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SENATE COMMITTEE REPORT

DATE: 5/15/91

FURTHER: Resources
Finance

DATE TURNED INTO OFFICE: 5-19-91

L&C Committee considered CS FOR HOUSE BILL NO. 83 (FINANCE) am

Special appropriations to the Department of Natural Resources for the purchase of the inholdings of the Seldovia Native Association and the Cook Inlet Region, Inc., and the timber rights of the Timber Trading Company, within the Kachemak Bay State Park; efd.

and recommended: *S*

- replace with SENATE CS FOR CS FOR HB 83(L&C) same title
- or adopt _____ CS _____ new title
- attached amendment(s) *+ rpt it to the floor* technical
- _____ letter of intent adopted title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

appropriation-no fiscal note

SIGNING DO PASS:

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) _____

zero fiscal note(s) _____

Governor's bill w/fiscal note

OTHER RECOMMENDATIONS:

McGowan do not pass
Chris Collier no rec
Rick Halford - Error \$ 21

Frank Rowles - do pass
Chair: Signature and Recommendation

ALASKA STATE LEGISLATURE
HOUSE BILL NO. 83

HISTORY IN THE HOUSE

HISTORY IN THE SENATE

1991
4/30 Read first time and referred to:
RES, FIN

3/1 RES RPT CS() New Title
5 DP 1 DNP 3 NR 0 AM
FN OFN Previous FN

4/24 FIN RPT CS(FIN) New Title
2 DP 1 DNP 12 NR AM
FN OFN Previous FN

_____ RPT CS() New Title
_____ DP _____ DNP _____ NR _____ AM
_____ FN _____ OFN _____ Previous FN

5/13 Read second time
CS(FIN) Adopted

5/13 Amended *later amended - 5/14*

5/13 ~~Failed to Advance~~
Advanced

5/14 Read third time

5/14 Return to second for specific amendment

5/14 PASSED EFD Same or
Yeas 30 Yeas
Nays 9 Nays
Excused 1 Excused
Absent 0 Absent

_____ Intent adopted

5/14 Reconsideration *Navarre*

5/14 Reconsideration ~~not~~ taken up

5/14 PASSED ON RECON. EFD Same or
Yeas 28 Yeas
Nays 11 Nays
Excused 1 Excused
Absent 0 Absent

_____ Intent adopted

5/14 Reported correctly engrossed
Signed by Speaker, to the Senate
Kristin Gray
Chief Clerk of the House

1991
5/15 LAC RES FIN

5/19 LAC RPT(2) CS 1 DP 2 NR 1 DNP AM
New Title Same Title Previous FN
FN OFN *appropri Resources*

_____ RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To _____

_____ RPT() CS DP NR DNP AM
New Title Same Title Previous FN
FN OFN To _____

_____ Rules Calendar() CS AM Other
New Title Same Title Previous FN
FN OFN

Read second time

_____ CS Adopted () _____ New Title
Amended _____ Advanced

Read third time

_____ Letter of Intent adopted
Return to second for specific amendment

PASSED EFD Same _____ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reconsideration
Reconsideration not taken up

PASSED EFD Same _____ or
Yeas Yeas
Nays Nays
Excused Excused
Absent Absent

Reported correctly engrossed
Signed by President, to the House
Secretary of the Senate

