

ALASKA LEGISLATURE COMMITTEE FILES 9019020072

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HRES

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THE DELTA LAND MANAGEMENT PLANNING STUDY

PART VII: WILDLIFE

CITIZEN COUNCIL OPINION

Several wildlife issues were discussed at the Citizen Council's February meetings. Regarding bison, most Citizen Council members wanted special areas set aside for bison habitat management, and a majority of these people agreed with proposals for three management areas: one south of the Alaska Highway and two along the Delta River. Citizen Council members thought these areas ought to be managed by the Department of Fish and Game, but wanted to hear specific plans.

A majority also approved proposals for habitat manipulation on three old burns: at Jarvis Creek, Ninetyeight Creek and Flat Creek. (Habitat manipulation is intervention in natural processes to favor a particular species. For instance, an old burn starting to grow back in black spruce might be re-burned to encourage new growth of willows, a preferred browse for moose.)

A majority of the Citizen Council also agreed that the Goodpaster Flats, Shaw Creek Flats, and the entire Macomb Plateau (not just the part that lies within the study area) should be managed for wildlife habitat.

PLANNING TEAM RECOMMENDATIONS

BISON. The Delta bison herd is the largest and most viable in Alaska. It is felt that the herd should be maintained as wild and free-ranging, with its numbers being controlled by annual public hunting.

It is recommended that three bison habitat management areas--south of the Alaska Highway, gravel bars and lowlands of the Delta River north of Black Rapids, and the west side of the Delta near Rainbow Lake--be established. (See map.) The Division of Lands should classify these areas immediately to facilitate their management by the Department of Fish and Game.

One of the areas--grassy bars and adjacent lowlands on the west bank of the Delta River near Black Rapids--is on Fort Greely military lands. Essentially all bison calving occurs in this area, and it serves as summer habitat for most of the herd. Because it is so important, the Planning Team recommends that the State attempt to acquire the area. If this is not possible, the State should seek a cooperative management agreement with the military. To insure that this bison calving and summering grounds receives adequate protection, it is recommended that the state legislature designate it as critical habitat.

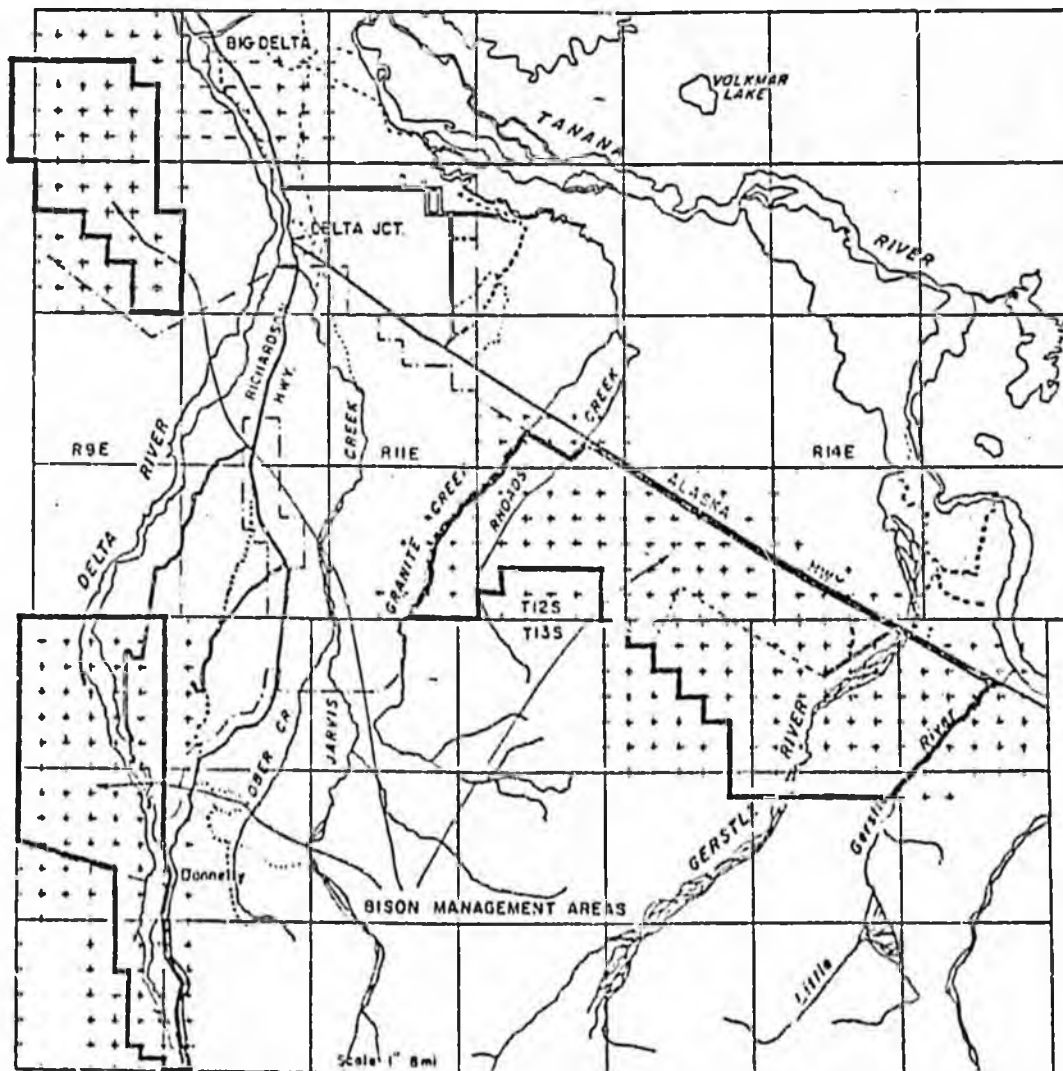
From early September through February, the bison herd is in or near the Clearwater farming district. To assure that the bison continue to have adequate winter range and in an attempt to keep the bison out of fields that have not yet been harvested, it is recommended that the legislature establish a wildlife management area on state lands south of the Alaska Highway to the foothills of the Granite Mountains, from Granite Creek on the west to the Little Gerstle River on the east. This area should be administered for the benefit of all its wildlife, not only bison, and with due consideration given to timber, recreation, and other resources found there. The Department of Fish and Game should develop a management plan for the area and present it to the public before any habitat manipulation is undertaken. (Tentative plans call for a total of 5,000 acres to be planted in grains for wildlife forage; in addition, each year some 2,000

THE DELTA LAND MANAGEMENT PLANNING STUDY

to 5,000 acres--possibly up to 10,000--would be burned. However, the pace and scale of habitat manipulation depend to some extent on the pace and scale of agricultural development in the Clearwater farming area.) It is further recommended that the military be encouraged to return lands it has disturbed within this area to their original condition.

As an aid to habitat management, it is recommended that the existing soil survey along the Alaska Highway be extended south to the limit of the Class II and III soils.

In all three bison areas, hunting, fishing, and trapping should be allowed to continue, along with any other use that does not interfere with the maintenance of the habitat's productivity. Intensive development would not be consistent with the purposes for which these bison areas are recommended.



BURNS. (See maps.) It is recommended that the Jarvis Creek, Ninetyeight Creek, and Flat Creek burns be classified to protect wildlife habitat and to allow the Department of Fish and Game to undertake habitat manipulation. Hunting, fishing, and trapping would be compatible uses of these areas.

APPENDIX D. DELTA BISON RANGE LEGISLATION

Article 6. State Range Areas.

Section	Section
300. Delta Junction Bison Range Area [Terminates August 1, 1982]	320. Activities on range area [Terminates August 1, 1982]
310. Game management plan [Terminates August 1, 1982]	

Editor's note. — Section 1, ch. 39, SLA 1979, provides: "It is the purpose of AS 16.20.300—320 to perpetuate free-ranging bison on the land described in this Act by management of the habitat to provide an adequate winter range for the bison. It is also the purpose of AS 16.20.300—320 to alter seasonal movements of bison herds on

the land in order to diminish the damage caused by the herds to agriculturally developed land."

Section 3, ch. 39, SLA 1979, provides: "The provisions of section 1, ch. 39, SLA 1979 and AS 16.20.300—320 terminate three years from August 1, 1979 unless the legislature provides otherwise by law."

Sec. 16.20.300. Delta Junction Bison Range Area [Terminates August 1, 1982]. The following described areas, excluding valid existing rights, are established as the Delta Junction Bison Range Area:

(1) Township 11 South, Range 12 East, Fairbanks Meridian

Section 28: S 1/2 SW 1/4, SW 1/4 SE 1/4 and that portion of the NW 1/4 SW 1/4 east of the west bank of Granite Creek excluding A.S.L.S. 78-93, Tract A, Unit 1

Sections 29, 32: those lands east of the west bank of Granite Creek

Section 33: all, excluding A.S.L.S. 78-93, Tract A, Unit 1

Section 34: S 1/2 NW 1/4, excluding A.S.L.S. 78-93 Tract A, Unit 1, S 1/2

Section 35: S 1/2, S 1/2 NW 1/4, that portion of the NE 1/4 lying south of the Alaska Highway excluding a corridor extending 1320 feet from the center line of the highway

Section 36: that portion lying south of the Alaska Highway excluding a corridor extending 1320 feet from the centerline of the highway

(2) Township 12 South, Range 11 East, Fairbanks Meridian

Sections 13, 24-26, 35, 36: all

Sections 1, 11, 12, 14, 22, 23, 27, 34: those lands east of the west bank of Granite Creek

(3) Township 12 South, Range 12 East, Fairbanks Meridian

Sections 1-4, 7-25, 30, 36: all

Sections 5, 6: those lands east of the west bank of Granite Creek

(4) Township 12 South, Range 13 East, Fairbanks Meridian

Sections 5, 6, 9: that portion lying south of the Alaska Highway excluding a corridor extending 1320 feet from the centerline of the highway

Section 7: all

Section 8: all, excluding a corridor extending 1320 feet from the centerline of the Alaska Highway

Section 10: that portion of the SW 1/4 lying south of the Alaska Highway excluding a corridor extending 1320 feet from the centerline of the highway

Section 14: S 1/2 S 1/2 SW 1/4

Section 15: S 1/2, NW 1/4, excluding a corridor extending 1320 feet from the centerline of the Alaska Highway

Sections 16-22: all
 Section 23: S 1/2, NW 1/4, S 1/2 NE 1/4, S 1/2 N 1/2 NE 1/4
 Section 24: SW 1/4, S 1/2 NW 1/4, excluding a corridor extending 1320 feet from the centerline of the Alaska Highway, S 1/2 S 1/2 SE 1/4
 Sections 25-36: all
 (5) Township 12 South, Range 14 East, Fairbanks Meridian
 Sections 19, 28-30, 33-35: that portion lying south of the Alaska Highway excluding a corridor extending 1320 feet from the centerline of the highway
 Sections 31, 32: all
 (6) Township 13 South, Range 13 East, Fairbanks Meridian
 Sections 1-5, 9-15, 23-25, 36: all
 (7) Township 13 South, Range 14 East, Fairbanks Meridian
 Section 1: that portion lying south of the Alaska Highway excluding a corridor extending 1320 feet from the centerline of the highway
 Sections 2-36: all
 (8) Township 13 South, Range 15 East, Fairbanks Meridian
 Sections 5, 6, 8-10, 15: that portion lying south of the Alaska Highway excluding a corridor extending 1320 feet from the centerline of the highway
 Sections 7, 16-20, 30: all
 Sections 21, 22, 28, 29, 31, 32: that portion lying west of the east bank of the Little Gerstle River
 (9) Township 14 South, Range 14 East, Fairbanks Meridian
 Section 1: that portion lying west of the east bank of the Little Gerstle River
 Sections 2-6: all
 (10) Township 14 South, Range 13 East, Fairbanks Meridian
 Section 1: all
 (11) Township 14 South, Range 15 East, Fairbanks Meridian
 Section 6: that portion lying west of the east bank of the Little Gerstle River. (§ 2 ch 39 SLA 1979)

Sec. 16.20.310. Game management plan [Terminates August 1, 1982]. (a) The commissioner of fish and game shall develop and may amend a game management plan for bison in the area described in AS 16.20.300. After holding public hearings in accordance with AS 44.62.310 and 44.62.312, the commissioner shall implement the game management plan.

(b) The game management plan shall include, but is not limited to
 (1) planting grains for bison and planting other wildlife forage;
 (2) altering existing plant cover to create additional range and year-round habitat for bison and other animal species in the area;
 (3) tilling to produce forage.

(c) The commissioner of fish and game shall develop and amend the game management plan to coordinate, as closely as possible, the game management plan with the activities of the Agricultural Development Authority, Department of Natural Resources, relating to the Big Delta agricultural development project. (§ 2 ch 39 SLA 1979)

Sec. 16.20.320. Activities on range area [Terminates August 1, 1982]. Nothing in AS 16.20.300 — 16.20.320 shall be construed as prohibiting activities on land described in AS 16.20.300 which are otherwise permitted in accordance with the laws and regulations of this state, including, but not limited to, hunting, trapping, engaging in recreational activities, using the land for access to adjacent areas and a 300-foot Alaska Railroad right-of-way. (§ 2 ch 39 SLA 1979)

AN ACT

Relating to the Delta Junction Bison Range area.

* Section 1. Section 3, ch. 39, SLA 1979 is amended to read:

* Sec. 3. The provisions of secs. 1 and 2 of this Act terminate 10
[THREE] years after the effective date of this Act unless the legis-
lature provides otherwise by law.

CURRENT
3/5/81

A BISON MANAGEMENT PLAN FOR
FORT GREELY, ALASKA

May 1980

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PURPOSE

These recommendations are made concerning present and future management of the Delta Bison Herd, inasmuch as the herd calves on Fort Greely and spends most of the summer on Fort Greely. Some members of the herd remain on Fort Greely throughout the year. This management plan is necessary because of concerns for herd size, migration routes, calving grounds, feeding ground, food preferences, and hunting pressure, described in detail in succeeding sections.

These recommendations constitute the official position of the 172d Infantry Brigade (Alaska) as to what management actions should be taken on Army lands to meet specified objectives for the herd and its environment. They also provide for cooperative management by the signatories of the cooperative agreement.

AUTHORITY

The Army has a responsibility as a federal land manager to insure that installation wildlife resources are protected, improved, and maintained at optimum levels. Wildlife management programs will be developed and implemented by cooperating state and federal agencies who are a party to the Cooperative Plan for Management of Fish and Wildlife Resources on Army installations in Alaska, revised February 1979. The Bison Management plan contained herein will be approved and signed and will become a part of the cooperative agreement. This plan and its supplements will be reviewed annually by signatory agencies to amend the original as necessary.

THE DELTA BISON HERD

A. History - The herd originated from 23 Montana bison which were brought to Alaska in 1928 by what is now the U.S. Fish and Wildlife Service. They were released in the vicinity of Big Delta-Delta Junction at the site of a then recent, large wildfire. The area had a very sparse human population with large acreages of acceptable pasturage.

The herd grew and eventually portions of it were transplanted to Farewell and Chitina. During the 1950's, herd size was more than 500, but subsequent fluctuations due to severe winters and forage reductions have reduced the herd to about 300 bison. The population is currently maintained at this level through strict hunting regulations.

B. Herd Biology - Factors affecting the size, health, productivity, and mortality of the herd are basically two: range quality and hunting. As burned areas revegetated, range size was reduced and became a limiting factor on the herd. However, farming in the area provided the bison with a new source of food. The bison now spend much of the fall and winter in grain fields which have increased the carrying capacity of the area. With a good winter food source, the Delta Herd has a high birth rate (70%), low calf mortality (80% survival), and generally good health.

