

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 86/2

2852 SRES SB 337 - SB 340

2852

Alaska State Legislature

COMMITTEES

Co-Chairman — House Resources
Committee

Chairman — REAA Budget Oversight
Committee

Member — House State Affairs
DOT — Finance Sub Committee



House of Representatives

Dick Shultz

While in Session:

Pouch V
State Capitol
Juneau, Alaska 99811
Phone (907) 435-4951
465-4947

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

MEMORANDUM

TO: Senator Bettye Fahrenkamp, Chair
Senate Resources Committee

FROM: Representative Dick Shultz, Co-Chair
House Resources Committee

DATE: March 30, 1984

RE: HCR 51/HB 552

This is to request you to waive out of committee HCR 51 and HB 552.

SB 337 that you passed out of committee is identical, in part, to HCR 51. In my discussion with Senator Moss we are in concurrence that we will use HCR 51 as the vehicle to establish the Ad Hoc Committee and will take that part out of his bill. A CS for SB 337 can then be offered by the Finance Committee to reflect the increase in bison fees and timber sales. I am presently holding my bill, HB 551, in House Rules pending passage of CSSB 337. I can then kill my bill and use Pappy's as the vehicle for raising the bison fees and providing for timber sales.

HB 552 and SB 338 (which you have passed from your committee) are the same appropriation bill. By waiving HB 552 out of your committee we can then use it as the appropriation vehicle to expand the bison range.

Consideration of this request would be most appreciated.

cc: Senator Pappy Moss

CHAIRMAN
SENATE TRANSPORTATION
COMMITTEE
SENATE SPECIAL AGRICULTURE
COMMITTEE

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

Alaska State Legislature



State Senate

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

JUNEAU OFFICE
FOUCH V
JUNEAU, ALASKA 99811
(907) 465-4921

SENATE SPECIAL COMMITTEE ON AGRICULTURE

MEMORANDUM

April 17, 1984

TO: Senator Bettye Fahrenkamp, Chair
Senate Resources Committee

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

RE: Bison Bills

A handwritten signature in dark ink, appearing to read "H. Pappy Moss".

Senate Bills 337 and 338, the Senate Bills which deal with the development of the Delta Junction Bison Range, are the bills that deal most directly and effectively with solving the bison-related problems in Delta Junction.

I am working toward the passage of Senate Bills 337 and 338 in the form in which they were passed out of the Senate Resources Committee. These bills are now in the Senate Finance Committee. They have been reviewed by Senator Josephson and are now awaiting a scheduling date on the Senate Finance Committee calendar.

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 337
Title: Delta bison range

Sponsor: Moss
Requestor: _____
Date of Request: 1-9-84

FISCAL DETAIL

Agency Affected: Natural Resources
Program Category Affected: Forestry
Presuppression/Northcentral small timber
BRU, Program or Subprogram(s) Affected: sales
Forest Management

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-	-0-

CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

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

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

SB 338 appropriates \$60,000 from the general fund to DNR for administration of the timber sale and fire suppression on the Delta bison range.

ANALYSIS: Attach a separate page for analysis

Prepared By: Sharon L. Barton Phone: 465-2400
Division: Commissioner's Office Date: 2-13-84

Approved by Commissioner: William J. Arnold Deputy Date: 2-13-84
Agency: Dept. 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



Free Ranging Bison and Agriculture: Can They Coexist?

by Dave Johnson
Area Game Biologist
AK Dept. of Fish and Game
Delta Junction

About the time Columbus was discovering the New World, Alaska's original bison were making their last stand. At one time, they had been the most common large land mammal in the state, but climatic changes favoring today's Interior Alaska forests did not favor the bison. Skulls found in the last decade in Alaska confirm that the same species of bison that roamed the Great Plains lived here in Alaska as well, but the last known native bison died some 500 years ago.

