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FISCAL NOTE

STATE OF ALASKA

BILL NO. SB341

1998 LEGISLATIVE SESSION

Revision Date: 12-Mar-98 Dept Affected: Natural Resources
 Title: An Act relating to agricultural land; and BRU: Agricultural Development
providing for an effective date. Component: Agricultural Development
 Sponsor: Senate State Affairs Committee
 Requestor: Senate Resources Component Serial No. #455

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY99	FY00	FY01	FY02	FY03	FY04
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES (Fund code)	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY98) cost: \$ none

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

There is no fiscal impact associated with implementation of this legislation.

Prepared by: Robert Wells, Director *[Signature]* Phone: 745-7200
 Division: Agriculture Date: 12-Mar-98
 Approved by Commissioner: *[Signature]* Date: 3-12-98
 Agency: Natural Resources

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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Mail Stop 3101

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

MEMORANDUM

March 13, 1998

SUBJECT: Sectional Summary of SB 341. (20-LS1679\A)

TO: Senator Lyda Green
Attn: Janey Wineinger

FROM: Gerald P. Luckhaupt: *GPL*
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, please note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill - the bill itself is the best statement of its contents.

Section 1 of the bill amends §14(b), Ch. 14, SLA 1997, relating to agricultural land at Point McKenzie.

Section 2 of the bill provides an immediate effective date.

GPL:jdr
98-162.jdr

ALASKA STATE LEGISLATURE

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SENATOR LYDA GREEN
SENATE DISTRICT N

Sponsor Statement

Senate Bill 341

“An Act relating to agricultural land; and providing for an effective date.”

Senate Bill 341 will correct a technical error in the legal descriptions of Section 14(b), Ch 20, SLA 1997 passed in SB 109, last session.

The Matanuska-Susitna Borough acquired Tract 30 by patent from the State of Alaska under the Municipal Entitlement Act. The borough then classified the land as agriculture and then sold the agricultural rights of Tract 30 to a farmer in May, 1981. The Borough retained ownership of the development rights. The Alaska Revolving Loan Fund later acquired the agricultural rights in Tract 30 by foreclosure of its lien which the farmer had secured with the agricultural rights. The Borough still retains the development rights provided for under borough code.

Tract 30 is the only parcel designated in SB 109 that has a split title and borough agricultural rights. Passage of SB 341 will delete reference to Tract 30 in SB 109 and it will allow unclouded development rights for the Borough and will permit the sale of the agricultural rights by the Alaska Revolving Loan Fund to be finalized.

Senate Bill 341 is supported by the Department of Natural Resources, Division of Agriculture and the Matanuska-Susitna Borough.

Senator_Lyda_Green@legis.state.ak.us

Alexander Creek • Big Lake • Butte • Caswell • Chickaloon • Chulitna • Finger Lake • Goose Bay • Hatcher Pass • Houston
Kuk • Kashwitna • Lake Louise • Lazy Mountain • Montana Creek • Nancy Lake • Nelchina • Palmer • Petersville • Point Mackenzie
Sheep Mountain • Skwentna • Sunshine • Sutton • Talkeetna • Trud Lakes • Trapper Creek • Wasilla • Willow

MAR 18 1998



MATANUSKA-SUSITNA BOROUGH

Borough Manager

350 E. Dahlia Avenue, Palmer, Alaska 99645-6488

Phone (907) 745-9689 • FAX (907) 745-9845

March 11, 1998

State of Alaska Legislature
Senate State Affairs Committee

The Honorable Lyda Green, Chair
The Honorable Jerry Ward, Vice-Chair
The Honorable Jerry Mackie, member
The Honorable Mike Miller, member
The Honorable Jim Duncan, member

RE: The Twentieth Legislature - Second Session
Senate Bill 341 - An act relating to agricultural land

Dear Senators:

The Matanuska-Susitna Borough requests your support and passage of Senate Bill 341 now before you. This bill will correct a technical error in the legal descriptions of Section 14(b), Ch 20, SLA 1997 passed in Senate Bill 109 last session by deleting Tract 30. Tract 30 of ASLS 80-111 was included in the enumerated provision however, the condition of title for Tract 30 is very different from the other Tracts in ASLS 80-111 rightfully included in the bill.