Hunting is the chief mortality cause, with 30-50 lottery-drawn permits issued each year. The number is revised annually to balance the number of calves, yearlings, and adults in the herd and also to allow for estimated poaching, winterkill, predation, and roadkill.

C. Current Land Use Areas By Bison - The Delta Bison Herd calves primarily in the Delta River basin along terraces and gravel bars on or near Fort Greely. The area extends from the vicinity of Texas and Washington Ranges to about two miles south of the southern reservation boundary. On the calving grounds, the groups vary in size from one to over 100 and may be spaced up to several miles. The herd congregates here during the period of 1 April to 31 July. An additional, minor calving area, near Healy Lake, occurs off the reservation and will not be discussed here.

During August to September, most of the herd migrates north and east, usually in groups of five to 30 animals. They move generally across the Delta River onto Texas Range and then spread out onto a corridor tending north-east. Specific routes include: The Richardson Highway, the Old Richardson Highway, Meadows Road, Thirty-three Mile Loop, the Pipeline Corridor, the Delta River bed, Jarvis Creek and the various firebreaks and unnamed trails in the area. Nearly all of this activity occurs on Fort Greely.

Bison hunting causes the bison to redistribute over a large area, including northeastern Fort Greely (from Canister Lake and Allen Army Airfield to the eastern-most portion of Thirty-three Mile Loop) and adjacent farm lands on both sides of the Alaska Highway.

Winter, November to March, finds most of the bison within the Delta-Clearwater agricultural district, off of Fort Greely. However, some of the herd do frequent the Buffalo Drop Zone, Allen Army Airfield, and the cantonment area. The groups vary from ten to sixty animals.

The migration back to the calving grounds utilizes many of the same trails as in the northeastward movement. The bison tend to migrate closer to the Delta River, between it and the Richardson Highway, creating a somewhat counter-clockwise movement pattern over the year.

CONSIDERATIONS

A. Military - Testing by USACRTC is now primarily conducted during fall and winter months (usually November to March), so conflicts with the bison herd are limited. Occasionally, a few bison wander onto a hot test range, delaying the test until they leave the area. The calving area does partially overlap the Texas Direct Fire Range and the Washington Test Range, however, this has not yet posed a serious problem. Should Texas Range go to year-round testing, both ranges would be partially unusable during the calving season.

Wandering bison frequently appear down-range on ranges during training maneuvers and live-fire exercises. At these times, firing is halted until the animals move on. Occasionally, the exercises are moved to alternate ranges. Such interruptions are not conducive to satisfactory maneuvers or firing exercises.

Bison periodically interfere with military traffic and airfield operations (described in succeeding sections).

Bison frequently wander onto the main post area of Fort Greely, grazing on lawns, ballfields, gardens, parade fields, and roadsides. They cause congestion of vehicles (often stopped to take photographs) and re-route pedestrians. Their droppings must be individually collected and disposed of each spring by troops.

B. Farming - Although no farming takes place on Fort Greely at the present time, conflicts between bison and grain farmers have indirectly affected the Army through requests and recommendations from the state.

C. Airfield Operations - Whereas Allen Army Airfield is open to civilian aircraft and periodic commercial flights as well as military aircraft, the problem of bison grazing along runways, taxiways, approaches,

and recently cleared areas among the runways is critical. Unless they are encouraged to leave, bison may remain at the airfield for days. For this reason, airfield personnel are in favor of attracting the bison elsewhere as soon as possible.

D. Traffic - Bison roadkills along the local highways and roads average about seven annually. Most roadkills occur at known crossing sites, however, bison may cross anywhere, as they have many established trails.

E. Tourists - Bison are a major tourist attraction for the Delta/Fort Greely area, although they are only occasionally seen along the road system in summer. One opportunity to view bison during the tourist season is a small hill on the east side of the Delta River overlooking the calving grounds. Development of this viewing site would have to be carefully planned and coordinated with all members to the cooperative wildlife agreement.

F. Hunting - Bison hunting generally occurs in mid-October and lasts several weeks. While most of the animals are harvested off Fort Greely lands, several of the early kills occur on the reservation.

ARMY OBJECTIVES

The objectives of the U.S. Army, 172d Infantry Brigade in regard to the Delta Bison Herd include, but are not limited to:

A. Prevention of conflicts between the bison herd and various military missions on Fort Greely.

B. Insure that the bison have adequate habitat especially on the calving grounds for a healthy and productive bison herd.

C. Provide an opportunity to see, photograph, and enjoy bison.

D. Insure that all bison management programs initiated by the Army are harmonious with those of the State and in cooperation and coordination with the State.

SPECIFIC MANAGEMENT GOALS

The specific bison management goals of the U.S. Army, 172d Infantry Brigade for the Delta Bison Herd on Army lands include, but are not limited to:

1. Insure that military training and the military mission in Alaska is not limited or curtailed by bison management techniques.

2. Allow and/or assist the State to use or modify portions of Army lands to achieve state bison management objectives.

3. Minimize bison-vehicle and bison-aircraft conflicts and accidents.

4. Develop areas compatible with viewing, photography, research, and enjoyment of the bison herd.

5. Provide safe hunting conditions when bison harvest occurs within the reservation boundaries.

RECOMMENDATIONS

A. Management Prerequisites - Whereas the Delta Bison Herd migrates among Army, State, and private lands and it is infeasible to prevent this behavior, management must be a cooperative arrangement between the U.S. Army, State, and Federal agencies. Management plans must be coordinated to prevent conflicts between the military missions of Fort Greely and the desires of bison managers.

Whenever management proposals are made for Army lands, they shall be reviewed by relevant agencies prior to finalization and implementation. The cooperative agreement shall be the authority for joint management projects.

B. Plans To Meet Specific Management Goals - This bison management plan presents an overall view of U.S. Army bison management objectives for Fort Greely. Supplements to this plan which meet specific management goals may be developed in the future if needs, funds, and personnel permit. These supplements will deal with specific management goals and will address those goals with very specific objectives and techniques. The development of these supplements will be coordinated with relevant State and Federal agencies.

Supplement A "A MANAGEMENT PLAN TO REROUTE THE MIGRATION PATTERN OF THE DELTA BISON HERD" is attached as the first supplement to this plan. Supplement A addresses several problems discussed under Army Objectives which may be reduced in magnitude by its implementation. Supplement A will meet Specific Management Goal 2 (Allow and/or assist the State to use or modify portions of Army lands to achieve State bison management objectives.)

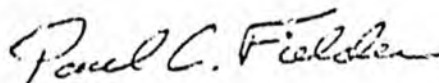
A MANAGEMENT PLAN TO
REROUTE THE MIGRATION PATTERN OF THE
DELTA BISON HERD

SUPPLEMENT "A" TO

A BISON MANAGEMENT PLAN FOR
FORT GREELY, ALASKA

May 1980

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Acknowledgements

This management plan has been developed through a coordinated effort of State of Alaska and federal government agencies who have the responsibility for and/or an interest in the management of the Delta Bison Herd. These agencies include: State of Alaska Department of Fish and Game, State of Alaska Governor's Office, U.S. Fish and Wildlife Service, U.S. Soil Conservation Service, U.S. Bureau of Land Management, and the U.S. Army, 172d Infantry Brigade (Alaska).

Purpose of this Plan

This plan is designed to reduce conflicts between bison and military, farming, and public safety interests in the Delta-Clearwater-Fort Greely area. This plan seeks to encourage the bison herd to follow a little used portion of their migration corridor enroute to their winter range. This would slow down that migration and direct that migration through lands where conflicts will be at a minimum.

Background

The Delta Bison Herd originated from 23 bison brought to Alaska from Montana in 1928. Originally, the Territorial Legislature approved an elk transplant for the Delta area to introduce a species to hunt. The bison were substituted for the elk. Several bison were held at the University of Alaska (Fairbanks) and 19 were released near Delta Junction at the site of a then recent, large wildfire. The area had a very sparse human population and large acreages of acceptable pasturage. Three of the bison held at the University of Alaska were released at Delta Junction in 1930.

The herd grew and eventually portions of it were transplanted to Chitina and Farewell. During the 1950's the herd size exceeded 500 animals but severe winters and forage reductions reduced the herd to about 300 animals. The population is currently maintained at this level through selective hunting regulations.

The bison herd calves primarily along the Delta River on Fort Greely. During August and September, most of the herd migrates north along the river to about the area of Texas Range. Here they spread out onto a corridor tending north-east and continue their

migration to the Delta-Clearwater farming area. Some of the bison frequent the Buffalo Drop Zone, Allen Army Airfield, and the Fort Greely cantonment area.

Presently, several conflicts arise while the bison are enroute to their winter range and while there. The Delta-Clearwater farming area lies just north of Fort Greely. Crop damage occurs in the farming area when the bison reach the fields before farmers have harvested their grain. Generally, the farmers do not object to the bison using their fields after the harvest has been completed. If a red-meat industry develops in the Delta area, as proposed, fields would be fenced and their long term use by bison would be in question. Bison frequently wander onto the main post area of Fort Greely to graze. Here they cause congestion of vehicles, destruction of property, rerouting of pedestrians, and a problem because of their droppings. Bison graze along runways, taxiways, and approaches to Allen Army Airfield, causing a safety problem for aircraft. About seven bison roadkills occur each year along the local highways and roads.

Management Objectives

The objectives of this bison management plan are to slightly shift the bison migration pattern and to slow the bison migration. This will move the bison away from the Fort Greely cantonment area and Allen Army Airfield. It will also delay the bison's arrival in the Delta-Clearwater farming area until after the harvest has been completed. By promoting an "optimum migration route" bison road crossings should be reduced in number and easily identified. These crossings may then be posted with signs to warn motorists and/or steps may be taken to reduce vehicle speed at these points. However, the military mission in Alaska including training exercises cannot be expected to change in relation to this management plan.

Techniques to Meet the Management Objectives

To shift and slow the bison's migration pattern, a cleared trail planted in high quality grasses and supplemented with food plots and salt blocks will be used. The trail will start north of Texas Range along the Delta River. The trail will run east to Jarvis

Creek and then follow the creek to the lakes area between Jarvis Creek and Thirty-three Mile Loop, southeast of the Fort Greely cantonment area. From here a trail will run southeast, directly to Section 12, T.12S, R.11E on the 70,000 acre Alaska State Bison Range where the Alaska Department of Fish and Game is developing a winter range for the bison. No other bison trails or pathways will be cut from Fort Greely to the bison range and any bison trails presently connecting the Jarvis Creek area and the bison refuge shall be effectively blocked at the 33 Mile Loop Road. The trail from north of the Texas Range to the lakes area will be heavily salted with salt blocks to attract the bison to it and keep them moving along it. Scattered along the trail will be food plots at which the bison should stop and graze, thus slowing them down. In addition to the food plots, selected sedge meadows along the trail will be fertilized to enhance the value of natural vegetation along the trail. The trail itself will also be heavily fertilized and planted in high quality grasses to act as an attractant.

A. The Trail System - Map 1 shows the location of the trail system to be developed. The trail will be approximately one dozer blade width wide (14-16 feet). Vegetation will be cleared from the trail corridor and if possible, piled into a berm along the northern border of the corridor. A berm pile, so located, would encourage bison to stay on the trail rather than leaving it and traveling due north. The trail will be planted with perennial grasses of high nutritional value and hardiness, probably durar hard fescue. The trail will be fertilized and planted according to the recommendations of the U.S. Soil Conservation Service. It is anticipated that the trail will be fairly heavily fertilized the first year and then as needed in following years. Fertilization will increase the nutritional value of the vegetation established on the trail system. Bison tend to select the most nutritional forage available and will be more inclined to follow the trail. Salt blocks will be placed along the trail at an application rate recommended by the Alaska Department of Fish and Game. Application rates of salt will be heavier at the head of the trail (Texas Range Area) to initially draw the bison to the trail and start them along it.

B. The Food Plots - As indicated on map 1, food plots will be cultivated at areas along the trail where soils are adequate and where the food plots will benefit the overall management plan. These plots will be planted with barley and fertilized according to recommendations. Size of the plots will vary with soil conditions and the specific purpose of the plots on that section of the trail. The food plots north of the Texas Range should attract the bison migrating north along the Delta River to the beginning of the trail system. Salt and fertilized trails to these food plots from the Delta River will be established along trails presently used by bison. The food plots in the lakes area will be used as a final delaying area on Fort Greely before the bison move to the State Bison Range. Other food plots located along the trail will serve to keep the bison on the trail and also to slow their migration. A total of about 470 acres of food plots (and about 30 acres of trail) will be cleared and cultivated. About 100 acres of food plots, to be initiated the first year, are identified on map 1. The remaining acreages of food plots will be developed as funds, equipment availability, and personnel permit within the first three years. These will be located at areas along the trail and in the final holding area and will be determined later.

C. Enhancement of Natural Vegetation -- Several sedge meadows occur along the proposed trail and in the lakes area. These can be easily fertilized to increase their nutritional value for bison. Many of the small lakeshores and meadows just north of Donnelly Dome along the trail should also be fertilized for the enhancement of existing vegetation. These areas will greatly add to the value of the trail system to the bison herd. Map 1 identified approximately 100 acres of natural vegetation along the trail system which should be fertilized during the first year.

D. Salted Trails - In addition to the salt blocks to be added to the main bison trail proposed above, several other existing trails just south of the Fort Greely cantonment area should be salted. These trails run roughly east to west from the Delta River to the lakes area. Also, some bison may start to follow the main bison trail and then leave it to head due north to the farming area.

These bison will intersect the salt trails before they reach the farming area. The salted trails are only a temporary portion of the plan, to be used the first several years. They will eventually be phased out as more of the bison herd begins to use the main trail from Texas Range to the lakes area.

Timetable

The bison management techniques outlined in this plan to take place on Fort Greely will be completed within a three year period. Periodic maintenance and upkeep of the trail system and fertilization and cultivation of the food plots and sedge meadows may be required.

The work to be accomplished the first year in regard to this management plan will include (see map 1 for details):

1. The clearing and cultivation of the bison trail from the Texas Range area to the lakes area,
2. The clearing and cultivation of at least 100 acres of food plots in the identified areas,
3. The fertilization of approximately 100 acres of natural vegetation along the bison trail,
4. The placement of salt blocks along:
The main bison trail being developed,
Existing bison trails leading from the Delta River to the food plots to be located just north of Texas Range,
And along two existing firebreaks running from the Delta River just south of the cantonment area to the lakes area,
5. The clearing of a trail leading from the lakes area food plots southeast to Section 12, T.12S, R.11E on the State Bison Range, as far as the Fort Greely border. The State of Alaska will continue this trail to the State Bison Range as they desire.

The work to be completed the second and third years will include the clearing and cultivation of the remaining acreages of food plots until a total of 470 acres are under cultivation. The main trail system should also be salted and fertilized in amounts best determined by the cooperators of this management plan. Salt should be placed along the firebreak trails south of the cantonment area in decreasing amounts after the first year.

The entire bison herd is not expected to suddenly shift its migration pattern in one year. However, it is expected that each year more and more bison will use the trail system being established. Hopefully, after several years most of the bison herd will use this slower migration route, which will lead them away from conflicts with man in the Delta Junction-Fort Greely area.

It is necessary to this plan that the State Bison Range east of Fort Greely continue to be developed. While the trail system will slow down the migration and lead the bison away from problem areas, they must have an ultimate destination. This will be the State Bison Range. It will act as the last major holding area before the bison move onto the farmers grain fields, as planned, after the harvest.