Sportsmen that reintroduced bison here in the late '20s knew nothing of that, of course. They only knew that the area and its extensive grasslands appeared well suited for bison. Bison have been an extremely popular game animal since that time.

Delta Area: Suited for Agriculture and Bison

Today, the Delta area is still well suited for bison, but now there's a rub: the area is also well suited for farming, and an energetic farming development is springing up where forest held sway for thousands of years. Unhappily, the bison and agriculture aren't getting along too well.

Ever since the first homesteaders started farming here years ago, the

bison have been a headache for farmers. They show up as the harvest is ready (and sometimes before) and have annually wreaked varying degrees of havoc. Some farmers report their damages from bison run to tens of thousands of dollars.

The basic problem is that the bison and the farms want to be in the same place at the same time. Looking from a historical perspective, the bison learned early that they could make use of parts of the Clearwater, the old 99-mile dry bar (an old bed of Jarvis Creek just east of the Junction), local lakes and other odd bits of forage in the fall and winter. The forage along the Delta River was, still is, and will likely always be inadequate for more than a few months during the summer. Healy Lake, 30 miles east of Delta, was an area of alternate range, and by trafficking between here and there, and elsewhere, the bison learned the country pretty well.

So, when farming got started in the Clearwater, it was natural for them to make use of the improved forage. Likewise, when Delta I got started, to the bison, it was just a vast improvement in part of their winter range.

No matter how it happened, no one that knows anything of the situation will dispute that there is a problem. The obvious solution is to get rid of either the farms or the bison, and had the problem dropped up 100 or even 50 years ago, Alaskans might have summarily disposed of the bi-

son. Times have changed, and there's no doubt of one fact: most Alaskans want the farms and the bison to remain in the area. But, at the same time, another large majority would undoubtedly admit that it isn't really fair for a few Alaskans—Delta farmers—to have to support the bison for several months out of the year. And this is what is now occurring.

So, what to do?

Ignoring the extremes mentioned above, the proposed solutions can generally be lumped into three categories: fence the bison, fence the farms, or develop the Delta Junction Bison Range to decoy the animals. The continuing inability of those involved to reach a solution has generally turned into a fairly disagreeable confrontation between sportsmen, the Department of Fish and Game, and agriculturists. Frankly, none of the combatants has strength enough to "win" and the conflict is wearing down the patience of the rest of the state.

Unless all can agree on something, I submit that there will eventually be a big loss for one side or another, and it is by no means clear which side will lose, and what will be lost.

The Department of Fish and Game believes development of the Delta Junction Bison Range can be the something that will work and can be agreeable to most. It is not perfect, to

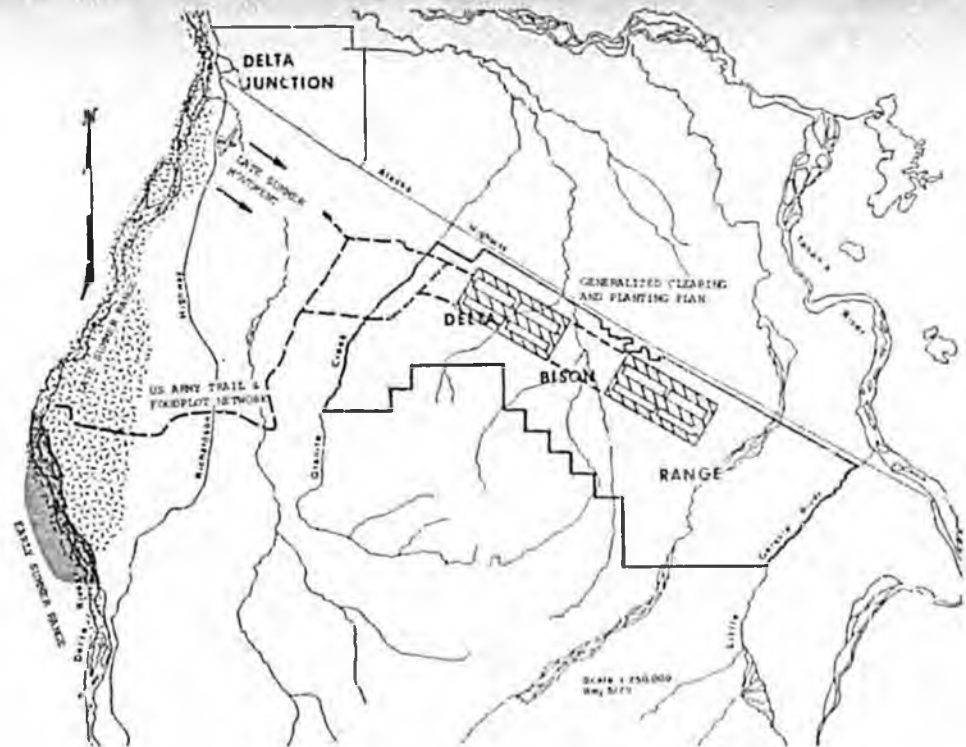
be sure, but from what we have already seen, the idea has real promise. Here, in brief, is what our proposal entails:

First, summer range improvement to hold bison longer on the Delta River: There is considerable evidence that bison leave that area in mid-summer because the forage is depleted. We believe fertilization, creation of new habitat and rehabilitation of deteriorating habitat will help. The first steps have already been taken, with the Soil Conservation Service, the Department of Fish and Game, the Agricultural Experiment Station, The Institute of Northern Forestry, the US Army and other interested parties cooperating to find out what can be done. Herbicide and fertilizer trials there last summer were very promising. Plans are already progressing for burning, and thereby rehabilitating, portions of the summer range each year.

Second, channelization of bison movements: The U.S. Army at Fort Greely is now in the third year of a long-term cooperative plan to develop a bison trail and foodplot network which should lead the bison from their summer range to the Delta Junction Bison Range. The trail system would slowly lead the bison toward the range as the year's summer range forage is depleted. The foodplots would hold the bison with desirable forage species for an additional time.

Last, development of the Bison Range itself. When bison arrive on the range, they would find the key elements they require: forage, cover, salt and water. Our long-term plans call for developing 4,000+ acres of clearings with an additional many thousands of acres of burns. (Bison take rapidly to burns, which will also benefit the local moose population, another goal of the Range concept.) The forage would consist initially of desirable annuals which would be succeeded by perennials. A well has already been drilled to provide a stable and readily-available source of water, and a pond would be developed to provide water, and a focus for tourist viewing.

All of the work in the capital phase of the project would be contracted out. Other than low intensity maintenance of the finished project, the Department has no desire to get into the farming business. Wherever possible, we intend to cooperatively farm to reduce costs to the state.



Key Point

The key to the project should be apparent: how are we proposing to confine the bison to the Bison Range? We demonstrated in Fall, 1981 that significant numbers of bison could be prevented from crossing the Alaska highway by making use of a knowledge of their whereabouts. We did it then almost exclusively with radio transmitter collars on lead cows, but in 1982, we would use a whole suite of activities, including the collars, zon guns, wing fences, gates, diversion berms, and automatic scaring devices.

Based on what we observed in the fall of 1981, we believe that what we have outlined above will keep bison depredations down to an acceptable level. No rational proposal that has so far been advanced, including fencing, will totally eliminate problems.

There is something else here that has been generally overlooked. Until the farms came, the bison generally had a pretty tough time of it in the winter. True, they did make it for almost four decades on mostly native vegetation, but it did in some winters take its toll on the population. Today, a substantial portion of their traditional winter range is being developed for agriculture. The farms that are now supporting the bison over winter will someday be closed to them because large-scale fencing is, in the long term, inevitable.

The bison are going to need

something else to make it through future winters.

