

ALASKA LEGISLATURE

1529

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
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MEMORANDUM

February 13, 1996

SUBJECT: Draft CSSB 162 (Finance), relating to agriculture, to state land used for agriculture and to state land classified for agricultural purposes, to state agricultural programs, and to related matters -- sectional analysis (Work Order No. 9-LS102110)

TO: Senator Lyda Green
ATTN: Brett Huber

FROM: Jack Chenoweth
Legislative Counsel



The bill generally addresses state policy with respect to agriculture. It proposes changes in laws bearing on state land used for agriculture, to state land classified for agricultural use purposes, to laws under which the state conducts its agricultural program, and to statutes addressing closely related matters. Its principal thrust is to change the interests in land classified for agricultural purposes that the state has conveyed or may convey. If the measure becomes law, it contemplates that the state would convey fee simple title subject only to certain restrictive covenants that would underpin use of the land for agricultural purposes. Action based on alleged breach of the conditions of the covenants would be the sole enforcement mechanism available to the commissioner of natural resources, on behalf of the state, to protect the land used or classified for agriculture against inconsistent or non-authorized uses.

The measure's provisions may be roughly grouped into seven areas:

- (1) Substitution of conveyance or transfer of fee simple title for conveyance or transfer of only the rights in the land for agricultural purposes.
- (2) Land classification issues relating to agricultural land.
- (3) Survey issues relating to agricultural land.
- (4) Installment sale issues relating to agricultural land.
- (5) Amendments eliminating limitations and similar prequalification requirements that may be imposed by the commissioner with respect to agricultural land.

(6) Technical changes.

(7) Transitional provisions.

Because of the wide-ranging nature of the bill, let me present the discussion of these provisions topically rather than sequentially.

Substitution of conveyance or transfer of fee simple title:

Bill section 1: This "statement of legislative intent" makes clear the objective of the measure's principal operative provision, the amendment of AS 38.05.321(a) by bill section 9, that

... for state land classified as agricultural land, the state [shall] convey fee title subject to a covenant running with the land that limits use of the land for agricultural purposes.

Bill section 9: Under existing AS 38.05.321(a), disposal of state land that has been classified for agricultural purposes disposes only of "rights for agricultural purposes," the state retaining all other rights. This bill section eliminates that limitation and substitutes for it a general conveyance, coupled with the requirement that the instrument of conveyance contains certain covenants respecting the subsequent use of that land. The covenants' provisions are those limiting the use of the land to agricultural purposes and allowing subdivision of the land into not more than four parcels of at least 40 acres, with certain additional limitations.

Bill section 10 modifies AS 38.05.321(b) by eliminating from current law the limitation that, for land classified as agricultural land that is later selected by a municipality in the exercise of land selection rights set out in AS 29.18, only "rights in the land for agricultural purposes may be transferred" to the municipality, with all other interests in the land retained by the state.

Land classification issues:

AS 38.04.065(b) currently permits the commissioner of natural resources to make land classifications on the basis of site-specific plans for many purposes when no regional plan has yet been adopted. However, under that subsection, use of a site-specific plan will not support a land classification for "a new commercial agricultural project." **Bill section 3** amends AS 38.04.065(b) to eliminate the current exception against use of a site-specific plan to support a land classification for a new commercial agricultural project in that subsection.

Senator Lyda Green
February 13, 1996
Page 3

Land survey issues:

Bill section 2 amends AS 38.04.045(b) to eliminate the requirement that state land classified for agricultural uses must first be surveyed before it may be leased, and makes corrective language changes to conform the subsection to technical provisions of the Legislative Drafting Manual.

Bill section 6 authorizes sale of state land classified for agricultural uses in parcels or tracts described by aliquot parts.

Installment sale issues relating to agricultural land:

In light of the change proposed to the rate of interest charged on installment sales contracts by bill section 8, bill section 7 makes a conforming change to AS 38.05.065(c) to require that certain information be incorporated into land sale contracts involving the sale of state land classified for agricultural uses.

AS 38.05.065(a) and (b) prescribe requirements generally applicable to sale of state land on installment specifying, among other things, the manner of determining the rate of interest on the outstanding loan payments. Those provisions notwithstanding, the amendment made in proposed AS 38.05.065(h)(1), set out in bill section 8, prescribe a maximum rate of interest on installment sales of state land classified for agricultural uses of 9.5 percent.

Amendments eliminating limitations and similar prequalification requirements that bear on agricultural land:

Bill section 4 modifies the authority of the commissioner of natural resources set out in AS 38.05.020(b)(6) to classify tracts of state land for agricultural use. It would eliminate all "prequalification" requirements that are incidental to the commissioner's exercise of that authority, thereby obviating requirements of preliminary submissions of agricultural plans by persons who sought to participate under the former agricultural development project statute (AS 44.33.375, repealed in 1979). Bill section 4 also operates to amend the condition under which development requirements under state agricultural land sale contracts may be modified under AS 38.05.020(b)(7) to allow modification if either one of the two expressed conditions is met (rather than, under current law, both conditions).

Bill section 11, adding new subsections (d) and (e) to AS 38.05.321, enumerates certain things that the commissioner of natural resources may and may not do or require as to land classified as agricultural land that is conveyed to third parties, and supplies a definition for the phrase "agricultural purposes."

Senator Lyda Green
February 13, 1996
Page 4

Bill section 14 annuls a significant number of the program regulations applicable to the program under which the Department of Natural Resources disposes of the agricultural interest in state land classified as agricultural land.

Technical changes:

AS 44.33.375, referred to in AS 38.05.057(j), was repealed by ch. 75, SLA 1979. The requirement of AS 38.05.075(j) that a participant in a lottery for land that is part of the former agricultural development plan submit a single application for that land may have ongoing vitality. The provision is retained, with reference to the repealed provision, AS 44.33.375, modified by the addition, in bill section 5, of the word "former" to denote that section's previous repeal.

The amendment made in proposed AS 38.05.065(h)(2), set out in bill section 8, modifies the reference to "agricultural land" to substitute reference to state land that has been classified for agricultural uses and made subject to sale.

Transitional provisions:

Bill section 12, a temporary law provision, directs that, on application of the existing holder of rights for agricultural purposes in state land, the commissioner of natural resources to issue new instruments of conveyance as to land classified as agricultural land as to which only agricultural rights have been conveyed. The substituted conveyance instruments must conform to AS 38.05.321(a) and (d), as amended by the measure.

Bill section 13, a second temporary law provision, directs that, on application of a municipality, the commissioner of natural resources to issue new instruments of conveyance to the municipality as to land classified as agricultural land as to which only agricultural rights have been conveyed. The substituted conveyance instruments must conform to AS 38.05.321(b), as amended by the measure.

cc: Kathy Holmquist
Senate Finance Committee

JBC:kjb:lmb
96-045.lmb

Enclosure

ALASKA ASSOCIATION OF SOIL & WATER CONSERVATION DISTRICTS

P.O. BOX 800
KENAI, AK. 99611

RECEIVED

APR 12 1996

Ans'd.....

STATEMENT OF SUPPORT

Senate Bill 162 "*An Act Relating To Agriculture Land*"

The Alaska Association of Soil & Water Conservation Districts (AASWCD) represents the 11 authorized conservation districts within Alaska. The Districts are organized under AS 41.10 as legal subdivisions within the state to promote the conservation of soil & water resources and to guide the settlement of land. The individual districts are governed by a volunteer Board of Supervisors elected from over 900 landuser cooperators around the state. These supervisors work with state and federal agencies through memorandums of understanding to meet the goal of "wise land use".

The AASWCD met at their annual spring meeting on March 29 & 30 to consider reports from various agencies and to discuss other matters of business. SB-162 "*An Act Relating to Agriculture Land*" was reviewed and evaluated regarding conservation issues. The Board of Directors determined that the passage of SB-162 will:

- 1) Preserve and promote conservation ethics by maintaining the voluntary cooperative relationship between agriculture landowners and the conservation districts.
- 2) Protect the agriculture use mandate on land sold for agriculture purposes.
- 3) Stabilize and improve the agricultural economy in Alaska.
- 4) Stimulate the growth of a stable rural economy throughout Alaska.

Therefore, the Board of Directors of the AASWCD unanimously support the passage and implementation of Senate Bill 162 by the Alaska Legislature and the Governor.

Signed:



Mike Swan - President
AASWCD



Ward Farms

P.O. Box 290 • Soldotna, Alaska 99589 • (907) 282-6159 • FAX (907) 262-7278

SB-162 is important legislation that deserves passage this session. While there are many aspects of this bill that warrant support, I would like to address two fundamental issues at stake with this legislation. One is Private Property Rights and the other is Government Interference in the Private Sector.

Ever since it's inception, there has been argument and debate over the language of the Ag Rights patent and the degree of ownership vested with the title. The existing patent does not follow conventional land law, it is vague in it's intent, and there is dispute regarding the ownership value. Some believe the State retains ownership of the land and we only have possession of the land for agriculture use and some vague ownership of an "interest" in the land. That is morally and fundamentally wrong and amounts to nothing more than a perpetual lease of the land. Alaskans believe in good faith that they are purchasing land for agriculture purposes. They are investing their time, money, and lives into this land and they deserve all the rights and benefits of legal ownership of that land. The intent is to keep the land in agriculture and the cost and value of the land is supposed to reflect agriculture values. This legislation will clarify the issue by selling the fee simple interest in the surface estate but it will impose a restrictive use covenant to the title which will limit the lands use to agriculture. This follows standard land law, the covenant is enforceable in court, and our fundamental freedoms of private property ownership in this country is protected.

The other issue deals with the state's interference in the decisions of private businesses. The track record of the State of Alaska guiding and promoting agriculture development has been a dismal failure. Much of the problems associated with agriculture in Alaska has been a direct result of the State's mandatory requirements for development and operations of the farms. If the current intent is to protect the environment and protect our resources, we already have a multitude of agencies which provide this oversight. These include the Corp of Engineers, DEC, SCS, ASCS, EPA, and local ordinances. We do not need the additional oversight of DNR to regulate our businesses. The state is trying to reduce the size of state government and we no longer need or can afford the regulations that are imposed on the Ag Rights lands. If agriculture is to contribute to the economy of Alaska then it will succeed by the efforts of the individual farmers and ranchers of the private sector and not by the interference and manipulation of the State.

I urge the passage and support of SB-162, legislation that will reduce state government, promote private sector growth, and restore private property rights to it's citizens.

Bill A. Ward

Post-it[®] brand fax transmittal memo 7671 1 of pages 1

To: <i>Ward</i>	From:
cc: <i>Ward</i>	cc: <i>SB 162</i>
Date:	Phone #:
Fax #:	Fax #:

PO Box 377294
Wasilla, Alaska 99687-7294
November 23, 1995

The Honorable Lyda Green
The State Senate
4000 Palmdale
Wasilla, Alaska 99654

Dear Senator Green,

It was my pleasure in seeing you at the 19th Annual Agriculture Symposium. This is a support letter of Bill 162. Both my husband, Jim and I support this bill. I know you hear reasons why this bill should not be implemented and then there are those who are supportive of Bill 162. I would like to explain another feasibility of why all Agriculture Rights Land should be converted into fee simple land after the patent is completed. Quite a few producers who are against the bill already have fee simple land due to the Homestead Act. These individuals do not want the land value market to decrease because they are concerned with their retirement plans. A good portion of these individuals are sitting on prime land which they have commented that they probably will subdivide one day. Other individuals are concerned that our production land will be in housing units as alot of our farm land has been done in the Mat-Su Valley area.

My concern is, if we don't have land available for the beginner farmers, then who will be supplying fresh production to our stores, farmers markets, and etc. If you look at the age groups of who is farming in Alaska today, you will see the majority are in their late 40's to mid 70's. I'm not criticizing the age group, only wondering where the younger generation from ages 20 to late 40's fit in this picture. These individuals in the younger generation, probably have similar thoughts as to mine. Why should I go get a farmstead and put in expenses constructing building for a headquarters, crops seeded and fertilized in the fields, livestock, and etc. Then one day, the Division of Agriculture says we are going to shut you down and you have be off the land in 30 days (as stated in the beginner farmer contract). Where would a person go and what would they do with all of the responsibilities listed above? What happens to the crops out in the field and what about my expenses, I still have a debt for operating and ownership (with the high interest rate existing with ARLF) expenses?

Our markets can handle more production then what is produced today (\$30 million worth of Agriculture products in 1995). instead, of outside products being shipped in. We can produce a product with more minerals, taste, and quality then those from outside. Last year, they were conducting a study of Alaska cabbage to control early stages of breast cancer. This is a magical vegetable, if we can control breast cancer in the fashion of just changing our diets. Plus, a comment should be made

Page 2

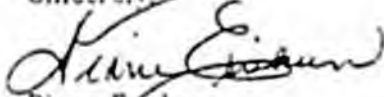
Letter dated 11/23/95

on the size and large weights that can be grown in our State as we see at the State Fair and also, noted in the Genus World Book of Records.

Hopefully, I have expressed another view, as to what I have comprehended when talking with Alaska Producers. I would also, like to mention that Senator Robin Taylor gave an outstanding speech at the Agriculture Symposium. The news media had illustrated him in articles as a complete different person then what he really is. Many comments were made about his presentation, the opposite conception of the printed articles by our news media, and that they were amazed (as I was) in knowing that he is for agriculture in Alaska. Alaska producers of food, fiber, minerals, and fish need to *ALL* stick together. A vast amount of the public is very nerve as to where and how their needs come from. We need all four products listed above to survive and majority of the people recognize that these producers utilizing these products enhance our State, instead of destroy. These individuals are consciousness people and I have seen more wildlife and native vegetation where management practices were completed. Producers are working with Mother Nature by implementing conservation practices instead of working against her.

Thank You for your time and consideration in listening to my thoughts and view points. If I can be of any assistance, please don't hesitate to give me a call, write, or send a fax.

Sincerely,



Diane Ericksen

phone numbers: 907-373-3805 (home)

907-745-7982 (work)

Fax number: 907-745-7984 (work)

5008 Chess Drive
Anchorage, AK 99508

February 20, 1996

RECEIVED
FEB 23 1996
Ans'd.....

Senator Green:

We are asking you to support Senate Bill-162. The Department of Natural Resources now has a stranglehold on anyone trying to develop land they classified as agricultural. SB 162 is only a micro-step toward freeing up Alaskans to develop Alaska land to its maximum use.

An individual trying to develop agricultural classified land under present restrictions has no chance to succeed. The short summer producing time in this state makes it a high risk at best. Under present control by DNR, the majority of the year the developer and the land must set idle.

Governor Hickel's task force on regulatory reform March 19, 1993, stated "the state's control over agricultural ventures is a good example of communism." (page 7) Also it concluded the agricultural industry in Alaska can never succeed under present DNR control. (page 8)

Over 80% of the people who received agricultural classified land in the Kobe land offer, lived on welfare and food stamps. There was no intention to develop this land. Most have left the land at the present time.

DNR has conceded of our 80 acre parcel, we have a possible 5 acres that could be used for crops. What can we do with the remaining 75 acres? We have documentation where DNR admits they never tested the Kobe area for agriculture feasibility before offering it with agriculture restrictions. I now hope the state can get serious about land development before it's a lost opportunity. It's a well documented fact the controls are unrealistic and the results are failure.

This control is a blatant violation of the State of Alaska's Constitution. The Constitution states "encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." For the future please support Senate Bill 162.

Thank you,

Jerry Emerson
Jerry Emerson

February 2, 1996

RECEIVED
FEB 07 1996

Ans'd.....

Senator Lyda Green
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Re: Senate Bill 162

Dear Senator Green:

I write to you more than I do my own legislators. You're great! Keep up the good work.

My particular interest at this time is the agricultural land rights bill (Senate Bill 162) which you have introduced.

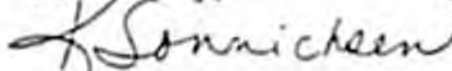
In October, through the State Land Auction, my husband and I were the high bidders on a 1400 acre parcel of land in Delta Junction. This land is ag-rights-only. We would be very much in favor of being the primary title holders, however, we are concerned that the land be restricted to AGRICULTURAL USE ONLY; NOW AND FOREVER. The restrictive covenants MUST be strong enough to protect the land from developers.

I have personally spoken with someone from Missouri who purchased 640 acres of ag-rights-only land. He has no intention of farming this land. He is a developer and he intends to subdivide and says he will sue the State if necessary to be allowed to do so. This is the very thing that must not happen.

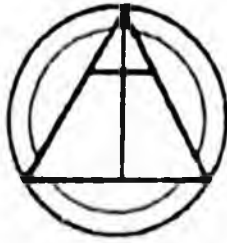
Farm land is a precious commodity in Alaska and must be protected and preserved for that purpose.

