
of agricultural land sold  
after July 1, 1979.

Up to three year moratorium  
on principal payments  
on reimbursement due to the state  
for land clearing activities  
contracted before Jan. 1, 1984  
with the AK Ag Action Council.

Application is to the Department  
of Natural Resources.

Application is to Agricultural  
Revolving Loan Fund Board.

INVESTMENT CREDIT:  
The purchaser must perform farm  
development requiring expenditure  
equivalent to the payments which  
would otherwise be due.

PRODUCTION CREDIT:  
The land owner must have 1,000  
acres, or 50 percent of their  
tillable acres in production at  
the time of application and for the  
duration of the moratorium.

Must be in compliance with their  
development plan.

Must be in compliance with their  
development plan.

NOTE: The Department of Natural Resources  
supports both of these bills.

2d SS for SB 45: "An Act relating to an emergency farm relief program;  
and providing for an effective date."

The Department of Commerce and Economic Development finds that this bill  
brings the land purchase contracts into a logical parallel with similar  
agriculture loan programs.



3/30/84

Richard A. Lyon, Commissioner

CHAIRMAN  
SENATE TRANSPORTATION  
COMMITTEE  
SENATE SPECIAL AGRICULTURE  
COMMITTEE

MEMBER:  
HEALTH, EDUCATION AND  
SOCIAL SERVICES  
COMMITTEE  
LEGISLATIVE COUNCIL  
REAA BUDGET OVERSIGHT  
COMMITTEE

# Alaska State Legislature



State Senate

SENATOR  
H. PAPPY MOSS  
P.O. BOX 182  
DELTA, JUNCTION, ALASKA 99737  
907 895-4384

JUNEAU OFFICE:  
POUCH V  
JUNEAU, ALASKA 99811  
907 465-4921

## SENATE SPECIAL COMMITTEE ON AGRICULTURE

M E M O R A N D U M

March 20, 1984

TO: Senator Bettye Fahrenkamp, Chair  
Senate Resources Committee

FROM: Senator H. Pappy Moss, Chair  
Senate Special Committee on Agriculture *HPM*

RE: 2nd Sponsor Substitute for Senate Bill 45

This sponsor substitute for Senate Bill 45 provides relief to farmers of the State of Alaska who are actually working on developing their farms. This legislation makes no significant changes in the terms of the original contract for land payments, and makes no difference in the amount of the total payment. The state is paid in full by the farmers for the amount specified at the time of the land sale.

The 2nd sponsor substitute for SB 45 provides for the postponement of principal payments and the ceasing of interest accrual, for a period not to exceed five years, if the commissioner determines it to be in the best interest of the state, and if the following conditions are met:

The farmer must have invested an amount equal to his payment which would otherwise be due in farm development, crop production, and harvesting expenses. Expenses involved in land clearing or related activities would not be considered in the application for this moratorium.

The expenses must be certified by the commissioner.

The sales of agricultural land were made after the repeal of AS 38.05.325 Homestead Entry which occurred in 1979.

The contract purchaser must be in compliance with the development plan as specified in the contract before applying for this postponement of payments.

This legislation was developed with help from the Division of Forest, Land and Water Management, who administer the sale of these lands and is supported by the Department of Natural Resources. This bill does not ask for money—only for time to enable Alaska's farmers to develop their farms.

This legislation is not offered to assist poor business managers in the area of farming to continue where they are failing. This legislation is offered to support the successful, producing farmer who is contributing to agricultural development in the state of Alaska.

On March 19th, a delegation of farmers from the Delta II project came to Juneau to seek assistance from the legislature and the Sheffield Administration. Each had received foreclosure notices on their land from the Division of Land and Water Management. Land payments had been due at the end of February, but because of the grain market situation in the state, none had been able to sell their crops to come up with the money.

