

LEG. FINANCE - BILLS 1983 - 1984 2007

SB 40 cont. - SSSB 47 2007



# Alaska State Legislature

## Senate

### Resources Committee

Official Business

Senator Bettye Fahrenkamp  
Chairman

Pouch V  
State Capitol  
Juneau, Alaska 99811

January 21, 1983  
1:30 p.m.

Beltz Room  
Room 211 Capitol

With the House Resources Committee

#### MEMBERS PRESENT

##### SENATE

Senator Fahrenkamp  
Senator Sturgulewski  
Senator Ziegler  
Senator Mulcahy  
Senator Eliason  
Senator Paul Fischer  
Senator Vic Fisher

##### HOUSE

Rep. Ringstad  
Rep. Liska  
Rep. Larson  
Rep. Uehling

#### Briefing on University of Alaska Lands Settlement

Dr. Jay Barton, Pres., University of Alaska introduced members of the Board of Regents.

Merry Tuten, Director of Lands, University of Alaska summarized past negotiations with the State of Alaska, Department of Natural Resources regarding University of Alaska trust lands. It is the University of Alaska's contention that the land was improperly managed, disposed of and leased by the State. The University of Alaska initiated two law suits which asked for return of land and for monetary compensation. The Alaska Supreme Court ruled in favor of the University on one lawsuit. At this point the University and DNR agreed to negotiate and an agreement was reached.

Ms. Tuten stated that two bills will be before the legislature this session. (1) An appropriation bill for 4.2 million dollars to the U of A plus \$148,000 to transfer deed to keep clear title. (2) A bill to ratify the agreement, to transfer compensatory land to the U of A and to transfer management of all U of A lands to the University.

Senator Sturgulewski inquired about DNR reviewing the University's calculation on compensation to determine whether or not it agrees with the grand total. Ms. Tuten replied they were close to agreement. Sen. Sturgulewski also asked about the intervention of the Municipality of Anchorage into the law suit. Ms. Tuten replied that the Municipality of Anchorage intervened in the second law suit to protect its interest in selecting University lands under the Municipal Entitlement Act. The Municipality is not a party to negotiations with the State of Alaska.

Senate Resources Committee

January 21, 1983

Page 2

Merry Tuten concluded by saying the role of the legislature is to approve the agreement and appropriate the settlement monies and lands.

Mark Wittow, DNR, stated that the report by Merry was factual and correct.

The meeting was adjourned at 2:00 p.m.

SENATE BILL 41

PROVIDES FOR THE SETTLEMENT OF CLAIMS AGAINST THE STATE BY THE UNIVERSITY.

RATIFIES THE SETTLEMENT AGREEMENT BETWEEN THE DNR, REVENUE, ADMINISTRATION AND THE UNIVERSITY BOARD OF REGENTS.

CONVEYS TO THE BOARD OF REGENTS THE RIGHT, TITLE AND INTEREST IN LANDS NOT RELINQUISHED AND ALSO LANDS SELECTED FROM THE REPLACEMENT POOLS IN PRIORITY ORDER ACCORDING TO THEIR APPRAISED VALUE TO TOTAL \$21,800,000.

PROVIDES THAT IN THE EVENT NO APPROPRIATION IS MADE AS PER SB 40, ADDITIONAL LANDS MAY BE SELECTED TO TOTAL THE \$4.2 MILLION.

PROVIDES THAT THE UNIVERSITY ADOPT RULES ON THE MANAGEMENT OF THE LANDS.

REQUIRES PUBLIC NOTICE OF SALES, LEASES, EXCHANGES AND TRANSFERS.

SECTION 7 INSURES THAT SETTLEMENT OF THE CLAIMS OF THE UNIVERSITY AGAINST THE STATE WILL NOT PREJUDICE CURRENT NEGOTIATIONS BETWEEN THE UNIVERSITY AND THE MUNICIPALITY OF ANCHORAGE CONCERNING THE MUNICIPAL ENTITLEMENT ACT.

SECTION 8 INSURES NO PREJUDICE OF WEISS CASE (MENTAL HEALTH LANDS)

REQUIRES REPORT TO 14th LEGISLATURE ON GOALS, OBJECTIVES AND PLANS FOR MANAGEMENT OF THESE TRUST LANDS.

JUDICIARY COMMITTEE AMENDMENT AND LETTER OF INTENT:

- CHANGES REPORT TO A YEARLY ONE AND MAKES IT FINANCIAL IN NATURE (HOW WAS MONEY SPENT)

- JUDICIARY COMMITTEE LETTER OF INTENT REQUIRES 40% OF INCOME FROM TRUST LAND BE USED FOR CAPITAL PROJECTS AND TEACHING SUPPORT OF AGRICULTURE, FORESTRY, FISHERIES, AND MINERAL DEVELOPMENT EDUCATION.



# Alaska State Legislature

## COMMITTEES

Co-Chairman — House Resources  
Committee  
Chairman — REAA Budget Oversight  
Committee  
Member — House State Affairs  
DOT -- Finance Sub Committee



While in Session:

Pouch V  
State Capitol  
Juneau, Alaska 99811  
Phone (907) 465-4951  
465-4940

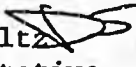
## House of Representatives

Home - P.O. Box 355  
Delta Junction, Alaska 99737

Dick Shultz

May 17, 1983

TO: Honorable Al Adams  
Chairman  
House Finance Committee

FROM: Dick Shultz   
Representative

RE: SB 40 and SB 41

As it is my understanding that you are drafting a letter of intent to accompany the Legislature's ratification of the University Trust Lands settlement (in SB 40 and SB 41 to be considered in House Finance on Thursday), I would be interested in including language to address the following concern:

One of the primary charges of a land grant university is the advancement of agriculture through research and extension, as well as through classroom instruction. While at practically every other land grant college across the U.S. these three functions, teaching, research, and extension, are managed by one chancellor within the same campus or university division, at the University of Alaska, the teaching and research are under one chancellor, while extension is under another.

This situation has slowed the dissemination of practical agriculture research information from the land grant university to the farming community. This, in turn, has stifled the development of the agriculture sector in Alaska.

Therefore, I think it would be appropriate to include language in the letter of intent for CSSB 41 along the following lines:

"It is the intent of the Legislature that, in order to better fulfill its land grant mission, the University of Alaska Board of Regents consolidate its agricultural teaching, research and extension functions under a single chancellor."

Thank you for your consideration of this matter.

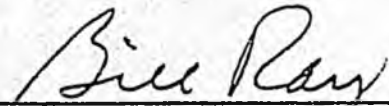
SENATE

LETTER OF INTENT

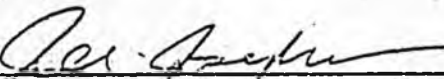
CSSB 41 (Resources) am

It is our intent that the University of Alaska Board of Regents utilize at least 40% of its Land Grant Trust Fund income for the University Land-grant mission of capital projects and teaching support for agricultural, forestry, fishing and mineral development and education.

Furthermore, as indicated by our amendment to the Resources Committee substitute for Senate Bill 41, it is our intent to require annual reports from the Board of Regents, to be submitted within 10 days of the start of each legislative session, setting forth details as to the Board's past, present and future compliance with the above-stated legislative intent.




Senator Bill Ray - Chairman



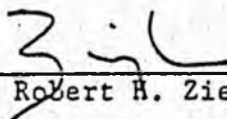
Senator Joe Josephson - Vice Chairman



Senator Richard Eliason



Senator Fritz Pettyjohn



Senator Robert H. Ziegler

Adopted in the Senate, May 10, 1983.

Introduced: 1/18/83  
Referred: Resources, Health, Education and  
Social Services and Finance

Funding Information

General Fund	\$4,200,000
Other Funds	-0-
	<u>\$4,200,000</u>

BY FAHRENKAMP, BENNETT,  
MOSS AND STURGULEWSKI

1 IN THE SENATE

2

SENATE BILL NO. 40

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act making special appropriations and appropria-  
7 tion transfers to carry out a Settlement Agreement  
8 between the State and the University of Alaska; and  
9 providing for an effective date."

