HB

204

HFIN

FILE

(11)

HOUSE COMMITTEE REPORT

Date Referred to Committee: March 8, 2000 FURTHER REFERRALS:

Date of Committee Action: 3/17/00

The FINANCE Committee considered: HB 204

HOUSE BILL NO. 204 ELK FARMING

"An Act relating to elk farming."

recommends it be replaced with the following committee substitute CS HB 204 (RES) [✓] the same title [ ] a new title

[ ] additional referral to _____ Committee
[ ] attached amendment(s)

ADOPTS: _____ _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(s): (Dept) APPROVES PREVIOUS: (Dept/Date)

[X] fiscal note(s) DOR [X] fiscal note(s) F+G

[ ] zero fiscal note(s) _____ [X] zero fiscal note(s) DEC

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
THERRIAULT	X			
RUNDE			✓	
AUSTERMAN	X			
DAVIES			X	
GRUSSENDORF			X	
MOSES			X	
DAVIS	X			
PHILLIPS	✓			
FOSTER	X			

CHAIR'S SIGNATURE Carl Therriault

FISCAL NOTE

STATE OF ALASKA

2000 LEGISLATIVE SESSION

BILL NO. CSHB204(RES)

Revision Date: 16-Mar-00

Title: An Act relating to elk farming.

Dept Affected: Natural Resources

ERU: Agricultural Development

Component: Agricultural Development

Sponsor: Rep. Harris

Requestor: (H)RES

Component Serial No. #455

Expenditures/Revenues (Inflation not included unless otherwise noted below) (Thousands of Dollars)

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES	1.0	1.0	1.0	1.0	1.0	1.0
TRAVEL	0.5	0.5	0.5	0.5	0.5	0.5
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1.5	1.5	1.5	1.5	1.5	1.5
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (fund code)						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	1.5	1.5	1.5	1.5	1.5	1.5
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	1.5	1.5	1.5	1.5	1.5	1.5

Estimate of any current year (FY00) cost: $ none

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

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

Nine elk farms have permits currently. Travel for inspections would be incorporated into other staff functions to minimize costs. Modest growth is expected in permit issuance.

$1,500.00 in FY2001 (receipts from license fees) should cover the additional inspection costs.

Prepared by: Robert Wells

Phone: 745-7200

Division: Agriculture

Date: 16-Mar-00

Approved by Commissioner: John Shively

Date:

Agency: Natural Resources

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No: 2

FISCAL NOTE

Bill Version: CSHB 204(RES)
(H) Publish Date: 3/8/00

STATE OF ALASKA
2000 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____ Dept. Affected Fish and Game
Title Elk Farming BRU Wildlife Conservation
Component Wildlife Conservation
Sponsor Rep. Harris
Requester House Resources Component No. 473

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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						
CHANGE IN REVENUES ( )	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)
TOTAL	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time						
Part-time						
Temporary						

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

The department currently sells 5 biennial elk farming licenses annually and deposits the money in the Fish and Game fund. If HB 204 becomes law, this funidng will no longer be avaiiable to the department. For the purposes of this bill analysis, we assume no general funds will be appropriated to compensate for the revenue lost to the fish and game fund.

Note: Although the department will no longer issue elk farming licenses or inspect elk farms, these functions were performed incidentially by staff whose primary duties involved other functions. Those staff will continue to perform their primary duties and there will be no reduction in expenditures. This is reflected in the fiscal note by no identification of reduction in department expenses.

Prepared by: Phil Koehl Phone 465-6198
Division Wildlife Conservation Date/Time 3/3/00 4:59 PM
Approved by Commissioner Frank Rue Date 03/03/2000
Agency Department of Fish and Game

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COMMITTEE COPY

FISCAL NOTE

No: 1

Bill Version: CSHB 204 (RES)

(H) Publish Date: 3/9/00

STATE OF ALASKA
2000 LEGISLATIVE SESSION

Revision Date/Time (Note if correction) _____

Title: Elk Farming

Sponsor: Harris

Requester: House Resources

Dept. Affected: Environmental Conservation

BRU: Environmental Health

Component: Food Safety and Sanitation

Component No.: 2343

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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 ( )	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 (FY2000) cost: 0.0

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)*

This bill has no fiscal impact on the Department.