That something, too, can be the Delta Junction Bison Range. The same development used to reduce crop depredations can provide several months of winter feed. Obviously, Fish and Game must concern itself with this as well as the crop depredation aspect of the problem.

Representative Pappy Moss, who originally sponsored the Bison Range legislation, now has a bill in the legislature, that if approved this session, could accomplish a substantial beginning in 1982 for the plan outlined above. It narrowly missed being passed last session. His bill—CSHB 83—would provide \$275,000 for bison range development and diversion away from the farms.

In conclusion, we believe free-ranging bison and agriculture CAN coexist. It will take working together to get to that point, but it can be done, and it is of utmost importance that it is done, or there will be new conflicts between wildlife and agriculture; others loom already. But if we can bring about a mutually satisfactory solution here, it will be a ringing demonstration that future problems too can be peacefully resolved. One of the arguments against an Alaskan agricultural enterprise will have lost a lot of its impact. We CAN have both abundant wildlife and agriculture—if we work together.

DELTA FISH & GAME
ADVISORY COMMITTEE



BOX 1082

DELTA JUNCTION ALASKA
99737

January 26, 1984

Senator Bettye Fahrenkamp, Chair
Senate Resources Committee
Alaska Legislature
Pouch V
Juneau, AK 99811

Dear Senator Fahrenkamp:

The buffalo need a home of their own to roam! The Delta Fish and Game Advisory Committee urges your committee to give favorable consideration to Senate Bills 337 and 338 that would solve the conflict between agriculture and bison.

This committee has been vitally interested in bison since we became active years ago. Since that time, we have seen problems with this important resource intensify, and spill over, at times, into a shooting war. We have seen a dozen dead bison scattered over a field after having eaten uncovered fertilizer. Then too, we have observed the bison decimate the farm profits of hard-working men and women.

These two bills offer the first real opportunity we have seen in years of observation for a lasting peace. They offer an opportunity for the business of agricultural development to continue without the threat of losses just at the moment of gain. They offer the opportunity for the bison herd to continue free-ranging on land that is set aside for them and the people that enjoy them.

Thank you for your consideration.

Sincerely,

Dean W. Cummings
Chairman
895-4619

cc: Senator Moss
Representative Shultz
Fairbanks delegation

Alaska State Legislature

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



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Senate

Committee on Resources

MEMORANDUM

TO: Senate Resources Committee Members

FROM: Senate Resources Committee Staff

RE: Committee Meeting, February 22, 1984

DATE: February 20, 1984

On Wednesday, February 22 the Senate Resources Committee will be hearing the following bills relating to agriculture:

SB 335, An Act amending the Alaska Grain Reserve Program; and providing for an effective date.

AS 03.12 establishes the Alaska Grain Reserve Program to assist grain producers to develop markets for their products by making loans secured by grain reserves. Loans made under this program must be secured by grain that is graded number four or better. The USDA has no grading standards for the strain of barley commonly grown in Alaska. SB 335 would allow the Department of Natural Resources to accept grains for which no official U.S. grades have been established as collateral to secure a loan made under the Grain Reserve Program.

SB 337, An Act relating to the Delta Junction bison range; and providing for an effective date.

SB 338, An Act making special appropriations for the development of the Delta Junction bison range and construction of a bison herd drift barrier; and providing for an effective date.