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

11 \* Section 1. The sum of \$4,200,000 is appropriated from the general  
12 fund to the Department of Revenue for deposit in the fund established under  
13 AS 14.40.400. The purpose of the appropriation made by this section is the  
14 settlement of certain claims of the University of Alaska to certain land of  
15 the state under paragraph 10(a) of the "Settlement Agreement between the  
16 Department of Natural Resources, the Department of Revenue, and the Depart-  
17 ment of Administration and the University of Alaska and the Board of  
18 Regents, as trustees for the University of Alaska" that was submitted to  
19 the Alaska State Legislature on March 26, 1982.

20 \* Sec. 2. Up to the amount of \$148,000 is appropriated from the unex-  
21 pended and unobligated balance of the appropriation made to the University  
22 of Alaska in ch. 101, SLA 1982 for operating expenses for the fiscal year  
23 ending June 30, 1983 that would otherwise lapse into the general fund on  
24 June 30, 1983 and is transferred to the Department of Law for expenses  
25 related to the implementation of the Settlement Agreement described in  
26 sec. 1 of this Act.

27 \* Sec. 3. If the funds transferred to the Department of Law under  
28 sec. 2 of this Act do not amount to \$148,000, then an amount is appropri-  
29 ated from the general fund that, with the amounts transferred under sec. 2

1 of this Act, will provide \$148,000 to the Department of Law for the pur-  
2 poses described in sec. 2 of this Act.

3 \* Sec. 4. This Act takes effect on the effective date of an Act enti-  
4 tled "An Act relating to the transfer of ownership and management of Uni-  
5 versity of Alaska trust land from the Department of Natural Resources to  
6 the Board of Regents of the University of Alaska; and providing for an  
7 effective date."



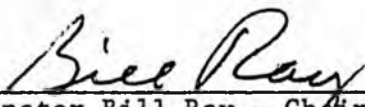
SENATE JUDICIARY COMMITTEE

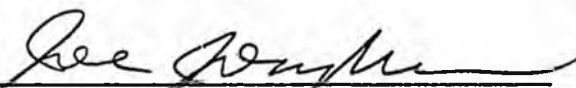
LETTER OF INTENT

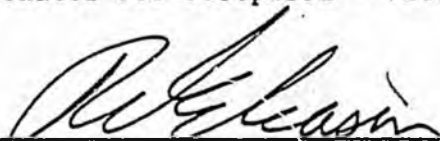
SB 40

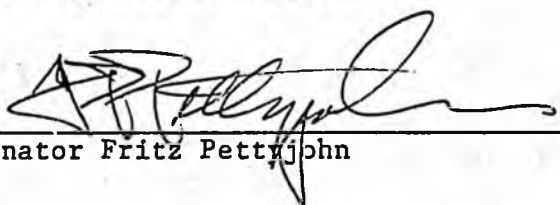
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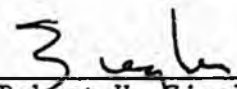
Furthermore, as indicated by our amendment to the Resources Committee substitute for Senate Bill 41, it is our intent to require annual reports from the Board of Regents, to be submitted within 10 days of the start of each legislative session, setting forth details as to the Board's past, present and future compliance with the above-stated legislative intent.

  
\_\_\_\_\_  
Senator Bill Ray - Chairman

  
\_\_\_\_\_  
Senator Joe Josephson - Vice Chairman

  
\_\_\_\_\_  
Senator Richard Eliason

  
\_\_\_\_\_  
Senator Fritz Pettyjohn

  
\_\_\_\_\_  
Senator Robert H. Ziegler

Introduced: 1/18/83  
Referred: Resources, Health, Education and  
Social Services and Finance

Funding Information  
General Fund \$4,200,000  
Other Funds -0-  
\$4,200,000

BY FAHRENKAMP, BENNETT,  
MOSS AND STURGULEWSKI

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SENATE BILL NO. 40

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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THIRTEENTH LEGISLATURE - FIRST SESSION

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A BILL

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6 the Board of Regents of the University of Alaska; and providing for an  
7 effective date."

COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

2/10/83

Date: 3/2/83

Mr. President:

The Committee on JUDICIARY has had SB 40

Special appropriations and appropriation transfers to carry out a Settlement Agreement between the State and the University of Alaska; eff. date

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- 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

[Signature]

[Signature]

[Signature]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Bill Ray  
CHAIRMAN

DO PASS



Senator Bennett  
SB 40/41

**UA Trust Lands Background  
Settlement Agreement  
Proposed Compensation**

**BRIEFING  
PAPER**

**LAND  
SETTLEMENT**

THE UNIVERSITY OF ALASKA

Jay Barton, President

Briefing Paper

UNIVERSITY LANDS SETTLEMENT AGREEMENT

November, 1982

For further information contact:

Merry Tuten  
Director of Land Management  
(Statewide)  
474-7421

## EXECUTIVE SUMMARY

The Settlement Agreement provides a method for calculating compensation due the University as a result of improper management of University grant land. Compensation is provided for:

- easements and rights of way granted by the State without University approval or compensation
- residential, utility, commercial, agricultural, and private recreation leases let and administered at less than fair market value
- material (gravel/sand) removed for use by state agencies without payment to the University
- uncollected revenues from state sales of resources such as coal, oil and gas, and timber
- free use permits, land management transfers, reserved use requests, and special land use permits issued without University approval or compensation
- legislative withdrawals of University lands for parks and preserves without University approval or compensation
- land exchanges which have only been partially completed without the University receiving its share of the land to be exchanged

To compensate the University for these actions, the Settlement Agreement provides for the transfer of title, management, and control of University grant lands from the State to the University. The State and University agree that the University would more properly manage these lands to produce income and support the University. The Settlement Agreement also provides for the appropriation of funds and/or the conveyance of state "replacement" lands to equal the dollar value of the compensation owed the University. The Settlement Agreement provides a detailed method for calculating the compensation for items above and results in a total dollar amount.

## BACKGROUND

The University of Alaska originally received its lands from the Federal Government by two Acts of Congress, in 1915 and 1929. These Acts were extensions into the Territory of Alaska of the Land Grant College concept pioneered by the Morrill Act of 1862 which established Land Grant Universities throughout the Continental United States. Under these two congressional Acts the University was granted 110,000 acres of land which were to be held in trust and were reserved for the exclusive use and benefit of the University of Alaska for the support of higher education in Alaska.

Upon statehood the new State of Alaska accepted the trustee responsibility for these "grant" lands. Since the purpose of the federal grant was to produce income to support the University the State should have actively managed and developed these lands. Instead, the State treated the University Grant Lands as though they were State lands and made them available at less than fair market value. In addition, the legislature passed laws that transferred University lands into nonprofit making uses such as state parks and wildlife withdrawals without compensating the University. As a result of these legislative and administrative actions the University lost considerable acreage and income. During the twenty years of State management only \$2.7 million in income was produced from the entire 110,000 acre federal land grant. These proceeds were deposited into the University of Alaska Permanent Fund and the interest earnings were used to support University programs.

In 1978 the University intervened in litigation between a private company and the State questioning the State's right to withdraw University grant land into state parks without compensating the University. While this lawsuit proceeded through the court system the University filed a second suit against the State in order to clarify the ownership and trustee responsibilities surrounding all University grant lands.

In 1981 the Alaska Supreme Court rendered a decision on the first lawsuit in which the University had intervened. The court reaffirmed that University grant lands are for "the exclusive use and benefit of the University, that such lands cannot be taken without compensation," and

that the State is required by the federal legislation conveying the land grant "to manage said University lands to effect the purpose of the trust, which is the production of income for the benefit of the University."