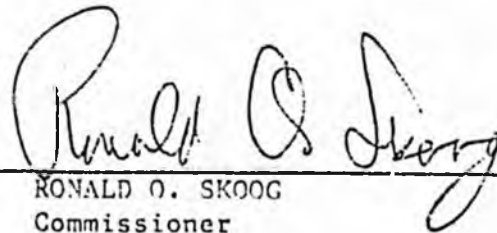
In projecting the future success of the bison herd, it is extremely important that lands for winter range be considered at this time. If the Delta-Clearwater farming area should at any time in the future become unavailable for winter bison range, then another wintering area must be developed. This new wintering area would be crucial to the herd's survival. The US Army, in its attempt to alter the migration pattern and slow down the migration of bison from their calving grounds to the Delta-Clearwater area, has no intention at this time of expanding the number of acres of range on Fort Greely so as to create a new winter range for the Delta Bison Herd.

Funding and Commitments

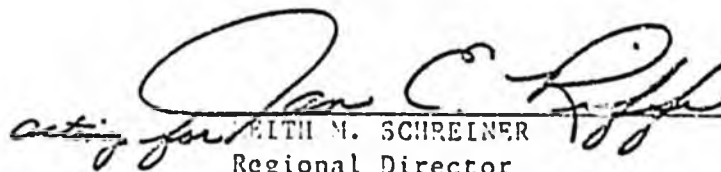
The Directorate of Facilities Engineering, US Army, 172d Infantry Brigade (Alaska), will provide all necessary equipment, labor, and materials

for the implementation of this plan. The necessary work as described in this plan will include land clearing for trails and food plots, seedbed preparation, planting, fertilizing trails, food plots, and native sedge vegetation, and salting trails and the food plot area.

Approval of the Bison Management Plan and Supplement "A" for Fort Greely, Alaska will become effective upon the date subscribed by the last signatory below. This plan when signed by all parties will become a part of the Cooperative Plan for Management of Fish and Wildlife Resources on Army Installations in Alaska, revised February 1979.

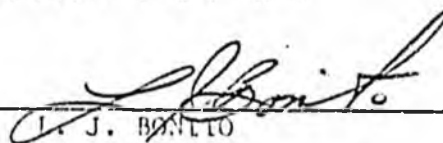


RONALD O. SKOOG
Commissioner
Alaska Department of Fish and Game
Juneau, Alaska 99801
Date 8 Jan 81



acting for

KEITH M. SCHREINER
Regional Director
U.S. Fish and Wildlife Service
Date December 23, 1980



V. J. BONITTO
Colonel, CE
Director of Facilities Engineering
172nd Infantry Brigade (AK)
Fort Richardson, Alaska 99505
Date 24 December 1980

MEMORANDUM

State of Alaska

TO: Ronald J. Somerville
Director
Division of Game

DATE: March 9, 1981

FILE NO:

TELEPHONE NO: 452-1531

FROM: Richard H. Bishop
Regional Supervisor
Division of Game
Department of Fish and Game
Fairbanks

SUBJECT: Attached Memo on
Wildlife: Agriculture
Interactions

Ron, the attached memo contains one technical refinement in item IV(A)(2) to be more accurate regarding bluetongue disease than was the first version of the memo.

It may be worthwhile to provide the House-Resources Committee a copy of this corrected version to preclude any misunderstanding.

Enclosure

cc: Coady

W. Somerville
File

RECEIVED BY DIVISION OF GAME
DIRECTOR _____
DEP. DIR. _____
CHIEF RES. _____
BIOLOGIST _____

MAR 12 1981

BIOLOGIST _____
ADM. ASST. _____
LIBRARY _____
FILE _____
OTHER _____

COMMISSIONER'S OFFICE
RECEIVED
MAR 16 1981

DEPARTMENT OF FISH AND GAME

MEMORANDUM

State of Alaska

TO: Ronald J. Smerville
Director
Division of Game

DATE: March 2, 1981

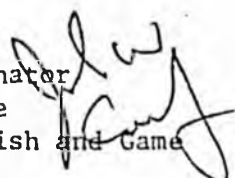
FILE NO:

THRU: Richard H. Bishop
Regional Supervisor

TELEPHONE NO: 452-1531

FROM: John W. Coady
Research Coordinator
Division of Game
Department of Fish and Game
Fairbanks

SUBJECT: Potential Impacts of
Intensive Agricultural
Development on Wildlife
in Alaska



This is to provide an outline of significant interactions which have already occurred or that we should anticipate in the near future between agriculture and wildlife in Alaska. A more detailed and fully documented draft report or "white paper" on this subject will be completed soon.

I. Interaction between agriculture and wildlife will occur.

- A) The history of both favorable and unfavorable influences of agriculture on wildlife in North America is extensively documented.
- B) Small family farms generally benefit some wildlife species, while large fields, crop monocultures, and livestock grazing adversely impact several wildlife species.
- C) In Alaska the best areas for agriculture are also frequently the best for some wildlife species.

II. Wildlife habitat will be impacted.

- A) Loss or alteration of habitat will occur through crop production, grazing, and use of herbicides.
 - 1) This is a major cause of wildlife population declines in many areas of North America.
 - 2) This may cause major impacts in Alaska on some furbearer, moose, bison, black bear, and small game populations.
- B) Competition for forage may occur.
 - 1) Competition for some willow species occurs between moose and livestock in southeast Idaho and Jackson Hole, and for herbaceous plants between livestock and bison in many areas including Alaska.
 - 2) Competition between livestock and moose for some willows and herbaceous forage is possible in Alaska.

- 3) Competition for grasses, sedges, and forbs between livestock and Dall sheep will occur if grazing is permitted in alpine and subalpine areas.
- 4) Competition between reindeer and caribou will occur if reindeer are allowed to graze on traditional caribou ranges.

III. Depredation will occur.

- A) Depredation on crops and structures will result in the need or pressure to reduce a wildlife population size.
 - 1) For example, a Board of Elk Control was established in Utah to control elk numbers because of depredation problems.
 - 2) In Alaska, depredation by bison, moose, waterfowl, hares, squirrels, beaver, and perhaps other species on grain, hay, garden crops, ensilage, and fences will increase.
- B) Depredation on livestock has already and will continue to result in the need or pressure to reduce or eliminate predators, such as wolves and bears.

IV. Disease and parasite problems in both livestock and wildlife will likely increase.

- A) The introduction of infected livestock or domestic animals that affect susceptible wildlife is of paramount concern.
 - 1) This has contributed to catastrophic wildlife losses of some wildlife populations in western states and provinces.
 - 2) For example, thousands of antelope in the western United States have died as a result of bluetongue virus infection. This disease is generally considered to be of domestic livestock origin.
- B) Livestock may infect wildlife, and that wildlife population then will serve as a potential reservoir for reinfection of livestock.
 - 1) Wildlife both may be affected by disease and criticized for being the source of disease.
 - 2) Brucellosis in western states is the best example.
 - 3) Wildlife have been slaughtered to prevent reinfection of livestock.

V. Direct mortality to wildlife will increase.

- A) Unintentional poisoning of wildlife by fertilizers, herbicides, and pesticides has and will continue to occur.
- B) Entanglement in fences will occur.
- C) Shooting of "nuisance" animals and poaching will increase.

VI. Movements of wildlife will be affected.

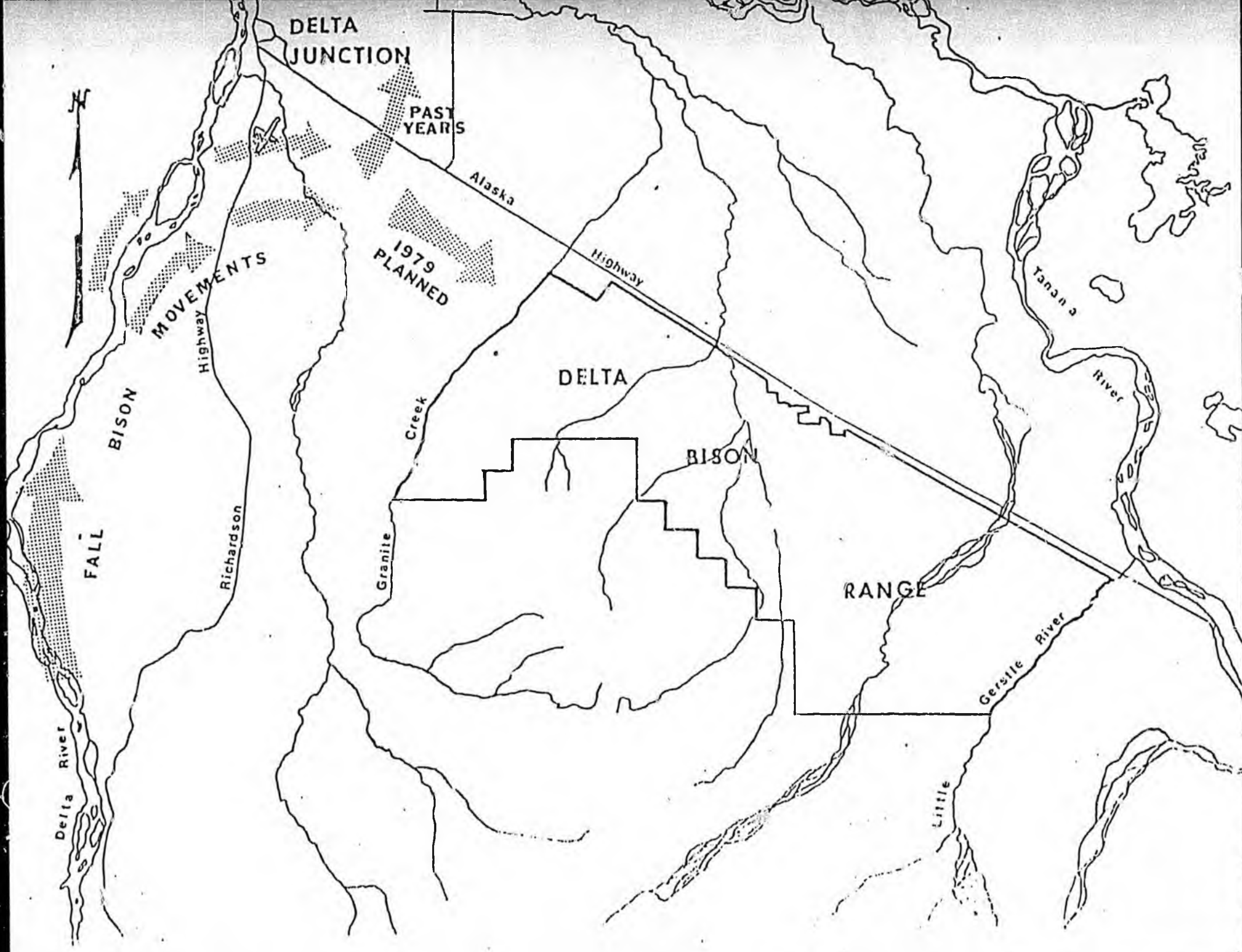
- A) Lengthy fences will create a physical barrier to local movements and seasonal migrations of some species.
- B) Structures, open fields, and intensive human activity may create behavioral barriers.

VII. Access-Trespass problems will increase.

- A) Access to or through areas by hunters and trappers will be limited by agricultural developments.
- B) Trespass by outdoorsmen, possibly resulting in vandalism and unintentional property damage to agricultural developments, will increase.
- C) Improved public access via agricultural development may create new wildlife management challenges which we should be prepared to meet.

VIII. We should provide for the optimum sustained use of all natural resources.

- A) The agricultural industry should be developed and expanded in Alaska.
- B) Policy decisions should be deliberate and objective and should strive for careful consideration of soil, water, plant, and wildlife resources.
- C) Wildlife losses and the loss of traditional uses of wildlife can be mitigated with careful assessment and planning.
- D) With proper planning, agricultural development can be compatible with the long-term well-being of most wildlife populations in Alaska.



March 15, 1981

James B. Goodman, D.D.S.
Delta Fish & Game Advisory
Committee
Box 1108
Delta Junction, Alaska 99737

Honorable Fred Zheroff
Co-Chairman, House Resources Committee
Capitol, Room 120
Pouch V, State Capitol
Juneau, Alaska 99811

Dear Sir:

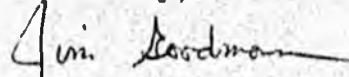
The Delta Fish & Game Advisory Committee would like to take this opportunity to provide written comments regarding current bison legislation.

First of all and most recently, we have whole-heartedly endorsed the petition for legislative relief which urgently requests the assistance of the Alaska legislature to resolve the unique Agriculture/ Bison problem in the Delta Junction area. This petition is a major compromise by both factions in our area. We have realized that the "ag-lovers" and "bison-lovers" can and must co-exist and work together; or both the bison and agriculture here may be doomed. Indeed, this petition is the first major positive step. We are hoping the legislature will concur and take that same positive step.

This petition supports three points. The one item being addressed by your committee this week will hopefully be the \$1.5 million for alternative bison habitat improvement (to the Dept. of Fish & Game) as outlined by the petition and supported by both the Delta Agriculture project farmers and the Delta Fish & Game Advisory Committee. This money is badly needed. It can make it possible to do large scale clearing and planting of the Bison Range (which incidentally is a general Wildlife Habitat Area for moose, bear, furbearers, small game, etc., besides bison). This money can also help develop the summer range so the bison will stay on the Delta River longer into the fall and thus, delay their potential for migration to the agriculture area.

We are aware that House Bill #82 appropriates \$250,000.00 if passed and House Bill #83 another \$25,000.00. However, we need a more massive sum to do the needed large scale clearing and planting of the Bison Range and make the range effective this year and next. That is why the farmers and the Fish and Game Advisory Committee requested the \$1.5 million. That is also why the general populace in Delta supports the petition. And now that is why we need positive action from you and the House Resources Committee.

Sincerely,



James Goodman, D.D.S.

REPRESENTATIVE
H. PAPPY MOSS
P.O. BOX 182
DELTA JUNCTION, ALASKA 99737
(907) 525-4384



WHALE R. JUNEAU
PO BOX V
JUNEAU, ALASKA
99811
(907) 455-4990

House of Representatives

February 20, 1981

The Honorable Terry Gardiner
The Honorable Fred Zharoff
Co-Chairmen of House Resources

Dear Sirs:

A serious conflict is developing between agricultural development and control of the free ranging bison herd. In order for orderly progress to proceed, it is necessary for the issue of the bison range and bison crop damage to be addressed. I personally feel that it is unfair to ask farmers to invest substantial amounts of their own money into crop production if the state does not plan for control of wild bison that can do literally hundreds of thousands of dollars in damage. It should be noted that these animals are technically owned by the State of Alaska.

Therefore, I would like to request a hearing as soon as possible on the following bills which I have introduced which address this situation:

House Bill 79: "An Act authorizing the Alaska Agricultural Action Council to compensate certain farmers for the loss of income attributable to bison."

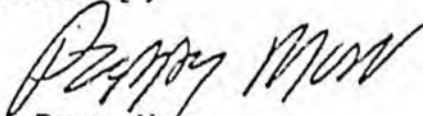
House Bill 80: "An Act making a special appropriation to the Alaska Agricultural Action Council for the compensation of farmers suffering loss of income due to bison; and providing for an effective date."

House Bill 82: "An Act making a special appropriation to the Department of Fish and Game for clearing and planting on the Delta Junction Bison Range; and providing for an effective date."

