

ALABAMA LEGISLATIVE COMMITTEE ON GOVERNMENT

2782 HRES SB 375 - SB 480

278

Alaska State Legislature

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Senate

Committee on Resources

May 19, 1984

HCS CSSB 375 (2nd Res), An Act relating to land disposal and management

- Sec. 1 Spells out a policy for managing and disposing of state land which takes into account a range of resource values and uses.
- Sec. 2 Spells out the policy of soliciting the views, including the holding of local public hearings when appropriate, of the residents of communities most affected by land classifications and disposals.
- Sec. 3 Passage by the 1983 legislature of SB 41, which awarded the University of Alaska ownership and management of certain state lands, has rendered this provision obsolete.
- Sec. 4 Requires that in determining sufficient separation between residences in "remote" areas, the resources in the area shall be considered.
- Sec. 5 Requires that a cost estimate for access roads and capital improvements within disposal areas (as may be required by municipal ordinance) be submitted annually. This deletes the "loophole" which allowed for submittal of a schedule for obtaining cost estimates.
- Sec. 6 Clarifies that DNR's budget request must include an assessment of the market demand for the land proposed for disposal. No annual, statewide demand assessment would be required, as this type of analysis is difficult and has had little impact on legislative appropriations for disposal programs.
- Sec. 7 Repeals the arbitrary requirement that certain percentages of subdivision land be made available through the homesite method. This will allow disposal methods to better reflect market demand and public policy.
- Sec. 8 Allows flexibility in subdivision parcel size to better reflect resources and uses in the area.

- Sec. 9 Establishes a revolving fund within the general fund for deposit and subsequent appropriation of revenues from the sale of state land. Funds would be used for implementation of land disposal programs and for grants to municipalities for their disposal programs.
- Sec. 10 Expands the authority in issuing remote cabin permits to allow their use where potential resource and use conflicts exist, or where a long-range interest in public ownership exists. Currently, these permits may be issued only where survey and conveyance is impractical.
- Sec. 11 Clarifies that all land to be conveyed must have been surveyed, either through monumentation of section corners or monumentation of control points, with no land to be conveyed if it is more than two miles from a survey monument, unless this condition is waived by the commissioner.
- Sec. 12 Specifies that legal and feasible access must be provided within subdivisions, and that access meeting local ordinances for subdivisions is required of the state.
- Sec. 13 Clarifies that trails with an established history of use may be reserved as easements or rights of way across private land.
- Sec. 14 Allows the Department to grant a lessee the right to restrict the use of an easement in order to protect public safety or property.
- Sec. 15 Allows for a waiver or modification of agricultural development requirements if certain conditions are present.
- Sec. 16 Requires that other state agencies notify DNR of any land disposals. This is currently required only for acquisitions, leases, and exchanges.
- Sec. 17 Clarifies that lands assigned by DNR to DOT may be transferred to DNR when they are no longer needed.
- Sec. 18 Conforming amendment per University settlement agreement. (see Section 3)
- Sec. 19 Limits the right to apply for a preference to three years from the date of error or state action in order to avoid long-standing claims with difficult record reconstruction.

- Sec. 19 Gives DNR the authority to convey to an adjoining
Cont. landowner unmanageable remnants of land. Such
remnants may be unusable and expensive to maintain in
state ownership.
- Provides a mechanism for correcting defects in the
state's title to land by authorizing DNR to quitclaim
land to the federal government on a determination
that the land was wrongly or erroneously conveyed to
the state.
- Sec. 20 Clarifies the procedure for issuing a best interest
finding, and clarifies that no finding is needed for
mining claims and leases, and production licenses.
Grants a preference right to long-term landholders
who have derived business income from the land.
- Sec. 21 Amends to require that disposals be held in the
community, rather than the municipality, nearest the
land to be disposed of, to take into account
unincorporated locations.
- Sec. 22 Authorizes bidding at auctions to begin at 70% of the
current appraised fair market value of the land,
rather than the current 100%.
- Sec. 23 Replaces the current "agricultural rights" provision
with a fee simple conditional title for agricultural
land. Agricultural development would still be
required. The intent is to encourage private
financing, which has not been possible under the
restricted title currently granted.
- Sec. 24 Establishes a notice of breach procedure for contract
and 25 violations, followed by the prerogative of the
commissioner to foreclose the interest of the
purchaser.
- Sec. 26 Simplifies the selection procedure for agricultural
land options for adjacent landowners, by requiring
that options be exercised at the time of the disposal
and that a single recipient be selected by drawing of
lots.
- Sec. 27 Conforming amendment per repeal of "agricultural
interest" provision (see Sec. 23).
- Sec. 28 Increases from \$250/year to \$5,000/year the value of
a lease that may be negotiated, which reflects the
increase in land values since this statute was
enacted in 1962. Increases the maximum term of a
negotiated lease from 5 years to 10 years. Requires
that reasonable and traditional access to public land
be maintained as a term of the lease.

- Sec. 29 Specifies that the term of a lease, while not exceeding 55 years, be for the useful life of the approved activity.
- Sec. 30 Amends the surface leasing procedure to require applicants to deposit with DNR a sum equal to any survey or appraisal costs incurred by another bidder. The successful applicant's deposit would be credited against lease rental payments. Survey and appraisal are required prior to leasing. In the interest of time, lease applicants will often conduct survey and appraisal at their own expense.
- Sec. 31 Provides a mechanism for DNR to negotiate leases for tide and submerged lands with upland land owners without competitive bidding.
- Authorizes DNR to require prequalification of bidders for surface leases. Such a procedure is currently required administratively to ensure that applicants can meet the terms of the lease.
- Sec. 32 Requires that the assessment of timber and other materials on state lands, and the recommendation for the sale of materials, take into account the supplies of and markets for materials on nearby private land.
- Sec. 33
thru 36 Technical: Substitute "commissioner" for "director".
- Sec. 37 Clarifies that land quitclaimed back to the federal government (see section 18) and land transferred to the University in its settlement agreement (see Sec. 3) is not subject to the reservation of mineral rights to the state.
- Sec. 38 Technical: substitute "commissioner" for "department", "ensure" for "insure".
- Sec. 39 Provides that easements of rights-of-way to navigable and public waters for oil and gas and mineral leases need not be made until the leases are ready to be developed.
- Sec. 40
and 41 Technical: substitute "commissioner" for "director" and "land" for "lands".
- Sec. 42 Extends the length of time that an appraisal is valid from 120 days to one year, to avoid costly reappraisals in the event of a delay in selling or leasing lands.

- Sec. 43 Conforming amendment per University settlement agreement (see Sec. 3)
- Sec. 44 Exempts land quitclaimed back to the federal government (see Sec. 18) from the restriction on sale of agricultural land.
- Sec. 45 Conforming amendment per relocation in statute of the best interest finding requirement.
- Sec. 46 Amends the public notice requirements for classification, sale, lease, and disposal of state lands to require that notice be placed in the newspaper and that one of the following methods also be used: electronic media, posting, notification of interested parties. Current statute requires use of only one of the above methods.
- Sec. 47 Clarifies that no notice need be given of negotiated sales of timber and materials.
- Sec. 48 Adds the definition of "multiple use" and "university lands" as used in AS 38.04 to AS 38.05.
- Sec. 49 Grants a 25% discount on the purchase price of state land to veterans.
- Sec. 50 Conforming amendment per University settlement agreement. (see Section 3)
- Sec. 51 Allows holders of homesite parcels to transfer rights to another individual in the event incapacitating illness or injury prevents the landholder from fulfilling residency requirements. This conforms with current homestead provisions.
- Sec. 52 Allows the purchase of a homesite parcel at fair market value within 7 years of issuance of the permit if all requirements except the ones for occupancy have been met.
- Sec. 53 Eliminates the requirement that land available for homestead entry be within one mile of a survey monument. This will allow for conversion of remote parcel lands to the homestead program. Authorizes DNR to waive the cadastral survey requirement if certain conditions are present.
- Sec. 54 Provides that the amount of land to be cleared under agricultural homesteading requirements be based on soil classifications.

- Sec. 55 Allows the purchase of a homestead parcel at fair market value within five years of issuance of the permit if all requirements except the ones for occupancy have been met.
- Sec. 56 thru 67 Amends the Alaska Coordinate System to reflect changes in the federal datum used as a base for this system.
- Sec. 68 Provides that the lessee of a pipeline right-of-way shall reimburse the state for costs not only in monitoring pipeline construction, but for processing an application and for monitoring operation, maintenance, and removal of the pipeline.
- Sec. 69 Requires legislative approval of land exchanges of more than 500 acres of state land or valued at more than \$1 million. Current statute requires legislative action on unequal value exchanges; this provision is maintained.
- Sec. 70 Extends the length of time that an appraisal for a land exchange is valid from six months to one year to permit the execution of trades which involve considerable administrative work and public review.
- Sec. 71 and 72 Conforming amendments per University settlement agreement. (see Section 3)
- Sec. 73 and 74 Streamlines the notice requirements for land exchanges involving less than 500 acres of land or appraised at less than \$100,000.
- Sec. 75 Three public hearings would be required for land exchanges of more than 500 acres or valued at more than \$1,000,000. The Commissioner maintains discretion to hold hearings for other exchanges.
- Sec. 76 Clarifies which land exchanges require legislative approval (see Section 69).
- Sec. 77 Gives the Commissioner discretion in issuing trapping cabin permits.
- Sec. 78 thru 81 Conforming amendments per University settlement agreement. (see Section 3)
- Sec. 82 Clarifies that when the state contracts with a municipality to conduct an auction of state lands, the municipality may retain from the proceeds of the auction capital and other expenses. This will allow for joint disposals, whereby the municipality would construct the roads on state land and recoup its costs through auction proceeds.

- Sec. 83 Amends the definition section in Title 29 to clarify that the University has management responsibility for certain state lands. (see Section 3)
- Sec. 84
and 85 Requires compliance with local subdivision ordinances which require capital improvements.
- Sec. 86 Specifies that the contract foreclosure procedure added in Section 22 applies only to contracts entered into after the effective date of this act.
- Sec. 87 Exempts from compliance with local subdivision ordinances those plats submitted to the platting board before the effective date of the Act. (see Sec. 84)
- Sec. 88 Repealers:
AS 29.33.150(e) Conforming amendment requiring compliance with local subdivision ordinances.
AS 38.04.025 Requires demand assessment, redundant to .04.020(f)
AS 38.04.040 Authorizes sale of University lands. Obsolete with passage of SB 41 in 1983.
AS 38.04.045(a) Conflicts with subdivision parcel size limitations in .04.020(h).
AS 38.05.030(a) Sale of University lands - obsolete per passage of SB 41 AS
38.05.035(a)(14) Embodied in .05.035 (best interest finding).
AS 38.05.069(b) Agricultural preference option - embodied in 05.069(a).
AS 38.05.321(a) Agricultural interests section replaced by AS 38.05.059 (fee simple conditional title)
AS 38.05.362 Classification of 650,000 acres of agricultural land by 9/79 completed.
AS 38.05.365(20) Definition of University lands.
- Sec. 89 Immediate effective date for Sections 19, 37 and 44.
- Sec. 90 July 1, 1984 effective date for remainder of bill.



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

JOHN RINGSTAD, CO-CHAIRMAN
RICHARD BHULTZ, CO-CHAIRMAN
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May 4, 1984

SECTIONAL ANALYSIS

HCS CSSB 375 (Resources) Land disposal and management.

- Sec. 1 Spells out a policy for managing and disposing of state land which takes into account a range of resource values and uses.
- Sec. 2 Spells out the policy of soliciting the views, including the holding of local public hearings when appropriate, of the residents of communities affected by land classifications and disposals.
- Sec. 3 Passage by the 1983 legislature of SB 41, which awarded the University of Alaska ownership and management of certain state lands, has rendered this provision obsolete.
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- Sec. 7 Repeals the arbitrary requirement that certain percentages of subdivision land be made available through the homesite method. This will allow disposal methods to better reflect market demand and public policy.
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better reflect resources and uses in the area.