HOUSE-SENATE HISTORY Continued

19

Received from the Senate

Concur in Senate amendment

Y ___ N ___ E ___ A ___
Efd same or Y ___ N ___ E ___ A ___

Failed to concur Senate amendment, ask Senate recede

Y ___ N ___ E ___ A ___

Senate failed to \ receded from amendment

Y ___ N ___ E ___ A ___

CC appointed by House _____ Chair

CC appointed by Senate _____ Chair

(H) Granted Limited Powers of Free Conference

(S) Granted Limited Powers of Free Conference

19

(H) Adopted CC Rpt _____

Y ___ N ___ E ___ A ___
Efd same or Y ___ N ___ E ___ A ___

(S) Adopted CC Rpt _____

Y ___ N ___ E ___ A ___
Efd same or Y ___ N ___ E ___ A ___

To enrolling

Reported enrolled and sent to Governor

_____ By Governor

Legislative Resolve Number _____

Filed with Lieutenant Governor

ALASKA STATE LEGISLATURE
REPRESENTATIVE MIKE NAVARRE

Co-Chair
House Finance Committee
P.O. Box V
Juneau, Alaska 99811
(907) 465-3779

May 20, 1991

MEMORANDUM

TO: Senator Lloyd Jones, Chair
Senate Resources Committee

FROM: Representative Mike Navarre *M. Navarre*

SUBJECT: Proposed amendment to SCSCSHB 83 (L&C), "An Act making special appropriations to the Department of Natural Resources for the purchase of the inholdings of the Seldovia Native Association and the Cook Inlet Region, Inc., and the timber rights of the Timber Trading Company, within the Kachemak Bay State Park; and providing for an effective date."

As I'm sure you're aware, the current version of HB 83 appropriates \$7 million in FY '92 for the purchase of inholdings and timber rights in Kachemak Bay State Park, and provides for the balance to be paid later by various means. It also requires that all parties to the purchase must reach an agreement before any appropriations take effect.

The Commissioner of Natural Resources may attempt other methods to satisfy the outstanding \$15 million balance, before resorting to the use of unexpended Bradley Lake Hydroelectric project funds. Attached is an amendment that I would like to offer to HB 83 to clarify the date when excess Bradley Lake Hydroelectric project funds are actually available, in the event that those monies are required.

The current language states that the funds are available when the Alaska Energy Authority (AEA) declares the project is completed, however, there is nothing in statute or the trust indenture documents requiring such a declaration.

The monies are actually encumbered by the trust indenture until approximately December 1, 1992, and the release of any excess monies to the state is spelled out in an "Alaska Energy Authority Power Revenue Bond Resolution," adopted by the AEA on September 7, 1987. I feel it is far better to specify the actual AEA resolution relating to the release of monies, rather than tie the appropriation to a "declaration of completion" (which may or may not ever be made).

I respectfully urge the Senate Resource Committee's favorable consideration of the attached amendment, and swift passage of HB 83. Thank you.

Attachment



AMENDMENT

OFFERED IN THE SENATE

BY REPRESENTATIVE NAVARRE

TO: SCSCSHB 83(L&C)

Page 4, Line 11 - 12:

Amend as follows:

(2) the date that the balance remaining in the Bradley Lake Hydroelectric Project Construction Fund is paid to the state under Article V, section 503.8 of the "Alaska Energy Authority Power Revenue Bond Resolution" relating to the Bradley Lake hydroelectric project, and adopted by the Alaska Energy Authority on September 7, 1989 [ALASKA ENERGY AUTHORITY FILES A DECLARATION WITH THE LIEUTENANT GOVERNOR AND THE REVISOR OF STATUTES THAT THE BRADLEY LAKE HYDROELECTRIC PROJECT HAS BEEN COMPLETED].

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400
FACSIMILE: (907) 586-2754

May 16, 1991

The Honorable Drue Pearce, Chair
Senate Labor and Commerce Committee
P.O. Box V
Juneau, AK 99811

Dear Senator Pearce:

Subject: The draft Senate Labor and Commerce Committee substitute for HB 83, an appropriation bill for acquisition of Kachemak Bay State Park inholdings.

Position: The Department of Natural Resources supports the concept of a substitute bill that allows us to use land and resource revenues, land exchanges, and donations from industry and the public, as well as a monetary appropriation, for the acquisition of park inholdings.

Under this bill, we would make every effort to negotiate an agreement that is fair and equitable to all.

Sincerely,



Harold C. Heinze
Commissioner

cc: Representative Navarre
Bruce Kendall, Legislative Liaison, Office of the Governor

Protecting

Our Heritage

Join Us

We need your support. As a member you will be part of an action-oriented group that is actively protecting natural lands, wildlife and plants for future generations as well as promoting sustainable relationships between people and land. You will receive our semi-annual newsletter. You will have the opportunity to get involved by casting your vote in our annual board election or by volunteering your time, if you so choose.

