

**SB**

**55**

**SFIN**

**FILE**

# SENATE FINANCE COMMITTEE REPORT

DATE: 2/4/05

FURTHER:

REPORTED OUT  
**JAN 19 2006**  
 SENATE FINANCE COMMITTEE

DATE TURNED IN TO OFFICE: 19 Jan 2006

Finance Committee considered

SENATE BILL NO. 55

SB 55 AGRICULTURAL LAND

"An Act instructing the commissioner of natural resources to issue a patent for the remaining interest in certain state land to the owner of the agricultural rights to that land."

and recommends:

- be replaced with \_\_\_\_\_ CS SB 55 (FIN)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to \_\_\_\_\_ Committee

**Senate Bill:**  
 Same Title  
 New Title

**House Bill:**  
 Same Title  
 Technical Title Change  
 New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

| Department | Date    | Fiscal | Ind. | Zero | FN# |
|------------|---------|--------|------|------|-----|
| DNR        | 1/17/06 |        | *    |      |     |
|            |         |        |      |      |     |
|            |         |        |      |      |     |
|            |         |        |      |      |     |
|            |         |        |      |      |     |

**PREVIOUS FISCAL NOTE(S):**

| Department | Date | Fiscal | Ind. | Zero | FN# |
|------------|------|--------|------|------|-----|
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|            |      |        |      |      |     |
|            |      |        |      |      |     |

APPROPRIATION - no fiscal note

| SIGNATURES AND RECOMMENDATIONS: | Do PASS | Do NOT PASS | NO REC | AMEND |
|---------------------------------|---------|-------------|--------|-------|
|                                 | ✓       |             |        |       |
|                                 | ✓       |             |        |       |
|                                 | ✓       |             |        |       |
|                                 |         |             |        |       |
| COCHAIR:                        | ✓       |             |        |       |
| COCHAIR:                        | ✓       |             |        |       |

# FISCAL NOTE

REPORTED OUT  
 JAN 19 2006  
 SENATE FINANCE COMMITTEE

STATE OF ALASKA  
 2006 LEGISLATIVE SESSION

Fiscal Note Number: \_\_\_\_\_  
 Bill Version: SB055-DNR-ML&W-01-1  
 ( ) Publish Date: \_\_\_\_\_

Revision Date/Time (Note if correction): 1/17/06

Dept. Affected: Natural Resources

Title Agricultural Land

RDU Resource Development

Component Title Acquisition & Defense

Sponsor Senator Wagoner

Requester (S) FIN

Component No. 2459

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

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

| OPERATING EXPENDITURES | FY 2007                      | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 |
|------------------------|------------------------------|---------|---------|---------|---------|---------|
| Personal Services      |                              |         |         |         |         |         |
| Travel                 |                              |         |         |         |         |         |
| Contractual            |                              |         |         |         |         |         |
| Supplies               |                              |         |         |         |         |         |
| Equipment              |                              |         |         |         |         |         |
| Land & Structures      |                              |         |         |         |         |         |
| Grants & Claims        |                              |         |         |         |         |         |
| Miscellaneous          |                              |         |         |         |         |         |
| <b>TOTAL OPERATING</b> | <b>*** INDETERMINATE ***</b> |         |         |         |         |         |

|                             |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|
| <b>CAPITAL EXPENDITURES</b> |  |  |  |  |  |  |
|-----------------------------|--|--|--|--|--|--|

|                                   |                              |  |  |  |  |  |
|-----------------------------------|------------------------------|--|--|--|--|--|
| <b>CHANGE IN REVENUES ( *** )</b> | <b>*** INDETERMINATE ***</b> |  |  |  |  |  |
|-----------------------------------|------------------------------|--|--|--|--|--|

