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SB 298

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; REAPPROPRIATING MONEY APPROPRIATED TO THE ALASKA AGRICULTURAL ACTION COUNCIL FOR LAND CLEARING; AND PROVIDING FOR AN EFFECTIVE DATE.

Introduced by Pappy Moss, this bill is designed to make the land clearing account a revolving loan account, so that it will not require future appropriations for land clearing loans. Original bill states that money received as repayments of principal and interest on land clearing loans will be reappropriated to the land clearing account. Finance CS adds that money appropriated to the Ag Action Council that is unexpended or unobligated when the Ag Action Council ceases to exist, shall be reappropriated to the land clearing account in the ag revolving loan fund.

Resources recommended the original version pass (unanimous do-pass, Vic Fischer and Mulcahy absent). Finance Committee had two do-passes, four no-recommendations. Backup is attached to the bill.

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# Alaska State Legislature



## State Senate

CHAIRMAN  
SENATE TRANSPORTATION  
COMMITTEE  
SENATE SPECIAL AGRICULTURE  
COMMITTEE  
MEMBER  
HEALTH, EDUCATION AND  
SOCIAL SERVICES  
COMMITTEE  
LEGISLATIVE COUNCIL  
REAA BUDGET OVERSIGHT  
COMMITTEE

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

JUNEAU OFFICE:  
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### SENATE SPECIAL COMMITTEE ON AGRICULTURE

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MEMORANDUM

February 24, 1984

RE: Senate Bills 297 and 298  
TO: Senator Bettye Fahrenkamp, Chair  
Senate Resources Committee  
FROM: Senator H. Pappy Moss, Chair  
Senate Special Committee on Agriculture

A handwritten signature in dark ink, appearing to read "H. Pappy Moss".

- SB 297 "An Act establishing the land clearing account in the agriculture revolving loan fund; and providing for an effective date."  
SB 298 "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; and providing for an effective date."

Land clearing is one of the first steps that must be taken in preparing previously unbroken ground for agricultural development. Through the Agricultural Action Council, these loans have been available to help many farmers get their land in to operation. As more farmers purchase land for agricultural development, more assistance in land clearing will be necessary.

In order to reduce, or eliminate, the need for requesting annual appropriations for land clearing loans, these bills propose establishing the land clearing loans as an account in the revolving loan fund, and provide for funds now being paid back on land clearing loans to go into that account.

Also attached is a proposed amendment to Senate Bill 298. This amendment was requested by the Delta Project farmers and is supported by the

Director of the Division of Agriculture and the Executive Director of the Alaska Agricultural Action Council. A five year moratorium on payments due for land clearing is asked for those land owners that have 1000 acres or more, or at least 50% of their tillable acres in production. This moratorium would be available to those land owners who contracted with the state for reimbursement to the state for the cost of land clearing before January 1, 1984. A land owner would be able to apply for the moratorium only if the production limits were reached, only if the land owners themselves brought the land into production, and only until July 1, 1987.

I would like to formally request that Senate Bills 297 and 298 be placed on the Senate Resources Committee as soon as possible.

ranking applications shall include facility need and suitability, public support for construction or development and maintenance of a facility, availability of land, management capacity, alternatives to completion of the facility proposed, redevelopment or rehabilitation of a structure qualifying as an historic property or a building of historic value which is part of an historic district, and cost;

(2) by application of the criteria adopted under (1) of this section, advise the commissioner of commerce and economic development regarding the approval of requests for financial assistance in the construction of cultural facilities submitted in accordance with AS 43.18.500;

(3) at the request of a municipality, provide assistance in the preparation of an assessment of needs and review proposals and plan for construction or development of a cultural facility, for which financial assistance is requested under AS 43.18.500; and

(4) submit an annual report to the commissioner of commerce and economic development and the legislature summarizing its activities and expenses. (§ 3 ch 62 SLA 1979)

**Article 16. Alaska Agricultural Action Council.**

**Section**

- 450. Creation of council
- 455. Compensation of members
- 460. Meetings
- 465. Quorum

**Section**

- 470. Powers and duties of the council
- 475. Agricultural development projects
- 500. Definitions

Termination date. — Section 4, ch. 75, SLA 1979, provides that this article terminates July 1, 1984.