Please Enroll Me

Please enroll me(us) as a member(s) of Kachemak Heritage Land Trust. Enclosed are dues for:

<input type="checkbox"/>	\$5	Special
<input type="checkbox"/>	\$15	Student/Senior
<input type="checkbox"/>	\$25	Regular
<input type="checkbox"/>	\$50	Family
<input type="checkbox"/>	\$100	Supporting
<input type="checkbox"/>	\$250	Contributing
<input type="checkbox"/>	\$500	Associate
<input type="checkbox"/>	\$1000	Benefactor

(Name)

(Street Address or P.O.)

(City, State and Zip)

(Telephone Number)

Mail to
Kachemak Heritage Land Trust
P.O. Box 2400
Homer, Alaska 99603

More Information

If you are interested in volunteering time, or would like additional information, give us a call at (907)-235-5263 or write to us. Ask for our separate brochure on land and conservation easements.

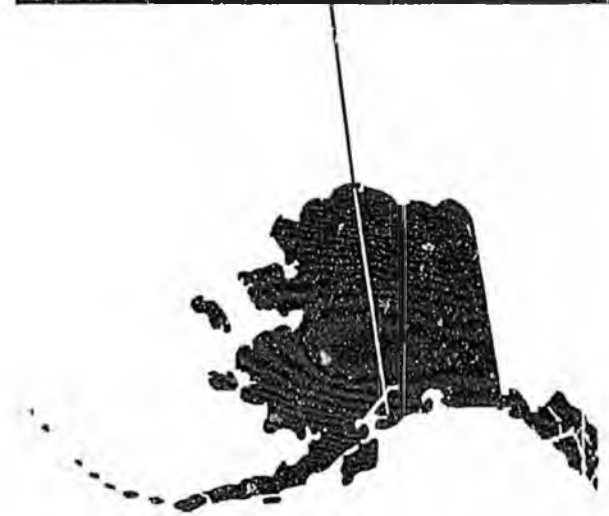
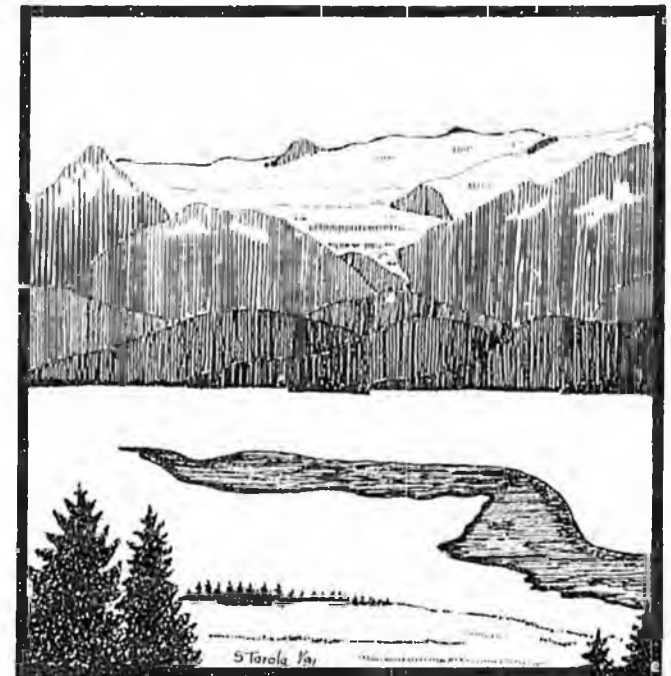
"Whatever happens to the earth happens to the children of the earth. The earth does not belong to us; we belong to the earth. All things are connected, like the blood which unites one family."

Chief Seattle, 1844



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Kachemak Heritage Land Trust



Protecting Our Heritage

KACHEMAK HERITAGE LAND TRUST



Land Trusts

Land trusts have been in existence since the 1800's. They were created to enable private citizens to voluntarily protect the conservation values of their land by restricting inappropriate development. Because they operate out of the political arena, they can act with speed and flexibility.