House Bill 83: "An Act making a special appropriation to the Department of Fish and Game for the purpose of reducing bison crop damage; and providing for an effective date."

Thank you very much for your consideration on this matter.

Sincerely,


H. Pappy Moss

Alaska State Legislature



Handwritten signature
KRISTINA

WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
(907) 465-4890

REPRESENTATIVE
H. PAPPY MOSS

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

House of Representatives

March 10, 1981

The Honorable Terry Gardiner
The Honorable Fred Zharoff
Co-Chairmen of House Resources

Dear Sirs:

I'm writing concerning a serious problem that is developing in the Delta area. It concerns the damage that bison are inflicting on agricultural crops. This matter was discussed in your committee during the week of agricultural overflows, and in a letter by myself to you on February 20, 1981.

I would again like to request that the bills, House Bill 79, 80, 81, and 82, which address this subject, be scheduled for committee hearing as soon as possible.

Thank you very much for your consideration.

Sincerely,

Handwritten signature of H. Pappy Moss
H. Pappy Moss

A P E T I T I O N F O R L E G I S L A T I V E R E L I E F

WE, THE UNDERSIGNED, URGENTLY REQUEST THE ASSISTANCE OF THE ALASKA LEGISLATURE TO RESOLVE THE UNIQUE AGRICULTURE/BISON PROBLEM IN THE DELTA JUNCTION AREA BY THE FOLLOWING MEANS:

1. Pay just compensation for 1980 losses to farms due to bison, to be administered by the Division of Agriculture;
2. Appropriate \$1.5 million for alternative bison habitat improvement to the Department of Fish and Game; and
3. Develop a bison crop damage insurance program to insure against future bison-caused losses to crops, to be administered by the Division of Agriculture.

FUNDS FOR THESE PROGRAMS SHOULD BE APPROPRIATED FROM THE GENERAL FUND.

signature

affiliation

address

FOR THE DELTA FISH & GAME ADVISORY COMMITTEE:

William P. Taylor, Jr.

WILLIAM P. TAYLOR, JR.

Secretary

Box 488

Ft. Greely, AK 99790

873-4126

Kerston

Cynthia Brehmer
Mile 1403½ Alaska Hwy.
Delta Junction, Ak. 99737

March 9, 1981

Legislator
Dear ~~Editor~~

I would like to comment on a report which appeared in the March 3rd edition of the Fairbanks Daily News-Miner. The report titled "critizing states agriculture" quoted a memo in Juneau which described agriculture in this state as alot of "hype". It went on to report some statistics regarding the per acre yields of barley on the Delta Ag Project. It quoted various politicians and bureaucrats as reporting very inconsistant and conflicting figures, leaving one who has no insight on agriculture to conclude that they should not believe anything they read, hear, or witness regarding the potential of our Alaskan lands to be productive. Therefore I would like to clarify and explain what my interpretation is of these conflicting reports.

The first one quoted was Mr. Palmer who reported yields of 100 bu./acre. Now, at the very beginning of harvest, prior to most of the weather and bison damage, it could have been entirely possible to realize such a yield on some farms. Near this time my father-in-law, a grain farmer from the mid-west who spent over 50 years producing wheat, barley, and oats, visited our farm and predicted yields between 80 and 100 bu./acre. But we never had a chance to verify his predictions -- it rained all of August and by the first of September the buffalo had raided and destroyed our best fields. However, I was there the day Mr. Palmer made his statement on the yields coming from our neighbors' field -- it was towards the beginning of harvest -- in fact the day the governor visited the project. I would not have disputed Mr. Palmers reported yields that day on the fields being harvested, and there were many others at that gathering who were not questioning the accuracy of those yields.

Our Rep. Pappy Moss is quoted as reporting some 70 bu./acre. Perhaps he got his figure from the report we provided him on the yields from our farm. A measured yield on our last day of harvest (on a piece the bison neglected to trample) provided evidence that we could have yielded an average of 74 bu./acre in spite of our late harvest and losses due to the lodging and shattering caused by over two months of wind, rain and snow.

Mr. Pollock is reported saying the yields were 40 bu./acre. Perhaps he computed the average on all the acres harvested on the Ag. Project and throughout the area. I witnessed a great variation in planting dates from farm to farm last spring and some late plantings could have been caught by the freak Aug. 1st frost (which was by the way a real killer - it totally destroyed my garden). Of course there are other variables too -- moisture is one and new ground has considerably more moisture than ground which has been farmed for many years.

The last reported yield was said to have been taken from the "Delta Aggie News" -- it was 33 bu./acre. Perhaps someone computed this average based on the total acreage planned. But due to the unusual weather not all that was planted last year was harvested so naturally that would further lower the over-all average figure on per acre production.

It is not difficult to understand certain discrepancies -- its often a simple matter of gathering all the facts and putting them straight. Its been my observation that agriculture in this state has been and is continually being battered with incomplete facts, inaccuracies, and misconceptions. However, if we should ever rise above all of this there is no doubt in my mind that not only will agriculture become a valuable contributor to Alaskas economic base but farming will become a desireable way of life for many Alaskan families. Once this occurs agriculture here will be taken much more seriously, there will be a sharp increase in efficiency and production. and Alaska will realize its real potential to contribute to one of the most valuable, vital industries known to mankind -- food production.

Sincerely,

Cynthia Brehmer

Cynthia Brehmer

Cynthia Prehmer
Mile 1403½ Alaska Hwy.
Delta Jct., Ak. 99737

March 1, 1981

Dear Governor Hammond,

Do you remember me? Probably not -- but while you were visiting the Delta Ag Project last fall I shook your hand as you were leaving and we exchanged a few words.

I didn't want to spoil the party that day since everyone was seeming to have such a good time so I refrained from standing up and shouting what my true feelings were. You see at that time I was overwhelmed with anxiety and frustration, not just because we were at a very critical time of harvest and the weather to that point hadn't been cooperative, but because down the road a few miles what had been lush fields of grain (similar to those you witnessed that day) were being eaten, trampled and pounded to the ground by the Delta bison herd. I was by this time totally frustrated because this had been going on for several weeks and in spite of our regular patrols around our fields and tactics employed by the Dept. of Fish & Game to divert them, the bison were insistant upon staying. Not only had these critters already destroyed any anticipated profit for the year but it was becoming increasingly evident that they were going to continue to race us for what was left of our harvest, creating a disaster which was not only a severe financial loss but would seriously impede and delay our future plans for our farm development.

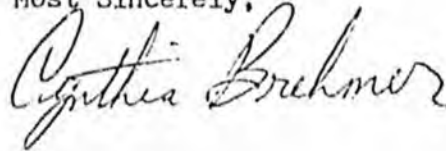
The news media has taken a recent interest in this problem and as is typical with news stories the facts are not quite complete and I hear more than just a little distortion in what they do have. These are some of the allegations: (1) That some of us farmers are "threatening" not to plant our crops. Since I am involved with one of these farms I would like to clarify this statement a little. There are absolutely no threats involved what so ever -- if it is economically feasible to plant a crop on our farm we will -- if it is not we won't. (2) That some of the farmers are claiming losses due to the bison while other farmers do not see the bison as a serious problem. Now it may be true that not all of the farms were on the path the buffalo chose last fall and some farms are more strategically located for the bison, with better access for a speedy retreat to cover when they are threatened, allowing some farms to escape with very little damage. However I personally know most of the farmers in this community and I do not know of a single farmer with 1980 production who will admit that they escaped with NO loss, nor have I heard any farmer dispute the fact that a serious problem exists. These farmers are simply being honest when they say that the bison were no serious problem to them in 1980 but there is no way that they could have implied that the bison are no problem to the farming community as a whole when they were witness to severe destruction on adjacent farms. Furthermore these farmers should be aware of the decreased chance of escaping the plight of their neighbors should their neighbors not be able to plant in 1981 -- which would leave the path wide open to other fields. Thus to imply that the problem exists for only some of the farmers is quite in error. (3) The third allegation is that we farmers knew the bison existed before we started -- implying what? That we knew we were planting a crop for the buffalo? That we invested over two years of hard work preparing our land for the bison and invested all the financial resources we

could come up with to plant a crop knowing that we may not even recover our direct operating expenses? On the contrary -- we had no idea what we were in for with the bison problem. Furthermore, prior to the Delta I Ag land lottery I distinctly remember being reassured that the bison were not known to dwell in the area of the Delta barley project. It was only after the land clearing and production began that the bison moved into this area and prior to our own crop production I had not seen one of these animals on our farm.

Finally it is being alleged that this problem has become a political football and thus my reason for this letter -- we do not have time for games. Do you recall our brief conversation that brisk fall evening last September? As you were departing from your visit with us farmers I introduced myself and called your attention to our problem with the buffalo and you replied "yes, I realize we have a problem and we're going to do something about it -- we're working on it." Its been over six months since then and I realize that legislative action sometimes takes a while but its only a matter of weeks now before we can get back in the fields -- in fact we should be gearing up for our operation right now and we need to know NOW whether or not we can proceed. So unless we can be assured that we do not have to carry the financial burden of this problem while it is being solved, i.e. by receiving compensation for 1980 bison caused losses, and unless we are reassured that we do not have to suffer the same consequences in the future, i.e. by getting action to solve this problem NOW, it is inconceivable to invest all of our time, effort and financial resources into the production of a guaranteed loss.

I am enclosing a copy of our documentation on the amount of 1980 bison damage to our crop and the resultant financial loss, as well as all related correspondence to date with various State agencies and officials.

Most Sincerely,



Cynthia Brehmer

DELTA ECONOMIC DEVELOPMENT COMMITTEE

RESOLUTION # 81-101

BISON

WHEREAS, the State of Alaska has invested in establishing the Delta Junction area as the nucleus of the state agricultural program designed to convert immediate state wealth into a permanent renewable resource industry with its permanent wealth, and

WHEREAS, there are currently approximately 22 large tract farms and 50 small tract farms in the Delta Junction area that have been established because of the State's expressed and implied commitment and encouragement, and

WHEREAS, there have been several private businesses that have made large monetary investments in, and commitments to, the Delta Junction community with a dependence on the success of agriculture in the community, and

WHEREAS, much of the Delta community has changed its no-growth attitude to a more positive progressive one which has brought about a dependence on a successful agricultural program in projects: "Delta I", "Delta II", and the "Tanana Loop Projects" based on the State's full backing, participation and encouragement, and

WHEREAS, the Delta Junction area bison herd has been in constant conflict with the advancement of agriculture in the Delta Junction area, and

WHEREAS, the management costs of the herd in the past; the herd stability; the growth and availability for sport hunting; the success of the agricultural project; and the economy of the State of Alaska as well as the economy of the local Delta Junction area can be enhanced by a change in bison management practices.

NOW THEREFORE BE IT RESOLVED, that the Delta Economic Development Committee strongly urges the following steps be taken to make the bison herd a more valuable asset to all Alaskans and the agricultural programs a successful industry that will also serve all Alaskans.

1. Several farmers received severe crop damage from the bison herd in 1980, therefore, immediate funding should be appropriated for compensation for 1980 losses in order to insure that these farmers can plant in 1981. This is the short term solution.

2. Funds should be immediately appropriated through the Alaska State Legislature and to the Alaska Department of Fish and Game to select an appropriate area on state land of approximately 6 square miles or approximately 23,040 acres in size. This area should be fenced in its entirety with a 7' high chain link fence and made into a bison range and park. Four thousand acres should be cleared and would be planted to an annual or perennial crop for grazing.

There are many obvious benefits to this bison management and economic development strategy:

A. This would have a very positive affect on the Alaskan economy that is built around tourism. We currently advertise the bison as a tourist attraction but no one ever sees them so they take a negative attitude back to "would-be tourists".

B. The herd would not be susceptible to predation, highway fatalities or poaching, and therefore numbers would increase.

C. With increased numbers of animals, sport hunters would be able to take more animals for herd management purposes. More important, is the fact that sport hunters would be allowed to have guaranteed continued hunting privileges in the bison herd.

3. A crop damage compensation fund should be appropriated immediately to cover farmers losses until this long range bison management and economic development plan is implemented within the next two years.

4. The Delta Economic Development Committee is at the disposal of the State of Alaska with regard to implementing this program.

Christman

DELTA ECONOMIC DEVELOPMENT COMMITTEE

RESOLUTION # 81-102

SLAUGHTER AND PROCESSING

WHEREAS, the State of Alaska has invested in establishing the Delta Junction area as the nucleus of the State of Alaska's agricultural program that was designed to convert immediate state oil wealth into a renewable resource industry and the permanent wealth that goes with it, and

WHEREAS, there is currently approximately 22 large tract farms and 50 small tract farms in the Delta Junction area that have been established because of the State's expressed and implied commitment and encouragement, and

WHEREAS, there have been several private businesses that have made large monetary investments in, and commitments to, the Delta Junction area with a certain dependence on the success of agriculture in the area, and

WHEREAS, much of the Delta Junction area has changed its no-growth attitude to a more positive and progressive attitude which has brought about a dependence on a successful agricultural program in state projects "Delta I", "Delta II", and the "Tanana Loop Project" based on the State's full backing, participation and encouragement, and

WHEREAS, the geographic location of a slaughter and processing facility, cattle feed lots, beef cow-calf operations, major swine operations, and implementation of the entire red meat infrastructure is a current major decision that the State of Alaska will be addressing in the near future.

NOW THEREFORE BE IT RESOLVED, that the Delta Economic Development Committee urgently and emphatically requests the Alaska State Legislature and the Alaska Agricultural Action Council to take the following action in order to meet its obligations and commitments to the existing agricultural programs in the Delta Junction area in order to insure the success of these programs which will, in turn, insure the success of any future State agricultural endeavors.

I. Proceed immediately with the funding for, and implementation of, a red meat slaughter and processing facility in the Delta Junction area. This should be in place and in operation as soon as possible. The funding for the feed lot, cow-calf operations, and swine operations should be appropriated immediately so the timing of the market-age animals can be made to coincide with the opening of the slaughter and processing facility. The obvious benefits to the State of Alaska and the entire future of agriculture in Alaska from placement of the slaughter and processing facility in the Delta Junction area are the availability of cleared land due to the long-time area farmers and the extensive clearing programs that have been completed over the past two or three years in the Delta I and Tanana Loop projects. This land can produce an immediate feed base for the livestock required for the slaughter and processing facility on a local basis.

II. Since the State of Alaska elected to start the agricultural industry in the Delta Junction area, the placement of the slaughter and processing facility in the same area would serve to create a local market for the grain that can be, and is, grown on the already developed Delta I land.

III. There are existing livestock programs in the Delta Junction area that include beef cattle, dairy cattle, and the largest swine operation in the State. Not only can these existing beef operations be converted to the needed feed lot and cow-calf operations, but coupled with the existing swine and dairy operations, they can supply the slaughter and processing facility with enough carcasses immediately when the facility is operable to make it economically viable. This is a mutual dependency that when working as one infrastructure, in one area, can only foster and perpetuate the success of the entire statewide agricultural future.

Kristine

DELTA AREA FISH & GAME ADVISORY COMMITTEE

Box 488

Ft. Greely

Alaska

99790



The Honorable H. Pappy Moss
Pouch V, State Capitol
Juneau, AK 99811

February 28, 1981

Dear Pappy,

Lincoln said "a house divided cannot stand," and until now, the Delta community has indeed been a house in danger of falling on the bison issue. The enclosed petitions a new unity of purpose that bodes well for both agriculture and free-ranging bison.

