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SENATE RESOURCES COMMITTEE  
LEGISLATION CHECKLIST

IDENTIFICATION:

BILL NUMBER: *SB 335*

BILL NAME: *Amending Alaska Grain Reserve Program*

SPONSOR(S): *MOSS*

DATE INTRODUCED: *1-9-84*

REFERRALS: *Resources  
Finance*

RELATED BILLS PENDING:  
*HB 553 - Schultz  
1/20/84 - Resources*

INITIAL RESEARCH:

BILL SUMMARY COMPLETED:

SPONSOR CONTACTED FOR  
BACKUP MATERIALS:

AGENCY RESPONSE:

SUMMARY BY LEGAL DIVISION:

DEPT. OF LAW SUMMARY:

FISCAL NOTE:

OTHER INTERESTED SENATORS OR  
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS/GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPARATION:

CHAIRMAN BRIEFED:

STAFF MEMO TO COMMITTEE:

BACKGROUND MATERIAL DISTRIBUTED:

LIST OF WITNESSES:

DATE AND PLACE SET:

TELECONFERENCE:

PSA/PRESS RELEASE:

SUGGESTED AMENDMENTS/COMMIT  
SUBSTITUTES DRAFTED:

HB 553 AMENDING ALASKA GRAIN RESERVE PROGRAM.  
SPONSOR: SHULTZ

(IDENTICAL TO MOSS'S SB 335)

THE GRAIN RESERVE PROGRAM WAS ESTABLISHED IN 1983 TO MAKE LOANS FOR CROPS GROWN IN THE 1983 AND 1984 SEASONS. CURRENT STATUTE REQUIRES THAT GRAIN USED AS COLLATERAL FOR A LOAN MUST BE GRADED #4 OR BETTER. IT TURNS OUT THAT HULLESS BARLEY, WHICH IS NOT COMMONLY GROWN IN THE LOWER 48 BUT IS GROWN IN ALASKA (360 ACRES IN DELTA JUNCTION AREA IN 1983), HAS NOT BEEN GRADED BY THE U.S.D.A. ACCORDING TO THE U.S.D.A. FEDERAL GRAIN INSPECTION SERVICE IT WOULD TAKE 3 YEARS TO ESTABLISH A GRADE FOR HULLESS BARLEY. THEIR ADVICE HAS BEEN TO AMEND THE STATUTE TO INCLUDE NON-STANDARDIZED GRAIN.

★ THIS IS KEY PROVISION OF BILL.

HB 553 WOULD ALLOW DNR TO ACCEPT HULLESS BARLEY AS COLLATERAL.

THE BILL WOULD ALSO CONVERT THE FUND TO A REVOLVING ACCOUNT TO REDUCE OR ELIMINATE THE NECESSITY OF REQUESTING ANNUAL APPROPRIATIONS TO THE FUND. (would be principal and interest)

Rules didn't adopt Moss's proposed amendments.

- to delete requirement that grain must be grown in 1983 or 1984
- to apply to any "non-standardized" grain, not just hulless barley

MAY 26 1984

Offered: 2/16/84  
Referred: Rules

Original sponsor: Shultz

BY THE HOUSE SPECIAL  
COMMITTEE ON STATE LOANS

1 IN THE HOUSE

2 TITLES FOR HOUSE BILL NO. 553 (Loans)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act amending the Alaska Grain Reserve Program;  
7 and providing for an effective date."

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

9 \* Section 1. AS 03.12.020 is amended to read:

10 Sec. 03.12.020. DUTIES OF THE DEPARTMENT. In carrying out the  
11 purposes of this chapter the department shall

12 (1) make loans to state grain producers under the condi-  
13 tions set out in this chapter;

14 (2) administer and inspect stored grain held as collateral  
15 for loans made under this chapter; and

16 (3) administer the Alaska grain reserve revolving loan fund  
17 (AS 03.12.040).

18 \* Sec. 2. AS 03.12.030(a) is amended to read:

19 (a) The department may make a loan to a state grain producer  
20 secured by grain grown by that producer in 1983 or 1984. Grain that  
21 is used as collateral for a loan made under this chapter must be  
22 graded number four or better, except that hulless barley may be ac-  
23 cepted as collateral under conditions determined by the commissioner  
24 of the Department of Natural Resources.