Prepared by: Janice Adair, Director

Phone: 269-7644

Division: Environmental Health

Date/Time: 3/3/00 11:41 AM

Approved by Commissioner: [signature] for

Date: _____

Agency: Department of Environmental Conservation

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COMMITTEE COPY

ALASKA STATE LEGISLATURE
REPRESENTATIVE JOHN HARRIS
STATE CAPITOL 110, JUNEAU, ALASKA 99801-1182 (907) 465-4859

Sponsor Statement

HB 204

"An Act relating to elk farming."

There is great potential for farming elk in Alaska, and more ranchers would get involved in this endeavor if regulation of elk farming can be transferred to the division of agriculture from ADF&G.

Currently, ADF&G regulates elk as a game animal, and the department's adaptation of game management regimes to domesticated, privately-owned elk creates unnecessary burdens and roadblocks for elk farmers.

HB 204 seeks to remedy this problem by transferring the oversight responsibilities for domestic elk breeding and farming from ADF&G to the division of agriculture. This will lower the risk of health problems and animal escape concerns, as well as enhance the opportunities for commercial success.

This change makes sense in that elk are currently allowed to be raised and bred as domestic stock for commercial purposes under fish and game statutes. The division of agriculture has the authority and mission to administer domestic animal programs, while ADF&G's authority is limited to public wildlife management. In fact, the responsibilities for ADF&G to license and approve fencing plans for elk farms lack regulatory authority. Licensing is administered under provisions intended for game mammals, while fencing standards are not administered under any existing regulation. The division of agriculture, on the other hand, has authority in both of these areas, and would continue to refer changes in such policies to ADF&G for its review and comment.

Alaska's climate and location are ideal for the propagation of elk, which produce a lean, mild meat for which there is a growing demand on world markets. The statutory changes proposed in HB 204 would help to enable the elk farming business to grow to its potential in Alaska.

STATE OF ALASKA

TONY KNOWLES, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

500 S. ALASKA STREET
PALMER, ALASKA 99645
(907) 745-3236
FAX (907) 745-8125
http://www.state.ak.us/dec

DIVISION OF ENVIRONMENTAL HEALTH
ANIMAL INDUSTRIES

February 9, 2000

Mr. Bill Ward
PO Box 1087
Delta Junction, AK 99737

Dear Mr. Ward:

I have reviewed HB# 204 and have no problem with it's content. Currently, three state agencies are involved with elk farming. This bill will leave the animal health regulations in DEC and move all other functions to DNR. Excluding Kodiak Island, all existing elk farms are on the road systems and inspections of new and existing facilities could be accomplished concurrently with other agricultural inspections.

Sincerely,

Bert Gore DVM

Bert Gore
State Veterinarian

BG/da(EH\eh-ai\ah-dairy\corres\hward28001tr)

STATE OF ALASKA

DEPARTMENT OF FISH AND GAME

DIVISION OF WILDLIFE CONSERVATION

TONY KNOWLES, GOVERNOR

P.O. BOX 25526
JUNEAU, ALASKA 99802-5526
PHONE: (907) 465-4190
FAX: (907) 465-6142

February 9, 2000

The Honorable John Harris
Alaska State Legislature
State Capitol, Room 110
Juneau, AK 99801-1182

Dear Representative Harris:

Pete Fellman recently provided us with a copy of the proposed committee substitute for HB 204, which incorporated language we proposed regarding inspections of elk farming facilities.

Thank you for amending your bill to address our concerns. The Division of Wildlife Conservation is comfortable supporting the elk farming bill (CSHB 204 (RES)) as currently written.

Please let me know, if I can provide further assistance with this matter.

Sincerely,

Wayne Regelin
Director

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STATE OF ALASKA

TONY KNOWLES, GOVERNOR

P.O. BOX 25526
JUNEAU, AK 99802-5526
PHONE: (907) 465-4190
FAX: (907) 465-6142

DEPARTMENT OF FISH AND GAME

DIVISION OF WILDLIFE CONSERVATION

MEMORANDUM

TO: Pete Fellman
Legislative Assistant
Office of Rep. Harris

FROM: Wayne Regelin
Director

DATE: January 26, 2000

SUBJECT: Elk Farming (HB 204)

Thanks for faxing the current copy of Representative Harris' legislation on elk farming.