We are aware of the five bills (HB's 78, 79, 80, 82 and 83) you previously introduced to resolve this issue, and note that the approach you had taken from the beginning is what we are now requesting. The only deviations from your approach that we would request are these:

1. the compensation and insurance programs funded from the general fund be administered by the Division of Agriculture rather than the Alaska Agricultural Action Council; and
2. more money be appropriated for bison habitat management; i.e., 1.5 million dollars.

With respect to the latter, we are very well aware of the need for fiscal conservatism, even in an era of considerable oil wealth. In defense of our request for \$1.5 million, we would ask you note the following points:

1. The appropriation should be in force for a number of fiscal years which would reduce the impact each year.
2. The bison range is a potential source of revenue through the sale of timber. Rough calculations suggest that the timber may be worth \$3.9 million to the state. Careful clearing will preserve these values until the timber can be harvested. Timber cutting is obviously consistent with the purposes of the range.
3. With the agriculture development that is now going on, few places will remain for public firewood cutting. The bison range is one such reserve for public use. Clearing activities will make much of this wood accessible.
4. Clearing the land will make cooperative farming possible. For example, local farmers could use part of the land to plant and harvest oats and oat hay, with a portion left for the bison. ADF&G is working on an agreement for cooperative farming at this time.
5. A large amount of clearing is important in attracting bison away from private fields. It is apparent that a small amount of clearings, such as we have now, has very little attraction.

February 28, 1981

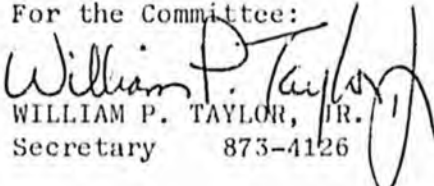
6. Winter range has been little mentioned, although it was one of the chief purposes for the bison range in the original legislation. We feel very strongly about this, because we believe in the next 10-15 years the bison's traditional winter range will be in farms and fenced against them to keep cattle enclosed. We saved this point for last because it is the least obvious yet most important. Without winter range, Alaskans are in time going to lose these bison.

Since our primary interest in this petition is the bison, we have not addressed in detail the other two points of the petition. Nonetheless, the committee supports the ideas of compensation through insurance for future bison damages, and direct compensation for properly surveyed and documented damages in 1980. We will note only that development of the range should reduce the future cost of the compensation program.

We appreciate your consideration of this and your long-time support for both wildlife and agriculture.

Sincerely,

For the Committee:


WILLIAM P. TAYLOR, JR.
Secretary 873-4126

cc: Alaska House of Representatives
Alaska State Senate
Governor Hammond
Commissioner Skoog
Robert Pollock, AAAC
Division of Agriculture
The Delta Paper
The Fairbanks Daily News-Mirror
Ted Dixon, TVSA
Tom Scarborough, ASC

A PETITION FOR LEGISLATIVE RELIEF

WE, THE UNDERSIGNED, URGENTLY REQUEST THE ASSISTANCE OF THE ALASKA LEGISLATURE TO RESOLVE THE UNIQUE AGRICULTURE/BISON PROBLEM IN THE DELTA JUNCTION AREA BY THE FOLLOWING MEANS:

1. Pay just compensation for 1980 losses to farms due to bison, to be administered by the Division of Agriculture;
2. Appropriate \$1.5 million for alternative bison habitat improvement to the Department of Fish and Game; and
3. Develop a bison crop damage insurance program to insure against future bison-caused losses to crops, to be administered by the Division of Agriculture.

FUNDS FOR THESE PROGRAMS SHOULD BE APPROPRIATED FROM THE GENERAL FUND.

signature	affiliation	address
Eric M. Cook	Farmer	Mile 1403/2660 Mile Hwy Delta Jct
John S. ...	Group Leader - Farmer	Mile 1403/2660 Mile Hwy Delta Jct
Henry M. ...	Employer	Mile 1403/2660 Mile Hwy Delta Jct
William ...	Truck R.	Mile 1403/2660 Mile Hwy Delta Jct
Steve K. ...	Farmer	Mile 1403/2660 Mile Hwy Delta Jct
Angus M. ...	Farmer	Mile 1403/2660 Mile Hwy Delta Jct
John A. ...	Farmer	Mile 1403/2660 Mile Hwy Delta Jct
Marjorie ...	Farmer	Mile 1410
Leah J. ...	Truck R.	Box 593 Delta Jct AK
John W. ...	Truck R.	Box 1433 Delta Jct AK
Donald W. ...	Farmer	Mile 1403/2660 Mile Hwy Delta Jct
William ...	"	"

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FUNDS FOR THESE PROGRAMS SHOULD BE APPROPRIATED FROM THE GENERAL FUND.

signature	affiliation	address
Richard J. ...	Farmer	Delta Big Delta SCS D SR Box 90648, FAKs 99701
Keith V. ...	"	SR Box 90644 FAKs 99701
John ...	Farmer	Mile 1403/2660 Mile Hwy Delta Jct
John ...	SCS - Delta County	Delta Jct. AK 99757
Roger ...	SCS - Delta Junction	Box 491, Delta Jct, AK 99757
Thomas X. ...	SCS - Delta Junction	Box 847 Delta Jct, AK 99757
Patricia B. ...	Chamber of Commerce	Box 36 Delta Jct.
Ann ...	Chamber of Commerce	Box 361, Delta Jct.
Patricia ...	Chamber of Commerce	Box 361, Delta Jct.
William ...	Farmer	Box 252 Delta Jct
William ...	Farmer	Box 252 Delta Jct
William ...	Farmer	Box 252 Delta Jct
John ...	Farmer	Box 252 Delta Jct

A PETITION FOR LEGISLATIVE RELIEF

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FUNDS FOR THESE PROGRAMS SHOULD BE APPROPRIATED FROM THE GENERAL FUND.

signature	affiliation	address
FOR THE DELTA FISH & GAME ADVISORY COMMITTEE:		
<i>William P. Taylor</i> WILLIAM P. TAYLOR, JR. Secretary Box 488 E.L. Greely, AK 99790 873-4126		
<i>Richard D. Kroe</i> <i>Richard D. Kroe</i>	"C" WICK TRACT "I"	Box 60782 FAIRBANKS 99706
<i>Frank [unclear]</i>	Delta resident/farmer	P.O. Box 306 E. GREELY, AK

A PETITION FOR LEGISLATIVE RELIEF

WE, THE UNDERSIGNED, URGENTLY REQUEST THE ASSISTANCE OF THE ALASKA LEGISLATURE TO RESOLVE THE UNIQUE AGRICULTURE/BISON PROBLEM IN THE DELTA JUNCTION AREA BY THE FOLLOWING MEANS:

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FUNDS FOR THESE PROGRAMS SHOULD BE APPROPRIATED FROM THE GENERAL FUND.

signature	affiliation	address
<i>Steve Taborski</i> <i>Steve Taborski</i>	Teacher Delta High	P.O. Box 654 Delta
<i>Alvin Beck</i>	Principal Delta High	P.O. Box 274 Delta
<i>Ernest J. [unclear]</i>	Teacher D.H.S.	P.O. Box 100 D.J.
<i>Mike Carlson</i>	Vols leader Delta Fish & Game Advisory Committee	P.O. Box 953, DJA
<i>Art Keaster</i>	FARM WORKER	Box 947 Delta, Alaska
<i>Billie Keaster</i>	FARM WORKER	Box 947 Delta, Alaska
<i>Charles [unclear]</i>	Subcontractor	"2. is essential" Subcontractor Submittal P.O. Box 949 Delta 99707
<i>Stan D. Franklin</i>	Delta Ag. Project	P.O. Box 882 Delta, Alaska
<i>Parvula [unclear]</i>	63 W. Pennsylvania St	P.O. Box Delta, Alaska
<i>Carol [unclear]</i>	1400 S. AK - camp area	P.O. Box 397, Delta, AK
<i>DMIT [unclear]</i>	resident	PO Box 1157 Delta, Alaska

Kristina

MSG 81-00007670 PRTY 1 03/10/81 20:22:28 ORIG: LF00 IN= 0021 OUT= 0099
FROM: MAXINE TO: JUNO INFO PAGE 0001
TARGET: LJH2 SUBJ POM

TO: HOUSE RESOURCE CMTE
REF. BETTISWORTH, BROWN, FANNING, RANDOLPH, ROGERS, SMITH
SEN. BENNETT, FAHRENKAMP, PARR

FR: CYNTHIA BREHMER, MI 1403 1/2 AK HWY, DELTA JCT., 99737
NO PHONE

IN 1980 WE PROVED THE ECONOMICAL FEASIBILITY OF SMALL GRAIN PRODUCTION
IN INTERIOR AK, I.E. WITH PROPER MANAGEMENT AND IF THE INFRASTRUCTURE
EXISTS. BUT THE BISON PROBLEM IS A SERIOUS CONFLICT WHICH NEEDS RESOLVING
IF AGRICULTURE IS TO CONTINUE TO EXIST IN THE TANANA VALLEY.

IN ORDER FOR THE FARMER AND THE BUFFALO TO CO-EXIST THERE MUST BE
RESPONSIBILITY AND CONTROL. IT IS TIME TO ACT SWIFTLY, RATIONALLY,
AND REALISTICALLY TO SOLVE THIS PROBLEM. PLEASE SUPPORT HB79, 80, 82, 83.

FBX/MW

CRT MESSAGES ARE LIMITED TO 50 WORDS. THESE MESSAGES ARE TRANSMITTED TO JUNEAU BY OUR STAFF ON A TIME-AVAILABLE BASIS.

Date March 17, 1981

Name (print) Paul & Loretta Nistler

Representing Ourselves

Address Box 952 (Mile 1 Nistler Rd.) Delta Junction, Alaska 99737

Phone Number 895-4550

To House Resources Committee

Re Bison

Message Urge support of necessary bison control during

harvest by establishing bison range area, to include

adequate feed, water, fencing to keep bison out of grain

fields until reasonable harvest period ends. Bison should

then be allowed to roam free. Compromise IS possible and

will enhance both bison herd and agriculture.

Signature

Paul Nistler
Loretta Nistler

Can be contacted at following times 9 am - 3 pm (AST) weekdays

Address and phone number if different from above 895-4558 (nights, weekends)

CRT MESSAGES ARE LIMITED TO 50 WORDS. THESE
MESSAGES ARE TRANSMITTED TO JUNEAU BY OUR STAFF
ON A TIME-AVAILABLE BASIS.

Date 3/17/81

Name (print) Malinda D. Egglosten

Representing self

Address Box 722 Delta Junction, Alaska 99737

Phone Number 895-4611 (work)

To Alaska House Res. Com. ; Rep. Mess

Re Bison- Delta Area

Message The buffalo have been here in Delta for a long time. I believe they
belong here. Many local folks farmed here for years without "buffal destruction".
Its like building a housing development in a snake pit, and expecting the snakes
to leave!

Signature Malinda Egglosten

Can be contacted at following times 9:00- 3:30 Mon-Fri

Address and phone number if different
from above _____

3

CRT MESSAGES ARE LIMITED TO 50 WORDS. THESE
MESSAGES ARE TRANSMITTED TO JUNEAU BY OUR STAFF
ON A TIME-AVAILABLE BASIS.

Date March 17, 1981

Name (print) Patti Dull

Representing myself

Address Box 38 (5 1/2 mile Remington Road), Delta Jct., Ak.

Phone Number 895-4439

To House Resources Committee

Re Bison

Message I support necessary bison control during the
harvest season around the Delta area. Fencing during
the appropriate time will not harm the bison as long
as they have the food, water and salt. Agriculture
is one of the best renewable resources we could have.

Signature Patti Dull

Can be contacted at following times 9 am - 5 pm weekdays

Address and phone number if different
from above _____

CRT MESSAGES ARE LIMITED TO 50 WORDS. THESE MESSAGES ARE TRANSMITTED TO JUNEAU BY OUR STAFF ON A TIME-AVAILABLE BASIS.

Date 3/17/81

Name (print) Thomas T. Shaw

Representing self

Address Box 547 Delta Junction, Alaska 99737

Phone Number 897-4241

TO House Res. Com. ; Rep. Moss

Re Delta Bison

Message I support the 3 part petition being circulated:

- 1. pay crop losses for 1980 season due to bison
- 2. \$1.5 million habitat improvement
- 3. Crop insurance

I most strongly support #2.

Signature Thomas T. Shaw

Can be contacted at following times _____

Address and phone number if different from above _____

12
Kristine

CRT MESSAGES ARE LIMITED TO 50 WORDS. THESE
MESSAGES ARE TRANSMITTED TO JUNEAU BY OUR STAFF
ON A TIME-AVAILABLE BASIS.

Date 3/16/81

Name (print) Glenn L. Belkern

Representing self

Address Mile 1403 Av. Hwy.

Delta Junction, Alaska 99737

Phone Number _____

To Rep. Mess; House Resources Committee

Re HB 79, 80, 82, 83

Message We need positive action on these bills soon, in order for anyone
to schedule anything this season. These bills are important not only to us
farmers, but to Biscn advocates and the biscn themselves.

Signature Glenn L. Belkern

Tract "R" Delta Barley Project

Can be contacted at following times anytime by mail - no phone

Address and phone number if different
from above _____

Kristine

March 12, 1981

Mr. ✓ Members of the House Resource Committee
✓ Rep. Moss
✓ Sen. Sackett

The State of Alaska has invested considerable time, money and effort in developing the present agricultural program, however, the State should also consider the non-agriculture people who are greatly concerned with the future of the bison herd.

During the last election, many present legislators used the agriculture issue as a stepping block for re-election, even though they were opposed to it during the 11th legislative session. If a legislator can climb the fence on a statewide issue for re-election, then perhaps they should use some foresight concerning the bison, for we consider it equally as important.

Agriculture has not received the greatest public relations, and to forfeit the bison in the name of progress will not improve the public attitude towards the agriculture project. Putting all threats and blame aside, and working with each other to solve this problem can only result in more favorable relations between fractions. The bison can not fight for their own survival, they need assistance from the same source which presently threatens them.

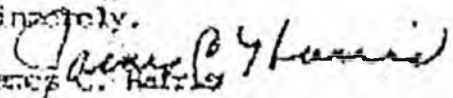
Many of you legislators, when bison are mentioned, laugh and walk away feeling it is no concern of yours, and you really couldn't care less about the problem. We the public that you represent, like to believe you are operating in good faith, and that our issues of concern are yours.

You can appropriate money to eradicate the hazardous predators that plague the moose and caribou, (which are wild and free roaming), why then do you feel the appropriations to save the bison a waste of time and money?

Of the \$33718,814,900 requested for special or new appropriations, the amount of \$425,000 seems more than reasonable to save a wild free roaming bison herd, that depends on us for survival.

There has been farming in this area for many years, ONLY now with the States new found wealth, have the "new" farmers begun to expect the State to refund them for bison damage. Their answer, is to look the opposite direction when poaching is evident, or to take it upon themselves to eliminate the animals, as has happened in the past.

We are requesting that the legislature be aware of our concerns, and willing to work with us to solve this problem of bison verses agriculture. We urge your support for HR 79, (on a one time only basis), HB 80, 82, and 83.

Sincerely,

James C. Harris
Box 974
Delta Junction, Alaska 99737

LA11 2983 14.27 JA01 0012 14.27 04/01/81

TO: JUN. INFO P.O.M.