25 \* Sec. 3. AS 03.12.040 is amended to read:

26 Sec. 03.12.040. ALASKA GRAIN RESERVE REVOLVING LOAN FUND.

27 The Alaska grain reserve revolving loan fund is established in the  
28 department for the purpose of financing loans made under this chapter.  
29 The fund consists of appropriations made to it by the legislature and

1        repayments of principal and accrued interest on loans made from the  
2        fund.

3        \* Sec. 4. AS 03.12.200 is amended to read:

4                Sec. 03.12.200. DEFINITIONS. In this chapter

5                        (1) "commissioner" means the commissioner of natural  
6        resources;

7                        (2) "department" means the Department of Natural Resources;

8                        (3) "fund" means the Alaska grain reserve revolving loan  
9        fund; and

10                       (4) "grain" means barley, wheat or oats.

11        \* Sec. 5. This Act takes effect immediately in accordance with AS 01.-  
12        10.070(c).

Offered: 2/29/84  
Referred: Finance

Original sponsor: Moss

1 IN THE SENATE BY THE RESOURCES COMMITTEE  
2 CS FOR SENATE BILL NO. 335 (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 relating to the Alaska Grain Reserve Program;  
7 and providing for an effective date."

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

9 \* Section 1. AS 03.12.020 is amended to read:

10 Sec. 03.12.020. DUTIES OF THE DEPARTMENT. In carrying out the  
11 purposes of this chapter the department shall

12 (1) make loans to state grain producers under the condi-  
13 tions set out in this chapter;

14 (2) administer and inspect stored grain held as collateral  
15 for loans made under this chapter; and

16 (3) administer the Alaska grain reserve revolving loan fund  
17 (AS 03.12.040).

18 \* Sec. 2. AS 03.12.030(a) is amended to read:

19 (a) The department may make a loan to a state grain producer  
20 secured by grain grown by that producer [IN 1983 OR 1984]. Grain that  
21 is used as collateral for a loan made under this chapter must be  
22 graded number four or better, except that grain that is non-standard-  
23 ized may be accepted as collateral under conditions determined by the  
24 director of the division of agriculture.

25 \* Sec. 3. AS 03.12.040 is amended to read:

26 Sec. 03.12.040. ALASKA GRAIN RESERVE REVOLVING LOAN FUND.

27 The Alaska grain reserve revolving loan fund is established in the  
28 department for the purpose of financing loans made under this chapter.

29 The fund consists of appropriations made to it by the legislature and

1        repayments of principal and accrued interest on loans made from the  
2        fund.

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5                    (1) "commissioner" means the commissioner of natural  
6        resources;

7                    (2) "department" means the Department of Natural Resources;

8                    (3) "fund" means the Alaska grain reserve revolving loan  
9        fund; and

10                   (4) "grain" means barley, wheat or oats.

11        \* Sec. 5. Sections 3 - 5, ch. 100, SLA 1983 are repealed.

12        \* Sec. 6. This Act takes effect immediately in accordance with AS 01.-  
13        10.070(c).

# MEMORANDUM

# State of Alaska

DEPARTMENT OF NATURAL RESOURCES - DIVISION OF AGRICULTURE

TO: Esther Wunnicke  
Commissioner

DATE: October 27, 1983

THRU: Bill Heim  
Director

FILE NO:

TELEPHONE NO: 376-3276

FROM: J. A. Watenpaugh  
Supervisor  
Plant Industry Section

SUBJECT: Amendment to HB 156  
(Grain Reserve Bill)

It has come to our attention that the Grain Reserve Act does not cover non-standardized grain. Non-standardized grain is grain for which no official U. S. grades have been established. According to U.S.D.A. Federal Grain Inspection Service it would take a minimum of three years to establish a grade for hulless barley. There has never been a real demand from industry to establish grades as production in the lower United States has not been wide spread.

There were approximately 360 acres of Thual variety grown in the Delta Junction area this 1983 growing season and looked very promising. It matured approximately five to ten days earlier and appears to have a higher protein count than conventional barley. The test weight is nearly the same as wheat. This particular variety was developed by Roscoe Taylor, University of Alaska Experiment Station at Palmer. Any scientific data should be obtained from the Experiment Station.