Because of our department's responsibility for protecting wildife populations from potential problems that could result from interactions with livestock, our primary concern with this bill is that the requirement for "facilities for maintaining elk under positive control" be adequate and enforced.

Years ago, the regulation of fur farms was transferred from our department to DNR. In the mid-1980s, however, due to a lack of financial resources, the commissioner instructed the state veterinarian to stop inspecting and permitting fur farms. We don't question DNR's competence or resolution to comply with all the provisions of HB 204. We are concerned, however, that circumstances might force that agency to give up its responsibilities to periodically inspect elk farm fencing for the same reasons they no longer inspect or permit fur farms.

To help prevent such an occurrence, we suggest the following amendment to Representative Harris' bill. On page 2, line 6, after the word "amended" add the following sentence: "Before an elk farming license may be issued or renewed, a representative of the department will physically inspect the elk farming facilities of the applicant to ensure that they are in good repair and meet or exceed the fencing standards established by the commissioner for maintaining elk under positive control." We believe that this amendment will force inspections by prohibiting permit renewals without them. Because the Department of Fish and Game has area offices throughout the state, we would be happy to cooperate with the DNR and act as that agency's representative for inspecting facilities whenever DNR staff are unable to visit a facility in person.

If this amendment is added, the department will feel comfortable supporting HB 204.

Please give me a call, if you want to discuss this matter.

House Bill 204

"An Act relating to elk farming"

Fact Sheet

Elk in private ownership are clearly defined by statute as domestic stock and elk farming does not conflict or interact with the public management of wildlife by ADF&G.
Ref: AS 16.05.331(A) Elk may be raised and bred as domestic stock for commercial purposes....."

The DNR-Division of Agriculture has the proper statute and regulatory authority to administer elk farming. Department of Fish & Game's authority is limited to public wildlife management.
Ref: AS Title 3 - Agriculture & Animals - AS03.05.010(6) regulate the farming of elk in a manner similar to the manner in which the commissioner regulated domestic animals and livestock..."

The duties for licensing and fencing of elk farms presently assigned to DF&G lacks regulatory authority. Elk farms are being licensed under a ADF&G game mammal license which is intended for wildlife animals, not domestic agriculture animals. The fencing standards are administered by "policy" because F&G has no regulations to govern fencing. The DNR, Division of Agriculture has authority to provide for both licensing and fencing requirements of elk farming.
Ref: AS 03.30 Agriculture & Animals - Fencing

There is a greater opportunity for commercial success and a lower risk of health problems or animal escape concerns when the administration of elk farming is maintained by an agriculture agency. It is a matter of record that most states and Canadian provinces are delegating administrative authority for elk farming to their agriculture departments.
Ref: USDA, AgCanada, & NAEBA joint state & province review -1997.

The USDA is modifying their Uniform Standards to include privately owned elk as livestock subject to their inspection process. Elk will be subject to interstate shipment standards and slaughter inspection similar to other agriculture livestock.

Prior to this legislative initiative, a joint meeting occurred between the Director of Agriculture, Director of F&G Wildlife Conservation, State Veterinarian, and industry members to consider the actions proposed by this legislation. There was a concurrence of all parties that it would be appropriate for the administration of elk farming to be held by the DNR, Division of Agriculture.

This legislation will have no cost impact to the state and should carry no fiscal note. The existing fees for administering the license and fencing inspection are being transferred to the Division of Agriculture.
Ref: HB 204\G page 2, line 2

The requests of ADF&G have been incorporated into HB 204. The licensing and fencing standards will continue to be referred to the F&G for their review.
Ref: HB204\G page 1, line 14 & 15 - page 2, line 3-6

Misty Mountain Farm
HC 60 Box 4140
Delta Junction, AK 99737
Phone (907) 895-6208/5022

January 19, 2000

To: Members of the Legislature
Re: HB 204 "An act relating to elk farming"

I would like to voice my support of HB 204. Our family has been farming in the Delta area since 1981 and raising cattle has been the main enterprise of our operation. In the fall of 1997 we expanded into the elk farming business. We have found elk to be a very good fit to this climate and are very excited about the future potential this "alternative livestock" offers Alaskan agriculture. Elk require much less feed and management than do beef cattle and the economic returns look much better also.