The second lawsuit is still pending in Superior Court. However, following the Supreme Court's ruling in favor of the University on the first lawsuit, the University entered into negotiations to settle all litigation with the State Departments of Natural Resources, Administration, and Revenue and, after 13 months of negotiation, reached an out-of-court settlement (enclosed).

During the 1981 - 1982 legislative session the State and University sought the legislature's ratification of this out-of-court settlement. Although both the House and Senate passed the initial bill unanimously, other issues unrelated to the land settlement question were added to the final bill and it was consequently defeated in committee. The legislature did, however, appropriate \$500,000 to the University and the State in order to implement the terms of the Agreement. The State and University will be seeking ratification of the Settlement Agreement during the 13th Alaska Legislature.

## ISSUES

1. Why should the University own land and be in the land management business?

The federal government granted trust land for the exclusive use and benefit of the University of Alaska. The Alaska Supreme Court has held that the university's grant lands must be managed "to effect the purposes of the trust, which is the production of income for the benefit of the university." However, the state manages and disposes of its lands for purposes other than to maximize earnings. Accordingly, the purposes for managing university trust lands and state-owned lands are completely different. Furthermore, the state has disposed of university trust land and products therefrom at less than current market value. For these reasons, the university's board of regents has felt compelled to assume direct responsibility for the control and management of university trust lands.

2. What will the University do with the money it receives from its trust lands?

Income produced by the university's lands is deposited into the university's permanent fund which is held and managed by the state Department of Revenue. The state informs the university how much investment income it will receive from its permanent fund and the university informs the state how that income will be used. No change in this procedure or in legislation governing the university permanent fund is required at this time. For further information on the university's permanent fund and its use, the reader's attention is invited to the university briefing paper entitled "University of Alaska Permanent Fund."

3. Does the Settlement Agreement benefit the state?

Yes. The agreement resolves a long standing legal issue at minimal cost to the public, clarifies Department of Natural Resources responsibilities, and provides the university with its original federal endowment. The settlement will also benefit the state by enabling its university to become a better, higher quality university, at lower cost to the state, than would be possible without the federal endowment.

4. Why does the State "owe" the university any compensation since the legislature funds the university every year?

The Alaska Supreme Court held that the university is entitled to compensation for takings by the state of university trust land at less than fair market value. This compensation is a single "one-time" payment stemming from a judicial decision. This payment is necessary to re-establish the land grant trust endowment provided by the Congress to provide financing in perpetuity to help support the university. Congress intended that this endowment funding be provided in addition to, not simply to replace, annual general fund support of the university by the state.

5. If the legislature appropriates funds and land as compensation for past actions, will the university be able to support itself from land revenues?

No, investment earnings will not be large enough in the foreseeable future to have any significant influence on the amount of general funds needed to support the university.

#### RECOMMENDATIONS

Calculations of compensation due the university under the terms of the settlement agreement are shown on the next page. Accordingly, the university now recommends that: the terms of the out-of-court settlement between the university and the state Department of Natural Resources be ratified by the legislature.\* Specifically, the university recommends that:

1. It be granted title, management, and control of its federally granted trust lands.

2. It receive cash and land compensation from the state in accordance with the closing statement shown below.

3. Alaska statutes be corrected to reflect the transfer of university trust lands from public ownership to management by the university's board of regents.

\* Under the terms of the settlement agreement, the state Department of Natural Resources must review the university's calculation of compensation to determine whether or not it agrees with the grand total so derived. This review has not, as of this writing, been completed.

12/20/82

CLOSING STATEMENT

Compensation due the University of Alaska computed in accordance with the settlement agreement--

<u>SOURCES OF COMPENSATION</u>	<u>IN LAND*</u>	<u>IN CASH</u>	
Leased Lands	\$ 15,364,693		
Uncollected Revenues		\$ 154,454	
Material Sales		42,418	
Rights of Way		2,177,763	
Liquidated Damages	0		
Back Pay for Leases		2,344,676	
Legislative Withdrawals	6,085,536		
Conveyances & Incomplete Land Exchanges	112,859		
<b>TOTALS:</b>	<b>\$ 21,563,088</b>	<b>\$ 4,719,311</b>	<b>\$ 26,282,399 **</b>

\*For land compensation, the university will exchange its previously withdrawn and encumbered lands, for which compensation is due, for unencumbered state lands of equal value placed into replacement pools for this purpose by the Department of Natural Resources.

The university relinquishes:

- Category
- Leased Lands
  - Conveyances and Incomplete Land Exchanges
  - Legislative Withdrawals
  - Municipal Selections (only if agreement is reached with the Municipality)

The university gains:

- Replacement Pool Parcels
- Replacement Pool #1 - All parcels
  - Replacement Pool #2 - (previously approved by BOR on 9/30/82) Parcel as needed to equal the fair market value of lands relinquished to the state

\*\* This number may change slightly during the process of concluding negotiations. However, regardless of the total amount of compensation, the categories to be taken in cash and in land will be as specified above.



Offered: 2/4/83  
Referred: Judiciary

Original sponsors: Fahrenkamp, Bennett,  
Moss, et al

1 IN THE SENATE BY THE RESOURCES COMMITTEE  
2 CS FOR SENATE BILL NO. 41 (Resources) am  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the transfer of the ownership and  
7 management of University of Alaska trust land from  
8 the Department of Natural Resources to the Board of  
9 Regents of the University of Alaska; and providing  
10 for an effective date."

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

12 \* Section 1. PURPOSE. The purpose of this Act is to provide for the  
13 settlement of certain claims and litigation and to transfer ownership and  
14 management of certain land from the Department of Natural Resources to the  
15 Board of Regents of the University of Alaska.

16 \* Sec. 2. RATIFICATION. The terms of the document entitled "Settlement  
17 Agreement between the Department of Natural Resources, the Department of  
18 Revenue, and the Department of Administration and the University of Alaska  
19 and the Board of Regents, as trustees for the University of Alaska", which  
20 was submitted to the Alaska State Legislature on March 26, 1982, as amend-  
21 ed, are ratified as to the duties and obligations of the State of Alaska  
22 and Board of Regents of the University of Alaska.

23 \* Sec. 3. CONVEYANCE. The commissioner of natural resources is direct-  
24 ed to convey to the Board of Regents of the University of Alaska the right,  
25 title, and interest of the state in and to

26 (1) the land identified in Appendix N of the Settlement Agree-  
27 ment described in sec. 2 of this Act; and

28 (2) that state land listed in Appendix O of the Settlement  
29 Agreement described in sec. 2 of this Act, in the priority order stated in

1 appendix O of the Settlement Agreement, which equals in appraised value the  
2 total compensation due the University of Alaska under Appendix M of the  
3 Settlement Agreement described in sec. 2 of this Act less the compensation  
4 appropriated to the University of Alaska in an Act making appropriations to  
5 implement the Settlement Agreement described in sec. 2 of this Act.

6 \* Sec. 4. AS 14.40.170(a)(4) is amended to read:

7 (4) have the care, control and management of

8 (A) all the real and personal property of the univer-  
9 sity; and

10 (B) land conveyed to the Board of Regents by the  
11 commissioner of natural resources in settlement of the claim of  
12 the University of Alaska to land granted to the state in accor-  
13 dance with the Act of March 4, 1915 (38 Stat. 1214), as amended  
14 and in accordance with the Act of January 21, 1929 (45 Stat.  
15 1091) as amended;

16 \* Sec. 5. AS 14.40.170(a) is amended by adding new paragraphs to read:

17 (7) adopt reasonable rules for the prudent trust management  
18 and the long-term financial benefit to the university of the land of  
19 the university;

20 (8) provide public notice of sales, leases, exchanges and  
21 transfers of the land of the university or of interests in land of the  
22 university;

23 (9) report each year within the first 10 days of the con-  
24 vening of a regular session of the legislature on the expenditures  
25 made during the preceding fiscal year from the funds of the University  
26 of Alaska that are derived from sales, leases, exchanges, or transfers  
27 of the land of the university or of interests in land of the univer-  
28 sity that were conveyed to the University of Alaska in settlement of  
29 the claim of the University of Alaska to land granted to the state in

1       accordance with the Act of March 4, 1915 (38 Stat. 1214), as amended,  
2       and in accordance with the Act of January 21, 1929 (45 Stat. 1091), as  
3       amended.