Advice from the U.S.D.A.-F.G.I.S. would be to amend Alaska's grain reserve bill to include non-standardized grain. A simple amendment to the bill would be to add a sentence to Section 03.030.(a) after the words, "four or better," "except non-standardized grains for which conditions for acceptance shall be determined by the Director of the Division of Agriculture".

We have obtained permission to use our current federally approved grain certificates by striking the word grade and state the variety, non-standardized. In the contents of the certificate we would only report the facts as found (chaff, broken kernels, foreign material, etc.). Moisture content to be determined by oven drying.

There may be as much as 260 tons planted in the 1984 growing season. Therefore, we feel an amendment is necessary to be able to enter non-standardized grain into the reserve program.

If you have any further questions please do not hesitate to contact us.

cc: Senator Pappy Moss  
Representative Dick Schultz

# MEMORANDUM


# State of Alaska

TO: The Honorable Pappy Moss  
Alaska State Senate

DATE: February 7, 1984

FILE NO:

TELEPHONE NO:

FROM: Sharon Barton   
Special Assistant  
Department of Natural Resources

SUBJECT: DNR Proposed  
Amendments - SB 335

As you know, the Grain Reserve Program was established in 1983 to make loans for crops grown in the 1983 and 1984 seasons. The Director of the Division of Agriculture has subsequently recommended to the Governor that the program be extended at least through 1987. He further recommended that the fund be converted to a revolving account to reduce or eliminate the necessity of requesting annual appropriations to the fund. The Governor adopted both of these propositions as part of his agricultural program.

In order to effect the necessary statutory changes, we ask your consideration of the following amendments to SB 335:

1. AS 03.12.040 is amended to read:

Alaska grain reserve revolving loan fund. The Alaska grain reserve revoiving loan fund is established in the department for the purpose of financing loans made under this chapter. The fund consists of appropriations made to it by the legislature, repayments of principal and accrued interest on loans made from the fund.

2. AS 03.12.200 is amended to read:

(3) "fund" means the Alaska grain reserve revolving loan fund.

3. Sec. 3-5 1983 SLA Ch 100 are repealed.

We would be pleased to support you in Committee if these are offered as sponsor amendments or offer them as DNR amendments, as you wish.

If we can be of further assistance, please call.

Revisor's notes. — Enacted as AS 03.10.050(c). Renumbered in 1982.

*Sec. 03.10.054. Sale or transfer of mortgages and notes. [Repealed, § 14 ch 122 SLA 1980.]*

**Sec. 03.10.058. Farm disaster area.** The governor may declare a farm disaster in an area of the state if a natural disaster causes a crop failure. (§ 3 ch 38 SLA 1983)

**Sec. 03.10.060. Short title.** This chapter may be cited as the Alaska Agricultural Loan Act. (§ 1 ch 122 SLA 1953)

### Chapter 12. Alaska Grain Reserve Program.

<b>Section</b>	<b>Section</b>
10. Alaska grain reserve program established	50. Administration of fund
20. Duties of the department	60. Regulations
30. Conditions on loans	70. Administrative Procedure Act
40. Alaska grain reserve loan fund	200. Definitions

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**Repeal of chapter.** — Sections 4 and 5, ch. 100, SLA 1983 provide that this chapter is repealed effective January 1, 1988. For termination and transition provisions, see § 3, ch. 100, SLA 1983, in the Temporary and Special Acts.

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**Sec. 03.12.010. Alaska grain reserve program established [Repealed effective January 1, 1988].** The Alaska grain reserve program is established in the Department of Natural Resources for the purpose of assisting state grain producers to develop markets for their products by making loans secured by grain reserves. (§ 1 ch 100 SLA 1983)

**Sec. 03.12.020. Duties of the department [Repealed effective January 1, 1988].** In carrying out the purposes of this chapter the department shall

- (1) make loans to state grain producers under the conditions set out in this chapter;
- (2) administer and inspect stored grain held as collateral for loans made under this chapter; and
- (3) administer the Alaska grain reserve loan fund (AS 03.12.040). (§ 1 ch 100 SLA 1983)

**Sec. 03.12.030. Conditions on loans [Repealed effective January 1, 1988].** (a) The department may make a loan to a state grain producer secured by grain grown by that producer in 1983 or 1984. Grain that is used as collateral for a loan made under this chapter must be graded number four or better.