**FUND SOURCE** (Thousands of Dollars)

|   |                              |  |  |  |  |  |
|---|------------------------------|--|--|--|--|--|
| 1002 Federal Receipts                   |                              |  |  |  |  |  |
| 1003 GF Match                           |                              |  |  |  |  |  |
| 1004 GF                                 |                              |  |  |  |  |  |
| 1005 GF/Program Receipts                |                              |  |  |  |  |  |
| 1037 GF/Mental Health                   |                              |  |  |  |  |  |
| Other (Specify Type--Do not abbreviate) |                              |  |  |  |  |  |
| <b>TOTAL</b>                            | <b>*** INDETERMINATE ***</b> |  |  |  |  |  |

Estimate of any current year (FY2006) cost: 00

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

**POSITIONS**

|           |  |  |  |  |  |  |
|-----------|--|--|--|--|--|--|
| Full-time |  |  |  |  |  |  |
| Part-time |  |  |  |  |  |  |
| Temporary |  |  |  |  |  |  |

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

This bill requires DNR to convey title for the remaining interests in the land estate to an owner of the rights to that land for agricultural purposes if the land was conveyed to the state as a forest service grant under sec. (6) of the Alaska Statehood Act and the parcel is not more than 15 acres in size.

\*\*\* This legislation would enable anyone meeting the law's conditions to purchase the state retained interests to property originally sold by the department as agricultural interest only lands. DNR supports this proposed measure. Other than a small but indeterminate amount of revenue expected to be generated from the sale of the agricultural interests, there is no anticipated significant fiscal impact associated with the implementation of this proposed legislation.

Prepared by: Dick Mylius, Acting Director  
 Division: Mining, Land & Water  
 Approved by: Michael L. Menigo  
 Agency: Natural Resources

Phone 907-269-8625  
 Date/Time 1/17/2006  
 Date 1/17/2006

Adopted 1/18/06

WORK DRAFT

WORK DRAFT

WORK DRAFT

24-LS0287\F  
Bullock  
1/18/06

**CS FOR SENATE BILL NO. 55(FIN)**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**TWENTY-FOURTH LEGISLATURE - SECOND SESSION**

**BY THE SENATE FINANCE COMMITTEE**

**Offered:**  
**Referred:**

**Sponsor(s): SENATOR WAGONER**

**A BILL**  
**FOR AN ACT ENTITLED**

1 "An Act instructing the commissioner of natural resources to issue a patent for the  
2 remaining interest in certain state land to the owner of the agricultural rights to that  
3 land."

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 \* Section 1. The uncodified law of the State of Alaska is amended by adding a new section  
6 to read:

7 **ADDITIONAL CONVEYANCE OF RIGHTS IN LAND ACQUIRED FOR**  
8 **COMMUNITY EXPANSION.** Notwithstanding AS 38.05.069, 38.05.321, and sec. 12, ch.  
9 20, SLA 1997, the commissioner of natural resources shall issue a patent for the remaining  
10 interests in the land estate to an owner of the rights to that land for agricultural purposes if

11 (1) the tract originally conveyed by the state to the owner of the rights for  
12 agricultural purposes is not more than 15 acres of land;

13 (2) the state originally acquired the land from the national forests under sec.  
14 6(a) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 339) for purposes of community

1 expansion; and

2 (3) the owner of the rights for agricultural purposes pays the state the fair  
3 market value of the remaining interests in the land estate, as determined by an appraisal paid  
4 for by the owner.

5 \* Sec. 2. Section 1 of this Act is repealed December 31, 2007.



Official Business

# Alaska State Senate

## Senate Finance Committee

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### FAX COVER SHEET

DATE: 19 Jan 2006 TIME: 9:45 am

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 1

FROM: MINDY ROWLAND  
SENATE FINANCE COMMITTEE SECRETARY  
PHONE: 465-4935  
FAX: 465-2187

NOTES: Final Please  
CS SB 55 (FIN) 24-LS0287\F  
Bullock 1/18/06  
no changes  
Thanks  
Mindy



Official Business

# ALASKA STATE LEGISLATURE

## SENATOR THOMAS H. WAGONER

- Chair, Senate Resources Committee
- Vice-Chair, Senate State Affairs Committee
- Member, Community & Regional Affairs
- Member, Legislative Council
- Member, World Trade

