

BILLS 1981 - 1982

1517

HB 453 cont. - HB 457

1517

15-20 spots per week in each market will average 75 GRPs and will strengthen our impact. Total costs of this campaign are \$423,000.

4. Pre-Post Awareness Studies should be conducted. The cost of these studies will be \$10,000.

#### U.S. PUBLIC RELATIONS

The scope of the public relations/publicity activities discussed in the Marketing Plan are so comprehensive that it will be impossible to implement them all during the first year of the plan. As in the advertising section, we have recommended that, initially, major attention and emphasis be given to execution of the foodservice portion of the public relations and publicity program since that is where results can be achieved most quickly and most effectively at minimum cost.

We do not mean to diminish or demean the importance of the retail public relations program - and we do recommend putting effort against that, too. But, since the major portion of seafood consumed in the U.S. moves through foodservice channels, it is logical

to tackle the biggest current market first.

Simultaneously, it must be emphasized here that public relations can and will receive a disproportionately larger share of responsibility for the success of the Plan since it can and will produce a much larger share of attention and publication space for the dollars expended than will advertising, collateral materials or merchandising programs.

In simplistic terms, our challenge is to convince a variety of target publics that seafood from Alaska is better, so that present Alaskan Seafood users will use more and present non-users will be converted.

To accomplish this, our first year recommendations for ASMI are:

A. Foodservice

1. To select and employ an ASMI spokesperson  
who:
  - a. Will lend credibility to ASMI marketing efforts and information.
  - b. Will relate well to the largest number of people in the most important demographic

and geographic segments.

- c. Will be able, easily, to deliver ASMI's messages in either formal or informal situations.
- d. Will have the charisma necessary to convince consumers that eating Alaskan Seafood is not only a smart thing to do but is also fun and satisfying.
- e. Will present an enthusiastic, sincere attitude.
- f. Will be "professional" but not stiff.
- g. Will reflect only positive, good and pleasing qualities for ASMI and its members.

Estimated cost, including expenses is \$80,000.

- 2. To select and employ a home economist who will be used for demonstrations and recipe development; who will represent ASMI at more technical meetings; who will assist in training and educational activities.

Estimated cost, including expenses is \$60,000.

- 3. Alaska Seafood Handbook - should be developed

to provide a complete history and appraisal of Alaskan Seafood. It should have the flexibility to be customized for various audiences. Estimated cost is \$45,000.

4. Recipe Development - a vital, major program. Should involve development and production of at least 6 recipes per specie per year. Estimated cost is \$40,000.
5. Media Tour - to familiarize editorial personnel with "everything there is to know" about Alaskan Seafood. Estimated cost is \$50,000.
6. Speaker's Bureau - booklet. The estimated cost is \$25,000.
7. Special Events - such as National Restaurant Association Function, Press Conference and Luncheons in Association with Alaska Seafood Week are estimated to cost \$30,000.
8. Release Mailings  
2 releases per month: Estimated Cost \$20,000.

9. Editorial Features

3 during 1981-82 F.Y.: Estimated Cost \$8,000.

B. Retail

1. Spokesperson will work in this area as well as in foodservice. No additional cost.

2. Home economist will work in this area as well as in foodservice. No additional cost.

3. Recipe Development

2 recipes/specie/year: Estimated Cost \$15,000.

4. Publicity (News Releases)

12 per year: Estimated Cost \$15,000.

5. Publicity to Retail Trade

12 per year: Estimated Cost \$10,000.

6. Press Functions

3 per year: Estimated Cost \$15,000.

7. Contingency Fund - is estimated to be \$15,000.

Europe/Japan

Our first year plan will handle both the European and

Japanese markets the same way:

1. Local Trade Advertising should be aimed at our customers, i.e. catering companies, distributors, smokers and retail buyers to acquaint them with the Alaska Seafood Marketing Institute and position them to expect strong advertising and promotion support for Alaska Seafood products in the future. The cost of this trade advertising is estimated to be \$100,000 for both markets.
2. An Extensive Market Research Study should be conducted in both Europe and Japan to determine the exact thrust we should take. In our second year plan we are recommending that we contract with GIRA for this project. They are the top research firm of this type. (Further information on them is detailed in the Plan.) The cost of the Research is \$150,000.
3. A Contingency Fund is estimated to cost \$50,000.

#### Alaskan Plan

1. This budget covers expenditures for promoting the activities of ASMI to the Alaskan people as well as to the Alaskan fishing industry. In addition

to the T.V. commercials that have already been prepared and the current brochure, we recommend that a "marketing up-date" communication be prepared for general circulation to the Alaska market. We estimate the cost of this program to be \$25,000.

2. An Alaska Seafood Quality Assurance Plan should be developed. This should be an industry monitoring program that includes a "Seal of Approval" for products that are deemed to fall within the guidelines of this plan. The cost to develop this plan and a "Seal of Approval" are approximately \$75,000.
3. Contingency Fund - is estimated to be \$25,517.

This is intended to be a short synopsis of the total 1st year recommendations. Greater detail is included in the total plan.

A Budget is recapped on pages 19 through 21.

BUDGET

Foodservice

1. Special Marketing Supplement	\$ 261,041
2. Magazine Advertising	515,800
3. Market Research	50,000
4. "Bounce-Back" Post Cards	23,000
5. Advertising Testing	20,000
6. Cooperative Advertising Plan	150,000
7. Audio Visual Training Program	40,000
8. Merchandising Kit	250,000
9. Direct Mail Campaign	50,000
10. Trade Show Booth & Participation	100,000
11. "800" Number	35,000
12. Foodservice Contingency	50,000
Total Foodservice	1,314,841

Retail

1. Market Research	65,000
2. Trade Advertising	78,617
3. Radio Advertising	523,000
4. Pre- Post Awareness Studies	10,000
Total Retail	676,617

Foodservice Public Relations

1. ASMI Spokesperson	80,000
2. Home Economist	60,000
3. Alaska Seafood Handbook	45,000
4. Recipe Development	40,000
5. Media Tour	50,000
6. Speakers Bureau Booklet	25,000
7. Special Events	30,000
8. Release Mailings	20,000
9. Editorial Features	8,000
Total Foodservice Public Relations	<u>358,000</u>

Retail Public Relations

1. Spokesperson	No Charge
2. Home Economist	No Charge
3. Recipe Development	15,000
4. Publicity Releases	10,000
5. Trade Publicity Releases	10,000
6. Press Functions	15,000
7. Retail Contingency Fund	15,000
Total Retail Public Relations	<u>65,000</u>

Europe/Japan

1. Trade Advertising	100,000
2. Market Research Studies	150,000
3. Contingency Fund (Travel, etc.)	<u>50,000</u>
Total Europe/Japan	300,000

Alaskan Plan

1. Promote to Alaskan People	25,000
2. Quality Assurance Plan	80,000
3. Contingency Fund	<u>25,517</u>
Total Alaska	130,517

GRAND TOTAL                    3,000,000

RECAP BY CATEGORY

1. Foodservice - U.S.	1,000,000	(64%)
2. Retail - U.S.	600,000	(40%)
3. Europe/Japan/Alaska	<u>400,000</u>	<u>(13%)</u>
<u>GRAND TOTAL</u>	<u>3,000,000</u>	<u>100%</u>

Introduced: 4/1/81  
Referred: Special Gas Pipeline  
Committee and Finance

1 IN THE HOUSE

BY HAYES, MEEKINS AND  
MONTGOMERY

2 HOUSE BILL NO. 454

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act exempting certain communications facilities  
7 from the oil and gas exploration, production and  
8 pipeline transportation property tax; and providing  
9 for an effective date."

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

11 \* Section 1. AS 43.56.210(6)(A)(iii) is amended to read:

12 (iii) roads, tank farms, tanker terminals, docks and  
13 other port facilities, and air strips [AND COMMUNICATION  
14 EQUIPMENT AND FACILITIES];

15 \* Sec. 2. AS 43.56.210(6)(A) is amended by adding a new subparagraph to  
16 read:

17 (vi) communications facilities owned by a person  
18 whose principal business in the state is the exploration for,  
19 production of, or pipeline transportation of gas or unrefined  
20 oil and whose operation of the communications facilities  
21 directly relates to the conduct of that business;

22 \* Sec. 3. AS 43.56.210(6)(B) is amended by adding a new subparagraph to  
23 read:

24 (v) communications facilities, except communica-  
25 tions facilities taxable under (A)(vi) of this paragraph;

26 \* Sec. 4. This Act is retroactive to January 1, 1974.

27 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
28 070(c).

29

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

HB 454

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 454  
Title Exemption of Communication Equipment from Property Tax  
Requested by House Special Gas Pipeline Committee Date April 3, 1981

II. FISCAL DETAIL

Agency Affected \_\_\_\_\_ Revenue \_\_\_\_\_  
Program Category Affected General Government  
BRU, Program, or Subprogram(s) Affected Petroleum Revenue  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

FISCAL IMPACT

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND	(1,172)	(531)	(495)	(495)	(423)	(386)
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The lost revenue represents what the state would have obtained if the property exempted under this bill is taxed under AS 43.56. The lost revenue constitutes 2% of assessed value of the property less that amount (about 16%) which is credited for municipal levies. Municipalities could tax the exempted property under local law. The FY81 figure represents taxes foregone for tax years 1980 and 1981, and assumes that taxability of the property in question is upheld in an appeal to the courts.

IV. DATE 4/3/81 PREPARED BY [Signature]  
AGENCY REVENUE  
PHONE 276-1363  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 454  
 Title Exemption of Communication Equipment from Property Tax  
 Requested by House Special Gas Pipeline Committee Date April 3, 1981

II. FISCAL DETAIL

Agency Affected Revenue  
 Program Category Affected General Government  
 BRU, Program, or Subprogram(s) Affected Petroleum Revenue  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

ADMINISTRATIVE IMPACT

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There would be no administrative or program impact on Petroleum Revenue through enactment of this bill

IV. DATE 4/3/81 PREPARED BY [Signature]  
 AGENCY Revenue  
 PHONE 276-1363  
 Original: Legislative Finance  
 cc: Budget and Management  
Prime Sponsor (First Legislator Named)

# COMMITTEE REPORT

## HOUSE

6/20/81

FURTHER:

(9)

Date: \_\_\_\_\_

Mr. Speaker: (Special Gas Pipeline referral waived 6/19)

The Committee on FINANCE has had HB 454

"An Act exempting certain communications facilities from the oil and gas exploration, production and pipeline transportation tax; and providing for an effective date."

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
CHAIRMAN

Introduced: 4/1/81  
Referred: Special Gas Pipeline  
Committee and Finance

BY HAYES, MEEKINS AND  
MONTGOMERY

1 IN THE HOUSE

2 HOUSE BILL NO. 454

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act exempting certain communications facilities  
7 from the oil and gas exploration, production and  
8 pipeline transportation property tax; and providing  
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18 whose principal business in the state is the exploration for,  
19 production of, or pipeline transportation of gas or unrefined  
20 oil and whose operation of the communications facilities  
21 directly relates to the conduct of that business;

22 \* Sec. 3. AS 43.56.210(6)(B) is amended by adding a new subparagraph to  
23 read:

24 (v) communications facilities, except communica-  
25 tions facilities taxable under (A)(vi) of this paragraph;

26 \* Sec. 4. This Act is retroactive to January 1, 1974.

27 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
28 070(c).

29 COMMITTEE COPY

**ALASKA STATE LEGISLATURE**

TWELFTH Legislature FIRST... Session

HOUSE ... BILL ..... NO. 454...

By ... HAYES, MEEKINS AND .....  
MONTGOMERY

"An Act exempting certain communications facilities from the oil and gas exploration, production and pipeline transportation property tax; and providing for an effective date."

Exempt communications facilities from property tax

Introduced in the House .. 4/1....., 1981.

**HISTORY IN THE HOUSE**

19	81	Read first time and referred to Committee on <b>Special Gas Pipeline and Finance</b> Reported back with recommendation that
Apr	1	
		Read second time and
		Read third time and
		<b>PASS</b> <b>Effective Date</b> Yeas                          Yeas Nays                          Nays Absent                        Absent Excused                      Excused
		<b>Reconsideration</b> <b>PASS</b> <b>Effective Date</b> Yeas                          Yeas Nays                          Nays Absent                        Absent Excused                      Excused Reported correctly engrossed Signed by Speaker Sent to Senate
CHIEF CLERK OF THE HOUSE		

**HISTORY IN THE SENATE**

19		Read first time and referred to Committee on
		Reported back with recommendation that
		Read second time and
		Read third time and
		<b>PASS</b> <b>Effective Date</b> Yeas                          Yeas Nays                          Nays Absent                        Absent Excused                      Excused
		<b>Reconsideration</b> <b>PASS</b> <b>Effective Date</b> Yeas                          Yeas Nays                          Nays Absent                        Absent Excused                      Excused Reported correctly engrossed Signed by President Returned to House
SECRETARY OF THE SENATE		

**HISTORY IN THE HOUSE**

19		Received from Senate
		Concurred in Senate amendment thus adopting: <b>VOTE</b>
		Failed to concur in Senate amendment; asked Senate to recede <b>VOTE</b>
		Senate receded from amendment <b>VOTE</b>
		Senate failed to recede from amendment <b>VOTE</b>
		CC appointed by House
		CC appointed by Senate
		CC adopted by House <b>VOTE</b>
		CC adopted by Senate <b>VOTE</b>
		To enrolling Reported correctly enrolled Sent to Governor  ..... by Governor
		Filed with Lt. Governor
		Chapter No. ....