Kachemak Heritage Land Trust

Kachemak Heritage Land Trust (KHLT) is a non-profit organization dedicated to preserving the natural heritage of the Kachemak region for public benefit. KHLT protects wildlife habitat, community greenbelts, and open space through the acquisition of land and conservation easements. KHLT's service area encompasses the lower Kenai Peninsula, from Anchor Point south to the Gulf of Alaska. The Trust works with landowners to safeguard the conservation values of their property for present and future generations. The Trust also works with the general public to foster sustainable relationships between people and the environment. Such activities include trail development, education and energy conservation.

Goals

We follow a three-step program to protect the natural heritage of the Kachemak region:

1. We identify land with significant conservation values that meet our criteria. We do not try to preserve the whole landscape but concentrate on selecting areas of the highest ecological value.
2. We work with landowners to protect the targeted land by accepting donations of conservation easements or outright gifts of land.
3. We maintain the perpetual health of the land through careful monitoring and management.

Conservation Easements

A conservation easement is a legal agreement between a landowner and a land trust which restricts the type and amount of development which may take place on the property. This voluntary agreement is tailored to satisfy the desires of the landowner to protect the conservation values of the property, such as wetlands, bird nesting sites, moose browse, salmon streams, old growth forest and scenic open space.

Under a conservation easement the land remains in private ownership and may be sold or bequeathed. The conservation easement runs with the deed and it is the legal responsibility of the land trust to ensure that the restrictions on the land are honored forever.

The gift of a conservation easement requires that the landowner and Kachemak Heritage Land Trust negotiate the specific terms of the easement. There is a twelve-step process that KHLT uses to execute an easement. If the landowner wishes to obtain income and estate tax benefits, the easement must meet certain federal requirements.

Funding

Our funding comes from membership dues, contributions, gifts, inheritances, grants and fund-raising activities, such as the the Lodge Hop and the Kachemak Heritage Costume Ball. We are a volunteer organization with minimal overhead. You can be assured that your contributions will be maximized toward our land protection goals.

Tax Benefits

The Trust is a non-profit and tax-exempt organization. As such, membership dues and contributions are tax deductible. In addition, gifts of land and conservation easements may generate substantial savings of income and estate taxes.



May 16, 1991

Drue -

RE: HB 83 - Kachemak Bay - Draft SCS CS HB 183(L+C) 5/15/91

Sec 1. Changes value upto \$22,000,000

Sec 2. \$7,000,000 GF payment subject to signed agreement by 12/31/91.

Sec 3. a) Allows upto \$15,000,000 GF from sources specified in b) and c) to be used for balance payment.

b) Allows commissioner to negotiate upto a 20% private sector match would could be cash, timber rights, land exchange.

c) Allows commissioner to use FY 91 & FY 92 proceeds from recreational land leases, timber sales, resource development leases and values of timber rights and land exchanges to satisfy the remaining balance due.

d) Prohibits DNR from using any of the GF for administrative expenses.

Sec 4. Allows use of various Bradley Lake reappropriations to pay off balance if sections 2 & 3 don't satisfy balance.

Sec 5. Sec 3 & 4 are capital appropriations.

Sec 6. Lapses GF appropriation on 12/31/91.

Sec 7. Requires signed agreement before any GF can be paid out.

Sec 8. Makes the signed agreement necessary for all other payments and APA notifies the Lt Gov that the Bradley Lake funds are available.

SENATE CS FOR CS FOR HOUSE BILL NO. 83 (L&C)
IN THE LEGISLATURE OF THE STATE OF ALASKA
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:

Referred:

Sponsor(s): REPRESENTATIVES NAVARRE, Brown, Davidson, Finkelstein, Parnell, G.Phillips, Ellis, Choquette,
Ulmer

A BILL

FOR AN ACT ENTITLED

1 "An Act making special appropriations to the Department of Natural Resources for the
2 purchase of the inholdings of the Seldovia Native Association and the Cook Inlet Region,
3 Inc., and the timber rights of the Timber Trading Company, within the Kachemak Bay
4 State Park; and providing for an effective date."

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

6 * Section 1. LEGISLATIVE FINDINGS. (a) The legislature finds that the Kachemak Bay State
7 Park is an important scenic and recreational area and that the inholdings within the park, if developed,
8 would seriously compromise the integrity of the existing park land. The legislature finds, therefore, that
9 it is in the interest of the state to acquire the inholdings of the Seldovia Native Association and the Cook
10 Inlet Region, Inc., and the timber rights of the Timber Trading Company, within the Kachemak Bay
11 State Park.