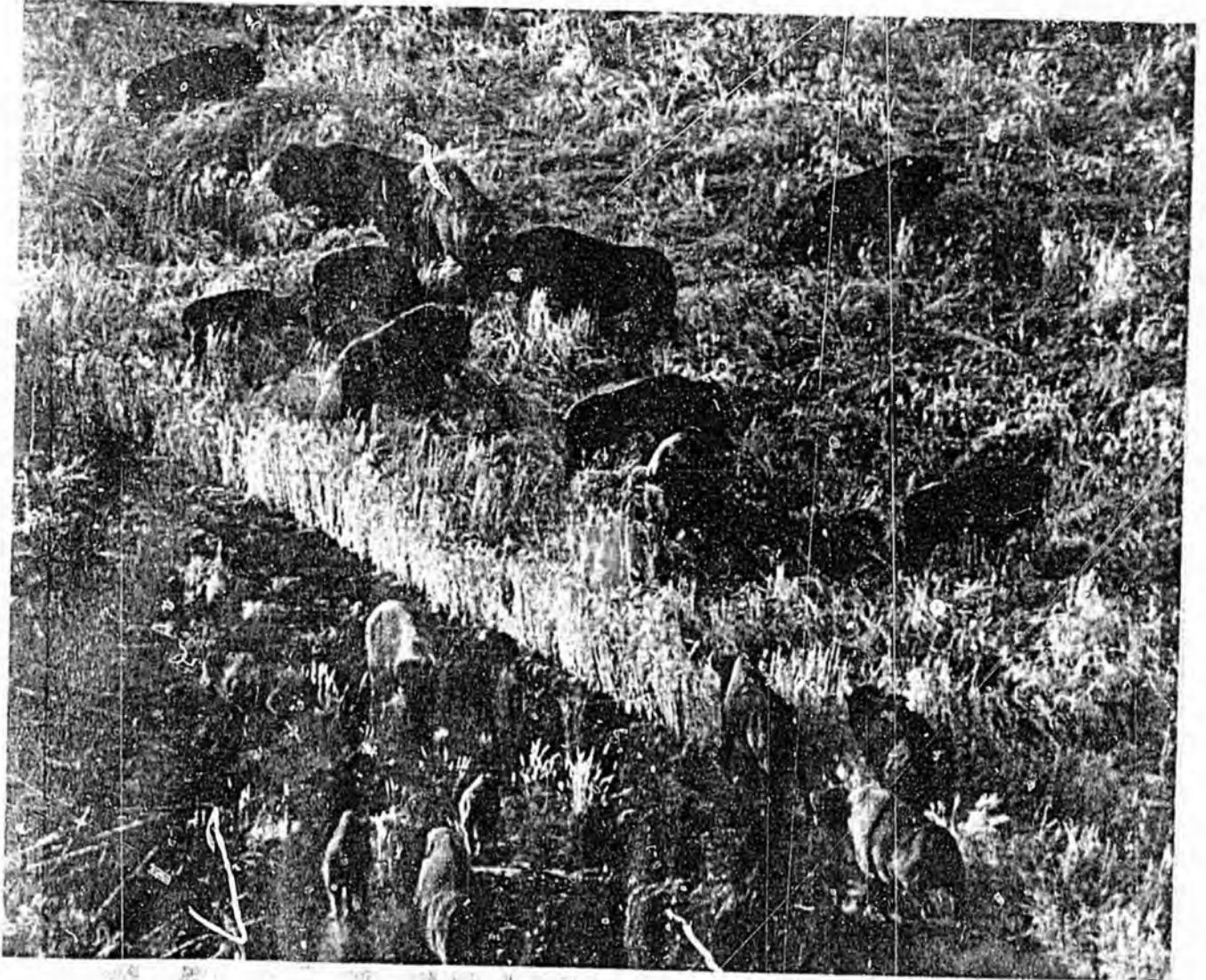
In an effort to resolve the problem of Delta bison feeding in farmers' barley fields, SB 337 would establish a citizen's committee to advise on the bison range management plan required under current statute.

SB 338 would make appropriations for further development of the bison range, including construction of a bison drift barrier. Tourist facilities, timber sales, and bison hunt fees are also addressed in the proposed legislation.

SB 378, An Act relating to agricultural and industrial fairs.

AS 03.20 provides for funding on a matching basis for the operation and maintenance of agricultural and industrial fairs. SB 378 would further define those fairs eligible for State aid by specifying that agriculture, industry, horticulture, native plants, livestock, and related domestic arts be exhibited. This proposal has been officially adopted by the steering committee of the Associated Alaskan Fairs and is intended to concentrate funding on bona fide agricultural fairs.

