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# SENATE COMMITTEE REPORT

## First Committee of Referral

DATE: 3/12/98

FURTHER:

Date of 5-Day Notice: 3/19/98  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 3/23/98

Resources Committee considered      SENATE BILL NO. 341

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

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical title
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Chris L. Taylor</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<i>[Signature]</i>	✓				
<b>CHAIR:</b> <i>Rick Halford</i>	✓	<b>CHAIR:</b>			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
DNR	3/12	X	

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

**STATE OF ALASKA**  
**1998 LEGISLATIVE SESSION**

**BILL NO. SB341**

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						
<b>TOTAL OPERATING</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CAPITAL EXPENDITURES</b>	0.0	0.0	0.0	0.0	0.0	0.0
<b>CHANGE IN REVENUES (fund code)</b>	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)						
<b>TOTAL</b>	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

# 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

#### 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 • Gouse Bay • Hitcher Pass • Hurston  
Kirk • Kashwitna • Lake Louise • Lazy Mountain • Montana Creek • Nancy Lake • Neldhuna • Palmer • Peterville • Point Mackenzie  
Sheep Mountain • Skwentna • Sunshine • Sutton • Talkeetna • Trail Lakes • Trapper Creek • Wasilla • Willow

# LEGAL SERVICES

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

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
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 *GLP*  
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

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

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

### DIVISION OF AGRICULTURE

**TONY KNOWLES, GOVERNOR**

CENTRAL OFFICE  
1800 GLENN HIGHWAY, STE 12  
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11002 BOX 7440  
PALMIR, ALASKA 99645-9706  
PHONE: (907) 745-4469  
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NORTHERN REGION OFFICE  
3700 AIRPORT WAY  
FAIRBANKS, ALASKA 99709-4699  
PHONE: (907) 451-2780  
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  
Page 2

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. Georlanna Lincoln  
Michael J. Scott, Mat-Su Borough Manager

\*\*\*END\*\*\*



**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:

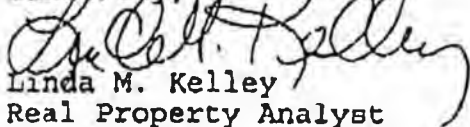
Recently the Matanuska-Susitna Borough became aware that Tract 30 of ASLS 80-111 was included in a provision of SB 109 when it passed last session. The Matanuska-Susitna Borough is requesting a technical amendment to delete Tract 30 from the legislation for the reasons which follow. A marked up copy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