12 (b) The legislature further finds that the value, to the state, of the inholdings of the Seldovia
13 Native Association and the Cook Inlet Region, Inc., and the timber rights of the Timber Trading
14 Company, within the Kachemak Bay State Park does not exceed \$22,000,000.

1 * Sec. 2. The sum of \$7,000,000 is appropriated from the general fund to the Department of Natural
2 Resources for the purchase of the inholdings of the Seldovia Native Association and the timber rights
3 of the Timber Trading Company, within the Kachemak Bay State Park as identified in the Preliminary
4 Exchange Agreement dated June 30, 1989, between the state, the Seldovia Native Association, and the
5 Timber Trading Company; and for the purchase of the inholdings of the Cook Inlet Region Inc. within
6 the Kachemak Bay State Park.

7 * Sec. 3. (a) If the conditions set out in (b) - (d) of this section are met, the amount necessary to
8 pay the balance, after payment of the appropriation made in sec. 2 of this Act, of the purchase price for
9 the inholdings of the Seldovia Native Association, the timber rights of the Timber Trading Company,
10 and the inholdings of the Cook Inlet Region, Inc., not to exceed \$15,000,000, is appropriated from the
11 general fund to the Department of Natural Resources for purchase of the inholdings and timber rights
12 within Kachemak Bay State Park.

13 (b) If the agreement negotiated by the commissioner of natural resources for the purchase of
14 inholdings and timber rights within Kachemak Bay State Park requires that a portion of the purchase
15 price be paid from sources other than the state, the appropriation made by (a) of this section is
16 conditioned on the portion required as a match not exceeding 20 percent and on the agreement permitting
17 that the required match be satisfied by cash donations, the transfer of timber rights, and other means.
18

19 (c) The amount appropriated from the general fund by (a) of this section may not exceed the
20 amount deposited in the general fund or received in value by the state during the fiscal years ending
21 June 30, 1991, and 1992 as a result of the purchase of recreational land, timber sales, timber rights, land
22 exchanges, and resource development leases.

23 (d) The appropriation made by (a) of this section may not be used for administrative or other
24 departmental expenses.

25 * Sec. 4. If the amount appropriated by secs. 2 and 3 of this Act is insufficient to satisfy the purchase
26 price for the inholdings and timber rights in Kachemak Bay State Park, the unexpended and unobligated
27 balances, not to exceed \$15,000,000, of the following appropriations are repealed and reappropriated to
28 the Department of Natural Resources for the purchase of the inholdings of the Seldovia Native
29 Association and the timber rights of the Timber Trading Company, within the Kachemak Bay State Park
30 as identified in the Preliminary Exchange Agreement dated June 30, 1989, between the state, the
31 Seldovia Native Association, and the Timber Trading Company; and for the purchase of the inholdings

1 of the Cook Inlet Region, Inc. within the Kachemak Bay State Park:

2 (1) that portion of the appropriation made by sec. 25, ch. 80, SLA 1979, page 66, line
3 38, as amended by sec. 448(a), ch. 105, SLA 1985, and sec. 275(a), ch. 130, SLA 1986, that is allocated
4 by sec. 25, ch. 80, SLA 1979, page 67, line 5 (Bradley Lake hydro project - \$80,000);

5 (2) that portion of the appropriation made by sec. 1(a), ch. 90, SLA 1981, as amended
6 by sec. 69, ch. 92, SLA 1981, and sec. 236, ch. 141, SLA 1982, that is allocated by sec. 1(a)(1), ch. 90,
7 SLA 1981, as amended by sec. 69, ch. 92, SLA 1981 (Bradley Lake - \$5,000,000);

8 (3) that portion of the appropriation made by sec. 1(b), ch. 90, SLA 1981, as amended
9 by sec. 69, ch. 92, SLA 1981, and sec. 236, ch. 141, SLA 1982, that is allocated by sec. 1(b)(1), ch. 90,
10 SLA 1981, as amended by sec. 69, ch. 92, SLA 1981 (Bradley Lake - \$10,000,000);