4       \* Sec. 6. AS 14.40 is amended by adding a new section to read:

5               Sec. 14.40.291. LAND OF THE UNIVERSITY OF ALASKA NOT PUBLIC  
6       DOMAIN LAND. Notwithstanding any other provision of law, university-  
7       grant land, state replacement land that becomes university-grant land  
8       on conveyance to the university, and any other land owned by the  
9       University of Alaska is not and may not be treated as state public  
10      domain land. Title or interest to land described in this section may  
11      not be acquired by adverse possession, prescription, or in any other  
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26      \* Sec. 9. Within 10 days of the convening of the first session of the  
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28      will submit a report to the legislature on the goals, objectives, and plans  
29      of the university for the management of the trust lands.

1 \* Sec. 10. This Act takes effect immediately in accordance with AS 01.-  
2 10.070(c).

THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTEENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CS SB 41 (Resources) am  
 Title University Land Settlement  
 Requested by House Finance Committee Date 5/18/83

II. FISCAL DETAIL

Agency Affected University, DNR  
 Program Category Affected \_\_\_\_\_  
 BRU, Program, Or Subprogram(s) Affected \_\_\_\_\_  
 (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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-----				

FUNDING (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
FULL TIME						
PART TIME						
TEMPORARY						

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

The appropriations necessary to carry out the provisions of this bill are included in SB 40.

IV. DATE 5/18/83 PREPARED BY Al Adams, Chair *APA*  
 AGENCY House Finance Committee  
 Original: Legislative Finance PHONE 465-3706  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)  
 33-001 (Rev. 12/82)

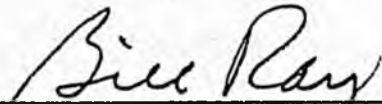
SENATE

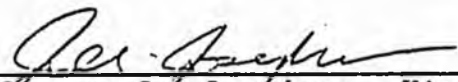
LETTER OF INTENT

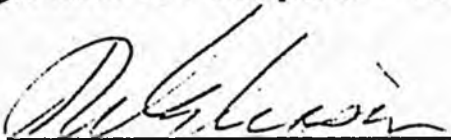
CSSB 41 (Resources) am

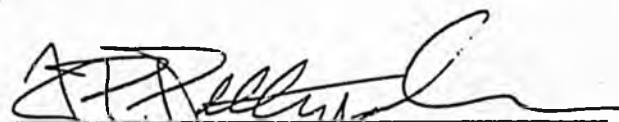
It is our intent that the University of Alaska Board of Regents utilize at least 40% of its Land Grant Trust Fund income for the University Land-grant mission of capital projects and teaching support for agricultural, forestry, fishing and mineral development and education.

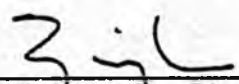
Furthermore, as indicated by our amendment to the Resources Committee substitute for Senate Bill 41, it is our intent to require annual reports from the Board of Regents, to be submitted within 10 days of the start of each legislative session, setting forth details as to the Board's past, present and future compliance with the above-stated legislative intent.

  
\_\_\_\_\_  
Senator Bill Ray - Chairman

  
\_\_\_\_\_  
Senator Joe Josephson - Vice Chairman

  
\_\_\_\_\_  
Senator Richard Eliason

  
\_\_\_\_\_  
Senator Fritz Pettyjohn

  
\_\_\_\_\_  
Senator Robert H. Ziegler

Adopted in the Senate, May 10, 1983.

Offered: 2/4/83  
Referred: Judiciary

Original sponsors: Fahrenkamp, Bennett,  
Moss, et al

1 IN THE SENATE BY THE RESOURCES COMMITTEE  
2 CS FOR SENATE BILL NO. 41 (Resources) am  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - FIRST SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to the transfer of the ownership and  
7 management of University of Alaska trust land from  
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9 Regents of the University of Alaska; and providing  
10 for an effective date."

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19 and the Board of Regents, as trustees for the University of Alaska", which  
20 was submitted to the Alaska State Legislature on March 26, 1982, as amend-  
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2 total compensation due the University of Alaska under Appendix M of the  
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4 appropriated to the University of Alaska in an Act making appropriations to  
5 implement the Settlement Agreement described in sec. 2 of this Act.

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7 (4) have the care, control and management of

8 (A) all the real and personal property of the univer-  
9 sity; and

10 (B) land conveyed to the Board of Regents by the  
11 commissioner of natural resources in settlement of the claim of  
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14 and in accordance with the Act of January 21, 1929 (45 Stat.  
15 1091) as amended;

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18 and the long-term financial benefit to the university of the land of  
19 the university;

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22 university;

23 (9) report each year within the first 10 days of the con-  
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25 made during the preceding fiscal year from the funds of the University  
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27 of the land of the university or of interests in land of the univer-  
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6       DOMAIN LAND. Notwithstanding any other provision of law, university-  
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Original sponsors: Fahrenkamp, Bennett,  
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5 A BILL  
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22      10.070(c).

Introduced: 1/18/83  
Referred: Resources, Health, Education and  
Social Services and Finance

BY FAHRENKAMP, BENNETT, MOSS  
STURGULEWSKI AND FERGUSON

1 IN THE SENATE

2

SENATE BILL NO. 41

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the transfer of the ownership and  
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Introduced: 1/18/83  
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SENATE BILL NO. 41

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THIRTEENTH LEGISLATURE - FIRST SESSION

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COMMITTEE REPORT

SENATE

FURTHER:

3/23/83

Date: 5/14/83

Mr. President:

The Committee on FINANCE has had SB 41

Relating to the transfer of the ownership and management of the University of Alaska trust land from the Department of Natural Resources to the Board of Regents of the University of Alaska; eff. date

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

[ ] do pass [ ] do not pass

[  ] do pass with attached <sup>Judiciary</sup> amendments(S)

[  ] replace with CS for SB 41 (Res) [  ] same title [ ] new title

and recommends \_\_\_\_\_

[  ] AND attaches a <sup>Judiciary</sup> "Letter of Intent" [ ] New Fiscal Note

[ ] reports it back without recommendation

[ ] referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
Bob Mulcahy  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[Signature]

CHAIRMAN

A M E N D M E N T #1

Offered in the SENATE  
TO: CSSB 41(Res)

BY THE JUDICIARY COMMITTEE

Page 2, line 22:

Delete all material and insert the following:

"university;

(9) report each year within the first 10 days of the convening of a regular session of the legislature on the expenditures made during the preceding fiscal year from the funds of the University of Alaska that are derived from sales, leases, exchanges, or transfers of the land of the university or of interests in land of the university that were conveyed to the University of Alaska in settlement of the claim of the University of Alaska to land granted to the state in accordance with the Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance with the Act of January 21, 1929 (45 Stat. 1091), as amended."