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- Sec. 10 Expands the authority in issuing remote cabin permits to allow their use where potential resource and use conflicts exist, or where a long-range interest in public ownership exists. Currently, these permits may be issued only where survey and conveyance is impractical.
- Sec. 11 Clarifies that all land to be conveyed must have been surveyed, either through monumentation of section corners or monumentation of control points, with no land to be conveyed if it is more than two miles from a survey monument, unless this condition is waived by the commissioner.
- Sec. 12 Specifies that legal and feasible access must be provided within subdivisions, and that access meeting local ordinances for subdivision is required of the state.
- Sec. 13 Allows for reservation by the State of easements and rights-of way, to maintain present and future public use and access, and includes trails with an established history of use.
- Sec. 14 Would allow the Director of lands to restrict the use of an easement with at the request of the effected interest holder in State land.
- Sec. 15. Allows the Director of lands to waive, postpone, or modify development requirements of a contract of sale of agricultural land.
- Sec. 16 Requires that other state agencies notify DNR of any land disposals. This is currently required for acquisitions, leases, and exchanges.
- Sec. 17 Clarifies that lands assigned by DNR to DOT may be transferred to DNR when they are no longer needed.
- Sec. 18 Conforming amendment per University settlement agreement. (see Section 3)
- Sec. 19 Limits the right to apply for a preference to five years from the date of error or state action in order to avoid long-standing claims with difficult record reconstruction.

- Sec. 19 Gives DNR the authority to convey to an adjoining landowner unmanageable remnants of land. Such remnants may be unusable and expensive to maintain in state ownership.
- Provides a mechanism for correcting defects in the state's title to land by authorizing DNR to quitclaim land to the federal government on a determination that the land was wrongly or erroneously conveyed to the state.
- Sec. 20 Clarifies the procedure for issuing a best interest finding, and grants a preference to purchase or lease without competitive bid for certain long-term landholders.
- Sec. 21 Amends to require that disposals be held in the community, rather than the municipality, nearest the land to be disposed of, to take into account unincorporated locations.
- Sec. 22 Authorizes bidding at auctions to begin at 85% of the current appraised fair market value of the land, rather than the current 100%.
- Sec. 23 Establishes fee simple conditional title for ag land.
- Sec. 24 Establishes an appeal process for contract violations, followed by the prerogative of the commissioner to foreclose the interest of the purchaser if a determination is made that there has been a breach of the contract.
- Sec. 25 thru 27 Simplifies the selection procedure for agricultural land options for adjacent landowners, by requiring that options be exercised at the time of the disposal and that a single recipient be selected by drawing of lots.
- Sec. 28 Increases from \$250/year to \$5,000/year the value of a lease that may be negotiated, which reflects the increase in land values since this statute was enacted in 1962. Increases the maximum term of a negotiated lease from 5 years to 10 years.
- Sec. 29 Specifies that the term of a lease, while not exceeding 55 years, be for the useful life of the approved activity.
- Sec. 30 Amends the surface leasing procedure to require applicants to deposit with DNR a sum equal to any survey or appraisal costs incurred by another bidder. The successful applicant's deposit would be credited

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- Sec. 38 Allows for reservation by the State of easements and rights-of-way, to provide access to and along navigable and public waters.
- Sec. 39 Provides that easements of rights-of-way to navigable and public waters for oil and gas and mineral leases need not be made until the leases are ready to be developed.
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- Sec. 44 Exempts land quitclaimed back to the federal government (see Sec. 19) from the restriction on sale of agricultural land.
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best interest finding requirement.

- Sec. 46 Amends the public notice requirements for classification, sale, lease, and disposal of state lands to require that more than one, rather than just one, of the following notice methods be used: newspaper, electronic media, posting, notification of interested parties.
- Sec. 47 Requires that notice be given of negotiated sales of timber.
- Sec. 48 Adds the definition of "multiple use" and "exchange of lands" as used in AS 38.04 to AS 38.05.
- Sec. 49 Grants a 25% discount on the purchase price of state land to veterans.
- Sec. 50 Conforming amendment per University settlement agreement. (see Section 3)
- Sec. 51 Allows holders of homesite parcels to transfer rights to another individual, in the event incapacitating illness or injury prevents the landholder from fulfilling residency requirements.
- Sec. 52 Allows the purchase of a homesite parcel at fair market value within 7 years of issuance of the permit if all requirements except the ones for occupancy have been met.
- Sec. 53 Eliminates the requirement that land available for homestead entry be within one mile of a survey monument. This will allow for conversion of remote parcel lands to the homestead program. Authorizes DNR to waive the cadastral survey requirement if certain conditions are present.
- Sec. 54 Changes the amount of land that must be cleared under agricultural homesteading requirements.
- Sec. 55 Allows the purchase of a homestead parcel at fair market value within five years of issuance of the permit if all requirements except the ones for occupancy have been met.
- Sec. 56 thru 67 Amends the Alaska Coordinate System to reflect changes in the federal datum used as a base for this system.
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shall reimburse the state for costs not only in monitoring pipeline construction, but for processing an application and for monitoring operation, maintenance, and removal of the pipeline.

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- Sec. 82 Amends the definition section in Title 29 to clarify that the University has management responsibility for certain state lands. (see Section 3)
- Sec. 83
and 84 Requires compliance with local subdivision ordinances which require capital improvements. Exempts from compliance those subdivision plats submitted to the platting board prior to the effective date of this Act.

Sec. 85 Specifies that the contract foreclosure procedure added in Section 22 applies only to contracts entered into after the effective date of this act.

Sec. 86 Specifies that plats submitted before the effective date of Sec. 84 are not effected by this Act.

Sec. 87 Repealers:

AS 29.33.150(e) Conforming amendment requiring compliance with local subdivision ordinances.

AS 38.04.025 Requires demand assessment, redundant to .04.020(f)

AS 38.04.040 Authorizes sale of University lands. Obsolete with passage of SB 41 in 1983.

AS 38.04.045(a) Conflicts with subdivision parcel size limitations in .04.020(h).

AS 38.05.030(a) Sale of University lands - obsolete per passage of SB 41

AS 38.05.035(a) (14) Embodied in .05.035 (best interest finding).

AS 38.05.069(b) Agricultural preference option - embodied in 05.069(a).

AS 38.05.321(a) Agricultural interests section replaced by Section 23.

AS 38.05.362 Classification of 650,000 acres of agricultural land by 9/79 completed.

AS 38.05.365(20) Definition of University lands.

Sec. 88 Immediate effective date for Sections 19, 37 and 44.

Sec. 89 July 1, 1984, effective date for remainder of bill.

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Senate

Committee on Resources

March 5, 1984

CS SB 375, An Act relating to land disposal and management

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- Sec. 13 In addition to reservation of easements and rights-of-way, allows for retention of land in state ownership to maintain present and future public use and access.
- Sec. 14 Would allow an interest holder of state land to restrict the use of an easement with written approval of DNR.
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- Sec. 43 Amends the public notice requirements for classification, sale, lease, and disposal of state lands to require that more than one, rather than just one, of the following notice methods be used: newspaper, electronic media, posting, notification of interested parties.
- Sec. 44 Requires that notice be given of negotiated sales of timber exceeding 500,000 board feet or of materials exceeding 25,000 cubic yards. Currently no notice of negotiated sales is required.
- Sec. 45 Adds the definition of multiple use that is contained in AS 38.04 to AS 38.05.
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and 66 Conforming amendments per University settlement agreement. (see Section 3)
- Sec. 67
and 68 Streamlines the notice requirements for land exchanges involving less than 640 acres of land or appraised at less than \$100,000. Notice would be given as outlined in Sec. 34.
- Sec. 69 A public hearing would be required for a land exchange only if the exchange is of more than 640 acres or valued at more than \$100,000. The Commissioner maintains discretion to hold hearings for other exchanges.
- Sec. 70 Clarifies which land exchanges require legislative approval.
- Sec. 71 Gives the Commissioner discretion in issuing trapping cabin permits.
- Sec. 72
thru 75 Conforming amendments per University settlement agreement. (see Section 3)
- Sec. 76 Clarifies that when the state contracts with a municipality to conduct an auction of state lands, the municipality may retain from the proceeds of the auction capital and other expenses. This will allow for joint disposals, whereby the municipality would construct the roads on state land and recoup its costs through auction proceeds.
- Sec. 77 Amends the definition section in Title 29 to clarify that the University has management responsibility for certain state lands. (see Section 3)
- Sec. 78
and 79 Requires compliance with local subdivision ordinances which require capital improvements. Exempts from compliance those subdivision plats submitted to the platting board prior to the effective date of this Act.

Sec. 80 Specifies that the contract foreclosure procedure acced in Section 22 applies only to contracts entered into after the effective date of this act.

Sec. 81 Repealers:

- AS 29.33.150(e) Conforming amendment requiring compliance with local subdivision ordinances.
- AS 38.04.025 Requires demand assessment, reduntant to .04.020(f)
- AS 38.04.040 Authorizes sale of University lands. Obsolete with passage of SB 41 in 1983.
- AS 38.04.045(a) Conflicts with subdivision parcel size limitations in .04.020(h).
- AS 38.05.030(a) Sale of University lands - obsolete per passage of SB 41
- AS 38.05.035(a)(14) Embodied in .05.035 (best interest finding).
- AS 38.05.069(b) Agricultural preference option - embodied in 05.069(a).
- AS 38.05.350 Settlement policy embodied in .04.005-.015.
- AS 38.05.362 Classification of 650,000 acres of agricultural land by 9/79 completed.
- AS 38.05.365(20) Definition of University lands.

Sec. 82 Effective date July 1, 1984.

Except for quitclaim sections which take effect immediately.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 485-3834
(907) 485-3835

Senate

Committee on Resources

March 5, 1984

SUMMARY OF MAJOR PROVISIONS OF CS SB 375 (Res)

Access

EXISTING LAW

AS 38.04.055 requires reservation of easements and rights-of-way across private land to reach public water and public and private land.

AS 38.04.050 requires that wherever state land is surveyed for private use, adequate rights-of-way and easements be reserved to each parcel. Further, the director is required to arrange for the development of surface access "where necessary and appropriate."

AS 29.33.150 exempts the state from compliance with local subdivision ordinances which require capital improvements.

SB 375

Would allow for retention of land in state ownership across or adjacent to private land.

Would specify that legal and feasible access be provided within subdivisions, and that surface access must meet local ordinances for subdivisions.

This exemption would be removed.

Costs

EXISTING LAW

SB 375

Funds for implementation of land disposal programs and for grants to municipalities are provided through annual legislative appropriation, based on a request pursuant to AS 38.04.020(e).

Proposed AS 38.04.022 establishes a revolving fund within the general fund for deposit and subsequent appropriation of revenues from the sale of state land.

AS 38.05.310(a) limits the length of time an appraisal is valid to 120 days.

Extends the length of time an appraisal is valid to one year.

Land Exchanges

EXISTING LAW

SB 375

AS 38.05.120(a) gives the commissioner discretion in holding public hearings on proposed land exchanges.

At least one public hearing would be required for exchanges involving more than 640 acres or having an appraised value of \$100,000 or more.

AS 38.05.110 establishes notice procedures (in addition to those required under AS 38.05.345) for land exchanges: provide notice to legislators, municipalities and Native Corporations in the area of the proposed exchange, the Governor's Office, and all state departments.

Notice requirements for land exchanges involving less than 640 acres or appraised at less than \$100,000 would be only as required under AS 38.05.345 (electronic media, newspaper, posting, personal contact).

Notice

EXISTING LAW

SB 375

Under AS 38.05.345, public notice for classification, sale, lease, or disposal of state lands must be provided by one of the following methods: newspaper, electronic media, posting, or personal contact.

More than one notice method would be required.

AS 38.05.345(d) exempts negotiated sales from notice requirements.

Notice must be provided on negotiated sales of timber exceeding 500,000 board feet or materials exceeding 25,000 cubic yards.

See also "Land Exchanges."

Preference Rights

EXISTING LAW

SB 375

AS 38.05.035(b) allows for granting of preference rights to correct errors or omissions of a state or federal agency.

Would limit the right to apply for a preference to 3 years from the time of error.