Please forward this letter to the appropriate people and committees and thank you for your efforts.

Sincerely,



Kathy Sonnichsen
PO Box 224
Anchor Pt., AK 99556



Trinity Enterprises

P.O. Box 882

Soldotna, Alaska 99669

(907) 262-9242

Oct. 24, 1995

Senator Lyda Green
Juneau, AK 99801-1182

Dear Senator Green:

I had planned on attending the teleconference hearing on Senate Bill 162 today. I have just encountered a business problem that must take me away from attending. Having served on Governor Hickels "Future of Agriculture Task Force", ownership of agricultural lands was one of the main topics of discussion.

I do want to express my support the SB 162. Any action the State takes to get lands into the public ownership I strongly support. I also support members of the public that want to pursue agricultural endeavors in this state. They need low cost land and land that is suitable for that purpose and close to the market. These lands must be titled in fee simple. Having agricultural covenants on the title will keep people from getting land for future higher value use, to speculate on.

It is important to the state to keep the cost of the land down, so products can be brought to the public at a price that can compete with lower 48 prices. We can grow a higher quality product and with less chemicals than growers outside. The residents of Alaska have shown support of our local producers and the retailers have seen the value of supplying these products to their customers.

I am hopeful that this bill will bring about the changes necessary to eliminate the stumbling blocks that producers have been experiencing. A producer has the dream and the drive to bring it into reality but this can't be accomplished if lending institutions are not willing to loan to the producer, because of title problems.

I commend the members of the legislature for providing a means for those who want to pursue agriculture as a way of life and a means to support their families. Alaska is a vast land with many diverse people. The chance for opportunity is all the people of Alaska cry for.

Sincerely,

Ronald R. Sexton

Testimony from Scott Miller

ON SB 162

1 of 2

Dear members of this senate Hearing.

My name is Scott Miller - my titles include, Delta Farmer, President of Alaska Farm Bureau, Delta Chapter and board member of the newly formed Delta/Greely community coalition. I'm chairman of the Agricultural economic development task force.

My wife and I moved to Delta in 1981 and started a farm and a family.

We call our farm Misty Mountain Farm which consists of a 225 head commercial cattle feeding operation, a 20 head beef cow herd and we farm 1000 acres of Barley, Hay, Oats + Peas and pasture.

In 1981 we purchased a 280 acre undeveloped ag rights parcel of land and have built it to what it is today. A 1/2 million dollar operation with annual sales approaching \$200,000.

Over the past 14 years we have borrowed literally hundreds of thousands from the states Ag Revolving Loan Fund.

Not once have we been able to borrow against our property from a commercial lender due to our Ag Rights only land title.

② of ②

Not having been able to borrow money to build our house and other personal expenses over the years, has caused extreme financial hardship for us. ARLF can not borrow money's for these things, and no lender would accept our land as collateral.

The time has come to abolish this poor excuse for land ownership and give Farmers a real title that commercial lenders will accept as collateral.

I support SB 162 and feel it would be a great benefit to our growing agricultural industry.

speaking also as an elected leader + spokesperson of my industry I'd like to add that there's a silent Revolution taking place in Alaska's Agriculture and Delta is leading that movement. Big things are expected and anticipated for Delta's agriculture. Passage of SB 162 is a step in the right direction.

Let us become real farmers and not just tenant farmers of the state. Thank You

Scott R. Miller

DEC 18 1995

December 10

Senator Green

This letter is written in support of S. B. 162

I and my wife own 41 acres of land in the Trapeze Creek area as a result of an agriculture sale in 1984.

Because of the covenant restricting the building of "fixed or immovable structure" the land is mostly useless.

There is no road access and the construction of farm buildings would make use of the place more practicable. As it stands now even the erection of greenhouses or barns is illegal.

I've been paying taxes for the last 10 years in which time they have doubled. I wouldn't mind as much if the law made

it possible to develop this
farm site.

With the building of a home
and small greenhouse operation
the government would gain from
a higher tax on the property
and I would finally be able
to try my hand at a small
farm operation.

If there is anyway I can
be of help please write to
the address below or call
my Juvenile phone number.

Thank you
Timothy H Green

Box 240-405

Douglas, Alaska

99824

907 - 364 - 4636

745-7982

Charles W. Thomason
P.O. Box 2365
Palmer, Alaska 99643

OCT 23 1995

October 5, 1995

Senator Lyda Green
4000 Palm Dale
Wasilla, Alaska 99654

Dear Senator:

In this letter, I will introduce myself and the program I administer, and address a couple of issues that I feel need action by the State Legislature this year. These two issues are State Land Policy regarding agricultural land, and the State Budget. This is not an official Agency policy letter, only my own opinion based on my experience and discussions with Alaskan Farmers in the last year.

I moved permanently to Alaska in October 1994 and serve as the Farm Credit Director for the Farm Service Agency (FSA), USDA. Before moving here, I served 6 years as a County Supervisor in Utah, and then 4 years in Washington, D.C. I previously lived in Wasilla from 1982 to '83, and have visited Alaska several times since that date.

The purpose of the Farm Credit program of FSA is to assist family farmers in becoming successful. This program was not active prior to 1994 in Alaska. However, in this last year, I have made loans to 5 new USDA borrowers, some of which can be classified as "Beginning Farmers."

Regarding State Land Policy:

It appears to me that the "Agricultural Rights Only" restriction on State Ag lands deeded to private interests is a significant hinderance to successful farming operations. As you know, Agriculture in the rest of the United States developed gradually over several generations. The first generation homesteaded the land, cleared it for Ag production, and made improvements. Each successive generation made its own improvements to the land. Today, Agricultural production in most of the States is unequalled anywhere else in the world.

When you look at the success of this Agriculture, you cannot overlook the fact that the land was obtained fee simple by the homesteaders. This allowed these individuals to utilize all the resources the land could provide to become successful. I believe the same system is needed here in Alaska. Our farmers should be given every opportunity to use all of the resources the land can offer to establish a successful operation.

I understand that some Alaskans are concerned that some of our best agricultural land may be converted to housing, or some other development. I cannot argue that that will not happen to farmland located adjacent to developing areas. However, using the other States again as an example, there are thousands of acres of prime farmland that will stay that way for generations to come because that is their highest and best use. There are hundreds of producing farms that are also producing oil or gas, gravel, or some other natural resource. Some farms may also include a small business of some type. These activities are prohibited on all Ag. land that have the Ag. Rights Only restriction.

Allowing people to become successful is the best function that Government can provide. Alaska is not short of agricultural land. There are millions of acres that can and should be developed into highly productive farms. I believe we could work with the Federal Government to also release some of its holdings.

I encourage you to pursue the repeal of the "Ag. Rights Only" policy so that Agriculture in the State of Alaska can move forward. This economic potential, in Alaska, is tremendous, especially now that we are looking to other sources of economic growth and State Revenue development. I would be glad to assist in any discussion on alternatives to preserving agricultural lands. Certainly, the options are many.

Regarding, the budget:

I believe it is a mistake to use the Permanent Fund (PF) for State budget expenses. Once PF income is used for any budget item, then the PF becomes fair game for all budget items. There are many special interests that would love to get their hands on PF money and this should never happen.

I am one of those that believe that the problem with the budget is not with inadequate revenue, but too much spending. The State should take care of basic services and that is all.

I appreciate your efforts in behalf of Agriculture.

Charles W. Thompson

Charles W. Thompson

RECEIVED
MAR 08 1995
Ans'd.....

The Alaska Farm Bureau
P.O. Box 2410 • Palmer, Ak. 99645
Fax 745-2727

RESOLUTION

The Board of Directors of the Alaska Farm Bureau met at their regular spring meeting on March 8th 1996 and reviewed legislation pending before the Alaska State Legislature. With respect to Senate Bill 162 "An Act Relating to Agriculture Land" the Board of Directors hereby resolve:

- 1) SB-162 adheres to the principle of resolution #3 of the Alaska Farm Bureau Platform adopted by the general membership at their fall meeting, which states: "Endorse the concept of fee simple land sales, protecting the agricultural interest through the use of agricultural covenants in state land title for disposal of lands classified with agricultural potential and support legislation to that end"
- 2) Sb-162 adheres to national Farm Bureau policy with respect to private property rights, protection of agriculture land, and promotion of agriculture development.
- 3) The Alaska Farm Bureau, Board of Directors concur that Senate Bill 162 will:
 - A) Provide for legitimate land title for agriculture landowners
 - B) Protect the agriculture use mandate
 - C) Stimulate agriculture expansion and development
 - D) Allow for flexibility in agriculture financing
 - E) Permits the private sector agribusinesses to make the independent business decisions necessary to compete in the changing marketplace.

The Board of Directors of the Alaska Farm Bureau support SB-162 and encourage passage of this legislation.

Mike Schultz
Bill Burson
Bob Lankford
Paul A. Moulton
Bill A. Wood
Laurie S. Krueger



AFB Newsletter

December 1995

The Voice of Alaskans Involved in Agriculture

Volume 24

Farm Service Views

Karen Olson, State Director

Alaska is full of inventive experiments designed by our governments to keep us from making the same perceived mistakes as the rest of the United States. There's rural preference for subsistence, community development quotas for fish, Native corporations, Men-Health lands, agricultural-rights-only lands, just to start off a unique-to-Alaska list.

Like any other batch of experiments, some work and many don't. The trick is to discern the difference, and do something about the ones which don't.

Agricultural-rights-only, as envisioned by the State of Alaska, has been on this agency's mind for some time, since we knew we would be taking over the federal farm lending functions October 1. For a leader, the lands are precarious collateral because the state reserves the right to claim the property as punishment for "non-agricultural use" even after the land is bought and paid for.

Even the most ardent ag-rights fan would have to admit the statute has had a chilling effect: on farm lending and on farming. So, where did it go and how can it be fixed?

The first place it went wrong was at its inception. The ag-rights idea originated as an urban solution to preserving nearby farms. The Alaska plan took this idea and stood it on its head. Essentially, the Alaska idea was to preserve farmland at the wilderness stage. We were worried about the sky falling long before there were ideas to fall.

The prototype for ag-rights programs is King County, which contains the city of Seattle. In the 1970's the people there passed \$50 million in farmland preservation bonds, to save farms threatened by parking lots, housing, stadiums. These were real threats, not something like, "Well that farmer over by the salmon river better not think he can put in a bed-and-breakfast to help the farm pay, because we won't let him."

A total of 12,600 acres were purchased in King County, most within a 15-mile radius of Seattle. The program was meant to preserve a rural feeling around the city, and the people were willing to pay for that. It was, and remains, an elegant solution to the problems of open space retention around an affluent expanding city.

Tellingly, though, the county no longer uses the term "farmland preservation". The replacement, and more accurate, phrase, is "open space". One of the people in King County told me, "It turned out that it takes more than just saving farmland to save real farming. There are many other issues involved, like infrastructure and markets". He characterized much of the preserved farmland as having evolved into estates and bobby farms. The diary numbers are greatly reduced, as are large row-crop farms.

This is true even though the King County title remains much safer collateral than the Alaska ag-rights-only land. It is far simpler land with an agricultural covenant. It also appears to give more individual leeway on homesites, for example, saying only that each parcel must not have over five per cent of the total land covered by "impermeable improvements", such as pavement or buildings.

Alaska has only a few areas with problems even remotely like those of King County. The main such area is Palmer, and it was the early 1970's rush to subdivide private farmlands near there which was mostly responsible for the ag-rights restrictions which apply to all new farms in the state. A bill to provide buy-up of development rights from farmers would have been more to the point. Such a bill was introduced during this timeframe, but was never passed. Ag-rights was, but the state did not own any of the farmland bordering Palmer.

Consequently, the ag-rights solution which has been devised for farmers throughout Alaska was devised not for their lands, but because of nostalgia for lands already out of reach.

The real key to developing and retaining farming comes down to only one thing: farm income. If farm income is good, people will farm. If circumstances conspire to keep farm income poor or unstable, people will farm only as a hobby or out of desperate habit.

The ag-rights fight in Alaska has taken attention from other barriers to farming here, like government domination, low infrastructure, lack of sufficient land, unstable commodity prices and the high cost of start-up. We have persisted in a foolish belief. That edicts and wish lists will make a farm appear. Unfortunately, a decree didn't clothe the emperor, and it won't work a field.

The Farm Service Agency may be able to help your farm export, conserve soil and water, get credit, insure a crop or recoup a loss. Call us at: Delta, 895-4242; Fairbanks, 479-6767; Homer, 235-8176; Palmer, 745-4271; or Kodiak, 745-7982.



AFB Newsletter

December 1995

The Voice of Alaskans Involved in Agriculture

Volume 24

Legislative Report

Bill D. Ward, Kenai Peninsula/Delta Jct.

There are issues on which everyone can agree. Land is necessary for agriculture production and the price paid for that land must reflect its agricultural potential. If agriculture producers are to be successful, then they need to be able to make intelligent business decisions without unnecessary interference by state government.

Agriculture has been through a lot of turmoil over the past twenty years but today it is maturing into a stable and profitable industry. The need to keep land in agriculture production which fostered the Ag Rights legislation in the 70's is still important today but the laws and regulations designed to preserve those lands require changes to meet the changing needs of the industry. The state is no longer trying to drive the development of agriculture and the state is not or never was qualified to tell how people should develop or manage their lands. The state no longer has the will nor the resources to actively participate in the day to day operations of agriculture and the farmers and ranchers are beginning to realize that they need to take over the responsibility of deciding the future of their industry. The interpretation of AS38.05.321 (Ag Rights Title) and the language included in the agriculture patents is in dispute, regulations are being implemented without the legal authority of a statute, and the land "holders" aren't able to make the independent decisions that they would if they were real "owners".

Senate Bill 162, *An Act Relating to Agriculture* and, provides a mechanism to assist in the disposal of agriculture land, protects the agriculture use mandate, and allows the farmer the latitude to make the wise business decisions necessary for success. SB-162 will strengthen rather than weaken the concept of "Ag Rights" and the protection of agriculture lands. The land title will adhere to standard real estate law and the agriculture restrictive use covenant attached to the title will have the force of judicial law rather than the current administrative oversight. Private property rights will be respected and people will own their land rather than just have an interest and a possessor of land under current law. Disputes which can't be resolved will be decided fairly in a court of law rather than granting the authority to the Director of the Division of Lands, a bureaucrat and political appointee. The private owner will be free to implement farm management

plans without being required to gain approval from the state first.

SB-162 will remove some of the stumbling blocks which have delayed land sales by allowing land to be sold based on aliquot parts rather than waiting for a survey in advance of sale. Land will be sold at 8% interest rather than the 12-13% currently charged. Laws and regulations designed to protect the environment are already provided through DEC, Corp of Engineers, USDA, ADF&G, and other agencies, so redundant oversight regulations from DNR will be removed. Some non-agricultural activities may occur on the farm provided they are incidental and complementary to the agriculture operations. This will permit some diverse income to the farm from businesses such as bed & breakfasts, custom repair shops, or agriculture tourist ventures.

There are those who question whether we should "open up" the Ag Rights law and invite the scrutiny of the public and legislature. Most of those who resist a change to Ag Rights have never had to deal with the frustration and limitations of Ag Rights ownership. This is an opportunity to meet directly with people and show them that agriculture in the 90's is successful, growing, and contributing to the economy of the state. We can't continue to hide and wait each year for the "axe to fall" when the legislature debates agriculture in a positive manner. We can show them that we have confidence in agriculture and we are willing to take control of its growth without intense involvement of the state. We can dispel the negative myths and educate people regarding the contribution agriculture brings to Alaska.

There are also those who are worried that land prices will increase with a valid title. If the land is protected by a strong covenant then the value will continue to be a reflection of the agriculture potential and the demand for it. If the legislation helps to stabilize agriculture and that makes the industry more profitable then I believe the value of the land should increase with the establishment of a profitable farm.

Senate Bill 162 will not become law by itself. This legislation will benefit the people directly involved in agriculture and we must be the ones to work for its passage. We should not rely on the Division of Agriculture or others to interpret what our needs are or to wage our battles for us. This will require an ongoing effort by everyone to educate each legislator, attend every committee hearing, lobby for passage this year, and when it is passed, convincing the governor that it's an appropriate bill to sign into law.



The Alaska Farm Bureau

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



RECEIVED

JAN 10 1995

Ans'd.....