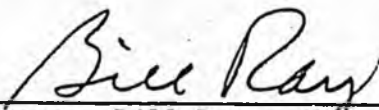
SENATE JUDICIARY COMMITTEE

LETTER OF INTENT

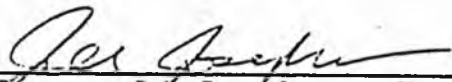
CSSB 41 (Resources) am

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\_\_\_\_\_  
Senator Bill Ray - Chairman



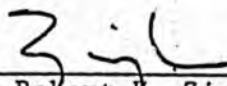
\_\_\_\_\_  
Senator Joe Josephson - Vice Chairman



\_\_\_\_\_  
Senator Richard Eliason



\_\_\_\_\_  
Senator Fritz Pettyjohn



\_\_\_\_\_  
Senator Robert H. Ziegler

Offered: 2/4/83  
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Original sponsors: Fahrenkamp, Bennett,  
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6 For an Act entitled: "An Act relating to the transfer of the ownership and  
7 management of University of Alaska trust land from  
8 the Department of Natural Resources to the Board of  
9 Regents of the University of Alaska; and providing  
10 for an effective date."

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

12 \* Section 1. PURPOSE. The purpose of this Act is to provide for the  
13 settlement of certain claims and litigation and to transfer ownership and  
14 management of certain land from the Department of Natural Resources to the  
15 Board of Regents of the University of Alaska.

16 \* Sec. 2. RATIFICATION. The terms of the document entitled "Settlement  
17 Agreement between the Department of Natural Resources, the Department of  
18 Revenue, and the Department of Administration and the University of Alaska  
19 and the Board of Regents, as trustees for the University of Alaska", which  
20 was submitted to the Alaska State Legislature on March 26, 1982, as amend-  
21 ed, are ratified as to the duties and obligations of the State of Alaska  
22 and Board of Regents of the University of Alaska.

23 \* Sec. 3. CONVEYANCE. The commissioner of natural resources is direct-  
24 ed to convey to the Board of Regents of the University of Alaska the right,  
25 title, and interest of the state in and to

26 (1) the land identified in Appendix N of the Settlement Agree-  
27 ment described in sec. 2 of this Act; and

28 (2) that state land listed in Appendix O of the Settlement  
29 Agreement described in sec. 2 of this Act, in the priority order stated in

1 appendix O of the Settlement Agreement, which equals in appraised value the  
2 total compensation due the University of Alaska under Appendix M of the  
3 Settlement Agreement described in sec. 2 of this Act less the compensation  
4 appropriated to the University of Alaska in an Act making appropriations to  
5 implement the Settlement Agreement described in sec. 2 of this Act.

6 \* Sec. 4. AS 14.40.170(a)(4) is amended to read:

7 (4) have the care, control and management of

8 (A) all the real and personal property of the univer-  
9 sity; and

10 (B) land conveyed to the Board of Regents by the  
11 commissioner of natural resources in settlement of the claim of  
12 the University of Alaska to land granted to the state in accor-  
13 dance with the Act of March 4, 1915 (38 Stat. 1214), as amended  
14 and in accordance with the Act of January 21, 1929 (45 Stat.  
15 1091) as amended;

16 \* Sec. 5. AS 14.40.170(a) is amended by adding new paragraphs to read:

17 (7) adopt reasonable rules for the prudent trust management  
18 and the long-term financial benefit to the university of the land of  
19 the university;

20 (8) provide public notice of sales, leases, exchanges and  
21 transfers of the land of the university or of interests in land of the  
22 university.

23 \* Sec. 6. AS 14.40 is amended by adding a new section to read:

24 Sec. 14.40.291. LAND OF THE UNIVERSITY OF ALASKA NOT PUBLIC  
25 DOMAIN LAND. Notwithstanding any other provision of law,  
26 university-grant land, state replacement land that becomes  
27 university-grant land on conveyance to the university, and any other  
28 land owned by the University of Alaska is not and may not be treated  
29 as state public domain land. Title or interest to land described in

1 this section may not be acquired by adverse possession, prescription,  
2 or in any other manner except by conveyance from the university. The  
3 land is subject to condemnation for public purpose in accordance with  
4 law.

5 \* Sec. 7. Nothing in this Act precludes or prejudices negotiations  
6 between the Municipality of Anchorage and the University of Alaska to  
7 settle Case Number 3AN-79-2801 Civil, Third Judicial District, State of  
8 Alaska, or prejudices or otherwise affects the pursuit or outcome of that  
9 litigation or diminishes or affects the rights or interests of the Univer-  
10 sity of Alaska or the Municipality of Anchorage in that pending litigation.

11 \* Sec. 8. Nothing in this Act precludes or prejudices negotiations  
12 between plaintiffs and the defendants in the case entitled Verne T. Weiss  
13 v. State of Alaska, Case No. 4FA82-2208, or prejudices or otherwise affects  
14 the pursuit or outcome of that litigation or diminishes or otherwise  
15 affects the rights or interests of the plaintiffs or the defendants in that  
16 litigation.

17 \* Sec. 9. Within 10 days of the convening of the first session of the  
18 Fourteenth Legislature, the Board of Regents of the University of Alaska  
19 will submit a report to the legislature on the goals, objectives, and plans  
20 of the university for the management of the trust lands.

21 \* Sec. 10. This Act takes effect immediately in accordance with AS 01.-  
22 10.070(c).

Introduced: 1/18/83  
Referred: Resources, Health, Education and  
Social Services and Finance

BY FAHRENKAMP, BENNETT, MOSS  
STURGULEWSKI AND FERGUSON

1 IN THE SENATE

2

SENATE BILL NO. 41

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the transfer of the ownership and  
7 management of University of Alaska trust land from  
8 the Department of Natural Resources to the Board of  
9 Regents of the University of Alaska; and providing  
10 for an effective date."

11

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

12

\* Section 1. PURPOSE. The purpose of this Act is to provide for the  
13 settlement of certain claims and litigation and to transfer ownership and  
14 management of certain land from the Department of Natural Resources to the  
15 Board of Regents of the University of Alaska.

16

\* Sec. 2. RATIFICATION. The terms of the document entitled "Settlement  
17 Agreement between the Department of Natural Resources, the Department of  
18 Revenue, and the Department of Administration and the University of Alaska  
19 and the Board of Regents, as trustees for the University of Alaska", which  
20 was submitted to the Alaska State Legislature on March 26, 1982, as  
21 amended, are ratified as to the duties and obligations of the State of  
22 Alaska and Board of Regents of the University of Alaska.

23

\* Sec. 3. CONVEYANCE. The commissioner of natural resources is direct-  
24 ed to convey to the Board of Regents of the University of Alaska the right,  
25 title, and interest of the state in and to

26

(1) the land identified in Appendix N of the Settlement Agree-  
27 ment described in sec. 2 of this Act; and

28

(2) that state land listed in Appendix O of the Settlement  
29 Agreement described in sec. 2 of this Act, in the priority order stated in

1 appendix O of the Settlement Agreement, which equals in appraised value the  
2 total compensation due the University of Alaska under Appendix M of the  
3 Settlement Agreement described in sec. 2 of this Act less the compensation  
4 appropriated to the University of Alaska in an Act making appropriations to  
5 implement the Settlement Agreement described in sec. 2 of this Act.

6 \* Sec. 4. AS 14.40.170(a)(4) is amended to read:

7 (4) have the care, control and management of

8 (A) all the real and personal property of the univer-  
9 sity; and

10 (B) land conveyed to the Board of Regents by the  
11 commissioner of natural resources in settlement of the claim of  
12 the University of Alaska to land granted to the state in accor-  
13 dance with the Act of March 4, 1915 (38 Stat. 1214), as amended  
14 and in accordance with the Act of January 21, 1929 (45 Stat.  
15 1091) as amended;

16 \* Sec. 5. AS 14.40.170(a) is amended by adding new paragraphs to read:

17 (7) adopt reasonable rules for the management of the land  
18 of the university;

19 (8) provide public notice of sales, leases, and transfers  
20 of the land of the university or of interests in land of the univer-  
21 sity.

22 \* Sec. 6. AS 14.40 is amended by adding a new section to read:

23 Sec. 14.40.365. LAND OF THE UNIVERSITY OF ALASKA NOT PUBLIC  
24 LAND. Notwithstanding any other provision of law, the land owned by  
25 the University of Alaska is not and may not be treated as public land  
26 of the state.