FR: EFFIE

TO: HOUSE RESOURCE COMMITTEE

FR: WILLIAM P. TAYLOR, JR., SECRETARY
DELTA FISH AND GAME ADVISORY COMMITTEE
BOX 488, FORT GREELY, ALASKA 90733
895-3327 (H) 863-4126 (W)

RE: DELTA BISON HERD

THE DELTA FISH AND GAME ADVISORY COMMITTEE IS IN UNANIMOUS SUPPORT OF HB 82
AND HB 83, AND URGES YOUR SUPPORT AND QUICK PASSAGE OF THESE BILLS.

THANK YOU.

H B

96

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

2/4/81

(11)

Date: 4/21/81

Mr. Speaker:

The Committee on RESOURCES has had HB 96

"An Act providing financing for the purchase of unimproved land."

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

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS 96 same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without ^{INDIVIDUAL} recommendation
- referred to the _____ Committee

**MEMBERS SIGNING
DO PASS**

[Signature]
[Signature]
[Signature]

**MEMBERS HAVING
OTHER RECOMMENDATIONS:**

Smith NO REC
Tony Kaske - do not pass
Eric Schaffner NO REC

Nick Hoyer NO REC

[Signature]
[Signature]

 CHAIRMAN



Alaska State Legislature
House of Representatives
Juneau, Alaska 99811

April 20, 1981

TO: Rep. Fred Zharoff and Rep. Terry Gardiner,
Co-Chairmen
House Resources Committee

FROM: Rep. Thelma Buchholdt

Thelma

RE: Amendments to HB 96

The following are amendments that I would suggest for HB 96:

1. Sec. 34.14.030. LAND PURCHASE LOANS.

Add the following at the end of this section: ...deed of trust, except that the State may subordinate its security interest to that of a lending institution which makes a loan for the construction of a residence on the land, if sufficient security is retained by the State after subordination to secure the balance of the land purchase loan.

2. Sec. 34.14.040. ELIGIBILITY.

Remove the fourth eligibility requirement: [(4) has sufficient financial resources to repay the loan;]

Note: The loan is secured by the value of the land.

My staff has been in contact with Linn Asper at Legal Services regarding possible amendments to the bill. He is prepared to assist the Committee with any changes the Committee wishes to make.

TB/ebs

MEMORANDUM

State of Alaska

TO: Sharon Traylor, Director
Division of Business Loans
Department of Commerce and
Economic Development

DATE: April 10, 1981

FILE NO: J-66-609-81

TELEPHONE NO: 465-3600

FROM: WILSON L. CONDON
ATTORNEY GENERAL

SUBJECT: Loan Guarantees

By:



Leslie J. Ludtke
Assistant Attorney General

You have asked this department whether the loan guarantee fund set out in HB 96 presents legal or constitutional problems. There are no legal or constitutional problems with proposed AS 34.14.050(c) provided that the amount which may be re-covered on a loan guarantee is limited to that which has been appropriated to the loan guarantee fund. A loan guarantee may not create a debt of the state, and the state has no legal liability to pay a guarantee once the funds appropriated to the loan guarantee fund are exhausted.

LJL:wjp

RECEIVED
APR 16 1981

DEPARTMENT OF COMMERCE
& ECONOMIC DEVELOPMENT
DIVISION OF BUSINESS LOANS

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 96

Title An act providing financing for the purchase of unimproved land.

Requested by _____ Date _____

ii. FISCAL DETAIL

Agency Affected Commerce & Economic Development

Program Category Affected Development

BRU, Program, or Subprogram(s) Affected Division of Business Loans

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

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES	-0-	246.3	270.9	298.0	327.8	360.6
200 TRAVEL		19.2	21.1	23.2	25.5	28.0
300 CONTRACTUAL		57.7	63.5	69.9	76.9	84.6
400 COMMODITIES		3.0	3.3	3.6	4.0	4.4
500 EQUIPMENT		19.8	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	346.0	358.8	394.7	434.2	477.6

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	346.0	358.8	394.7	434.2	477.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

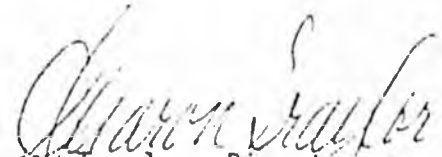
POSITIONS

FULL TIME	-0-	9	9	9	9	9
PART TIME						
TEMPORARY						

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

Staffing and related costs for processing and servicing of loans (fiscal note detail attached).

IV. DATE 2/11/81


 PREPARED BY Sharon Traylor, Director
 AGENCY Division of Business Loans/Dept. of Commerce & Economic Development
 PHONE 465-2510

Original: Legislative Finance
 cc. Budget and Management
 Prime Sponsor (First Legislator Named)

FISCAL NOTE DETAIL

HB 96 - Unimproved Land Purchase

100.	2 Loan Examiner I/II's @ \$2,455/mo.		\$ 58.9
	1 Loan Examiner I/II @ \$2,837/mo.		34.0
	2 Documents Processing Clerk III's @ \$1,564/mo.		37.5
	1 Documents Processing Clerk III @ \$1,761/mo.		21.1
	1 Loan Closer I @ \$1,564/mo.		18.8
	2 Accounting Clerk III's @ \$1,564/mo.		<u>18.8</u>

Total Wages..... \$189.1

Standard Benefits (Wages x .1555)	29.4
Supplemental Benefits (Wages x .0613)	11.6
Health Insurance (Man months x \$150)	<u>16.2</u>

Total Personal Services..... \$246.3

200. Travel to close loans:

30 trips @ \$500	\$15.0	
60 days' per diem @ \$70	<u>4.2</u>	19.2

300. Telephone & Postage	\$29.7	
Printing of applications, advertising	3.0	
Office space, Anch. (7 x \$2,700)	18.9	
Office space, Fbks. (2 x 3,007)	<u>6.1</u>	57.7

400. Office Supplies 3.0

500. Equipment

9 Desks @ \$330	3.0	
5 Credenzas @ \$470	2.4	
4 Typists Extensions @ \$455	1.8	
3 Executive chairs @ \$190	.6	
6 Secretarial chairs @ \$150	.9	
10 Side chairs @ \$100	1.0	
9 File cabinets @ \$325	2.9	
9 Calculators @ \$200	1.8	
5 Typewriters @ \$1,000	5.0	
9 Wastebaskets @ \$25	.2	
3 Coat racks @ \$70	.2	
		<u>19.8</u>

\$346.0

10% inflation for succeeding years

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

POUCH D

JUNEAU, ALASKA 99811

Phone: 465-2500

March 18, 1981

Honorable Thelma Buchholdt
Alaska State House of
Representatives
Pouch V
Juneau, Alaska 99811

Dear Ms. Buchholdt:

The following is this department's analysis of House Bill 96:

- Sec. 34.14.010(a) and (b) create loan and guarantee funds, but there is no accompanying bill for appropriations to these funds.
- Sec. 34.14.030 specifies that loans may not exceed \$30,000 or 99% of the appraised value of the land, whichever is less. Loans for 99% of value allow no leeway for foreclosure costs, accrued interest due or for fluctuating land values in the event of default. Example: A borrower secures a loan of \$24,750 on land valued at \$25,000. Six months later foreclosure is instituted because he has made no payments. The interest due for six months at a rate of 7% per annum is \$875. Legal fees would probably be at least \$2,500, and there would also be costs for advertising and conducting the foreclosure sale, etc. The State could easily have \$28,500 invested in a property from which it could recover only \$25,000 or less. In many cases, there are other costs also, such as outstanding property taxes and assessments.
- Sec. 34.14.030 states that the loan shall be secured by a first lien, mortgage or deed of trust, but Sec. 34.14.040(a)(5) states that the borrower must certify that he is purchasing the land for his residential use. If the borrower attempts to get financing to build his residence, he will find that the bank will not do it unless he offers the bank a first deed of trust. Either the borrower holds the state loan only until he begins to build, or some provisions must be made to allow subordination of the loan to the bank's construction loan if the section regarding residential use is to remain in the bill.

March 18, 1981

Sec. 34.14.050(c) states that the commissioner may not guarantee loans if the balance of the loan guarantee fund is less than 20% of the unpaid balances of all outstanding loans guaranteed under the section. A 1972 Attorney General's opinion, addressed to this department, said "The State cannot guarantee a loan at any financial institution or elsewhere unless a cash reserve is established sufficient to respond in the event the guaranty or guarantor is called upon. To do otherwise would be to create a debt in violation of the Alaska constitution, since there is no appropriation available." It further quotes the Alaska Constitution, Art. 9, Paragraph 13: "No money shall be withdrawn from the treasury except in accordance with appropriations made by law. No obligation for the payment of money shall be incurred except as authorized by law." It appears a fund dropping as low as 20% of the unpaid balances of all outstanding loans would not be sufficient to allow guarantees, but we are requesting another opinion on that matter.

Sec. 34.14.070(5) defines "residential use" as the use of land for a temporary or permanent place of residence. Some legislative intent would be helpful regarding recreational lands, as cabins can be called "temporary" places of residence.

A copy of the Attorney General's opinion regarding loan guarantees will be sent to you as soon as it is received by this department.

Sincerely,



Charles R. Webber
Commissioner

CRW/saJ/3

H B

101

COMMITTEE REPORT

HOUSE

FURTHER: FINANCE

2/4/81

(11)

Date: 2-20-81

Mr. Speaker:

The Committee on RESOURCES has had HB 101

"An Act repealing the tax on motor fuel used in or on watercraft; and providing for an effective date."

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

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

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature] *has no less than 5 bills under consideration*

[Signature] *has no less than 5 bills under consideration*

[Signature] *Do NOT PASS*

[Signature] *No Rec.*

[Signature]
CO-CHAIRMAN



Alaska State Legislature

House of Representatives

Committee on Resources

Terry Gardiner, Co-Chairman
Fred F. Zharoff, Co-Chairman
465-3715

Pouch V
State Capitol
Juneau, Alaska 99811

SYNOPSIS OF TELECONFERENCED TESTIMONY GIVEN ON H.B. 101
FEBRUARY 20, 1981

Kodiak: Alvin Burch of the Alaska Drag Net Association testified in favor of the bill. He felt the legislation would mainly benefit local alaskan boats which use from 12,000 - 25,000 gallons of fuel a year. The larger outside boats use up to 100,000 gallons of fuel a year and usually fuel up in outside waters. Mr. Burch stated that repeal of the tax would mean a savings of about \$5,100 on the two boats that he and his brother operate together.

Jeff Stephan of the United Fishermen's Marketing Association also testified in favor of the legislation. He pointed out that one of the reasons tanner crab fishermen have been on strike for the past month is because of rising operating costs due in part to fuel. Fuel prices have gone from 51¢ a gallon in 1977 to the present \$1.10 a gallon.

Blake Kinnear, a year around vessel operator, felt that the revenues saved by the tax repeal would be a help toward bringing to some of the money lost to foreign fleets fishing on Alaskan grounds.

Paul Soper testified that his vessel the Tidings used about 30,000 gallons of fuel a year and that saving 5¢ a gallon would be very helpful.

Dillingham: Joe McGill, representing the Western Alaska Cooperative Marketing Association, stated that his organization represented 360 resident fishermen who were in favor of the bill. He felt that the state has plenty of oil revenues at present and that repealing the motor fuel tax would help ease the financial burden Bristol Bay fisherman are under at this time.

Kay Larsen spoke for the Bristol Bay Native Association. She testified that the decrease in fish prices and the rise in operating expenses were putting a real hardship on people in her area. She favored the legislation.



Alaska State Legislature

House of Representatives

Committee on Resources

Terry Gardiner, Co-Chairman
Fred F. Zharoff, Co-Chairman
465-3715

Pouch V
State Capitol
Juneau, Alaska 99811

PUBLIC SERVICE ANNOUNCEMENT

The House Resources Committee will be holding a teleconferenced hearing on House Bill 101 "An Act repealing the tax on motor fuel used in or on watercraft; and providing for an effective date." The hearing will take place at 3:00 p.m. (P.S.T.) on Friday, February 20, 1981.

Alaska State Legislature

TELECONFERENCE
HEARINGS



DATE Feb. 16, 1981

CONFIRMATION OF TELECONFERENCE

TO Kristine Harder

FROM Deborah Gazaway

SCHEDULED DATE OF TELECONFERENCE 2/20/81 at 3 p.m. (PST)

LOCATIONS Juneau - Rm. 118

(Site, Room, etc.) Kodiak - Kodiak Island Borough Bldg.

TIME 1:00 p.m. (Alaska/Kodiak Time)

SUBJECT H.B. 101

CHAIRMAN Rep. Zharoff

NOTES *Will be attended by spokespersons from Fishermans' Association, whom you (K.H.) have already contacted.
Let us know if there's anything else we can do, my dear...

If any of the above information is incorrect or has changed since our last contact with you, please call the Juneau Teleconference Office ASAP.

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5
JUNEAU, ALASKA 99811

February 16, 1981

The Honorable Fred F. Zharoff
The Honorable Terry Gardiner
Co-Chairmen
House Resources Committee
Room 118 - Capitol Building
Juneau, Alaska

Re: House Bill No. 101

Dear Mr. Zharoff and Mr. Gardiner:

House Bill No. 101, an Act repealing the tax on motor fuel used in or on watercraft, was introduced in the House on February 4, 1981 and was referred to the House Resources and Finance Committees.

For the consideration of the House Resources Committee, I am enclosing copies of Fiscal Notes prepared by Mr. Gary Jenkins, Director, Audit Division and Mr. Bill Yankee, Research Section of the Department of Revenue concerning the proposed legislation.

Sincerely,



R. D. Stevenson
Special Assistant

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

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Gary Jenkins, Director
Audit Division
Department of Revenue

Vincent Wright
Research Section
Department of Revenue

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 101

Title An Act repealing the tax on motor fuel used in or on watercraft.

Requested by House Resources Committee Date Feb. 7, 1981

II. FISCAL DETAIL

Agency Affected Department of Revenue

Program Category Affected Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected Audit Division

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

EXPENDITURES (Thousands of Dollars) - NONE

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

FUNDING (Thousands of Dollars) - NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS - NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill will repeal the marine motor fuel tax. It will have no effect on the administrative costs of this division.

IV. DATE February 13, 1981

PREPARED BY Gary L. Jenkins

AGENCY Division of Audit

PHONE 465-2320

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill #101
 Title Act repealing the tax on motor fuel used in or on watercraft
 Requested by House Resources Committee Date 2/9/81

II. FISCAL DETAIL

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

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

TOTAL

Millions

FUNDING (~~Thousands~~ of Dollars)

GENERAL FUND	-0-	(3.6)	(3.8)	(4.0)	(4.2)
FEDERAL FUNDS					
OTHER (Specify Fund Source)					

POSITIONS

FULL TIME					
PART TIME					
TEMPORARY					

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

The above estimates are based on the Department of Revenue's forecasting model.

IV. DATE 2/9/81 PREPARED BY Bill Yankee
 AGENCY Revenue Research
 PHONE 465-2173
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



Kristina - File

Grand Camp
Alaska Native Brotherhood

1981 officers
Grand President ANB
Robert R. Martin
1st Vice President
Edward Thomas
2nd Vice President
Ivan Gamble
Secretary
Albert Cookesh
Treasurer
Frederick Lewis
Sergeant at Arms
Harvey Shields
Grand President ANS
Emma Widmark

February 18, 1981

The Honorable Terry Gardiner
The Honorable Fred Zharoff
co-chairmen - Resources Committee
House of Representatives
Pouch V- M.S. 3100
Juneau, Alaska 99811

Chairmen:

You have before you; House Bill 101, "an Act repealing the tax on motor fuel used in or on watercraft; and providing for an effective date." On behalf of the twenty three (23) ANB & ANS Camps, we would offer our position.