**Sec. 44.33.450. Creation of council.** (a) There is established in the Department of Commerce and Economic Development the Alaska Agricultural Action Council. The council is composed of five members appointed by the governor. The chairman of the council is to be designated by the governor from among the members.

(b) The council may invite representatives from the United States Soil Conservation Service, the United States Forest Service, or from other federal agencies to participate in the deliberations of the council in an advisory capacity.

(c) The term of a member of the council is four years. Vacancies are filled in the same manner as original appointments, but a member appointed to fill a vacancy serves for the unexpired term of the member he succeeds. (§ 1 ch 75 SLA 1979)

Editor's note: 1979, terminating "Notwithstanding specified for Agricultural 44.33.450(c), the terms of the one member since 30, 1980, on ending June 30, a term ending

**Sec. 44.33.455.** council who and travel 39.20.

(b) State serve with travel exp

Editor's note: provides that 1, 1984.

**Sec. 44.33.456.** meetings of the chair

Editor's note: provides that 1, 1984.

**Sec. 44.33.457.** a quorum. to approve

Editor's note: provides that 1, 1984.

**Sec. 44.33.458.** has the power (1) adopt its affairs (2) maintain (b) The (1) hold agricultural (2) evaluate agricultural

**Editor's note.** — Section 2, ch. 75, SLA 1979, terminating July 1, 1984, provides: "Notwithstanding the terms of office specified for members of the Alaska Agricultural Action Council in AS 44.33.450(c), enacted in sec. 1 of this Act, the terms of the first appointees shall be one member serving a term ending June 30, 1980, one member serving a term ending June 30, 1981, one member serving a term ending June 30, 1982, one member

serving a term ending June 30, 1983, and one member serving a term ending June 30, 1984."

Section 4 of ch. 75 provides that this article terminates July 1, 1984.

**Legislative history report.** — For adoption of the Free Conference Committee letter of intent on Senate Bill No. 14 (ch. 75, SLA 1979), see 1979 Senate Journal, p. 1138; 1979 House Journal, p. 1373.

**Sec. 44.33.455. Compensation of members.** (a) Members of the council who are not state officers or employees are entitled to per diem and travel expenses provided for boards and commissions under AS 39.20.

(b) State officers or employees appointed as members of the council serve without compensation but are entitled to receive per diem and travel expenses from council funds. (§ 1 ch 75 SLA 1979)

**Editor's note.** — Section 4 of ch. 75 provides that this article terminates July 1, 1984.

**Sec. 44.33.460. Meetings.** The council shall schedule regular meetings during the year, and may hold special meetings upon the call of the chairman or four members of the council. (§ 1 ch 75 SLA 1979)

**Editor's note.** — Section 4 of ch. 75 provides that this article terminates July 1, 1984.

**Sec. 44.33.465. Quorum.** Three members of the council constitute a quorum. An affirmative vote of at least three members is necessary to approve any action of the council. (§ 1 ch 75 SLA 1979)

**Editor's note.** — Section 4 of ch. 75 provides that this article terminates July 1, 1984.

**Sec. 44.33.470. Powers and duties of the council.** (a) The council has the power to

(1) adopt and amend bylaws for the management and regulation of its affairs; and

(2) maintain an office at any place or places in the state.

(b) The council has the duty to

(1) hold public hearings in areas of the state considered for agricultural development;

(2) evaluate the need for farm conservation plans for land under agricultural production in the state;

(3) serve as coordinator for gathering information and data relating to agriculture;

(4) recommend appropriate activities for the promotion of agriculture in the state;

(5) provide technical information and make recommendations to the commissioner of natural resources regarding the classification of state land having a potential for agricultural use;

(6) act as administrator of the Delta agricultural development project and any other agricultural development project authorized under AS 44.33.475;

(7) contract for the clearing, draining and breaking of agricultural land located in the Delta agricultural development project;

(8) contract with the owners of land prepared for agricultural use under (7) of this subsection for reimbursement to the state of the cost of the clearing, draining and breaking of the land;

(9) contract for the construction of access roads in the Delta agricultural development project;

(10) conduct studies and carry out experimental and pilot projects to develop markets for agricultural products produced in the state; and

(11) recommend legislation to the governor to improve agricultural development in the state. (§ 1 ch 75 SLA 1979)

**Editor's note.** — Section 4 of ch. 75 provides that this article terminates July 1, 1984.

**Sec. 44.33.475. Agricultural development projects.** (a) Before January 15 of each year the council shall report to the governor and the legislature concerning the activities of the council during the current fiscal year. The report shall contain recommendations for the development of agriculture in the state during the next fiscal year.

