

**SB**

**109**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 8, 1997

FURTHER REFERRALS:

Date of Committee Action: 4/15/97

The FINANCE Committee considered:

CSSB 109(FIN) am

CS FOR SENATE BILL NO. 109(FIN) am

AGRICULTURAL LAND

"An Act relating to land used for agricultural purposes and to state land classified for agricultural purposes or subject to the restriction of use for agricultural purposes only; and annulling certain program regulations of the Department of Natural Resources that relate to agricultural land and agricultural homesteads."

recommends it be replaced  the same title  
 with the following committee substitute HCS CSSB 109 (Fin)  a new title

additional referral to \_\_\_\_\_ Committee

attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

2 fiscal note(s) <sup>H=C. for</sup> DNR (Land)  
Court

3 fiscal note(s) (2) DNR  
1 Law

zero fiscal note(s)

zero fiscal note(s)

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Gene Theriault</i>	X			
<i>John Kelly</i>	✓			
<i>John Kelly</i>	✓			
<i>Conrad P. Higgins</i>	✓			
<i>Mark J. Hanley</i>	X			
<i>Wm. Lechman</i>	X			
<i>Harry H. H. H.</i>	X			
<i>Fay &amp; Sen</i>	X			

CHAIR'S SIGNATURE

*Gene Theriault* *Mark J. Hanley*

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CSSB 109 (FIN)

Revision Date: \_\_\_\_\_  
Title: Agricultural Land

Dept. Affected: Alaska Court System  
BRU: Trial Courts

Sponsor: Sen. Green & Pearce

Component: \_\_\_\_\_

Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 768

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	10.8	10.8	10.8	10.8	10.8	10.8
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	10.8	10.8	10.8	10.8	10.8	10.8

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (						
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**Fund Source** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	10.8	10.8	10.8	10.8	10.8	10.8
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	10.8	10.8	10.8	10.8	10.8	10.8

Estimate of any current year (FY 97) cost: None

**Positions**

Full-Time						
Part-Time	2.0	2.0	2.0	2.0	2.0	2.0
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached fiscal impact.

Prepared by: C. S. Christensen III, Staff Counsel  
Agency: Alaska Court System

Phone: 264-8228  
Date: 04/14/97

Approved by: Stephanie J. Cole, Acting Administrative Director  
Agency: Alaska Court System

Date: 04/14/97

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Alaska Court System  
Fiscal Analysis  
CSSB 109 (FIN)

Currently, the state can enforce agriculture-only covenants against a grantee of state land through an administrative proceeding to terminate the grantee's rights, with the grantee having the right of judicial review. CSSB 109 (FIN) would require the state to bring a civil action in court to enforce agriculture-only covenants.

The Department of Law has estimated the need for one full-time equivalent attorney position to handle the caseload that will result from this change to existing law. Based upon Law's estimate, this fiscal note reflects judicial costs to handle the increased caseload.

This note assumes that most of the new cases brought by the Department of Law will be brought in equity, and thus be tried before a judge sitting without a jury. It therefore does not reflect jury costs. However, it should be noted that in cases in which the department seeks monetary damages, grantees would be entitled to a jury trial.

**Alaska Court System**

**Fiscal Analysis**

**CSSB 109 (FIN)**

**Personal Services**

**Position**

	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
Pro Tem Superior Court Judge, Anchorage, permanent part-time, 1 month	\$4,875	\$2,987	\$7,842
In-Court Clerk, 12A, Anchorage, permanent part-time, 1 month	2,375	612	<u>2,987</u>

Total Estimated Cost

\$10,829

# FISCAL NOTE

**STATE OF ALASKA**  
**1997 LEGISLATIVE SESSION**

**BILL NO. CSSB109(FIN)**

Revision Date: 3-Apr-97 Dept Affected: Natural Resources  
 Title: An Act relating to land used for agricultural purposes and to state land classified for agricultural... BRU: Agricultural Development  
 Sponsor: Sen. Green Component: Agricultural Development  
 Requestor: (S) RLS Component Serial No. 455

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES	28.5	11.4	11.4	11.4	11.4	11.4
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>28.5</b>	<b>11.4</b>	<b>11.4</b>	<b>11.4</b>	<b>11.4</b>	<b>11.4</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	28.5	11.4	11.4	11.4	11.4	11.4
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>28.5</b>	<b>11.4</b>	<b>11.4</b>	<b>11.4</b>	<b>11.4</b>	<b>11.4</b>

Estimate of any current year (FY97) cost: \$ none

**POSITIONS**

FULL-TIME	0	0	0	0	0	0
PART-TIME	1	1	1	1	1	1
TEMPORARY	0	0	0	0	0	0

**ANALYSIS:** (Attach a separate page if necessary)

Section 4 of the bill allows for appeals based on economics. It is estimated that approximately 25% of 400 plus land sales would be appealed on economics the first year, at 10% in future years, at a cost of approximately \$240/appeal.

Prepared by: Jay Kerttula, Director *[Signature]* Phone: 745-7200  
 Division: Agriculture Date: 3-Apr-97  
 Approved by Commissioner: *[Signature]* Date: 4-3-97  
 Agency: Natural Resources

# FISCAL NOTE

No. 6  
 Bill Version: CSSB 109 (FIN)  
 (S) Publish Date: 4-4-97

STATE OF ALASKA  
 1997 LEGISLATIVE SESSION

Revision Date: \_\_\_\_\_ Dept. Affected: Department of Law  
 Title: An Act relating to land used for agricultural BRU: Civil Division  
 purposes: annulling certain program regulations Component: General Legal Services  
 Sponsor: Senator Green  
 Requester: Senate Finance Committee COMPONENT SERIAL NO. 2087

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES	107.5	107.5	107.5	107.5	107.5	107.5
TRAVEL	2.9	2.9	2.9	2.9	2.9	2.9
CONTRACTUAL	19.5	19.5	19.5	19.5	19.5	19.5
SUPPLIES	2.1	2.1	2.1	2.1	2.1	2.1
EQUIPMENT	6.5	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>138.5</b>	<b>132.0</b>	<b>132.0</b>	<b>132.0</b>	<b>132.0</b>	<b>132.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	138.5	132.0	132.0	132.0	132.0	132.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>138.5</b>	<b>132.0</b>	<b>132.0</b>	<b>132.0</b>	<b>132.0</b>	<b>132.0</b>

Estimate of any current year (FY97) cost: \$ 0.0

**POSITIONS**

FULL-TIME	1.0	1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

CSSB 109 (FIN) requires the Department of Natural Resources to make conveyances of land used for agricultural purposes.

The bill would increase the burden on the state to enforce covenants requiring that grantees under CSSB 109 (FIN) use conveyed parcels only for agricultural purposes. Under existing law, the state conveys only agricultural rights in land, while retaining the underlying fee title, subject to a reversionary interest triggered if the grantee uses the land for non-agricultural purposes. The state can enforce its rights through an administrative proceeding to terminate the grantee's rights, with the grantee having the right to judicial review.

CSSB 109 (FIN) would require the state bring a civil action in state court to enforce the agriculture-only covenants. Under the bill, the state would no longer retain a reversionary interest in the land, and its remedies would be restricted to damages or injunctive relief for specific performance. Because the state would have significantly less leverage in terms of its remedies, the potential for litigation would increase. In addition,

Prepared by: Joan M. Kasson Phone: 465-5370  
 Division: Administrative Services Division Date: 4/3/97  
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 4/3/97  
 Agency: Department of Law

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ANALYSIS CONTINUATION:

because the courts have found restrictive covenants waived for non-enforcement, the state would be under pressure to strictly monitor parcels for compliance with the covenants and bring timely legal actions, rather than risk waiving our rights.

The Division of Agriculture estimates that there are currently 475 agricultural-use parcels, of which 250 are in the Kenai Peninsula and Mat-Su Boroughs, and in the Fairbanks area. The parcels average 215 acres in size. CSSB 109 (FIN) permits subdividing the parcels into not more than four parcels of not less than 40 acres each. This could triple the number of parcels that should be monitored for covenant violations. In addition, the legislation proposes to make the terms for acquiring a parcel more attractive than current law. This could also have the effect of increasing the number of agricultural-use parcels.

The Finance Committee Substitute requires payment to the state for the non-agricultural value of a parcel as a prerequisite to subdivision and sale. The owner is exempted from this requirement, however, if the subdivided parcel is conveyed to an immediate family member. Therefore, parcels will need to be monitored to ensure that the state receives any payments due. The committee substitute also creates a private cause of action to enforce the agricultural use covenants. This may arguably reduce the potential for future enforcement actions brought directly by the state, but the state will still be required to monitor any private or municipal enforcement actions brought under the proposed statute.

The department does not anticipate the changes made to SB 109 by the Senate Finance Committee will materially change the anticipated workload and estimates the need for one full-time equivalent attorney position to handle the increased workload that would result. The full-time equivalent cost estimate is based on the department's standard attorney cost schedule (\$127,000) and includes clerical support, communications, space, supplies, data processing, and other normal overhead expenses. Case specific costs and one-time equipment purchases are not included in the rate, and so are added separately (direct case costs, \$5,000; one-time equipment purchases, \$6,500).