# STATE OF ALASKA

## DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5  
JUNEAU, ALASKA 99811

April 7, 1981

The Honorable Terry Gardiner  
Chairman  
House Special Gas Pipeline Committee  
Room 118 - Capitol Building  
Juneau, Alaska

Dear Mr. Gardiner:

Re: House Bill No. 454

House Bill No. 454, an Act exempting certain communications facilities from the oil and gas exploration, production and pipeline transportation property tax, was introduced in the House on April 1, 1981 and was referred to the House Special Gas Pipeline and Finance Committees.

For the consideration of the House Special Gas Pipeline Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Robert M. Johnson, Director, Petroleum Revenue Division, Department of Revenue, Anchorage concerning the proposed legislation.

Sincerely,



R. D. Stevenson  
Special Assistant

RDS/rdh

cc: The Honorable Samuel R. Cotten  
Chairman  
House Finance Committee

Joseph K. Donohue  
Deputy Commissioner  
Department of Revenue

Robert M. Johnson, Director  
Petroleum Revenue Division  
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 454  
Title Exemption of Communication Equipment from Property Tax  
Requested by House Special Gas Pipeline Committee Date April 3, 1981

II. FISCAL DETAIL

Agency Affected Revenue  
Program Category Affected General Government  
BRU, Program, or Subprogram(s) Affected Petroleum Revenue  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

FISCAL IMPACT

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL

FUNDING (Thousands of Dollars)

GENERAL FUND	(1,172)	(531)	(495)	(495)	(423)	(386)
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

The lost revenue represents what the state would have obtained if the property exempted under this bill is taxed under AS 43.56. The lost revenue constitutes 2% of assessed value of the property less that amount (about 16%) which is credited for municipal levies. Municipalities could tax the exempted property under local law. The FY81 figure represents taxes foregone for tax years 1980 and 1981, and assumes that taxability of the property in question is upheld in an appeal to the courts.

IV. DATE 4/3/81 PREPARED BY [Signature]  
AGENCY REVENUE  
PHONE 476-1363  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 454  
Title Exemption of Communication Equipment from Property Tax  
Requested by House Special Gas Pipeline Committee Date April 3, 1981

II. FISCAL DETAIL

Agency Affected Revenue  
Program Category Affected General Government  
BRU, Program, or Subprogram(s) Affected Petroleum Revenue  
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

ADMINISTRATIVE IMPACT

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	0	0	0	0	0	0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

There would be no administrative or program impact on Petroleum Revenue through enactment of this bill

IV. DATE 4/3/81 PREPARED BY [Signature]  
AGENCY Revenue  
PHONE 276-1363  
Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)

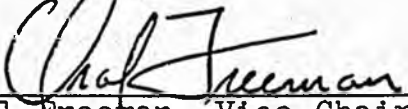


HOUSE JOURNAL

HOUSE FINANCE COMMITTEE

LETTER OF INTENT  
FOR  
CSHB 456 (FINANCE)

It is the intent of the legislature that the costs of clearing agricultural land be financed by farm development loans from the agricultural revolving loan fund.

  
Oral Freeman, Vice-Chairman  
House Finance Committee

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS HB 456 (Finance)  
 Title An Act relating to agriculture  
 Requested by House Finance Date May 16, 1981

II. FISCAL DETAIL

Agency Affected Department of Natural Resources  
 Program Category Affected Development  
 BRU, Program, or Subprogram(s) Affected Agricultural Management/Agricultural Development  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		74.8	78.8	82.0	86.0	90.0
200 TRAVEL		5.0	6.0	6.0	6.5	7.0
300 CONTRACTUAL		5.0	5.0	5.0	5.0	5.0
400 COMMODITIES		1.6	1.6	1.8	1.8	2.0
500 EQUIPMENT		5.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>91.4</b>	<b>90.4</b>	<b>94.8</b>	<b>99.3</b>	<b>104.0</b>

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						
ARLF Proceeds		91.4	90.4	94.8	99.3	104.0

POSITIONS

FULL TIME		2	2	2	2	2
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Includes two new positions: a Loan Examiner III (Fairbanks) and a Clerk-Typist III (Fairbanks) to handle increased workload. Other components include new employee expenses.

IV. DATE 5/16/81 PREPARED BY Nick Carney  
 AGENCY Department of Natural Resources  
 Original: Legislative Finance PHONE 465-2400  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 456 (Resources)

Title An Act relating to agriculture

Requested by \_\_\_\_\_ Date May 16, 1981

II. FISCAL DETAIL

Agency Affected DNR

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Ag Management / Ag Development

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		118.0	130.0	142.0	154.0	166.0
200 TRAVEL		43.0	43.0	45.0	45.0	45.0
300 CONTRACTUAL		68.0	78.0	88.0	98.0	98.0
400 COMMODITIES		6.0	4.5	4.5	5.5	5.5
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		<b>242.0</b>	<b>255.5</b>	<b>279.5</b>	<b>302.5</b>	<b>314.5</b>

FUNDING (Thousands of Dollars)

GENERAL FUND		242.0	255.5	279.5	302.5	314.5
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Includes Executive Director to boards, secretary and research assistant to Ag Products Board, travel for 4 Ag Products Board meetings per year and 10 District Board meetings per year. No funds are included for contractual services for the Ag Products Board for promotion, research, education, etc. Those will be developed by the Board and presented to the Legislature for funding. Includes all office rents, operational costs, and support costs for staff.

IV. DATE May 16, 1981

PREPARED BY Nick Carney

AGENCY DNR/Division of Agriculture

PHONE \_\_\_\_\_

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

Original sponsors: Rogers, Brown,  
Carney, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 456 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agriculture; and providing for an  
7 effective date."

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

9 \* Section 1. PURPOSE. It is the purpose of this Act to promote

10 (1) the development of economically viable, environmentally  
11 sound, and energy-efficient agricultural production which will help diversify  
12 and stabilize the economy of the state; and

13 (2) the self-sufficiency of Alaskans in the production of food  
14 supplies.

15 \* Sec. 2. AS 03.10.010 is repealed and reenacted to read:

16 Sec. 03.10.010. DECLARATION OF POLICY. It is the policy of this  
17 chapter to promote the development of agriculture throughout the state  
18 by means of low-interest loans.

19 \* Sec. 3. AS 03.10.020(1) is repealed and reenacted to read:

20 (1) make loans

21 (A) for development of farms and greenhouses and for  
22 the storage, processing, and marketing of farm produce, livestock,  
23 and machinery

24 (i) to individual resident farmers, homesteaders,  
25 greenhouse gardeners; and

26 (ii) to partnerships, cooperatives, and corporations  
27 composed of resident farmers, homesteaders, and greenhouse  
28 gardeners;

29 (B) for storage and processing plants for agricultural

1 products to resident individuals, partnerships, cooperatives, and  
2 corporations;

3 \* Sec. 4. AS 03.10.030(a) is repealed and reenacted to read:

4 (a) A loan may not run longer than 30 years or the useful life of  
5 the chattel nor bear interest exceeding eight percent, and the loan  
6 shall be secured by a real estate or chattel mortgage, or both.

7 \* Sec. 5. AS 03.10.030(b) is repealed and reenacted to read:

8 (b) A loan to an individual resident farmer, homesteader, or  
9 greenhouse gardener or to a partnership or corporation composed of  
10 farmers, homesteaders, or greenhouse gardeners may not exceed \$750,000  
11 for farm development and \$500,000 for chattels.

12 \* Sec. 6. AS 03.10.030(d) is repealed and reenacted to read:

13 (d) A loan for an irrigation system under this chapter may be  
14 made in an amount and for a term determined by the commissioner.

15 \* Sec. 7. AS 03.10.030 is amended by adding a new subsection to read:

16 (g) A loan may not be made under this chapter unless the depart-  
17 ment determines that sufficient capital is not available from other  
18 sources on reasonable terms.

19 \* Sec. 8. AS 03 is amended by adding a new chapter to read:

20 CHAPTER 18. ALASKA AGRICULTURAL PRODUCTS BOARD.

21 Sec. 03.18.005. PURPOSES OF CHAPTER. The purposes of this  
22 chapter are to

23 (1) enable the agricultural industry to maintain and enhance  
24 the quality and purity of agricultural products harvested and processed  
25 by farmers and food processors in the state;

26 (2) enable the agricultural industry in the state to stimu-  
27 late consumer identification of Alaska agricultural products so as to  
28 increase the use and consumption of agricultural products harvested and  
29 processed in the state; and

1 (3) stabilize and diversify the distribution of agricultural  
2 products processed and harvested in the state by encouraging consumers  
3 to purchase Alaska agricultural products.

4 Sec. 03.18.010. ALASKA AGRICULTURAL PRODUCTS BOARD. (a) There  
5 is established in the Department of Natural Resources the Alaska Agri-  
6 cultural Products Board consisting of seven members appointed by the  
7 governor. Members of the board shall be residents of the state. The  
8 board shall consist of persons who are representative of processors of  
9 agricultural products in the state and farmers who have actively  
10 engaged in farming in the state during at least one of the three years  
11 preceding appointment. The commissioner of natural resources or his  
12 designee, the director of the agricultural experiment station, and the  
13 director of the cooperative extension service are nonvoting, ex officio  
14 members of the board. Members of the board serve terms of four years.  
15 Six appointed members of the board constitute a quorum.

16 (b) The board shall elect a presiding officer annually and shall  
17 hold at least one regular meeting a year. The board shall meet at the  
18 call of the presiding officer or upon the written request of four  
19 appointed members.

20 (c) Members of the board do not receive a salary, but are entitled  
21 to per diem and travel expenses authorized by law for boards and  
22 commissions under AS 39.20.180.

23 Sec. 03.18.020. MEETINGS PUBLIC. Meetings of the board are  
24 public and shall be held under AS 44.62.310.

25 Sec. 03.18.030. DUTIES. The board shall

26 (1) conduct or sponsor programs of market research and  
27 education, advertising, or sales promotion designed to accomplish the  
28 purposes of this chapter;

29 (2) contract with persons to promote the sale of agricultural

1 products;

2 (3) cooperate with any other local, state or national board,  
3 organization, or agency engaged in work or activities similar to the  
4 work and activities of the board and contract with those organizations  
5 or agencies for carrying on joint programs of consumer education, sales  
6 promotion, quality promotion, advertising, and research in the produc-  
7 tion, processing, or distribution of agricultural products;

8 (4) conduct or contract for scientific research to develop  
9 and discover the health, dietetic, or other uses of agricultural  
10 products;

11 (5) prepare an annual budget for the board;

12 (6) employ an executive director and other employees it  
13 considers necessary and prescribe their duties and fix their compensa-  
14 tion;

15 (7) establish offices and incur expenses incidental to their  
16 establishment;

17 (8) present facts to, and negotiate with local, state, or  
18 federal governmental agencies on matters affecting quality production,  
19 processing, or distribution of agricultural products.

20 Sec. 03.18.040. ANNUAL REPORTS. The board shall prepare an  
21 annual report suggesting methods to promote high quality and markets  
22 for agricultural products. The report shall be submitted to the legis-  
23 lature on February 15 of each year.

24 Sec. 03.18.050. DEFINITIONS. In this chapter

25 (1) "agricultural products" means plants and animals useful  
26 to man which are produced in the state for human food and does not  
27 include aquatic plants and animals or timber products;

28 (2) "board" means the Alaska Agricultural Products Board.

29 \* Sec. 9. AS 41.10.040 is amended to read:

1           Sec. 41.10.040. SOIL CONSERVATION BOARD. The district is governed  
2 by the Alaska Soil Conservation Board composed of five [THREE] members.

3 \* Sec. 10. AS 41.10.060 is repealed and reenacted to read:

4           Sec. 41.10.060. QUALIFICATIONS OF BOARD MEMBERS. The board shall  
5 consist of resident farmers and ranchers and shall be geographically  
6 representative of the state.

7 \* Sec. 11. AS 41.10 is amended by adding a new section to read:

8           Sec. 41.10.095. DUTIES OF BOARD. The board shall

9           (1) receive and review reports concerning the use of soil  
10 resources in the state;

11           (2) hold public hearings and meetings to determine whether  
12 land in the state is being used in a manner consistent with sound soil  
13 conservation practice;

14           (3) furnish the commissioner of natural resources with re-  
15 ports of findings and make recommendations for specific action neces-  
16 sary to provide for the effective and orderly development of farming  
17 and grazing land in the state; and

18           (4) review an appeal by an applicant or lessee from a deci-  
19 sion of the director of the division of forest, land and water manage-  
20 ment or the commissioner of natural resources concerning a sale or  
21 lease of state agricultural or grazing land and submit its recommenda-  
22 tions to the commissioner or hearing officer.

23 \* Sec. 12. AS 44.81 is amended by adding a new section to read:

24           Sec. 44.81.215. AGRICULTURAL PROCESSING FACILITIES LOAN. The  
25 bank may make a loan to provide financing for

26           (1) the construction or improvement of agricultural proces-  
27 sing facilities in the state;

28           (2) the working capital requirements of an agricultural  
29 processing facility in the state.

1 \* Sec. 13. AS 44.81.350 is amended by adding a new paragraph to read:

2 (5) "agricultural processing facilities" means facilities  
3 which process agricultural products and includes but is not limited to  
4 port facilities for the storage and shipment of grain, centralized  
5 grain handling facilities, slaughterhouses, dairy plants, and vegetable  
6 processing plants.