(b) An agricultural development project recommended under (a) of this section may not be implemented unless authorized by law. The report required by (a) of this section shall include recommended legislation which

(1) sets out the type of agricultural development to be accomplished and, if state land is to be developed for agricultural production, describes the boundaries of the land to be developed;

(2) defines specific tasks to be performed by appropriate state agencies to the extent the tasks are identifiable at that time; and

(3) grants to the council sufficient authority to insure cooperation of all state agencies involved in the implementation of the agricultural development project. (§ 1 ch 75 SLA 1979)

**Editor's note.** — Section 4 of ch. 75 provides that this article terminates July 1, 1984.

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# Alaska State Legislature

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



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## Senate

### Committee on Resources

#### MINUTES

March 19, 1984  
3:08 pm

Beltz Room  
Room 211, Capitol

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#### MEMBERS PRESENT

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

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#### CALENDAR

SB 202, An Act establishing the Yakataga State Forest.

SB 225, An Act creating the Matanuska Valley Moose Range.

SB 297, An Act establishing the land clearing account in the agricultural revolving loan fund; and providing for an effective date.

SB 298, 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; and providing for an effective date.

SB 473, An Act establishing the Alaska Fisheries Council; and providing for an effective date.

SB 479, An Act relating to a forest products business loan guarantee program; and providing for an effective date.

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SB 202

Gary Gustafson, Division of Land and Water Management, Department of Natural Resources, explained the Department's proposed amendment that would provide an opportunity to trade up to 3000 acres of land within the proposed Yakataga State Forest to the Seldovia Native Corporation.

Senator Eliason moved to adopt the Committee Substitute and the proposed DNR amendment. There was no objection. He then moved CS SB 202 from committee with individual recommendations, noting Senator Sturgulewski's abstention for possible conflict of interest. There was no objection.

SB 473

Carol Derfner, Special Assistant to the Governor, Boards and Commissions, testified that the Governor did not encourage the creation of another advisory board on fishery issues, and cited the existence of the mini-cabinet on fisheries, the fisheries task force, and many other local, regional, and federal advisory boards and commissions.

Steve Pennoyer, Deputy Commissioner, Department of Fish and Game, testified that there are already 72 advisory committees that advise the Board of Fisheries on policy issues. The department is opposed to this bill.

Greg Baker, Director, Office of Commercial Fisheries Division, Department of Commerce and Economic Development, testified that the Department agrees with the needs outlined in the bill, but feels the Governor's mini-cabinet on fisheries is serving that function.

Phil Daniel, United Fishermen of Alaska, spoke in support of the bill, citing the need for more industry participation in the Governor's mini-cabinet.

SB 479

Milt Barker, Deputy Commissioner, Treasury Division, Department of Revenue, spoke in support of the Committee Substitute that incorporates the changes recommended by the Department.

Senator Ziegler moved CS SB 479 from committee with individual recommendations. There was no objection.

SB 225

Chuck Hawley, owner of coal leases within the proposed Moose Range, asked for assurances that his leases would not be affected by establishment of the Moose Range.

Richard Ramsey, Aide to Senator Kerttula, testified to the loss of moose habitat due to development, and stressed the support of local residents. The existing language in the bill is intended to include coal mining.

Bob Arnold, Deputy Commissioner, Department of Natural Resources, speaking for the Department of Fish and Game also, spoke in general support of the bill, but indicated that the Department's are not agreed on the boundaries and management for the proposal.

Bill Beaty, Chief of Resource Allocation, Division of Land and Water Management, Department of Natural Resources, explained that the proposed area is currently undergoing an extensive planning and public review process as part of the Susitna area plan, and that several issues in the plan remain unresolved.