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§ 03.12.040

AGRICULTURE AND ANIMALS

§ 03.12.060

(b) The amount of a loan made under this chapter is determined by multiplying 90 percent of the United States Department of Agriculture target price per ton for the type and grade of grain offered as collateral by the total tonnage of the collateral.

(c) The interest rate on a loan made under this chapter is equal to the interest rate on a loan made under AS 03.10.030(a).

(d) Grain that is held as collateral for a loan made under this chapter shall be stored in a storage facility approved by the department. The borrower may provide storage for the grain if the department determines that the storage provided by the borrower will adequately protect the department's interest in the grain. The department may inspect a storage facility provided by a borrower at any time and shall adopt regulations setting standards for storage facilities. Storage costs shall be paid to the borrower by the department during the term of the loan at the United States Department of Agriculture grain reserve loan storage rate.

(e) A borrower may not remove, sell, or otherwise dispose of grain held as collateral for a loan under this chapter without the consent of the department. All proceeds from the sale of collateral, up to an amount equal to the value originally assigned to that collateral under (b) of this section, plus accrued interest on the portion of the loan secured by that collateral, shall be applied to the outstanding balance of the loan.

(f) A loan made under this chapter shall be for a term that may not exceed three years. The borrower shall make annual payments of accrued interest during the term of the loan.

(g) In this section references to grain grading standards, target prices, volume or weight calculations and inspection standards, indicate standards, prices, or calculations that are in accordance with applicable United States Department of Agriculture standards.

(h) A loan may not be made under this chapter to a producer that is eligible to participate in federal grain reserve loan programs. (§ 1 ch 100 SLA 1983)

**Sec. 03.12.040. Alaska grain reserve loan fund [Repealed effective January 1, 1988].** The Alaska grain reserve loan fund is established in the department for the purpose of financing loans made under this chapter. The fund consists of appropriations made to it by the legislature. (§ 1 ch 100 SLA 1983)

**Sec. 03.12.050. Administration of fund [Repealed effective January 1, 1988].** The commissioner shall administer the fund in conjunction with the agricultural loan fund board established under AS 03.10.050. A loan in excess of \$25,000 may not be made by the commissioner without the approval of the board. (§ 1 ch 100 SLA 1983)

**Sec. 03.12.060. Regulations [Repealed effective January 1, 1988].** The department shall adopt regulations to carry out the purposes of this chapter. (§ 1 ch 100 SLA 1983)

**Sec. 03.12.070. Administrative Procedure Act [Repealed effective January 1, 1988].** In carrying out the provisions of this chapter the department is subject to the Administrative Procedure Act (AS 44.62). (§ 1 ch 100 SLA 1983)

**Sec. 03.12.200. Definitions [Repealed effective January 1, 1988].** In this chapter

- (1) "commissioner" means the commissioner of natural resources;
- (2) "department" means the Department of Natural Resources;
- (3) "fund" means the Alaska grain reserve loan fund; and
- (4) "grain" means barley, wheat or oats. (§ 1 ch 100 SLA 1983)

## Chapter 15. Agriculture Pest and Disease Control Fund.

### Section

#### 20. Purpose of appropriations

**Collateral references.** — 3 Am. Jur. 2d, Agriculture, §§ 38-47; 4 Am. Jur. 2d, Animals, §§ 31-39.

3 C.J.S., Agriculture, §§ 83-104; 3A C.J.S., Animals, §§ 66-98.

Liability for injury caused by spraying or dusting of crops, 37 ALR3d 833.

Products liability — fertilizers, insecticides, pesticides, fungicides, weed killers, and the like, or articles used in application thereof, 12 ALR4th 462.

Crop duste.'s failure to exercise care in spraying crops, 9 Am. Jur. POF2d, pp. 623-657.