27 \* Sec. 7. Nothing in this Act precludes or prejudices negotiations  
28 between the Municipality of Anchorage and the University of Alaska to  
29 settle Case Number 3AN-79-2801 Civil, Third Judicial District, State of

1 Alaska, or prejudices or otherwise affects the pursuit or outcome of that  
2 litigation or diminishes or affects the rights or interests of the Univer-  
3 sity of Alaska or the Municipality of Anchorage in that pending litigation.

4 \* Sec. 8. This Act takes effect immediately in accordance with AS 01.-  
5 10.070(c).

COMMITTEE REPORT  
SENATE

FURTHER: FINANCE

2/4/83

Date: 2/21/83

Mr. President:

The Committee on JUDICIARY has had SB 41

Relating to the transfer of the ownership and management of the University of Alaska trust land from the Department of Natural Resources to the Board of Regents of the University of Alaska eff. date

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for do pass with Resources as SB 41 (RESOURCES)  same title  
 new title
- and recommends and with amend and
- 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]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Bill Ray  
CHAIRMAN  
DO PASS

# COMMITTEE REPORT

## SENATE

1/18/83

FURTHER: *waived 1/1/83*  
~~Health, Education, Serv~~  
Finance

Date: 1-31-83

Mr. President:

The Committee on RESOURCES has had SENATE BILL NO. 41

An Act relating to the transfer of the ownership and management of the University of Alaska trust land from the Department of Natural Resources to the Board of Regents of the University of Alaska; eff. date.

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

~~[ ]~~ do pass [ ] do not pass

~~[ ]~~ do pass with attached amendments(s)

replace with CS for SB 41 (Res)  same title  
 new title

and recommends 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:

*Bob Mulcahy*  
*Carl Stinson*  
*V. J. ...*  
*...*  
*Paul ...*

*Debra ...*  
CHAIRMAN *Do Pass*

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

*Rec'd 5/15/84  
Waived 4/23/84*

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

**REQUEST**

Bill/Resolution No.: 2nd SSSB 45 am  
 Title: Ag land sale payment moratorium  
 Sponsor: Moss  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Department of Natural Resources  
 Program Category Affected: Land and Water Management  
 BRU, Program or Subprogram(s) Affected: Contract Administration

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	
<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:**

**ANALYSIS:** Attach a separate page for analysis

Prepared By: Sharon Barton Phone: 465-2400  
 Division: Commissioner's Office Date: 5-14-84

Approved by Commissioner: *William D. Amundson* Date: 5-14-84  
 Agency: Department of Natural Resources

**Distribution (by Agency preparing fiscal note):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

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

**REQUEST**

Bill/Resolution No.: 2nd SSSB 45 am  
Title: Ag land sale payment moratorium

Sponsor: Moss  
Requestor: \_\_\_\_\_  
Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Department of Natural Resources  
Program Category Affected: Land and Water Management  
BRU, Program or Subprogram(s) Affected: Contract Administration

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	
<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	-0-	-0-	-0-	-0-	-0-	

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:**

**ANALYSIS:** Attach a separate page for analysis

Prepared By: Sharon Barton Phone: 465-2400  
Division: Commissioner's Office Date: 5-14-84

Approved by Commissioner: *Wm D Amundson* Date: 5-14-84  
Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

12/1/83

THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTEENTH LEGISLATURE

RECEIVED

FEB 7 1983

FISCAL NOTE

I. REQUEST LEGISLATIVE FINANCE  
 Bill/Resolution No. SB 45  
 Title An Act relating to the Agricultural Action Council .....  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Commerce and Economic Development  
 Program Category Affected Development  
 BRU, Program, Or Subprogram(s) Affected Division of Loans & Veterans' Affairs  
 (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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		0	0	0		

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 1-25-83 PREPARED BY *Lee J. Lash*  
 AGENCY Commerce and Economic Development  
 Original: Legislative Finance PHONE 465-2505  
 cc: Budget and Management  
 Prim: Sponsor (First Legislator Named)  
 33-001 (Rev. 12/82)  
 OMB Reviewed by: Guy Bell *B* *J*

S, R

RECEIVED

THE LEGISLATURE OF THE STATE OF ALASKA  
THIRTEENTH LEGISLATURE

FEB 7 1983

FISCAL NOTE

LEGISLATIVE FINANCE

I. REQUEST  
Bill/Resolution No. SB 45  
Title An Act relating to the Agricultural Action Council .....  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
Agency Affected Commerce and Economic Development  
Program Category Affected Development  
BRU, Program, Or Subprogram(s) Affected Division of Loans & Veterans' Affairs  
(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 83	FY 84	FY 85	FY 86	FY 87	FY 88
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		0	0	0		

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

IV. DATE 1-25-83 PREPARED BY [Signature]  
AGENCY Commerce and Economic Development  
Original: Legislative Finance PHONE 465-2505  
cc: Budget and Management  
Prime Sponsor (First Legislator Named)  
33-001 (Rev. 12/82)  
OMB Reviewed by: Guy Bell [Signature]

COMMITTEE REPORT  
SENATE

FURTHER:

FINANCE

3/22/84

Date 3-30-84

Mr. President

The Committee on RESOURCES considered 2d SSSB 45

establishing an agricultural land sale payment moratorium; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- my* do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for \_\_\_\_\_
- new title
- same title and recommends \_\_\_\_\_
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS

3

Paul Frank

F. Kuttel

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

2 B. M. ...

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Dittie Tahentamg  
Chairman

D. B. S.  
Chairman recommendation

Introduced: 3/22/84  
Referred: Resources and  
Finance

1 IN THE SENATE

BY MOSS

2 2d SPONSOR SUBSTITUTE FOR SENATE BILL NO. 45

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing an agricultural land sale  
7 payment moratorium; and providing for an effective  
8 date."

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

10 \* Section 1. AS 38.05.065 is amended by adding a new subsection to  
11 read:

12 (d) The commissioner may declare a moratorium of up to five  
13 years on principal payments and the accrual of interest on a sale of  
14 agricultural land under this section if

15 (1) the commissioner determines that the moratorium is in  
16 the best interest of the state;

17 (2) the commissioner certifies and the contract purchaser  
18 agrees to perform farm development, crop production, and harvesting,  
19 not including land clearing or related activity, requiring the  
20 expenditure of amounts equivalent to the payments that would otherwise  
21 be made during the moratorium;

22 (3) the sale of the agricultural land takes place after  
23 July 1, 1979; and

24 (4) the contract purchaser is in compliance with the devel-  
25 opment plan specified in the purchase contract at the time the pur-  
26 chaser applies for a moratorium under this subsection.

27 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
28 10.070(c).

COMMITTEE REPORT  
SENATE

FURTHER:

4/18/84

Date 5/7/84

Mr. President

The Committee on FINANCE considered SSSB 47

reimbursement for the cost of land clearing; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SSSB 47 (Finance)
- new title
- same title and recommends Do Pass
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE  
- FW
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]  
[Signature]

MEMBERS HAVING  
OTHER RECOMMENDATIONS

[Signature] NR  
[Signature] NR  
[Signature]  
[Signature]  
[Signature]

[Signature]  
Chairman  
[Signature]  
Chairman recommendation

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

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

**REQUEST**

Bill/Resolution No.: CSSSB 47 (Fin)  
 Title: Reimbursement for the cost of land clearing  
 Sponsor: Senator Moss  
 Requestor: Senate Finance Committee  
 Date of Request: May 7, 1984

**FISCAL DETAIL**

Agency Affected: Dept. of Natural Resources  
 Program Category Affected: \_\_\_\_\_  
 Division of Land and Water Management  
 BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES	0	0				
200 TRAVEL	0	0				
300 CONTRACTUAL	0	0				
400 SUPPLIES	0	0				
500 EQUIPMENT	0	0				
600 LAND & STRUCTURES	0	0				
700 GRANTS, CLAIMS	0	0				
800 MISCELLANEOUS	0	0				
<b>TOTAL OPERATING</b>	<b>0</b>	<b>0</b>				
<b>CAPITAL</b>	<b>0</b>	<b>0</b>				
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	0	0				
FEDERAL FUNDS	0	0				
OTHER	0	0				
<b>TOTAL</b>	<b>0</b>	<b>0</b>				

**POSITIONS:**

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

**SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:**

**ANALYSIS:** Attach a separate page for analysis

Prepared By: John Sackett  
 Division: John Sackett, Co-chairman  
Senate Finance Committee

Phone: 465-3753  
 Date: May 7, 1984

Approved by Commissioner: \_\_\_\_\_  
 Agency: \_\_\_\_\_

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

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

Original sponsor: Moss

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 47 (Finance)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to reimbursement for the cost of  
7 land clearing; and providing for an effective date."