7 \* Sec. 14. Within 90 days after the effective date of this Act the  
8 governor shall appoint two additional members to the Alaska Soil Conserva-  
9 tion Board under AS 41.10.040 amended in sec. 9 of this Act. The initial  
10 terms of the additional members shall be two and three years respectively.  
11 The present members of the board shall complete their terms of office. All  
12 appointments, whether to fill vacancies or the new positions, shall be made  
13 so as to bring about the composition of the board provided in AS 41.10.060  
14 as amended by sec. 10 of this Act.

15 \* Sec. 15. Of the members first appointed by the governor to the Alaska  
16 Agricultural Products Board under AS 03.18.010 enacted in sec. 8 of this  
17 Act, three members serve for one year, three members for two years, three  
18 members for three years, and two members for four years.

19 \* Sec. 16. The first report required by the Alaska Agricultural Products  
20 Board under AS 03.18.040 enacted in sec. 8 of this Act shall be submitted to  
21 the First Session of the Thirteenth Legislature.

22 \* Sec. 17. This Act takes effect July 1, 1981.  
23  
24  
25  
26  
27  
28  
29

Original sponsors: Rogers, Brown,  
Carney, et al

Offered: 5/15/81  
Referred: Finance

1 IN THE HOUSE

FINANCE  
BY THE ~~RESOURCES~~ COMMITTEE

2 CS FOR HOUSE BILL NO. 456 (~~Resources~~) FINANCE

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agriculture; and providing for an  
7 effective date."

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

9 \* Section 1. PURPOSE. It is the purpose of this Act to promote

10 (1) the development of economically viable, environmentally  
11 sound, and energy-efficient agricultural production which will help diversify  
12 and stabilize the economy of the state; and

13 (2) the self-sufficiency of Alaskans in the production of food  
14 supplies.

15 \* Sec. 2. AS 03.10.010 is repealed and reenacted to read:

16 Sec. 03.10.010. DECLARATION OF POLICY. It is the policy of this  
17 chapter to promote the development of agriculture throughout the state  
18 by means of low-interest loans.

19 \* Sec. 3. AS 03.10.020(1) is repealed and reenacted to read:

20 (1) make loans

21 (A) for development of farms and greenhouses and for  
22 the storage, processing, and marketing of farm produce, livestock,  
23 and machinery

24 (i) to individual resident farmers, homesteaders,  
25 greenhouse gardeners; and

26 (ii) to partnerships, cooperatives, and corporations  
27 composed of resident farmers, homesteaders, and greenhouse  
28 gardeners;

29 (B) for storage and processing plants for agricultural

1 products to resident individuals, partnerships, cooperatives, and  
2 corporations;

3 \* Sec. 4. AS 03.10.030(a) is repealed and reenacted to read:

4 (a) A loan may not run longer than 30 years or the useful life of  
5 the chattel nor bear interest exceeding ~~6~~<sup>eight</sup> percent, and it shall be  
6 secured by a real estate or chattel mortgage, or both.

7 \* Sec. 5. AS 03.10.030(b) is repealed and reenacted to read:

8 (b) A loan to an individual resident farmer, homesteader, or  
9 greenhouse gardener or to a partnership or corporation composed of  
10 farmers, homesteaders, or greenhouse gardeners may not exceed ~~\$500,000~~<sup>\$750,000</sup>  
11 for farm development and ~~\$300,000~~<sup>\$500,000</sup> for chattels.

12 \* Sec. 6. AS 03.10.030(d) is repealed and reenacted to read:

13 (d) A loan for an irrigation system under this chapter may be  
14 made in an amount and for a term determined by the commissioner.

15 \* Sec. 7. AS 03.10.030 is amended by adding a new subsection to read:

16 (g) A loan may not be made under this chapter unless the depart-  
17 ment determines that sufficient capital is not available from other  
18 sources on reasonable terms.

19 \* Sec. 8. AS 03 is amended by adding a new chapter to read:

20 CHAPTER 18. ALASKA AGRICULTURAL PRODUCTS BOARD.

21 Sec. 03.18.010. ALASKA AGRICULTURAL PRODUCTS BOARD. (a) There  
22 is established in the Department of Natural Resources the Alaska Agri-  
23 cultural Products Board consisting of ~~11~~<sup>7</sup> members appointed by the  
24 governor. Members of the board shall be residents of the state. The  
25 board shall consist of persons who are representative of processors of  
26 agricultural products in the state and farmers who have actively engaged  
27 in farming in the state during at least one of the three years preceding  
28 appointment. The commissioner of natural resources ~~is a~~<sup>① are</sup> nonvoting, ex  
29 officio members of the board. Members of the board serve terms of four

① or his designee, the director of the agricultural experiment station, and the director of the cooperative extension service

1 years. Six appointed members of the board constitute a quorum.

2 (b) The board shall elect a presiding officer annually and shall  
3 hold at least one regular meeting a year. The board shall meet at the  
4 call of the presiding officer or upon the written request of four  
5 appointed members.

6 (c) Members of the board do not receive a salary, but are entitled  
7 to per diem and travel expenses authorized by law for boards and commis-  
8 sions under AS 39.20.180.

9 *INSERT* → Sec. 03.18.020. MEETINGS PUBLIC. Meetings of the board are  
10 public and shall be held under AS 44.62.310.

11 Sec. 03.18.030. DUTIES. The board shall

- 12 (1) <sup>or sponsor</sup> conduct <sup>market research and education,</sup> programs of ~~education, research,~~ advertising, or  
13 sales promotion designed to accomplish the purposes of this chapter;
- 14 (2) contract with persons to promote the sale of agricultural  
15 products;
- 16 (3) cooperate with any other local, state or national board,  
17 organization, or agency engaged in work or activities similar to the  
18 work and activities of the board and contract with those organizations  
19 or agencies for carrying on joint programs of consumer education, sales  
20 promotion, quality promotion, advertising, and research in the produc-  
21 tion, processing, or distribution of agricultural products;
- 22 (4) conduct or contract for scientific research to develop  
23 and discover the health, dietetic, or other uses of agricultural  
24 products;
- 25 (5) prepare an annual budget for the board;
- 26 (6) employ an executive director and other employees it  
27 considers necessary and prescribe their duties and fix their compensa-  
28 tion;
- 29 (7) establish offices and incur expenses incidental to their

1 establishment;

2 (8) present facts to, and negotiate with local, state, or  
3 federal governmental agencies on matters affecting quality production,  
4 processing, or distribution of agricultural products.

5 Sec. 03.18.040. ANNUAL REPORTS. The board shall prepare an  
6 annual report suggesting methods to promote high quality and markets  
7 for agricultural products. The report shall be submitted to the legis-  
8 lature on February 15 of each year.

9 Sec. 03.18.050. DEFINITIONS. In this chapter

10 (1) "agricultural products" means plants and animals useful  
11 to man which are produced in the state for human food and does not  
12 include aquatic plants and animals, *or timber products;*

13 (2) "board" means the Alaska Agricultural Products Board.

14 ~~Sec. 9. AS 38.05.069(c)(1) is amended to read:~~

15 (1) the director may convey or lease an interest in the land  
16 only for agricultural purposes, and all other interests in the land  
17 remain in the state; the sale or lease shall be at public auction and,  
18 if the land conveyed or leased contains over 40 acres, before the con-  
19 tract of sale or lease is signed the purchaser or lessee shall agree  
20 to a farm conservation plan which has been approved by the director  
21 and which may be modified by agreement between the purchaser or lessee  
22 and the director;

23 \* Sec. 10. AS 38.05.069(e) is amended by adding a new paragraph to read:

24 (3) "farm conservation plan" means an agreement which

25 (A) describes the location of the land that will be  
26 cleared or cultivated;

27 (B) describes the location of buildings or other im-  
28 provements that will be constructed on the land; and

29 (C) describes the soil conservation measures that will

1 ~~be taken by the purchaser or lessee.~~

2 \* Sec. 11. AS 41.10.040 is amended to read:

3 Sec. 41.10.040. SOIL CONSERVATION BOARD. The district is governed  
4 by the Alaska Soil Conservation Board composed of five [THREE] members.

5 \* Sec. 12. AS 41.10.060 is repealed and reenacted to read:

6 Sec. 41.10.060. QUALIFICATIONS OF BOARD MEMBERS. The board shall  
7 consist of resident farmers and ranchers and shall be geographically  
8 representative of the state.

9 \* Sec. 13. AS 41.10 is amended by adding a new section to read:

10 Sec. 41.10.095. DUTIES OF BOARD. The board shall

11 (1) receive and review reports concerning the use of soil  
12 resources in the state;

13 (2) hold public hearings and meetings to determine whether  
14 land in the state is being used in a manner consistent with sound soil  
15 conservation practice;

16 (3) furnish the commissioner of natural resources with re-  
17 ports of findings and make recommendations for specific action neces-  
18 sary to provide for the effective and orderly development of farming  
19 and grazing land in the state; and

20 (4) review an appeal by an applicant or lessee from a deci-  
21 sion of the director of the <sup>forest, land and water management</sup> division of lands or the commissioner of  
22 natural resources concerning <sup>a sale or lease</sup> ~~the leasing~~ of state agricultural or  
23 grazing land and submit its recommendations to the commissioner or  
24 hearing officer.

25 \* Sec. 14. AS 44.81 is amended by adding a new section to read:

26 Sec. 44.81.215. AGRICULTURAL PROCESSING FACILITIES LOAN. The  
27 bank may make a loan to provide financing for

28 (1) the construction or improvement of agricultural proces-  
29 sing facilities in the state;

1 (2) the working capital requirements of an agricultural  
2 processing facility in the state.

3 \* Sec. 15. AS 44.81.350 is amended by adding a new paragraph to read:

4 (5) "agricultural processing facilities" means facilities  
5 which process agricultural products and includes but is not limited to  
6 port facilities for the storage and shipment of grain, centralized  
7 grain handling facilities, slaughterhouses, dairy plants, and vegetable  
8 processing plants.

9 \* Sec. 16. Within 90 days after the effective date of this Act the  
10 governor shall appoint two additional members to the Alaska Soil Conserva-  
11 tion Board under AS 41.10.040 amended in sec. 11 of this Act. The initial  
12 terms of the additional members shall be two and three years respectively.  
13 The present members of the board shall complete their terms of office. All  
14 appointments, whether to fill vacancies or the new positions, shall be made  
15 so as to bring about the composition of the board provided in AS 41.10.060  
16 as amended by sec. 12 of this Act.

17 \* Sec. 17. Of the members first appointed by the governor to the Alaska  
18 Agricultural Products Board under AS 03.18.010 enacted in sec. 8 of this  
19 Act, three members serve for one year, three members for two years, three  
20 members for three years, and two members for four years.

21 \* Sec. 18. The first report required under AS 03.18.040 by the Alaska  
22 Agricultural Products Board enacted in sec. 8 of this Act shall be submitted  
23 to the First Session of the Thirteenth Legislature.

24 \* Sec. 19. ~~The Department of Health and Social Services may provide to~~  
25 ~~applicants who qualify for state assistance under AS 47.25 seeds, supplies,~~  
26 ~~and tools for home gardens up to a value of \$50 for each qualifying house-~~  
27 hold.

28 [~~\* Sec. 20. AS 03.10.030(f) is repealed.~~]

29 \* Sec. 21. This Act takes effect July 1, 1981.

Amendment by Rogers  
p. 2, line 20, insert the following!

Sec. 3.18.015 PURPOSES. The purposes of this chapter are to

(1) enable the agricultural industry to maintain and enhance the quality and purity of agricultural products harvested and processed by farmers and food processors in the state;

(2) enable the agricultural industry in the state to stimulate consumer identification of Alaska agricultural products to increase the use and consumption of agricultural products harvested and processed in the state; and

(3) stabilize and diversify the distribution of agricultural products processed and harvested in the state by encouraging consumers to purchase Alaska agricultural products.

FISCAL NOTE

(FN - not accepted)

I. REQUEST

Bill/Resolution No. CSHB 456 (Resources)  
 Title An Act Relating to Agriculture  
 Requested by Rogers, Brown, Carney et al Date 5/15/81

II. FISCAL DETAIL

Agency Affected DHSS  
 Program Category Affected New BRU for seed grants - Social Services  
 BRU, Program, or Subprogram(s) Affected Same  
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)  
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	50.0	55.0	60.5	33.3	36.6	40.3
200 TRAVEL						
300 CONTRACTUAL	60.0	6.6	7.3	4.0	4.4	4.8
400 COMMODITIES	.5	.6	.6	.3	.4	.4
500 EQUIPMENT	3.5					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	1,000.0	1,100.0	1,210.0	1,331.0	1,464.1	1,610.5
<b>TOTAL</b>	<b>1,060.0</b>	<b>1,162.2</b>	<b>1,278.4</b>	<b>1,368.6</b>	<b>1,505.5</b>	<b>1,656.0</b>

FUNDING (Thousands of Dollars)

GENERAL FUND	1,060.0	1,162.2	1,278.4	1,368.6	1,505.5	1,656.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	2.0	2.0	2.0	1.0	1.0	1.0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Section 17 of CSHB 456 (Resources) would provide an opportunity for all recipients of public assistance to receive \$50 annually with which to purchase seeds, supplies and tools for home gardens. Approximately 24,000 families are expected to receive public assistance in FY82 not all of which would likely be interested in receiving this special aid. This fiscal note would accomodate up to 20,000 households in FY82 plus two clerical staff to issue warrants to vendors. The implementation of the division's new data system should drop the requirement for clerical support to one position by FY84.