**Sec. 03.15.010. Agricultural pest and disease control fund.** [Repealed, § 2 ch 34 SLA 1968.]

**Sec. 03.15.020. Purpose of appropriations.** Appropriations available to the Department of Natural Resources or to the Department of Environmental Conservation may be used

(1) to buy materials or equipment needed to control agricultural pests when the persons directly affected cannot bear the total cost and the pest is one that is or may become a public problem,

(2) to charter or hire on a custom basis equipment and operators necessary for pest-control work when the persons directly affected cannot provide the service and the pest is one that is or may become a public problem;

(3) to match federal indemnity payments to livestock owners for livestock slaughtered under any cooperating livestock health program;

(4) to maintain a supply of vaccines, serums and chemicals needed for emergency pest control, that are not commercially available in the state. (§ 2 ch 90 SLA 1955; am § 3 ch 34 SLA 1968; am Executive Order No. 51, § 11 (1981))

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

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

REQUEST

Bill/Resolution No.: SB 335  
Title: Grain Reserve Program  
Amendments  
Sponsor: Moss  
Requestor: \_\_\_\_\_  
Date of Request: 2-16-84

FISCAL DETAIL

Agency Affected: Natural Resources  
Program Category Affected: \_\_\_\_\_  
Agriculture development  
BRU, Program or Subprogram(s) Affected: \_\_\_\_\_  
Agriculture development

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Sharon L. Barton Phone: 465-2400  
Division: Commissioner's Office Date: 2-16-84

Approved by Commissioner: James D. Arnold, Deputy Date: 2-16-84  
Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

12/1/83

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 Senator H. Pappy Moss, Chairman

\*\*\*

SENATE BILL 335

February 17, 1984

Senate Bill 335: "An Act amending the Alaska Grain Reserve Program; and providing for an effective date."

#### BACKGROUND

Hulless barley is a hardy and heavy strain particularly well-suited to northern latitudes, such as Alaska's. However, because it is not commonly grown in the Lower 48, the USDA has no grading standards for it, and it does not, consequently, qualify for the Alaska Grain Reserve Loan Program. However, hulless barley does constitute a significant portion of the barley crop and, as hog production increases in the state, the demand for and production of hulless barley is expected to increase commensurately.

The purpose of Senate Bill 335 is to allow the Director of the Division of Agriculture, Department of Natural Resources, to accept grains, such as the hulless barley, that are not graded by the USDA, as collateral to secure a loan made under the Alaska Grain Reserve Program.

The proposed amendment by the Department of Natural Resources is intended to reduce or eliminate the necessity of requesting annual appropriations to the Alaska Grain Reserve Program loan fund by establishing the loan fund as a revolving loan fund.

# 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  
(907) 465-3835

## Senate

### Committee on Resources

#### MINUTES

February 22, 1984  
3:08 pm

Beltz Room  
Room 211, Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp, Chairman  
Senator Ziegler, Vice Chair  
Senator Vic Fischer  
Senator Mulcahy  
Senator Sturgulewski

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#### CALENDAR

SB 335, An Act amending the Alaska Grain Reserve Program; and providing for an effective date.

SB 337, An Act relating to the Delta Junction bison range; and providing for an effective date.

SB 338, An Act making special appropriations for the development of the Delta Junction bison range and construction of a bison herd drift barrier; and providing for an effective date.

SB 371, An Act relating to mining; and providing for an effective date.

SB 378, An Act relating to agricultural and industrial fairs.

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#### SB 335

Dean Brown, Deputy Director, Division of Agriculture, Department of Natural Resources, testified in support of the bill and discussed DNR's proposed amendments that would convert the Alaska grain reserve loan fund to a revolving fund.

Senator Mulcahy moved to amend SB 335 to include DNR's amendments. There was no objection.

SB 337

SB 338

Dave Johnson, Area Game Biologist, Alaska Department of Fish and Game, testified in support of the bill that would continue a program of providing forage for bison, expand tourist facilities, create a Bison Range Advisory Committee, and construct a drift barrier to help resolve conflicts between farmers and bison.

Senator Bettye Fahrenkamp discussed a proposed amendment by Senator Pappy Moss that would change the location of the drift barrier.

Senator Sturgulewski moved to include Senator Moss's amendment in SB 337. There was no objection.

Senator Bettye Fahrenkamp recommended that the committee staff prepare an amendment clarifying the increased fee for bison hunting permits.