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

9 \* Section 1. LAND CLEARING REIMBURSEMENT MORATORIUM. (a) A land owner  
10 who has contracted before January 1, 1984, with the Alaska Agricultural  
11 Action Council under AS 44.33.470(8) for reimbursement to the state of the  
12 cost of clearing, draining, and breaking of land, may be granted a mora-  
13 torium up to three years on the payment of principal and interest on the  
14 reimbursement by applying to the agriculture revolving loan fund board.

15 (b) A land owner may not qualify for a moratorium under (a) of this  
16 section unless at least 1,000 acres or 50 percent of the land owner's till-  
17 able acreage, whichever is less, is in production at the time of applica-  
18 tion for the moratorium.

19 (c) In order to qualify for a moratorium under (a) of this section a  
20 land owner must, at the time of application for the moratorium, be in  
21 compliance with the development plan set out in the owner's contract.

22 (d) A moratorium under (a) of this section may not be granted after  
23 July 1, 1987.

24 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
25 10.070(c).  
26  
27  
28  
29

Offered: 4/18/84  
Referred: Finance

Original sponsor: Moss

1 IN THE SENATE BY THE RESOURCES COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 47 (Resources)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL  
6 For an Act entitled: "An Act relating to reimbursement for the cost of  
7 land clearing; and providing for an effective date."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. LAND CLEARING REIMBURSEMENT MORATORIUM. (a) A land owner  
10 who has contracted before January 1, 1984, with the Alaska Agricultural  
11 Action Council under AS 44.33.470(8) for reimbursement to the state of the  
12 cost of clearing, draining, and breaking of land, may be granted a mora-  
13 torium up to three years on the payment of principal and interest on the  
14 reimbursement by applying to the agriculture revolving loan fund board.  
15 (b) A land owner may not qualify for a moratorium under (a) of this  
16 section unless at least 1,000 acres or 50 percent of the land owner's till-  
17 able acreage, whichever is less, is in production at the time of applica-  
18 tion for the moratorium.  
19 (c) In order to qualify for a moratorium under (a) of this section a  
20 land owner must, at the time of application for the moratorium, be in  
21 compliance with the development plan set out in the owner's contract with  
22 the Alaska Agricultural Action Council.  
23 (d) A moratorium under (a) of this section may not be granted after  
24 July 1, 1987.  
25 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
26 10.070(c).

Offered: 4/2/84  
Referred: Resources and  
Finance

1 IN THE SENATE

BY MOSS

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 47  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to reimbursement for the cost of  
7 land clearing; and providing for an effective date."

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

9 \* Section 1. LAND CLEARING REIMBURSEMENT MORATORIUM. (a) A land owner  
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11 Action Council under AS 44.33.470(8) for reimbursement to the state of the  
12 cost of clearing, draining, and breaking of land, may be granted a  
13 moratorium up to three years on the payment of principal and interest on  
14 the reimbursement by applying to the Alaska Agricultural Action Council.

15 (b) A land owner may not qualify for a moratorium under (a) of this  
16 section unless at least 1,000 acres or 50 percent of the land owner's till-  
17 able acreage, whichever is less, is in production at the time of applica-  
18 tion for the moratorium.

19 (c) A moratorium under (a) of this section may not be granted after  
20 July 1, 1987.

21 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
22 10.070(c).

# Alaska State Legislature



## State Senate

CHAIRMAN  
SENATE TRANSPORTATION  
COMMITTEE  
SENATE SPECIAL AGRICULTURE  
COMMITTEE

MEMBER  
HEALTH, EDUCATION AND  
SOCIAL SERVICES  
COMMITTEE  
LEGISLATIVE COUNCIL  
REAA BUDGET OVERSIGHT  
COMMITTEE

SENATOR  
H. PAPPY MOSS  
P.O. BOX 182  
DELTA JUNCTION, ALASKA 99737  
(907) 895-4384

JUNEAU OFFICE:  
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JUNEAU, ALASKA 99811  
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### SENATE SPECIAL COMMITTEE ON AGRICULTURE

MEMORANDUM

May 4, 1984

TO: Senator John Sackett, Co-Chair  
Senate Finance Committee

FROM: Senator H. Pappy Moss, Chairperson  
Senate Special Committee on Agriculture *Pappy*

RE: Amendment to Senate Bill 47

Due to a misunderstanding in Legal Services, the Senate Resources Committee Substitute for SSSB47 was drafted with an incorrect reference to the Alaska Agricultural Action Council.

The contract referred to on page 1, line 21, which contains the farmer's development plan, is administered by the Department of Natural Resources, Division of Land and Water Management, not the Alaska Agricultural action council.

This error may be most simply corrected by ending page 1, line 21, by putting a period after the word "contract" and deleting the reference to the Alaska Agricultural Action Council which follows.



Offered: 4/18/84  
Referred: Finance

Original sponsor: Moss

1 IN THE SENATE BY THE RESOURCES COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 47 (Resources)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL  
6 For an Act entitled: "An Act relating to reimbursement for the cost of  
7 land clearing; and providing for an effective date."

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

9 \* Section 1. LAND CLEARING REIMBURSEMENT MORATORIUM. (a) A land owner  
10 who has contracted before January 1, 1984, with the Alaska Agricultural  
11 Action Council under AS 44.33.470(8) for reimbursement to the state of the  
12 cost of clearing, draining, and breaking of land, may be granted a mora-  
13 torium up to three years on the payment of principal and interest on the  
14 reimbursement by applying to the agriculture revolving loan fund board.

15 (b) A land owner may not qualify for a moratorium under (a) of this  
16 section unless at least 1,000 acres or 50 percent of the land owner's till-  
17 able acreage, whichever is less, is in production at the time of applica-  
18 tion for the moratorium.

19 (c) In order to qualify for a moratorium under (a) of this section a  
20 land owner must, at the time of application for the moratorium, be in  
21 compliance with the development plan set out in the owner's contract ~~with~~  
22 ~~the Alaska Agricultural Action Council.~~

23 (d) A moratorium under (a) of this section may not be granted after  
24 July 1, 1987.

25 \* Sec. 2. This Act takes effect immediately in accordance with AS 01.-  
26 10.070(c).

SENATE AMENDMENT #1

By Harford

TO: SENATE BILL NO. 47 Finance

TO: HOUSE BILL NO. \_\_\_\_\_

PAGE: 1 / LINE: 13

delete "and interest"

Page 1 Line 21 add & after "contract"

"and continue to remain in compliance with the development plan during the moratorium" granted under this section"

Sponsor Substitute for Senate Bill 47

"An Act relating to reimbursement for the cost of land clearing; and providing for an effective date."

The Sponsor Substitute for SB 47 provides relief to farmers who have contracted, before January 1, 1984, with the Alaska Agricultural Action Council for reimbursement to the state of the cost of clearing, draining, and breaking of land. This legislation would allow for a moratorium of up to three years on the payment of principal and interest on the reimbursement by application to the Alaska Agricultural Action Council.