*R. Betit*  
 Rod Betit

IV. DATE 5/15/81 PREPARED BY DHSS/DPA  
 AGENCY DHSS/DPA  
 PHONE 465-3355  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

*AA* 5/15/81

CSHB 456 (Finance)

It is the intent of the legislature that the costs of clearing agricultural land be financed by farm development loans from the agricultural revolving loan fund.

Original sponsors: Rogers, Brown,  
Carney, et al

Offered: 5/15/81  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2

CS FOR HOUSE BILL NO. 456 (Resources)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to agriculture; and providing for an  
7 effective date."

7

8

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

9

\* Section 1. PURPOSE. It is the purpose of this Act to promote

10

(1) the development of economically viable, environmentally

11

sound, and energy-efficient agricultural production which will help diversify

12

and stabilize the economy of the state; and

13

(2) the self-sufficiency of Alaskans in the production of food

14

supplies.

15

\* Sec. 2. AS 03.10.010 is repealed and reenacted to read:

16

Sec. 03.10.010. DECLARATION OF POLICY. It is the policy of this

17

chapter to promote the development of agriculture throughout the state

18

by means of low-interest loans.

19

\* Sec. 3. AS 03.10.020(1) is repealed and reenacted to read:

20

(1) make loans

21

(A) for development of farms and greenhouses and for

22

the storage, processing, and marketing of farm produce, livestock,

23

and machinery

24

(i) to individual resident farmers, homesteaders,

25

greenhouse gardeners; and

26

(ii) to partnerships, cooperatives, and corporations

27

composed of resident farmers, homesteaders, and greenhouse

28

gardeners;

29

(B) for storage and processing plants for agricultural

1 products to resident individuals, partnerships, cooperatives, and  
2 corporations;

3 \* Sec. 4. AS 03.10.030(a) is repealed and reenacted to read:

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17 ment determines that sufficient capital is not available from other  
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21 Sec. 03.18.010. ALASKA AGRICULTURAL PRODUCTS BOARD. (a) There  
22 is established in the Department of Natural Resources the Alaska Agri-  
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26 agricultural products in the state and farmers who have actively engaged  
27 in farming in the state during at least one of the three years preceding  
28 appointment. The commissioner of natural resources is a nonvoting, ex  
29 officio member of the board. Members of the board serve terms of four

1 years. Six appointed members of the board constitute a quorum.

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3 hold at least one regular meeting a year. The board shall meet at the  
4 call of the presiding officer or upon the written request of four  
5 appointed members.

6 (c) Members of the board do not receive a salary, but are entitled  
7 to per diem and travel expenses authorized by law for boards and commis-  
8 sions under AS 39.20.180.

9 Sec. 03.18.020. MEETINGS PUBLIC. Meetings of the board are  
10 public and shall be held under AS 44.62.310.

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12 (1) conduct programs of education, research, advertising, or  
13 sales promotion designed to accomplish the purposes of this chapter;

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15 products;

16 (3) cooperate with any other local, state or national board,  
17 organization, or agency engaged in work or activities similar to the  
18 work and activities of the board and contract with those organizations  
19 or agencies for carrying on joint programs of consumer education, sales  
20 promotion, quality promotion, advertising, and research in the produc-  
21 tion, processing, or distribution of agricultural products;

22 (4) conduct or contract for scientific research to develop  
23 and discover the health, dietetic, or other uses of agricultural  
24 products;

25 (5) prepare an annual budget for the board;

26 (6) employ an executive director and other employees it  
27 considers necessary and prescribe their duties and fix their compensa-  
28 tion;

29 (7) establish offices and incur expenses incidental to their

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18 if the land conveyed or leased contains over 40 acres, before the con-  
19 tract of sale or lease is signed the purchaser or lessee shall agree  
20 to a farm conservation plan which has been approved by the director  
21 and which may be modified by agreement between the purchaser or lessee  
22 and the director;

23 \* Sec. 10. AS 38.05.069(e) is amended by adding a new paragraph to read:

24 (3) "farm conservation plan" means an agreement which

25 (A) describes the location of the land that will be  
26 cleared or cultivated;

27 (B) describes the location of buildings or other im-  
28 provements that will be constructed on the land; and

29 (C) describes the soil conservation measures that will

1           be taken by the purchaser or lessee.

2       \* Sec. 11. AS 41.10.040 is amended to read:

3           Sec. 41.10.040. SOIL CONSERVATION BOARD. The district is governed  
4       by the Alaska Soil Conservation Board composed of five [THREE] members.

5       \* Sec. 12. AS 41.10.060 is repealed and reenacted to read:

6           Sec. 41.10.060. QUALIFICATIONS OF BOARD MEMBERS. The board shall  
7       consist of resident farmers and ranchers and shall be geographically  
8       representative of the state.

9       \* Sec. 13. AS 41.10 is amended by adding a new section to read:

10          Sec. 41.10.095. DUTIES OF BOARD. The board shall

11               (1) receive and review reports concerning the use of soil  
12       resources in the state;

13               (2) hold public hearings and meetings to determine whether  
14       land in the state is being used in a manner consistent with sound soil  
15       conservation practice;

16               (3) furnish the commissioner of natural resources with re-  
17       ports of findings and make recommendations for specific action neces-  
18       sary to provide for the effective and orderly development of farming  
19       and grazing land in the state; and

20               (4) review an appeal by an applicant or lessee from a deci-  
21       sion of the director of the division of lands or the commissioner of  
22       natural resources concerning the leasing of state agricultural or  
23       grazing land and submit its recommendations to the commissioner or  
24       hearing officer.

25       \* Sec. 14. AS 44.81 is amended by adding a new section to read:

26           Sec. 44.81.215. AGRICULTURAL PROCESSING FACILITIES LOAN. The  
27       bank may make a loan to provide financing for

28               (1) the construction or improvement of agricultural proces-  
29       sing facilities in the state;

1           (2) the working capital requirements of an agricultural  
2 processing facility in the state.

3 \* Sec. 15. AS 44.81.350 is amended by adding a new paragraph to read:

4           (5) "agricultural processing facilities" means facilities  
5 which process agricultural products and includes but is not limited to  
6 port facilities for the storage and shipment of grain, centralized  
7 grain handling facilities, slaughterhouses, dairy plants, and vegetable  
8 processing plants.

9 \* Sec. 16. Within 90 days after the effective date of this Act the  
10 governor shall appoint two additional members to the Alaska Soil Conserva-  
11 tion Board under AS 41.10.040 amended in sec. 11 of this Act. The initial  
12 terms of the additional members shall be two and three years respectively.  
13 The present members of the board shall complete their terms of office. All  
14 appointments, whether to fill vacancies or the new positions, shall be made  
15 so as to bring about the composition of the board provided in AS 41.10.060  
16 as amended by sec. 12 of this Act.

17 \* Sec. 17. Of the members first appointed by the governor to the Alaska  
18 Agricultural Products Board under AS 03.18.010 enacted in sec. 8 of this  
19 Act, three members serve for one year, three members for two years, three  
20 members for three years, and two members for four years.

21 \* Sec. 18. The first report required under AS 03.18.040 by the Alaska  
22 Agricultural Products Board enacted in sec. 8 of this Act shall be submitted  
23 to the First Session of the Thirteenth Legislature.

24 \* Sec. 19. The Department of Health and Social Services may provide to  
25 applicants who qualify for state assistance under AS 47.25 seeds, supplies,  
26 and tools for home gardens up to a value of \$50 for each qualifying house-  
27 hold.

28 \* Sec. 20. AS 03.10.030(f) is repealed.

29 \* Sec. 21. This Act takes effect July 1, 1981.

Introduced: 4/2/81  
Referred: Resources and  
Finance

1 IN THE HOUSE

BY ROGERS, BROWN, CARNEY,  
MOSS AND GARDINER

2 HOUSE BILL NO. 456

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to agriculture; and providing for an  
7 effective date."

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

9 \* Section 1. AS 03.10.010 is repealed and reenacted to read:

10 Sec. 03.10.010. DECLARATION OF POLICY. It is the policy of this  
11 chapter to promote the development of agriculture throughout the state  
12 and to encourage greater self-sufficiency in food production by means  
13 of low-interest loans.

14 \* Sec. 2. AS 03.10.020(1) is repealed and reenacted to read:

15 (1) make loans

16 (A) for development of farms and greenhouses and for  
17 the storage, processing, and marketing of farm produce, livestock,  
18 and machinery

19 (i) to individual resident farmers, homesteaders,  
20 greenhouse gardeners; and

21 (ii) to partnerships, cooperatives, and corporations  
22 composed of resident farmers, homesteaders, and greenhouse  
23 gardeners;

24 (B) for storage and processing plants for agricultural  
25 products to resident individuals, partnerships, cooperatives, and  
26 corporations;

27 \* Sec. 3. AS 03.10.030(a) is repealed and reenacted to read:

28 (a) A loan may not run longer than 30 years or the useful life of  
29 the chattel nor bear interest exceeding six percent, and it shall be

1       secured by a real estate or chattel mortgage, or both.

2       \* Sec. 4. AS 03.10.030(b) is repealed and reenacted to read:

3               (b) A loan to an individual resident farmer, homesteader, or  
4       greenhouse gardener may not exceed \$500,000 for farm development and  
5       \$300,000 for chattels.

6       \* Sec. 5. AS 03.10.030(d) is repealed and reenacted to read:

7               (d) A loan for an irrigation system under this chapter may be  
8       made in an amount and for a term determined by the commissioner.

9       \* Sec. 6. AS 03.10.030 is amended by adding a new subsection to read:

10              (g) A loan may not be made under this chapter unless the depart-  
11       ment determines that sufficient capital is not available from other  
12       sources on reasonable terms.

13       \* Sec. 7. AS 03.10.040 is amended to read:

14              Sec. 03.10.040. CREATION OF FUND. There is an agricultural  
15       [REVOLVING] loan fund [WHICH SHALL NOT EXCEED \$20,000,000] to carry out  
16       the purpose of this chapter.

17       \* Sec. 8. AS 03 is amended by adding a new chapter to read:

18              CHAPTER 12. ALASKA SMALL FARM DEVELOPMENT ACT.

19              Sec. 03.12.010. ESTABLISHMENT OF PROGRAM. The department shall  
20       establish a program of cost sharing for the development of small farms  
21       by offering financial assistance for clearing and breaking of land to  
22       owners or holders of agricultural rights to eligible land.

23              Sec. 03.12.020. ELIGIBLE LAND. (a) Only land which the depart-  
24       ment determines has a soil capability classification of II or III is  
25       eligible for the cost-sharing program under this chapter.

26              (b) Land which contains timber with commercial value is not  
27       eligible for the cost-sharing program under this chapter until the  
28       timber has been harvested.

29              (c) Land which is the subject of a long-term agricultural loan

1 for clearing under AS 03.10 is not eligible for the cost-sharing program  
2 under this chapter.

3 (d) In order for land to be eligible for the cost-sharing program  
4 under this chapter all agricultural land controlled by the person  
5 applying for the program must be managed in a manner consistent with  
6 the principles of soil and water conservation determined by the depart-  
7 ment or by the Agricultural Stabilization and Conservation Service of  
8 the United States Department of Agriculture.

9 Sec. 03.12.030. ELIGIBLE PERSONS. If the agricultural rights to  
10 eligible land are held by a person other than the owner of the land,  
11 the holder of those agricultural rights is the person eligible to  
12 submit the development plan and to receive the money under the cost-  
13 sharing program.

14 Sec. 03.12.040. DEVELOPMENT PLAN. (a) In order to receive  
15 cost-sharing money under this chapter the owner of the eligible land or  
16 the holder of agricultural rights to the eligible land must submit a  
17 development plan for approval by the department.

18 (b) In preparing the development plan the owner of the eligible  
19 land or the holder of agricultural rights to the eligible land must  
20 consult with and obtain technical services from the Agricultural  
21 Stabilization and Conservation Service of the United States Department  
22 of Agriculture.

23 Sec. 03.12.050. LIMITATION ON COST-SHARING MONEY. (a) The  
24 department may pay cost-sharing money under an approved development  
25 plan for

26 (1) up to 75 percent of the cost of clearing land but not to  
27 exceed \$200 per acre; and

28 (2) up to 75 percent of the cost of breaking land but not to  
29 exceed \$100 per acre.

1 (b) The money authorized to be paid under (a) of this section may  
2 not exceed either

3 (1) \$7,500 per farm in one calendar year; or

4 (2) \$30,000 per farm.

5 Sec. 03.12.060. REPAYMENT OF COST-SHARING MONEY. (a) If eligible  
6 land is not put into production as crop or pasture land within three  
7 years after cost-sharing money is paid under this chapter, the cost-  
8 sharing money shall be repaid to the department by the recipient.

9 (b) If eligible land does not remain in production as crop or  
10 pasture land for seven consecutive years after cost-sharing money is  
11 paid under this chapter, the cost-sharing money shall be repaid to the  
12 department by the recipient. A portion of the eligible land may be  
13 left fallow each year for soil improvement purposes without repayment  
14 of cost-sharing money being required.