SB 378

Dean Brown, Deputy Director, Division of Agriculture, Department of Natural Resources, testified in support of the bill stating it would give the Department needed guidelines for defining agricultural and industrial fairs.

Senator Mulcahy moved to adopt SB 378 and move it from committee with individual recommendations. There was no objection.

SB 371

Pedro Denton, Director, Division of Mining, Department of Natural Resources, testified in support of the Committee Substitute and recommended an amendment that would establish the rental fee for the first two years of an offshore prospecting permit at \$6/acre.

Senator Ziegler moved adoption of the amendment. There was no objection.

Senator Mulcahy moved the bill from committee with individual recommendations. There was no objection.

The meeting was adjourned at 3:32 pm.

# 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  
(907) 465-3835

## Senate

### Committee on Resources

#### MINUTES

February 27, 1984  
3:05 pm

Beltz Room  
Room 211, Capitol

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#### MEMBERS PRESENT

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

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#### CALENDAR

SB 335, An Act amending the Alaska Grain Reserve Program; and providing for an effective date.

SB 337, An Act relating to the Delta Junction bison range; and providing for an effective date.

SB 338, An Act making special appropriations for the development of the Delta Junction bison range and construction of a bison herd drift barrier; and providing for an effective date.

SB 375, An Act relating to land disposal and management; and providing for an effective date.

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#### SB 337

Senator Bettye Fahrenkamp explained that the Committee Substitute addressed the location of the drift barrier and clarified that the bison permit fee had been increased to \$10.00.

Senator Mulcahy moved SB 337 from Committee with individual recommendations. There was no objection.

SB 335

Senator Fahrenkamp explained that a Committee Substitute replacing "non-graded" with "non-standardized" had been prepared to clarify that inferior quality grain will not be accepted.

Senator Sturgulewski moved to adopt the Committee Substitute and move it from committee with individual recommendations. There was no objection.

SB 338

Senator Ziegler moved the bill from committee with individual recommendations. There was no objection.

SB 375

Senator Eliason discussed his proposed amendment (#1) that would allow the state to quitclaim title to lands back to the federal government to settle certain land claims.

Ned Farquhar, Special Assistant to the Commissioner, Department of Natural Resources, suggested additional language that would allow the Commissioner to quitclaim lands classified as agricultural.

Senator Eliason moved amendment #1. There was no objection.

Senator Fahrenkamp discussed amendment #2, which would allow eligible veterans a 25% discount on the purchase price of state land.

Farquhar, and Meg Hayes, Southcentral District, Division of Land and Water Management, Department of Natural Resources, answered questions on the current veterans' preference program and the impact of the proposed amendment.

Senator Eliason moved to adopt the amendment. There was no objection.

Senator Fahrenkamp discussed amendment #3, which would postpone land disposals until area plans have been approved.

Farquhar, and Hayes, testified that the Department supports the concept of planning prior to disposals. However, a statutory moratorium on disposals could seriously disrupt the program.

Senator Fahrenkamp discussed amendment #4, which would repeal the demand assesment statute, AS 38.04.020(f).

Farquhar, testified that the Department uses its area planning program to identify available lands and relies on the market as an indicator of demand. He recommended this section be dropped because of its high administrative and fiscal costs.

Senator Sturqulewski moved to repeal AS 38.04.020(f) and amend to read " The request of the commissioner under (e) of this section shall include an analysis and determination that there is a market demand for the land proposed for disposal. There was no objection.

Senator Fahrenkamp discussed amendment #5, which would require consideration of the useful life of a project in determining the term of a lease.

Farquhar supported the amendment.

Richard Harris and Bob Loescher, Sealaska Corporation, supported the amendment.

Senator Sturqulewski moved the amendment. There was no objection.

Senator Ziegler moved amendment #6, which would change the term and value of a negotiated lease. There was no objection.

Farquhar testified in support of amendment #7, which would amend the surface leasing procedure to allow survey costs to be credited to the lessee.

Senator Eliason moved the amendment. There was no objection.

Senator Eliason moved amendment #8, which would authorize the Commissioner to require prequalification of bidders for surface leases. There was no objection.

Farquhar supported amendment #9, which would amend leasing procedures for tidelands leases.

Senator Mulcahy moved the amendment. There was no objection.