They brought with them proposed legislation which had they had been assisted in preparing by the Division of Land and Water Management. This legislation allowed for a postponement of principal payment and interest accrual where the contract purchaser put an equal amount of money as would have otherwise been due into farm development, crop production and harvesting.

The Delta delegation discussed this legislation with the Governor, Commissioners Lyon (DCED), and Wunnike (DNR), and made a presentation to the Senate Resources Committee. Their proposed legislation was incorporated into a Sponsor Substitute for SB 45 by Senator H. Pappy Moss. For three days, the Delta group met with senators and representatives explaining their request for more time, and all in all, making a favorable impression in lobbying for their needs.

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NKN

March 22, 1984

Senator Bettye Fahrenkamp  
Pouch V  
Juneau, Alaska 99811

Dear Senator Fahrenkamp;

This week you were so kind in sharing your precious time with our farm group from Delta II. We want to take this opportunity to thank you for lending your support to our cause.

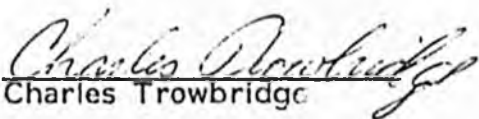
We need more time to develop our farms and markets, and having the payments and interest on our land payments tolled for a few years will help us get this accomplished. The sponsor substitute for Senate Bill 45 will give us that opportunity without reducing the purchase price or changing the terms of our original contracts.

We are actively involved in promoting the dairy industry and beef and hog production, and are working to supply grain to these groups at a lower cost so our agriculture base will expand and as it grows we all hope to become successfully self-supporting.


There is a real future for Agriculture here in Alaska and we feel that it makes a valuable contribution to our way of life here. We are excited about farming here and are engaged in making Alaska a better place to live and raise our families. Isn't this really what life is all about?

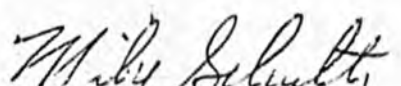
Thank you again, our visit with you was delightful.

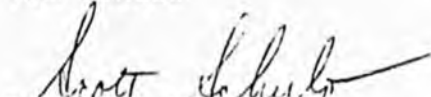
Yours very truly,

  
Charles Trowbridge

  
Dick Jensen

  
Tom Krause

  
Mike Scholtz

  
Scott Schultz

MAR 28 1984

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
PAUL FISCHER  
VIC FISCHER  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITAL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
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## Senate

### Committee on Resources

#### MINUTES

March 30, 1984  
3:55 pm

Beltz Room  
Room 211, Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp, Chairman  
Senator Ziegler, Vice Chairman  
Senator Paul Fischer  
Senator Mulcahy  
Senator Sturgulewski

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#### CALENDAR

SB 225, Creating the Matanuska Valley Moose Range.

2dSSSB 45, Establishing an agricultural land sale payment moratorium.

SB 369, An Act relating to the planning, designing, and construction of agriculture and forestry facilities by the Department of Natural Resources.

SCR 42, Relating to sport fishing of salmon and underutilized species.

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#### SB 225

Ned Farquhar, Special Assistant to the Commissioner of the Department of Natural Resources, testified in support of the Committee Substitute, and proposed an amendment that would clarify that coal and mineral entry and development would be allowed within the Range.

Deborah Heidecker, Aide to Senator Kerttula, explained that the Committee Substitute, a result of negotiations with the Department of Natural Resources and the Department of Fish and Game, contains specifics on management responsibility, multiple use definitions, and boundaries.

Senator Kerttula explained why the proposed Chickaloon Bench subdivision should remain within the Moose Range and not be disposed.

John Clark, Habitat Division, Department of Fish and Game, spoke in support of the Committee Substitute.

Senator Mulcahy moved to adopt DNR's proposed amendment. There was no objection.

Ron Sommerville, Alaska Outdoor Council, spoke in support of the Committee Substitute.

Jay Nelson, Alaska Environmental Lobby, spoke in support of the Committee Substitute and recommended that a timetable for implementing the management plan be included in the bill.