I would like to see the licensing authority and fencing oversight transferred to DNR, Division of Agriculture, as HB 204 would do. Being specifically involved in agricultural issues and promotion, it seems a logical agency to foster commercial success of the industry. I would appreciate your support and passage of HB 204.

Sincerely,

Scott R Miller

Scott R. Miller
HC 60 Box 4140
Delta Jct., AK 99737
(907) 895-6208/5022

Ward Farms

P.O. Box 1087 - Delta Junction, Alaska 99737 - Phone (907) 895-5415 Fax 895-5416

January 18, 2000

To: Members of the Legislature

Re: HB 204 "An Act relating to elk farming"

I would request your review and approval of HB 204. Elk farming was authorized in 1989 and since then the industry has expanded to ten elk farms in Alaska. The owners of these farms are increasing their herd sizes and contributing to the rural Alaska economy by selling meat, live animals, tourism, and velvet antler. The "alternative livestock" industry is being viewed as one of the bright spots in agriculture and the raising of naturally adapted species, like elk, is considered a logical choice for an arctic environment like Alaska.

House Bill 204 does not change the basics of elk farming in Alaska. It simply transfers the licensing authority and fencing oversight from ADF&G to DNR,Div. of Agriculture. It is intended as housekeeping legislation to streamline government and to facilitate the growth of a private industry subject to agency oversight.

When this legislation was originally passed, administration was given to both Agriculture and Fish & Game because elk were considered wildlife at the time even though there was a clear definition in statute of privately and lawfully owned elk being domestic livestock. This occurred in other states as well but there were problems caused either by the wildlife agencies lack of an understanding of agriculture or a prejudice against the private ownership of elk. Authority has been transferred solely to agriculture in most states and it has been demonstrated that the potential problems of disease control, animal escaping, and poaching was reduced by this action. There is a greater level of trust and interaction resulting is fewer problems when an industry is governed by an informed and advocacy agency.

While we have not had significant problems in Alaska by joint administration, both the Director of F&G, Wildlife Conservation, Wayne Regelin and the Director of Agriculture, Rob Wells recognize the advantages of single administration and support the intent of this action. There should be no cost impact to the state since the fees to cover the administrative cost of licensing and fencing inspection are being transfered from F&G to Agriculture.

I would appreciate your support and passage of HB 204

Sincerely,

Bill D. Ward

Bill D. Ward

The Alaska Farm Bureau

P.O. Box 2410 • Palmer, AK 99645
Fax 745-2727

January 18, 2000

Representative John Harris
Alaska Legislature
State Capitol Bldg, 110
Juneau, Ak. 99801

Re: HB 204

Dear Representative Harris,

House Bill 204, "An Act relating to elk farming" is a good piece of legislation worthy of support and passage. This legislation will consolidate the administration of elk farming under a single agency, the Division of Agriculture. It will help the farmers to have one agency to work with and at the same time make administration efficient and help lower the cost of state government.

On a federal level, the U.S. Department of Agriculture has been consolidating offices nationwide to create the "one stop" approach for farmers to deal with USDA agencies. It has been demonstrated that there is a greater level of compliance to regulations and more of a cooperative relationship when farmers work with fewer offices of government. I believe that the same approach will work with state government, be it for elk farmers and other agriculture enterprises or for Alaska business in general.

The resolution platform adopted by the general membership of the Alaska Farm Bureau states in part that administration of elk farming should belong within the statute authority (AS03) of DNR. This legislation helps bring the administrative oversight for elk farming under one agency and this will help agriculture to contribute to the Alaskan economy. I request your support for HB 204.

Sincerely,

Robert Franklin

Robert Franklin - pres.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

DIVISION OF AGRICULTURE

TONY KNOWLES, GOVERNOR

CENTRAL OFFICE
1800 GLENN HIGHWAY, SUITE 12
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PLANT MATERIALS CENTER
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FAX: (907) 746-1568

April 5, 1999

Representative John Harris
State Capitol, Room 110
Mailstop 3100
Juneau, AK 99801-1182

Dear Representative Harris:

I understand that you have been working with the elk ranching community to draft legislation that would shift inspection duties from Department of Fish and Game to Department of Natural Resources, Division of Agriculture.