AS 38.05.069(a) grants owners or lessees of agricultural land a first option to purchase or lease unoccupied adjacent land and establishes a procedure for determining priority if more than one applicant is eligible for the option. This option must be exercised within 60 days after the auction.

Options must be exercised at the time of the auction. A single recipient would be selected by the drawing of lots.

Program Features

EXISTING LAW

SB 375

AS 38.04.020(h) establishes subdivision parcel size at five acres unless topographical features or water and sewage considerations suggest otherwise.

Would allow for consideration of resource values and land uses in determining parcel size.

AS 38.04.020(g)(2) requires that 20% of subdivision parcels be disposed of as homesites.

The number of subdivision parcels disposed of as homesites would be left to the discretion of the commissioner.

AS 38.04.035(4) limits issuance of remote cabin permits to areas where survey and conveyance is impractical.

Permits could also be issued in areas where resource and use conflicts, or a long-range interest in public ownership, exist.

Under AS 38.08.060, the following conditions must be met before a homesite patent can be obtained: Occupancy for 35 months within seven years, erection of a dwelling within five years, payment to the state for survey and platting.

Patent could be obtained prior to expiration of the entry permit through purchase at fair market value if all but the occupancy requirements have been met.

Under AS 38.09, the following conditions must be met before a homestead patent can be obtained: Occupancy for 25 months within five years, survey within two years, erection of a dwelling within three years.

AS 38.09.090. would allow the purchase of a homestead parcel at fair market value prior to expiration of the entry permit if all but the occupancy requirements have been met.

Under AS 38.45.080(a), a trapping cabin permit must be issued if the applicant meets certain conditions.

The commissioner would have discretion in issuance of trapping cabin permits.

AS 29.18.216 authorizes the state to contract with a municipality to conduct an auction of state lands, and allows the municipality to retain expenses from the proceeds of the auction.

Clarifies that capital expenses may also be retained from auction proceeds. This will allow for joint disposals, whereby the municipality would construct the roads on state land and recoup its costs through auction proceeds.

Price of Land

EXISTING LAW

SB 375

AS 38.04.035 requires that, unless otherwise provided, lands be sold at fair market value.

AS 38.05.055 would allow bidding at auctions to begin at 85% of the appraised value of the land.

No general land discounts are currently offered.

AS 38.05.940 would grant a 25% discount on land sales to veterans.

Survey

EXISTING LAW

SB 375

AS 38.04.045(b) requires that all land disposed of must be within two miles of a survey monument. AS 38.09.010(b) requires that land made available for homestead entry be within one mile of a survey monument.

Eliminates the requirement that land made available for homestead entry be within one mile of a survey monument.

Leasing Procedures

EXISTING LAW

SB 375

AS 38.05.070(b) establishes the conditions of a negotiated lease at a 15 year maximum term, and with a maximum appraised value of \$250/year.

Increases the value of a lease that may be negotiated to \$5000/year, and the term to 10 years.

AS 38.05.070 establishes 55 years as the maximum term of a lease.

AS 38.05.075 establishes surface leasing procedures. Leasing is made at auction to the highest qualified bidder.

In setting the term of a lease, requires the Commissioner to consider the useful life of any approved activities.

AS 38.05.075(c) provides a mechanism for DNR to negotiate leases for tide and submerged lands with upland owners without competitive biddings.

AS 38.05.075(e)-(h) authorizes DNR to require prequalification of bidders for surface leases. Such a procedure is currently required administratively to ensure that applicants can meet the terms of the lease.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

POUCH M
JUNEAU, ALASKA 99811
PHONE: 907-485-2400

OFFICE OF THE COMMISSIONER

April 4, 1984

The Honorable Bob Mulcahy
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Mulcahy:

Per your request I am providing a summary position statement from the Department of Natural Resources on CSSB 375 (Res) and CSSB 222 (2nd Res), which are now before the Senate Finance Committee.

The Department, as you are aware from your experience with these bills in the Senate Resources Committee during the past two years, has worked closely with the Legislature in the drafting of both bills. We have reviewed both bills and have asked the Attorney General's Office for its review, and have no amendments to put forward.

As I stated in my testimony before the Senate Resources Committee, I support the bills. SB 375 incorporates some desirable changes affecting the Department's land offerings and land management. With these changes, the Department will comply with local and borough ordinances, provide access and improvements for most nonremote disposals, plan for land offerings in a coordinated fashion at the region and sub-region level, and offer high-quality lands with some preserved amenity values. Our ability to accomplish important land exchanges will also be enhanced.

In making these changes, it is incumbent on the Legislature and the Administration to be sure that our land offerings program remains steady and reliable. As Commissioner, I have encouraged the policy changes that are embodied in the bill because I believe that the State should be balanced and fair in its disposals, especially in carrying its own costs. However, I am constantly aware that the disposal program has gone through radical changes in past years that have left many Alaskans dissatisfied. A major objective of my disposal policy implementation has been to encourage constructive change without disrupting the program. I look forward to cooperating with the Legislature in assuring Alaskans of a stable land disposal program for future years.

Thank you for your work on this bill. Please contact me or my staff if we may be of any assistance.

Sincerely,


Esther C. Wunnicke

Commissioner

cc: Senator Bettye Fahrenkamp

APR 6 1984

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSSB 375 (RES)
Title: An Act...land disposal and management

Sponsor: Fahrenkamp
Requestor: Senate Resources
Date of Request: _____

FISCAL DETAIL

Agency Affected: DNR
Program Category Affected: NRMEC

BRU, Program or Subprogram(s) Affected: _____
Management: Land and Water Management; Information/Records Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	208.2	208.2	208.2	208.2	208.2	208.2
200 TRAVEL	5.7	5.7	5.7	5.7	5.7	5.7
300 CONTRACTUAL	9.0	9.0	9.0	9.0	9.0	9.0
400 SUPPLIES	4.5	4.5	4.5	4.5	4.5	4.5
500 EQUIPMENT	1.5	1.5	1.5	1.5	1.5	1.5
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	228.9	228.9	228.9	228.9	228.9	228.9
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	228.9	228.9	228.9	228.9	228.9	228.9
FEDERAL FUNDS						
OTHER						
TOTAL	228.9	228.9	228.9	228.9	228.9	228.9

POSITIONS:

FULL-TIME	4	4	4	4	4	4
PART-TIME	11	11	11	11	11	11
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

General Fund

ANALYSIS: Attach a separate page for analysis

Prepared By: Ned Farquhar Phone: 465-2400
Division: Commissioner's Office Date: 7 March 1984

Approved by Commissioner: Arthur Chennick Date: 7 March 1984
Agency: Natural Resources

Distribution (by Agency preparing fiscal note):

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

12/1/83

DNR BACKUP ANALYSIS FOR
FISCAL NOTE ON CSSB 375 (Resources)

Sec. 2: This change requires increased travel and advertisement to encourage local participation.

Land and Water Management:	
200	4.5
300	<u>2.0</u>
Total	6.5

Sec. 9: The fund for land disposal revenues will require some administration.

Management:	
100	7.2 (½ Document Processing Clerk III)

Sec. 12: The requirement to comply with local ordinances regarding access will be expensive but will be budgeted in future disposal projects.

Sec. 18: To respond to quitclaim requests, the Division of Technical Services will need new funding.

Information/Records Management:	
100	46.2 (NRM I)
200	1.2
300	4.0
400	2.0
500	<u>1.5</u>
Total	54.9

Sec. 22: Mail, tracking, and programming costs for the Division of Land and Water Management and the Division of Management will increase.

Land and Water Management:	
100	14.3 (½ Document Processing Clerk III)
400	<u>1.0</u>
Total	15.3
Management:	
100	14.3 (½ NRT I)

Sec. 25: See note for Sec. 28.

Sec. 27: See note for Sec. 28.

Sec. 28: To meet the timeline in statute as a matter of course, the Department would be forced to add staff in each District office of the Division of Land and Water Management. We anticipate difficulty meeting the requirement in subparagraph (e)(2) in completing all procedures required by AS 38.05.035(e) (appraisals, surveys, hearings, preliminary decisions, and written findings).

Land and Water Management:

100	46.4	(SCDO NRM I)
	46.4	(NCDO NRO II)
	<u>40.6</u>	(SEDO NRO II)
	133.4	
300	3.0	
400	<u>1.5</u>	
Total	137.9	

Sec.78-79: The requirement for front-end funding for compliance with local platting and subdivision ordinances will primarily impact the Division of Technical Services and will be addressed in future budget submissions. The total annual impact for compliance with local ordinances on an annual basis is not easily estimated, but could reach tens of millions of dollars.

the word "water."

★ § 8 - line 3, page 5 - add the words "public recreation" after "fishery"

★ § 10 - line 21 - add the words "disposal of land would cause" after where.

★ ~~§ 12, line 24 -- remove the deletion of the words "as necessary".~~

§ 14 - Any right of way ~~or easement imposed~~ reserved may be reserved under the condition that its use may be restricted for a limited, specific time, as determined by the commissioner, ~~and to~~ for public safety purposes.

★ § 18, page 9, line 29 - add the words "for its fair market value" at the word "landowner"

★ § 25, page 15, lines 14 and 15 - delete the words "without advertisement"

★ § ³⁰27, page ²⁰17, line ²¹7 -- add a sentence at the end of the section that reads: "All costs for survey and appraisal ^{shall} ~~must~~ be approved in advance ~~by the commissioner~~ in writing by the commissioner."

publication

★ § 43, page 25, line 2 - after the word "action:", insert "provided, however, that ~~(1) shall~~ notice shall be provided according to (1) in any case."

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07

POSITION PAPER ON CS SENATE BILL 407

Richard A. Neve', Commissioner

Alaska Department of Environmental Conservation
May 3, 1984

An Act Relating to the Prevention and Abatement of Water Pollution

The Department had reservations about the original bill, but following some suggestions and modifications, now finds CS SB 407 more consistent with state policy and less at odds with state and federal restrictions, principally found in the Clean Water Act.

The miners have asked for the state to inventory its waters according to the federal Clean Water Act. This was not a problem for many of the lower 48 states with few rivers and lakes and little coastline and with many years of flow, chemical and water use information. Alaska has too many waters and too little information to do this adequately.

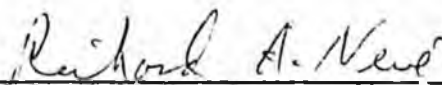
The information required by CS SB 407 involves knowing 1) stream flows, 2) chemical, biological, and physical characteristics of streams, lakes and coastal waters, 3) uses of the waters by fishermen, sport, commercial and subsistence; industries; cities; boaters; etc. 4) the effects upon streams from pollution discharges and 5) how the above information varies with season.

To say that the information already exists is not true. Some information, e.g. numbers of fish or mineral content, exists for some streams. But there are no streams in Alaska that have the complete set of data required. We estimate that less than 8% of Alaska's waters have as much as 10% of the required information. Alaska claims three million lakes and uncounted hundreds of thousands of miles of perennial streams. In Southeast alone, there are over 2600 anadromous fish streams alone for which there are incomplete data on fish populations at peak times of year. There is little data on water flow or quality. There is little multi-season data.

DEC estimates the cost of collecting the above information to range from \$1,000 to \$20,000 per stream or lake, depending upon transportation costs, existing information, complexity of the stream, etc. At the present FY 85 budget levels, DEC could collect enough information to reclassify from about thirty up to about two hundred streams in the next two years.

Creation of a separate classification for placer mining provides the least promise for relief and the most potential for false expectations since the reclassification process actually goes about the deletion of conflicting uses not present on a stream. A miner would still have to demonstrate that there are no fish in the stream and so forth. The breakout of a separate placer mining category does little more than avoid the stigma of being lumped in with its present industrial category. The federal Clean Water Act provides for an EPA veto of any DEC reclassification. Our considerations of economics and relative values will bear little weight with EPA's review, which is limited to goals of fishable-swimmable waters.

The most promising aspects of CS SB 407 lie with management plans for basins or mining districts to resolve conflicts and maximize uses. This approach would organize piecemeal efforts and map out mining plans for an identifiable area.


Richard A. Neve'
Commissioner

ANALYSIS OF CSSB 407 (Resources)

Prevention and abatement of water pollution

Section 1 establishes legislative findings that seem clear.