The meeting will be held at 3:00 pm in the Beltz Room.



Bison in a Delta barley field.

(News-Miner file photo)

DRAFT

DELTA JUNCTION BISON RANGE

A Proposal for Development

by

David M. Johnson

Division of Game

Department of Fish and Game

Region III

Delta Junction, Alaska

November 1983

DELTA JUNCTION BISON RANGE

A Proposal for Development

by

David M. Johnson

SUMMARY

This proposal is designed to carry out the mandates of the legislation establishing the Delta Junction Bison Range (AS 16.20.300). The proposal would, if implemented, provide fall bison range to reduce or eliminate crop depredations, bison winter range, and a variety of habitats for game and nongame species. Recreational opportunities, including hunting, trapping, viewing, and photography would be enhanced. Timber resources would be harvested, offsetting the costs of development over time and boosting the local economy.

The proposal would cost \$1.8 million, to be spent over 3 fiscal years. One full-time project position would be funded, and funding for 3½ years of an existing seasonal position would be included. Purchase of equipment needed for light maintenance work is included. Maintenance costs are estimated to be less than \$34,000 annually.

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BACKGROUND

The Delta Junction Bison Range was established by the Alaska Legislature in 1979 to "provide an adequate winter range for the bison," and to "diminish the damage caused by the herds to agriculturally developed land." The Range concept grew out of the Delta Land Use Plan, in which citizens and agencies involved in resource management recommended that the land north of the mountains and south of the Alaska Highway should be used for public recreation and wildlife, especially bison, and the land north of the highway should be developed for agriculture.

Several small appropriations for the Range and a \$200,000 appropriation in FY83 permitted the clearing of about 600 acres. Around half of that

was planted by July 1983. Bison use of the Range has increased each year. After migrating from their summer range, the bison used the Range almost exclusively for nearly a month in fall 1983, leaving only after the bulk of the forage was exhausted. After that time, the bison crossed the Alaska Highway and caused extensive agricultural damage. Additional forage would have prevented most of those problems.

While the greatest bison use of the Range has been during the fall, the animals also use it during the winter months. They eat whatever perennial grasses are exposed by the scouring winds. Additional forage would mean much more winter use and would provide for the day when bison are excluded by fences from most or all of their former winter range.

The Bison Range provides an outstanding opportunity to develop techniques for improving wildlife habitats in interior Alaska, while providing for real wildlife needs at the same time. Prescribed fire, especially, can be used to advantage on the Range where the dominant cover type is old-growth black spruce. These fires can be used to develop additional forage for bison and to rejuvenate aging stands of deciduous trees for the benefit of moose, both at low per-acre cost.

OBJECTIVES

Short-term objectives are to provide the following:

1. Alternate fall forage for migrating bison to reduce or eliminate crop depredation losses;

2. Winter range for bison to compensate for increasing loss of traditional ranges;
3. New winter range for moose to allow expansion of the moose population;
4. Additional habitat for sharp-tailed grouse and other game birds;
5. New habitat for resident and migratory nongame species; and
6. New recreation opportunities for Alaskans and visitors.

Long-term objectives of Bison Range development are to:

1. Provide permanent wildlife habitat to mitigate for the loss of habitat to agricultural development; and
2. Provide retained public land to continue opportunities to hunt, trap, and view wildlife in an easily accessible area.