SSSB 47 requires that a land owner must have at least 1,000 acres or 50 percent of the land owner's tillable acreage, whichever is less, in production at the time of application for the moratorium. This legislation would go into effect immediately upon passage and would make this moratorium available until July 1, 1987.

This legislation was developed with the aid of the Director of the Division of Agriculture and the Executive Director of the Alaska Agricultural Action Council. It was first dealt with as an amendment to Senate Bill 298, and was introduced as SSSB 47 on the Senate Floor on April 2, 1984.

The original schedule of payment on land clearing was based on the premise that there would be an adequate market for the barley produced

Sponsor Substitute for Senate Bill 47

"An Act relating to reimbursement for the cost of land clearing;  
and providing for an effective date."

The Sponsor  
contracted,  
Council for  
draining, a  
moratorium  
on the rein  
Council.

*Kathy -  
CS/SB 47 and  
back up - for SFC  
Monday, May 7th.  
9:30  
May*

SSSB 47 requires that a land owner must have at least 1,000 acres or 50 percent of the land owner's tillable acreage, whichever is less, in production at the time of application for the moratorium. This legislation would go into effect immediately upon passage and would make this moratorium available until July 1, 1987.

This legislation was developed with the aid of the Director of the Division of Agriculture and the Executive Director of the Alaska Agricultural Action Council. It was first dealt with as an amendment to Senate Bill 298, and was introduced as SSSB 47 on the Senate Floor on April 2, 1984.

The original schedule of payment on land clearing was based on the premise that there would be an adequate market for the barley produced

on the projects by 1984, when the first payments become due. This prediction was based on a plan which assumed large-scale export production of the grain. However, in the absence of the marketing, transfer and export facilities that had been promised by the state, project farmers have not been able to move into large-scale crop production, and are now unable to make their payments. It has since been seen that there is not adequate in-state demand for the barley to support the planting of the amount of acreage that is necessary for economical farm operation.

Delta I was a test project, and as a learning experience, it has shown that more time is required to clear and prepare land for production and for farmers to get mobilized than was originally considered. It has also shown that the state's original plans to develop a marketing infrastructure may have been overly ambitious for such a young industry. In any case, the state has been unable to meet its end of the bargain, and SSSR 47 responds to that situation by allowing the farmers to have more time to find a solution to their dilemma.

What is the original schedule for repayment on the land clearing?

The first land clearing reimbursements are due to the state on May 31st, 1984. These payments would be from the 22 Delta I farmers, who entered their contracts with the state in 1978. There are 15 Delta II farmers and 31 Pt. McKenzie farmers that entered their contracts in 1982, whose first payments will not be due until 1986.

There is 40 year payback period from the date the contracts were signed. The three year moratorium does not extend that 40 year period. The entire amount will still have to be paid back by the end of forty years from the signing of the contract. In effect, the moratorium makes the land clearing reimbursement due over a 37 year payback period by pushing back the starting date for repayment. The yearly payments will be slightly increased, while the amount of interest paid will be slightly reduced.

Is 40 years an excessively long loan period?

No. In the lower 48, most agricultural land loans have a term of 30 years. On Delta I and II, the buyers were given an 20 year term on their land payments. To balance their payments to equal the 30 year national average, the Agricultural Action Council decided on a 40 year term for their land clearing payments.

How will a three more moratorium help?

Three more years will give the farmers more time to get their land into good condition, and to get their farms into production. Their have been unanticipated problems in getting the land cleared. Among them is the difficulty in obtaining burning permits to remove the berms of logs and organic matter that is piled up in the clearing process. This problem is now being worked out. More effective controls and new burning processes are being developed which will allow more efficient burning in the summer season, rather than in winter as is now required.

Another problem where improvement can be foreseen in the next few years is the area of marketing. Last year the establishment of the Grain Reserve Loan Program created a back-up market for grain producers. The state, through that program, can accept grain as collateral for a loan for \$100 per ton of grain. If the farmer has not been able to find a better price than that within three years, the state becomes the owner of the grain, and the farmer has in effect sold his grain to the state.

Meanwhile, the increase in hog farms and dairy farming within the

state is creating an increased in-state market. Within three years the in-state demand for grain will have increased to reflect, for example, the fact that where there is one dairy farm at Pt. McKenzie in production today, by 1985 it is estimated that there will be 19 in production.

Meanwhile, the foreign market is also available for Alaskan grain marketing as soon as a marketing system is in place. The legislature has previously provided for a grain transfer facility at North Pole and a grain terminal at Seward. While these projects are currently on hold, their completion seems to be just a matter of time.

How does SB 47 fit into the original plan for the Ag projects?

The intent of the original legislation funding the Alaska Agricultural Action Council was for the purpose of administering the agricultural projects in the best possible way to develop an agricultural industry in Alaska while at the same time protecting the state's investment. An extension of three years before land clearing payments become due does not deviate from the intent of that legislation.

This legislation is designed to assist the working farmers who are actually producing crops on their land. A high level of production is required for the farmer to be eligible for this moratorium. Senate Bill 47 will provide no assistance to farmers who are not working their land, and by doing so, improving both their, and the state's, investment in Alaska's developing agriculture industry.

CHAIRMAN  
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### MEMORANDUM

May 7, 1984

TO: All Members  
Senate Finance Committee

FROM: Senator H. Pappy Moss, Chairman  
Senate Special Committee on Agriculture *HPM*

RE: CSSSSB 47(Res)

CSSSSB 47(Res) provides for a three year moratorium on payments of principal and interest to the state on the cost of land clearing activities as contracted by the Alaska Agricultural Action Council.

The land owners must have entered contracts before January 1st, 1984, and in order to qualify for the moratorium they must have at least 1,000 acres, or 50 percent, whichever is less, of their tillable acreage in production at the time of application. The land owner must also be in compliance with their original development plans.

The fiscal note for this bill is zero. The three year moratorium will not extend the original 40 year payback period. The entire land clearing reimbursement will still have to be paid back, but over a period of 37 years.

Three more years will give Alaskan markets for Alaskan agricultural products more time to grow. Original repayment schedules were based on a market for grain which has not yet been realized, but which, through increased hog and dairy operations, is growing fast. The moratorium increases the chances for Alaska's agricultural projects' success, through which farmers will be able to repay their debts to the state.

An extension of three years before land clearing payments become due does not deviate from the original intent of the legislation funding the agricultural projects. A high level of production, and compliance with a development plan, are required for the farmer to be eligible for this moratorium. CSSSSB 47(Res) will provide assistance to farmers who are working their land, and by doing so, improving both their, and the state's, investment in Alaska's developing agricultural industry.

What is the original schedule for repayment on the land clearing?

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There is 40 year payback period from the date the contracts were signed. The three year moratorium does not extend that 40 year period. The entire amount will still have to be paid back by the end of forty years from the signing of the contract. In effect, the moratorium makes the land clearing reimbursement due over a 37 year payback period by pushing back the starting date for repayment. The yearly payments will be slightly increased, while the amount of interest paid will be slightly reduced.

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COMMITTEE REPORT  
SENATE

FURTHER:

FINANCE

4/2/84

Date 4-16-84

Mr. President

The Committee on RESOURCES considered SSSB 47  
reimbursement for the cost of land clearing; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- ~~do pass~~
- do pass with attached amendment(s)
- replace with/or adopt CS for SSSB 47 (Res)
- new title
- same title and recommends ~~DO PASS~~
- and attached a "LETTER OF INTENT"  NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

1 Artis Stangulinski

1 Paul Gruber

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

MEMBERS HAVING  
OTHER RECOMMENDATIONS

2 Delia... no rec.

2 Bob Mulcahy N/R

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

1 VICE- 3 Chairman DO PASS

Chairman recommendation \_\_\_\_\_