Senator Ziegler moved amendment #10, which would allow the Department to convey remnants of land to an adjoining landowner. There was no objection.

Jay Nelson, Executive Director, Alaska Environmental Lobby, testified in support of amendment #11, which would create citizens advisory boards to offer advice to DNR prior to formal public hearings on land disposals.

Farquhar testified that there are ample opportunities for public involvement in the land offering process.

Senator Sturgulewski moved amendment #12, which would allow for joint disposals. There was no objection.

Farquhar testified in support of amendment #13, which would clarify the appeal process for contract violations.

Senator Sturgulewski moved amendment #13. There was no objection.

The meeting adjourned at 4:18 pm.

## BILL SUMMARY

SB 335 - amending the Alaska Agricultural Loan Fund  
SPONSOR: Moss

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SB 355 amends the loan conditions section of the Statute creating the Fund by giving the director of the division of agriculture the authority to accept grain that is not graded as collateral for a loan.

Presently, loans are based on a specific formula which includes a value assigned by the USDA to the type and grade of grain/per ton being considered as collateral.

There are a number of varieties of grains developed in Alaska and Canada which are not found in the USDA list because the grains are relatively new (3-5 years old) and have been developed exclusively in Alaska for northern climates.

All other standards being equal, (moisture content, etc.), the grains found to be acceptable by the Division Director of Agriculture would be assigned a tonnage value of a comparable USDA listed grain.

The immediate concern the amendment hopes to address is providing loans to farmers who produce un-graded feed grains for the red meat and poultry industry.

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH M  
JUNEAU, ALASKA 99811  
PHONE: 907-485-2400

February 24, 1984

The Honorable Bettye Fahrenkamp  
Chairman  
Senate Resources Committee  
Pouch V  
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

I understand that SB 335 will be discussed in Senate Resources Committee within the next few days.

The Department of Natural Resources asks your consideration of a technical amendment at line 13 of that bill (attached). We recommend that the words "not graded" be replaced with the word "non-standardized."

This will allow the Department to accept hulless barley, which is currently being produced at Delta, as well as other varieties which may be developed in the future especially for Alaskan conditions. We are concerned that the words "not graded" imply that barley of inferior quality will be accepted. This is not the intention of the Department or the sponsor.

We have discussed this amendment with Senator Moss and have his approval.

Sincerely,



Sharon Barton  
Special Assistant

Attachment

cc: Senator Pappy Moss

# 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

#### MEMORANDUM

TO: Senate Resources Committee Members

FROM: Senate Resources Committee Staff

RE: Committee Meeting, February 22, 1984

DATE: February 20, 1984

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On Wednesday, February 22 the Senate Resources Committee will be hearing the following bills relating to agriculture:

SB 335, An Act amending the Alaska Grain Reserve Program; and providing for an effective date.

AS 03.12 establishes the Alaska Grain Reserve Program to assist grain producers to develop markets for their products by making loans secured by grain reserves. Loans made under this program must be secured by grain that is graded number four or better. The USDA has no grading standards for the strain of barley commonly grown in Alaska. SB 335 would allow the Department of Natural Resources to accept grains for which no official U.S. grades have been established as collateral to secure a loan made under the Grain Reserve Program.

SB 337, An Act relating to the Delta Junction bison range; and providing for an effective date.

SB 338, An Act making special appropriations for the development of the Delta Junction bison range and construction of a bison herd drift barrier; and providing for an effective date.

In an effort to resolve the problem of Delta bison feeding in farmers' barley fields, SB 337 would establish a citizen's committee to advise on the bison range management plan required under current statute.

SB 338 would make appropriations for further development of the bison range, including construction of a bison drift barrier. Tourist facilities, timber sales, and bison hunt fees are also addressed in the proposed legislation.

SB 378. An Act relating to agricultural and industrial fairs.

AS 03.20 provides for funding on a matching basis for the operation and maintenance of agricultural and industrial fairs. SB 378 would further define those fairs eligible for State aid by specifying that agriculture, industry, horticulture, native plants, livestock, and related domestic arts be exhibited. This proposal has been officially adopted by the steering committee of the Associated Alaskan Fairs and is intended to concentrate funding on bona fide agricultural fairs.

The meeting will be held at 3:00 pm in the Beltz Room.