# FISCAL NOTE

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. HCS CSSB 109 (FIN)

Title: An Act relating to land use for agricultural purposes & to state land classified for agricultural purposes.  
Sponsor: Senator Green  
Requestor: \_\_\_\_\_

Dept. Affected Natural Resources  
BRU: Resource Development  
Components: Land Development  
Serial # 431

**EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)**

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
Personal Services	75.0	148.6	21.1	26.4	31.7	37.0
Travel	0.7	0.8	0.9	1.0	1.1	1.2
Contractual	9.5	6.0	6.6	7.2	8.0	8.8
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>85.2</b>	<b>155.4</b>	<b>28.6</b>	<b>34.6</b>	<b>40.8</b>	<b>47.0</b>

<b>CAPITAL</b>	0.0	0.0	0.0	0.0	0.0	0.0
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<b>REVENUE</b>	60.0	72.0	84.0	96.0	108.0	120.0
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**FUNDING: (THOUSANDS OF DOLLARS)**

General Fund	85.2	155.4	28.6	34.6	40.8	47.0
Federal Fund	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>85.2</b>	<b>155.4</b>	<b>28.6</b>	<b>34.6</b>	<b>40.8</b>	<b>47.0</b>

**POSITIONS :**

Full-Time	1.6	3.4	0.4	0.5	0.6	0.7
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

**ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)**

see attached analysis

Prepared by:

House Finance Committee

Rep. Mark Hanley, Co-Chair

Rep. Gene Therriault, Co-Chair

Date: 4/16/97

Phone: 465-4939

Phone: 465-4797

# FISCAL NOTE

**STATE OF ALASKA**  
**1997 LEGISLATIVE SESSION**

**BILL NO. CSSB109(FIN)**

Revision Date: 3-Apr-97 Dept Affected: Natural Resources  
 Title: "An Act relating to Land Used for Agricultural BRU: Management and Administration  
 Purposes and to State Land Classified for Agricultural Purposes....." Component: Information Resource Management  
 Sponsor: Green, Pearce  
 Requestor: (S) RLS Component Serial No. 427

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES	25.0	10.0	10.0	10.0	10.0	10.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>25.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	25.0	10.0	10.0	10.0	10.0	10.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>25.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

Estimate of any current year (FY97) cost: \$ None

**POSITIONS**

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	1.0	1.0	1.0	1.0	1.0	1.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

**ANALYSIS:**

(Attach a separate page if necessary)

SB 109 proposes to convey fee title to state land classified as agricultural land, subject to a covenant limiting the use to agricultural purposes. Former disposals of agricultural land are to be converted to fee title with the restrictive covenant. The current owners of agricultural rights only land may apply for fee title if they convey their interest in the land back to the state. These conveyances will require new transactions in the Land Administration System, and notation of the deeds back to the state and the new fee title patents to the Land Status GIS system (status plats).

Prepared by: Carol Carroll, Director *MCS Bono for* Phone: 465-4730  
 Division: Support Services Date: 3-Apr-97  
 Approved by Commissioner: *MCS Bono for John Stewart* Date: 4-3-97  
 Agency: Natural Resources

Revised

# REPORTED OUTCOME HFC 15197

STATE OF ALASKA  
1997 LEGISLATIVE SESSION

BILL NO. CSSB109(FIN)

Revision Date: 3-Apr-97 Dept Affected: Natural Resources  
 Title: An Act relating to land used for agricultural purposes and to s classified for agricultural purposes.... BRU: Resource Development  
 Sponsor: Senator Green Component: Land Development  
 Requestor: (S) RLS Component Serial No. 431

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES	75.0	148.6	21.1	26.4	31.7	37.0
TRAVEL	0.7	0.8	0.9	1.0	1.1	1.2
CONTRACTUAL	9.5	6.0	6.6	7.2	8.0	8.8
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>85.2</b>	<b>155.4</b>	<b>28.6</b>	<b>34.6</b>	<b>40.8</b>	<b>47.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES (1005)</b>	<b>90.0</b>	<b>108.0</b>	<b>126.0</b>	<b>144.0</b>	<b>162.0</b>	<b>180.0</b>

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY98	FY99	FY00	FY01	FY02	FY03
1002 Federal Receipts						
1003 GF Match						
1004 GF	85.2	155.4	28.6	34.6	40.8	47.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>85.2</b>	<b>155.4</b>	<b>28.6</b>	<b>34.6</b>	<b>40.8</b>	<b>47.0</b>

Estimate of any current year (FY97) cost: \$ None

POSITIONS

POSITIONS	FY98	FY99	FY00	FY01	FY02	FY03
FULL-TIME	1.6	3.4	0.4	0.5	0.6	0.7
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

**ANALYSIS:** (Attach a separate page if necessary)

**Conversion of existing patents:** Assumes 230 existing agricultural patents are eligible and that conversion can be completed in first two years. Process begins by setting up data base, then giving public notice of conversion opportunity by mailout to patentee's last known address and by ads in five Alaska newspapers. This first-year phase would require 4 person-months' work by an NRO II and an Admin Clerk II, total \$14.4, plus contractual costs of \$4.1 for certified mail and publication twice in five newspapers. Next phase is accepting deeds from patentees and adjudicating title conflicts: 12 person-months in the first year (6 mos. each for NRO II and Admin Clerk II), \$43.2, plus 24 person-months in the second year (12 mos. each for NRO II and Admin Clerk II), \$86.4. Final phase, in second year, is issuing patent if title conflicts resolved: 12 person-months (6 each of NRO II and Admin Clerk II), \$43.2. Cost would be lower if Secs. 12-13 are amended as recommended in DNR's letter to Sen. Green dated March 19, 1997. **Total for conversion: \$61.7 FY98, \$129.6 FY99, grand total \$191.3.**

Prepared by: Jane Angvik, Director *[Signature]* Phone: 269-8503  
 Division: Land Date: 3-Apr-97  
 Approved by Commissioner: *[Signature]* Date: 4-3-97  
 Agency: Natural Resources

**ANALYSIS SB109 (cont.)**

**Monitoring/enforcement of agricultural covenant:** Analysis assumes that municipalities and private parties will aid in enforcing the covenant (enforcement is necessary so that the courts do not deem the covenant "waived or abandoned"), and that the state's share of the workload can drop to one-third of the total with parcels being monitored every three years rather than annually. Monitoring would be done mostly by surface transportation, with 10% by air charter for landowners whose improvements cannot be seen by road, at an average of one per day (including time needed for follow-up on apparent violations: document on film, research current owner at Recorder's Office, correspond with landowner and the local Soil and Water Conservation Subdistrict, refer unresolved violations to Dept. of Law for prosecution, and provide litigation support). Enforcement officer would be an NRO II. 75 farms out of a total of 230 existing patents would be monitored first year, with numbers increasing by 10% every year as new patents are issued (183 parcels are currently under sale contract) and as patentees subdivide their parcels. 0.33 of an NRO II full-time equivalent first year (\$17.4); then .36 (\$19.0), .4 (\$21.1), .5 (\$26.4), .6 (\$31.7), .7 (\$37.0). Travel costs assume seven days' per diem payments averaging \$75/day for multi-day inspection trips, plus seven days' meal allowance at \$21/day for day trips exceeding 10 hours, for first-year costs of \$0.7, increasing annually. Travel-related contractual: Each air charter is estimated at 2 hrs. @ \$225/hr.; eight charters in first year for a total of \$3.6, increasing to \$4.0; \$4.4; \$4.8; \$5.3, \$5.8 by last year. 67 inspections by road require one 4WD car, four months in first year, at \$447.00 rental per vehicle-month or \$1.8; then \$2.0; \$2.2; \$2.4; \$2.7; \$3.0. Total for monitoring: \$23.5 first year, increasing annually.

**Change in revenues as a result of conversion:** Analysis assumes that five owners will each subdivide their tracts into four parcels the first year, creating 15 additional parcels that need to purchase the right to a new dwelling site at \$6,000 each (count is 15 instead of 20 because each original parcel included a dwelling right). New subdivisions are assumed to increase by one owner per year, drawing from the pool of 358 agricultural parcels that have already been patented or are currently under contract that will lead to patent. (Agricultural homesteads are not included in this count because they already include the right of subdivision into 40-acre parcels that all have a dwelling site.) Total revenue change +90.0 first year, increasing annually.

Adopted  
Amendment SB109 #2  
Kelly

Page 8, Line 13, Following "Spouse"

Insert ";"

Delete "or spousal equivalent of the person;"

# LEGAL SERVICES

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130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

## MEMORANDUM

April 16, 1997

**SUBJECT:** HCS CSSB 109 (Finance) (Work Order No. OLS-0690Q)

**TO:** Representative Mark Hanley, Co-Chair  
Representative Gene Therriault, Co-Chair  
House Finance Committee

**FROM:** Jack Chenoweth  
Legislative Counsel

In the measure passed from committee, in addition to changes specifically requested --

I added "value of the" ahead of the existing reference to "right to construct housing" near the end of the lead-in language of proposed AS 38.05.321(e). This three word insertion conforms the language to an existing reference to "value of the right to construct housing" in subsection (h) and, in my judgment, is necessary if the provision is to read correctly.