The codified sections of the bill constitute amendments to AS 46.03, a chapter entitled "environmental conservation." Except for the amendments to Sec. 2 (which relates to a declaration of policy covering the entire chapter), the remaining provisions of the bill that amend AS 46.03 amend Article 3, sections dealing with water pollution control.

Section 2 of the bill amends AS 46.03.010(b), a legislative "Declaration of Policy." The amendment changes existing law subtly:

(b) It is the policy of the state to improve and coordinate the environmental plans, functions, powers and programs of the state, in cooperation with the federal government, regions, local governments, other public and private organizations and concerned individuals, and to develop and manage the basic resources of water, land and air in an economically and environmentally sound manner to the end that the state may fulfill its responsibility as trustee of its resources [THE ENVIRONMENT] for [THE] present and future generations.

Section 3 of the bill repeals and reenacts AS 46.03.080. As now written, the provision provides:

Sec.46.03.080. QUALITY AND PURITY STANDARDS. After study and public hearings held upon due notice, the department may establish standards of quality and purity or group the designated waters of the state into classes as to minimum quality and purity, or both. The department shall classify waters in accordance with considerations of best usage in the interest of the public. The department may alter and modify classifications after hearing.

As used in this bill, "department" means the Department of Environmental Conservation.

The changes made in the section substitute the establishment of "categories and classifications for the waters of the state considering their traditional, present and potential, social and economic beneficial uses" for the previous, more permissive authorization that the department "establish standards of quality and purity or group the designated waters of the state into classes as to minimum quality or purity, or both". The department was authorized previously to "alter and modify" the previous "categories and classifications" and this power continues with the provision that it be done no less often than "each three years".

Section 4 adds two new sections to Article 3.

Sec. 46.03.082(a) establishes a hierarchy for the classification of state waters.

Sec. 46.03.082(b) permits the classifications established under (a) to vary according to the season of the year, with the stated goal being the "maximum use" of state waters.

Sec. 46.03.084(a) provides that the department "establish standards of water quality for each classification established under AS 46.03.082 (a)". The standards are required to be "consistent with the most beneficial present and potential use of the waters considering the social and economic values of the known renewable and nonrenewable resources." Standards may be modified after public hearings.

Sec. 46.03.084(b) provides that either in the establishment of water standards or in granting permits, the department shall consider the effect of "establishing the water standards or granting the water permit" with reference to identified policies. The subsection then establishes six possible impacts that the department should consider either in the establishment of water standards or in the granting or a water permit.

Section 5 of the bill directs the department to designate "those waters of the state determined suitable for placer mining classification" within 60 days of the effective date of the Act.

Section 6(a)(1) of the Act directs the commissioner of environmental conservation to inventory the "significant state waters" and identify the specific uses of those waters considering seven specific factors, including mineral potential and use, the presence of fish, recreational use, and the like.

Section 6(a)(2) of the Act requires the commissioner to develop management plans for specific "drainage, basin, mining district, or other logical geographic basis" that possesses common water uses, resources, or values.

Section 6(b) directs the commissioner to use the expertise of other state agencies in identifying the uses listed in sec. 6(a)(1).

Section 6c) provides that the management plan developed under sec. 6(a) shall consider "geology, soil and stream conditions, constraints of water access and supply, the use of state waters for fisheries and drinking water, and economic and recreational values" to remedy existing or potential mining water use conflicts to "maximize the use of the water resources of the state."

ANALYSIS OF CSSB 407 (Resources)

Prevention and abatement of water pollution

Section 1 establishes legislative findings that seem clear.

The codified sections of the bill constitute amendments to AS 46.03, a chapter entitled "environmental conservation." Except for the amendments to Sec. 2 (which relates to a declaration of policy covering the entire chapter), the remaining provisions of the bill that amend AS 46.03 amend Article 3, sections dealing with water pollution control.

Section 2 of the bill amends AS 46.03.010(b), a legislative "Declaration of Policy." The amendment changes existing law subtly:

(b) It is the policy of the state to improve and coordinate the environmental plans, functions, powers and programs of the state, in cooperation with the federal government, regions, local governments, other public and private organizations and concerned individuals, and to develop and manage the basic resources of water, land and air in an economically and environmentally sound manner to the end that the state may fulfill its responsibility as trustee of its resources [THE ENVIRONMENT] for [THE] present and future generations.

Section 3 of the bill repeals and reenacts AS 46.03.080. As now written the provision provides:

Sec.46.03.080. QUALITY AND PURITY STANDARDS. After study and public hearings held upon due notice, the department may establish standards of quality and purity or group the designated waters of the state into classes as to minimum quality and purity, or both. The department shall classify waters in accordance with considerations of best usage in the interest of the public. The department may alter and modify classifications after hearing.

As used in this bill, "department" means the Department of Environmental Conservation.

The changes made in the section substitute the establishment of "categories and classifications for the waters of the state considering their traditional, present and potential, social and economic beneficial uses" for the previous, more permissive authorization that the department "establish standards of quality and purity or group the designated waters of the state into classes as to minimum quality or purity, or both". The department was authorized previously to "alter and modify" the previous "categories and classifications" and this power continues with the provision that it be done no less often than "each three years".

Section 4 adds two new sections to Article 3.

Sec. 46.03.082(a) establishes a hierarchy for the classification of state waters.

Sec. 46.03.082(b) permits the classifications established under (a) to vary according to the season of the year, with the stated goal being the "maximum use" of state waters.

Sec. 46.03.084(a) provides that the department "establish standards of water quality for each classification established under AS 46.03.082 (a)". The standards are required to be "consistent with the most beneficial present and potential use of the waters considering the social and economic values of the known renewable and nonrenewable resources." Standards may be modified after public hearings.

Sec. 46.03.084(b) provides that either in the establishment of water standards or in granting permits, the department shall consider the effect of "establishing the water standards or granting the water permit" with reference to identified policies. The subsection then establishes six possible impacts that the department should consider either in the establishment of water standards or in the granting of a water permit.

Section 5 of the bill directs the department to designate "those waters of the state determined suitable for placer mining classification" within 60 days of the effective date of the Act.

Section 6(a)(1) of the Act directs the commissioner of environmental conservation to inventory the "significant state waters" and identify the specific uses of those waters considering seven specific factors, including mineral potential and use, the presence of fish, recreational use, and the like.

Section 6(a)(2) of the Act requires the commissioner to develop management plans for specific "drainage, basin, mining district, or other logical geographic basis" that possesses common water uses, resources, or values.

Section 6(b) directs the commissioner to use the expertise of other state agencies in identifying the uses listed in sec. 6(a)(1).

Section 6(c) provides that the management plan developed under sec. 6(a) shall consider "geology, soil and stream conditions, constraints of water access and supply, the use of state waters for fisheries and drinking water, and economic and recreational values" to remedy existing or potential mining water use conflicts to "maximize the use of the water resources of the state."

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUNEAU, ALASKA 99811
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

May 2, 1984

SUBJECT: Prevention and abatement of water pollution
(CSSB 407(Resources))

TO: ~~Senator Bettye Fahrenkamp~~

FROM: ~~Richard A. Bradley~~
~~Legislative Counsel~~

~~You have requested a sectional analysis of CSSB 407-~~
~~(Resources).~~

Section 1 establishes legislative findings that seem clear.

The codified sections of the bill constitute amendments to AS 46.03, a chapter entitled "environmental conservation." Except for the amendment to Sec. 2 (which relates to a declaration of policy covering the entire chapter), the remaining provisions of the bill that amend AS 46.03 amend Article 3, sections dealing with water pollution control.

Section 2 of the bill amends AS 46.03.010(b), a legislative "Declaration of Policy." The amendment changes existing law subtly:

- (b) It is the policy of the state to improve and coordinate the environmental plans, functions, powers and programs of the state, in cooperation with the federal government, regions, local governments, other public and private organizations and concerned individuals, and to develop and manage the basic resources of water, land and air in an economically and environmentally sound manner to the end that the state may fulfill its responsibility as trustee of its resources [THE ENVIRONMENT] for [THE] present and future generations.

Section 3 of the bill repeals and reenacts AS 46.03.080. As now written, the provision provides:

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As used in this bill, "department" means the Department of Environmental Conservation.

The changes made in the section substitute the establishment of "categories and classifications for the waters of the state considering their traditional, present and potential, social and economic beneficial uses" for the previous, more permissive authorization that the department "establish standards or quality and purity or group the designated waters of the state into classes as to minimum quality or purity, or both". The department was authorized previously to "alter and modify" the previous "categories and classifications" and this power continues with the provision that it be done no less often than "each three years".

Section 4 adds two new sections to Article 3.

Sec. 46.03.082(a) establishes a hierarchy for the classification of state waters. ~~The section states the apparent intended preferences though I am not sure that the law states that as clearly as it might.~~

Sec. 46.03.082(b) permits the classifications established under (a) to vary according to the season of the year, with the stated goal being the "maximum use" of state waters.

Sec. 46.03.084(a) provides that the department "establish standards of water quality for each classification established under AS 46.03.082(a)". The standards are required to be "consistent with the most beneficial present and potential use of the waters considering the social and economic values of the known renewable and nonrenewable resources." Standards may be modified after public hearings.

Sec. 46.03.084(b) provides that either in the establishment of water standards or in granting permits, the department shall consider the effect of "establishing the water

CR
JIS 'BR"
standard ^{OR} ~~to~~ granting the water permit" with reference to identified policies. ~~(Before discussing the policies, it seems that the last "to" should be "or")~~

The subsection then establishes six possible impacts that the department should consider either in the establishment of water standards or in the granting of a water permit.

~~I assume that the "water permit" described is the "waste disposal permit required under AS 46.03.100; if not, then the reference is unclear. In any case, the reference could be clearer.~~

Section 5 of the bill directs the department to designate "those waters of the state determined suitable for placer mining classification" within 60 days of the effective date of the Act; ~~an affirmative effective date is not added.~~

Section 6(a)(1) of the Act directs the commissioner of environmental conservation to inventory the "significant state waters" and identify the specific uses of those water considering seven specific factors, including mineral potential and use, the presence of fish, recreational use, and the like. ~~The sequence here suggests no priority valuations.~~

Section 6(a)(2) of the Act requires the commissioner to develop management plans for specific "drainage, basin, mining district, or other logical geographic basis" that possesses common water uses, resources, or values.

Section 6(b) directs the commissioner to use the expertise of other state agencies in identifying the uses listed in sec. 6(a)(1).

Section 6(c) provides that the management plan developed under sec. 6(a) shall consider "geology, soil and stream conditions, constrains of water access and supply, the use of state waters for fisheries and drinking water, and economic and recreational values" to remedy existing or potential mining water use conflicts to "maximize the use of the water resources of the state."

~~If I may be of further assistance, please advise.~~

RAB:otb
J7/018

S

B

H

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Official Business

Alaska State Legislature

Senate

Office of the President

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

To: House Committee on Resources
Rep. John Ringstad
Rep. Dick Shultz
Co-Chairmen

From: Senator Jay Kerttula
Senate President

Date: May 10, 1984

Subject: Senate Bill 411: Justification

Senate Bill 411, relating to preferential use of Alaska Agricultural products is intended to encourage the purchase of said products when food service contracts are state financed.

The bill is structured after the Forest Products Preference statute (AS 36.15).

Alaskan agriculturists grow quality produce almost all of which is consumed in state. This bill primarily will serve as a reminder to bidders that the quality products they seek originate in Alaska.

No advantages are given to Alaska products or the producers as with the in-state employment statute. Products considered must be available, competitively priced and of like quality as produce originating out of state in order to qualify for use under this act.

Many institutions purchase agricultural products for food preparation, including schools, senior centers, Pioneer Homes and cafeterias, and concessions in state buildings and correctional facilities. It is intended this act would apply to food procurement for these institutions.

A survey of other state statutes relating to preferential purchase found 16 states have at least one provision for favorable consideration of an in-state produced commodity. Fifteen states have no such provisions.