1996 RESOLUTION PLATFORM

1. Realizing that the administration should restore the \$3,000,000 through the general fund to the School of Land and Resource Management for replacement of the current annual appropriation through the Alaska Science and Technology Fundation.
2. Support no reduction in general fund appropriations for the Division of Agriculture. The Alaska State Farm Bureau wishes that the one-stop agricultural services of the Division of Agriculture are an invaluable service to Alaskan consumers, farmers and ranchers and parallel services of similar agencies in our sister 49 states. To preserve this expertise and knowledge and continue the current momentum in developing economically competitive products and to lower prices to Alaskan consumers, it is vital that the Governor and his administration maintain the Division of Agriculture as a positive support entity for the continued growth and development of agriculture as a renewable resource industry in Alaska.
3. Evaluate the concept of the simple land sales, protecting agricultural interests through the use of agricultural easements in state land titles for disposal of lands classified with agricultural potential and support legislation to that end.
4. Support the transfer of Department of Environmental Conservation food and agriculture related activities into the Division of Agriculture to establish and effective service agency within the DNR. The activities that affect the agriculture and food processing industry include: Animal Health, Laboratory Services, Dairy Sanitation, Meat and Foodstuffs Inspecting and the Pesticides Control Program. More efficient government services plus improved protection and development of the food industry in Alaska is the object of this action.
5. For all privately owned domestic animals, we encourage livestock health regulations, licensing, fencing requirements, and any other legislative regulations be administered solely by the Department of Natural Resources, Division of Agriculture.
6. Maintain a more net long on all state land currently classified agricultural, including that which is held under the National Forests Lands Trust.
7. The opportunity to utilize land wisely is the basic foundation of agriculture's success. We support the plan to transfer the administration of agriculture/grazing leases and sale of agricultural land to the DNR, Division of Agriculture. We encourage the immediate processing of all pending agriculture/grazing lease applications. We further encourage the sale of all suitable agriculture land tracts and regular sales of land classified for agriculture use. Land that is classified agriculture should retain that land use classification and future land classifications should be considered for agriculture when they exhibit agricultural potential.
8. Encourage new state legislation that would enable child employment which is no more restrictive than existing federal regulations.
9. The administration for the State of Alaska shall administer the State's agricultural conservation, and research programs in compliance with the State's Constitution. The State shall not lease or sell land, water, leases, permits, or similar services to any individual or organization that promotes a classification of claims based on the citizen's race. Residents of Alaska should be afforded equal personal life to all domestic Alaskan livestock, including but not limited to reindeer.

MARCH 26, 1996

FAX TO: (907) 465-2278

HONORABLE MARK HANLEY, CHAIRMAN

HOUSE FINANCE COMMITTEE

ALASKA STATE CAPITAL ROOM # 507

JUNEAU, ALASKA 99801

DEAR MR HANLEY:

I AM RESPECTFULLY REQUESTING YOUR COMMITTEE'S SUPPORT FOR SB162 REGARDING "AG RIGHTS" LANDS.

THE 160 ACRE PARCEL I HAVE NEAR EIELSON IS NOW DEVELOPED AND IN PRODUCTION AFTER ALMOST 15 YEARS OF WORK AND CONSIDERABLE EXPENSE. I FULLY SUPPORT THE CONCEPT OF PLACING COVENANTS ON THE "AG RIGHTS" LANDS. IT IS TO EVERYONE'S BENEFIT WHEN GOOD FARMING AND CONSERVATION PRACTICES ARE USED.

HOWEVER, THE PRESENT LAW AND STATE CONTRACT ON THE AG LANDS ARE UNDULY RESTRICTIVE SO THAT DEVELOPMENT AND WISE USE IS SEVERLY INHIBITED. THE PROVISIONS IN SB 162 ARE NEEDED SO THAT FARMERS CAN USE MORE INITIATIVE AND BE MORE CREATIVE IN MAKING

-2-

THEIR FARMS A VIABLE OPERATION. I BELIEVE IT IS TO EVERYONE'S BENEFIT IF A FARMER CAN INCREASE THE INCOME BY ENTREPRENEURIAL ACTIVITIES SUCH AS BED & BREAKFAST, PONY RIDES, OR OTHER USES THAT ARE CONSISTENT WITH THE OVERALL AGRICULTURAL PRIORITY. IN ADDITION, AS FARMERS, WE NEED TO FEEL THE LAND IS OURS, NOT THE STATE'S (SO LONG AS WE OBSERVE THE AG PRIORITY AND PAY THE BILLS) AND WE NEED TO BE ABLE TO USE THE LAND AS COLLATERAL OR SELL IT WITHOUT STATE INVOLVEMENT IF THAT IS OUR PERSONAL AND BUSINESS DECISION.

APPROVAL OF SB 162 SHOULD BE BENEFICIAL TO THE STATE. FEWER TAX DOLLARS SHOULD BE NEEDED FOR AGENCIES TO ADMINISTER / MICRO MANAGE ALASKA AG LANDS. ALSO, AS THE LANDS ARE DEVELOPED AND BECOME MORE VALUABLE THEY WILL CONTRIBUTE MORE TO LOCAL TAX BASES. I BELIEVE APPROVAL OF SB 162 WOULD BE A CLEAR POSITIVE STEP FORWARD FOR AGRICULTURE IN ALASKA. I AM FIRMLY

-3-

CONVINCED IT WOULD BENEFIT THE
FARMER, THE LOCAL COMMUNITIES
AND THE STATE AS A WHOLE.

YOUR FAVORABLE CONSIDERATION
OF THIS LEGISLATION WOULD BE
GREATLY APPRECIATED.

SINCERELY,

David I. Dickerson

DAVID I. DICKERSON

1508 FATHOM DR.

KENAI, AK 99611

(907) 283-4427

NOTE: PLEASE DISTRIBUTE THIS TO
ALL MEMBERS OF YOUR
COMMITTEE.

House Finance Committee
Juneau, AK

609 Kay St.
Fairbanks, AK 99709

Dear Committee Members:

As owners of an Ag. parcel in the Delta Farm Project, we are very pleased to see SB162 has been passed on to your committee. Those of us who have been trying to work within the system have felt nothing but frustration and abandonment by the state to this point. We are not sure what finally happened to make people come to their senses, but we are certainly pleased that someone's voice was finally heard. We urge you to pass SB162 as soon as possible.

Cancel
ADL 403004

Sincerely,

Bill Montano
Bill Montano
Jim Bennett
Jim Bennett

Should you care to read them, below are some excerpts from letters previously written to the state.

1. Initially the access to the property was by trail usually only accessible in the dry weather or when the ground was frozen. Fuel and supplies had to be brought in by dozer.
2. Contrary to recent weather patterns, flooding due to break-up and rain was a constant problem. Seed planted only days before would float to one corner of the fields. When the property was recently evaluated as possible wetlands, it was determined they were not. Vegetation in the affected area is consistent with wetlands and the property immediately adjacent was determined to be 50% wetlands.
3. Part of our frustration lies in the fact that we NEVER missed a property payment nor took out any loans from the state to purchase our equipment. Our property is paid off in full and was done on schedule. We feel new ag. property owners have had less stringent requirements placed upon them than owners who have been in the program a long time. We are fully aware of our contract and its terms and have been working for the past ten years to try to resolve our differences.
4. The failure by the state to provide transportation and a market which had been the focus of the original plan has been a major factor in the economic viability of this project. We realize the state did not sign a contract to provide us with anything, but anyone associated with this project for any length of time knows many things were implied, none of which have come through and left the property owners holding the bag. The result of this is a farm program that is known to not be economical.

5008 Chess Drive
Anchorage, AK 99508

March 2, 1996

Representative Hanley:

We are asking you to support Senate Bill-162. The Department of Natural Resources now has a stranglehold on anyone trying to develop land they classified as agricultural. SB 162 is only a micro-step toward freeing up Alaskans to develop Alaska land to its maximum use.


An individual trying to develop agricultural classified land under present restrictions has no chance to succeed. The short summer producing time in this state makes it a high risk at best. Under present control by DNR, the majority of the year the developer and the land must set idle.

Governor Mickel's task force on regulatory reform March 19, 1993, stated "the state's control over agricultural ventures is a good example of communism." (page 7) Also it concluded the agricultural industry in Alaska can never succeed under present DNR control. (page 8)

Over 80% of the people who received agricultural classified land in the Kobe land offer, lived on welfare and food stamps. There was no intention to develop this land. Most have left the land at the present time.

DNR has conceded of our 80 acre parcel, we have a possible 5 acres that could be used for crops. What can we do with the remaining 75 acres? We have documentation where DNR admits they never tested the Kobe area for agriculture feasibility before offering it with agriculture restrictions. I now hope the state can get serious about land development before it's a lost opportunity. It's a well documented fact the controls are unrealistic and the results are failure.

This control is a blatant violation of the State of Alaska's Constitution. The Constitution states "encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest." For the future please support Senate Bill 162.

Thank you

Jerry Emerson

Senate Bill 162 Support List

The following individuals have contacted Senator Lyda Green's office in support of SB 162.

Harvey	Baskin	630 Lori Drive	Anchorage	AK	99504
Ed	Bostrom	PO Box 56822	North Pole	AK	99705
Lyall	Brasier	PO Box 483	Delta Junction	AK	99737
Jim	Broiles	3100 Raspberry Road,	Anchorage	AK	99502
George	Constantino	3320 Wells Cir	Anchorage	AK	99508
John	Cramer	PO box 2636	Palmer	AK	99645
Robert	Crane	3946 Mariah Drive	Eagle River	AK	99577
Larry	DeVilbiss	HC04 Box 9302	Palmer	AK	99645
Don	Dinkel	HC31 Box 5193	Wasilla	AK	99654
Jon	Dufendach	PO Box 309	Delta Junction	AK	99737
Sven	Ebbesson	PO Box 80107	Fairbanks	AK	99708
Jerry	Emerson	5008 Chess Drive	Anchorage	AK	99508
Diane	Ericksen	PO Box 877294	Wasilla	AK	99687
Kathy	Fike	PO Box 546	Palmer	AK	99645
Charles	Forck	PO Box 929	Delta Junction	AK	99737
Bob	Franklin	PO Box 75184	Fairbanks	AK	99707
Charles	Fulleton	21705 Sheltering	Chugiak	AK	99567
Cecil	Gates	HC 66 Box 28850	Nenana	AK	99760
John	Glotfelty	2355 Sunflower Loop	North Pole	AK	99705
James	Gollogly	1919 Lathrop St Ste	Fairbanks	AK	99701
Steve	Grantland	8530 Dimond D Circle	Anchorage	AK	99515
Timothy	Green	PO Box 240-405	Douglas	AK	99824
Art	Griswold	873 Runamuck Ave	North Pole	AK	99705
Heather	Johnson	16310 Kings Way Dr	Anchorage	AK	99516
Alan	Kingsbury	HC 89 Box 8100	Talkeetna	AK	99676
Paul	Knapp	PO Box 794	Delta Junction	AK	99737
Don	Kratzer	PO Box 313	Nenana	AK	99760

Senate Bill 162 Support List

The following individuals have contacted Senator Lyda Green's office in support of SB 162.

Lynn	La Selle	PO Box 875386	Wasilla	AK	99687
Raymond	Latchem	1900 W. Benson Blvd	Anchorage	AK	99517
Harry	Leckwold	PO Box 335	Palmer	AK	99645
Billy	Lemon	HC89 Box 8107	Talkeetna	AK	99676
Jerry	Marlow	PO Box 55303	North Pole	AK	99705
Diane	McCain	HC33 Box 2892	Wasilla	AK	99654
Scott	Miller	HC60 Box 4465	Delta Junction	AK	99737
Mike	Morris	PO Box 875386	Wasilla	AK	99687
Harold	Olson	FO Box 870269	Wasilla	AK	99687
David	Patterson	12020 Johns Road	Anchorage	AK	99515
Larry	Petty	PO Box 56114	North Pole	AK	99705
Tom	Powers	HC 33 Box 31180	Nenena	AK	99760
Pete	Probasco	PO Box 861	Palmer	AK	99645
Jerry	Purser	PO Box 2445	Palmer	AK	99645
Preston	Pyrah	107 W. Eagle	Palmer	AK	99645
Lucrieta	Rick	PO Box 877522	Wasilla	AK	99687
Mike	Schultz	HC62 Box 5400	Delta Junction	AK	99737
Scott	Schultz	HC62 Box 5400	Delta Junction	AK	99737
Ron	Sexton	PO Box 882	Soldotna	AK	99669
Herbert	Simon	HC1 Box 2292	Glennallen	AK	99688
Art	Skate	PO Box 877409	Wasilla	AK	99687
Boots	Skate	PO Box 877409	Wasilla	AK	99687
Ted	Smith	PO Box 1026	Willow	AK	99688
Bill	Spencer	PO Box 501	Nenana	AK	99760
Wells	Stephenson	17117 Vanover	Eagle River	AK	99577
Steve	Strong	PO Box 13072	Trapper Creek	AK	99683
Bill	Sutton	HC 60 Box 298	Copper Center	AK	99573

Senate Bill 162 Support List

The following individuals have contacted Senator Lyda Green's office in support of SB 162.

Michael	Swan	PO Box 987	Soldotna	AK	99669
Karl	Swanson	5480 E. 98th	Anchorage	AK	99516
Charles	Thompson	PO Box 2365	Palmer	AK	99645
Anita	Tomsha	1430 Noble Street	Fairbanks	AK	99701
Bill	Ward	PO Box 350	Soldotna	AK	99669
Bruno	Wiith	PO Bcx 872296	Wasilla	AK	99687
Bruce	Willard	40520 Waterman Road	Homer	AK	99603
Bryce	Wrigley	PO Box 1036	Delta Junction	AK	99737

Mr Jerry

Purser

745-2912

POB 2445

Palmer	AK	99645		Distribution Affiliation	Reg Voter
				01	U
Date POM Sent	Constituency	Bill Number	Response	Subject	
02/14/96	C	SB 162	Supports		

AS AN INDIVIDUAL, IVE READ THE BACKGROUND INFORMATION ON SB 162. I REALLY DO THINK THAT IT'S A BILL WE NEED TO PASS TO PROTECT THE INTEREST OF AGRICULTURE.

Mr Harvey

Baskin

376-7104

P O Box 877306

Wasila	AK	99687		Distribution Affiliation	Reg Voter
				20	U
Date POM Sent	Constituency	Bill Number	Response	Subject	
02/15/9	C	SB 162	Supports		

FARMERS NEED YOUR SUPPORT OF SB162. FREE FARMERS FROM THE DEPENDENCY OF STATE LOANS AND OPERATIONAL INTERFERENCES. CURRENT OWNERSHIP OF STATE AG RIGHTS IS NOTHING LESS THAN TENANT FARMING. IT HASN'T WORKED FOR ALASKAN AGRICULTURE. THIS IS OUR CHANCE TO CORRECT IT. THIS BILL WILL ACTUALLY SAVE STATE FUNDS BY ELIMINATING LOAN PROCESSING AND CERTAIN ADMIN FUNCTIONS.

Mr. Timothy

H. Green

364-4636

P O Box 240-405

Douglas Boat Basin, C				Distribution Affiliation	Reg Voter
Douglas	AK	99824		60	Y
Date POM Sent	Constituency	Bill Number	Response	Subject	
02/21/96	N	SB 162	Supports		

I PURCHASED 41 AGRICULTURAL ACRES FROM THE STATE 11 YEARS AGO. THERE IS A RESTRICTION STATING NO CONSTRUCTION OF FIXED OR IMMOVABLE STRUCTURES SHALL BE PLACED ON THIS PARCEL. I WOULD LIKE TO BUILD A GREENHOUSE OPERATION, BUT IT IS ILLEGAL WITH THIS COVENANT. PLEASE SUPPORT SB 162. THANK YOU

Mr. Sven
PO Box 80107

Ebbesson

479-0440

Distribution Affiliation Reg Voter
11 Y

Fairbanks AK 99708

Date POM Sent Constituency Bill Number Response Subject
02/12/96 N SB 162 Supports

PASSAGE OF SB 162 IS ESSENTIAL FOR THE SURVIVAL AND GROWTH OF ALASKAN AGRICULTURE. WITHOUT CLEAR TITLE TO LAND, PEOPLE WILL NOT INVEST AND CANNOT GET LOANS, ECT. MY AGRICULTURAL LOAN CHARGES 12 3/4 PERCENT INTEREST. THE LEAST YOU CAN DO IS GIVE US FULL TITLE. I SELL THE BEST POTATOES IN THE WORLD TO IDAHO, CALIFORNIA, OREGON AND CHINA, BUT I NEED YOUR SUPPORT.