HABITAT MANAGEMENT

Capital Phase

1. Clearing
 - a. Purpose: Clearing provides a seedbed for planting perennial grasses that will be used by bison for long-term forage needs. The clearings also provide wide firebreaks for prescribed fires that will be used to develop additional habitat at low cost.
 - b. Procedure: Survey interior and exterior perimeters, cutting line with caterpillar tractor; chain down standing trees with heavy anchor chain; stack organic materials into tight berm rows; create

small clearings for sharp-tailed grouse, bison, and nongame species. See map for layout. Exact location dependent on soil survey results (available December 1983 from USDA Soil Conservation Service) and timber cruise data (this proposal).

c. Time Frame: Before June 1 in spruce stands for maximum soil preservation. Midsummer clearing may be acceptable in heavy aspen stands.

d. Cost: Estimated 1984 cost - 3,980 acres x \$110/acre = \$437,800 (portion of total acreage already cleared)

2. Berm Removal

a. Purpose: Berms should be removed to eliminate snow drifts building up in the lee of the berms, which reduce the amount of forage available during winter for bison. Berms also reduce the total acreage that may be planted and are a fire hazard during prescribed fires.

b. Procedure: Allow 1 or 2 years drying time; burn berms; restack and reburn; disc soil and rootrake.

c. Time Frame: Burn berms in October and November. Restack during summer. Disc, rootrake, and plant berm rows during year three.

d. Cost: Estimated 1984 cost - 4,620 acres (includes clearings, roads, and trails) x \$20/acre = \$92,400

3. Planting

a. Purpose: Bison require grasses for fall and winter forage. Other species, including moose, bears, and small game, use grasses to a limited extent.

- b. Procedure: Disc soil with heavy or light disc depending on soil depth and amount of surface litter; rootrake with powered rake; plant up to 500 acres with a grass with hay value (e.g., brome); plant remainder with a low maintenance species such as bluegrass and native bluejoint. All plantings should be a mixture of annuals and perennials to protect the perennial in the first year. Suitable annuals include barley and oats.
- c. Time Frame: June or early July to retard plant maturation to provide maximum palatability of the annual for bison. Plant about 1,000 acres during year one, the balance during years two and three. This allows drying time for especially ice-rich areas.
- d. Cost: Estimated 1984 costs - 4,400 acres x \$150/acre = \$660,000

4. Prescribed Fire

- a. Purpose: Fire would be used to rapidly and inexpensively treat large areas. Post-fire vegetative growth would be managed for bison, moose, and/or small game. Repeated fires produce grassy areas; sporadic fires can be used to produce brushy areas.
- b. Procedure: Develop prescribed fire plans in cooperation with Alaska Division of Forestry; burn areas within cleared areas during prescription conditions in summer; use helitorch for maximum cost efficiency and safety.
- c. Time Frame: Summer, when conditions permit.
- d. Cost: Estimated 1984 costs - 5,680 acres x \$20/acre = \$113,600

5. Water Site Development

- a. Purpose: Water is only sporadically available on the portion of the Range proposed for development. Water is available within

the daily movement limits of bison, but additional water within the proposed habitat development would provide an added incentive for bison to stay within the developed areas and would provide a focus for bison activity for viewers. The ponds would be constructed so as to be suitable for other species as well.

b. Procedure: Develop 2 water sites separated by about 10 miles, one in each rectangle; drill wells to a consistent water source (1 well currently in place); pump water with windmills into stock tanks, the overflow to be piped into earthen ponds lined with a water-impermeable membrane or material.

c. Time Frame: Construction of ponds during clearing activities or year two; erection of windmills during year two.

d. Cost: Estimated 1984 cost \$20,000

6. Forest Openings

a. Purpose: Sharp-tailed grouse in Alaska are known to favor habitats with a mixture of shrubby brush and grassy openings. These openings will provide optimum habitat for grouse, as well as an additional habitat for bison and the mixture of habitat types preferred by a variety of nongame species. If this procedure is as successful as expected, the technique could be used more widely on the Range at low cost at a later date.

b. Procedure: Within a 300-acre portion of one of the burned areas, clear plots varying in size from 2 to 20 acres, totaling 120 acres; stack organic materials in center of clearing and burn after suitable drying time; disc to break up aspen roots; allow native grasses to vegetate the openings.