JK/rjr/blm

Alaska State Legislature

Advisory Council Members
Senator Kerttula, Chairman
Senator Bennett
Senator Fahrenkamp
Senator Vic Fischer



Pouch V
State Capitol
Juneau, Alaska 99811
Phone: (907) 465-3114

SENATE ADVISORY COUNCIL

MEMORANDUM

TO: Richard Ramsey

FROM: Pete Jeans *PJ*
Senior Advisor
Senate Advisory Council

DATE: March 9, 1984

RE: In-State Preference Purchasing

In response to your request earlier today, the following is a breakdown of responses we received to our letter sent to all the states September 23, 1983 regarding laws or regulations addressing "In-State Preference Purchasing" of agricultural goods produced within their state.

A total of 31 states responded. Of that total 15 stated that they do not have a law or regulation that mandates a preference for the purchase of in-state goods and services specifically relating to public purchasing of agricultural products. In-state purchasing is encouraged in a majority of these states. Those states responding were:

California	Illinois
Mississippi	Connecticut
Oklahoma	New Hampshire
Utah	Nevada
Nebraska	Virginia
Maryland	Illinois
Kentucky	Delaware
Georgia	

Memorandum
Richard Ramsey

-2-

March 9, 1984

A total of 16 states responded that they did have statutory provisions that provide for in-state bidders preference for the purchase of goods and services made under state purchasing laws however, these states do not permit the sacrifice of price or quality in giving this preference. Here again, there is no regulations relating specifically to public purchasing of agricultural products. A number of these states also have regulations stating "preference shall be given to purchasing American made products and purchases from American based businesses whenever possible." Those states responding were:

New Mexico	North Dakota
Maine	New York
Minnesota	Hawaii
Florida	Arkansas
Missouri	Missouri
Colorado	Iowa
Ohio	Alabama
South Dakota	North Carolina

I have attached copies of these responses along with the regulations which have been cited. I hope this will be of use to you. If I can provide you with any additional information on this, please let me know.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

MAR 15 1984

Revision Date: _____

REQUEST

Bill/Resolution No. CS SB411
Title: Preferential use of Alaskan agricultural products
Sponsor: Kerttula
Requestor: _____
Date of Request: _____

FISCAL DETAIL

Agency Affected: Natural Resources
Program Category Affected: Agricultural Management
BRU, Program or Subprogram(s) Affected: Agricultural Development

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Sharon Barton Phone: 465-2400
Division: Commissioner's Office Date: 3-12-84
1/5 for mrt
Approved by Commissioner: James D. Arnold, Deputy Date: 3-12-84
Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

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

12/1/83

Chapter 15. Forest Products Preference.

Section

10. Use of local forest products required in projects financed by public money

Section

20. Insertion of clause in calls for bids and in contracts

Collateral references. — 64 Am. Jur. §§ 2, 3, 7, 10, 18; 81A C.J.S., States, 2d, Public Works and Contracts, § 94. §§ 154, 158, 161.
72 C.J.S. Supplement, Public Contracts,

Sec. 36.15.010. Use of local forest products required in projects financed by public money. In a project financed by state money in which the use of timber, lumber, and manufactured lumber products is required, only timber, lumber, and manufactured lumber products originating in this state from local forests shall be used wherever practicable. (§ 14-3-1 ACLA 1949)

Sec. 36.15.020. Insertion of clause in calls for bids and in contracts. A clause containing the substance of AS 36.15.010 shall be inserted in all calls for bids and in all contracts awarded. (§ 14-3-2 ACLA 1949)

Chapter 20. Purchases and Supplies.

Section

10. Preference of producers or dealers in Alaska

Collateral references. — 64 Am. Jur. §§ 2, 3, 7, 10, 18; 81A C.J.S., States, 2d, Public Works and Contracts, § 94. §§ 154, 158, 161.
72 C.J.S. Supplement, Public Contracts,

Sec. 36.20.010. Preference of producers or dealers in Alaska. In making purchases or awarding contracts for supplies, commodities or materials for an office or institution of this state preference shall be given, whenever practicable, to producers and dealers in the state, price and quality being equal. (§ 14-4-2 ACLA 1949)

Cross references. — As to preference for Alaska bidders under the Fiscal Procedures Act, see AS 37.05.230.

S B

4417

SECTIONAL ANALYSIS
CSSB 417

Section 1. Findings

Section 2. Amends 41.21 (State Parks) by adding new sections:

41.21.500 Purpose is to (1) designate as a unit of state park systems the land and water described and (2) to protect and perpetuate the fishery and wildlife resources and habitat in the unit and adjacent area and (3) to manage recreational uses and development activities in the unit and adjacent areas.

41.21.502 Designation of land and water (A) Designates the surface estates of state owned land and water including shore, tide, and submerged land as the Kenai River Special Management Area. Followed by technical language locating and identifying the specific parcels.(legal descriptions) (B) Descriptions are "subject to valid existing rights ..." (C) The lands are closed to mineral entry "except for oil and gas leasing ..."

41.21.504 Designation of Management Responsibilities - The above described land and water is assigned to DNR for control, maintenance and development consistent with the findings and purposes of the act. Nothing in the bill affects powers and duties of Departments of Natural Resources, Fish and Game, Environmental Conservation, Division of Policy Development and Planning or Alaska Coastal Management Programs.

41.21.506 Comprehensive Management Plan, Regulations - Commissioner shall develop management plan within two years of effective date and may periodically review and adopt changes. The plan shall be developed in consultation with the Kenai Peninsula Borough.

Commissioner shall adopt regulations under Administrative Procedures Act which must designate and prohibit or restrict incompatible uses, and establish registration or licensing for professional fishing guides as well as controls that are deemed relevant state regulations.

Until regulations are adopted, commissioner may apply other relevant state regulations.

A regulation under this section doesn't apply to land in the boundaries of municipalities unless it is state land or the regulation has been approved by the municipality.

Sectional Analysis

CSSB 417

page 2

- 41.21.508 Additional land - Commissioner may acquire title or interest to land within or adjacent to the management area by any lawful means except eminent domain and may also add state owned land or water to the management area.
- 41.21.510 Public involvement - Commissioner shall appoint and consult with a local advisory board and hold public hearing in the area effected. Commissioner shall consult and solicit recommendations from federal and state agencies, municipalities, private land owners, and other interested members of the public.
- 41.21.512 Cooperative Management Agreements - The commissioner is authorized to enter into cooperative agreements with Federal agencies, municipalities, other state agencies or private land owners to achieve the purpose of this act.
- Section 3. As 41.21 amended with new section 41.21.960. Attorney General, at request of commissioner, may seek an injunction and damages for violation of a regulation under this act.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 3/21/84

REQUEST

Bill/Resolution No.: CS for SB417
Title: (Sen. Resources)
Kenai River Park Management
Sponsor: Governor
Requestor:
Date of Request:

FISCAL DETAIL

Agency Affected: Natural Resources, Parks
Program Category Affected: Parks and Recreation
BRU, Program or Subprogram(s) Affected: Park Operations

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		208.9	208.9	208.9	208.9	208.9
200 TRAVEL		1.5	1.5	1.5	1.5	1.5
300 CONTRACTUAL		31.8	31.8	31.8	31.8	31.8
400 SUPPLIES		23.0	23.0	23.0	23.0	23.0
500 EQUIPMENT		121.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		386.7	265.2	265.2	265.2	265.2
CAPITAL						
REVENUE		-0-				

FUNDING: (Thousands of Dollars)

GENERAL FUND		386.7	265.2	265.2	265.2	265.2
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		2	2	2	2	2
PART-TIME						
TEMPORARY		7	7	7	7	7

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Neil Johannsen Phone: 276-2653
Division: Parks and Outdoor Recreation Date: 3/21/84

MIT Approved by Commissioner: William J. Arnold, Deputy Date: 3/21/84
Agency: Natural Resources

Distribution (by Agency preparing fiscal note):

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

12/1/83

Fiscal Note Section IV Analysis
Kenai River Management

		Salary	Benefits	FY 85 Total
100:	Natural Resource Officer II	12 mm 33.0	10.0	43.0
	Park Ranger II	12 mm 33.9	10.1	44.0
	Park Ranger I	8 mm 19.2	5.8	25.0
	Park Ranger I	8 mm 19.2	5.8	25.0
	Natural Resource Technician II	5 mm 10.5	3.2	13.7
	Radio Dispatcher I	6 mm 11.8	3.6	15.4
	Radio Dispatcher I	6 mm 11.8	3.6	15.4
	Natural Resource Technician II	5 mm 10.5	3.2	13.7
	Natural Resource Technician II	5 mm 10.5	3.2	13.7
				<u>208.9</u>
200:	Travel and Per Diem for Natural Resource Officer to attend public meetings and Advisory Board meetings in Anchorage and Homer and meetings to coordinate with Federal and other State agencies.....			1.5
300:	River boat repair and maintenance.....			9.0
	Vehicle rental - mileage and fixed costs.....			<u>22.8</u>
				31.8
400:	Uniform allowance.....			2.0
	Fuel, oil and parts for river boats.....			20.7
	Office supplies.....			<u>3</u>
				23.0
TOTAL OPERATING:				<u>265.2</u>
500:	Listed equipment costs will be necessary for initial program start-up only, these will not be necessary on a yearly basis.			
	Three Jetboats: 17 ft. equipped with lights, siren, life preservers and trailers @ \$20. each.....			60.0
	Four MX 360 Radios and Convertacoms @ \$2.5 each.....			10.0
	Seven Parks Radio 100 Watt Mobile Radio @ \$2.5 each.....			17.5
	Two 4X4 Pickups @ \$9.0 each.....			18.0
	One 1/2 ton Pickup @ \$7.0			7.0
	One Station Wagon @ \$6.0.....			6.0
	One Defensive Equipment.....			1.0
	One Word Processor.....			<u>2.0</u>
				121.5
TOTAL FY 85 REQUEST:				<u>386.7</u>
CIP REQUEST:	Comprehensive Plan for river management, to be done over two fiscal years (1985 and 1986).....			160.0

City of Soldotna

BOX 409

PHONE 262-9107

SOLDOTNA, ALASKA 99669



CITY OF OPPORTUNITY

April 9, 1984

The Honorable John Cowdery
Resources Committee
House of Representatives
State of Alaska
Pouch V
Juneau, AK 99811

Dear Representative Cowdery:

The City of Soldotna may have been a little remiss in informing everyone that we do in fact support the Substitute Bill for Senate Bill No. 417, An Act establishing the Kenai River Special Management Area.

At the Senate Committee hearing in Kenai, I personally testified for the City of Soldotna in support of the substitute bill.

The very problems that were our previous concerns, the one quarter mile management width and the use of eminent domain have been removed from the substitute bill.

Other concerns were voiced that have been accommodated.

So we join with others voicing our support of the substitute bill.

Sincerely,

A handwritten signature in cursive script that reads "Justin G. Maile".

Justin G. Maile
Mayor

JGM:mg

CITY OF HOMER
HOMER, ALASKA

RESOLUTION 84-23

A RESOLUTION OF THE HOMER CITY COUNCIL SUPPORTING THE PASSAGE OF
SUBSTITUTE BILL #417 THROUGH THE ALASKA STATE LEGISLATURE THIS YEAR.

WHEREAS, the management and use of the Kenai River and its
adjoining lands have become issues of great concern to the residents
of the Kenai Peninsula; and


WHEREAS, the Kenai Peninsula Borough, the City of Kenai and
the City of Soldotna have endorsed the Kenai River Management Plan as
outlined in Senate Substitute Bill #417, which calls for a logical
approach to the preservation of the River and allows for local
municipalities to have the management power over the boundaries of the
local municipality; and

WHEREAS, any decision reached for the management of the Kenai
River will most assuredly be passed on down the Peninsula to the
management of the Anchor River, the Ninilchik River, Deep Creek and
the Homer Spit;

NOW THEREFORE, BE IT RESOLVED that the Homer City Council
joins in those efforts already being performed by the Kenai Peninsula
Borough, the City of Kenai and the City of Soldotna, in support of the
passage of Senate Substitute Bill #417 through the Alaska State
Legislature this year.

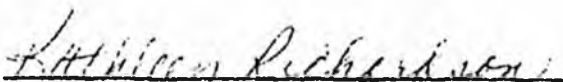
DATE on the ^{4th} 27 day of *March* 1984 in Homer, Alaska.

