

S B

4 2 7

Senator John B. (Jack) Coghill
Alaska State Legislature

Pouch V
Juneau, Alaska 99811
(907) 465-4921

Box 55028
North Pole, Alaska 99705
(907) 488-7332



MEMORANDUM

TO: Senator Sturgulewski

FROM: Senator Coghill

RE: SB 427

April 24, 1986

SB 427 will allow persons holding agricultural rights only land to apply for a five acre fee simple homesite. There is a zero fiscal note attached to this piece of legislation. The obvious benefit to the state and to individuals is that the individuals will not have to depend on the state for financing improvements. At the present time banks will not loan money to individuals for improvements on ag right only land, even through the state supported loan programs of Alaska Housing Finance Corporation and the Department of Community and Regional Affairs. Housing loans are only available for construction on fee simple land.

How can we expect farmers to succeed if they don't live on the land? In these troubled times we must look to the private sector to take up the slack in this economic slump. We can't on one hand deny farmers the opportunity to use money in the private sector and on the other hand say that the state funds in the Agricultural Revolving Loan Fund are drying up. This doesn't make sense to me. SB 427 will enable an economic progression to take place. In the process the state will not lose any money and it stands to gain from economic stability.

I am requesting that you calendar this bill at the earliest possible time as time is growing short in this legislative session. If it is impossible to calendar this bill at this time would you please waive the committee referral. Thank you for considering this request.