In the new material appearing as AS 38.05.321(e)(2), I inserted "made" between "by an appraisal" and "by an appraiser"; I deleted "in" following "landowner" and replaced it with "owning"; and ran the provision together by deleting the suggested ";" and replacing it with the word "and."

Please note that in AS 38.05.321(e) it is not clear who decides whether (e)(1) or (2) applies. Also, on page 9, line 3, "(e)" should probably be a reference just to "(e)(1)".

JBC:jdr  
97-273.jdr

cc: Senator Lyda Green  
ATTN: Tuckerman Babcock

F-2007-0

House CS for CS for Senate Bill 109 AmS  
Amendment \

PAGE 8, LINE 6, after the word "parcel", delete remainder of sentence, and insert

(1) is \$4,000 for the parcel, subject to adjustment under (h) of this section; or

(2) shall be determined by an appraisal by an appraiser under contract to the landowner in the parcel; the appraisal must

~~(A) be based upon the value of the parcel at the time of the original state conveyance of the agricultural rights, subject to adjustment under~~

~~(h) of this section; and~~

~~(B) include the value, determined as of the date of subdivision, of the right to construct housing by the landowner under (d)(3) of this section.~~

PAGE 9, LINE 29, DELETE "all"  
INSERT "the"

PAGE 9, LINE 29, AFTER THE WORD "LAND"  
INSERT estate

PAGE 11, LINE 1, AFTER THE WORD "Act"  
INSERT "for those landowners who purchase parcels conveyed by the state after the effective date of this act,"

0-LS0690/L  
Chenoweth  
4/15/97

HOUSE CS FOR CS FOR SENATE BILL NO. 109( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTIETH LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): SENATORS GREEN, Pearce

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to land used for agricultural purposes and to state land  
2 classified for agricultural purposes or subject to the restriction of use for  
3 agricultural purposes only; and annulling certain program regulations of the  
4 Department of Natural Resources that relate to agricultural land and agricultural  
5 homesteads."

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

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8 AS 38.05.321(a) in sec. 9 of this Act that, for state land classified as agricultural land, the  
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19 (5) notwithstanding the provisions of any other section of this chapter,  
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24 (6) classify tracts for agricultural uses [AND REQUIRE THE  
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29 (7) waive, postpone, or otherwise modify the development requirements  
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31 (A) the land is inaccessible by road; or [AND]

1 (B) transportation, marketing, and development costs render the  
2 required development uneconomic;

3 (8) reconvey or relinquish land or an interest in land to the federal  
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5 (A) the land is described in an amended application for an  
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7 (B) the reconveyance or relinquishment is

8 (i) for the purposes provided in 43 U.S.C. 1617; and

9 (ii) in the best interests of the state.

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16 The names of alternate applicants shall be drawn after all parcels have been selected.  
17 If the applicant who originally selected a parcel unequivocally rejects the offer to  
18 purchase the parcel or fails to sign the contract of sale within the period of time  
19 specified by the commissioner, the parcel shall be offered for sale to alternate  
20 applicants in the order in which their names were drawn.

21 \* Sec. 6. AS 38.05.059 is repealed and reenacted to read:

22 **Sec. 38.05.059. Sale of agricultural land.** The commissioner may provide  
23 for the sale of land classified under AS 38.05.020(b)(6) for agricultural uses in parcels  
24 or tracts described by aliquot parts. The parcels or tracts are subject to state  
25 subdivision requirements and municipal ordinances.

26 \* Sec. 7. AS 38.05.065(c) is amended to read:

27 (c) The director shall, for contracts under (a), [OR] (b), or (h) of this section,  
28 set out in the contract for each sale the period for the payment of installments and the  
29 total purchase price plus interest. The director, with the consent of the commissioner,  
30 may also include in contracts under this section conditions, limitations, and terms  
31 considered necessary and proper to protect the interest of the state. Violations of any

1 provision of this chapter or the terms of the contract of sale subject the purchaser to  
 2 appropriate administrative and legal action, including but not limited to specific  
 3 performance, foreclosure, ejectment, or other legal remedies in accordance with  
 4 applicable state law.

5 \* Sec. 8. AS 38.05.065(h) is amended to read:

6 (h) The commissioner

7 (1) shall provide that, notwithstanding (a) and (b) of this section,  
 8 in a contract for the sale of land classified under AS 38.05.020(b)(6) for  
 9 agricultural uses, the interest rate to be charged on installment payments may not  
 10 exceed 9.5 percent; and

11 (2) may declare a moratorium of up to five years on payments on land  
 12 sold under this section for [A SALE OF AGRICULTURAL] land classified under  
 13 AS 38.05.020(b)(6) for agricultural uses [UNDER THIS SECTION] if

14 (A) [(1)] the commissioner determines that the moratorium is  
 15 in the best interest of the state;

16 (B) [(2)] the commissioner certifies and the contract purchaser  
 17 agrees to perform farm development, crop production, and harvesting, not  
 18 including land clearing or related activity, requiring the expenditure of amounts  
 19 equivalent to the payments that would otherwise be made during the  
 20 moratorium;

21 (C) [(3)] the sale of the agricultural land takes place after  
 22 July 1, 1979; and

23 (D) [(4)] the contract purchaser is in compliance with the  
 24 development plan specified in the purchase contract at the time the purchaser  
 25 applies for a moratorium under this subsection and remains in compliance with  
 26 the development plan during the moratorium; for the payments subject to the  
 27 moratorium declared under this paragraph, interest [. INTEREST]  
 28 payments are subject to the moratorium but interest continues to accrue during  
 29 the moratorium.

30 \* Sec. 9. AS 38.05.321(a) is repealed and reenacted to read:

31 (a) The department shall include in a document that conveys state land

1 classified as agricultural land

2 (1) a perpetual covenant for the benefit of all Alaska residents and  
3 running with the land that restricts or limits the use of the land for agricultural  
4 purposes; and

5 (2) one of the following, as appropriate:

6 (A) a perpetual covenant for the benefit of all Alaska residents  
7 and running with the land permitting the owner of land that had been obtained  
8 under homestead entry to subdivide and convey the land in parcels of not less  
9 than 40 acres each; or

10 (B) a perpetual covenant for the benefit of all Alaska residents  
11 and running with the land permitting the owner of land that had been obtained  
12 by purchase to subdivide and convey not more than four parcels of the land of  
13 not less than 40 acres each, subject to the restriction that a subdivided parcel  
14 may not be further subdivided.

15 \* **Sec. 10.** AS 38.05.321(b) is amended to read:

16 (b) Subject to (a) of this section, state [STATE] land classified as agricultural  
17 land that has been selected by a municipality under former AS 29.18.190 - 29.18.200  
18 or former AS 29.18.205(e) may be approved by the director for patent under  
19 AS 29.65.050(c) [; HOWEVER, ONLY RIGHTS IN THE LAND FOR  
20 AGRICULTURAL PURPOSES MAY BE TRANSFERRED AND ALL OTHER  
21 INTERESTS IN THE LAND WILL REMAIN WITH THE STATE]. Agricultural land  
22 approved for patent to a municipality shall be credited, acre for acre, toward fulfillment  
23 of that municipality's entitlement under AS 29.65.010 - 29.65.030 or former  
24 AS 29.18.201 - 29.18.203. [IF THE DIRECTOR LATER DETERMINES IT TO BE  
25 IN THE BEST INTERESTS OF THE STATE TO TRANSFER SOME OR ALL OF  
26 THE ADDITIONAL RIGHTS IN THAT APPROVED OR PATENTED  
27 AGRICULTURAL LAND, THOSE RIGHTS SHALL PASS WITHOUT  
28 CONSIDERATION TO THE MUNICIPALITY IN WHICH THE LAND IS  
29 LOCATED. THE NOTICE AND REVIEW PROVISIONS OF AS 38.05.945 ARE  
30 APPLICABLE TO CONVEYANCE OF RIGHTS UNDER THIS SECTION.]