We support passage of HB 101. As you know, all of our communities in our region are engaged in the fishery -- be it commercial, sport or charter. The repeal of this would enhance the vessel owners and/or operators. Ability to improve the vessels or the gear(s) that are utilized.

This though is predicated upon the State, through appropriate legislation enacting legislation that would accommodate the construction, maintenance and administration of safe and adequate harbor facilities, as was intended when A.S.44.06.196 was enacted.

We would be prepared to comment before your committee should you require.

Respectfully submitted

Robert R. Martin, Sr.
President

by 
Robert W. Loescher
Chairman - Legislative
Affairs Committee

Past ANB Grand Presidents
Frank G. Johnson
Roy Peratrovich
Allred Widmark

Cyrus Peck
Frank Peratrovich
Joseph Williams
Patrick J. Paul

Thomas Jackson
John Hope
Frank See
Walter Soboleff

Richard Stitt
Steven V. Hotch
Nelson D. Frank
Frank O. Williams
Herbert Hope

Cyrus Peck Sr., Grand Secretary Emeritus
Mildred Sparks, ANS Grand President Emeritus

HB101

This bill ~~simply~~ repeals the motor fuel tax used in or on watercraft.

The estimated revenue loss for: 1981 is \$3,400
1982 is \$3,600

4.1

4.3

*60% Semi-Annually
to min. w/airport*

I noticed that the bill deletes number 2 of both sections a and b of the statute. The numbering, however, is not changed. Number three should be changed to number two.

Ketchikan

Revenues received from tax for 1980 - approximately \$22,000
budget total \$1,650,944 (fiscal year)

Sitka

Revenues received from tax for 1980 - \$35,000

Budget total \$373,770

(The \$35,000 includes a 2¢/gallon additional tax, but the administrator was unable to separate the two taxes.)

I was unable to contact Valdez.

Alaska State Legislature

REPRESENTATIVE
FRED F. ZHAROFF
P.O. Box 405
KODIAK, ALASKA 99813
(907) 486-5254



WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
(907) 485-4986
485-4931

House of Representatives

DISTRICT 14:

BELLSFLATS
CHINIAC
KODIAK
OUZINKIE

SECTIONAL ANALYSIS

HB 101 - Repeal Marine Fuel Tax

- Sec. 1. Repeals tax on dealer who sells or transfers marine fuel
- Sec. 2. Repeals tax on consumer
- Sec. 3. Technical amendments
- Sec. 4. Technical amendments
- Sec. 5. This excludes fuel used by watercraft from the definition of "motor fuel".
- Sec. . Repeals watercraft fuel tax account from the general fund.
- Sec. 7. Effentive date clause of July 1, 1981

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill #101
 Title Act repealing the tax on motor fuel used in or on watercraft
 Requested by House Resources Committee Date 2/9/81

II. FISCAL DETAIL

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

EXPENDITURES (Thousands of Dollars)

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

TOTAL

Millions

FUNDING (~~Thousands~~ of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	-0-	(3.6)	(3.8)	(4.0)	(4.2)	
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

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

The above estimates are based on the Department of Revenue's forecasting model.

V. DATE 2/9/81 PREPARED BY Bill Yankee
 AGENCY Revenue Research
 PHONE 465-2173
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HB 101
 Title An Act repealing the tax on motor fuel used in or on watercraft.
 Requested by House Resources Committee Date Feb. 7, 1981

II. FISCAL DETAIL
 Agency Affected Department of Revenue
 Program Category Affected Revenue Collection and Management
 BRU, Program, or Subprogram(s) Affected Audit Division
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars) - NONE

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

FUNDING (Thousands of Dollars) - NONE

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS - NONE

FULL TIME						
PART TIME						
TEMPORARY						

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

This bill will repeal the marine motor fuel tax. It will have no effect on the administrative costs of this division.

IV. DATE February 13, 1981 PREPARED BY Gary L. Jenkins
 AGENCY Division of Audit
 PHONE 465-2320
 Original: Legislative Finance
 cc: Budget and Management
Prime Sponsor (First Legislator Name)

Alaska State Legislature

REPRESENTATIVE
FRED F. ZHAROFF
P.O. Box 405
KODIAK, ALASKA 99615
(907) 486-5254



WHILE IN JUNEAU
POUCH V
JUNEAU, ALASKA
99811
(907) 465-4986
465-4951

House of Representatives

DISTRICT 14:

BELLSFLATS
CHINIAK
KODIAK
OUZINKIE

A recap of the following pages from the Department of Revenue's Source Book publications shows the amount of Marine Fuel Tax collected for the past few years and the estimated tax for FY 81 and FY 82.

<u>Fiscal Year</u>	<u>Actual</u>	<u>Estimate</u>
1977	1,400	
1978	2,100	
1979	2,600	
1980	3,200	
1981		3,400
1982		3,600

The proceeds from the Marine Fuel Tax are deposited in the Watercraft Fuel Tax Account in the general fund and may be appropriated for water and harbor facilities. However, this account is not tracked by municipalities, so it is impossible to compare the amount paid into the account by a municipality to what that municipality receives back for their water and harbor facilities.

2-8101

General Fund Unrestricted Revenues

In Thousands of Current Dollars

	FY 1980 <u>Actual</u>	FY 1981 <u>Revised Estimate</u>	FY 1982 <u>Estimate</u>
<u>Taxes</u>			
<u>Income</u>			
Corporate - General	17,900	35,000	36,000
Corporate - Petroleum	547,500	770,000	882,900
Fiduciary (1)	100	-0-	-0-
Individual (1)	100,500	-0-	-0-
<u>Gross Receipts</u>			
Alaska Business License	4,200	5,300	3,200
Fish - Canned Salmon (2)	4,300	12,100 (3)	6,600
Fish - Shorebased (2)	7,600	10,400 (3)	7,800
Fish - Floating (2)	2,700	4,000 (3)	3,100
Salmon Enhancement (4)	-0-	-0-	1,500
Insurance Companies	10,400	11,300	12,500
Other	2,100	2,600	2,900
<u>Severance</u>			
Gravel, Timber, etc.	1,600	1,300	3,000
Oil & Gas Production (5)	506,200	1,178,200	1,747,100
Oil & Gas Conservation	300	600	600
<u>Property</u>			
Oil & Gas	168,900	170,000	170,000
Vehicle Registration	100	200	200
<u>Sale/Use</u>			
Alcoholic Beverages	7,400	7,900	8,200
Fuel Taxes - Aviation	4,000	4,100	4,300
Fuel Taxes - Highway	18,900	18,500	20,900
Fuel Taxes - Marine	3,200 ✓	3,400	3,600
Tobacco Products	1,600	1,700	1,800
<u>Other</u>			
Estate	200	200	200
School (6)	2,600	-0-	-0-
Total Taxes	<u>1,412,300</u>	<u>2,236,800</u>	<u>2,916,400</u>
<u>Licenses & Permits</u>			
<u>Business</u>	8,100	8,300	9,700
<u>Non-Business</u>	10,700	12,000	12,500
Total Licenses & Permits	<u>18,800</u>	<u>20,300</u>	<u>22,200</u>
<u>Intergovernmental Receipts</u>			
<u>Federal Shared Revenues (5) (7)</u>	<u>4,800</u>	<u>19,400 (8)</u>	<u>8,000</u>
<u>State Resource Revenue</u>			
<u>Sale/Use</u>			
Bonus Sales	342,400 (7) (9)	6,400 (10) (11) (12)	-0- (11)

Unrestricted Revenues

In Thousands of Current Dollars

	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>
<u>TAXES</u>	<u>ACTUAL</u>	<u>REVISED ESTIMATE</u>	<u>ESTIMATE</u>
<u>INCOME</u>			
Corporate - General	24,800	15,000	28,000
Corporate - Petroleum ⁽¹⁾	232,600 ⁽²⁾	402,000	558,000
Fiduciary	100	100	100
Individual	117,200	122,000	161,000
<u>GROSS RECEIPTS</u>			
Alaska Business License ⁽³⁾	28,200	4,000	3,000
Raw Fish ⁽⁴⁾	6,700	8,600	13,800
Cold Storage ⁽⁴⁾	3,300	8,700	12,600
Freezer Ship ⁽⁴⁾	1,900	3,600	4,900
Insurance Companies	10,800	12,400	14,300
Other	1,900	2,000	2,300
<u>SEVERANCE</u>			
Gravel, Timber, etc.	1,700	1,500	1,200
Oil and Gas Production ⁽⁵⁾	173,800	432,900	1,045,200
<u>PROPERTY</u>			
Oil and Gas	163,400	175,000	178,000
Vehicle Registration	200	100	200
<u>SALE/USE</u>			
Alcoholic Beverages	7,400	7,700	8,000
Fuel Taxes-Aviation	3,400	3,600	3,700
Fuel Taxes-Highway	16,300	18,400	19,000
Fuel Taxes-Marine	2,600 ✓	3,100	3,200
Tobacco Products	1,700	1,700	1,800
<u>OTHER</u>			
Estate	100	200	200
School	2,500	2,500	2,700
TOTAL TAXES	<u>800,600</u>	<u>1,225,100</u>	<u>2,061,200</u>
<u>LICENSES AND PERMITS</u>			
<u>BUSINESS</u>	7,500	8,500	8,500
<u>NON-BUSINESS</u>	12,300	11,300	12,400
TOTAL LICENSES & PERMITS	<u>19,800</u>	<u>19,800</u>	<u>20,900</u>
<u>INTERGOVERNMENTAL RECEIPTS</u>			
<u>FEDERAL SHARED REVENUES⁽⁶⁾</u>	<u>4,100</u>	<u>4,000</u>	<u>4,000</u>

STATE RESOURCES REVENUE

<u>SALE/USE</u>			
Bonus Sales (6)	-0-	-0-	-0-
Investment Earnings	44,200	42,000	45,000
Rents (6)	2,300	2,800	2,500
Royalties (6)	149,600	223,200	270,200
Sale of State Property	1,900	1,800	4,200
<u>FACILITIES RELATED CHARGES</u>			
Airports	800	400	500
Ferry System (7)	15,600	19,600	23,100
All Other	4,000	3,600	4,000
<u>SERVICE RELATED CHARGES</u>			
Court System	2,800	2,900	3,100
All Other	1,700	1,600	300
TOTAL STATE RESOURCES REVENUE	<u>222,900</u>	<u>297,900</u>	<u>352,900</u>
<u>MISCELLANEOUS REVENUE</u>			
Returns, etc.	<u>3,900</u>	<u>3,900</u>	<u>3,900</u>
TOTAL UNRESTRICTED REVENUES	787,300	1,071,700	1,134,400
Less: Native Claims Payments	<u>22,400</u>	<u>41,600</u>	<u>50,800</u>
TOTAL TO THE STATE	<u>764,900</u>	<u>1,030,100</u>	<u>1,083,600</u>

(1) Ch. 110 SLA 1978 Effective July 9, 1978.

(2) Sec. 3 of Ch. 144 SLA 1978 Effective January 1, 1979 amended AS 43.60.030 to remove the gross receipts levy on all businesses with the exception of the net income tax for banks, trust companies and savings and loan associations and the business license fee itself.

(3) <u>COMMERCIAL FISH TAXES</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Raw Fish	5,500	6,800	6,700
Cold Storage	2,300	2,700	2,700
Freezer Ship	500	1,000	800
TOTAL	<u>8,300</u>	<u>10,500</u>	<u>10,200</u>

(4) Reserves tax credit applied.

(5) <u>FUEL TAXES</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Aviation	3,300	3,400	3,500
Highway	17,900	22,100	23,400
Marine	2,100 ✓	2,300	2,400
TOTAL	<u>23,300</u>	<u>27,800</u>	<u>29,300</u>

(6) Net of 25% Permanent Fund contribution.

(7) <u>FERRY SYSTEM</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Southeast	14,000	17,500	20,900
Southwest	1,600	2,100	2,200
TOTAL	<u>15,600</u>	<u>19,600</u>	<u>23,100</u>

General Fund

	<u>1977</u>	<u>1978</u>		<u>1979</u>
<u>TAXES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATE</u>	<u>REVISED ESTIMATE</u>	<u>ESTIMATE</u>
<u>INCOME</u>				
Corporate	35,772.1	53,440.0	44,600.0	65,600.0
Fiduciary	92.4	55.0	101.6	111.7
Individual	210,378.3	93,403.4	135,000.0	145,000.0
<u>GROSS RECEIPTS</u>				
Alaska Business License	23,252.2	17,422.5	21,800.0	20,400.0
Commercial Fish	6,203.1	3,896.0	7,830.5	8,489.7
Insurance Companies	8,063.2	6,750.0	8,200.0	8,500.0
Public Utilities	1,192.7	975.0	1,392.8	1,532.0
Other	65.2	50.0	71.7	78.8
<u>SEVERANCE</u>				
Gravel, Timber, Land, etc.	1,002.4	807.0	546.5	578.6
Oil and Gas Production (1)	23,758.4	113,469.0	113,500.0	176,000.0
<u>PROPERTY</u>				
Oil and Gas	139,140.7	168,300.0	168,300.0	170,600.0
Reserves (2)	270,626.5	-0-	-0-	-0-
Vehicle Registration (3)	-0-	198.4	198.6	202.4
<u>SALE/USE</u>				
Alcoholic Beverages	7,977.7	7,470.0	6,800.0	6,700.0
Fuel Taxes-Aviation	2,503.7	2,940.0	2,300.0	2,300.0
Fuel Taxes-Highway	16,745.2	18,113.7	13,200.0	12,800.0
Fuel Taxes-Marine	1,358.2	1,460.0	1,900.0	1,800.0
Tobacco Products	1,817.7	1,562.6	1,600.0	1,500.0
<u>OTHER</u>				
Death and Gift	193.1	125.0	213.0	234.3
School	2,588.6	2,511.0	2,100.0	2,100.0
TOTAL TAXES	<u>752,731.4</u>	<u>492,948.6</u>	<u>529,654.7</u>	<u>624,527.5</u>
<u>LICENSES AND PERMITS</u>				
<u>BUSINESS</u>				
Alcoholic Beverages	949.3	992.3	988.2	1,007.6
Amusements	107.3	85.6	118.0	129.7
Commercial Fishing (4)	836.1	694.2	1,157.3	1,081.9
General Corporation	1,126.1	1,010.8	1,165.7	1,225.0
Professional and Occupational	672.4	779.0	779.0	721.1
Regulatory	1,729.8	1,743.5	1,747.4	1,769.2
Other	43.2	39.9	41.1	43.5
<u>NON-BUSINESS</u>				
Fish and Game	48.9	66.7	47.9	49.5
Motor Vehicle-Operators	584.0	531.5	534.6	550.6
Motor Vehicle-Titles/Registration	10,020.4	12,251.2	11,505.0	11,350.1
Other	2.0	6.9	7.0	6.3
TOTAL LICENCES AND PERMITS	<u>16,119.5</u>	<u>18,201.6</u>	<u>18,091.2</u>	<u>17,934.5</u>
<u>INTERGOVERNMENTAL RECEIPTS</u>				
<u>FEDERAL SHARED REVENUE</u>				
Lands	511.0	564.0	3,520.0	3,255.2
Mineral Rents and Royalties (5)	1,985.6	3,054.2	1,450.8	1,381.9
Other	2.2	2.5	2.5	2.5
TOTAL INTERGOVERNMENTAL RECEIPTS	<u>2,498.8</u>	<u>3,620.7</u>	<u>4,973.3</u>	<u>4,639.6</u>

(2) \$4 for each 1,000 holes, or fraction in each board with more than 2,000 holes. (§ 1 ch 116 SLA 1949; am § 1 ch 53 SLA 1951)

Sec. 43.35.110. Power to issue regulations. The department may issue orders and regulations necessary to carry out §§ 100—150 of this chapter. (§ 3 ch 116 SLA 1949; am § 1 ch 53 SLA 1951)

Sec. 43.35.120. Manner of paying tax. The tax shall be paid by purchasing stamps from the office of the Department of Revenue. The stamps shall be affixed to the punchboard before it is placed in use, and the operator of the punchboard shall endorse upon the stamp the serial number of the punchboard. (§ 2 ch 116 SLA 1949; am § 1 ch 53 SLA 1951)

Sec. 43.35.130. Refund to local governments. The department shall refund 75 per cent of the tax collected from sales of punchboards in an organized borough or city of the first, second, or third class to the local government. The balance shall be deposited in the general fund. (§ 6 ch 116 SLA 1949; am § 1 ch 53 SLA 1951; am § 3 ch 155 SLA 1962)

Sec. 43.35.140. Gambling not legalized. Sections 100—150 of this chapter do not legalize gambling. (§ 4 ch 116 SLA 1949; am § 1 ch 53 SLA 1951)

Cross reference. — As to limitations on authorized gaming activities, see AS 05.15.180.