Senator Sturgulewski moved to adopt the proposed amendment regarding the timetable for a management plan. There was no objection.

Senator Mulcahy moved CS SB 225 from Committee with individual recommendations. There was no objection.

#### 2dSSSB 45

Senator Moss explained that this bill would authorize the Department of Natural Resources to declare a moratorium of up to five years on agricultural land purchase payments if certain conditions are met.

Senator Mulcahy moved 2dSSSB 45 from Committee with individual recommendations. There was no objection.

#### SB 369

Senator Kerttula reviewed the history of construction cost overruns at the Department of Natural Resources plant materials center. SB 369 would begin to solve those problems by transferring construction responsibilities from the Department of Transportation and Public Facilities to DNR.

Senator Mulcahy moved SB 369 from Committee with individual recommendations. There was no objection.

#### SCR 42

Phil Daniel, United Fishermen of Alaska (UFA), spoke in support of the resolution, recommending aquaculture as a way of guaranteeing sportsfishermen an adequate supply of fish, and resolving user group conflicts.

Ron Sommerville, Alaska Outdoor Council offered no formal position on the bill, but supported enhancement of sportfishing stocks as a way of resolving user group conflicts.

Senator Mulcahy moved SCR 42 from Committee with individual recommendations. There was no objection.

The meeting adjourned at 4:40 pm.

SENATE SPECIAL COMMITTEE ON AGRICULTURE  
Senator H. Pappy Moss, Chairman  
May 4, 1984

EARLIER THIS YEAR, MANY OF YOU WERE VISITED BY ONE OR MORE OF THE FARMERS THAT CAME DOWN FROM DELTA JUNCTION. THEY SPOKE TO YOU INDIVIDUALLY AND ALSO ADDRESSED THE SENATE RESOURCES COMMITTEE. MANY OF YOU ARE KEENLY AWARE OF THE PROBLEMS THEY ARE FACING, BECAUSE THEY REPRESENT FARMERS FROM ALL OVER THE STATE.

THEIR MESSAGE WAS PLAIN AND SIMPLE. THEY NEED MORE TIME TO DEVELOP THEIR FARMS AND THEIR MARKETS. RESTING IN THE BALANCE IS ALL THE EFFORT, TIME AND MONEY THEY HAVE INVESTED IN THEIR FARMS. MANY FACE FORCLOSURE ON THEIR PROPERTIES. WE ARE NOT SPEAKING OF SPECULATORS OR PART-TIME FARMERS. WE'RE TALKING ABOUT FAMILIES THAT HAVE CLEARED THEIR LAND AND PRODUCED CROPS, BUT WHO ARE FACED WITH LIMITED MARKETS FOR THEIR HARVEST.

THE SPONSOR SUBSTITUTE FOR SENATE BILL 45 WILL HELP ALASKA'S FARMERS ACCOMPLISH A GOAL THAT IS BOTH THEIRS AND THE STATE'S. THAT IS, TO HELP ALASKA'S AGRICULTURAL INDUSTRY TO GET TO THE POINT WHERE IT WILL SUPPORT ITSELF AND BE ABLE TO BECOME INDEPENDENT OF HELP FROM THE STATE.

ALASKAN FARMERS ARE ACTIVELY INVOLVED IN PROMOTING THE DAIRY INDUSTRY AND BEEF AND HOG PRODUCTION AND IN WORKING TO SUPPLY THESE ALASKAN MARKETS WITH ALASKAN-GROWN GRAIN. THEY ARE WORKING TO EXPAND ALASKA'S AGRICULTURAL BASE, BUT ITS GOING TO TAKE MORE TIME.