31 \* **Sec. 11.** AS 38.05.321 is amended by adding new subsections to read:

1 (d) For state land classified as agricultural land that is conveyed under (a) of  
2 this section,

3 (1) the commissioner may require the landowner to cooperate with the  
4 appropriate soil and water conservation district under AS 41.10 in the development and  
5 implementation of soil conservation plans as authorized by AS 41.10.110(6);

6 (2) as a condition of the conveyance, the commissioner may not require  
7 preparation and implementation of a schedule of planned agricultural development or  
8 a farm development plan specified in a land purchase contract unless the commissioner  
9 permits modification of a plan in cases of economic hardship or other extenuating  
10 circumstances;

11 (3) the commissioner may not

12 (A) limit the right of the landowner to use the land and  
13 improvements for purposes that are incidental to and not inconsistent with the  
14 primary use of the land for agricultural purposes;

15 (B) except as provided by (i) of this section, limit the right of  
16 a landowner to construct housing for the landowner and farm laborers, to  
17 construct improvements for animals, or to construct improvements that are  
18 reasonably required for or related to agricultural use on the original parcel and  
19 on additional subdivided parcels, not to exceed the limits and restrictions set  
20 by (a)(2) of this section; and

21 (C) limit the right of the landowner to subdivide and convey  
22 the land if the resulting parcels are not in violation of the limits and restrictions  
23 set out in (a)(2) of this section.

24 (e) A landowner may subdivide land classified for agricultural use and for  
25 which the landowner obtained a patent under a homestead entry permit issued under  
26 AS 38.09 so long as the resulting parcels are not in violation of the minimum parcel  
27 size set out in (a) of this section. A landowner may subdivide other land classified for  
28 agricultural use as authorized under (d)(3)(C) of this section. If the subdivision  
29 involves land classified for agricultural use and for which the landowner obtained a  
30 patent under a homestead entry permit issued under AS 38.09, or if the subdivision of  
31 land authorized under (d)(3)(C) of this section results only in parcels of 640 acres or

1 more, the landowner may subdivide without payment as required by this subsection.  
2 If subdivision of land authorized by (d)(3)(C) of this section would result in one or  
3 more parcels of less than 640 acres, the landowner may subdivide only if the  
4 landowner first tenders payment to the department for the right to construct housing  
5 in each subdivided parcel of less than 640 acres. For purposes of this subsection, the  
6 right to construct housing in a subdivided parcel is \$4,000 for the parcel, subject to  
7 adjustment under (h) of this section.

8 (f) Notwithstanding (e) of this section, the landowner is not required to pay  
9 an amount due under (e) of this section until the subdivided parcel is conveyed by the  
10 owner to a person not a member of the person's immediate family. The department  
11 has a lien on the parcel as security for payment of the amount due. For purposes of  
12 this subsection, "immediate family" means

13 (1) the spouse or spousal equivalent of the person; or

14 (2) a parent, child, including a stepchild and an adoptive child, or  
15 sibling of the person if the parent, child, or sibling resides with the person, is  
16 financially dependent on the person, or shares a substantial financial interest with the  
17 person.

18 (g) A perpetual covenant described in (a) of this section may be enforced only  
19 by a civil action brought by the state, a municipality, or a resident. If a municipality  
20 or a resident brings an action under this subsection, the municipality or resident shall  
21 also serve a copy of the summons and complaint on the state in the manner prescribed  
22 by the Alaska Rules of Civil Procedure for service on the state. An action may be  
23 maintained under this subsection only if

24 (1) commenced within six years after the cause of action has accrued;

25 and

26 (2) the plaintiff has first notified in writing the appropriate soil and  
27 water conservation district under AS 41.10 of the violation of the covenant at least 90  
28 days before the civil action is filed.

29 (h) The value of the right to construct housing determined under (e) of this  
30 section shall be adjusted to correspond with the change in the consumer price index  
31 for all urban consumers for the Anchorage Metropolitan Area compiled by the Bureau

1 of Labor Statistics, United States Department of Labor. The base year for the  
2 computation shall be the calendar year in which the process of conveyance of state  
3 land authorized by (a) of this section is initiated under this section.

4 (i) The authority given in (d)(3)(B) of this section to construct housing and the  
5 payment required under (e) of this section for the right to construct housing do not  
6 permit the landowner the right to construct condominiums under AS 34.07 or other  
7 common interest ownership communities under AS 34.08.

8 (j) In this section, "agricultural purposes" means

9 (1) the production, for commercial or personal use, of useful plants and  
10 animals;

11 (2) the construction of

12 (A) housing for landowners and farm laborers;

13 (B) improvements for animals; or

14 (C) improvements that are reasonably required for or related to  
15 agricultural use;

16 (3) the use of gravel reasonably required or related to agricultural  
17 production on the parcel conveyed; and

18 (4) removal and disposition of timber in order to bring agricultural land  
19 into use.

20 \* Sec. 12. CONVERSION OF DISPOSALS MADE UNDER AS 38.05.069(c) OR UNDER  
21 FORMER AS 38.05.321(a). (a) The provisions of AS 38.05.321(a), as amended by sec. 9  
22 of this Act, apply to state land classified as agricultural land that, under AS 38.05.069(c) or  
23 under AS 38.05.321(a) before its amendment by sec. 9 of this Act, was subject to the  
24 limitation of the conveyance of only the interest in the land that related to agricultural  
25 purposes and that was sold, leased, or disposed of by the state after August 15, 1976, and  
26 before the effective date of this Act.

27 (b) When the owner of the rights for agricultural purposes in land described in this  
28 section applies to the Department of Natural Resources, the commissioner of natural resources  
29 shall issue a patent or other instrument of conveyance for all remaining interests in the land.  
30 The patent or other instrument of conveyance must conform to AS 38.05.321, as amended and  
31 enacted by secs. 9 - 11 of this Act. The commissioner of natural resources shall issue a patent

1 or other instrument of conveyance under this section if the owner of the rights tenders an  
2 affidavit of ownership accompanied by a limited liability report affirming ownership of the  
3 rights for agricultural purposes in the person making application under this subsection and a  
4 copy of the original patent showing recording information.

5 (c) Until the commissioner of natural resources issues a patent or other instrument of  
6 conveyance under (b) of this section, when necessary to enforce a state interest in the land,  
7 the state may enforce the interests in the land in the manner authorized by the instrument of  
8 conveyance that transferred the rights for agricultural purposes.

9 \* **Sec. 13. CONVERSION OF DISPOSALS MADE UNDER FORMER AS 38.05.321(b).**

10 (a) The provisions of AS 38.05.321(a), as amended by sec. 9 of this Act, apply to state land  
11 classified as agricultural land that, under AS 38.05.321(b) before its amendment by sec. 10  
12 of this Act, was subject to the limitation of the conveyance of only the interest in the land that  
13 related to agricultural purposes and that was conveyed by the state to a municipality after  
14 June 30, 1978, and before the effective date of this Act.

15 (b) When a municipality holding the rights for agricultural purposes in land described  
16 in this section applies to the Department of Natural Resources, the commissioner of natural  
17 resources shall issue a patent or other instrument of conveyance for all remaining interests in  
18 the land. The patent or other instrument of conveyance must conform to AS 38.05.321, as  
19 amended by secs. 9 - 11 of this Act. The commissioner of natural resources shall issue a  
20 patent or other instrument of conveyance under this section if the municipality tenders an  
21 affidavit of ownership accompanied by a title report affirming the municipality's ownership  
22 of the rights for agricultural purposes.

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24 of conveyance under (b) of this section, when necessary to enforce a state interest in the land,  
25 the state may enforce the interests in the land in the manner authorized by the instrument of  
26 conveyance that transferred the rights for agricultural purposes.

27 \* **Sec. 14. APPLICABILITY TO PERSONS WHO HAVE ACQUIRED RIGHTS FOR**  
28 **AGRICULTURAL PURPOSES AT POINT MCKENZIE.** (a) The provisions of

29 AS 38.05.321, as amended by secs. 9 - 11 of this Act, and sec. 12 of this Act apply to a  
30 person who, on the effective date of this Act, holds agricultural rights in land classified for  
31 agricultural use in the area described in (b) of this section. However, notwithstanding

1 AS 38.05.321(e), added by sec. 11 of this Act, the value of the landowner's right to construct  
2 housing on that land shall be determined by an appraisal, completed by an appraiser under  
3 contract to the landowner, of the value, determined as of the date of subdivision, of the  
4 landowner's right to construct housing under AS 38.05.321(d)(3).

5 (b) The provisions of this section apply to land within tracts 1 - 19 and 21 - 30 of  
6 Alaska state land survey no. 80-111, according to the amended survey plat filed in the Palmer  
7 Recording District on July 26, 1982, as plat no. 82-80, concerning land described as follows:

- 8 (1) Township 14 North, Range 4 West, Seward Meridian  
9 Sections 5 - 8  
10 Section 18;  
11 (2) Township 14 North, Range 5 West, Seward Meridian  
12 Section 1  
13 Section 12;  
14 (3) Township 15 North, Range 4 West, Seward Meridian  
15 Section 7  
16 Sections 17 - 20  
17 Sections 29 - 32;  
18 (4) Township 15 North, Range 5 West, Seward Meridian  
19 Section 1  
20 Section 2  
21 Sections 11 - 14  
22 Sections 23 - 26  
23 Section 36; and  
24 (5) Township 16 North, Range 5 West, Seward Meridian  
25 Section 26  
26 Sections 35 - 36.