Session: January – May

State Capitol, #427

Juneau, AK 99801

Phone: 907-465-2828 Fax: 907-465-4779

Interim: May – December

145 Main Street Loop; Suite 226

Kenai, AK 99611

Phone: 907-283-7996 Fax 907-283-8127

## Sponsor Statement SB 55 Agricultural Land

The Ross Miller family started homesteading twenty-seven acres of land in 1943 in Hope. The Millers leased fifteen acres of adjoining land from the Forest Service, in the early fifties, to use as pasture land. Due to the '64 earthquake, the Millers lost eighteen of their twenty-seven acre homestead. There was an earthquake exchange program set up and compensated the Millers for their loss by giving them only one acre of land. The state, after determining that the Millers had been treated unfairly, decided they were entitled to the fifteen acres of leased Forest Service land as relief. In 1978, agricultural rights to this land were conveyed as provided by former state law AS 38.05.321.

The Department of Natural Resources has declared that the state has no interest in retaining the remaining interest in this property, and support conveying the remaining land rights to the Millers. Unfortunately, DNR is not authorized to remove the agricultural restrictions under current statute.

SB 55 will make a minor statutory change to correct this situation. Anyone who received agricultural rights to land under sec. 6(a) of the Alaska Statehood Act, and the tracts of land were 15 acres or less, would be eligible for fee simple title if the owner pays the fair market value for the remaining interest.

# Alaska Statehood Act

## Selection of public lands, fish and wildlife, public schools, mineral permits, mineral grants, confirmation of grants, internal improvements, submerged lands

### Section 6

(a) For the purposes of furthering the development of and expansion of communities, the State of Alaska is hereby granted and shall be entitled to select, within twenty-five years after the date of the admission of the State of Alaska into the Union, from lands within national forests in Alaska which are vacant and unappropriated at the time of their selection not to exceed four hundred thousand acres of land, and from the other public lands of the United States in Alaska which are vacant, unappropriated, and unreserved at the time of their selection not to exceed another four hundred thousand acres of land, all of which shall be adjacent to established communities or suitable for prospective community centers and recreational areas. Such lands shall be selected by the State of Alaska with the approval of the Secretary of Agriculture as to national forest lands and with the approval of the Secretary of the Interior as to other public lands: Provided, That nothing herein contained shall affect any valid existing claim, location, or entry under the laws of the United States, whether for homestead, mineral, right-of-way, or other purpose whatsoever, or shall affect the rights of any such owner, claimant, locator, or entryman to the full use and enjoyment of the land so occupied.

(b) The State of Alaska, in addition to any other grants made in this section, is hereby granted and shall be entitled to select, within twenty-five years after the admission of Alaska into the Union, not to exceed one hundred and two million five hundred and fifty thousand acres from the public lands of the United States in Alaska which are vacant, unappropriated, and unreserved at the time of their selection: Provided, That nothing herein contained shall affect any valid existing claim, location, or entry under the laws of the United States, whether for homestead, mineral, right-of-way, or other purpose whatsoever, or shall affect the rights of any such owner, claimant, locator, or entryman to the full use and enjoyment of the lands so occupied: And provided further, That no selection hereunder shall be made in the area north and west of the line described in section 10 without approval of the President or his designated representative.

(c) Block 32, and the structures and improvements thereon, in the city of Juneau are granted to the State of Alaska for any or all of the following purposes or a combination thereof: A residence for the Governor, a State museum, or park and recreational use.

(d) Block 19, and the structures and improvements thereon, and the interests of the United States in blocks C and 7, and the structures and improvements thereon, in the city of Juneau, are hereby granted to the State of Alaska.