SENATE BILL 45 PROVIDES FOR A FIVE YEAR MORATORIAUM ON LAND PAYMENTS AND INTEREST DUE ON AGRICULTURAL LAND PURCHASED FROM THE STATE. NO SIGNIFICANT CHANGES IN THE ORIGINAL TERMS OF PAYMENT ARE PROPOSED. THE LAND SALE PAYMENTS WILL BE PAID IN FULL. PAYMENTS ARE SIMPLY POSTPONED. FARMERS WILL HAVE THE TIME TO DEVELOP THEIR FARMS TO THE POINT WHERE THEY PROVIDE AN INCOME WITH WHICH THEY CAN REPAY THEIR DEBTS TO THE STATE.

TO OUALIFY FOR A MCRATORIUM UNDER SENATE BILL 45, FARMERS MUST BE IN COMPLIANCE WITH THEIR ORIGINAL DEVELOPMENT PLAN AND, FOR EACH YEAR, MUST HAVE INVSTED AN AMOUNT EQUAL TO THE PAYMENT WHICH WOULD OTHERWISE BE DUE INTO FAPM DEVELOPMENT, CROP PRODUCTION AND HARVESTING EXPENSES.

THE FARMERS ARE NOT ASKING FOR MONEY--ONLY FOR TIME. THIS LEGISLATION WILL NOT ASSIST POOR BUSINESS MANAGERS IN THE AREA OF FARMING TO CONTINUE WHERE THEY ARE FAILING. THIS LEGISLATION IS OFFERED TO SUPPORT THE SUCCESSFUL, PRODUCING FARMER WHO IS CONTRIBUTING TO AGRICULTURAL DEVELOPMENT IN THE STATE OF ALASKA.

SENATE BILL 45 WILL PROVIDE EMERGENCY RELIEF TO HELP THOSE FARMERS SAVE THEIR LAND, AND TO PROTECT THEIR, AND THE STATE'S, INVESTMENT IN ALASKA'S DEVELOPING AGRICULTURE INDUSTRY.

I URGE YOU TO VOTE FOR THE PASSAGE OF THE SPONSOR SUBSTITUTE FOR SENATE BILL 45.



# Alaska State Legislature

HOUSE OF REPRESENTATIVES  
COMMITTEE ON RESOURCES

JOHN RINGSTAD, CO-CHAIRMAN  
RICHARD BHULTZ, CO-CHAIRMAN  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-3715

LETTER OF INTENT  
2ndSSSC 45 am

"An Act relating to reimbursement for the cost of  
land clearing; and providing for an effective date."

It is the intent of the House Resources Committee that the moratorium  
on payments to the state for the sale of agricultural land be a  
moratorium on principal and interest, though interest shall continue to  
accrue.

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Representative John Ringstad  
Co-Chairman, House Resource Committee

# COMMITTEE REPORT

## HOUSE

(9)

FURTHER:

5/3/84

Date: MAY 14 1984

The Committee on RESOURCES has had 2d SSSB 45am

"An Act establishing an agricultural land sale payment moratorium; and providing for an effective date."

under consideration and recommends:

- do pass with attached amendments  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

**MEMBERS SIGNING  
DO PASS**

SHULTZ Dick Shultz

GILL \_\_\_\_\_

KINGSTAD \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**MEMBERS HAVING  
OTHER RECOMMENDATIONS:**

VASKA \_\_\_\_\_

LARSON \_\_\_\_\_

LISKA \_\_\_\_\_

VEHLING \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

[Signature]  
- CHAIRMAN

# COMMITTEE REPORT

## HOUSE

(9)

FURTHER:

(Returned to Resources 5/19/84)

5/19/84

Date: MAY 21, 1984

The Committee on RESOURCES has had 2d SSS 45am

"An Act establishing an agricultural land sale payment moratorium; and providing for an effective date."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for 2d SSSB 45 (RESOURCES)  same title  new title
- and recommends GIVES INDIVIDUAL RECOMMENDATIONS
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

SMITZ

RINGSBAD

CAUDERY

LARSON

BUSSELL

COLL

VASKA

LISKA

UEHLING

CHAIRMAN

Introduced: 3/22/84  
Referred: Resources and  
Finance

1 IN THE SENATE

BY MOSS

2 2d SPONSOR SUBSTITUTE FOR SENATE BILL NO. 45 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an agricultural land sale  
7 payment moratorium; and providing for an effective  
8 date."