27 \* **Sec. 15.** The following regulations are annulled: 11 AAC 67.154(1), 11 AAC 67.154(2),  
28 11 AAC 67.154(3), 11 AAC 67.154(4), 11 AAC 67.154(5), 11 AAC 67.162, 11 AAC 67.165,  
29 11 AAC 67.167(d), 11 AAC 67.170, 11 AAC 67.172, 11 AAC 67.175(1), 11 AAC 67.185,  
30 11 AAC 67.187, 11 AAC 67.188(a)(3), 11 AAC 67.188(a)(4), 11 AAC 67.188(a)(5), 11 AAC  
31 67.188(a)(6), 11 AAC 67.188(b), 11 AAC 67.188(c), 11 AAC 67.190(a), 11 AAC 67.192.

0-LS0690/K  
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another version  
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17 If the applicant who originally selected a parcel unequivocally rejects the offer to  
18 purchase the parcel or fails to sign the contract of sale within the period of time  
19 specified by the commissioner, the parcel shall be offered for sale to alternate  
20 applicants in the order in which their names were drawn.

21 \* **Sec. 6.** AS 38.05.059 is repealed and reenacted to read:

22 **Sec. 38.05.059. Sale of agricultural land.** The commissioner may provide  
23 for the sale of land classified under AS 38.05.020(b)(6) for agricultural uses in parcels  
24 or tracts described by aliquot parts. The parcels or tracts are subject to state  
25 subdivision requirements and municipal ordinances.

26 \* **Sec. 7.** AS 38.05.065(c) is amended to read:

27 (c) The director shall, for contracts under (a), [OR] (b), or (h) of this section,  
28 set out in the contract for each sale the period for the payment of installments and the  
29 total purchase price plus interest. The director, with the consent of the commissioner,  
30 may also include in contracts under this section conditions, limitations, and terms  
31 considered necessary and proper to protect the interest of the state. Violations of any

1 provision of this chapter or the terms of the contract of sale subject the purchaser to  
2 appropriate administrative and legal action, including but not limited to specific  
3 performance, foreclosure, ejectment, or other legal remedies in accordance with  
4 applicable state law.

5 \* Sec. 8. AS 38.05.065(h) is amended to read:

6 (h) The commissioner

7 (1) shall provide that, notwithstanding (a) and (b) of this section,  
8 in a contract for the sale of land classified under AS 38.05.020(b)(6) for  
9 agricultural uses, the interest rate to be charged on installment payments may not  
10 exceed 9.5 percent; and

11 (2) may declare a moratorium of up to five years on payments on land  
12 sold under this section for [A SALE OF AGRICULTURAL] land classified under  
13 AS 38.05.020(b)(6) for agricultural uses [UNDER THIS SECTION] if

14 (A) [(1)] the commissioner determines that the moratorium is  
15 in the best interest of the state;

16 (B) [(2)] the commissioner certifies and the contract purchaser  
17 agrees to perform farm development, crop production, and harvesting, not  
18 including land clearing or related activity, requiring the expenditure of amounts  
19 equivalent to the payments that would otherwise be made during the  
20 moratorium;

21 (C) [(3)] the sale of the agricultural land takes place after  
22 July 1, 1979; and

23 (D) [(4)] the contract purchaser is in compliance with the  
24 development plan specified in the purchase contract at the time the purchaser  
25 applies for a moratorium under this subsection and remains in compliance with  
26 the development plan during the moratorium; for the payments subject to the  
27 moratorium declared under this paragraph, interest [ INTEREST]  
28 payments are subject to the moratorium but interest continues to accrue during  
29 the moratorium.

30 \* Sec. 9. AS 38.05.321(a) is repealed and reenacted to read:

31 (a) The department shall include in a document that conveys state land

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classified as agricultural land

(1) a perpetual covenant for the benefit of all Alaska residents and running with the land that restricts or limits the use of the land for agricultural purposes; and

(2) one of the following, as appropriate:

(A) a perpetual covenant for the benefit of all Alaska residents and running with the land permitting the owner of land that had been obtained under homestead entry to subdivide and convey the land in parcels of not less than 40 acres each; or

(B) a perpetual covenant for the benefit of all Alaska residents and running with the land permitting the owner of land that had been obtained by purchase to subdivide and convey not more than four parcels of the land

\* Sec. 10. AS 38.05.321(b) is amended to read:

*of not less than 40 acres each, with no further subdivision of the subdivided parcel* →

(b) Subject to (a) of this section, state [STATE] land classified as agricultural

land that has been selected by a municipality under former AS 29.18.190 - 29.18.200 or former AS 29.18.205(e) may be approved by the director for patent under AS 29.65.050(c) [; HOWEVER, ONLY RIGHTS IN THE LAND FOR AGRICULTURAL PURPOSES MAY BE TRANSFERRED AND ALL OTHER INTERESTS IN THE LAND WILL REMAIN WITH THE STATE]. Agricultural land approved for patent to a municipality shall be credited, acre for acre, toward fulfillment of that municipality's entitlement under AS 29.65.010 - 29.65.030 or former AS 29.18.201 - 29.18.203. [IF THE DIRECTOR LATER DETERMINES IT TO BE IN THE BEST INTERESTS OF THE STATE TO TRANSFER SOME OR ALL OF THE ADDITIONAL RIGHTS IN THAT APPROVED OR PATENTED AGRICULTURAL LAND, THOSE RIGHTS SHALL PASS WITHOUT CONSIDERATION TO THE MUNICIPALITY IN WHICH THE LAND IS LOCATED. THE NOTICE AND REVIEW PROVISIONS OF AS 38.05.945 ARE APPLICABLE TO CONVEYANCE OF RIGHTS UNDER THIS SECTION.]

\* Sec. 11. AS 38.05.321 is amended by adding new subsections to read:

(d) For state land classified as agricultural land that is conveyed under (a) of this section,

1 (1) the commissioner may require the landowner to cooperate with the  
2 appropriate soil and water conservation district under AS 41.10 in the development and  
3 implementation of soil conservation plans as authorized by AS 41.10.110(6);

4 (2) as a condition of the conveyance, the commissioner may not require  
5 preparation and implementation of a schedule of planned agricultural development or  
6 a farm development plan specified in a land purchase contract unless the commissioner  
7 permits modification of a plan in cases of economic hardship or other extenuating  
8 circumstances;

9 (3) the commissioner may not

10 (A) limit the right of the landowner to use the land and  
11 improvements for purposes that are incidental to and not inconsistent with the  
12 primary use of the land for agricultural purposes;

13 (B) except as provided by (i) of this section, limit the right of  
14 a landowner to construct housing for the landowner and farm laborers, to  
15 construct improvements for animals, or to construct improvements that are  
16 reasonably required for or related to agricultural use on the original parcel and  
17 on additional subdivided parcels, not to exceed the limits set by (a)(2) of this  
18 section; and

19 (C) limit the right of the landowner to subdivide and convey  
20 the land if the number or minimum size, as applicable, of the resulting parcels  
21 are not in violation of the limits set out in (a)(2) of this section.

22 (e) A landowner may subdivide land classified for agricultural use and for  
23 which the landowner obtained a patent under a homestead entry permit issued under  
24 AS 38.09 so long as the resulting parcels are not in violation of the minimum parcel  
25 size set out in (a) of this section. A landowner may subdivide other land classified for  
26 agricultural use as authorized under (d)(3)(C) of this section. If the subdivision  
27 involves land classified for agricultural use and for which the landowner obtained a  
28 patent under a homestead entry permit issued under AS 38.09, or if the subdivision of  
29 land authorized under (d)(3)(C) of this section results only in parcels of 640 acres or  
30 more, the landowner may subdivide without payment as required by this subsection.  
31 If subdivision of land authorized by (d)(3)(C) of this section would result in one or

1 more parcels of less than 640 acres, the landowner may subdivide only if the  
2 landowner first tenders payment to the department for the right to construct housing  
3 in each subdivided parcel of less than 640 acres. For purposes of this subsection, the  
4 right to construct housing in a subdivided parcel

5 (1) is \$6,000 for the parcel, subject to adjustment under (h) of this  
6 section; or

7 (2) shall be determined by an appraisal by an appraiser under contract  
8 to the landowner in the parcel; the appraisal must

9 (A) be based upon the value of the parcel at the time of the  
10 original state conveyance of the agricultural rights, subject to adjustment under  
11 (h) of this section; and

12 (B) include the value, determined as of the date of subdivision,  
13 of the right to construct housing by the landowner under (d)(3) of this section.

14 (f) Notwithstanding (e) of this section, the landowner is not required to pay  
15 an amount due under (e) of this section until the subdivided parcel is conveyed by the  
16 owner to a person not a member of the person's immediate family. The department  
17 has a lien on the parcel as security for payment of the amount due. For purposes of  
18 this subsection, "immediate family" means

19 (1) the spouse or spousal equivalent of the person; or

20 (2) a parent, child, including a stepchild and an adoptive child, or  
21 sibling of the person if the parent, child, or sibling resides with the person, is  
22 financially dependent on the person, or shares a substantial financial interest with the  
23 person.