CITY OF HOMER



Erle Cooper, Mayor

ATTEST:



Kathleen Richardson, City Clerk

S B

461

SHORT ANALYSIS

CSSB 461(Resources)

It is the intent of this bill to establish four loan and/or grant programs for the purpose of cleaning up the waters used in placer mining operations. Two of the programs would be set up in DNR, and two in DEC, and all would be administered by their respective commissioners, with the help of a mining water use review committee.

The commissioner of DNR administers the "innovative gold recovery demonstration grant program" (grants up to \$100,000), and the "placer mining water reduction loan program" (up to \$50,000).

The commissioner of DEC administers the "innovative pollution control demonstration grant program" (grants up to \$100,000), and the "placer mining water reduction loan program" (up to \$50,000).

Upon the recommendation of the review committee that the loan recipient has demonstrated, and will use on a continuing basis, a method of achieving either a 50% or 80% reduction in the water used or recycled in his placer mining operation, depending upon the loan program, the commissioner administering the program may consider either 50% or 100% of the loan to be a grant, and not require repayment.

DRAFT

Bradley
5/18/84 ✓

Original sponsor: Fahrenkamp

1 IN THE SENATE BY THE RESOURCES COMMITTEE
 2 HOUSE CS FOR CS FOR SENATE BILL NO. 461 (Resources)
 3 IN THE LEGISLATURE OF THE STATE OF ALASKA
 4 THIRTEENTH LEGISLATURE - SECOND SESSION
 5 A BILL

6 For an Act entitled: "An Act relating to the management and use of water
 7 in mining; and providing for an effective date."

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

9 * Section 1. AS 46 is amended by adding a new chapter to read:

10 CHAPTER 16. MANAGEMENT AND USE OF WATER IN MINING.

11 Sec. 46.16.010. MINING WATER USE REVIEW COMMITTEE ESTABLISHED.
 12 The mining water use review committee is established. The review
 13 committee is responsible for reviewing and making recommendations on
 14 applications for grants and loans under this chapter.

15 Sec. 46.16.020. MEMBERSHIP OF THE REVIEW COMMITTEE. (a) The
 16 review committee consists of the commissioner of natural resources,
 17 the commissioner of environmental conservation, the dean of the school
 18 of mineral industry at the University of Alaska, two individuals
 19 appointed by the governor who have placer mining experience, and one
 20 public member appointed by the governor.

21 (b) An individual described in (a) of this section who serves ex
 22 officio may designate an alternate to serve on the review committee.

23 (c) An individual appointed by the governor serves for a three-
 24 year term.

25 Sec. 46.16.030. RESPONSIBILITY OF THE REVIEW COMMITTEE. (a)
 26 The review committee shall select a presiding officer and establish
 27 procedures necessary to implement its responsibilities.

28 (b) The review committee shall review each application for a
 29 grant or a loan filed under this chapter and make a recommendation to

1 the commissioner of natural resources or to the commissioner of en-
2 vironmental conservation for action on the application.

3 (c) In making its recommendation, the committee shall consider
4 the economic benefits to the placer mining industry, the environmental
5 benefits to the public, and other benefits that each grant or loan may
6 offer.

7 Sec. 46.16.040. RESPONSIBILITY OF COMMISSIONER OF NATURAL RE-
8 SOURCES. The commissioner of natural resources shall administer the
9 innovative gold recovery demonstration grant program established under
10 AS 46.16.070 and the placer mining water reduction loan program estab-
11 lished under AS 46.16.080.

12 Sec. 46.16.050. RESPONSIBILITY OF COMMISSIONER OF ENVIRONMENTAL
13 CONSERVATION. The commissioner of environmental conservation shall
14 administer the innovative pollution control demonstration grant estab-
15 lished under AS 46.16.090 and the placer mining water recycling loan
16 program established under AS 46.16.100.

17 Sec. 46.16.060. UNIFORM REGULATIONS. The commissioner of
18 natural resources and the commissioner of environmental conservation
19 shall adopt uniform regulations and administrative procedures to
20 implement the loan and grant program established by this chapter.

21 Sec. 46.16.070. INNOVATIVE GOLD RECOVERY DEMONSTRATION GRANT.

22 (a) The innovative gold recovery demonstration grant program is
23 established as a direct grant program to give a person engaged in
24 placer mining the opportunity to study and test new methods of gold
25 recovery and water use reduction.

26 (b) The commissioner of natural resources may make a grant under
27 this section to a person that has

28 (1) a proven history of successful placer mining;

29 (2) the capability to produce verifiable results; and

1 (3) the capability to study and test new methods of gold
2 recovery and water use reduction under actual operating conditions.

3 (c) The commissioner of natural resources may not make a grant
4 under this section to a person in excess of \$100,000.

5 (d) The commissioner of natural resources shall monitor and
6 evaluate the results of grants made under this section.

7 Sec. 46.16.080. PLACER MINING WATER REDUCTION LOAN AND GRANT.

8 (a) The placer mining water reduction program is established as a
9 loan and grant program.

10 (b) A person whose primary source of income is derived from
11 placer mining may apply for a loan to purchase and test equipment that
12 reasonably offers the possibility of a reduction in the amount of
13 water used in placer mining.

14 (c) If a loan applicant demonstrates to the satisfaction of the
15 review committee that the loan applicant has developed and will use on
16 a continuing basis a practical method that will result in a 50 percent
17 reduction in the amount of water used in the placer mining operation,
18 the review committee may recommend to the commissioner of natural
19 resources that 50 percent of the loan be considered a grant to the
20 loan applicant.

21 (d) If a loan applicant demonstrates to the satisfaction of the
22 review committee that the loan applicant has developed and will use on
23 a continuing basis a practical method that will result in an 80 per-
24 cent reduction in the amount of water used in the placer mining opera-
25 tion, the review committee may recommend to the commissioner of natu-
26 ral resources that the entire loan be considered a grant to the appli-
27 cant.

28 (e) A loan under this section may not

29 (1) exceed \$50,000;

1 (2) exceed a term of 10 years;

2 (3) have an interest rate exceeding 10 percent per annum;

3 or

4 (4) have a repayment schedule requiring payments within one
5 year after the loan was disbursed to the applicant.

6 Sec. 46.16.090. INNOVATIVE POLLUTION CONTROL DEMONSTRATION
7 PROGRAM. (a) The innovative pollution control demonstration grant
8 program is established as a direct grant program to give a person
9 engaged in placer mining the opportunity to study and test innovative
10 and economically viable mining techniques for waste disposal and
11 pollution control in placer mining.

12 (b) The commissioner of environmental conservation may make
13 grants under this section to a person that has

14 (1) a proven history of successful placer mining;

15 (2) the capability to produce verifiable results; and

16 (3) the capability to study and test innovative and econom-
17 ically viable techniques for waste disposal and pollution control in
18 placer mining.

19 (c) The commissioner of environmental conservation may not make
20 a grant under this section to a person in excess of \$100,000.

21 (d) The commissioner of environmental conservation shall monitor
22 and evaluate the results of grants made under this section.

23 Sec. 46.16.100. PLACER MINING WATER RECYCLING LOAN AND GRANT
24 PROGRAM. (a) The placer mining water recycling program is estab-
25 lished as a loan and grant program.

26 (b) A person whose primary source of income is derived from
27 placer mining may apply for a loan to purchase and test equipment that
28 reasonably offers the possibility of recycling the water used in
29 placer mining.

1 (c) If a loan applicant demonstrates to the satisfaction of the
2 review committee that the loan applicant has developed and will use on
3 a continuing basis a practical method that will result in recycling 50
4 percent of the water used in the placer mining operation, the review
5 committee may recommend to the commissioner of environmental conserva-
6 tion that 50 percent of the loan be considered a grant to the loan
7 applicant.

8 (d) If a loan applicant demonstrates to the satisfaction of the
9 review committee that the loan applicant has developed and will use on
10 a continuing basis a practical method that will result in recycling 80
11 percent of the water used in the placer mining operation, the review
12 committee may recommend to the commissioner of environmental conserva-
13 tion that the entire loan be considered a grant to the applicant.

14 (e) A loan under this section may not

- 15 (1) exceed \$50,000;
16 (2) exceed a term of 10 years;
17 (3) have an interest rate exceeding 10 percent per annum;

18 or

19 (4) have a repayment schedule requiring payments within one
20 year after the loan was disbursed to the applicant.

21 Sec. 46.16.110. ACCESS TO INFORMATION. (a) All information
22 generated as a result of loans and grants made under this chapter is
23 public information. The commissioner of natural resources and the
24 commissioner of environmental conservation shall compile, analyze, and
25 distribute the information for the benefit of the placer mining indus-
26 try and the state and federal governments.

27 (b) The contents of an application for a grant or a loan are
28 available to the extent permitted under AS 09.25.110 and 09.25.120.

29 * Sec. 2. This Act takes effect July 1, 1984.

SECTIONAL ANALYSIS

CSSB 461(Resources)

Section 1 of the bill amends Title 46 by adding a Chapter 16, "Management and Use of Water in Mining."

Section 010 establishes a "mining water use review committee." The committee is charged with "reviewing and making recommendations (to the commissioners of DNR and DEC) on applications for grants and loans under this chapter." This committee has all the usual powers of a similarly-established board or commission, and its members are entitled to the usual travel and per diem.

Section 020(a) provides for the membership of the committee: the commissioners of DNR and DEC, the dean of the school of mineral industry at the University, two appointees of the governor who have "placer mining experience", and a public member appointed by the governor.

Section 020(b) permits a member of the committee who serves ex officio to designate an alternate.

Section 020(c) provides that appointees to the committee serve a three year term. Members who serve by virtue of other positions serve so long as they hold those other positions.

Section 030(a) directs the committee to select a presiding officer and to "establish procedures necessary to implement its responsibilities."

Section 030(b) directs the committee to review each application for a grant or loan filed under the chapter to the appropriate commissioner (DNR or DEC) for action on the application.

Section 030(c) establishes the broad goals of the committee in its review of the applications: "the economic benefits to the placer mining industry, the environmental benefits to the public, and other (individual) benefits" that each grant or loan would offer.

Section 040 directs the commissioner of DNR to implement the innovative gold recovery demonstration grant program (sec.070) and the placer mining water reduction loan program (sec.080).

Section 050 directs the commissioner of DEC to administer the innovative pollution control demonstration grant program (sec.090) and the placer mining water recycling loan program (sec.100).

Section 060 directs the commissioners of DNR and DEC to establish "uniform regulations and administrative procedures" to implement the grant and loan programs established under the chapter.

Section 070(a) establishes the "innovative gold recovery demonstration grant program" as a direct grant program for the study and test of "gold recovery and water use reduction.

Section 070(b) establishes the tests for the commissioner's determination on grant applications after review by the review committee: (1) a history of successful placer mining; (2) the capability to produce verifiable results; and (3) the capability to study and test new methods of gold recovery and water use reduction under actual operating conditions.

Section 070(c) limits grants to \$100,000.00.

Section 070(d) requires the commissioner to monitor and evaluate the results of the grants made under this section.

Section 080(a) establishes the placer mining water reduction loan and grant program in DNR.

Section 080(b) provides that a person whose primary source of income is derived from placer mining "may apply for a loan to purchase and test equipment that reasonably offers the possibility of a reduction in the amount of water used in placer mining."

Section 080(c) provides that if the loan applicant demonstrates to the satisfaction of the review committee a 50 percent reduction in the amount of water used in the placer mining operation, the review committee may recommend to the commissioner of DNR that 50 percent of the loan be considered a grant.

Section 080(d) similarly provides that if the loan applicant demonstrates to the satisfaction of the review committee an 80 percent reduction in the amount of water used in the placer mining operation, the review committee may recommend to the commissioner that the entire loan be considered a grant.

Section 080(e) provides that a loan under this section may not exceed \$50,000, have a term in excess of ten years, carry an interest rate in excess of 10% per annum, or have a repayment schedule requiring payments for the year after the loan was disbursed to the applicant.

Section 090(a) establishes the "innovative pollution control demonstration program" as a direct grant program to give a person engaged in placer mining an opportunity to study and test innovative and economically viable mining techniques for waste disposal and pollution control in placer mining.