It is also my understanding that you have incorporated Department of Fish and Game's concerns into the draft of the bill, as well as our request for receipt authority for the fees that would result from these inspections. With these issues addressed, the division has no objection to the concept. I look forward to reviewing the final version. Please contact me if I can be of assistance.

Sincerely,

Robert Wells
Director

RW/ss

1-LS0528\I.1
Utermohle
3/16/00

WD

AMENDMENT

OFFERED IN THE HOUSE BY REPRESENTATIVE THERRIAULT

TO: CSHB 204(RES)

1 Page 1, line 1, following "**farming**":
2 Insert "**and to the disposition of surplus moose, caribou, deer, Dall sheep, elk, and**
3 **musk oxen; and providing for an effective date**"

4 Page 2, line 10, following "law,":
5 Insert "except as may be required to possess an elk obtained from the Department of
6 Fish and Game under AS 16.40.010,"

7 Page 2, line 22, following "muskox,":
8 Insert "**moose, caribou, deer, Dall sheep,**"

9 Page 2, line 27, following "muskox,":
10 Insert "**moose, caribou, deer, Dall sheep,**"

11 Page 2, following line 28:
12 Insert new bill sections to read:
13 "* **Sec. 4.** AS 16.40.010 is amended to read:
14 **Sec. 16.40.010. Disposition of surplus game animals [BUFFALO AND**
15 **MUSK OXEN].** Whenever [IT IS DETERMINED BY] the department **determines**
16 **under (b) of this section** that a surplus exists in the herds of buffalo**, moose,**
17 **caribou, deer, Dall sheep, elk,** and musk oxen under its control, the department **shall**
18 [MAY], under regulations adopted by **the department** [IT], grant the surplus or
19 portions of **the surplus** [IT] to persons, groups, associations, partnerships, or
20 corporations for the purpose of raising and breeding the animals as domestic stock for
21 commercial purposes, or for scientific and educational purposes. A person, group,

1 association, partnership, or corporation may receive animals only after proving to the
2 satisfaction of the department
3 (1) intent to raise and breed the animals; and
4 (2) possession of facilities for maintaining the animals under positive
5 control.
6 * **Sec. 5.** AS 16.40.010 is amended by adding new subsections to read:
7 (b) The department shall annually determine whether surplus animals exist in
8 the herds of moose, caribou, deer, Dall sheep, elk, and musk oxen in the state. A
9 surplus exists in a herd if
10 (1) female animals may be taken from the herd under nonsubsistence
11 hunting regulations; or
12 (2) animals may be removed from a herd without interfering with
13 (A) the maintenance of the herd on a sustained-yield basis;
14 (B) management goals set for the herd by the department or the
15 Board of Game; and
16 (C) other uses of the herd that are determined to be a higher
17 beneficial use of the herd by statute or by regulation adopted by the
18 department or the Board of Game.
19 (c) Notwithstanding other provisions of this section, if an immature orphaned
20 or abandoned moose, caribou, deer, Dall sheep, elk, or musk ox is not likely to
21 survive in the wild, the department shall grant the animal to a person, group,
22 association, partnership, or corporation eligible to receive animals under (a) of this
23 section.
24 * **Sec. 6.** AS 16.40.020 is amended to read:
25 **Sec. 16.40.020. Sale of meat.** The sale of buffalo**, moose, caribou, deer,**
26 **Dall sheep, elk,** or musk oxen meat resulting from the slaughter of animals obtained
27 under AS 16.40.010, or their offspring, is authorized."

28 Renumber the following bill sections accordingly.

29 Page 2, line 30, following "(c)":
30 Insert "**Except as provided under AS 16.40.010(c), a**"

1 Page 3, line 2:

2 Delete "] A"

3 Insert "A]"

4 Page 3, following line 5:

5 Insert a new bill section to read:

6 "* **Sec. 9.** This Act takes effect immediately under AS 01.10.070(c)."