24 (g) A perpetual covenant described in (a) of this section may be enforced only  
25 by a civil action brought by the state, a municipality, or a resident. If a municipality  
26 or a resident brings an action under this subsection, the municipality or resident shall  
27 also serve a copy of the summons and complaint on the state in the manner prescribed  
28 by the Alaska Rules of Civil Procedure for service on the state. An action may be  
29 maintained under this subsection only if

30 (1) commenced within six years after the cause of action has accrued;

31 and

1 (2) the plaintiff has first notified in writing the appropriate soil and  
2 water conservation district under AS 41.10 of the violation of the covenant at least 90  
3 days before the civil action is filed.

4 (h) The value of the right to construct housing determined under (e)(1) or  
5 (e)(2)(A) of this section shall be adjusted to correspond with the change in the  
6 consumer price index for all urban consumers for the Anchorage Metropolitan Area  
7 compiled by the Bureau of Labor Statistics, United States Department of Labor. The  
8 base year for the computation shall be the calendar year in which the process of  
9 conveyance of state land authorized by (a) of this section is initiated under this section.

10 (i) The authority given in (d)(3)(B) of this section to construct housing and the  
11 payment required under (e) of this section for the right to construct housing do not  
12 permit the landowner the right to construct condominiums under AS 34.07 or other  
13 common interest ownership communities under AS 34.08.

14 (j) In this section, "agricultural purposes" means

15 (1) the production, for commercial or personal use, of useful plants and  
16 animals;

17 (2) the construction of landowners

18 (A) housing for owners and farm laborers;

19 (B) improvements for animals; or

20 (C) improvements that are reasonably required for or related to  
21 agricultural use;

22 (3) the use of gravel reasonably required or related to agricultural  
23 production on the parcel conveyed; and

24 (4) removal and disposition of timber in order to bring agricultural land  
25 into use.

26 \* Sec. 12. CONVERSION OF DISPOSALS MADE UNDER AS 38.05.069(c) OR UNDER  
27 FORMER AS 38.05.321(a). (a) The provisions of AS 38.05.321(a), as amended by sec. 9  
28 of this Act, apply to state land classified as agricultural land that, under AS 38.05.069(c) or  
29 under AS 38.05.321(a) before its amendment by sec. 9 of this Act, was subject to the  
30 limitation of the conveyance of only the interest in the land that related to agricultural  
31 purposes and that was sold, leased, or disposed of by the state after August 15, 1976, and

1 before the effective date of this Act.

2 (b) When the owner of the rights for agricultural purposes in land described in this  
3 section applies to the Department of Natural Resources, the commissioner of natural resources  
4 shall issue a patent or other instrument of conveyance for the <sup>remaining interest in the land</sup> ~~land~~ that conforms to <sup>estate</sup>  
5 AS 38.05.321, as amended and enacted by secs. 9 - 11 of this Act. The commissioner of  
6 natural resources <sup>shall</sup> ~~may~~ issue a patent or other instrument of conveyance under this section if  
7 the owner of the rights tenders an affidavit of ownership accompanied by a limited liability  
8 report affirming ownership of the rights for agricultural purposes in the person making  
9 application under this subsection and a copy of the original patent showing recording  
10 information.

11 (c) Until the commissioner of natural resources issues a patent or other instrument of  
12 conveyance under (b) of this section, when necessary to enforce a state interest in the land,  
13 the state may enforce the interests in the land in the manner authorized by the instrument of  
14 conveyance that transferred the rights for agricultural purposes.

15 \* Sec. 13. CONVERSION OF DISPOSALS MADE UNDER FORMER AS 38.05.321(b).

16 (a) The provisions of AS 38.05.321(a), as amended by sec. 9 of this Act, apply to state land  
17 classified as agricultural land that, under AS 38.05.321(b) before its amendment by sec. 10  
18 of this Act, was subject to the limitation of the conveyance of only the interest in the land that  
19 related to agricultural purposes and that was conveyed by the state to a municipality after  
20 June 30, 1978, and before the effective date of this Act.

21 (b) When a municipality holding the rights for agricultural purposes in land described  
22 in this section applies to the Department of Natural Resources, the commissioner of natural  
23 resources shall issue a patent or other instrument of conveyance for the land that conforms to  
24 AS 38.05.321, as amended by secs. 9 - 11 of this Act. The commissioner of natural resources  
25 may issue a patent or other instrument of conveyance under this section if the municipality  
26 tenders an affidavit of ownership accompanied by a title report affirming the municipality's  
27 ownership of the rights for agricultural purposes.

28 (c) Until the commissioner of natural resources issues the patent or other instrument  
29 of conveyance under (b) of this section, when necessary to enforce a state interest in the land,  
30 the state may enforce the interests in the land in the manner authorized by the instrument of  
31 conveyance that transferred the rights for agricultural purposes.

*delete*

1 \* ~~Sec. 14. APPLICABILITY TO PERSONS WHO HAVE ACQUIRED RIGHTS FOR~~  
2 ~~AGRICULTURAL PURPOSES IN A PREVIOUSLY SUBDIVIDED PARCEL. A person~~  
3 ~~who, before January 1, 1997, obtained rights in a parcel of land classified as agricultural land~~  
4 ~~that had been subdivided as allowed by the Department of Natural Resources may obtain title~~  
5 ~~to that parcel of land in the manner authorized by AS 38.05.321, except that the landowner~~  
6 ~~may not further subdivide the parcel. The commissioner of natural resources shall provide~~  
7 ~~with the patent or other appropriate instrument of conveyance a covenant running with the~~  
8 ~~land restricting the landowner from subdividing the parcel.~~

9 \* ~~Sec. 15. The following regulations are annulled: 11 AAC 67.154(1), 11 AAC 67.154(2),~~  
10 ~~11 AAC 67.154(3), 11 AAC 67.154(4), 11 AAC 67.154(5), 11 AAC 67.162, 11 AAC 67.165,~~  
11 ~~11 AAC 67.167(d), 11 AAC 67.170, 11 AAC 67.172, 11 AAC 67.175(1), 11 AAC 67.185,~~  
12 ~~11 AAC 67.187, 11 AAC 67.188(a)(3), 11 AAC 67.188(a)(4), 11 AAC 67.188(a)(5), 11 AAC~~  
13 ~~67.188(a)(6), 11 AAC 67.188(b), 11 AAC 67.188(c), 11 AAC 67.190(a), 11 AAC 67.192.~~

RECEIVED

MILFORD H. KNUTSON  
4331 Gannett Circle  
Anchorage, Alaska

APR 10 1997  
ASD.....

March 28, 1997

Senator Lyda Green  
State Capitol  
Juneau, Alaska

Subj.: S.B. 109

Dear Sen. Green:

I strongly support Senate Bill 109 in its present form and urge its early adoption by the Legislature..

We own a 280 acre agriculture parcel near Trapper Creek (Rabideaux Ag. parcel). At present about 15-20 acres are cleared, with wood wasted and piled in old berms. We have a good stand of timothy/clover which is fertilized annually and baled by my neighbor. We've built a very small bunkhouse on the property and a pole hay barn for future operations.

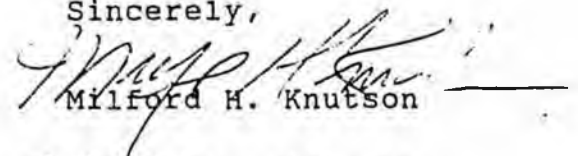
Clearing is very slow. We are trying now to utilize the wood, but the only market is firewood. We were originally over 1½ miles from any road. The state provided very little help with roads even though it has built numerous nice roads for recreational cabin users.

We have a clearing obligation of 120 acres over the next 6 years or so. With the market for wood as slow as it is, this is not economically feasible. Clearing should be stretched out at a pace supportible by the need for the wood removed, rather than pile it and burn it or let it rot. If the cleared wood can be sold, it helps support the clearing expense, provides jobs for woodsellors and aids the economy.

Section 4 of SB 109 giving the Commissioner authority to modify development schedules either where land is inaccessible or it is uneconomic, is very important. This does not eliminate clearing requirements or remove the agricultural purposes from the legislation. It merely frees the Commissioner's hands where landowners need equitable adjustments on a case by case basis. Before, the Commissioner believed the Legislature had mandated a clearing schedule with no discretion to alter or postpone. If SB 109 passes the Commissioner "may" waiver postpone or otherwise modify clearing requirements as economic requirements dictate.

I urge passage of SB 109 in its present form.

Sincerely,

  
Milford H. Knutson

Phone: 907-353-6634

March 23, 1997

RECEIVED  
MAR 25 1997  
Ans'd.....