15 \* Sec. 9. AS 03 is amended by adding a new chapter to read:

16 CHAPTER 16. SMALL GRAINS LOAN PROGRAM.

17 Sec. 03.16.010. ESTABLISHMENT OF PROGRAM. The Department of  
18 Natural Resources shall establish and administer a small grains nonre-  
19 course loan program under the provisions of this chapter. The depart-  
20 ment may obtain or construct facilities to carry out the purposes of  
21 this chapter and may operate a facility itself or may contract with  
22 farm cooperatives, the Alaska Grain Exchange, or other suitable entities  
23 to operate the facility.

24 Sec. 03.16.020. NONRECOURSE GRAIN LOANS. (a) The department may  
25 make nonrecourse grain loans to individual resident farmers and part-  
26 nerships or corporations composed of resident farmers as a means of  
27 providing for orderly marketing of grain products grown in the state.  
28 The loan amount shall be made on a per-ton basis and shall be in an  
29 amount equal to the difference between the current local federal nonre-

1 course loan level and the current federal target price for the par-  
2 ticular commodity, so that the federal target price is the effective  
3 loan level in Alaska.

4 (b) A loan made under (a) of this section may not exceed \$50,000  
5 and is repayable in one year.

6 (c) A person is not eligible for a loan under (a) of this section  
7 if the person is delinquent on existing nonrecourse grain loan pay-  
8 ments.

9 Sec. 03.16.030. REGULATIONS. The department shall issue regula-  
10 tions to carry out the purposes of this chapter, including but not  
11 limited to regulations to insure the equitable rights of participation  
12 in the program and the right of appeal if the producer has information  
13 indicating inequitable treatment or denial of rightful program benefits.

14 Sec. 03.16.040. CREATION OF FUND. A small grains revolving loan  
15 fund is created to carry out the purposes of this chapter.

16 Sec. 03.16.050. ADMINISTRATION. (a) The department shall  
17 administer the small grains revolving loan fund.

18 (b) The department may enter into a cooperative agreement with  
19 the Agricultural Stabilization and Conservation Service of the United  
20 States Department of Agriculture or other appropriate agency or organi-  
21 zation for the performance of administrative functions related to the  
22 small grains nonrecourse loan program.

23 Sec. 03.16.060. ADMINISTRATIVE PROCEDURE ACT. This chapter is  
24 subject to the Administrative Procedure Act (AS 44.62).

25 \* Sec. 10. AS 03 is amended by adding a new chapter to read:

26 CHAPTER 18. ALASKA AGRICULTURAL PRODUCTS BOARD.

27 Sec. 03.18.010. ALASKA AGRICULTURAL PRODUCTS BOARD. (a) There  
28 is established in the Department of Natural Resources the Alaska Agri-  
29 cultural Products Board consisting of 10 members appointed by the

1 governor. Members of the board shall be residents of the state. The  
2 board shall consist of processors of agricultural products, designated  
3 representatives of corporations, partnerships, or other business enti-  
4 ties which perform the function of processing agricultural products in  
5 the state and farmers who have actively engaged in farming in the state  
6 during at least one of the three years preceding appointment. The  
7 commissioner of natural resources is a nonvoting, ex officio member of  
8 the board. Members of the board serve terms of four years. Six ap-  
9 pointed members of the board constitute a quorum.

10 (b) The board shall elect a presiding officer annually and shall  
11 hold at least one regular meeting a year. The board shall meet at the  
12 call of the presiding officer or upon the written request of four  
13 appointed members.

14 (c) Members of the board receive no salary, but are entitled to  
15 per diem and travel expenses authorized by law for boards and commis-  
16 sions under AS 39.20.180.

17 Sec. 03.18.020. MEETINGS PUBLIC. Meetings of the board shall be  
18 held under AS 44.62.310.

19 Sec. 03.18.030. DUTIES. The board shall

20 (1) conduct programs of education, research, advertising, or  
21 sales promotion designed to accomplish the purposes of this chapter;

22 (2) contract with persons to promote the sale of agricultural  
23 products;

24 (3) cooperate with any other local, state or national board,  
25 organization or agency engaged in work or activities similar to the  
26 work and activities of the board and contract with those organizations  
27 or agencies for carrying on joint programs of consumer education, sales  
28 promotion, quality promotion, advertising, and research in the product-  
29 ion, processing, or distribution of agricultural products;

1 (4) conduct or contract for scientific research to develop  
2 and discover the health, dietetic, or other uses of agricultural prod-  
3 ucts;

4 (5) annually prepare a budget for the board;

5 (6) employ an executive director and other employees it  
6 considers necessary and prescribe their duties and fix their compensa-  
7 tion;

8 (7) establish offices and incur expenses incidental to their  
9 establishment;

10 (8) present facts to, and negotiate with local, state, or  
11 federal governmental agencies on matters affecting quality production,  
12 processing, or distribution of agricultural products.

13 Sec. 03.18.040. ANNUAL REPORTS. The board shall prepare an  
14 annual report suggesting methods to promote high quality and markets  
15 for agricultural products. The report shall be submitted to the legis-  
16 lature on February 15 of each year.

17 Sec. 03.18.050. DEFINITIONS. In this chapter

18 (1) "agricultural products" means plants and animals useful  
19 to man which are produced in the state for human food and does not  
20 include aquatic plants and animals;

21 (2) "board" means the Alaska Agricultural Products Board.

22 \* Sec. 11. AS 29.53.035(c) is amended to read:

23 (c) In this section "farm use" means the use of land for raising  
24 and harveting crops or for the feeding, breeding and management of  
25 livestock or for dairying or another agricultural use for profit or any  
26 combination of these [THEREOF]. To be farm use land, the owner or the  
27 lessee must be actively engaged in farming the land [, AND DERIVE AT  
28 LEAST 10 PERCENT OF HIS YEARLY GROSS INCOME FROM THE FARM USE LAND].  
29 The provisions of this section do not apply to land respecting which

1 the owner has granted, and has outstanding, a lease or option to buy  
2 the surface rights. A property owner wishing to file for farm use  
3 classification for land having no history of farm use or of farm use  
4 during fewer than three of the preceding five years [OF FARM-RELATED  
5 INCOME] may submit a declaration of intent at the time of filing the  
6 application with the assessor setting out the intended use of the land  
7 [AND THE ANTICIPATED PERCENTAGE OF INCOME]. An applicant using this  
8 procedure shall file with the assessor before February 1 of the follow-  
9 ing year a notarized statement of the actual use of the land [PERCENT-  
10 AGE OF GROSS INCOME ATTRIBUTABLE TO THE FARM USE LAND]. Failure to  
11 make the filing required in this subsection or failure to maintain the  
12 land in farm use for three of the five years following the filing of  
13 the initial declaration of intent forfeits the exemption and subjects  
14 the owner to liability for the tax which otherwise would have been due.

15 \* Sec. 12. AS 38.05 is amended by adding a new section to read:

16 Sec. 38.05.059. FARM IMPROVEMENT CREDIT. (a) A person who con-  
17 tracts to purchase the agricultural development rights to state land  
18 may receive credit against the installment payments due under the land  
19 sale contract for constructing an improvement listed in (b) of this  
20 section. A credit may be allowed only if a plan for the construction  
21 of the improvement is approved by the commissioner or his designee and  
22 by any other regulatory agency required to inspect and approve improve-  
23 ments to land. Credit granted under this section may not exceed 90  
24 percent of the total purchase price of the agricultural land.

25 (b) The commissioner shall allow credit under this section for  
26 the following improvements with the limitations set out after each:

27 (1) clearing, draining and breaking undeveloped agricultural  
28 land -- \$80 per acre;

29 (2) fences -- \$500 per mile;

1 (3) permanent family dwelling -- \$10 per square foot, not to  
2 exceed \$10,000;

3 (4) storage and livestock buildings -- \$4 per square foot,  
4 not to exceed \$10,000;

5 (5) milk parlor and other buildings in which agricultural  
6 products are processed for human consumption -- \$8 per square foot, not  
7 to exceed \$10,000;

8 (6) farm-based energy production plant -- \$20 per million  
9 Btu's of energy produced, not to exceed \$10,000;

10 (7) greenhouse -- \$10 per square foot, not to exceed \$10,000;

11 (8) water well which produces potable water -- \$8 per foot,  
12 not to exceed \$1,000;

13 (9) irrigation well which produces a minimum of 300 gallons  
14 per minute -- \$15 per foot, not to exceed \$3,000; and

15 (10) access road with a 20-foot crown and drainage -- \$1,500  
16 per mile, not to exceed \$3,000.

17 (c) The director may allow credit for an improvement not listed  
18 in (b) of this section which is constructed on or adjacent to the  
19 agricultural land if he determines that the improvement is necessary  
20 for the development of the land for agricultural purposes

21 (d) The commissioner may adopt regulations under the Administra-  
22 tive Procedure Act (AS 44.62) which are necessary to accomplish the  
23 purpose of this section.

24 \* Sec. 13. AS 38.05.069(c)(1) is amended to read:

25 (1) the director may convey or lease an interest in the land  
26 only for agricultural purposes, and all other interests in the land  
27 remain in the state; the sale or lease shall be at public auction and,  
28 before the contract of sale or lease is signed, the purchaser or lessee  
29 shall agree to a farm conservation plan which has been approved by the

1        director;

2        \* Sec. 14. AS 38.05.069(e)(1) is amended to read:

3                (1) "agricultural purposes" includes farming [, RANCHING,  
4        GRAZING,] and storage [OR CONTROL] of agricultural crops [OR LIVESTOCK];

5        \* Sec. 15. AS 38.05.069(e) is amended by adding a new paragraph to read:

6                (3) "farm conservation plan" means an agreement which

7                        (A) describes the location of the land that will be  
8        cleared or cultivated;

9                        (B) describes the location of buildings or other im-  
10        provements that will be constructed on the land; and

11                        (C) describes the soil conservation measures that will  
12        be taken by the purchaser or lessee.

13        \* Sec. 16. AS 38 is amended by adding a new chapter to read:

14                CHAPTER 60. ACQUISITION OF DEVELOPMENT RIGHTS.

15                Sec. 38.60.010. ACQUISITION OF DEVELOPMENT RIGHTS BY PURCHASE OR  
16        EXCHANGE. (a) The director may acquire development rights in privately  
17        owned agricultural land by purchase or by exchange under AS 38.50 if

18                        (1) he receives a request for purchase or exchange from a  
19        landowner;

20                        (2) he determines that it is in the best interest of the  
21        state to preserve the agricultural use of privately owned agricultural  
22        land; and

23                        (3) he notifies a municipality having land use planning  
24        jurisdiction over the land of his determination and gives the munici-  
25        pality an opportunity to review the determination.

26                        (b) Agricultural land designated for preservation under (a) of  
27        this section must have soils classified as classes I - III by the  
28        United States Soil Conservation Service.

29                        (c) The purchase price of the development rights acquired under

1 this section shall be determined by an independent appraisal contracted  
2 by the department. The purchase price may not be less than the differ-  
3 ence between the fair market value of the land with all development  
4 rights intact and the fair market value of the land restricted to agri-  
5 cultural uses, unless the owner of the agricultural land, after being  
6 informed of the appraised value, agrees in writing to a lesser price.

7 Sec. 38.60.020. DEVELOPMENT RIGHTS PURCHASE AGREEMENT. The  
8 director shall prepare a development rights purchase agreement suitable  
9 for recordation which must include the following provisions:

10 (1) structures or other improvements may not be constructed  
11 on the agricultural land except for use consistent with agricultural  
12 operations;

13 (2) an interest in the agricultural land may not be sold,  
14 traded, or otherwise transferred except for a scenic, access, or utility  
15 easement which does not adversely affect agricultural operations;

16 (3) public access may not be permitted on the agricultural  
17 land unless agreed to by the owner;

18 (4) any other condition or restriction on the use of the  
19 agricultural land which is agreed to between the owner and the director  
20 that is necessary to preserve land or portions of it as agricultural  
21 land.

22 Sec. 38.60.030. CONVEYANCE OF DEVELOPMENT RIGHTS BY STATE. The  
23 director shall convey or lease development rights acquired under this  
24 chapter in the same manner as provided in AS 38.05.069(c)(2) - (4) for  
25 the conveyance of the remaining interests in agricultural land formerly  
26 owned by the state.

27 Sec. 38.60.040. RECORDATION OF DEVELOPMENT RIGHTS PURCHASE AGREE-  
28 MENTS. The director shall record in the recording district in which  
29 the agricultural land is situated a certified copy of the development

1 rights purchase agreement. The director shall notify the owner of the  
2 agricultural land and the municipality having land use planning juris-  
3 diction over the agricultural land that a development rights agreement  
4 has been recorded. The notice must contain a legal description of the  
5 land subject to the purchase agreement.

6 Sec. 38.60.050. DEVELOPMENT RIGHTS PURCHASE FUND. (a) The  
7 development rights purchase fund is established in the department. The  
8 director shall administer the fund. The fund may be financed by appro-  
9 priations from the legislature.

10 (b) The director shall use the money in the development rights  
11 purchase fund to classify and appraise land under this chapter and to  
12 purchase development rights.

13 (c) Development rights held by an owner of agricultural land may  
14 be exchanged for

- 15 (1) agricultural rights of equal value on state land;
- 16 (2) fee simple title to state land of equal value;
- 17 (3) money supplied by the state; or
- 18 (4) a combination of (1), (2), or (3) of this subsection.