Mr. Larry
PO Box 56114

Petty

488-2770

Distribution Affiliation Reg Voter
20 Y

North Pole AK 99705

Date POM Sent Constituency Bill Number Response Subject
02/12/96 N SB 162 Supports

THE STATE IS THE ONLY MEANS OF FINANCING. SB 162 WOULD STILL MAKE SURE THAT THE LAND COULD ONLY BE USED FOR AGRICULTURAL PURPOSES. IT WOULD ALLOW US TO RECEIVE FINANCING FROM OUTSIDE SO THAT WOULD RELIEVE THE DEMAND ON THE REVOLVING LOAN FUND. IT WOULD ALSO BRING MONEY INTO THE STATE THAT WOULD HELP THE ECONOMY. FARMERS WOULD BE ABLE TO GET MUCH NEEDED FINANCING AND IT WOULD TAKE POLITICS OUT OF

Mr. Scott
C 60 Box 4140

R. Miller

895-6208

Distribution Affiliation Reg Voter
20 Y

Delta Junction AK 99737

Date POM Sent Constituency Bill Number Response Subject
02/13/96 N SB 162 Supports

PASSAGE OF SB 162 SHOWS YOUR SUPPORT FOR EFFORTS TO BUILD A STRONG AGRICULTURAL INDUSTRY IN ALASKA. FARMERS DESERVE A PROPER TITLE TO THEIR LAND THAT ALL AGRICULTURAL LENDERS WILL RECOGNIZE, AND INSURE A FARMER'S EQUITY IN HIS LAND WHILE ALSO PROTECTING THE PERMANENT AGRICULTURAL POTENTIAL OF THE LAND.

Mr. Ronald
PO Box 882

R. Sexton

262-9242

Distribution Affiliation Reg Voter
60 Ak. Y

Soldotna AK 99669

Date POM Sent Constituency Bill Number Response Subject
02/14/96 N SB 162 Supports

PLEASE ALLOW OPPORTUNITY FOR OUR AGRICULTURAL COMMUNITY TO GROW. THIS BILL WILL CLEAR THE WAY FOR PEOPLE TO GET AGRICULTURAL LAND AND TO HAVE AND HOLD IT AS AN ASSET FOR AGRICULTURAL USE ONLY. PLEASE SUPPORT THIS BILL FOR THOSE WHO DREAM OF BRINGING ECONOMIC DEVELOPMENT TO OUR GREAT STATE.

Mr. Cecil
HC 66 Box 28850

Gates

582-2878

Nenana AK 99760

Distribution Affiliation Reg Voter
20 U

Date POM Sent Constituency Bill Number Response
02/02/96 N SB 162 Supports

PLEASE SUPPORT SB 162, AGRICULTURAL LAND.

Mr. John
2355 Sunflower Lp

Glottfety

488-8654

North Pole AK 99705

Distribution Affiliation Reg Voter
20 Pres. Y

Date POM Sent Constituency Bill Number Response
02/08/96 N SB 162 Supports

PLEASE SUPPORT SB 162. IT WILL MAKE AVAILABLE UNLIMITED RESOURCES TO HELP AGRICULTURE. PLEASE HELP US MAKE ALASKA BLOOM AND GROW. THIS BILL OPENS ALL BANK AND FEDERAL FUNDING FOR AGRICULTURE. THANK YOU.

Mr. Arthur
873 Runamuck Ave

Gnswold

488-7805

North Pole AK 99705

Distribution Affiliation Reg Voter
60 Y

Date POM Sent Constituency Bill Number Response
02/09/96 N SB 162 Supports

PLEASE SUPPORT SB 162. IT IS CRITICAL THAT AGRICULTURE TILED LAND BECOME FEE SIMPLE TITLE LAND THAT IS ACCEPTABLE TO CREDIT AGENCIES FOR THE GROWTH OF ALASKA AGRICULTURE. ALASKA WILL BE ABLE TO GROW PROFITABLY FROM AGRICULTURE IF WE QUIT TYING THE HANDS OF THE FARMER THROUGH RESTRICTIVE OWNERSHIP. THANK YOU.

Mr. James
1919 Lathrop St Ste 100

Gillogly

452-4646

Fairbanks AK 99701

Distribution Affiliation Reg Voter
60 Y

Date POM Sent Constituency Bill Number Response
02/09/96 N SB 162 Supports

I URGE YOU TO SUPPORT SB 162 ESPECIALLY THE CHANGE TO FEE SIMPLE OWNERSHIP WITH THE COVENANT, AND ALSO THE OPPORTUNITY TO REFINANCE AT 8 PERCENT INSTEAD OF THE 12 TO 13 PERCENT CURRENTLY CHARGED.

Mr Steve

Strong

733-2468

POB 13072

Date POM Sent	Constituency	Bill Number	Response	Distribution	Affiliation	Reg Voter
01/18/96	C	SB 162	Supports	18		U

Trapper Creek AK 99683
I'M IN SUPPORT OF SB 162

MR HERBORT

SIMON

822-3059

HC 01 BOX 2292

MILE 135 GLENN HWY

Date POM Sent	Constituency	Bill Number	Response	Distribution	Affiliation	Reg Voter
01/19/96	C	SB 162	Supports	60		U

Glennallen AK 99588
AGRICULTURE

PUBLIC TESTIMONY ON SB 162 SUPPORTS AG LAND REFORM. DNR/SWANSON TESTIMONY REAFFIRMS INTENTIONAL LONG STANDING GENOCIDE OF ALASKA AG INDUSTRY. DNR FISCAL POSITION BLOATED AND EQUATES TO EXTORTION. MANDATES OF THIS NATURE ARE GRASS ROOT CAUSES OF ALASKA FISCAL PROBLEM AND JUSTIFIES LEGISLATIVE AUDIT.

Mr. Charles

A Fullerton

688-4650

21705 Sheltering Spruce

Date POM Sent	Constituency	Bill Number	Response	Distribution	Affiliation	Reg Voter
01/22/96	N	SB 162	Supports	15		U

Lp Chugiak AK 99567

PLEASE RECONSIDER THIS AND SEE THAT IT IS MADE LAW. THIS PROBLEM NEEDS TO BE RESOLVED. IT HAS DRAGGED ON TOO LONG.

Mr. David

G Patterson

344-7941

12020 Johns Rd

Date POM Sent	Constituency	Bill Number	Response	Distribution	Affiliation	Reg Voter
01/22/96	N	SB 162	Supports	10		Y

Anchorage AK 99515

PASSAGE OF THIS LEGISLATION WOULD ASSIST THE GROWTH AND PRODUCTIVITY OF AN INDEPENDENT AGRICULTURE ECONOMY, A RENEWABLE RESOURCE TO BENEFIT ALASKA'S SELF-SUFFICIENCY AND ENABLE THE STATE TO EXPAND ITS ECONOMY.

Mr. Tom
HC 33 Box 31180

Powers

832-5236

Kenana AK 99760

Distribution Affiliation Reg Voter
60 Y

Date POM Sent Constituency Bill Number Response Subject
01/30/96 N SB 162 Supports

ALL OF US IN THE TWO-MILE LAKE AGRICULTURAL PROJECT AGREE THAT THE LANGUAGE OF THIS BILL IS MORE CONSISTENT THAN PREVIOUS LEGISLATION IN THE SENSIBLE, ECONOMIC, AND COMMUNITY BUILDING ASPECTS OF AGRICULTURE. WE ALL

WAIT WITH HOPE AND ANTICIPATION FOR ITS SUPPORT AND PASSAGE. THANK YOU.

Mr Art
P O Box 877409

Scales

373-3058

Wasila AK 99687

Distribution Affiliation Reg Voter
08 Y

Date POM Sent Constituency Bill Number Response Subject
02/01/96 C SB 162 Supports

I AM DEFINITELY IN FAVOR OF SB162 TO HELP THE FARMERS.

Mrs Beulah
P O Box 877409

Scales

373-3058

Wasila AK 99687

Distribution Affiliation Reg Voter
08 Y

Date POM Sent Constituency Bill Number Response Subject
02/01/96 C SB 162 Supports

I AM DEFINITELY IN FAVOR OF SB162 TO HELP THE FARMERS.

Mr Harold
POB 870269

Olson

373-1092

Wasila AK 99687

Distribution Affiliation Reg Voter
11 U

Date POM Sent Constituency Bill Number Response Subject
02/01/96 C SB 162 Supports

IN SUPPORT OF SB 162: PROVIDE A MORE SECURE FOUNDATION TO SOMEONE PURCHASING AG LAND; START-UP AND OPERATING COSTS ARE SO GREAT IN TODAYS WORLD, FEE SIMPLE IS IMPORTANT IN PROVIDING A SECURE POSITION OF OWNERSHIP;

** SO OPENS MORE PROPERTY FOR CAPITAL STILL MAINTAINING AN AG LAND COVENANMT.

Mr. Wells
17117 Vanover

M Stephenson

694-8913

Distribution Affiliation Reg Voter

Eagle River AK 99577

08 U

Date POM Sent Constituency Bill Number Response Subject
01/22/96 N SB 162 Supports

PLEASE SUPPORT PASSAGE OF SB 162. THIS BILL WILL INCREASE THE PRODUCTIVITY OF AGRICULTURE, A RENEWABLE RESOURCE IN ALASKA, BY ALLOWING THE FARMER TO USE THEIR LAND AS COLLATERAL. IT IS IMPERATIVE THAT THEY HAVE FEE SIMPLE TITLE TO HAVE THIS FLEXIBILITY.

Mr. George
3320 Wells Cir

M Constantino

338-2338

Distribution Affiliation Reg Voter

Anchorage AK 99508

12 Y

Date POM Sent Constituency Bill Number Response Subject
01/22/96 N SB 162 Supports

I SUPPORT SB 162 AND URGE YOU TO PASS THIS LEGISLATION. THESE PEOPLE NEED FEE TITLE TO THEIR LAND AND LESS GOVERNMENT REGULATION

Ms Heather
16310 Kings Way Dr

Lyn Johnson

345-1340

Distribution Affiliation Reg Voter

Anchorage AK 99516

13 U

Date POM Sent Constituency Bill Number Response Subject
01/22/96 N SB 162 Supports

PLEASE PASS THIS PROPOSED LEGISLATION THAT WILL IMPROVE THE STATUS OF AGRICULTURE BY PROVIDING MORE OPPORTUNITY TO BRING MARGINAL FARMING SITUATIONS INTO HIGHER PRODUCTIVITY AND THEREBY IMPROVE THE PERCENTAGE OF AGRICULTURAL REVENUES TO THE ALASKA REVENUE PICTURE. SUCH EFFORTS WILL CONTRIBUTE TO DIVERSIFYING ALASKA ECONOMY.

Mr. Pete
PO Box 861

Probasco

745-3182

Distribution Affiliation Reg Voter

Palmer AK 99645

01 Y

Date POM Sent Constituency Bill Number Response Subject
01/26/96 C SB 162 Supports

I SUPPORT SB 162.

3/8/96

(9) HOUSE COMMITTEE REPORT
Date Referred to Committee: February 28, 1996 FURTHER REFERRALS:

Finance

Date of Committee Action: 3/9/96

The RESOURCES Committee considered: CSSB 162(FIN)

CS FOR SENATE BILL NO. 162(FIN) AGRICULTURAL LAND

"An Act relating to land used for agricultural purposes and to state land classified for agricultural purposes or subject to the restriction of use for agricultural purposes only; and annulling certain program regulations of the Department of Natural Resources that are inconsistent with the amendments made by this Act."

recommends it be replaced with the following committee substitute [] the same title [] a new title

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

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Date) APPROVES PREVIOUS: (Date, Dept)
[] fiscal note(s) _____ (2) Senate fiscal note(s) (2) DNR 2/14/96

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

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>[Signature]</i>	Davis	X			
<i>[Signature]</i>	Long			X	
<i>[Signature]</i>	Williams	X			
<i>[Signature]</i>	Gusterman	X			
<i>[Signature]</i>	Kott	X			
<i>[Signature]</i>	Green				
<i>[Signature]</i>	Ogan				
		(u)		(1)	

CHAIR'S SIGNATURE *[Signature]*

SB

162

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 1/24/96

FURTHER:

DATE TURNED INTO OFFICE: 2-9-96
(Delivered to Sen. Sec. 2/13/96)

The Finance Committee considered SB 162

Land and state land used for agricultural purposes or subject to the restriction of use; annulling certain program regulations of the Department of Natural Resources.

and recommends:

- be replaced with _____ CS SB 162 (Fin)
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:
 same title
 new title
 House Bill:
 same title
 technical change
 new: SCR# _____

SIGNING <u>DO PASS</u>	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i> <i>[Signature]</i>	<input checked="" type="checkbox"/>		
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>	Co-Chair:			
Co-Chair: <i>[Signature]</i>	<input checked="" type="checkbox"/>	Co-Chair:			

NEW FISCAL NOTE(S):

Department	Date	Zero	Fiscal
DNR (Land)	2/9/96		15.0
DNR (Agri)	2/9/96		28.5

PREVIOUS FISCAL NOTE(S):*

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

*Replaced by
note of 1/17/96*

STATE OF ALASKA 1996 LEGISLATIVE SESSION

BILL NO. SB162

Revision Date: 16-Jan-96
 Title: An Act relating to land used for agricultural purposes and to state land classified for agricultural purposes
 Sponsor: Senator Green
 Requestor: _____

Dept Affected: Natural Resources
 BRU: Resource Development
 Component: Land Development
 Component Serial No. 431

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	145.5	28.5	28.5	28.5	28.5	28.5
TRAVEL						
CONTRACTUAL	110.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	255.5	28.5	28.5	28.5	28.5	28.5

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	(20.3)	(40.8)	(60.0)	(81.2)	(101.5)	(121.8)
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FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	28.5	28.5	28.5	28.5	28.5	28.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	28.5	28.5	28.5	28.5	28.5	28.5

Estimate of any current year (FY96) cost: \$ None anticipated

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	1	1	1	1	1	1
TEMPORARY	0	0	0	0	0	0

ANALYSIS:

(Attach a separate page if necessary)

The loss of revenue, which assumes no refinancing will be allowed, is partially a result of reducing the current interest rate from 12.5% to 8%.

Per Section 9 of the bill: Based upon the price paid to the State for the agricultural values only, the State will sustain losses ranging from \$0 to \$32.0 million at the time of subdivision, depending on participation.

Section 4 of the bill allows for appeals based on economics. It is estimated that approximately 25% of 475 land sales would be appealed on economics, at a cost of approximately \$240/appeal.

Prepared by: Jane Angva, Director
 Division: Land
 Approved by Commissioner: _____
 Agency: Natural Resources

Phone: 286-8501
 Date: 16-Jan-96
 Date: 16-Jan-96

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ENATE COMMITTEE REPORT
First Committee of Referral

DATE: 4/20/95

FURTHER: Finance

Date of 5-Day Notice: 10-13-95
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 1-23-96

Resources Committee considered SB 162

Land and state land used for agricultural purposes or subject to the restriction of use; annulling certain program regulations of the Department of Natural Resources.

and recommends:

- be replaced with CS SB 162 (RES)
- adopt previous CS ()
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

Senate Bill:

same title

new title

House Bill:

same title

technical title

new: SCR _____

SIGNING DO PASS	DT	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>			<input checked="" type="checkbox"/>
<i>[Signature]</i>	<input checked="" type="checkbox"/>	<i>[Signature]</i>	<input checked="" type="checkbox"/>		
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
<i>[Signature]</i>	<input checked="" type="checkbox"/>				
CHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>				

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

New FN FORTHCOMING FOR CS			

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

DNR - Ag Dev	11-96		285	SB
DNR - Land Dev	11-96		227	SB

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

FISCAL NOTE

Bill Version: SB 162 No. 1

Bill (S) Publish Date: 1/24/96

STATE OF ALASKA 1996 LEGISLATIVE SESSION

Revision Date: 17-Jan-96 Dept Affected: Natural Resources
 Title: An Act relating to land used for agricultural BRU: Agricultural Development
purposes and to state land classified for agricultural purposes Component: Agricultural Development
 Sponsor: Senator Green
 Requestor: _____ Component Serial No. 455

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	28.5	28.5	28.5	28.5	28.5	28.5
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	28.5	28.5	28.5	28.5	28.5	28.5

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES (1005)	(20.3)	(40.6)	(60.9)	(81.2)	(101.5)	(121.8)
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	28.5	28.5	28.5	28.5	28.5	28.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	28.5	28.5	28.5	28.5	28.5	28.5

Estimate of any current year (FY96) cost: \$ None anticipated

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

Section 4 of the bill allows for appeals based on economics. It is estimated that approximately 25% of 475 land sales would be appealed on economics, at a cost of approximately \$240/appeal.

The loss of revenue, which assumes no refinancing will be allowed, is partially a result of reducing the current interest rate from 12.5% to 8%.

Per Section 9 of the bill: Based upon the price paid to the State for the agricultural values only, the State will sustain losses ranging from \$0 to \$32.0 million at the time of subdivision, depending on participation.