Senator Lyda Green  
State Capitol  
Juneau, AK. 99801-1182

Dear Senator Green:

Thank you for your efforts to enhance and further agriculture in Alaska. I support SB109 and offer no changes to the bill. My partner, Richard Stillie, and I currently reside on 80 acres in the Tanana Loop Extension Road area near Delta Junction, AK. Last summer, we planted 60 acres of brome hay and intend to begin raising beef cattle in the near future. We also plant a substantial garden each year. This acreage is currently Ag Rights land and the accompanying restrictions have been a hindrance to our development of this property. We have lived on this property since 1981 and we were aided by the ARLF during the 1980's. Most recently, we have received guidance and help from Frederick Husby (UAF), Ken Krieg, and Don Quarberg(Extension Service) concerning grasses, weed control, and livestock raising. These men are nearing retirement age and I am concerned that if funds are further reduced, there will be no one to take their place.

Thank you for being a friend of the farmers of Alaska. We need the continued support of legislators like you as we slowly but surely develop agriculture in this state.

Respectfully yours,

*Michael L. Bear*

Michael L. Bear

Senator Lyda Green

In response to your info on S.B. 109,

My Family and I are currently Farming on 686 Acres of Ag rights only Land in Trapper Creek that we purchased from the state in 1986. To date we have cleared and into production approx 100 Acres. This we have done totally without borrowed money and would like to continue to do so. The problem we are running into is our clearing requirements are going to finally catch up with us. To date we have salvaged all timber on the cleared acres. I think this is a great way of using a valuable resource.

Over

Last year we tried running some hogs on the un-cleared portion of our farm and had great success with the experiment. According to Div of Ag this does not satisfy clearing requirements, which I can agree with but it sure is a cheap way to clear land, but would be impossible with the current time restraints on these Ag parcels. The clearing of the land is a very costly part of these farms and anything we can do to offset some of these costs and still farm the land should be a consideration.

Great work  
SB 109 looks like it  
might help.

Steve & Bonnie Strong  
Box 13072  
Trapper Creek, AK 99683



# THE GRANGE

AMERICA'S FAMILY COMMUNITY FRATERNITY

RECEIVED  
MAR 20 1997  
AUS d.....

Northland Pioneer Grange No. 1  
P.O. Box 2304  
Palmer, Alaska

March 18, 1997

Lyda Green, Senator  
Alaska State Legislature  
State Capitol (MS 3100)  
Juneau, AK 99801-1182

Dear Senator Green:

The Northland Pioneer Grange No 1. appreciates the letter of March 6th to "Alaskans Interested in Agriculture" and the copy of your March 7th letter to the Governor.

The Grange met, discussed your correspondence, and I was asked to relay the results of our discussion. We have had the opportunity to discuss SB109 before and would like to share our feelings. The 40 acre ruling, if subdivisions are to be allowed, is too small 160 acres should be minimum. Alaska agriculture has been suffering from 40 acre tracks since 1935 when the Colony Project was established. They are not economic units, would very likely raise the per acre value of the property, and come closer to being land speculation than agricultural land management.

The policing of the ag covenant should be by a responsible body, not dependent on personal reports to the attorney generals office. We feel this process would be ineffective and of such low priority by the attorney general that it would not be acted upon in a timely manner. An agency that understands agricultural land use such as the Division of Ag or the Soil and Water Conversation Board might be considered, however, the SWCB is not usually considered a regulatory body.

There has to be ways of conveying ag land assets to relatives without subdividing. If you allow two parcels or four parcels. what about the family with six children?

Lyda Green  
Page 2  
March 18, 1997

If there is a change in land status that would change the property value, a provision for establishing that value and making sure the State is not giving away State assets must be established. Several years ago, when I personally exercised a purchase option on a state parcel, I was required to hire a private appraiser to establish value.

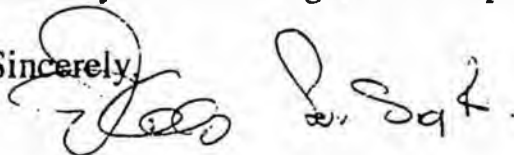
The Northland Pioneer Grange is very concerned about the funding and operation of the UAF Ag and Forestry Experiment Station and feel it should have high priority, along with a strong resolution recommending the UAF follow Land Grant College requirements regarding its program.

We have expressed our concern to the Governor's Loan Task Force that the Agricultural Revolving Loan Fund not fund general Division of Agriculture operations. That should be a general fund obligation.

The Northland Pioneer Grange No. 1 was established in 1934 in Palmer. It is an organization set up nationally to support agriculture and rural America. We presently have 48 members, of which many are longtime members of the community and three have been Grange members for over 50 years.

Thank you for asking for our input.

Sincerely,



Sigmund H. Rested, Master  
Northland Pioneer Grange No. 1

RECEIVED  
MAR 24 1997  
Ans. SB109

To: Sen. Lyda Green and Alaskans who confuse ag. development as being farming.

From- Ray DeVilbiss family: Who bought fee-simple lands in a "free-market" after speculators have increased its price several times. Purchased 54 acres in 1962 with the help of my parents. I have farmed here consecutively since then and the land doesn't produce any more per acre today than in "62". Only the increase in population, development, and land prices have increased the taxes and controls.

Date- March 14, 1997

RE.-SB 109-The Great Republican Land disposal of "97"

I am apposed to this bill and after a year of listening and hearing motives behind this bill; I am even less inclined to any compromises now than I was last year. There has been too much compromise of the ag. rights in the last 20 years.

Allowing "ag. rights" only tracts to change their usage and be subdivided is surely short-sighted and suicidal to long-term agricultural productivity. What farmer could succeed by selling off his 'seed corn'? This is shooting yourself in the foot. Selling off the farm land isn't what makes a farm sustainable, or self-supporting. This is "devouring its primary reason for being". If these owners of "ag. rights" parcels can farm more prosperously by selling part of the farm; it seems obvious to me that they "bit off more than they can chew". Why not advise them to turn their large parcel of "ag. rights" back to the state and exchange it for a smaller, fee-simple one. There has been a large investment in the past in order to create these "ag. rights" tracts and it seems foolish to be destroying these ag. tracts when you could be selling other fee-simple land. If the population is demanding 40 acre mini-farms, ranchettes; there are lands available that D.N.R. could be selling for subdividing. These changes to ag. rights lands will double, triple, maybe quadruple the price of the ag. rights lands and that cannot be beneficial to those seeking to get into and to stay in farming; only beneficial to those getting "out of farming" and to developers and borough assessors.

I see nothing in this bill that deals with the projected value increase this new title and regulation change gives to this ag. land. Last year D.N.R. projected a possible 90% increase in land value and you called that "minimal and insignificant". I call it another one time welfare program to a select group of "ag. rights only" owners. Instead of dipping into the general fund and handing out money; this bill opens up the ag. land bank and hands out real-estate resources; and they are off-budget assets. Why should you be rewarding and perpetuating the welfare, entitlement mentality under the pretext of free-market.

I have been familiar with the sale of "ag. rights only" land from the beginning and I haven't seen or heard of anyone being drug in screaming and forced to buy this land. They voluntarily bought it in as much a free-market situation as when I bought my fee-simple land. If they now don't want those terms and conditions of contract then turn the parcel back and let it get re-bid. These

owners of the existing ag. rights land should be as "free to fail" as anyone else. Today's philosophy is that people are only entitled to succeed, prosper and achieve their "quality of life" and everyone else owes it to them; that's what the state and politics are for. I say no to this philosophy!

Haven't you in the legislature learned anything from the latest B.P. re-negotiated contract and the ensuing legal battle because of not re-bidding? When the "end justifies the means" for one group; every special interest group will want the law and regulations changed to their liking and benefit. At some point you have to just say no!

My input to the four areas you mention would be: 1. A new category of land ownership for this old ag. rights ownership is at least deceitful, if not criminal. Be honest and propose a fee-simple with no restrictions. The covenant is worthless in my opinion. Consider where farming would be without consumers. "If you eat you're involved in agriculture". Why wouldn't shopping malls and hotels be "incidental and not inconsistent with agriculture"?

2. There are plenty of possibilities through leasing and family farm trusts to allow children, relatives, friends to have land to farm. There is no need to be subdividing into separate smaller farms. They will only demand further subdividing in the future!

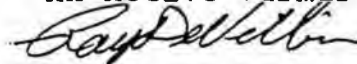
3. I think that civil enforcement will be as meaningless as present day subdivision covenants get enforced. The only incentive to pursue in civil action would be personal grudges. I haven't heard of anyone getting removed by Division of Ag. because of violating farm use regulation as they are now. Where is the problem?

4. I haven't seen any serious action by those who propose and support the bill to even admit that this change would increase the value of this land so any agreement on how to evaluate and compensate surely would be futile. The right way would be to re-bid the parcels in a free-market. Selling off some other land with the new title and making retroactive compensation that the present owners would pay the increase is also a possibility. I believe that the increases in prices of the ag. rights land sales in the last several years is already in anticipation of this bill.

You mention that there is "no intention to weaken ag. land." The effect of this legislation on ag. rights land will be controlled by the market place not by invisible intentions. Further more if the intentions were so honorable by those pressing for these changes; why isn't there the integrity and commitment to live up to the terms they bought into in the beginning or else the honor to get out and let someone else try!