SB 297  
SB 298

Senator Moss, sponsor of the bills, explained that they would provide for a separate land clearing account within the Agricultural Revolving Loan Fund and allow repayment of outstanding clearing loans to the account. He proposed an amendment that would grant a 5 year moratorium on repayment of outstanding clearing loans.

The meeting adjourned at 4:27 pm.

# Alaska State Legislature

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



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## Senate

### Committee on Resources

#### MINUTES

March 21, 1984  
3:16 pm

Senate Finance  
Fifth floor, Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp, Chairman  
Senator Ziegler, Vice Chairman  
Senator Paul Fischer  
Senator Vic Fischer  
Senator Mulcahy  
Senator Sturgulewski  
Senator Gilman (Subcommittee on Fisheries)

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#### CALENDAR

SB 297, An Act establishing the land clearing account in the agricultural revolving loan fund; and providing for an effective date.

SB 298, 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; and providing for an effective date.

SB 417, An Act establishing the Kenai River Special Management Area.

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#### SB 417

Esther Wunnicke, Commissioner, Department of Natural Resources, explained that this bill is the result of recommendations made by the Kenai River Task Force and Legislative Resolve #26, and is supported by the Department as an important step in solving the problems on the Kenai River.

Neil Johannsen, Director, Division of Parks, Department of Natural Resources, explained that the Committee Substitute is the result of meetings with interest groups, property owners, the Kenai Peninsula Borough, and the Kenai legislative delegation. It attempts to solve the problems of conflicting user groups and consolidates management of the area under the Division of Parks.

Senator Mulcahy moved to adopt CS SB 417. There was no objection.

Senator Gilman reviewed the testimony given at the Subcommittee on Fisheries hearings held in Kenai on March 2nd and in Anchorage on March 3rd. He introduced a proposed letter of intent clarifying how the management plan would be developed.

Thomas Boedeker, Attorney for the Kenai Peninsula Borough, spoke in support of the bill as it allows for significant local input.

Bob Sizemore, Alaska Environmental Lobby, Kenai, spoke in support of the bill, but urged more efforts be made to control bank erosion and pesticide use, and to provide for more public involvement.

Senator Mulcahy moved to adopt the letter of intent for CS SB 417 and to move CS SB 417 from committee with individual recommendations. There was no objection.

SB 297  
SB 298

Senator Moss introduced members of the Delta II Agricultural Project delegation and explained that legislation is being drafted that would support successful farmers by granting a delay in land payments to those with crops in production.

Charles Trowbridge, Delta II farmer, testified that the farmers are just asking for some "breathing room" on their land payments, and feel they will be successful without further state financing. He discussed their progress in marketing grain in-state.

Dick Jensen, Delta II farmer, felt that many loans had been made to inexperienced farmers.

Sharon Barton, Special Assistant to the Commissioner of Natural Resources, spoke in support of SB 297 and SB 298.

Senator Paul Fischer moved SB 297 and SB 298 from committee with individual recommendations. There was no objection.

The meeting adjourned at 4:14 pm.

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU, ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 23, 1984

SUBJECT: CSSB 298 (Finance)  
TO: Senator Bettye Fahrenkamp  
FROM: *EHA* Linn H. Asper  
Legislative Counsel

You have asked if CSSB 298 (Finance), relating to the appropriation of repayments of principal and interest from loans made by the Alaska Agricultural Action Council, raises constitutional problems. I believe the concern you have arises from the fact that recent Alaska Supreme Court cases, notably State v. Alex, 646 P.2d 203 (Alaska 1982), have implied that retention of repayments of interest in the revolving loan fund of a state loan program would be a dedication of funds in violation of Article IX, Sec. 7 of the Alaska State Constitution. However, the current version of Senate Bill 298 does not raise a dedicated funds question because it appropriates the principal and interest payments. If money is appropriated, even if, as here, it is appropriated on a continuing basis, then it is not dedicated under the meaning of Article IX, Sec. 7. The dedicated funds provision is intended to prevent the reservation of state revenues for specific purposes because that practice avoids the appropriation process central to state budgeting and financial planning. CSSB 298 (Judiciary) exercises the appropriation process rather than avoids it, and thus is not unconstitutional under the dedicated funds provision of the state constitution.

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