Prepared by: Jay Mathias, Director Phone: 745-7500
 Division: Agriculture Date: 17-Jan-96
 Approved by Commissioner: _____ Date: 17-Jan-96
 Agency: Natural Resources

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FISCAL NOTE

 Bill Version: SB 162Bill (S) Publish Date: 1/24/96

STATE OF ALASKA 1996 LEGISLATIVE SESSION

Revision Date: 17-Jan-96 Dept Affected: Natural Resources
 Title: An Act relating to land use for agricultural BRU: Resource Development
purposes and to state land classified for agricultural purposes Component: Land Development
 Sponsor: Senator Green
 Requestor: _____ Component Serial No. 431

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	117.0					
TRAVEL						
CONTRACTUAL	110.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	227.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	227.0					
1005 GF/Program Receipts						
1006 GF/AMTIA						
Other						
TOTAL	227.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ none

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

Section 12 & 13 are estimated to cost \$227.0 to implement.

Prepared by: Jane Angus, Director Phone: 286-8503
 Division: Land Date: 17-Jan-96
 Approved by Commissioner: _____ Date: 17-Jan-96
 Agency: Natural Resources

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB162(FIN)

DRAFT

Revision Date: _____ Dept Affected: Natural Resources
 Title: An Act relating to land use for agricultural purposes and to state land classified for agricultural purposes BRU: Resource Development
 Component: Land Development
 Sponsor: Senator Green
 Requestor: Senate Finance Component Serial No. 431

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	10.0	3.0	3.0			
TRAVEL						
CONTRACTUAL	5.0	0.5	0.5			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	15.0	3.5	3.5	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF	15.0	3.5	3.5			
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	15.0	3.5	3.5	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ none

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	1	1	1	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS:

(Attach a separate page if necessary)

Sections 12 & 13 require the department to issue new conveyance documents to 230 existing patent holders. The bill, as amended, requires the land owner to apply and to provide the department with proof of ownership. This fiscal note will enable the department to attempt to notify all known existing patent holders by mail and to publish display ads at least twice in Delta, Fairbanks, Palmer and Anchorage. We will also develop a fact sheet of what will be required. The personal services costs will cover the costs of verifying title and to issue the new conveyance documents. We anticipate the majority of the applications to be received during the first year, with a smaller number coming in over the next two years.

Prepared by: Jane Angvik Phone: 286-8503
 Division: Land Date: 2-6-96
 Approved by Commissioner: [Signature] Date: 2-6-96
 Agency: Natural Resources

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB162(FIN)

Revision Date: 9-Feb-96 Dept Affected: Natural Resources
 Title: An Act relating to land use for agricultural BRU: Resource Development
purposes and to state land classified for agricultural purposes Component: Land Development
 Sponsor: Senator Green
 Requestor: Senate Rules/Senate Finance Component Serial No. 431

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	100	30	30			
TRAVEL						
CONTRACTUAL	50	0.5	0.5			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRAITS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	150	35	35	00	00	00
CAPITAL EXPENDITURES	00	00	00	00	00	00
CHANGE IN REVENUES ()	00	00	00	00	00	00

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF	150	35	35			
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	150	35	35	00	00	00

Estimate of any current year (FY96) cost: \$ none

POSITIONS	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	1	1	1	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: *(Attach a separate page if necessary)

Sections 12 & 13 require the department to issue new conveyance documents to 230 existing patent holders. The bill, as amended, requires the land owner to apply and to provide the department with proof of ownership. This fiscal note will enable the department to attempt to notify all known existing patent holders by mail and to publish display ads at least twice in Delta, Fairbanks, Palmer and Anchorage. We will also develop a fact sheet of what will be required. The personal services costs will cover the costs of verifying title and to issue the new conveyance documents. We anticipate the majority of the applications to be received during the first year, with a smaller number coming in over the next two years.

Prepared by: Jane Angvik, Director Phone: 269-8503
 Division: Land Date: 9-Feb-96
 Approved by Commissioner: [Signature] Date: 9-Feb-96
 Agency: Natural Resources

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB162(FIN)

Revision Date: 9-Feb-96 Dept Affected: Natural Resources
 Title: An Act relating to land used for agricultural purposes and to state land classified for agricultural purposes BRU: Agricultural Development
 Sponsor: Senator Green Component: Agricultural Development
 Requestor: Senate Rules/Senate Finance Component Serial No. 455

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	28.5	11.4	11.4	11.4	11.4	11.4
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	28.5	11.4	11.4	11.4	11.4	11.4

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES (1005)						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	28.5	28.5	28.5	28.5	28.5	28.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	28.5	28.5	28.5	28.5	28.5	28.5

Estimate of any current year (FY96) cost: \$ None anticipated

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	1	1	1	1	1	1
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Section 4 of the bill allows for appeals based on economics. It is estimated that approximately 25% of 475 land sales would be appealed on economics the first year, at 10% in future years, at a cost of approximately \$240/appeal.

Under the assumption that this legislation is not retroactive, there will be no loss of revenue due to interest rate changes.

Prepared by: Jay Kertula, Director Phone: 745-7200
 Division: Agriculture Date: 9-Feb-96
 Approved by Commissioner: [Signature] Date: 9-Feb-96
 Agency: Natural Resources

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB162(ver K)

Revision Date: 24-Jan-96 Dept Affected: Natural Resources
 Title: An Act relating to land used for agricultural purposes and to state land classified for agricultural purposes BRU: Agricultural Development
 Sponsor: Senator Green Component: Agricultural Development
 Requestor: _____ Component Serial No. 455

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	28.5	11.4	11.4	11.4	11.4	11.4
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	28.5	11.4	11.4	11.4	11.4	11.4
TOTAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES (1005)						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	28.5	28.5	28.5	28.5	28.5	28.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	28.5	28.5	28.5	28.5	28.5	28.5

Estimate of any current year (FY96) cost: \$ None anticipated

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	1	1	1	1	1	1
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Section 4 of the bill allows for appeals based on economics. It is estimated that approximately 25% of 475 land sales would be appealed on economics the first year, at 10% in future years, at a cost of approximately \$240/appeal.

Per Section 9 of the bill: Based upon the price paid to the State for the agricultural values only, the State will sustain losses ranging from \$0 to \$32.0 million at the time of subdivision, depending on participation.

Under the assumption that this legislation is not retroactive, there will be no loss of revenue due to interest rate changes.

Prepared by: Jay Kertula, Director Phone: 745-7200
 Division: Agriculture Date: 24-Jan-96
 Approved by Commissioner: _____ Date: 24-Jan-96
 Agency: Natural Resources

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB162(ver K)

Revision Date: 24-Jan-96 Dept Affected Natural Resources
 Title: An Act relating to land use for agricultural BRU: Resource Development
purposes and to state land classified for agricultural purposes Component: Land Development
 Sponsor: Senator Green
 Requestor: _____ Component Serial No. 431

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	103.4					
TRAVEL						
CONTRACTUAL	139.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	242.4	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF	242.4					
1005 GF/Program Receipts						
1008 GF/MHTIA						
Other						
TOTAL	242.4	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ none

POSITIONS

FULL-TIME	1	0	0	0	0	0
PART-TIME	2	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Section 12 & 13 are estimated to cost \$242.4 to implement.
See attached for cost breakdown.

Prepared by: Jane Angvik, Director Phone: 389-8503
 Division: Land Date: 24-Jan-96
 Approved by Commissioner: [Signature] Date: 24-Jan-96
 Agency: Natural Resources

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Attachment to CSSB162 1/24/96
 Land Development component

Staff would develop data base of all ag interest only patents, legal descriptions and name and address of patentees. Then contract the private sector; Title companies and attorneys to determine the current owner of the land, providing staff with an abstract of title/litigation report documenting the complete chain of title since the State patent was issued, including a diligent search of liens, judgements and tax assessors records. Upon receipt of report determining the current owner on the effective date of the bill, staff would issue a document conveying the remaining land estate interest. An application fee of \$500.00 could be charged to help defray the administrative costs which could provide \$115.0.

Process for Fiscal Impact:

1. Determine all agricultural patents with legal descriptions issued by the State and make copies of documents - approximately 230 patents.

- A. Create a data base and spreadsheet for tracking individual patents and legal descriptions.

- B. Create hard copy file of patents. Process will take approximately six weeks.

NROI	\$4.6 per month x 1.5	\$6.9
Admin Clerk	\$3.1 per month x 1.5	\$4.65
Computers/software and 2 hookups @ 4500		\$ 9.0
	Total	\$20.55

2. Develop bid package and contract for private sector title industry to determine current owner for the 230 Ag patents - time frame 3 weeks.

NRMI	\$6.0 per month x .75	\$4.5
Admin Clerk	\$3.1 per month x .5	\$1.55
	Total	\$6.05

3. Contract to private sector to do title work

- A. Title Abstract/Litigation Report plus all backup documents to determine current owner - copy of current owners title document with recording information. Abstract runs from date ag patent is issued from the State until current.

- B. Since this is a non-mandatory recordation state-check against tax assessors records as to who is current owner and identify any differences

- C. Check for liens, partnerships, security interests, etc.

Assumptions - one-half of original patents have one or more owners from the date of issuance, sale, bankruptcy, foreclosure, divorce, death, (heirs, etc.)

Average cost for multi-owner parcels - \$850.00 per patent.

One owner	\$ 250 x 115 patents	\$28.75
Multi-owner	\$ 850 x 115 patents	\$97.75
	Total	\$126.5

4. Administering contract - accepting litigation reports - review - four weeks

NRMI	\$6.0 per month x 1 month	\$6.0
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5. Public notice of a disposal of interest - change of covenant. Statewide newspapers - publication costs. \$3.5

6. Issue actual conveyance documents. Approximately 20 per week.

Contracts - NROI	\$4.6 per month x 6 mo.	\$27.6
Titles - NROI	\$4.6 per month x 6 mo.	\$27.6
Admin Clerk	\$3.1 per month x 6 mo.	\$18.6
Review NRMI	\$6.0 per month x 1 mo.	\$6.0
	Total	\$79.8

TOTAL	\$242.4
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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB162(FIN)

Revision Date: 9-Feb-96 Dept Affected: Natural Resources
 Title: An Act relating to land use for agricultural purposes and to state land classified for agricultural purposes BRU: Resource Development
 Component: Land Development
 Sponsor: Senator Green
 Requestor: Senate Rules/Senate Finance Component Serial No. 431

Expenditures/Revenues (Thousands of Dollars)

	FY97	FY98	FY99	FY00	FY01	FY02
OPERATING EXPENDITURES						
PERSONAL SERVICES	10.0	3.0	3.0			
TRAVEL						
CONTRACTUAL	5.0	0.5	0.5			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	15.0	3.5	3.5	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts						
1003 GF Match						
1004 GF	15.0	3.5	3.5			
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	15.0	3.5	3.5	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ none

POSITIONS

	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	0	0	0	0	0
PART-TIME	1	1	1	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS:

(Attach a separate page if necessary)

Sections 12 & 13 require the department to issue new conveyance documents to 230 existing patent holders. The bill, as amended, requires the land owner to apply and to provide the department with proof of ownership. This fiscal note will enable the department to attempt to notify all known existing patent holders by mail and to publish display ads at least twice in Delta, Fairbanks, Palmer and Anchorage. We will also develop a fact sheet of what will be required. The personal services costs will cover the costs of verifying title and to issue the new conveyance documents. We anticipate the majority of the applications to be received during the first year, with a smaller number coming in over the next two years.

Prepared by: Jane Angrak, Director Phone: 289-8503
 Division: Land Date: 9-Feb-96
 Approved by Commissioner: John H. ... Date: 9-Feb-96
 Agency: Natural Resources

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FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSSB162(FIN)

Revision Date: 9-Feb-96 Dept Affected Natural Resources
 Title: An Act relating to land used for agricultural purposes and to state land classified for agricultural purposes BRU: Agricultural Development
 Sponsor: Senator Green Component: Agricultural Development
 Requestor: Senate Rules/Senate Finance Component Serial No. 455

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	28.5	11.4	11.4	11.4	11.3	11.4
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	28.5	11.4	11.4	11.4	11.4	11.4
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES (1005)						

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	28.5	28.5	28.5	28.5	28.5	28.5
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	28.5	28.5	28.5	28.5	28.5	28.5

Estimate of any current year (FY96) cost: \$ None anticipated

POSITIONS

FULL-TIME	0	0	0	0	0	0
PART-TIME	1	1	1	1	1	1
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Section 4 of the bill allows for appeals based on economics. It is estimated that approximately 25% of 475 land sales would be appealed on economics the first year, at 10% in future years, at a cost of approximately \$240/appeal.

Under the assumption that this legislation is not retroactive, there will be no loss of revenue due to interest rate changes.

Prepared by: Jay Kartulis, Director Phone: 745-7200
 Division: Agriculture Date: 9-Feb-96
 Approved by Commissioner: [Signature] Date: 9-Feb-96
 Agency: Natural Resources

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2-9-96 SFC
Adopted
9-LS1021W.1
Chenoweth
1/26/96

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB 162(RES)

SENATE FINANCE
COMMITTEE

Amendment Number: 1
Bill Number: CSSB 162 (Res)
Sponsor: _____ Date: 1-31-96
Logged In By: AK

- 1 Page 4, line 22:
- 2 Delete "shall"
- 3 Insert "may"

2-9-96 JFC
Adopted
9-LS1021M.3- as
Chenoweth amended
1/30/96
on
p. 2
line 14

AMENDMENT

OFFERED IN THE SENATE
TO: CSSB 162(RES)

SENATE FINANCE
COMMITTEE
Amendment Number: 2
Bill Number: CSSB 162 (Res)
Sponsor: _____ Date: 1-31-96
Logged In By:

1 Page 7, line 31, through page 8, line 16:

2 Delete all material and insert:

3 * Sec. 12. CONVERSION OF DISPOSALS MADE UNDER AS 38.05.069(c) OR
4 UNDER FORMER AS 38.05.321(a). (a) The provisions of AS 38.05.321(a), as amended
5 by sec. 9 of this Act, apply to state land classified as agricultural land that, under
6 AS 38.05.069(c) or under AS 38.05.321(a) before its amendment by sec. 9 of this Act, was
7 subject to the limitation of the conveyance of only the interest in the land that related to
8 agricultural purposes and that was sold, leased, or disposed of by the state after August 15,
9 1976, and before the effective date of this Act.

10 (b) When the owner of the rights for agricultural purposes in land described in this
11 section applies to the Department of Natural Resources, the commissioner of natural resources
12 shall issue a new instrument of conveyance for the land that conforms to AS 38.05.321(a) and
13 (d), as amended and enacted by secs. 9 and 11 of this Act. The commissioner of natural
14 resources may issue a new instrument of conveyance under this section only if the owner of
15 the rights tenders a deed or other appropriate instrument of conveyance transmitting the
16 owner's interests in the land to the state, accompanied by title insurance coverage for or a
17 title report affirming ownership of the rights in the person making application under this
18 subsection.

19 (c) Until the commissioner of natural resources issues the new instrument of
20 conveyance under (b) of this section, when necessary to enforce a state interest in the land,
21 the state may enforce the interests in the land in the manner authorized by the instrument of
22 conveyance that transferred the rights for agricultural purposes.

23 * Sec. 13. CONVERSION OF DISPOSALS MADE UNDER FORMER AS 38.05.321(b).
24 (a) The provisions of AS 38.05.321(a), as amended by sec. 9 of this Act, apply to state land
25 classified as agricultural land that, under AS 38.05.321(b) before its amendment by sec. 10

1 of this Act, was subject to the limitation of the conveyance of only the interest in the land
2 that related to agricultural purposes and that was conveyed by the state to a municipality after
3 June 30, 1978, and before the effective date of this Act.

4 (b) When a municipality holding the rights for agricultural purposes in land described
5 in this section applies to the Department of Natural Resources, the commissioner of natural
6 resources shall issue a new instrument of conveyance for the land that conforms to
7 AS 38.05.321, as amended by secs. 9 - 11 of this Act. The commissioner of natural
8 resources may issue a new instrument of conveyance under this section only if the
9 municipality tenders a deed or other appropriate instrument of conveyance returning the
10 municipality's interests in the land to the state, accompanied by title insurance coverage for
11 or a title report affirming the municipality's ownership of the rights.

12 (c) Until the commissioner of natural resources issues the new instrument of
13 conveyance under (b) of this section, when necessary to enforce a state interest in the land,
14 the state ^{may} ~~shall~~ enforce the interests in the land in the manner authorized by the instrument of
15 conveyance that transferred the rights for agricultural purposes."

Amend. #3
p. 6
Adopted
9-LS1021UM
2/9/96

FIN
CS FOR SENATE BILL NO. 162(RFS)

IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 1/24/96
Referred: Finance

Sponsor(s): SENATORS GREEN, Torgerson

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to land used for agricultural purposes and to state land
2 classified for agricultural purposes or subject to the restriction of use for
3 agricultural purposes only; and annulling certain program regulations of the
4 Department of Natural Resources that are inconsistent with the amendments made
5 by this Act."

