

S B

340

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER: Finance

**FISCAL NOTE(S) ATTACHED **
IN ACCORDANCE WITH AS 24.08.035
(see below)

1/13/88 DATE TURNED INTO OFFICE _____

Mr. President:
Resources _____ Committee considered SB 340

moratoriums on agricultural loan payments

and recommended:

replace with CS SB 340 (res) same title
 new title

attached amendment(s) and

do pass

+ maj do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted and attached

** Committee attached or adopted fiscal note(s)
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Jan Duca
Paul Fisher

W. Fanning No Rec

[Signature] Do Pass
Chairman signature and recommendation

Committee Backup Attached

Alaska State Legislature

Senate Resources Committee



Sen. John B. (Jack) Coqhill, Chairman
Sen. Paul Fischer, Vice-Chairman
Sen. Lloyd Jones
Sen. Arliss Sturculewski
Sen. Jim Duncan
Sen. Fred Zhanoff
Sen. Dick Eliason

36 People Participating

Box V
Juneau, Alaska 99811
(907) 465-1007

M E M O R A N D U M

TO: Members of the Senate Resources Committee

FROM: Staff

RE: SB 340, One year extension of moratorium on
agricultural loan payments

Many farmers have expressed the need to have an additional year of abeyance of their agricultural land payments. They cite the current downturn in the economy as the primary reason why it would be difficult, and in some cases impossible, to begin paying the principle and interest on their land payments.

Currently in order to meet requirements for the moratorium, the farmer must expend sweat equity and production equal to the land payments. Interest continues to accrue during the moratorium.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

January 21, 1988

The Honorable Jack Coghill
Chairman, Senate Resources Committee
Alaska State Legislature
P.O. Box V
Juneau, Alaska 99811

Dear Senator Coghill:

Subject

SB 340, which is entitled, "An Act relating to moratoriums on agricultural loan payments," but which actually extends the land payment moratorium period on agricultural land to six years from the current five.

Position

The Department of Natural Resources opposes this bill as it is currently titled because we oppose moratoriums on agricultural loan payments. We do not, however, object to a one year extension of the existing agricultural land payment moratorium period.

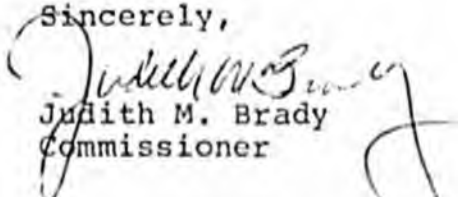
Recommendation

Because the state enters into contractual agreements with land purchasers and does not provide agricultural land loans, we recommend that the title of this bill be changed to more accurately reflect the bill's contents and avoid any confusion about its relation to Agricultural Revolving Loan Fund programs.

We suggest the following new title for SB 340: "An Act extending the moratorium period on agricultural land payments."

Please let me know if you would like additional information.

Sincerely,


Judith M. Brady
Commissioner

cc: Senator Kerttula
Senator Szymanski
Rod Swope
Bob Evans

FISCAL NOTE

REQUEST:

Revision Date: 1/21/88
Title: Moratoriums on Ag Loan Payments
Sponsor: Sen. Kerttula, Szymanski
Requestor: Senate Resources Committee

Agency Affected: Natural Resources
BRU: Land & Water Management
Agricultural Management
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	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	*	*	*	*	*	*

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)

* The moratorium extension will not result in additional operating expenses for DNR, but could result in a delay of payments to the state for agricultural land.

Prepared by: Carol Wilson
Division: Commissioner's Office

Phone: 465-2400
Date: 1/21/88

Approved by Commissioner: [Signature]
Agency: Department of Natural Resources

Date: 1/21/88

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

legal and equitable rights the purchaser has in the land.

(g) The purchaser may appeal the director's decision to the commissioner within 30 days. The final decision by the department is reviewable under AS 44.62.560.

(h) The commissioner may declare a moratorium of up to five years on payments on a sale of agricultural land under this section if (1) the commissioner determines that the moratorium is in the best interest of the state; (2) the commissioner certifies and the contract purchaser agrees to perform farm development, crop production, and harvesting, not including land clearing or related activity, requiring the expenditure of amounts equivalent to the payments that would otherwise be made during the moratorium; (3) the sale of the agricultural land takes place after July 1, 1979; and (4) the contract purchaser is in compliance with the development plan specified in the purchase contract at the time the purchaser applies for a moratorium under this subsection and remains in compliance with the development plan during the moratorium. Interest payments are subject to the moratorium but interest continues to accrue during the moratorium. (§ 3 art IV ch 169 SLA 1959; am § 5 ch 176 SLA 1978; am §§ 26, 27 ch 85 SLA 1979; am §§ 17, 18 ch 113 SLA 1981; am §§ 23, 24 ch 152 SLA 1984; am § 1 ch 165 SLA 1984)

Editor's notes. — This section is set out above to correct an error in the main pamphlet.

AS 38.05.078, referred to in subsection (b), was repealed by § 7, ch 103, SLA 1983.

Sec. 38.05.070. Generally.

Cross references. — For moratorium until July 1, 1988, and related provisions, on issuance of a land lease under this sec-

tion for the operation of a commercial fin-fish farm, see ch. 70, SLA 1987, in the Temporary and Special Acts.

Article 4. Disposal of Timber and Materials.

Section

115. Limitations and conditions of sale

Sec. 38.05.115. Limitations and conditions of sale. (a) The commissioner shall determine the timber and other materials to be sold, and the limitations, conditions and terms of sale. The limitations, conditions and terms shall include the utilization, development and maintenance of the sustained yield principle, subject to preference among other beneficial uses. The commissioner may negotiate sales of timber or materials without advertisement and on the limitations, conditions, and terms that are considered to be in the best interests of