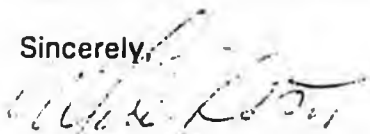
The Matanuska-Susitna Borough acquired Tract 30 by patent from the State of Alaska under the Municipal Entitlement Act. The borough then classified the land as agriculture (based on borough code) and then sold the agricultural rights of Tract 30 to a farmer in May, 1981. The borough retained ownership of the development rights (as defined in borough code, not state law). The Alaska Revolving Loan Fund (ARLF) later acquired the agricultural rights in Tract 30 by foreclosure of its lien(s) which the farmer had secured with the agricultural rights.

While the borough lost its ability to recover the agricultural rights, it still retains the development rights provided for under borough code, and has actively enforced the rights when needed during the agricultural development of this property.

It is important from an administrative and legal viewpoint that Tract 30 be deleted so the authority for the "development rights" is clearly retained by the borough and not clouded.

Your consideration of this matter is greatly appreciated.

Sincerely,


Michael J. Scott
Borough Manager



10: FEB 18 98 17:54 NO.010 P.02

MATANUSKA-SUSITNA BOROUGH
350 East Dahlia Avenue, Palmer, Alaska 99645-6488
LAND MANAGEMENT DIVISION
PHONE: (907) 745-4801 FAX: (907) 745-9876

February 17, 1998

Ms. Janie Wineinger, Legislative Aide
Office of Senator Lyda Green
State Capitol
Juneau, AK 99801-1182

VIA FAX

RE: Request for technical amendment
to correct legal description
of affected Tracts in SB 109

Dear Ms. Wineinger:


Recently the Matanuska-Susitna Borough became aware that Tract 30 of ASLS 80-111 was included in a provision of SB 109 when it passed last session. The Matanuska-Susitna Borough is requesting a technical amendment to delete Tract 30 from the legislation for the reasons which follow. A marked up copy of the legislation is attached which indicates the changes needed on pages 4 and 5.

The Matanuska-Susitna Borough has retained ownership of the "development rights" (as defined in borough code) in this tract. The Alaska Revolving Loan Fund (ARLF) acquired the "agricultural rights" (which the borough sold to Karen Lee in May, 1981) in this tract when ARLF foreclosed its lien(s) which Lee had secured with the "agricultural rights".

I have worked with the Palmer office of ARLF to contact various individuals within Division of Agriculture, Department of Natural Resources, and the Attorney General's office to seek a speedy remedy to the situation. The conclusion reached is that a technical amendment is the solution needed.

The Matanuska-Susitna Borough makes this request for a technical amendment as early as possible. Please call me at 907-745-9864 if additional information is needed.

Sincerely,


Linda M. Kelley
Real Property Analyst

Enclosures

cc: ARLF
Borough Manager

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF AGRICULTURE

TONY KNOWLES, GOVERNOR

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NORTHERN REGION OFFICE
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FAX: (907) 451-2751

March 18, 1998

The Honorable Lyda Green, Chair
Senate State Affairs Committee
State Capitol, Room 125
Juneau, AK 99801-1182

RE: Senate Bill 341 - An act relating to agricultural land

Dear Senator Green:

The Division of Agriculture would like to voice support for SB 341, currently before your committee. Tract 30, ASLS 80-111 was inadvertently included in SB 109 last session, and the proposed technical amendment to remove the parcel will solve the title problem for both the Mat-Su Borough and ARLF.

The Borough received patent from the State of Alaska to Tract 30 under the Municipal Entitlement Act in 1981. The Borough contributed this parcel to the Pt. MacKenzie Agricultural Project Sale held in 1981, and provided financing as well. The Borough recorded Conditions & Restrictions on this parcel restricting use to agricultural only, as defined by the borough. All "Non-Agricultural Surface Estate Interests" were retained by the Mat-Su Borough.

ARLF financed the development of Tract 30 and the loans were partially secured by a Deed of Trust on the property. The Borough subsequently subordinated its position to ARLF. In December, 1991, ARLF received a Trustee's Deed to the (borough) Agricultural Rights through Non-Judicial Foreclosure.

After considerable research and meetings held with the Land Management Division of the Borough, the Attorney General's Office and ARLF staff, it was determined that Tract 30 is the only parcel designated in SB 109 that has split title and borough agricultural rights.

Sen. Lyda Green
March 18, 1998
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The Division certainly supports SB 341 which deletes reference to Tract 30 in SB 109. It will allow unclouded development rights for the Mat-Su Borough and will permit the sale of the agricultural rights by ARLF to be finalized.

Sincerely,



Robert Wells
Director

/dlh

cc: Sen. Rick Halford
Sen. Loren Leman
Sen. Bert Sharp
Sen. Robin Taylor
Sen. John Torgerson
Sen. Georgianna Lincoln
Michael J. Scott, Mat-Su Borough Manager

END