Section 090(b) establishes the tests for the commissioner's determination on grant applications: (1) a history of successful placer mining; (2) the capability to produce verifiable results; and (3) the capability to study and test new methods of innovative and economically viable techniques for waste disposal and pollution control in placer mining.

Section 090(c) limits grants to \$100,000.00.

Section 090(d) requires the commissioner to monitor and evaluate the results of grants made under the section.

Section 100(a) establishes the placer mining water recycling program as a loan and grant program in DEC.

Section 100(b) provides that a person whose primary source of income is derived from placer mining "may apply for a loan to purchase and test equipment that reasonably offers the possibility of recycling the water used in placer mining."

Section 100(c) provides that if the loan applicant demonstrates to the satisfaction of the review committee that 50 percent of the water used in the placer mining operation has been recycled, the review committee may recommend to the commissioner that 50% of the loan be considered a grant.

Section 100(d) similarly provides that if the loan applicant demonstrates to the satisfaction of the review committee that 80 percent of the water used in the placer mining operation has been recycled, the review committee may recommend to the commissioner that the entire loan be considered a grant.

Section 100(e) provides that a loan under this section may not exceed \$50,000.00, have a term in excess of ten years, carry an interest rate in excess of 10% per annum, or have a repayment schedule requiring payments for the year after the loan was disbursed to the applicant.

Section 110(a) provides that the "information gathered and obtained from loans and grants made under this chapter" is public information. The commissioners are directed to compile, analyze and distribute broadly the information gathered.

Section 110(b) provides that the contents of the applications for grants or loans under the chapter are available for public inspection to the extent permitted under AS 09.25.110 and AS 09.25.120 (attached).

Section 2 of the bill provides an effective date of July 1, 1984.

Sec. 09.25.110. Inspection and copies of public records. Unless specifically provided otherwise the books, records, papers, files, accounts, writings, and transactions of all agencies and departments are public records and are open to inspection by the public under reasonable rules during regular office hours. The public officer having the custody of public records shall give on request and payment of costs a certified copy of the public record. (§ 3.22 ch 101 SLA 1962)

Sec. 09.25.120. Inspection and copying of public records. Every person has a right to inspect a public writing or record in the state, including public writings and records in recorders' offices except (1) records of vital statistics and adoption proceedings which shall be treated in the manner required by AS 18.50; (2) records pertaining to juveniles; (3) medical and related public health records; (4) records required to be kept confidential by a federal law or regulation or by state law. Every public officer having the custody of records not included in the exceptions shall permit the inspection, and give on demand and on payment of the legal fees therefor a certified copy of the writing or record, and the copy shall in all cases be evidence of the original. Recordors shall permit memoranda, transcripts, and copies of the public writings and records in their offices to be made by photography or otherwise for the purpose of examining titles to real estate described in the public writings and records, making abstracts of title or guaranteeing or insuring the titles of the real estate, or building and maintaining title and abstract plants; and shall furnish proper and reasonable facilities to persons having lawful occasion for access to the public writings and records for those purposes, subject to reasonable rules and regulations, in conformity to the direction of the court, as are necessary for the protection of the writings and records and to prevent interference with the regular discharge of the duties of the recordors and their employees. (§ 3.23 ch 101 SLA 1962)

FISCAL NOTE

Revision Date: _____

REQUEST
 Bill/Resolution No.: CSSB 461 (Res)
 Title: Management and use of
water in mining
 Sponsor: Senator Fahrenkamp
 Requestor: Senate Finance Committee
 Date of Request: May 7, 1984

FISCAL DETAIL Dept. of Natural Resources
 Agency Affected: Dept. of Environmental Conservation
 Program Category Affected: _____

BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

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

FUNDING: (Thousands of Dollars)

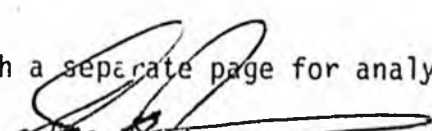
GENERAL FUND	0	0				
FEDERAL FUNDS	0	0				
OTHER	0	0				
TOTAL	0	0				

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By:  Phone: 465-3714
 Division: Don Bennett, Co-chairman Date: May 7, 1984
Senate Finance Committee

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

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

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 5/21/84

REQUEST

Bill/Resolution No.: CSSB 461 (Res)
Title: Management and Use of Water
in Mining

Sponsor: Sen. Fahrenzamp
Requestor:
Date of Request:

FISCAL DETAIL

Agency Affected: DNR
Program Category Affected: NRMEC

BRU, Program or Subprogram(s) Affected:
Minerals and Energy Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES			78.1	125.7	132.0	138.6
200 TRAVEL			20.0	22.1	23.2	24.4
300 CONTRACTUAL			65.0	35.0	36.0	37.1
400 SUPPLIES			4	6	6	6
500 EQUIPMENT			1.5	7	0	0
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	165.0	184.1	191.8	200.7
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND			165.0	184.1	191.8	200.7
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME			2	3	3	3
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Laurel Murphy Phone: 265-4184
Division: Mining Date: 5/21/84

Approved by Commissioner: *William J. Amundson* Date: _____
Agency: Natural Resources

Distribution (by Agency preparing fiscal note):

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

12/1/83

DNR BACKUP FOR FISCAL NOTE
FOR CS SB 461 (Res)

	FY 86	FY 87	FY 88	FY 89
100:	78.1	125.7	132.0	138.6

In the first year, the Department will assign a mining engineer (52.9) to supervise the loan fund and begin preparing for the disbursement of loans from the fund. This will require assignment of contractors for items shown under line 300, as well as preliminary evaluation of technologies and demand for loans. A Clerk-Typist III (25.2) will assist the supervising mining engineer and the review committee.

After the first year, the Department will add a Loan Examiner II (41.6) to monitor and check compliance on loans.

200:	20.0	22.1	23.2	24.4
------	------	------	------	------

Travel for regulation hearings, interagency coordination and briefing, inspection of operations.

300:	65.0	35.0	36.0	37.1
------	------	------	------	------

Development of loan and grant regulations, forms, and procedures; accounting procedures; analysis and preparation of testing and compliance procedures; inspection and other reports; audit; air charter; legal counsel; training; office overhead; printing; noticing; computer time.

400:	.4	.6	.6	.6
------	----	----	----	----

Miscellaneous office supplies (\$200 per position).

500:	1.5	.7	0	0
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Office equipment for new positions.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 461
 Title: Management and Use of Water
in Mining
 Sponsor: Fahrenkamp
 Requestor: _____
 Date of Request: _____

FISCAL DETAIL

Agency Affected: Environmental Conservation
 Program Category Affected: _____
 BRU, Program or Subprogram(s) Affected: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES		49.5	52.0	54.6	57.3	60.2
200 TRAVEL		20.0	21.0	22.1	23.2	24.4
300 CONTRACTUAL		40.0	42.0	44.1	46.3	48.6
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		109.5	115.0	120.8	126.8	133.2
CAPITAL		--	--	--	--	--
REVENUE		--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND		109.5	115.0	120.8	126.8	133.2
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

General Funds

ANALYSIS: Attach a separate page for analysis

Prepared By: -Randolph Bayliss Phone: 465-2653
 Division: Environmental Quality Management Date: May 21, 1984
 Approved by Commissioner: Richard A. Nease Date: May 21, 1984
 Agency: Department of Environmental Conservation

Distribution (by Agency preparing fiscal note):

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

12/1/83

1.	POSITION TITLE Environmental Engineer III				RANGE/STEP 19A	BARG. UNIT G	FORM 12 PAGE/LINE	COV.	APPROV.	DISAPP.	
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION AWA	ELECTION DISTRICT Juneau	LEC.			
3.	CONTINUATION LEVEL				ADDITION						
4.	TYPE OF EXPENDITURE				AMOUNT						
	1		2		3						
PERSONAL SERVICES											
5.	Salary		38,124.00								
6.	Benefits		1,020.58								
7.	Supplemental Benefits		7,598.11								
8.	Fixed Benefits		2,728.20								
9.	TOTAL PERSONAL SERVICES		01		49,470.89						
10.	Travel		02		20,000.00						
11.	Contractual		03		40,000.00						
12.	Commodities		04								
13.	Equipment		05								
14.	Othe.										
15.	TOTAL COST				09,470.89						
JUSTIFICATION Additional staff required to provide technical review and assistance; to evaluate grant and loan applications and to prepare guidance on procedures.											
RECEIPT CODE FUNDING SOURCE											
16.			Federal Receipts 1002								
17.			G.F. Match 1003								
18.			General Funds 1004		09,470.89						
19.			I-A Receipts 1005								
20.			Program Receipts 1028								
21.			Other								
FOR B&H USE ONLY											
4A KEY NUMBER											

13 REQUEST FOR
NEW POSITION

AGENCY Environmental Conservation

PROGRAM NRMEC

BRU Environmental Quality Management

COMPONENT Water Quality Management

FY 85

Page of

Revised Date

S B

480

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: 5-14-84

REQUEST

Bill/Resolution No.: CSSB 480(Res)

Title: Commodity Commissions and
Shell Eggs

Sponsor: Kerttula

Requestor: _____

Date of Request: _____

FISCAL DETAIL

Agency Affected: Natural Resources

Program Category Affected: _____
Agriculture Management

BRU, Program or Subprogram(s) Affected: _____

Agriculture Development

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS	-0-	10.0	25.0	25.0		
800 MISCELLANEOUS						
TOTAL OPERATING	-0-	10.0	25.0	25.0		
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	10.0	25.0	25.0		
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	10.0	25.0	25.0		

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

This amended fiscal note is made necessary by the fact that the 10.0 which appears in the Governor's budget to fund this program does not appear in either the House or Senate version of the DNR budget.
ANALYSIS: Attach a separate page for analysis

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

Approved by Commissioner: [Signature] Date: 5-14-84
Agency: Department of Natural Resources

Distribution (by Agency preparing fiscal note):

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

12/1/83



Official Business

Alaska State Legislature

Senate

Office of the President

Pouch V
State Capitol
Juneau, Alaska 99811

MEMORANDUM

To: House Resources Committee
Rep. John Ringstad
Rep. Dick Shultz
Co-Chairmen

From: Senator Jay Kerttula
Senate President

Date: May 10, 1984

Subject: Senate Bill 480: Justification

Senate Bill 480, relating to the establishment of commodity marketing commissions with the assistance of the Division of Agriculture in the Department of Natural Resources, is intended as a "self help" institution whereby Alaska agricultural producers can organize to more effectively promote the use of their products.

The primary purpose of the commission is to further the market development potential for agricultural commodities by efforts in education, research, and promotion. These market development efforts are carried out by the use of assessments collected from commodity producers.

It is envisioned that the Division of Agriculture would hold a referendum on whether to establish a commodity commission involving all producers of a particular commodity (e.g. dairy producers, potatoes, vegetables, etc.). If a majority vote in favor is achieved, the commission would be established and a board elected.

Commodity commissions fund marketing research and education efforts by assessing a fee on the selling price of the commodity. This fee would be paid by the producers and would not effect the retail price paid for the commodity. It would also be voluntary. If a producer wishes not to participate, his/her check off or assessment would be refunded. Obviously, consistent support is necessary of the commission is to succeed. If many producers envision a free ride by the program and chose not to participate, the program will fail.

The commission will expend monies for research projects aimed at enhancing production, education efforts to increase quality of products, and marketing campaigns to educate the public on the attractiveness of Alaska grown produce.

Senate Bill 480: Justification

Page 2

Commodity marketing commissions are nothing new to the agriculture industry in the United States. A recent survey of state commodity commissions (attached) indicates 41 states have commissions and six do not. They range in number from one to twenty-one per state. 248 commodity commissions represent 60 general classes of commodities. 97% of all commissions are established as a result of legislative action.

The Governor's budget request to the Legislature for the Department of Natural Resources included \$10,000 for matching funding which would have assisted in establishment of the commodity commissions. House and Senate versions have deleted this funding. The Department of Natural Resources has prepared the attached fiscal note for \$10,000.

