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STATE OF ALASKA
1988 LEGISLATIVE SESSION

CSSB 23 (Resources)
BILL VERSION: _____
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: 2/1/88
Title: Agricultural Rights to Land
Sponsor: Senator Cochill
Requestor: House Resources Committee

Agency Affected: Natural Resources
BRU: Agriculture
Land & Water Public Use
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Applications for contract changes will be processed as existing staff is available. The burden of gathering information to provide clear and convincing evidence that a contract modification is justified will primarily fall to the applicant. Parcel inspections and other field work will be performed as staff and travel funds are available.

Prepared by: Carol Wilson Phone: 465-2400
Division: Commissioner's Office Date: 2/1/88

Approved by Commissioner: Judith M. B... Date: 1/2/88
Agency: Natural Resources

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

DEPARTMENT OF NATURAL RESOURCES'
RECOMMENDED REVISIONS TO
SENATE BILL 23
April 2, 1987

File
MAY

73

* Section 1. AS 38.05.059 is repealed and reenacted to read:

Sec. 38.05.059. LIMITATIONS AND CONDITIONS ON SALE OF AGRICULTURAL LAND. (a) [A PERSON MAY PURCHASE FROM THE STATE A TOTAL OF NOT MORE THAN ONE PARCEL OF LAND THAT IS PART OF AN AGRICULTURAL DEVELOPMENT PROJECT UNDER AS 44.37.475 DURING ANY EIGHT-YEAR PERIOD.]

Scout

(b) In a sale of state land classified as agricultural land the use of the land shall be restricted as provided under this section. The commissioner shall convey a fee simple conditional title to the surface estate subject to a condition subsequent that the land be used only for agricultural purposes. The commissioner shall reserve a right of reentry after notice and an opportunity for a hearing if the land is used for other than agricultural purposes. A reversion of title upon reentry does not affect the validity of a prior lien or security interest on the land.

Land

(c) As a condition to the issuance of a contract of sale of state land classified as agricultural land, the commissioner may require a farm development agreement and the submission of a conservation plan that establish reasonable requirements based on economic feasibility of development and sound agricultural principles.

(d) A person purchasing land from the state under (b) - (c) of this section, or a purchaser's successor in interest, may request that the commissioner modify conditions imposed in the purchase, except that the commissioner may not modify conditions of the fee simple conditional title conveyed by the purchase. In deciding whether to modify conditions imposed in the purchase, the commissioner must find that the modification is in the public interest and that the modification is necessary

(1) to rectify a mistake of fact that existed at the time the contract for purchase was entered into;

(2) to alleviate a substantial hardship not foreseeable by either party at the time the contract to purchase was entered into; or

(3) to alleviate a financial burden that is substantial, if the modification requires the expenditure of an amount of money or effort comparable to that originally required and in a specific manner designed to more efficiently benefit agricultural development in the state.

(e) An application to modify conditions imposed in the purchase and submitted under (d) of this section must make a clear and convincing showing that the modification is warranted under (d)(1), (2), or (3) of this section. A person granted a modification under (d)(3) of this section is ineligible for another modification under that section for a period of five years from the date of the modification.

(f) The commissioner may not convey title under (b) of this section to a person who has not complied with a farm development agreement or conservation plan required, or as modified under (d) of this section, by the commissioner.

(g) In this section, "agricultural purposes" includes farming, ranching, grazing, and storage or control of agricultural crops or livestock, and the construction of the farm residence of the grantee as well as other buildings commonly needed for agricultural purposes on not more than 20 acres of the land transferred under this section.

~~*SEC. 2. AS 38.05.020(b)(7) is repealed.*~~

WE THE UNDERSIGNED FARMERS AT POINT
MACKENZIE DO HEREBY STATE THAT WE
SUPPORT THE WEREKAWASNE VERSION OF SB 23

Erwanda Cade Smith * 116
Robert L. Thom Parcel 15 Pt Mac.