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

7 * Section 1. LEGISLATIVE INTENT. It is the intent of the legislature in amending
8 AS 38.05.321(a) in sec. 9 of this Act that, for state land classified as agricultural land, the
9 state convey fee title subject to a covenant running with the land that limits use of the land
10 to agricultural purposes.

11 * Sec. 2. AS 38.04.045(b) is amended to read:
12 (b) Before the issuance of a long-term lease under AS 38.05.070 or of a patent
13 for state land, an official cadastral survey shall be accomplished, unless a comparable,

1 approved survey exists that has been conducted by the federal Bureau of Land
2 Management. Before land may be offered under [AS 38.05.055, 38.05.057,] AS 38.08
3 [.] or AS 38.09, or before land may be offered under AS 38.05.055 or 38.05.057,
4 except land that is classified for agricultural uses, an official rectangular survey grid
5 shall be established. The rectangular survey section corner positions shall be
6 monumented and shown on a cadastral survey plat approved by the state. For those
7 areas where the state may wish to convey surface estate outside of an official
8 rectangular survey grid, the commissioner may waive monumentation of individual
9 section corner positions and substitute an official control survey with control points
10 being monumented and shown on control survey plats approved by the state. The
11 commissioner may not issue more than one conveyance for each section within a
12 township outside of an official rectangular survey grid. Land [NO PORTION OF
13 LAND] to be conveyed may not be located more than two miles from an official
14 survey control monument except that the commissioner may waive this requirement
15 on a determination that a single purpose use does not justify the requirement if the
16 existing status of the land is known with reasonable certainty. The lots and tracts in
17 state subdivisions shall be monumented and the cadastral survey and plats for the
18 subdivision shall be approved by the state. Where land is located within a
19 municipality with planning, platting, and zoning powers, plats for state subdivisions
20 shall comply with local ordinances and regulations in the same manner and to the same
21 extent as plats for subdivisions by other landowners. State subdivisions shall be filed
22 and recorded in the district recorder's office. The requirements of this section do not
23 apply to land made available through a cabin permit system, for material sales, for
24 short-term leases, for parcels adjoining a surveyed right-of-way, or for land that has
25 been open to random staking under the remote parcel program or homestead program
26 in the past; however, for short-term leases, the lessee shall [MUST] comply with local
27 subdivision ordinances unless waived by the municipality under procedures specified
28 by ordinance. In this subsection, "a single purpose use" includes a communication site,
29 an aid to navigation, and a park site.

30 * Sec. 3. AS 38.04.005(h) is amended to read:

31 (h) Before the commissioner adopts a regional land use plan, a land

1 classification may be made on the basis of a site-specific land use plan, except a
2 classification for a land disposal under AS 38.05.057, AS 38.08, or AS 38.09 [, OR
3 A NEW COMMERCIAL AGRICULTURE PROJECT UNDER AS 38.05.020(b)(6)].
4 After adoption of a regional land use plan, land classifications shall be made under the
5 plan.

6 • Sec. 4. AS 38.05.020(b) is amended to read:

7 (b) The commissioner may

8 (1) establish reasonable procedures and adopt reasonable regulations
9 necessary to carry out this chapter and, whenever necessary, issue directives or orders
10 to the director to carry out specific functions and duties; regulations adopted by the
11 commissioner shall be adopted under AS 44.62 (Administrative Procedure Act); orders
12 by the commissioner classifying land, issued after January 3, 1959, are not required
13 to be adopted under AS 44.62 (Administrative Procedure Act);

14 (2) enter into agreements considered necessary to carry out the purposes
15 of this chapter, including agreements with federal and state agencies;

16 (3) review any order or action of the director;

17 (4) exercise the powers and do the acts necessary to carry out the
18 provisions and objectives of this chapter;

19 (5) notwithstanding the provisions of any other section of this chapter,
20 grant an extension of the time within which payments due on any exploration license,
21 lease, or sale of state land, minerals, or materials may be made, including payment of
22 rental and royalties, on a finding that compliance with the requirements is or was
23 prevented by reason of war, riots, or acts of God;

24 (6) classify tracts for agricultural uses [AND REQUIRE THE
25 PREQUALIFICATION, INCLUDING THE SUBMISSION OF CONSERVATION
26 PLANS, DEVELOPMENT PLANS, OR OTHER PLANS, SCHEDULES, OR
27 PROGRAMS, OF PERSONS WHO APPLY TO PARTICIPATE IN AN
28 AGRICULTURAL DEVELOPMENT PROJECT UNDER AS 44.33.475];

29 (7) waive, postpone, or otherwise modify the development requirements
30 of a contract for the sale of agricultural land if

31 (A) the land is inaccessible by road, or [AND]

1 (B) transportation, marketing, and development costs render the
2 required development uneconomic;

3 (8) reconvey or relinquish land or an interest in land to the federal
4 government if

5 (A) the land is described in an amended application for an
6 allotment under 43 U.S.C. 1617; and

7 (B) the reconveyance or relinquishment is

8 (i) for the purposes provided in 43 U.S.C. 1617; and

9 (ii) in the best interests of the state.

10 • Sec. 5. AS 38.05.057(j) is amended to read:

11 (j) The commissioner may require a participant in a lottery under this section
12 for the sale of land that is part of an agricultural development project under former
13 AS 44.33.475 to submit a single application for that land. Immediately following the
14 drawing of an applicant's name in the lottery, the applicant shall be given an
15 opportunity to select for purchase one parcel of the land that is offered in the lottery.
16 The names of alternate applicants shall be drawn after all parcels have been selected.
17 If the applicant who originally selected a parcel unequivocally rejects the offer to
18 purchase the parcel or fails to sign the contract of sale within the period of time
19 specified by the commissioner, the parcel shall be offered for sale to alternate
20 applicants in the order in which their names were drawn.

21 • Sec. 6. AS 38.05.059 is repealed and reenacted to read:

22 Sec. 38.05.059. SALE OF AGRICULTURAL LAND. The commissioner shall *May Amend #1*
23 provide for the sale of land classified under AS 38.05.020(b)(6) for agricultural uses
24 in parcels or tracts described by aliquot parts. The parcels or tracts are subject to state
25 subdivision requirements and municipal ordinances.

26 • Sec. 7. AS 38.05.065(c) is amended to read:

27 (c) The director shall, for contracts under (a), [OR] (b), or (h) of this section,
28 set out in the contract for each sale the period for the payment of installments and the
29 total purchase price plus interest. The director, with the consent of the commissioner,
30 may also include in contracts under this section conditions, limitations, and terms
31 considered necessary and proper to protect the interest of the state. Violations of any

1 provision of this chapter or the terms of the contract of sale subject the purchaser to
2 appropriate administrative and legal action, including but not limited to specific
3 performance, foreclosure, ejection, or other legal remedies in accordance with
4 applicable state law.

5 * Sec. 8. AS 38.05.065(h) is amended to read:

6 (h) The commissioner

7 (1) shall provide that, notwithstanding (a) and (b) of this section,
8 in a contract for the sale of land classified under AS 38.05.020(b)(6) for
9 agricultural uses, the interest rate to be charged on installment payments may not
10 exceed 9.5 percent; and

11 (2) may declare a moratorium of up to five years on payments on land
12 sold under this section for [A SALE OF AGRICULTURAL] land classified under
13 AS 38.05.020(b)(6) for agricultural uses [UNDER THIS SECTION] if

14 (A) [(1)] the commissioner determines that the moratorium is
15 in the best interest of the state;

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

21 (C) [(3)] the sale of the agricultural land takes place after
22 July 1, 1979; and

23 (D) [(4)] the contract purchaser is in compliance with the
24 development plan specified in the purchase contract at the time the purchaser
25 applies for a moratorium under this subsection and remains in compliance with
26 the development plan during the moratorium; for the payments subject to the
27 moratorium declared under this paragraph, interest [INTEREST]
28 payments are subject to the moratorium but interest continues to accrue during
29 the moratorium.

30 * Sec. 9. AS 38.05.321(a) is repealed and reenacted to read:

31 (a) The department shall include in a document that conveys state land

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classified as agricultural land

(1) a covenant running with the land that restricts or limits the use of the land exclusively for agricultural purposes;

(2) a covenant running with the land permitting the owner of state land classified as agricultural land to subdivide and sell the land in not more than four parcels of not less than 40 acres each; and

*Amend.
3
Adopted
2-9-46*

none of the four allowable parcels may be further resubdivided.

delete

~~(3) a covenant running with the land permitting the owner of land subdivided, whether subdivided under (2) of this subsection or under this paragraph, to further subdivide and sell the subdivided land in not more than four parcels of not less than 40 acres each, provided that a subdivision and sale under this paragraph may not occur sooner than four years after the last previous subdivision and sale of the land under (2) of this subsection or this paragraph.~~

* Sec. 10. AS 38.05.321(b) is amended to read:

(b) Subject to (a) of this section, state [STATE] land classified as agricultural land that has been selected by a municipality under former AS 29.18.190 - 29.18.200 or former AS 29.18.205(e) may be approved by the director for patent under AS 29.65.050(c) [; HOWEVER, ONLY RIGHTS IN THE LAND FOR AGRICULTURAL PURPOSES MAY BE TRANSFERRED AND ALL OTHER INTERESTS IN THE LAND WILL REMAIN WITH THE STATE]. Agricultural land approved for patent to a municipality shall be credited, acre for acre, toward fulfillment of that municipality's entitlement under AS 29.65.010 - 29.65.030 or former AS 29.18.201 - 29.18.203. [IF THE DIRECTOR LATER DETERMINES IT TO BE IN THE BEST INTERESTS OF THE STATE TO TRANSFER SOME OR ALL OF THE ADDITIONAL RIGHTS IN THAT APPROVED OR PATENTED AGRICULTURAL LAND, THOSE RIGHTS SHALL PASS WITHOUT CONSIDERATION TO THE MUNICIPALITY IN WHICH THE LAND IS LOCATED. THE NOTICE AND REVIEW PROVISIONS OF AS 38.05.945 ARE APPLICABLE TO CONVEYANCE OF RIGHTS UNDER THIS SECTION.]

* Sec. 11. AS 38.05.321 is amended by adding new subsections to read:

(d) For state land classified as agricultural land that is conveyed under (a) of this section,

1 (1) the commissioner may require the landowner to cooperate with the
2 appropriate soil and water conservation district under AS 41.10 in the development and
3 implementation of soil conservation plans as authorized by AS 41.10.110(6);

4 (2) as a condition of the conveyance, the commissioner may not require
5 preparation and implementation of a farm development plan unless the commissioner
6 permits modification of a plan in cases of economic hardship or other extenuating
7 circumstances;

8 (3) the commissioner may not limit

9 (A) the landowner's right to construct improvements related to
10 agricultural use;

11 (B) the landowner's right to use the land and improvements for
12 purposes that are incidental to and not inconsistent with the primary use of the
13 land for agricultural purposes; and

14 (C) the landowner's right to subdivide and sell the land if the
15 resulting parcels are not in violation of the minimum parcel size set out in
16 (a)(2) of this section.

17 (e) A covenant described in (a) of this section may be enforced only by a civil
18 action.

19 (f) In this section, "agricultural purposes" means

20 (1) the production of plants and animals useful to man, including forage
21 and sod crops, grains and feed crops, fruits, trees, and vegetables, dairy animals and
22 products, and live stock;

23 (2) the construction of fixed, permanent, or immovable structures
24 reasonably required for or related to agricultural production, including that farmstead
25 normally required for yards, driveways, parking, barns, and other outbuildings, and
26 similar uses;

27 (3) the use of gravel reasonably required for agricultural production on
28 the parcel conveyed; and

29 (4) removal and disposition of timber in order to bring agricultural land
30 into production.

31 * Sec. 12. CONVERSION OF DISPOSALS MADE UNDER AS 38.05.069(c) OR UNDER

1 FORMER AS 38.05.321(a). The provisions of AS 38.05.321(a), as amended by sec. 9 of this
2 Act, apply to state land classified as agricultural land that, under AS 38.05.069(c) or under
3 AS 38.05.321(a) before its amendment by sec. 9 of this Act, was subject to the limitation of
4 the conveyance of only the interest in the land that related to agricultural purposes and that
5 was sold, leased, or disposed of after August 15, 1976, and before the effective date of this
6 Act. The commissioner of natural resources shall issue a new instrument of conveyance for
7 the land that conforms to AS 38.05.321(a) and (d), as amended and enacted by secs. 9 and 11
8 of this Act.

9 * Sec. 13. CONVERSION OF DISPOSALS MADE UNDER FORMER AS 38.05.321(b).
10 The provisions of AS 38.05.321(a), as amended by sec. 9 of this Act, apply to state land
11 classified as agricultural land that, under AS 38.05.321(b) before its amendment by sec. 10
12 of this Act, was subject to the limitation of the conveyance of only the interest in the land that
13 related to agricultural purposes and that was conveyed to a municipality after June 30, 1978,
14 and before the effective date of this Act. The commissioner of natural resources shall issue
15 a new instrument of conveyance for the land that conforms to AS 38.05.321, as amended by
16 secs. 9 - 11 of this Act.

17 * Sec. 14. The following regulations are annulled: 11 AAC 67.162, 11 AAC 67.165, 11
18 AAC 67.167(d), 11 AAC 67.170, 11 AAC 67.172, 11 AAC 67.175(1), 11 AAC 67.185, 11
19 AAC 67.187, 11 AAC 67.188(a)(3), 11 AAC 67.188(a)(4), 11 AAC 67.188(a)(5), 11 AAC
20 67.188(a)(6), 11 AAC 67.188(b), 11 AAC 67.188(c), 11 AAC 67.190(a), 11 AAC 67.192.

LEGAL SERVICES

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Juneau, Alaska 99801-2105

MEMORANDUM

February 12, 1996

SUBJECT: Draft CSSB 162 (Finance), relating to agriculture, to state land used for agriculture and to state land classified for agricultural purposes, to state agricultural programs, and to related matters -- sectional analysis (Work Order No. 9-LS102110)

TO: Senator Lyda Green
ATTN: Brett Huber

FROM: Jack Chenoweth
Legislative Counsel

The bill generally addresses state policy with respect to agriculture. It proposes changes in laws bearing on state land used for agriculture, to state land classified for agricultural use purposes, to laws under which the state conducts its agricultural program, and to statutes addressing closely related matters. Its principal thrust is to change the interests in land classified for agricultural purposes that the state has conveyed or may convey. If the measure becomes law, it contemplates that the state would convey fee simple title subject only to certain restrictive covenants that would underpin use of the land for agricultural purposes. Action based on alleged breach of the conditions of the covenants would be the sole enforcement mechanism available to the commissioner of natural resources, on behalf of the state, to protect the land used or classified for agriculture against inconsistent or non-authorized uses.

The measure's provisions may be roughly grouped into seven areas:

- (1) Substitution of conveyance or transfer of fee simple title for conveyance or transfer of only the rights in the land for agricultural purposes.
- (2) Land classification issues relating to agricultural land.
- (3) Survey issues relating to agricultural land.
- (4) Installment sale issues relating to agricultural land.
- (5) Amendments eliminating limitations and similar prequalification requirements that may be imposed by the commissioner with respect to agricultural land.

Senator Lyda Green
February 12, 1996
Page 2

(6) Technical changes.

(7) Transitional provisions.

Because of the wide-ranging nature of the bill, let me present the discussion of these provisions topically rather than sequentially.

Substitution of conveyance or transfer of fee simple title:

Bill section 1: This "statement of legislative intent" makes clear the objective of the measure's principal operative provision, the amendment of AS 38.05.321(a) by bill section 9, that

... for state land classified as agricultural land, the state [shall] convey fee title subject to a covenant running with the land that limits use of the land for agricultural purposes.

Bill section 9: Under existing AS 38.05.321(a), disposal of state land that has been classified for agricultural purposes disposes only of "rights for agricultural purposes," the state retaining all other rights. This bill section eliminates that limitation and substitutes for it a general conveyance, coupled with the requirement that the instrument of conveyance contains certain covenants respecting the subsequent use of that land. The covenants' provisions are those limiting the use of the land to agricultural purposes and allowing subdivision of the land, one time only, with certain limitations.

Bill section 10 modifies AS 38.05.321(b) by eliminating from current law the limitation that, for land classified as agricultural land that is later selected by a municipality in the exercise of land selection rights set out in AS 29.18, only "rights in the land for agricultural purposes may be transferred" to the municipality, with all other interests in the land retained by the state.

Land classification issues:

AS 38.04.065(h) currently permits the commissioner of natural resources to make land classifications on the basis of site-specific plans for many purposes when no regional plan has yet been adopted. However, under that subsection, use of a site-specific plan will not support a land classification for "a new commercial agricultural project." **Bill section 3** amends AS 38.04.065(h) to eliminate the current exception against use of a site-specific plan to support a land classification for a new commercial agricultural project in that subsection.