19 Sec. 38.60.060. DEFINITIONS. In this chapter

20 (1) "agricultural operations" means the production of plants  
21 and animals useful to man, including forage and sod crops; grains and  
22 feed crops; dairy and dairy products; livestock, including breeding and  
23 grazing; fruits; vegetables; and other similar uses and activities;

24 (2) "department" means the Department of Natural Resources;

25 (3) "development rights" means those rights belonging to the  
26 fee owner of land that entitle the owner to subdivide or develop land  
27 in a manner that adversely effects the agricultural use of the land;

28 (4) "director" means the director of the division of agri-  
29 culture within the Department of Natural Resources.

1 \* Sec. 17. AS 39.25.120 is amended by adding a new paragraph to read:

2 (19) an agricultural development project administrator under  
3 the direction of the Alaska Agricultural Action Council in the Depart-  
4 ment of Commerce and Economic Development.

5 \* Sec. 18. AS 41.10.040 is amended to read:

6 Sec. 41.10.040. SOIL CONSERVATION BOARD. The district is governed  
7 by the Alaska Soil Conservation Board composed of five [THREE] members.

8 \* Sec. 19. AS 41.10.060 is repealed and reenacted to read:

9 Sec. 41.10.060. QUALIFICATIONS OF BOARD MEMBERS. The board shall  
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11 representative of the state.

12 \* Sec. 20. AS 41.10 is amended by adding a new section to read:

13 Sec. 41.10.095. DUTIES OF BOARD. The board shall

14 (1) receive and review reports concerning the use of soil  
15 resources in the state;

16 (2) hold public hearings and meetings to determine whether  
17 land in the state is being used in a manner consistent with sound soil  
18 conservation practice;

19 (3) furnish the commissioner of natural resources with re-  
20 ports of findings and make recommendations for specific action neces-  
21 sary to provide for the effective and orderly development of farming  
22 and grazing land in the state; and

23 (4) review an appeal by an applicant or lessee from a deci-  
24 sion of the director of the division of lands or the commissioner of  
25 natural resources concerning the leasing of state agricultural or  
26 grazing land and submit its recommendations to the commissioner or  
27 hearing officer.

28 \* Sec. 21. AS 44.27.020 is amended by adding a new paragraph to read:

29 (4) develop and operate a comprehensive program of agricul-

1 tural education services to

2 (A) advise and assist school districts in the develop-  
3 ment of vocational agricultural classes and programs;

4 (B) advise Alaska chapters of national organizations of  
5 students studying vocational agriculture in the secondary schools  
6 of the state;

7 (C) serve as a clearinghouse for information published  
8 and distributed by the federal government, agricultural educational  
9 service organizations of other states, and national and state  
10 organizations;

11 (D) develop agricultural education programs which  
12 relate to agricultural opportunities in cold climates and northern  
13 latitudes;

14 (E) sponsor workshops, seminars, and meetings for  
15 teachers and students of secondary and postsecondary agricultural  
16 education programs;

17 (F) work with the University of Alaska to develop post-  
18 secondary agricultural programs for students interested in voca-  
19 tional agriculture; and

20 (G) assist, generally, in the development of vocational  
21 agricultural opportunities for young men and women in the state.

22 \* Sec. 22. AS 44.33.475 is amended by adding a new subsection to read:

23 (c) Ten percent of the land in an agricultural development project  
24 must be made available in parcels of 10 acres or less and an additional  
25 40 percent in parcels of 40 acres or less.

26 \* Sec. 23. AS 44.33 is amended by adding new sections to read:

27 Sec. 44.33.480. SALE OF AGRICULTURAL LAND. (a) Before state  
28 land located in an agricultural development project may be sold or  
29 leased, the following procedures must be completed:

1 (1) the council shall determine the uses for agricultural  
2 land located in an agricultural development project;

3 (2) the director shall, according to instructions from the  
4 council, survey the agricultural land in an agricultural development  
5 project into parcels consistent with criteria developed by the council;

6 (3) the council shall adopt criteria establishing residency,  
7 skill, experience, and financial qualifications it considers necessary  
8 for purchasers or lessees of agricultural land in an agricultural  
9 development project;

10 (4) the director shall offer the agricultural land for  
11 disposal under the procedures prescribed in the Alaska Land Act  
12 (AS 38.05), in the manner and at the time consistent with criteria  
13 adopted by the council, and subject to review and approval by the  
14 council of the

15 (A) terms of sale,

16 (B) land values,

17 (C) farm development requirements, and

18 (D) requirements, terms, and administration of land  
19 clearing contracts;

20 (5) the director shall transmit all lottery applications  
21 received for the agricultural land and a statement of the qualifica-  
22 tions of persons who wish to bid on the land to the council for evalua-  
23 tion according to the residency, skill, experience, and financial  
24 qualifications adopted by the council;

25 (6) the council shall advise the director which bidders or  
26 lottery applicants are qualified to purchase the agricultural land; and

27 (7) if the other requirements of AS 38.05 are satisfied, the  
28 director shall conduct the lottery or auction.

29 (b) A determination by the council that a bidder or lottery

1 applicant is not qualified to purchase agricultural land is a final  
2 administrative order which is subject to judicial review under AS 44.-  
3 62.560 and 44.62.570.

4 Sec. 44.33.485. PROJECT ADMINISTRATOR. The council shall employ  
5 a project administrator who will be in charge of the detailed affairs  
6 of each agricultural development project authorized under AS 44.33.475.  
7 A project administrator serves at the direction and at the pleasure of  
8 the council. A project administrator is authorized to employ and  
9 determine the compensation of members of his staff within the limita-  
10 tion of the budget approved by the council. A project administrator is  
11 in the partially exempt service under AS 39.25.120.

12 Sec. 44.33.490. AGRICULTURAL PROCESSING FACILITIES REVOLVING LOAN  
13 FUND. (a) The agricultural processing facilities revolving loan fund  
14 is established in the Department of Commerce and Economic Development.  
15 The council shall administer the fund. The fund may be financed by  
16 appropriations from the legislature.

17 (b) The council shall use money in the fund to make loans to  
18 individuals, partnerships, corporations, or agricultural cooperatives  
19 for the construction, operation or purchase of agricultural processing  
20 facilities.

21 (c) A loan made under this section

22 (1) may not exceed a term of 25 years;

23 (2) may not exceed \$2,500,000;

24 (3) shall bear interest at a rate not to exceed nine and  
25 one-half percent;

26 (4) shall be secured by a first priority lien and appropri-  
27 ate security agreement.

28 (d) In this section, "agricultural processing facilities" includes  
29 port facilities for the storage and shipment of grain, centralized

1 grain handling facilities, slaughterhouses, dairy plants, and vegetable  
2 processing plants.

3 \* Sec. 24. AS 44.33.500 is amended by adding new paragraphs to read:

4 (3) "director" means the director of the division of lands  
5 in the Department of Natural Resources;

6 (4) "fund" means the agricultural processing facilities  
7 revolving loan fund.

8 \* Sec. 25. AS 44.81.210(a) is amended by adding a new paragraph to read:

9 (22) make variable rate or fixed rate loans to corporations,  
10 partnerships, or joint ventures for agricultural processing facilities  
11 as provided in AS 44.81.215.

12 \* Sec. 26. AS 44.81 is amended by adding a new section to read:

13 Sec. 44.81.215. AGRICULTURAL PROCESSING FACILITIES LOANS. (a)  
14 The bank may make a loan for a purpose described in (b) of this section  
15 to a corporation, partnership or joint venture which meets the follow-  
16 ing conditions:

17 (1) the corporation, partnership or joint venture is a  
18 shareholder of the bank;

19 (2) agricultural processing is the primary business of the  
20 corporation, partnership or joint venture;

21 (3) the corporation, partnership or joint venture was created  
22 or organized in the United States or under the laws of the United  
23 States or of a state or territory of the United States;

24 (4) citizens of the United States are the beneficial owners  
25 of the majority interest in the corporation, partnership or joint ven-  
26 ture; and

27 (5) citizens of the United States are the majority of the  
28 owners of the corporation, partners in the partnership or joint ven-  
29 turers in the joint venture.

1 (b) A loan under this section may be made to provide financing  
2 for

3 (1) the construction or improvement of agricultural proces-  
4 sing facilities in the state;

5 (2) the working capital requirements of an agricultural  
6 processing facility in the state.

7 \* Sec. 27. AS 44.81.350 is amended by adding a new paragraph to read:

8 (5) "agricultural processing facilities" means facilities  
9 which process agricultural products and includes but is not limited to  
10 port facilities for the storage and shipment of grain, centralized  
11 grain handling facilities, slaughterhouses, dairy plants, and vegetable  
12 processing plants.

13 \* Sec. 28. Within 90 days after the effective date of this Act the  
14 governor shall appoint two additional members to the Alaska Soil Conserva-  
15 tion Board under AS 41.10.040 amended in sec. 18 of this Act. The initial  
16 terms of the additional members shall be two and three years respectively.  
17 The present members of the board shall complete their terms of office. All  
18 appointments, whether to fill vacancies or the new positions, shall be made  
19 so as to bring about the composition of the board provided in AS 41.10.060  
20 as amended by sec. 19 of this Act.

21 \* Sec. 29. Of the members first appointed by the governor to the Alaska  
22 Agricultural Products Board under AS 03.18.010 enacted in sec. 10 of this  
23 Act, three members serve for one year, three members for two years, two  
24 members for three years, and two members for four years.

25 \* Sec. 30. The first report required under AS 03.18.040 by the Alaska  
26 Agricultural Products Board enacted in sec. 10 of this Act shall be sub-  
27 mitted to the First Session of the Thirteenth Legislature.

28 \* Sec. 31. The Department of Health and Social Services may provide to  
29 applicants who qualify for state assistance under AS 23.20 or AS 47.25

1 seeds, supplies, and tools for home gardens up to a value of \$100 for each  
2 qualifying household.

3 \* Sec. 32. AS 29.53.035(d) is repealed.

4 \* Sec. 33. AS 03.12 is repealed

5 \* Sec. 34. AS 03.10.030(f); AS 03.19; AS 38.05.069(c)(4) and (c)(5) are  
6 repealed.

7 \* Sec. 35. Section 32 of this Act takes effect January 1, 1982.

8 \* Sec. 36. Section 33 of this Act takes effect June 30, 1986.

9 \* Sec. 37. Sections 1 - 31 and 34 of this Act take effect July 1, 1981.  
10  
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# COMMITTEE REPORT

## HOUSE

5/13/81

FURTHER:

(11)

Date: 3-4-82

Mr. Speaker:

The Committee on FINANCE has had HB 457

"An Act making a special appropriation to the City of Cordova for the Chenega village relocation; and providing for an effective date."

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 457 (C & RA)  same title  
 new title
- and <sup>may</sup> recommends it do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS: Cotton

Montgomery

Wesley Hurlbut Hurlbut

Robert Bettisworth

Haugen

Jan Jille

Robert P. Adams Adams, Ch

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

San Gato ✓ none

David Cuddy Do not pass

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Robert P. Adams  
CHAIRMAN



COMMITTEE REPORT  
HOUSE

5/13/81

FURTHER:

(11)

Date: 3-4-82

Mr. Speaker:

The Committee on FINANCE has had HE 457

"An Act making a special appropriation to the City of Cordova for the Chenega village relocation; and providing for an effective date."

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 457 (Cordova)  same title  
 new title
- and recommends it do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]

[Signature]

[Signature]

[Signature]

Albert P. Adams

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Albert P. Adams

CHAIRMAN

Original sponsor: Cato

Offered: 5/13/81  
Referred: Finance

Funding Information  
General Fund \$225,000  
Other Funds -0-  
\$225,000

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 457 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation for the Chenega  
7 village relocation; and providing for an effective  
8 date."

9

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

10

\* Section 1. The sum of \$225,000 is appropriated from the general fund  
11 to the Department of Community and Regional Affairs for payment as a grant  
12 to the Native Village of Chenega for the reestablishment and relocation of  
13 the village.

14

\* Sec. 2. The appropriation made by this Act shall be disbursed in  
15 accordance with AS 37.05.315.

16

\* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

18

19

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28

29

# TELEGRAM

ALASCCM, INC.  
PHONE: 586-6442  
JUNEAU, AK 99802

FEB 10 1982

02039 NL ANCHORAGE AK 50 02-10 1040A AST

PMS REP BETTE CATO CHAIRMAN HOUSE TRANSPORTATION

JUNEAU 1042

REQUEST YOUR CONTINUED SUPPORT OF THE CHENEGA REBUILDING  
EFFORT AND CHENEGA REQUESTS DLRS225,000. THIS WE FEEL IS A  
REASONABLE REQUEST TO HELP REBUILD THE VILLAGE DESTROYED BY AN  
ACT OF GOD.

EDGAR BLATCHFORD, CHAIRMAN

CHUGACH NATIVES INC

903 WEST NORTHERN LIGHTS BLVD, SUITE 201

ANCHORAGE AK 99503

RECEIVED TELETYPE  
JUNEAU, AK 99802

#

02043 NL ANCHORAGE AK 50 03-02 1103A AST

PMS REP BETTE CATO

JUNEAU 120

HOUSE BILL 457 REQUEST TO ASSIST IN REBUILDING OF CHENEGA VILLAGE  
IS BEFORE FULL FINANCE COMMITTEE ON MARCH 4. PLEASE GIVE FULL  
SUPPORT TO THE BILL.