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

10 \* Section 1. AS 38.05.065 is amended by adding a new subsection to  
11 read:

12 (d) The commissioner may declare a moratorium of up to five  
13 years on principal payments on a sale of agricultural land under this  
14 section if

15 (1) the commissioner determines that the moratorium is in  
16 the best interest of the state;

17 (2) the commissioner certifies and the contract purchaser  
18 agrees to perform farm development, crop production, and harvesting,  
19 not including land clearing or related activity, requiring the expen-  
20 diture of amounts equivalent to the payments that would otherwise be  
21 made during the moratorium;

22 (3) the sale of the agricultural land takes place after  
23 July 1, 1979; and

24 (4) the contract purchaser is in compliance with the devel-  
25 opment plan specified in the purchase contract at the time the pur-  
26 chaser applies for a moratorium under this subsection and continues to  
27 remain in compliance with the development plan during the moratorium  
28 granted under this subsection.

29 \* Sec. 2. This Act takes effect immediately in accordance with

Original sponsor: Moss

1 IN THE SENATE BY THE RESOURCES COMMITTEE  
2 HOUSE CS FOR 2d SPONSOR SUBSTITUTE FOR SENATE BILL NO. 45 (Resources)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an agricultural land sale pay-  
7 ment moratorium; and providing for an effective  
8 date."

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

10 \* Section 1. AS 38.05.065 is amended by adding a new subsectic. to  
11 read:

12 (d) The commissioner may declare a moratorium of up to five  
13 years on payments on a sale of agricultural land under this section if  
14 (1) the commissioner determines that the moratorium is in the best  
15 interest of the state; (2) the commissioner certifies and the contract  
16 purchaser agrees to perform farm development, crop production, and  
17 harvesting, not including land clearing or related activity, requiring  
18 the expenditure of amounts equivalent to the payments that would  
19 otherwise be made during the moratorium; (3) the sale of the agricul-  
20 tural land takes place after July 1, 1979, and (4) the contract pur-  
21 chaser is in compliance with the development plan specified in the  
22 purchase contract at the time the purchaser applies for a moratorium  
23 under this subsection and remains in compliance with the development  
24 plan during the moratorium. Interest payments are subject to the  
25 moratorium but interest continues to accrue during the moratorium.

26 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
27 10.070(c).  
28  
29

Offered: 5/7/84  
Referred: Rules

Original sponsor: Moss

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 47 (Finance) am  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to reimbursement for the cost of  
7 land clearing; and providing for an effective date."

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

9 \* Section 1. LAND CLEARING REIMBURSEMENT MORATORIUM. (a) A land owner  
10 who has contracted before January 1, 1984, with the Alaska Agricultural  
11 Action Council under AS 44.33.470(8) for reimbursement to the state of the  
12 cost of clearing, draining, and breaking of land, may be granted a mora-  
13 torium up to three years on the payment of principal on the reimbursement  
14 by applying to the agriculture revolving loan fund board.

15 (b) A land owner may not qualify for a moratorium under (a) of this  
16 section unless at least 1,000 acres or 50 percent of the land owner's till-  
17 able acreage, whichever is less, is in production at the time of applica-  
18 tion for the moratorium and continues to remain in production during the  
19 moratorium granted under this subsection.

20 (c) In order to qualify for a moratorium under (a) of this section a  
21 land owner must, at the time of application for the moratorium, be in  
22 compliance with the development plan set out in the owner's contract and  
23 continue to remain in compliance with the development plan during the  
24 moratorium granted under this subsection.

25 (d) A moratorium under (a) of this section may not be granted after  
26 July 1, 1987.

27 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
28 10.070(c).