C. M. Connor M.D. Tract 28 ~~116~~
Gary Stromberg Tract 124
C. W. Woodruff Tract 29

Charles Jerome Camp * 124

Ray Henderson 01

Harry Massick tract 8

M. T. Agnew Tract 127

Bud Johnson Tract 5
-2-

John Lee Tracts 30 & 31

DEPARTMENT OF NATURAL RESOURCES'
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~~§ 38.05.020(5)(7) is repealed.~~

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Evander Cad Smith * 116
Robert L. Thom Parcel 15 Pt Mac.
C.M. Gray M.D. Tract 28 ~~116~~
Daryl Stromberg Tract 124
P.O. Woodruff Tract 29
Charles Jerome Camp * 124
Wayne Henshaw #1
Larry Massick tract 8
M.T. Rogers Tract 127
Burt Johnson Tract 5
Patricia Lee Tracts 30+31

HOUSE COMMITTEE REPORT

(9)

Date referred: 1/11/88

FURTHER REFERRALS: Judiciary
Finance

DATE: 4-19-88

The Resources Committee has considered CSSB 23(Res)

"An Act relating to agricultural rights to land."

RECOMMENDS:

- replace with _____ the same title
- attached amendment(s) a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: House letter of intent

ATTACHES NEW FISCAL NOTE(S):

- fiscal impact same as previous fiscal note published _____
- zero fiscal note same as previous zero fiscal note published ~~2-2-88~~
- zero with analysis 2-2-88

SIGNING DO PASS:

Sam Galt
Adelheid Herrmann
Heather Spryger
1002 100101
Cliff Davidson

SIGNING OTHER RECOMMENDATIONS:

Mike Hayward - voice
Lyne Hoffman

Sam Galt
 Chairman's signature

FISCAL NOTE

REQUEST:

Revision Date: 2/1/88
Title: Agricultural Rights to Land
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Prepared by: Carol Wilson
Division: Commissioner's Office

Phone: 465-2400
Date: 2/1/88

Approved by Commissioner: [Signature]
Agency: Natural Resources

Date: 2/2/88

Distribution (by preparer):
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Impacted Agency(ies)



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

POUCH V
JUNEAU, ALASKA 99811
(907) 465-3713

LETTER OF INTENT

CSSB 23 (RESOURCES)

It is the intent of the Legislature to allow the Commissioner of the Department of Natural Resources to modify the Farm Development Plan at the request of a contract purchaser/lessee; however, the Commissioner does not have the authority to modify the purchase price or interest rate unless other law applies.

The Commissioner may, in consultation with the purchaser/lessee negotiate and add new terms and conditions not previously identified in the contract/lease, such as but not limited to providing additional access to State resources or requiring the applicant to bring the loan current prior to allowing an amendment, if it is in the State's best interest to do so.

Handwritten signature of Sam Cotten in cursive script.

Rep. Sam Cotten
co-chair, House Resources

Handwritten signature of Adelheid Herrmann in cursive script.

Rep. Adelheid Herrmann
co-chair, House Resources

Senator John B. (Jack) Coghill
Alaska State Legislature



Box V
Juneau, Alaska 99811
(907) 465-4797

Box 55028
North Pole, Alaska 99705
(907) 488-0862

February 2, 1988

MEMORANDUM

To: Members of the House Resources Committee
From: Senator Coghill
Re: SB 23, "An Act relating to agricultural rights to lands."

SB 23 allows the commissioner of the Department of Natural Resources to convey a fee simple title with a condition subsequent when conveying land classified as agricultural land. The condition being that the land can only be used for agricultural purposes.

Presently, DNR regulations provide for this form of title. Some lending institutions are presently under the impression that the "ag rights" land patent only gives the farmer the right to use the land for agricultural purposes, but does not give the farmer the rest of title rights such as devisability and inheritability.

Subsection (c) allows the commissioner to modify conditions imposed in the purchase, such as the development schedule. In order to modify the purchase agreement, the commissioner must find that the change is in the public interest and is necessary. One of three tests must be met. These are stated in lines 2-9, page 2. An application for modification must show by clear and convincing evidence that the change is justified.

This bill was the result of compromise in the Senate Resources Committee. The original bill would have given the commissioner the authority to lift the agricultural purposes condition if in the future this was warranted. I still believe that tying up land without any procedure for lifting the restrictions is not sound policy. But I will support this legislation to assist those farmers who can not meet the rigid development requirements placed in their sales agreements.

STATE OF ALASKA
THE LEGISLATURE

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

POUCH V - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

House Resources 4-19-88 8:30a.m.

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