11 (4) sec. 241, ch. 141, SLA 1982 (Bradley Lake hydroelectric project - \$3,000,000);

12 (5) AS 44.83.420, repealed by sec. 318, ch. 171, SLA 1984 (Bradley Lake hydroelectric
13 project);

14 (6) sec. 5, ch. 41, SLA 1986 (Bradley Lake hydroelectric project - \$50,000,000);

15 (7) sec. 3, ch. 128, SLA 1986, page 8, line 7, as amended by sec. 1, ch. 96, SLA 1987
16 (Alaska Power Authority, Bradley Lake hydroelectric project - \$50,000,000);

17 (8) sec. 6, ch. 172, SLA 1988 (Bradley Lake power project - \$7,000,000).

18 * Sec. 5. The appropriations made by secs. 3 and 4 of this Act are for a capital project and are
19 subject to lapse under AS 37.25.020.

20 * Sec. 6. The unexpended and unobligated balance of the appropriation made by sec. 2 of this Act
21 lapses into the general fund December 31, 1991.

22 * Sec. 7. Except for secs. 3 - 5 of this Act, this Act takes effect on the later of

23 (1) the date that the Department of Natural Resources files a declaration with the
24 lieutenant governor and the revisor of statutes that the department has entered into agreements with
25 Seldovia Native Association for the sale of the inholdings of the association, the Timber Trading
26 Company for the sale of timber rights of the company, and the Cook Inlet Region, Inc., for the sale of
27 inholdings of the corporation; for a total that is equal to or less than \$22,000,000; or

28 (2) July 1, 1991.

29 * Sec. 8. Sections 3 - 5 of this Act take effect on the later of

30 (1) the date that the Department of Natural Resources files a declaration with the
31 lieutenant governor and the revisor of statutes that the department has entered into agreements with

- 1 Seldovia Native Association for the sale of the inholdings of the association, the Timber Trading
- 2 Company for the sale of timber rights of the company, and the Cook Inlet Region, Inc., for the sale of
- 3 inholdings of the corporation, for a total that is equal to or less than \$22,000,000; or
- 4 (2) the date that the Alaska Energy Authority files a declaration with the lieutenant
- 5 governor and the revisor of statutes that the Bradley Lake hydroelectric project has been completed.

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR JONES

TO: SCS CSHB 83 (L&C)

Page 2, line 7:

Delete "(b) - (d)"

Insert "(b) - (e)"

Page 2, following line 12:

Insert a new subsection to read:

"(b) The appropriation made by (a) of this section is contingent upon certification by the commissioner of natural resources to the Department of Administration that the commissioner has made a good faith effort to negotiate an agreement to exchange timber rights to state land for the timber rights of the Timber Trading Company in the Kachemak Bay State Park, unless the commissioner finds that timber rights of a value comparable to those held by the Timber Trading Company are not available on state land."

Reletter the following subsections accordingly.

Page 4, line 10:

Delete "; or"

Insert ";

Page 4, line 12, following 'completed':

Insert "; or

(3) the date that the commissioner of natural resources certifies to the lieutenant governor and the revisor of statutes that the commissioner was not able to negotiate an agreement to exchange timber rights to state land for the timber rights of the Timber Trading Company in the Kachemak Bay State Park because timber rights of comparable value to those held by the

Timber Trading Company are not available on state land"

Alaska State Legislature

Senator Paul Fischer
Senate District D
Box 784
Soldotna, Alaska 99669
(907) 262-9420 W
262-9269



State Senate

While in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3791

MEMORANDUM

TO: Senator Drue Pearce, Chairman
Senate Labor & Commerce Committee

FROM: Senator Paul Fischer *PF.*

SUBJECT: CS House Bill 83 (Finance) am
(relating to Kachemak Bay State Park
timber rights)

DATE: May 15, 1991

Now that the House version of my Senate Bill 148 has passed the House and is in the possession of the Senate, I would appreciate your scheduling the above referenced bill for a hearing before the Senate Labor & Commerce Committee at your earliest possible convenience.

Your consideration would be greatly appreciated.

PAF/sgn

cc: Representative Mike Navarre
Representative Gail Phillips