Land survey issues:

Bill section 2 amends AS 38.04.045(b) to eliminate the requirement that state land classified for agricultural uses must first be surveyed before it may be leased, and makes corrective language changes to conform the subsection to technical provisions of the Legislative Drafting Manual.

Bill section 6 authorizes sale of state land classified for agricultural uses in parcels or tracts described by aliquot parts.

Installment sale issues relating to agricultural land:

In light of the change proposed to the rate of interest charged on installment sales contracts by bill section 8, bill section 7 makes a conforming change to AS 38.05.065(c) to require that certain information be incorporated into land sale contracts involving the sale of state land classified for agricultural uses.

AS 38.05.065(a) and (b) prescribe requirements generally applicable to sale of state land on installment specifying, among other things, the manner of determining the rate of interest on the outstanding loan payments. Those provisions notwithstanding, the amendment made in proposed AS 38.05.065(h)(1), set out in bill section 8, prescribe a maximum rate of interest on installment sales of state land classified for agricultural uses of 9.5 percent.

Amendments eliminating limitations and similar prequalification requirements that bear on agricultural land:

Bill section 4 modifies the authority of the commissioner of natural resources set out in AS 38.05.020(b)(6) to classify tracts of state land for agricultural use. It would eliminate all "prequalification" requirements that are incidental to the commissioner's exercise of that authority, thereby obviating requirements of preliminary submissions of agricultural plans by persons who sought to participate under the former agricultural development project statute (AS 44.33.375, repealed in 1979). Bill section 4 also operates to amend the condition under which development requirements under state agricultural land sale contracts may be modified under AS 38.05.020(b)(7) to allow modification if either one of the two expressed conditions is met (rather than, under current law, both conditions).

Bill section 11, adding new subsections (d) and (e) to AS 38.05.321, enumerates certain things that the commissioner of natural resources may and may not do or require as to land classified as agricultural land that is conveyed to third parties, and supplies a definition for the phrase "agricultural purposes."

Senator Lyda Green
February 12, 1996
Page 4

Bill section 14 annuls a significant number of the program regulations applicable to the program under which the Department of Natural Resources disposes of the agricultural interest in state land classified as agricultural land.

Technical changes:

AS 44.33.375, referred to in AS 38.05.057(j), was repealed by ch. 75, SLA 1979. The requirement of AS 38.05.075(j) that a participant in a lottery for land that is part of the former agricultural development plan submit a single application for that land may have ongoing vitality. The provision is retained, with reference to the repealed provision, AS 44.33.375, modified by the addition, in bill section 5, of the word "former" to denote that section's previous repeal.

The amendment made in proposed AS 38.05.065(h)(2), set out in bill section 8, modifies the reference to "agricultural land" to substitute reference to state land that has been classified for agricultural uses and made subject to sale.

Transitional provisions:

Bill section 12, a temporary law provision, directs that, on application of the existing holder of rights for agricultural purposes in state land, the commissioner of natural resources to issue new instruments of conveyance as to land classified as agricultural land as to which only agricultural rights have been conveyed. The substituted conveyance instruments must conform to AS 38.05.321(a) and (d), as amended by the measure.

Bill section 13, a second temporary law provision, directs that, on application of a municipality, the commissioner of natural resources to issue new instruments of conveyance to the municipality as to land classified as agricultural land as to which only agricultural rights have been conveyed. The substituted conveyance instruments must conform to AS 38.05.321(b), as amended by the measure.

cc: Kathy Holmquist
Senate Finance Committee

JBC:klb
96-100.klb

Enclosure

Transmitted
2-9-96
11:10am

A FAX

Alaska State Legislature

Date: 2-9-96

To: Legal Services - Jack Chenoweth

Fax #: 2029 Phone #: 2450

From: Kathy - Senate Finance

Phone #: 2618

Re: Using CSSB 162 (Res) as the basis, please
prepare a draft CSSB (Fin) incorporating
the attached 3 amendments. Please
deliver the draft to Room 520 of
the capitol building.

Following this page, please find 4 pages(s). If this does not reach you in full, please inform us ASAP.



THANK YOU

2-9-96
A. L. Lister

9-LS1021W.1 -
Chenoweth
1/26/96

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB 162(RES)

SENATE FINANCE
COMMITTEE

Amendment Number: 1
Bill Number: CSSB 162 (Res)
Sponsor: _____ Date: 1-31-96
Logged In By: AL

- 1 Page 4, line 22:
- 2 Delete "shall"
- 3 Insert "may"

2-9-96
Adopted
as
9-LS1021M.3 am
Chenoweth p.2
1/30/96

AMENDMENT

*Makes bill
applicant driven*

OFFERED IN THE SENATE

TO: CSSB 162(RES)

SENATE FINANCE
COMMITTEE

Amendment Number: 2
Bill Number: CSSB 162 (Res)
Sponsor: _____ Date: 1-31-96
Logged In By: lu

1 Page 7, line 31, through page 8, line 16:

2 Delete all material and insert:

3 * * Sec. 12. CONVERSION OF DISPOSALS MADE UNDER AS 38.05.069(c) OR
4 UNDER FORMER AS 38.05.321(a). (a) The provisions of AS 38.05.321(a), as amended
5 by sec. 9 of this Act, apply to state land classified as agricultural land that, under
6 AS 38.05.069(c) or under AS 38.05.321(a) before its amendment by sec. 9 of this Act, was
7 subject to the limitation of the conveyance of only the interest in the land that related to
8 agricultural purposes and that was sold, leased, or disposed of by the state after August 15,
9 1976, and before the effective date of this Act.

10 (b) When the owner of the rights for agricultural purposes in land described in this
11 section applies to the Department of Natural Resources, the commissioner of natural resources
12 shall issue a new instrument of conveyance for the land that conforms to AS 38.05.321(a) and
13 (d), as amended and enacted by secs. 9 and 11 of this Act. The commissioner of natural
14 resources may issue a new instrument of conveyance under this section only if the owner of
15 the rights tenders a deed or other appropriate instrument of conveyance transmitting the
16 owner's interests in the land to the state, accompanied by title insurance coverage for or a
17 title report affirming ownership of the rights in the person making application under this
18 subsection.

19 (c) Until the commissioner of natural resources issues the new instrument of
20 conveyance under (b) of this section, when necessary to enforce a state interest in the land,
21 the state may enforce the interests in the land in the manner authorized by the instrument of
22 conveyance that transferred the rights for agricultural purposes.

23 * Sec. 13. CONVERSION OF DISPOSALS MADE UNDER FORMER AS 38.05.321(b).
24 (a) The provisions of AS 38.05.321(a), as amended by sec. 9 of this Act, apply to state land
25 classified as agricultural land that, under AS 38.05.321(b) before its amendment by sec. 10

1 of this Act, was subject to the limitation of the conveyance of only the interest in the land
2 that related to agricultural purposes and that was conveyed by the state to a municipality after
3 June 30, 1978, and before the effective date of this Act.

4 (b) When a municipality holding the rights for agricultural purposes in land described
5 in this section applies to the Department of Natural Resources, the commissioner of natural
6 resources shall issue a new instrument of conveyance for the land that conforms to
7 AS 38.05.321, as amended by secs. 9 - 11 of this Act. The commissioner of natural
8 resources may issue a new instrument of conveyance under this section only if the
9 municipality tenders a deed or other appropriate instrument of conveyance returning the
10 municipality's interests in the land to the state, accompanied by title insurance coverage for
11 or a title report affirming the municipality's ownership of the rights.

12 (c) Until the commissioner of natural resources issues the new instrument of
13 conveyance under (b) of this section, when necessary to enforce a state interest in the land,
14 the state ^{may} ~~shall~~ enforce the interests in the land in the manner authorized by the instrument of
15 conveyance that transferred the rights for agricultural purposes."

CS FOR SENATE BILL NO. 162 ~~RES~~ ^{Fin}

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 1/24/96
Referred: Finance

Sponsor(s): SENATORS GREEN, Torgerson

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to land used for agricultural purposes and to state land
2 classified for agricultural purposes or subject to the restriction of use for
3 agricultural purposes only; and annulling certain program regulations of the
4 Department of Natural Resources that are inconsistent with the amendments made
5 by this Act."

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

7 * Section 1. LEGISLATIVE INTENT. It is the intent of the legislature in amending
8 AS 38.05.321(a) in sec. 9 of this Act that, for state land classified as agricultural land, the
9 state convey fee title subject to a covenant running with the land that limits use of the land
10 to agricultural purposes.

11 * Sec. 2. AS 38.04.045(b) is amended to read

12 (b) Before the issuance of a long-term lease under AS 38.05.070 or of a patent
13 for state land, an official cadastral survey shall be accomplished, unless a comparable,

1 approved survey exists that has been conducted by the federal Bureau of Land
2 Management. Before land may be offered under [AS 38.05.055, 38.05.057,] AS 38.08
3 [.] or AS 38.09, or before land may be offered under AS 38.05.055 or 38.05.057,
4 except land that is classified for agricultural uses, an official rectangular survey grid
5 shall be established. The rectangular survey section corner positions shall be
6 monumented and shown on a cadastral survey plat approved by the state. For those
7 areas where the state may wish to convey surface estate outside of an official
8 rectangular survey grid, the commissioner may waive monumentation of individual
9 section corner positions and substitute an official control survey with control points
10 being monumented and shown on control survey plats approved by the state. The
11 commissioner may not issue more than one conveyance for each section within a
12 township outside of an official rectangular survey grid. Land [NO PORTION OF
13 LAND] to be conveyed may not be located more than two miles from an official
14 survey control monument except that the commissioner may waive this requirement
15 on a determination that a single purpose use does not justify the requirement if the
16 existing status of the land is known with reasonable certainty. The lots and tracts in
17 state subdivisions shall be monumented and the cadastral survey and plats for the
18 subdivision shall be approved by the state. Where land is located within a
19 municipality with planning, platting, and zoning powers, plats for state subdivisions
20 shall comply with local ordinances and regulations in the same manner and to the same
21 extent as plats for subdivisions by other landowners. State subdivisions shall be filed
22 and recorded in the district recorder's office. The requirements of this section do not
23 apply to land made available through a cabin permit system, for material sales, for
24 short-term leases, for parcels adjoining a surveyed right-of-way, or for land that has
25 been open to random staking under the remote parcel program or homestead program
26 in the past, however, for short-term leases, the lessee shall [MUST] comply with local
27 subdivision ordinances unless waived by the municipality under procedures specified
28 by ordinance. In this subsection, "a single purpose use" includes a communication site,
29 an aid to navigation, and a park site.

30 * Sec. 3. AS 38.04.065(h) is amended to read

31 (h) Before the commissioner adopts a regional land use plan, a land

1 classification may be made on the basis of a site-specific land use plan, except a
2 classification for a land disposal under AS 38.05.057, AS 38.08, or AS 38.09 [, OR
3 A NEW COMMERCIAL AGRICULTURE PROJECT UNDER AS 38.05.020(b)(6)].
4 After adoption of a regional land use plan, land classifications shall be made under the
5 plan.

6 • Sec. 4. AS 38.05.020(b) is amended to read:

7 (b) The commissioner may

8 (1) establish reasonable procedures and adopt reasonable regulations
9 necessary to carry out this chapter and, whenever necessary, issue directives or orders
10 to the director to carry out specific functions and duties; regulations adopted by the
11 commissioner shall be adopted under AS 44.62 (Administrative Procedure Act); orders
12 by the commissioner classifying land, issued after January 3, 1959, are not required
13 to be adopted under AS 44.62 (Administrative Procedure Act);

14 (2) enter into agreements considered necessary to carry out the purposes
15 of this chapter, including agreements with federal and state agencies;

16 (3) review any order or action of the director;

17 (4) exercise the powers and do the acts necessary to carry out the
18 provisions and objectives of this chapter;

19 (5) notwithstanding the provisions of any other section of this chapter,
20 grant an extension of the time within which payments due on any exploration license,
21 lease, or sale of state land, minerals, or materials may be made, including payment of
22 rental and royalties, on a finding that compliance with the requirements is or was
23 prevented by reason of war, riots, or acts of God.

24 (6) classify tracts for agricultural uses [AND REQUIRE THE
25 PREQUALIFICATION, INCLUDING THE SUBMISSION OF CONSERVATION
26 PLANS, DEVELOPMENT PLANS, OR OTHER PLANS, SCHEDULES, OR
27 PROGRAMS, OF PERSONS WHO APPLY TO PARTICIPATE IN AN
28 AGRICULTURAL DEVELOPMENT PROJECT UNDER AS 44.33.475].

29 (7) waive, postpone, or otherwise modify the development requirements
30 of a contract for the sale of agricultural land if

31 (A) the land is inaccessible by road, or [AND]

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



RS 678

Central Microfilm Service
Department of Education
State of Alaska

1 classification may be made on the basis of a site-specific land use plan, except a
2 classification for a land disposal under AS 38.05.057, AS 38.08, or AS 38.09 [, OR
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16 (3) review any order or action of the director;

17 (4) exercise the powers and do the acts necessary to carry out the
18 provisions and objectives of this chapter;

19 (5) notwithstanding the provisions of any other section of this chapter,
20 grant an extension of the time within which payments due on any exploration license,
21 lease, or sale of state land, minerals, or materials may be made, including payment of
22 rental and royalties, on a finding that compliance with the requirements is or was
23 prevented by reason of war, riots, or acts of God;

24 (6) classify tracts for agricultural uses [AND REQUIRE THE
25 PREQUALIFICATION, INCLUDING THE SUBMISSION OF CONSERVATION
26 PLANS, DEVELOPMENT PLANS, OR OTHER PLANS, SCHEDULES, OR
27 PROGRAMS, OF PERSONS WHO APPLY TO PARTICIPATE IN AN
28 AGRICULTURAL DEVELOPMENT PROJECT UNDER AS 44.33.475].

29 (7) waive, postpone, or otherwise modify the development requirements
30 of a contract for the sale of agricultural land if

31 (A) the land is inaccessible by road, or [AND]

1 (B) transportation, marketing, and development costs render the
2 required development uneconomic;

3 (8) reconvey or relinquish land or an interest in land to the federal
4 government if

5 (A) the land is described in an amended application for an
6 allotment under 43 U.S.C. 1617; and

7 (B) the reconveyance or relinquishment is

8 (i) for the purposes provided in 43 U.S.C. 1617; and

9 (ii) in the best interests of the state.

10 * Sec. 5. AS 38.05.057(j) is amended to read:

11 (j) The commissioner may require a participant in a lottery under this section
12 for the sale of land that is part of an agricultural development project under former
13 AS 44.33.475 to submit a single application for that land. Immediately following the
14 drawing of an applicant's name in the lottery, the applicant shall be given an
15 opportunity to select for purchase one parcel of the land that is offered in the lottery.
16 The names of alternate applicants shall be drawn after all parcels have been selected.
17 If the applicant who originally selected a parcel unequivocally rejects the offer to
18 purchase the parcel or fails to sign the contract of sale within the period of time
19 specified by the commissioner, the parcel shall be offered for sale to alternate
20 applicants in the order in which their names were drawn.

21 * Sec. 6. AS 38.05.059 is repealed and reenacted to read:

22 Sec. 38.05.059. SALE OF AGRICULTURAL LAND. The commissioner shall
23 provide for the sale of land classified under AS 38.05.020(b)(6) for agricultural uses
24 in parcels or tracts described by aliquot parts. The parcels or tracts are subject to state
25 subdivision requirements and municipal ordinances.

26 * Sec. 7. AS 38.05.065(c) is amended to read:

27 (c) The director shall, for contracts under (a), [OR] (b), or (h) of this section,
28 set out in the contract for each sale the period for the payment of installments and the
29 total purchase price plus interest. The director, with the consent of the commissioner,
30 may also include in contracts under this section conditions, limitations, and terms
31 considered necessary and proper to protect the interest of the state. Violations of any

1 provision of this chapter or the terms of the contract of sale subject the purchaser to
2 appropriate administrative and legal action, including but not limited to specific
3 performance, foreclosure, ejectment, or other legal remedies in accordance with
4 applicable state law.