Sec. 43.35.150. Violations and penalties. (a) It is unlawful for a person to (1) distribute in the state a punchboard for which the license tax provided in §§ 100—150 of this chapter is not paid; or (2) maintain for use, or permit the use of, in a place or premises occupied by the person a punchboard upon which the license stamp is not affixed.

(b) A person violating a provision of §§ 100—150 of this chapter is guilty of a misdemeanor, and upon conviction is punishable by a fine of not more than \$500. (§ 5 ch 116 SLA 1949; am § 1 ch 53 SLA 1951)

Chapter 40. Motor Fuel Tax.

Article

1. General Tax Levy on Transfers or Consumption of Motor Fuel (§§ 43.40.010 — 43.40.100)

2. Additional Tax Levy on Transfers or Consumption of Motor Fuel (Repealed)

Article 1. General Tax Levy on Transfers or Consumption of Motor Fuel.

Section

10. Tax on transfers or consumption of motor fuel and expenditure of proceeds

Section

20. Penalty for violation
30. Refund for nonhighway use
40. Applications and permits for refund

Section
 50. Refund claim by affidavit
 60. Separate invoices
 70. Refund warrants
 80. Examination of books and records

Section
 85. Preservation of books and records
 90. Criminal violation
 100. Definitions

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 Sec. 43.40.010. Tax on transfers or consumption of motor fuel and expenditure of proceeds. (a) There is levied a tax of eight cents a gallon on all motor fuel sold or otherwise transferred within the state, except that

- 2
 (1) the tax on aviation gasoline is four cents a gallon,
 (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents a gallon, and
 (3) the tax on all aviation fuel other than gasoline is two and one-half cents a gallon.

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 (b) There is levied a tax of eight cents a gallon on all motor fuel consumed by a user, except that

- 2
 (1) the tax on aviation gasoline consumed is four cents a gallon,
 (2) the tax on motor fuel used in and on watercraft of all descriptions is five cents a gallon, and

(3) the tax on all aviation fuel other than gasoline is two and one-half cents a gallon.

(c) Every dealer who sells or otherwise transfers motor fuel in the state shall collect the tax at the time of sale, and remit the total tax collected during each calendar month of each year to the Department of Revenue by the last day of each succeeding month. Every user shall likewise remit the tax accrued on motor fuel actually used by him during each month. At the time the remittance is made, each dealer or user shall submit a statement to the Department of Revenue showing all motor fuel which he has distributed or used during the month.

(d) Repealed by § 3 ch 166 SLA 1976.

(e) Sixty per cent of the proceeds of the revenue from the taxes on aviation fuel, excluding the amount determined to have been spent by the state in its collection, shall be refunded to a municipality owning and operating or leasing and operating an airport in the proportion that the revenue was collected at the municipal airport. All other proceeds of the taxes on aviation fuel shall be paid into a special aviation fuel tax account in the state general fund. The legislature may appropriate funds from this account for aviation facilities.

(f) The proceeds from the revenue from the tax on motor fuel used in boats and watercraft of all descriptions shall be deposited in a special watercraft fuel tax account in the general fund. The legislature may appropriate from this account for water and harbor facilities.

(g) The proceeds of the revenue from the tax on all motor fuels, except as provided in (e), (f), and (j) of this section, shall be deposited in a special highway fuel tax account in the state general fund. The legislature may appropriate funds from it for expenditure by the Department of Public Works directly or as matched with available federal-aid highway money

for maintenance of highways, construction of highway projects and ferries included in the program provided for in AS 19.10.150, including approaches, appurtenances and related facilities and acquisition of rights-of-way or easements, and other highway costs including surveys, administration, and related matters. All departments of the state government authorized to spend funds collected from taxes imposed by §§ 10—100 of this chapter shall perform, when feasible, all construction or reconstruction projects by contract after the projects have been advertised for competitive bids, except that, when feasible, arrangements shall be made with political subdivisions to carry out the construction or reconstruction projects. If it is not feasible for the work to be performed by state engineering forces, the commissioner of [public works] may contract on a professional basis with private engineering firms for road design, bridge design, and services in connection with surveys. If more than one private engineering firm is available for the work the contracts shall be entered into on a negotiated basis.

(h) All motor fuel tax receipts shall be paid into the general fund and distributed to the proper accounts in the general fund. Valid motor fuel tax refund claims shall be paid from the highway fuel tax account in the general fund.

(i) Within 30 days after the legislature convenes the Department of Public Works shall submit an annual budget covering anticipated revenues and their expenditure, for the consideration and approval by the legislature. The budget shall cover all money collected or anticipated to be collected under §§ 10—100 of this chapter for the year following the adjournment of each regular session of the legislature.

(j) The proceeds from the tax on motor fuel used in snow vehicles and, unless a tax refund is applied for under § 40 of this chapter, other internal combustion engines not used in or in conjunction with a motor vehicle licensed to be operated on public ways shall be deposited in a special nonpublic highway use account in the general fund. The legislature may appropriate from this account to the Department of Highways for trail staking and shelter construction and maintenance.

(k) The tax on the transfer or consumption of motor fuel provided for in this section does not apply to liquified petroleum gas. (§ 48-5-2 ACLA 1949; am § 1 ch 80 SLA 1951; am § 1 ch 47 SLA 1955; am §§ 1, 2 ch 27 SLA 1957; am § 1 ch 134 SLA 1957; am § 1 art VI title II ch 152 SLA 1957; am § 2 art V title III ch 152 SLA 1957; am § 2 ch 124 SLA 1959; am §§ 1, 2 ch 20 SLA 1960; am § 1 ch 150 SLA 1960; am § 1 ch 110 SLA 1961; am § 1 ch 136 SLA 1961; am §§ 1—3 ch 131 SLA 1962; am § 1 ch 130 SLA 1968; am § 10 ch 143 SLA 1968; am §§ 1, 2 ch 216 SLA 1968; am §§ 1—3 ch 158 SLA 1970; am § 3 ch 58 SLA 1971; am §§ 1, 2 ch 124 SLA 1971; am §§ 2, 3 ch 125 SLA 1971; am §§ 1—3 ch 153 SLA 1972; am § 3 ch 166 SLA 1976; am §§ 1, 2 ch 116 SLA 1977)

Cross reference. — For civil penalty imposed for failure to file a return or report, or pay the full amount of a tax, or a portion or a deficiency of the tax, see AS 43.05.220.

Effect of amendments. — The 1976 amendment repealed subsection (d), which provided for an additional amount to be added to the tax for failure to file a return and remit the tax within the time prescribed by law or prescribed by the department pursuant to law, due to wilful neglect.

The 1977 amendment rewrote paragraph (2) of subsection (a) and paragraph (2) of subsection (b).

Editor's note. — Section 1, ch. 125, SLA 1971, provides: "Intent. The intent of this Act is to provide funds for trail staking and shelter construction and maintenance projects in sparsely populated areas where the interests of safety require their establishment for the protection of traveling citizens of the state."

Purpose of subsection (g). — The purpose of the dedication of the taxes on motor fuels contained in subsection (g) of this section is public highways. 1959 Op. Att'y Gen., No. 9.

A proposed alteration going to the geographical area of expenditure rather

than to the special purpose of a dedication, does not contravene the constitution. 1959 Op. Att'y Gen., No. 9.

Amendment of 1957 effected no change in dedication. — The 1957 amendment to this section, which reduced the tax on motor fuel used in commercial fishing crafts for purposes of commercial fishing from five cents to two cents per gallon, effected no change in the dedication inasmuch as the reduction in the tax was coupled with an exemption from the refund of three cents per gallon formerly allowed to users of fuel in commercial fishing craft for commercial purposes. Nothing has been done which increased or decreased the dedication. 1959 Op. Att'y Gen., No. 14.

Civil Air Patrol exempt. — The Civil Air Patrol is exempt from taxation under the Alaska Motor Fuel Oil Tax Act because it is an instrumentality of the federal government. 1961 Op. Att'y Gen., No. 26.

But volunteer members of Civil Air Patrol are not exempt. 1961 Op. Att'y Gen. No. 26.

Am. Jur. and C.J.S. references. — 51 Am. Jur., Taxation, §§ 1260 to 1279. 53 C.J.S. Licenses § 30.

Sec. 43.40.020. Penalty for violation. (a) A person who violates a provision of §§ 10—100 of this chapter upon conviction is punishable for each violation by a fine of not less than \$50 nor more than \$5,000, or by imprisonment for not more than one year, or by both. Each day's violation is a separate offense.

(b) Repealed by § 3 ch 116 SLA 1971. (§ 48-5-3 ACLA 1949; am § 4 ch 153 SLA 1972; am § 3 ch 116 SLA 1977)

Effect of amendment. — The 1977 amendment repealed subsection (b), which read "A person who claims the nonpropulsion use fuel tax exemption under § 10 (a) (2) or § 10 (b) (2) of this chapter and who uses a portion of the

amount of the exempted fuel for another purpose is guilty of a misdemeanor, and is punishable by a fine of not more than \$5,000."

C.J.S. reference. — 53 C.J.S. Licenses § 62.

Sec. 43.40.030. Refund for nonhighway use. (a) Except as specified in § 10 (j) of this chapter, a person who uses motor fuel to operate an internal combustion engine is entitled to a refund of six cents a gallon if

- (1) the tax on the motor fuel has been paid;
- (2) the motor fuel is not aviation fuel, or motor fuel used in or on watercraft; and
- (3) the internal combustion engine is not used in or in conjunction with a motor vehicle licensed to be operated on public ways.

(b) The entire tax levied by §§ 10—100 of this chapter shall be refunded to the purchaser on that part of the motor fuel used in a foreign country on which duty is paid when the fuel is sold and delivered in the state for nonhighway use in a foreign country.

(c) The Department of Revenue shall establish the necessary regulations and prescribe the appropriate forms to prove that the motor fuel is taken to and used in foreign countries. (§ 2 ch 47 SLA 1955; am § 3 ch 27 SLA 1957; am § 2 ch 136 SLA 1961; am § 4 ch 158 SLA 1970; am § 3 ch 124 SLA 1971; am § 4 ch 125 SLA 1971; am § 4 ch 116 SLA 1977)

Effect of amendment. — The 1977 amendment substituted "or on watercraft" for "an engine to propel a boat or watercraft, including motor fuel which may be used for heating and cooking aboard boats and watercraft" in paragraph (2) of subsection (a).

Act is to provide funds for trail staking and shelter construction and maintenance projects in sparsely populated areas where the interests of safety require their establishment for the protection of traveling citizens of the state."

Editor's note. — Section 1, ch. 125, SLA 1971, provides: "Intent. The intent of this

Sec. 43.40.040. Applications and permits for refund. A person who desires to claim a refund shall obtain an annual permit from the Department of Revenue by application on a form prescribed by the department. The application shall contain the name, address, and occupation of the applicant, the nature of the business, and a sufficient description for identification of the machines or equipment in which the motor fuel is to be used for which refund may be claimed under the permit. The permit shall be obtained no later than the time that the first application for refund is made under §§ 10—100 of this chapter. The permit expires at midnight of June 30 following the date it is issued. (§ 3 ch 47 SLA 1955; am § 4 ch 131 SLA 1962)

Sec. 43.40.050. Refund claim by affidavit. (a) A person who claims a refund as provided in §§ 10—100 of this chapter shall present his claim to the commissioner of revenue by affidavit upon a form provided by the commissioner with the information the commissioner requires. The claim shall be accompanied by each invoice issued to the claimant at the time the motor fuel is purchased. The commissioner may require any additional information which he considers necessary for the administration of §§ 10—100 of this chapter.

(b) A claim for refund shall be filed within one year from the date of the purchase of the motor fuel as indicated on the invoice, and failure to file within the one year period is a waiver of the right to the refund. A claim is considered to be filed when the claim is mailed or personally presented to an office of the Department of Revenue. (§ 4 ch 47 SLA 1955; am § 1 ch 139 SLA 1960)

Sec. 43.40.060. Separate invoices. The Department of Revenue may require the issuance of separate invoices for fuel sold, distributed, or transferred when the invoices will be the basis for a refund claim. (§ 6 ch 47 SLA 1955)

Sec. 43.40.070. Refund warrants. Upon approval of a refund claim by the Department of Revenue, a warrant shall be drawn on the highway fuel tax account in the general fund in favor of the applicant in the amount of the claim. (§ 7 ch 47 SLA 1955; am § 5 ch 131 SLA 1962)

Sec. 43.40.080. Examination of books and records. (a) To determine the validity of a claim for refund, the Department of Revenue may examine the books and records of the claimant and the books and records of a distributor of motor fuel. The Department of Revenue may cancel the refund permit of the claimant relying upon a fraudulent invoice for a period of not more than one year.

(b) If an invoice relied upon for a refund claim is fraudulent, the claimant is guilty of a misdemeanor and is punishable by a fine of not more than \$500. (§ 5 ch 47 SLA 1955)

Sec. 43.40.085. Preservation of books and records. Dealers and users shall preserve for three years all books and records pertaining to sales, transfers, and uses of motor fuel which are taxed under this chapter. (§ 5 ch 158 SLA 1970)

Sec. 43.40.090. Criminal violation. A person who uses motor fuel with knowledge that the tax has not been paid is guilty of a misdemeanor, and is punishable by a fine of not more than \$500, or by imprisonment for not more than one year, or by both. (§ 11 ch 47 SLA 1955; am § 4 ch 27 SLA 1957)

C.J.S. reference. — 53 C.J.S. Licenses
§ 66.

Sec. 43.40.100. Definitions. In §§ 10—100 of this chapter

(1) "dealer" means a person who sells or otherwise transfers in this state motor fuel upon which the taxes imposed by this chapter have not been paid;

(2) "motor fuel" means fuel used in an engine for the propulsion of a motor vehicle or aircraft, and fuel used in and on watercraft for any purpose, or in a stationary engine, machine or mechanical contrivance which is run by an internal combustion motor; "motor fuel" does not include

(A) fuel consigned to foreign countries,

(B) fuel sold for use in jet propulsion aircraft operating in flights to foreign countries,

(C) fuel used in stationary power plants operating as public utility plants and generating electrical energy for sale to the general public,