(e) All real and personal property of the United States situated in the Territory of Alaska which is specifically used for the sole purpose of conservation and protection of the fisheries and wildlife of Alaska, under the provisions of the Alaska game law of July 1, 1943 (57 Stat. 301; 48 U.S.C., sections 192-211), as amended, and under the provisions of the Alaska commercial fisheries laws of June 26, 1906 (34 Stat. 478; 48 U.S.C., sections 230-239 and 241-242), and June 6, 1924 (43 Stat. 465; 48

# STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

DIVISION OF MINING, LAND & WATER  
OFFICE OF THE DIRECTOR

550 WEST 7<sup>TH</sup> AVENUE, SUITE 1070  
ANCHORAGE, ALASKA 99501-3576  
PHONE: (907) 269-8600  
FAX: (907) 269-8904

January 21, 2005

The Honorable Tom Wagoner  
State Senate  
State Capitol,  
Juneau, Alaska 99801-1182

RE: Support for SB 55

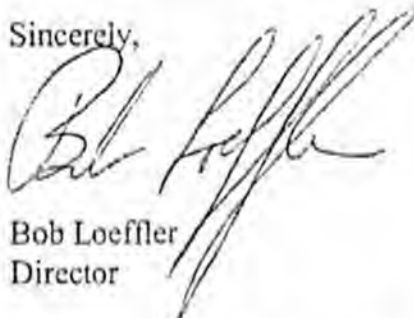
Dear Senator Wagoner:

I am writing to provide my support for SB 55. The Bill is essentially identical to SB 167, introduced by Senator Torgerson in 2001. The bill would enable anyone meeting the law's conditions, to purchase the state retained interests in property originally sold by the department as agricultural interest only lands. After review, it appears that there are few, if any, individuals other than the Miller Family would qualify.

The department reviewed that particular situation and determined that there is no compelling state interest in retaining the remaining interests in this small parcel of land. However, without SB 55 the department has no authority to convey the remaining interests in these properties. We support the bill. It would have no negative affect on the state interest and would help an Alaskan family gain equity in land they have used for many years.

If you need more information or would like to discuss this further, please call me at 269-8600 or Janet Burleson at 465-4730.

Sincerely,



Bob Loeffler  
Director

Cc: Commissioner Tom Irwin  
Special Assistant Janet Burleson

The Honorable Thomas Wagoner  
State Senate  
Alaska State Capitol  
Juneau Alaska 99801-1182

Dear Senator Wagoner,

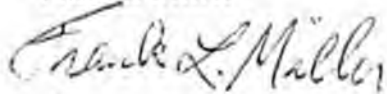
Amy asked for a statement of support for SB 55. We appreciate your efforts on getting this "problem" resolved. Many thanks.

Sincerely, Frank

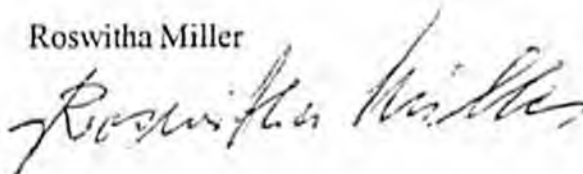
Statement of support for SB 55

We certainly support SB 55. This bill would give us the opportunity to purchase the remaining interest in a 15 acre parcel of land that we own in Hope, which is classified as agricultural rights only. Originally, the parcel was leased from the US Forest Service in the mid 1950's by my parents, Ross and Alma Miller. They wished to obtain those roughly 15 acres as a settlement for land "lost" after the 1964 Earthquake. Because of some errors and omissions by the State of Alaska, their request got lost. After a lengthy period of examination, they were given the option to purchase only ag rights to the 15 acres. At that time, it appeared the State had no interest in that parcel remaining agricultural only, which is still the case today. Being able to purchase full title to this parcel would solve the problems related to the agricultural restrictions and make the land much more usable to us.

Frank L Miller



Roswitha Miller



PO Box 39083  
Ninilchik AK 99639

Amy L. Seltz

---

From: POMS@legis.state.ak.us  
Sent: Wednesday, February 02, 2005 9:33 AM  
To: Sen. Tom Wagoner  
Subject: New Pom:SB 55 Agricultural Land

Terry Mcghan  
Po Box 873310

Wasilla 99687-3310,

907-2303

I support SB55 in regard to returning lands back to private ownership.