5 * Sec. 8. AS 38.05.065(h) is amended to read:

6 (h) The commissioner

7 (1) shall provide that, notwithstanding (a) and (b) of this section,
8 in a contract for the sale of land classified under AS 38.05.020(b)(6) for
9 agricultural uses, the interest rate to be charged on installment payments may not
10 exceed 9.5 percent; and

11 (2) may declare a moratorium of up to five years on payments on land
12 sold under this section for [A SALE OF AGRICULTURAL] land classified under
13 AS 38.05.020(b)(6) for agricultural uses [UNDER THIS SECTION] if

14 (A) [(1)] the commissioner determines that the moratorium is
15 in the best interest of the state;

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

21 (C) [(3)] the sale of the agricultural land takes place after
22 July 1, 1979; and

23 (D) [(4)] the contract purchaser is in compliance with the
24 development plan specified in the purchase contract at the time the purchaser
25 applies for a moratorium under this subsection and remains in compliance with
26 the development plan during the moratorium; for the payments subject to the
27 moratorium declared under this paragraph, interest [INTEREST]
28 payments are subject to the moratorium but interest continues to accrue during
29 the moratorium.

30 * Sec. 9. AS 38.05.321(a) is repealed and reenacted to read:

31 (a) The department shall include in a document that conveys state land

1 classified as agricultural land

2 (1) a covenant running with the land that restricts or limits the use of
3 the land exclusively for agricultural purposes;

4 (2) a covenant running with the land permitting the owner of state land
5 classified as agricultural land to subdivide and sell the land in not more than four
6 parcels of not less than 40 acres each; and *none of the four allowable parcels
may be further resubdivided.*

7 ~~(2) a covenant running with the land permitting the owner of land~~
8 ~~subdivided, whether subdivided under (2) of this subsection or under this paragraph,~~
9 ~~to further subdivide and sell the subdivided land in not more than four parcels of not~~
10 ~~less than 40 acres each, provided that a subdivision and sale under this paragraph may~~
11 ~~not occur sooner than four years after the last previous subdivision and sale of the land~~
12 ~~under (2) of this subsection or this paragraph.~~ *Delete*

*Hand
#3*

*Adopted
2/9/96*

13 * Sec. 10. AS 38.05.321(b) is amended to read:

14 (b) Subject to (a) of this section, state [STATE] land classified as agricultural
15 land that has been selected by a municipality under former AS 29.18.190 - 29.18.200
16 or former AS 29.18.205(e) may be approved by the director for patent under
17 AS 29.65.050(c) [; HOWEVER, ONLY RIGHTS IN THE LAND FOR
18 AGRICULTURAL PURPOSES MAY BE TRANSFERRED AND ALL OTHER
19 INTERESTS IN THE LAND WILL REMAIN WITH THE STATE]. Agricultural land
20 approved for patent to a municipality shall be credited, acre for acre, toward fulfillment
21 of that municipality's entitlement under AS 29.65.010 - 29.65.030 or former
22 AS 29.18.201 - 29.18.203. [IF THE DIRECTOR LATER DETERMINES IT TO BE
23 IN THE BEST INTERESTS OF THE STATE TO TRANSFER SOME OR ALL OF
24 THE ADDITIONAL RIGHTS IN THAT APPROVED OR PATENTED
25 AGRICULTURAL LAND, THOSE RIGHTS SHALL PASS WITHOUT
26 CONSIDERATION TO THE MUNICIPALITY IN WHICH THE LAND IS
27 LOCATED. THE NOTICE AND REVIEW PROVISIONS OF AS 38.05.945 ARE
28 APPLICABLE TO CONVEYANCE OF RIGHTS UNDER THIS SECTION.]

29 * Sec. 11. AS 38.05.321 is amended by adding new subsections to read:

30 (d) For state land classified as agricultural land that is conveyed under (a) of
31 this section,

1 (1) the commissioner may require the landowner to cooperate with the
2 appropriate soil and water conservation district under AS 41.10 in the development and
3 implementation of soil conservation plans as authorized by AS 41.10.110(6);

4 (2) as a condition of the conveyance, the commissioner may not require
5 preparation and implementation of a farm development plan unless the commissioner
6 permits modification of a plan in cases of economic hardship or other extenuating
7 circumstances;

8 (3) the commissioner may not limit

9 (A) the landowner's right to construct improvements related to
10 agricultural use;

11 (B) the landowner's right to use the land and improvements for
12 purposes that are incidental to and not inconsistent with the primary use of the
13 land for agricultural purposes; and

14 (C) the landowner's right to subdivide and sell the land if the
15 resulting parcels are not in violation of the minimum parcel size set out in
16 (a)(2) of this section.

17 (e) A covenant described in (a) of this section may be enforced only by a civil
18 action.

19 (f) In this section, "agricultural purposes" means

20 (1) the production of plants and animals useful to man, including forage
21 and sod crops, grains and feed crops, fruits, trees, and vegetables, dairy animals and
22 products, and livestock;

23 (2) the construction of fixed, permanent, or immovable structures
24 reasonably required for or related to agricultural production, including that farmstead
25 normally required for yards, driveways, parking, barns, and other outbuildings, and
26 similar uses;

27 (3) the use of gravel reasonably required for agricultural production on
28 the parcel conveyed; and

29 (4) removal and disposition of timber in order to bring agricultural land
30 into production.

31 * Sec. 12. CONVERSION OF DISPOSALS MADE UNDER AS 38.05.060(c) OR UNDER

1 FORMER AS 38.05.321(a). The provisions of AS 38.05.321(a), as amended by sec. 9 of this
2 Act, apply to state land classified as agricultural land that, under AS 38.05.069(c) or under
3 AS 38.05.321(a) before its amendment by sec. 9 of this Act, was subject to the limitation of
4 the conveyance of only the interest in the land that related to agricultural purposes and that
5 was sold, leased, or disposed of after August 15, 1976, and before the effective date of this
6 Act. The commissioner of natural resources shall issue a new instrument of conveyance for
7 the land that conforms to AS 38.05.321(a) and (d), as amended and enacted by secs. 9 and 11
8 of this Act.

9 * Sec. 13. CONVERSION OF DISPOSALS MADE UNDER FORMER AS 38.05.321(b).

10 The provisions of AS 38.05.321(a), as amended by sec. 9 of this Act, apply to state land
11 classified as agricultural land that, under AS 38.05.321(b) before its amendment by sec. 10
12 of this Act, was subject to the limitation of the conveyance of only the interest in the land that
13 related to agricultural purposes and that was conveyed to a municipality after June 30, 1978,
14 and before the effective date of this Act. The commissioner of natural resources shall issue
15 a new instrument of conveyance for the land that conforms to AS 38.05.321, as amended by
16 secs. 9 - 11 of this Act.

17 * Sec. 14. The following regulations are annulled: 11 AAC 67.162, 11 AAC 67.165, 11
18 AAC 67.167(d), 11 AAC 67.170, 11 AAC 67.172, 11 AAC 67.175(1), 11 AAC 67.185, 11
19 AAC 67.187, 11 AAC 67.188(a)(3), 11 AAC 67.188(a)(4), 11 AAC 67.188(a)(5), 11 AAC
20 67.188(a)(6), 11 AAC 67.188(b), 11 AAC 67.188(c), 11 AAC 67.190(a), 11 AAC 67.192.

2-9-96

Larry -

Legal Services outdid itself and returned a draft CSSB 162 (Fin) long before the Monday deadline. Have highlighted Amendments 1, 2, and 3 within the draft. Amendment No. 3 (p. 6, lines 6 and 7) was rewritten by the drafter. I have attached the original motion language for comparison. Will send a copy of this material to both the sponsor and Senator Sharp (the original maker of Amendment No. 3). Let me know how everyone feels about this.

Thanks,

Kathy
2618

SIB 162 in Comm.

P. 6 line 6-7

New LANG.

check & see if the
new lang. meets
your desire -
Check as soon poss.
let Cathy know -

2/13/96

Larry OKayed
for Sen. Halford.

Cathy

Looks
Good to
me.

Sen. Sharp

2-9-96

Brett Huber
c/o Senator Green

Attached is a draft CSSB 162 (Fin) containing changes made in Senate Finance this morning. I have highlighted Amendments 1, 2, and 3 within the draft. Amendment No. 3 (p. 6, lines 6 and 7) was rewritten by the drafter. I have attached the original motion language for comparison. Am sending a copy of this material to Larry in Senator Halford's office and to Senator Sharp (the original maker of Amendment No. 3). Please advise if the draft is acceptable.

Thanks,

Kathy
Senate Finance
7618

*2/12/96
Draft was okayed
by Brett for Sen. Green
via voicemail message
Sat. 2/10 at 12:30pm. kh*

NOTE

TO: Larry
FROM: Kathy
DATE: February 9, 1996
RE: CSSB 162 (Finance)

Transmitted the attached changes to Legal Services this morning and was advised that because of crunch of personal bill deadline, a draft will not be returned to us until Monday morning. Will that delay cause any problems?

Kathy
2618

Highlighted draft showing amendments.

9-LS1021NO
Chenoweth
2/9/96

CS FOR SENATE BILL NO. 162(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS GREEN, Torgerson

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to land used for agricultural purposes and to state land
2 classified for agricultural purposes or subject to the restriction of use for
3 agricultural purposes only; and annulling certain program regulations of the
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11 • Sec. 2. AS 38.04.045(b) is amended to read:

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7 areas where the state may wish to convey surface estate outside of an official
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26 in the past; however, for short-term leases, the lessee shall [MUST] comply with local
27 subdivision ordinances unless waived by the municipality under procedures specified
28 by ordinance. In this subsection, "a single purpose use" includes a communication site,
29 an aid to navigation, and a park site.

30 • Sec. 3. AS 38.04.065(h) is amended to read:

31 (h) Before the commissioner adopts a regional land use plan, a land

1 classification may be made on the basis of a site-specific land use plan, except a
2 classification for a land disposal under AS 38.05.057, AS 38.08, or AS 38.09 [, OR
3 A NEW COMMERCIAL AGRICULTURE PROJECT UNDER AS 38.05.020(b)(6)].
4 After adoption of a regional land use plan, land classifications shall be made under the
5 plan.

6 • Sec. 4. AS 38.05.020(b) is amended to read:

7 (b) The commissioner may

8 (1) establish reasonable procedures and adopt reasonable regulations
9 necessary to carry out this chapter and, whenever necessary, issue directives or orders
10 to the director to carry out specific functions and duties; regulations adopted by the
11 commissioner shall be adopted under AS 44.62 (Administrative Procedure Act); orders
12 by the commissioner classifying land, issued after January 3, 1959, are not required
13 to be adopted under AS 44.62 (Administrative Procedure Act);

14 (2) enter into agreements considered necessary to carry out the purposes
15 of this chapter, including agreements with federal and state agencies;

16 (3) review any order or action of the director;

17 (4) exercise the powers and do the acts necessary to carry out the
18 provisions and objectives of this chapter;

19 (5) notwithstanding the provisions of any other section of this chapter,
20 grant an extension of the time within which payments due on any exploration license,
21 lease, or sale of state land, minerals, or materials may be made, including payment of
22 rental and royalties, on a finding that compliance with the requirements is or was
23 prevented by reason of war, riots, or acts of God;

24 (6) classify tracts for agricultural uses [AND REQUIRE THE
25 PREQUALIFICATION, INCLUDING THE SUBMISSION OF CONSERVATION
26 PLANS, DEVELOPMENT PLANS, OR OTHER PLANS, SCHEDULES, OR
27 PROGRAMS, OF PERSONS WHO APPLY TO PARTICIPATE IN AN
28 AGRICULTURAL DEVELOPMENT PROJECT UNDER AS 44.33.475];

29 (7) waive, postpone, or otherwise modify the development requirements
30 of a contract for the sale of agricultural land if

31 (A) the land is inaccessible by road; or [AND]

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(B) transportation, marketing, and development costs render the required development uneconomic;

(8) reconvey or relinquish land or an interest in land to the federal government if

(A) the land is described in an amended application for an allotment under 43 U.S.C. 1617; and

(B) the reconveyance or relinquishment is

(i) for the purposes provided in 43 U.S.C. 1617; and

(ii) in the best interests of the state.

* Sec. 5. AS 38.05.057(j) is amended to read:

(j) The commissioner may require a participant in a lottery under this section for the sale of land that is part of an agricultural development project under former AS 44.33.475 to submit a single application for that land. Immediately following the drawing of an applicant's name in the lottery, the applicant shall be given an opportunity to select for purchase one parcel of the land that is offered in the lottery. The names of alternate applicants shall be drawn after all parcels have been selected. If the applicant who originally selected a parcel unequivocally rejects the offer to purchase the parcel or fails to sign the contract of sale within the period of time specified by the commissioner, the parcel shall be offered for sale to alternate applicants in the order in which their names were drawn.

* Sec. 6. AS 38.05.059 is repealed and reenacted to read:

Sec. 38.05.059. SALE OF AGRICULTURAL LAND. The commissioner ~~(may)~~ ^{Amend. # 1} provide for the sale of land classified under AS 38.05.020(b)(6) for agricultural uses in parcels or tracts described by aliquot parts. The parcels or tracts are subject to state subdivision requirements and municipal ordinances.

* Sec. 7. AS 38.05.065(c) is amended to read:

(c) The director shall, for contracts under (a), ~~[OR] (b), or (h)~~ of this section, set out in the contract for each sale the period for the payment of installments and the total purchase price plus interest. The director, with the consent of the commissioner, may also include in contracts under this section conditions, limitations, and terms considered necessary and proper to protect the interest of the state. Violations of any

1 provision of this chapter or the terms of the contract of sale subject the purchaser to
 2 appropriate administrative and legal action, including but not limited to specific
 3 performance, foreclosure, ejection, or other legal remedies in accordance with
 4 applicable state law.

5 * Sec. 8. AS 38.05.065(h) is amended to read:

6 (h) The commissioner

7 (1) shall provide that, notwithstanding (a) and (b) of this section,
 8 in a contract for the sale of land classified under AS 38.05.020(b)(6) for
 9 agricultural uses, the interest rate to be charged on installment payments may not
 10 exceed 9.5 percent; and

11 (2) may declare a moratorium of up to five years on payments on land
 12 sold under this section for [A SALE OF AGRICULTURAL] land classified under
 13 AS 38.05.020(b)(6) for agricultural uses [UNDER THIS SECTION] if

14 (A) [(1)] the commissioner determines that the moratorium is
 15 in the best interest of the state;

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

21 (C) [(3)] the sale of the agricultural land takes place after
 22 July 1, 1979; and

23 (D) [(4)] the contract purchaser is in compliance with the
 24 development plan specified in the purchase contract at the time the purchaser
 25 applies for a moratorium under this subsection and remains in compliance with
 26 the development plan during the moratorium; for the payments subject to the
 27 moratorium declared under this paragraph, interest [INTEREST]
 28 payments are subject to the moratorium but interest continues to accrue during
 29 the moratorium.

30 * Sec. 9. AS 38.05.321(a) is repealed and reenacted to read:

31 (a) The department shall include in a document that conveys state land

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classified as agricultural land

(1) a covenant running with the land that restricts or limits the use of the land exclusively for agricultural purposes; and

(2) a covenant running with the land permitting the owner of state land classified as agricultural land to subdivide and sell the land in not more than four parcels of not less than 40 acres each and (prohibiting the parcels resulting from the subdivision that is authorized by this paragraph from being further subdivided.)

* Sec. 10. AS 38.05.321(b) is amended to read:

(b) Subject to (a) of this section, state [STATE] land classified as agricultural land that has been selected by a municipality under former AS 29.18.190 - 29.18.200 or former AS 29.18.205(e) may be approved by the director for patent under AS 29.65.050(c) [; HOWEVER, ONLY RIGHTS IN THE LAND FOR AGRICULTURAL PURPOSES MAY BE TRANSFERRED AND ALL OTHER INTERESTS IN THE LAND WILL REMAIN WITH THE STATE]. Agricultural land approved for patent to a municipality shall be credited, acre for acre, toward fulfillment of that municipality's entitlement under AS 29.65.010 - 29.65.030 or former AS 29.18.201 - 29.18.203. [IF THE DIRECTOR LATER DETERMINES IT TO BE IN THE BEST INTERESTS OF THE STATE TO TRANSFER SOME OR ALL OF THE ADDITIONAL RIGHTS IN THAT APPROVED OR PATENTED AGRICULTURAL LAND, THOSE RIGHTS SHALL PASS WITHOUT CONSIDERATION TO THE MUNICIPALITY IN WHICH THE LAND IS LOCATED. THE NOTICE AND REVIEW PROVISIONS OF AS 38.05.945 ARE APPLICABLE TO CONVEYANCE OF RIGHTS UNDER THIS SECTION.]

* Sec. 11. AS 38.05.321 is amended by adding new subsections to read:

(d) For state land classified as agricultural land that is conveyed under (a) of this section,

(1) the commissioner may require the landowner to cooperate with the appropriate soil and water conservation district under AS 41.10 in the development and implementation of soil conservation plans as authorized by AS 41.10.110(6);

(2) as a condition of the conveyance, the commissioner may not require preparation and implementation of a farm development plan unless the commissioner

*Amend.
3
Language
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rewritten
by
drafter*