DONALD KOMPKOFF

9499 BRAYTON DR

ANCHORAGE AK 99507

02039 NL ANCHORAGE AK 50 03-02 1100A AST

PMS REP BETTE CATO

JUNEAU 116

HOUSE BILL 457 REQUEST TO ASSIST IN REBUILDING OF CHENEGA VILLAGE  
IS BEFORE FULL FINANCE COMMITTEE ON MARCH 4. PLEASE GIVE FULL  
SUPPORT TO THE BILL.

PHYLLIS PIPKIN

1327 WEST 27 APT A RM 108

ANCHORAGE AK 99503

# Alaska State Legislature



## House of Representatives

REPRESENTATIVE  
BETTE CATO  
DISTRICT 5  
BOX 775  
VALDEZ, ALASKA 99686  
907/835-4568  
WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811  
907/465-4858

COMMITTEES  
—  
CHAIRMAN  
HOUSE TRANSPORTATION  
—  
MEMBER  
HOUSE HEALTH EDUCATION  
AND  
SOCIAL SERVICES

This appropriation was made last year and the governor vetoed the language and put the appropriation into the Department of Transportation for their operations.

HB 457 appropriation will be used for:

75KW diesel Generator and transportation costs

Bulk Fuel Storage Tanks and transportation costs

Design and Engineering Platting, community plan and administrative costs.

\* this is vital for the Local Service Roads and Trails moneys that appropriates \$117,500 in FY 81 and 82 for a total of \$232,000.

\* HUD has committed to 23 housing units and this study will plan for plotting and location.

## Despite time, problems, Chenega residents still plan return

By BILL HESS  
Tundra Times Staff

Almost 18 years after the great earthquake and tidal wave of 1964 destroyed their village and drove them from their homes, the people of Chenega still plan their return. Soon, they say, whether it is forthcoming or not.

"I just think of it as home," says Larry Evanoff, chairman of the Chenega Village Council, and president of the village corporation. "I want to see all the people together again. I remember the village as a fun place, a place where everybody always kind of helped each other out. Nobody kept anything locked. If someone went hunting, they left their houses open. Then if someone was in a bad way, they were welcome to come in."

"It gave you a feeling of belonging. It was a far cry different from Anchorage, Evanoff's current home, where everybody is a stranger, where monetary values are put ahead of everything else. Where there is barbed wire. It all gives you a

feeling of being alone." Evanoff was 14 when the disaster struck.

His wife, Gail, did not grow up in Chenega, but as president of the Village Council, she is a vigorous supporter of the move to build a New Chenega. Her childhood village of Candle was also destroyed by fire, giving her empathy with the people whose interests she represents.

There were about 120 residents of Chenega when the earth shook and then the water swept in and washed everything away, except for the schoolhouse which sat on a hill. Twenty-three of these, including Larry Evanoff's parents, were killed. The survivors found refuge in Tatitlek, but most later moved to Cordova.

Through it all the villagers kept their sense of community. Although no one was living in Chenega when the Alaska Native Claims Settlement Act passed in 1971, the Chenega survivors were able to form a village corporation in the Chugach region under a special "Act of God" clause.

Sixty-nine shareholders are enrolled in the corporation. They also have formed a village council under provisions of the Indian Reorganization Act.

Since that time, the council has been busy planning its community, and seeking help to do so. Three alternate sites covering 69,000 acres were selected. Village members plan to build New Chenega at Crab Bay; 15 boat miles from the old townsite. Crab Bay provides a natural harbor and an area relatively clear of the dense forest which rises from the waters of Prince William Sound. It also should be less susceptible to annihilation in the event of a repeat of 1964, as is evidenced by the still standing remains of an abandoned cannery which survived the tidal wave.

The quest to rebuild has been met with frustrating delays and red tape. Help was sought through the Bureau of Indian Affairs' Emergency Relief program, but the Chenega people learned that aid given

(Continued from Page One)

them in relocating to new areas after the earthquake was all that they qualified for under the program.

In 1981, the BIA provided a \$7,381,500 grant which was used to hold a community meeting in October, and to keep open a council office in Anchorage. The funds have been cut by 45 percent this year.

The state legislature last year approved a \$225,000 grant for planning, engineering, and surveying in the New Chenega townsite, but this was taken out of the budget by Governor Jay Hammond. The community will be lobbying for the funds during the current legislative session, with the services of Community Regional Affairs.

The U.S. Department of Housing and Urban Development originally turned down the villagers' request for housing, but last fall finally approved 23 applications for homes to be built in New Chenega. Funds for their construction have not actually been released, however, and with the budget cutting of the Reagan administration, construction can't be guaranteed until the money is actually received.

Aides to U.S. Senator Ted Stevens and U.S. Rep. Don Young note that the final HUD appropriations for this fiscal year were signed into law just before Christmas. Now the appropriation is in the Office of Management and Budget where it must be assigned to the different area offices by the end of January. Rick Agnew of Young's office notes that the Chenega homes have been a top priority rating in the Anchorage area, and that their outlook is "pretty good." Pam Rubinstein, press secretary to Stevens indicates that funding for the 23 homes is virtually assured.

In addition to the HUD homes, which are priced at \$1.8 million, the council has projected water and sewer construction costs at \$3 million, roads and trails at \$117,000, a school and community center complete with a medical clinic, post office, council and corporation offices, and a community room at \$500,000 to be built with a HUD community development block grant; a dock to berth up to 30 fishing vessels at \$225,000 and an Alaska Native Industries Co-operative Association store, complete with stock, at \$100,000.

The figures have been reached with the help of different governmental agencies, such as the Alaska Department of Transportation, whose help is being sought in obtaining them. Studies are underway to determine the costs and best methods of providing power to New Chenega.

Additionally, community members seek an airstrip, but have been told by state officials that they want to see a community in place before they attempt to justify the cost of construction.

Whatever happens, the Evanoffs say their new community will be founded come June. "We're moving back this summer," Gail Evanoff emphasizes. "If it's going to be in tents, it's going to be in tents! The government agencies want to see our plans before they justify our moving back. We say, let us build our community, then we can see what plans will work out best. But we are going back. My children will go to school next fall in Chenega!"

The Evanoffs express optimism in the potential for economic development for New Chenega. "We know there are several good opportunities for Chenega," Evanoff stresses. "The sound offers great fishing and tourism potential. We can provide a stopping place for recreationists to refuel, eat and sleep. Most of our people are fishers. There is a potential to build a new cannery."

A Prince William Sound Aquaculture Corporation would like to build a road from New Chenega to their hatchery facilities, and would look for workers among the Chenega population. Most of their help is currently imported from the Lower 48, or urban areas such as Anchorage and Juneau.

The potential for a small sawmill, whose product could be used for building a dock as well as telephone poles and other export needs, also is being explored. Leo Barlow, coordinator of the Alaska Industrial Council, notes that the village has applied for \$13,000 aid for training in sawmill skills at the Alaska Vocational and Technical Center in Seward. "We are supportive of the concept," Barlow says, but stresses that the council has yet to make any decision.

"We have encouraged them to work with their ideas," he notes, adding that there is "tremendous potential for

their approach, and for their concept of starting a sawmill operation."

Ms. Evanoff contends the culture of what is believed to have been the oldest village in Prince William Sound will be lost if New Chenega is not built. There also are a number of important archaeological sites in the area. "A lot has been taken from these sites by people who are interested only in their monetary gain," Ms. Evanoff notes. "We could help preserve these sites. What they want money for, we want respect!"

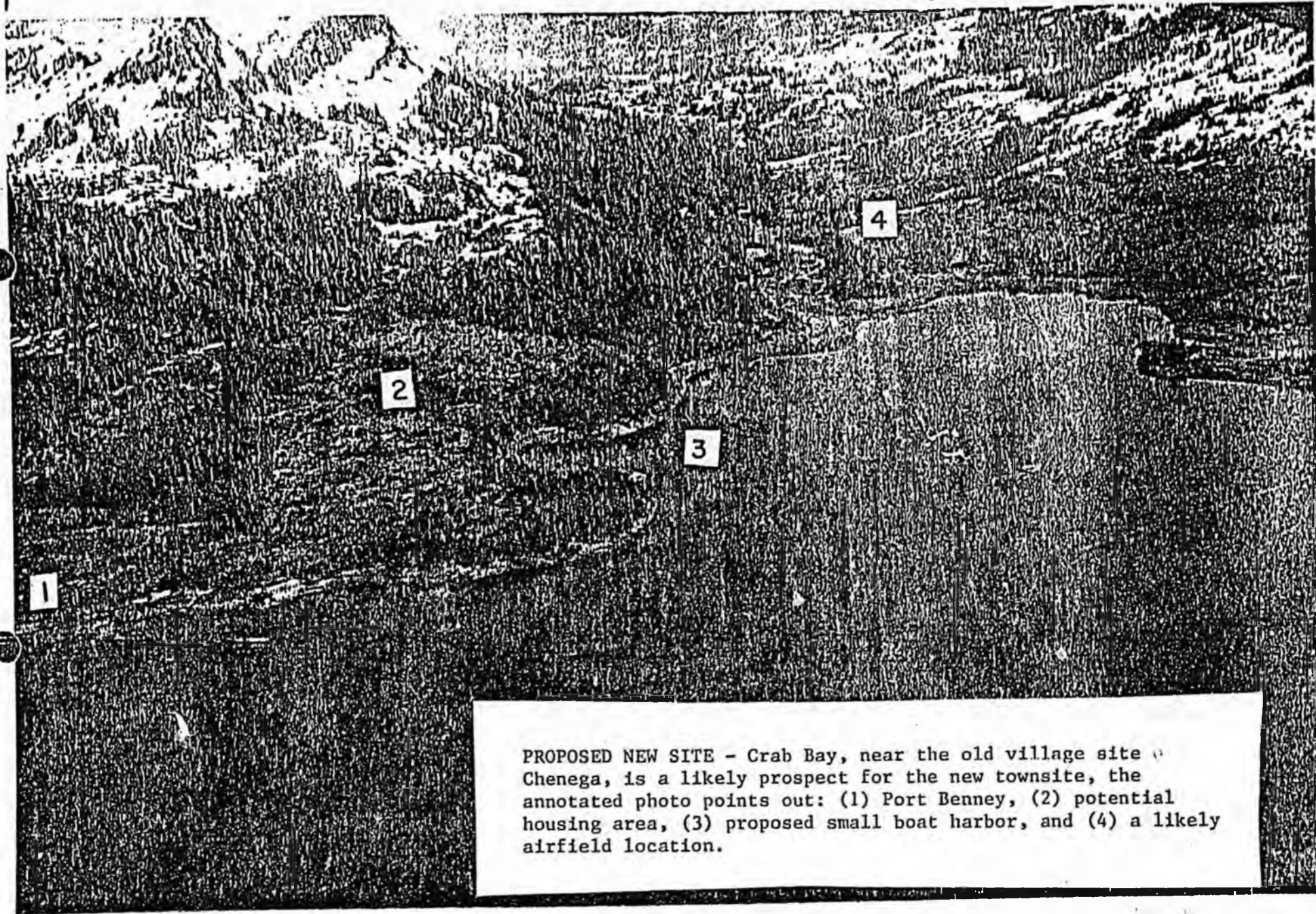
Approximately 70 people would fill the 23 HUD homes. Others among them also emphasize their desire to return. "Oh, we have wanted to go back for so many years," explains John Vlasoff, a Chenega elder. "We have wanted to have our own home there for a long time. I guess since I was a little boy." Vlasoff lives in Cordova.

"I just love village life."

adds Dotty Pavek, also of Cordova. "I want to get out of town. It is so expensive here! I have so many bills. Sure, I will have bills in Chenega but it won't be so bad what we can support ourselves. And at least you wouldn't have to contend with the booze, bars, and drugs that you have here!" "You better believe it, I will!" Pavek answers when asked if she would be willing to go back this summer even if it means tent living for a while.

Although Evanoff admits that life in New Chenega would not be exactly like it was in the past, perhaps unattended homes could not be left unlocked for long periods of time; he still believes residents will have a strong sense of community, and will help each other. "I want my children to know village life," he stresses.

"We don't want anyone to feel sorry for us," adds his wife. "We feel we deserve to be able to go back. We're not asking something for nothing. We are tax payers too, by golly! We pay our way!"



PROPOSED NEW SITE - Crab Bay, near the old village site of Chenega, is a likely prospect for the new townsite, the annotated photo points out: (1) Port Benney, (2) potential housing area, (3) proposed small boat harbor, and (4) a likely airfield location.