Amy L. Seitz

---

From: POMS@legis.state.ak.us  
Sent: Wednesday, February 02, 2005 10:57 AM  
To: Sen. Tom Wagoner  
Subject: New Pom:SB 55 Agricultural Land

Timothy Mcghan  
Po Box 520356

Big Lake 99652-0356,

I am in favor of SB 55.

Amy L. Seitz

---

From: POMS@legis.state.ak.us  
Sent: Wednesday, February 02, 2005 10:54 AM  
To: Sen. Tom Wagoner  
Subject: New Pom:SB 55 Agricultural Land

Lindsey Mcghan  
Po Box 520356

Big Lake 99652-0356,

Please pass SB 55. Thanks



# Alaska State Legislature

Please enter into the record my testimony to the Senate Resource  
Committee name

Committee on SB55, dated 2-2-05  
Bill/Subject

I fully support SB55.  
Since the Millers relocation from the earthquake induced flood plain in Hope the family has enjoyed this special place for 3 generations. The Miller grandchildren are interested in this land, but the agricultural restrictions do not allow more than 1 dwelling on the 15 acre parcel.

Please consider helping to make this land a home again

Signed: *Michael Miller*  
Testifier

Representing (Optional)  
P.O. Box 870586 Wasilla Alaska 99687  
Address  
907-355-5466  
Phone number

Amy L. Seitz

---

From: POMS@legis.state.ak.us  
Sent: Wednesday, February 02, 2005 2:44 PM  
To: Sen. Tom Wagoner  
Subject: New Pom:SB 55 Agricultural Land

Michael Meghan  
Po Box 870586

Wasilla 99687-0586,

Since the Miller's relocation from the 1964 earthquake induced floodplain in Hope, the family has enjoyed this special place for 3 generations. The Miller grandchildren are interested in the land but the agriculture restrictions do not allow more than one dwelling per 15 acres.  
Help make this land a home.

**SENATE COMMITTEE REPORT**  
**First Committee of Referral**

DATE: 1/14/05

FURTHER: Finance

Date of 5-Day Notice: 1/27/05  
 (in accordance with Uniform Rule 23)

DATE TURNED  
 IN TO OFFICE: 2/2/05

Resources Committee considered SENATE BILL NO. 55

SB 55 AGRICULTURAL LAND

"An Act instructing the commissioner of natural resources to issue a patent for the remaining interest in certain state land to the owner of the agricultural rights to that land."

and recommends:

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

**Senate Bill:**

- Same Title
- New Title

**House Bill:**

- Same Title
- Technical Title Change
- New Title w/ SCR # \_\_\_\_\_

**NEW FISCAL NOTE(S):**

| Department | Date | Fiscal | Indet. | Zero | FN# |
|------------|------|--------|--------|------|-----|
| DNR        | 1/31 |        | ✓      |      | 1   |
|            |      |        |        |      |     |
|            |      |        |        |      |     |
|            |      |        |        |      |     |
|            |      |        |        |      |     |

**PREVIOUS FISCAL NOTE(S):**

| Department | Date | Fiscal | Indet. | Zero | FN# |
|------------|------|--------|--------|------|-----|
|            |      |        |        |      |     |
|            |      |        |        |      |     |
|            |      |        |        |      |     |
|            |      |        |        |      |     |
|            |      |        |        |      |     |

APPROPRIATION - no fiscal note

**SIGNATURES AND RECOMMENDATIONS:**

|           | DO PASS | DO NOT PASS | NO REC | AMEND |
|-----------|---------|-------------|--------|-------|
| Chair     | ✓       |             |        |       |
| Bl. Econ. | ✓       |             |        |       |
| Sec. Inv. | ✓       |             |        |       |
| Unempl.   | ✓       |             |        |       |
| Chair:    | ✓       |             |        |       |