JK/rjr/blm
Attachments

W/1153

Report on Study of State Agricultural
Commodity Commissions

Prepared for

S. Mason Carbaugh
Commissioner

Virginia Department of Agriculture and Consumer Services

July 14, 1983

Report on Study of State Agricultural Commodity Commissions

I. Introduction

During the 1983 session of the Virginia General Assembly, certain legislators raised questions as to the operations of commodity commissions in other states. As a result of these questions; the department decided to conduct a survey. A survey instrument was developed and mailed to 49 State Departments of Agriculture. The purpose of this survey was to obtain essential information on the establishment, purpose, and operational procedures of commodity commissions in other states so that similiar comparisons could be made to the commodity commissions in Virginia. Forty-seven of the forty-nine states returned completed survey instruments. A copy of the survey instrument is attached as Appendix 1.

Major Findings of State Survey

This section reflects a comparative analysis of Virginia's commodity commissions with those states who returned a completed survey instrument (47 of 49 states or 96%). Six states reported no commissions and forty-one states had commissions. The range of commission numbers in the forty-one states ranged from one to twenty-one, with the mean number being approximately eleven. There was a total of 248 commodity commissions representing 60 general classes of commodities. A commodity class in this study refers to a specific commodity, but includes many varieties of that commodity, e.g., flue-cured tobacco, sun-cured, burley, etc. The study revealed that Virginia was not unique in having commissions. Virginia is also not unique in types of services provided by the State Departments of Agriculture, the ways in which commissions were established within the state, and/or in the general management, administration and purposes of commissions.

All of the nine commodity commissions in Virginia were established as a result of legislative action, either directly by law or through enabling legislation authorizing commissions to conduct referendums. The establishment procedure in Virginia is almost identical to procedures used in other states since 97 percent of all commissions in other states were established as a result of legislative action.

It was found that the primary purpose of all commissions, in all states, is to further the market development potential for respective commodities by efforts in education, research and promotion. These market development efforts are carried out by the use of assessments collected from commodity producers. The type of direct services supplied by State Departments of Agriculture tended to reflect a degree of uniformity throughout.

In the area of general management services, the Virginia Department of Agriculture and Consumer Services has the responsibility to: a) ensure that all commissions operate in accordance with state rules and regulations; b) serve in a liaison capacity between commodity commissions on matters relating to general operations of the commissions; and, c) ensure that all commissions receive relevant policies and directives (and respond when necessary) from the Executive and Legislative Branches. This management responsibility of the Virginia Department of Agriculture and Consumer Services is very similar to the general management responsibilities of State Departments of Agriculture in other states.

Table 1 contains general information on commissions in Virginia compared with other states. Table 2 contains general operational and administrative information on Virginia's nine commissions with the corresponding commissions in other states. Table 3 shows by state, for each commodity commission, the ratios of funding to production value of individual commodities and the rank order by states. Example:

Apples -- (16 states with commissions)

- The range in money collected per million dollars of production value for 1982 was \$119 for the State of Utah to \$12,777 for the State of Washington. Virginia collected \$5,753.
- Virginia ranked 5th in money collected for apples.

II. Results of State Survey

Number of Commissions

A survey form was mailed to the 49 State Departments of Agriculture outside of Virginia and responses were received from 47 states. Only one commission is thought to be operating in one of the nonresponding states. Responses included a total of 248 commodity commissions, with the number per state ranging from 0 commissions in 6 states to 21 commissions in Oregon. Virginia has 9 commodity commissions organized for purposes of promotion, education and research. In the U.S., there are 60 general classes of commodities represented by commissions (a "class" is defined as including all types of tobacco, all types of cherries, etc.).

Commission Types

Virginia has a commission to serve each of the following industries: apple, pork, peanut, soybean, corn, egg, bright flue-cured tobacco, dark fire-cured tobacco and sweet potatoes. The number of other states that reported having commissions for those industries are: apple 15; pork 11; peanut 7; soybean 20; corn 6; egg 9; tobacco 4; and sweet potatoes 3.

Establishment of Commissions

As previously stated, all of the commodity commissions in the Commonwealth of Virginia were established as a result of legislative action, either directly by law (5 commissions) or through enabling legislation (4 commissions) which authorized producer referendums to be conducted. According to the survey, 97 percent of the reported commodity commissions nationwide were established through legislative action either directly by law (25 percent) or through enabling legislation which authorized a referendum (72 percent).

Commission Establishment Procedures

Based on survey responses, 79 percent of the commissions nationwide were formed through procedures administered by state personnel. Personnel of State Departments of Agriculture administered the procedures for 66 percent of the commissions and 13 percent were administered by state legislative authorities.

The establishment procedures for the other 21 percent were administered by commodity groups.

Member Appointment

In Virginia, the governor appoints the members to 8 of the 9 commodity commissions. For the apple commission, commission members are elected by producers and then appointed by the commissioner. According to the survey, the percentages of commissions nationwide that utilize the different sources of member appointment are as follows:

Producer-elected	35%
Governor	30%
Commissioner of Agriculture	25%
Commodity Commission	10%
	<u>100%</u>

Assessments and Refunds

All of Virginia's commodity commissions utilize a mandatory assessment on the respective commodities. Survey responses showed that 94 percent of the other commodity commissions nationwide employ a mandatory assessment. Virginia farmers cannot request a refund from any of the nine commissions. According to the survey, 52 percent of the commodity commissions throughout the United States refund an assessment on request.

Assessment Collectors

Only the Virginia Apple Commission collects its own assessments while the assessments for the other 8 commissions are collected by processors, first-line handlers or buyers. The assessments for 5 commissions are reported to the Virginia Tax Department. The assessments for the other 3 are reported to the Virginia Department of Agriculture and Consumer Services. All assessments are then forwarded to the State Treasury for the account of each commission. According to the survey, 48 percent of the commodity commissions collect their own assessments, 25 percent of the commissions have their assessments collected by first-line handlers, buyers or processors, 22 percent of the assessments are collected by the State Departments of Agriculture, and 5 percent of the commissions have their state treasuries or departments of taxation collect the fees.

S. Mason Carbaugh
 Commissioner
 Virginia Department of Agriculture and Consumer Services
 P.O. Box 1163
 Richmond, VA 23209

SURVEY OF STATE AGRICULTURAL COMMODITY COMMISSIONS (CHECK-OFF PROGRAMS)

FOR STATE OF _____

1. Does your state have agricultural commodity commissions or similar entities? Yes No
 If no, please do not continue further with this survey.
 If yes, please continue with the survey.

2. Complete the following table by listing the commissions that exist in your state, along with additional information contained in the columns.

Name of Commodity Commission	Year Established	How Established		Who Appoints Members to the Commission	Assessment (Excise Tax Rate) Rate per Unit		Mandatory Assessment (Circle)	Who Collects Assessment	Total Funds Collected From Assessments in 1982	If Mandatory, Can Farmers Request A Refund (Circle)		Does the Commission Receive Any State Funds (Circle)	
		State Law	Voluntary		Rate	Unit				Yes	No	Yes	No
1.							Yes No			Yes No	Yes No		
2.							Yes No			Yes No	Yes No		
3.							Yes No			Yes No	Yes No		
4.							Yes No			Yes No	Yes No		
5.							Yes No			Yes No	Yes No		
6.							Yes No			Yes No	Yes No		
7.							Yes No			Yes No	Yes No		
8.							Yes No			Yes No	Yes No		
9.							Yes No			Yes No	Yes No		
10.							Yes No			Yes No	Yes No		

Please continue on other side.

8

ATTACHMENT 1

Table 1. General Information on Commissions, Virginia and Other States

COMMISSION AGE (In Years)	<u>VIRGINIA</u>	<u>AVERAGE, OTHER STATES</u>
Average Age	20	19
MEMBER APPOINTMENT	<u>VIRGINIA</u>	<u>TOTAL, OTHER STATES</u>
	Percent	Percent
Producer Elected	11	45
Appointed by the Governor	89	30
Appointed by Commissioner of Agriculture	--	25
REFUND OF ASSESSMENTS	<u>VIRGINIA</u>	<u>TOTAL, OTHER STATES</u>
Percent of Commissions having Mandatory Assessments	100	94
Percent of Commissions with Assessment Refund on Request	0	52
ASSESSMENT COLLECTIONS	<u>VIRGINIA</u>	<u>TOTAL, OTHER STATES</u>
	Percent	Percent
Collected by Commission	11	48
Processors or First Time Users	89	25
State Dept. of Agriculture	--	22
State Treasury	--	5
AMOUNT OF ASSESSMENTS COLLECTED	<u>VIRGINIA</u>	<u>TOTAL, OTHER STATES</u> (Excluding Dairy & Citrus)
State Total Collected FY82	\$864,441	\$58,936,297
Average Per Commission	96,049	293,215

Amount of Assessments Collected

Virginia's 9 commodity commissions collected \$864,441 in assessments in fiscal year 1982. In other states that reported figures of assessment collections, excluding dairy and citrus, a total of \$58,936,297 was collected.

Assessment expenditures

Virginia's commodity commissions use the assessments they collect for the three major purposes of education, research and promotion. Survey responses as to how assessments are used by other commissions were grouped into the categories below. Responses occurred in the proportions shown:

Research .	86%
Promotion	81%
Education	68%
Market Development	27%
Other	19%

General Management Support Supplied by Department of Agriculture

In Virginia, the Department of Agriculture and Consumer Services has the responsibility to ensure that all commissions operate in accordance with applicable state rules and regulations. The Department also serves as a liaison between commodity commissions on all matters relating to their general management. Each commission, by state law, is "... created with the Virginia Department of Agriculture and Consumer Services..." The management services reported in the survey as being rendered by State Departments of Agriculture were sorted into the following categories, in the proportions shown:

General, miscellaneous management	22%
Financial management	24%
Ex Officio members	16%
No management	8%
	<hr/>
	100%

State Funding

The Virginia Pork Industry Commission is the only commission in Virginia that is currently receiving state funding. However, this funding will be withdrawn effective June 30, 1984. Survey results indicated that 97 percent of the commodity commissions nationwide are self-supporting through producer assessments. Only 3 percent of all commissions receive state financial support.

Services Supplied by Departments of Agriculture

The Virginia Department of Agriculture and Consumer Services provides the Virginia commodity commissions with different services. Some of these services include: accounting, budgeting, secretarial/clerical support, referendum assistance, tax collection, record keeping, and personnel services. Not all of the commissions receive each of these services. For example, two commissions employ full time staffs to provide their administrative, promotion, publicity, etc. requirements. Recognizing that there is considerable overlap between the 13 categories shown below, responses of services received by commissions from State Departments of Agriculture were classified as reported. They are ranked starting with the most frequently mentioned service listed first.

- | | |
|----------------------|---------------------|
| 1. Accounting | 8. Legal advice |
| 2. Fee collection | 9. Budgeting |
| 3. Secretarial | 10. Office space |
| 4. Advice/assistance | 11. Referendums |
| 5. Personnel | 12. Data processing |
| 6. Administrative | 13. Equipment |
| 7. Record keeping | |

Overview of Assessment Collections and Age of Commissions

Each of Virginia's 9 commodity commissions collected less than the average amount of assessments collected by all other commissions nationwide of the same type. Possible reasons for this situation include: lower volume production of the commodities, lower level assessment rates, and different ways of calculating assessments. Assessment rate comparisons could not feasibly be made due to widely differing assessment units and variable-rate fee structures.

For example, Virginia's Apple Commission collects 10 cents per bushel on graded apples and 5 cents per bushel

on ungraded apples sold for fresh use while it collects 5 cents per hundredweight on apples for processing. Washington, Georgia, Colorado and other states show only one rate for all apples while Utah collects 1 cent per box and Delaware collects a variable fee based on orchard size. Virginia's Pork Commission makes a distinction between market hogs and feeder pigs as do many states. Other states such as Texas and Montana charge one rate for all pigs while Ohio combines breeding hogs with market hogs.

Five of Virginia's commissions are older than the average for their type: Apple, Peanut, Pork, Soybean, and Bright Flue-cured Tobacco; two commissions are equal to the average age: Corn and Dark-fired Tobacco; and two are younger than average: Egg and Sweet Potato.