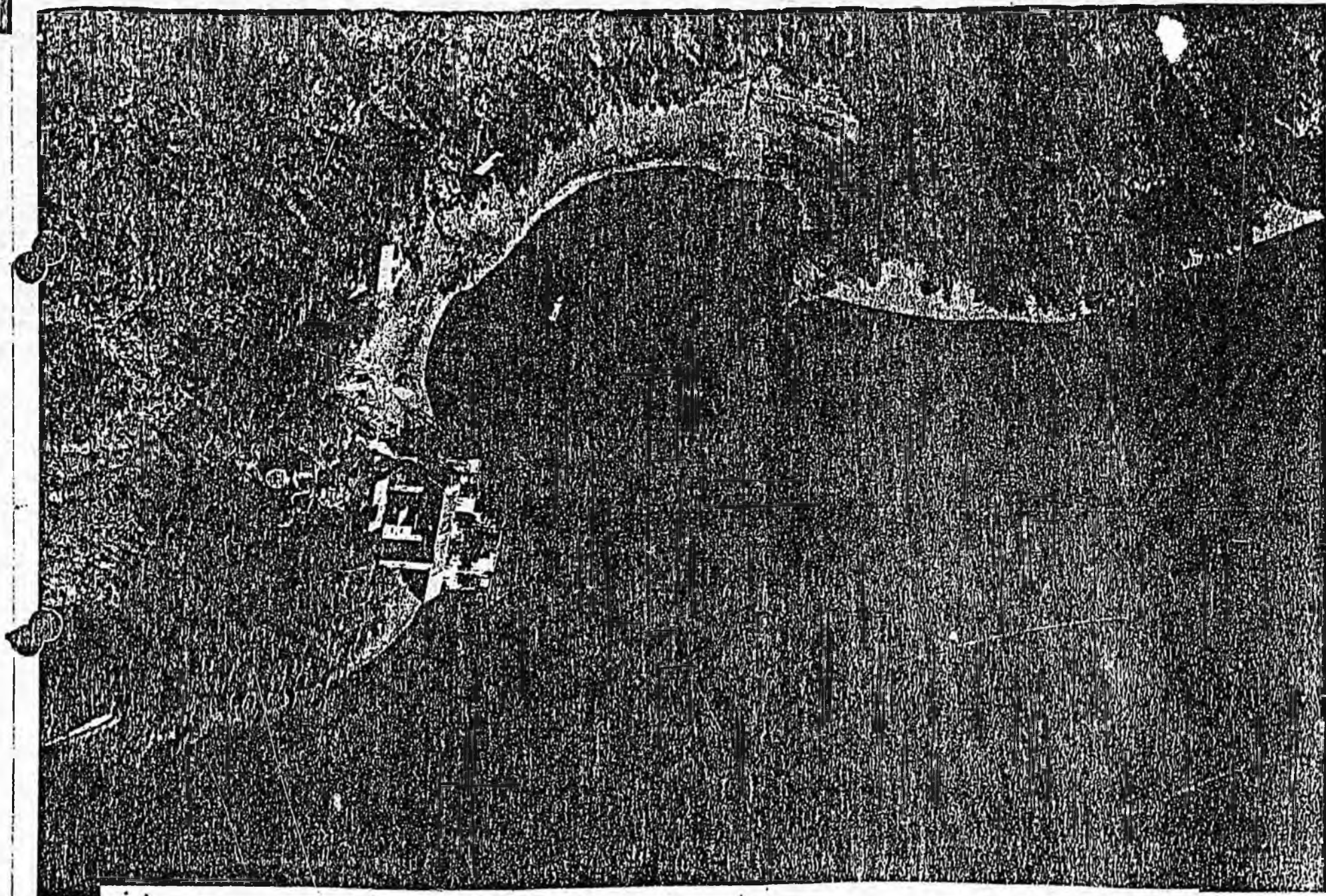


PHOTO #2. Showing one of several potential small boat harbors and abandoned cannery.



PHOTO #3. Cannery damaged during and abandoned after 1964 earthquake (uplift in area 8 to 9 feet).

NEW CHENEGA  
DEVELOPMENT PROGRAM

Planning  
Work Program  
Budget

Prepared by:

CHENEGA VILLAGE COUNCIL  
903 W. Northern Lights Blvd., Suite 203  
Anchorage, Alaska 99503  
Gail Evanoff, President

February 17, 1981

## I. INTRODUCTION

This document will explain the overall program for the development of the New Chenega Village. It provides a history of the village's relocation efforts, an explanation of the development plan, and an outline of the overall goals that the Chenega Council and the Chenega Village Corporation hope to attain through this program. Also included is a detailed 1981 work program and budget, plus an overall budget estimate for the development of the new village. Attached are the Chenega Field Trip Reports by Erv Long and Mason Wade of the U.S. Army Corps of Engineers in 1976 (Attachment A), and the New Chenega Preliminary Plan prepared by Hewitt V. Lounsbury and Associates in 1980 (Attachment B).

### History of Chenega

Chenega is one of the five villages that constitute the Chugach Native Region. Prior to the Good Friday Earthquake of 1964 it was located on the southern end of Chenega Island in the western Prince William Sound, 41 miles by air from Whittier, 48 from Seward and 84 from Cordova. The tsunami which followed the earthquake destroyed the old village and killed one-third of the residents. The survivors were evacuated to Tatitlek and Cordova, where most of them settled. However, few, if any have every considered any place other than Chenega home.

Even though Chenega was not noted among the villages receiving benefits of the Alaska Native Claims Settlement Act in 1971, it was certified in 1974 through an "Act of God" provision which recognized certain abandoned villages. This paved the way for the formation of a village corporation to receive the land and monetary benefits owed to the 69 Chenega people who enrolled as village corporation shareholders.

The Chenega Village Council is an IRA Council which is spearheading the development of the New Chenga Village. There are 23 households of Chenega residents who have committed themselves to return to New Chenega.

At first the village considered rebuilding at the village's former location on Chenega Island, and has a plan prepared to guide them on that endeavor. Then, however, the people realized that they would be vulnerable to the same kind of disaster that struck previously. They were also fearful of living at what was now considered a historic place.

Consequently, the Corps of Engineers was asked to assist the village in identifying a suitable site on lands selected by the Village Corporation under the Settlement Act. A Corps of Engineers party, led by Mason Wade and Erv Long visited the area in 1976 and recommended that Crab Bay on Evans Island be considered as the site for the new village. This site is 15 miles south of the former village location. It has a sheltered harbor, a good level area for development, plentiful water supplies and enough protection from all elements to assure that a disaster similar to the one that befell the Chenega people before would never happen again.

In the spring of 1977 the Soil Conservation Service of the U.S. Department of Agriculture visited the site and performed a soils survey. In 1980 the Anchorage firm of Lounsbury and Associates was selected to draft a design plan for the new village. These alternatives were produced under that agreement, and in October of that year the Chenega people assembled in Cordova and chose their preferred alternative.

Based on that decision, the Chenega Village Council has worked with several consultants to prepare this proposal for funding. It entails the collection of sufficient site information for

survey, engineering and design purposes, so that major construction can get underway in late 1981 and 1982.

The Chenega people were uprooted seventeen years ago by an Act of God. Hopefully, the funds granted under this proposal and the construction activities which are soon to follow will finally provide them with a home to return to.

## II. DEVELOPMENT PLAN

The Chenega Council proposes to develop New Chenega in a series of phases. Planning for the site has already begun. Significant effort has gone into site selection and preliminary evaluation. A preliminary layout of lots and roads has been done and approved by the stockholders. Initial location studies have been done for a variety of community facilities, including an airport, a school site, a boat harbor, a sewage treatment plant, electrical power generation source and a water source. Consideration has been given to areas for commercial development and future expansion of the residential uses. A preliminary layout of New Chenega is attached (Attachment C). The Chenega Village Corporation owns all of the land involved in the site, thus there should be no title-related problems.

The overall schedule for the development of New Chenega stretches over several years. The short-term schedule anticipates an intensive effort that will result in initial occupancy by late 1982.

In 1981 the Village Council is ready to begin detailed planning, layout and design studies. The feasibility of the utilities should be verified and the village design needs to be adjusted to fit the exact physical conditions of the site. After that the final stages of engineering, surveying and construction can begin.

Chenega's immediate goal is to complete the planning, layout and surveying during this summer. Engineering would be started with completion of construction documents during the winter of 1981-82. It is anticipated that some preliminary construction activity would begin in 1981. However, the major construction effort would occur in 1982. This would include construction of roads, utilities and some houses. An investigation of the

hydroelectric potential identified in the preliminary planning would be conducted to determine the most efficient source of electric power for the village.

Following initial occupancy in late 1982, the Village Council will continue planning for construction of ancillary community facilities, including the small boat harbor, the airport, electrical system improvements and road extensions.

During the winter of 1982-83 design work would continue. The airport would be designed and construction prepared for. The small boat harbor would also be designed and the necessary permits would be obtained prior to construction. Design of the school and community hall would also be completed.

In the summer of 1983 construction of both the road to the airport and the airport would be completed. The school and community hall would be built. Additional housing would be completed and occupied. Improvements to the water storage system could be made, if needed.

Construction of the small boat harbor could begin in 1983 with completion by 1984. By late 1984 the village would be essentially complete.

At the same time that New Chenega is being built, several entities, including the Chugach Region and the Chenega Village Corporation, are searching for and encouraging the development of new economic enterprises in the village. This will provide a stabilizing economic base that will give New Chenega momentum and added ingredients for a stable and permanent community.

Chenega recognizes that this is an ambitious schedule. It is not, however, one that cannot be met. Since the initial planning decisions have already been made, the most critical factor

affecting scheduling of the project will be availability of funding.

The following work program and budget has been prepared for the purpose of requesting financial assistance for this project. This assistance, combined with the financial and human resources of the Chenega people, will allow the plans for replacing the Chenega Village to come to fruition after 17 years of effort.

### III. NEW CHENEGA 1981 WORK PLAN

The following is an expression of the tasks that need to be accomplished within the next year in order to maintain the schedule described above.

#### Task 1: Soils Investigation

Prior to proceeding with final planning and actual layout of the new village on the site and before any engineering activities can begin, it will be necessary to gain definite soils information. This will be a major planning and design determinate. The soils information will be used to help adjust the preliminary site plan to actual conditions on the site, to help develop engineering studies and to develop estimates of construction costs for the village infrastructure and building foundations.

The soils investigation will involve moving a boring rig to the site by barge and taking core samples on a grid pattern. The location of test holes will have to be surveyed. Both onsite and laboratory analysis will be conducted. The final soils report will describe the subsurface conditions in detail and will make engineering and construction recommendations pertaining to the site.

#### Task 2: Schematic Design and Construction Cost Estimates

This task will utilize the soils information and the preliminary planning that has been done to date to develop a schematic design for utilities and roads. The sewer and water lines will be laid out on a preliminary basis and the treatment facilities will be sited. The roads will also be sited and preliminary design will be done.

This information will then be converted to cost estimates for construction and maintenance of the utilities and roads. After review of these schematic designs and cost estimates by the Village Council and its engineer, any necessary adjustments to the plan and approach to development of the new village will be made. This may involve changes in the site plan and in the method of handling wastewater collection and treatment. After the necessary adjustments and "fine tuning" are complete, the plan can be fitted to the site.

### Task 3: Site Validation

This task will involve onsite layout of the village plan to assure that it takes advantage of the soil conditions, topography and other physical features. Changes to accommodate the characteristics of the site will be made and the final layout confirmed. Final location will be determined for the initially required community facilities, including docking facilities, school and town hall, water source and wastewater treatment facilities.

The roads will be staked out and cross-sections will be surveyed in preparation for final engineering. Computations of lot sizes for the final plat will be made so that reconveyance can be planned. This process involves the Village Corporation reconveying all lands necessary for public purposes and community expansion, including residential lots, to the State Municipal Lands Trust Officer, as provided for in Section 14(c)(3) of the Settlement Act, as amended and in Alaska Statute 49.47.150. The trust officer will deed individual lots to the residents as they are ready to move to New Chenega.

#### Task 4: Final Plat Preparation and Staking

This task will include final subdivision design and computation and staking of each lot. The road system will be surveyed and staked for construction and the above described community facilities will be staked.

The final plat of the village site will be prepared and processed.

#### Task 5: Engineering Design.

This task will begin in the late summer of 1981 and continue into the winter. It will involve final design and preparation of construction documents for the following facilities and utilities:

- Streets and Trails
- Water Source & Storage
- Waterline Extensions
- Sanitary Sewer Laterals
- Sanitary Sewer Treatment Plant
- Initial Dock Facilities
- Hydroelectric Investigation
- Initial Electrical System Design
- Airport Design
- School Design

These designs will be totally complete by the spring of 1982. This will allow the major construction effort to be concentrated in the summer of 1982. Some initial design work will be completed by late summer 1981, which will allow initial construction of the road and trail system to begin in 1981.



Original sponsor: Cato

Offered: 5/13/81  
Referred: Finance

Funding Information  
General Fund \$225,000  
Other Funds -0-  
\$225,000

BY THE COMMUNITY AND  
REGIONAL AFFAIRS COMMITTEE

1 IN THE HOUSE

2

CS FOR HOUSE BILL NO. 457 (C&RA)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act making a special appropriation for the Chenega  
7 village relocation; and providing for an effective  
8 date."

9

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

10

\* Section 1. The sum of \$225,000 is appropriated from the general fund  
11 to the Department of Community and Regional Affairs for payment as a grant  
12 to the Native Village of Chenega for the reestablishment and relocation of  
13 the village.

14

\* Sec. 2. The appropriation made by this Act shall be disbursed in  
15 accordance with AS 37.05.315.

16

\* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
17 070(c).

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Funding Information  
General Fund \$225,000  
Other Funds -0-  
\$225,000

Introduced: 4/2/81  
Referred: Community & Regional  
Affairs and Finance

1 IN THE HOUSE

BY CATO

2 HOUSE BILL NO. 457

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the City of  
7 Cordova for the Chenega village relocation; and provid-  
8 ing for an effective date."

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

10 \* Section 1. The sum of \$225,000 is appropriated from the general fund  
11 for payment as a grant to the City of Cordova for the relocation of the  
12 Village of Chenega.

13 \* Sec. 2. The appropriation made by this Act shall be disbursed in  
14 accordance with AS 37.05.315.

15 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
16 070(c).

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