The simplest thing is to say no to this bill S.B. 109.

An Active Farmer



Ray DeVilbiss  
HC04, Box 9190  
Palmer, Alaska 99645  
745-4102

# ALASKA STATE LEGISLATURE

*Interim:*

600 East Railroad Avenue  
Wasilla, Alaska 99654  
(907) 376-3370  
(907) 376-3157 Fax



*Session:*

State Capitol  
Juneau, Alaska 99801-1182  
(907) 465-6600  
Fax (907) 465-3805

## SENATOR LYDA GREEN SENATE DISTRICT N

### SPONSOR STATEMENT SB109, Rights to Agricultural Land

SB109 is similar to legislation passed last year as SB162. Last session the reform measure passed by huge majorities, was vetoed by the Governor and then the Governor's veto was overridden. However, the override vote, according to Judge Larry Weeks of Juneau, came a day late.

This session SB109 has been heard in Senate Finance and was amended in an effort to accommodate some concerns of the Department of Natural Resources. While there is not total agreement on the bill with the Administration, we are working together to promote more freedom for farmers, encourage the creation and preservation of the family farm, and to allow private financing for agricultural land while maintaining a restriction for agricultural use.

The key provisions are:

(1) The State of Alaska will be taken off the title to the land. This is absolutely essential if farmers with agricultural land are to have an opportunity to finance their operations with private financing.

(2) Numerous regulations are repealed that provided for micro-management of private farms by the state. It is our understanding that the Department of Natural Resources has no objection to repealing this regulations.

(3) An original agricultural parcel can now be subdivided into any number of parcels as long as they are no smaller than 40 acres. The subdivisions do not include the ability to build a home on the property. However, current law provides for a home site to go along with any subdivision of an original parcel as long as the parcel is at least 640 acres.

SB109 would allow an original parcel to be subdivided into no more than four parcels of at least 40 acres that could include home sites.

(4) For a subdivided parcel that includes a home site, is under 640 acres, and is conveyed to someone outside the owner's immediate family, there are two options. Option 1 provides an increased value fee of \$6,000 that is payable to the state. Option 2 allows the owner to do an appraisal and pay the difference in the increased value, if any, from agricultural land with a home site and agricultural land without a home site.

(5) Agricultural use would be protected by a perpetual covenant running with the land. Any citizen, municipality or the State could bring suit in civil court to enforce the covenant. However, a 90 day cooling off period is mandated by requiring that the complaint first be presented in writing to the local Soil and Water Conservation Board. This process should reduce or eliminate frivolous suits.

(6) A limited liability report is required to indemnify the State during the transfer of title.

(7) Existing requirements for a cadastral survey before the state can offer agricultural land are amended to allow the Commissioner of the Department of Natural Resources to waive that expensive process.

This legislation will remove unnecessary regulations, promote family farming, allow farmers the option of private financing, promote more offering of agricultural land, allow a limited number additional home sites on agricultural land and guarantee continued agricultural use of the land.

## WRITTEN PUBLIC TESTIMONY ON SB-109

I WANT TO FIRST THANK THE COMMITTEE FOR HAVING THIS PUBLIC HEARING AND OPPORTUNITY FOR TESTIMONY ON THIS IMPORTANT BILL.

MY NAME IS JOHN CRAMER AND UNFORTUNATELY I AM UNABLE TO JOIN YOU IN PERSON TODAY MY OTHER DUTIES REQUIRE MY ATTENDANCE. I WAS THE DIRECTOR OF AGRICULTURE FOR THE STATE FROM 1991-1995 AND HAVE BEEN INVOLVED IN AGRICULTURE IN ALASKA SINCE 1981.

MANY OF YOU MAY REMEMBER THE STATES ATTEMPT TO STIMULATE GROWTH IN THE AGRICULTURE INDUSTRY DURING THE LATE 70'S AND THROUGH THE MID 80'S BY DISPOSING OF STATE LAND. THE LARGER DISPOSALS OF DELTA 1 AND 2, POINT MACKENZIE AND THE EIELSON PROJECT ALL TOOK PLACE DURING THIS TIME FRAME. THE TITLE TO THE STATE LAND WHICH WAS EITHER AUCTIONED OR ACQUIRED THROUGH LOTTERY WAS THOUGHT AT THAT TIME TO BE SUFFICIENT FOR THE NEEDS OF THE FARMERS AND LENDERS. TIME HAS PROVEN THAT THE MORE INVOLVED WITH THE GOVERNMENT AND ENTANGLED IN THE BEAURACRACY THE PRIVATE PERSON IS THE LESS LIKELY FOR THE FAMILY TO SURVIVE. THE PRIVATE BANKING INSTITUTIONS, REFUSED TO LEND TO FARMERS WHO PURCHASED THESE TYPES OF STATE LAND PRIMARILY BECAUSE OF THE TITLE. THEREBY FORCING THE BORROWERS TO COME BACK TO THE GOVERNMENT FOR FINANCING.

THE FARMERS THEN WERE UNABLE TO REFINANCE THERE LAND SALE CONTRACTS, WHICH THE STATE HELD, WHEN THE MARKETS SOFTENED AND INTEREST RATES FELL BECAUSE LENDERS DID NOT FEEL THERE WAS ENOUGH SECURITY IN THE STATE TRANSFERED TITLE. CREATEING A GREATER DEPENDENCE ON THE STATE.

THE MAJORITY OF THE ALASKA AGRICULTURE PRODUCTS SOLD ARE PRODUCED ON FARMS WHICH ARE APPROXIMATELY 160 ACRES IN SIZE OR LESS. THAT DOES NOT MEAN THAT WE DO NOT NEED NOR WANT FARMS OF LARGER SIZE WE DO. WE ALSO SEE THE INDUSTRY SLOWLY DECREASEING IN NUMBERS PARTILY BECAUSE OF THE INITIAL START-UP COSTS AND THE UNAVAILABILITY OF AGRICULTURE LANDS. THIS BILL WOULD ALLOW THE FARMER OF THESE LARGER PARCELS THE OPPORTUNITY TO CARVE OUT A PORTION OF THEIR PROPERTY AND ALLOW THEIR CHILDREN TO LIVE ON THE FAMILY FARM IN A HOUSE OF THEIR OWN, IT ALLOWS THE FARMER TO RECEIVE A TITLE WHICH

PRIVATE LENDERS WILL RECOGNIZE AND FEEL SECURE ENOUGH TO BORROW MONEY ON, IT ALLOWS THE OPPORTUNITY FOR THIS RENEWABLE RESOURCE INDUSTRY TO EXPAND WITHOUT LOOKING TO THE GOVERNMENT FOR LAND DISPOSALS, IT ALLOWS US THE OPPORTUNITY TO RECOGNIZE THAT IN THE PAST WE MADE SOME MISTAKES AND WE ARE WILLING TO MAKE THE CHANGES NECESSARY TO HOPEFULLY CURE SOME OF THEM.

THE PEOPLE WHOM ARE NOT IN AGREEMENT WITH WHAT THIS BILL WILL DO FOR THE INDUSTRY AND THE STATE I FEAR ARE LIVING IN THE PAST. THEIR CLAIMS THAT THIS WILL WEAKEN THE AGRICULTURE COVENANT TITLE AND THEREFORE TAKE LAND OUT OF PRODUCTION IS NOT TRUE, IN FACT I BELIEVE WHAT YOU WILL SEE IN A VERY SHORT PERIOD OF TIME IS AN INCREASE IN THE NUMBER OF FARMS AND THE NUMBER OF ACRES IN ACTIVE PRODUCTION INSTEAD OF SITTING IDLE AND GROWING OVER WITH REGROWTH.

THERE IS OVERWHELMING SUPPORT IN THE AGRICULTURE COMMUNITY AND FROM THE STATE FARM BUREAU'S TO SEE THE PASSAGE OF THIS BILL. AS ELECTED OFFICIALS YOU HEAR FROM THE PEOPLE AND ONE OF THE MANDATES THAT CITIZENS ARE WANTING IS LESS GOVERNMENT INVOLVMENT IN THEIR LIVES. I WOULD LIKE TO STRONGLY URGE THE COMMITTEE TO SWIFTLY ACT ON APPROVAL OF THIS BILL AND PRAY THAT THE GOVERNOR WILL ALSO DO WHAT IS RIGHT FOR ONE OF OUR ENDANGERED RENEWABLE RESOURCE INDUSTRIES THE FARM FAMILY.

AGAIN I WISH TO THANK THE COMMITTEE FOR THEIR DIFFICULT AND TEDIOUS WORK AND APPLAUD THE ACTIONS YOU HAVE TAKEN TO DATE AND KNOW IN CONFIDENCE THAT YOU WILL DO WHAT IS RIGHT WITH REGARD TO SB-109.

Post-it* Fax Note	7671	Date	4/15	# of pages	2
To	HARRIS BASKIN	From	JOHN		
Co./Dept		Co			
Phone #		Phone #			
Fax #	376-6180	Fax #			