- c. Time Frame: Same as clearing
- d. Cost: 120 acres x \$110/acre = \$13,000

7. Develop Forest Inventory

- a. Purpose: A forest inventory would have the dual benefit of preventing loss of valuable forest products during habitat manipulation activities and would set the stage for future timber sales on the Range. Sale of forest products would in time help offset the cost of Range development and would improve the local economy.
- b. Procedure: Using a reimbursable services agreement or other suitable instrument, contract with the Alaska Division of Forestry to provide timber cruise data on selected portions of the Range. Cooperate with Forestry to sell timber in areas designated for habitat manipulation (clearing, prescribed fire, etc.).
- c. Time Frame: Begin in year one, complete work during year two, to allow time during the project to complete habitat work.
- d. Cost: Estimated 1984 cost = \$60,000

Maintenance Phase

1. Renovate Perennial Grasses

- a. Purpose: Most grasses become sod-bound in time and require breaking up for optimum productivity. Woody plants will invade grasslands if not periodically disced.
- b. Procedure: Using ADF&G equipment and personnel, lightly disc soil on about 10% of the grasslands annually; fertilize and replant as needed up to a maximum of about 50 acres per year.

c. Time Frame: Begin renovation in year three, annually thereafter.

d. Cost: Estimated 1984 cost -

(1) light discing: \$20/acre x 440 acres = \$8,800

(2) complete replanting: \$100/acre x 50 acres = \$5,000

Total = \$13,800

2. Maintain Roads, Trails, and Forest Openings

a. Purpose: Vehicle passage, falling trees, high water, invasion of woody plants, and other considerations will require regular maintenance of access roads, trails, and forest openings.

b. Procedure: Use disc, light bulldozer (both ADF&G equipment, purchased this proposal), herbicide, prescribed fire, etc., as required to maintain openings, keep roads drivable, and trails passable by bison, pedestrian traffic, snow machines, dog teams, etc.

c. Time Frame: Annually, as needed

d. Cost: Less than \$2,000 annually

3. Maintain Prescribed Fire Areas

a. Purpose: Burned areas tend to return to the vegetative cover initially burned. Management of these areas for bison will require annual or biennial burning to enhance grass production and to prevent invasion by spruce and deciduous trees. Areas managed primarily for moose and sharp-tailed grouse will probably require reburning every 10-20 years to keep the shrubby vegetation from growing out of reach of moose.

- b. Procedure: Using prescribed fire, reburn previously burned areas as required to meet management objectives for each site.
- c. Time Frame: Summer, beginning year two or three.
- d. Cost: Costs will vary from \$0 in some years to a maximum of about \$10,000.

4. Maintain Water Sites

- a. Purpose: Use of water sites by big game will damage equipment and the ponds. High winds will damage the windmills.
- b. Procedure: Repair damaged equipment; reline ponds; reshape ponds as required; remove windmill blades October through May.
- c. Time Frame: Summer
- d. Cost: Less than \$2,000 annually

5. Maintain Hay Fields

- a. Purpose: The 500 acres planted to hay would be fertilized in early summer and mowed in late June. Refertilization would promote lush growth to attract bison in early fall.
- b. Procedure: Contract with local farmer(s) to cooperatively farm this segment on the Range. The farmer would take the first cutting of hay in exchange for fertilization of the forage. This procedure is still experimental. Some cash input may be required.
- c. Time Frame: Beginning year two or three as soon as hay is ready for first harvest.
- d. Cost: Estimated 1984 cost less than \$5,000 annually.

RECREATION ENHANCEMENT

Capital Phase

1. Roads and Trails

a. Purpose: Visitors will need roads to enter the area. Trails will be used by wildlife, visitors, hunters, trappers, hikers, snow machines, and dog teams. Staff will require access to clearings and manipulated habitat for maintenance.

b. Procedure: Cut necessary roads and trails during clearing operations using caterpillar tractor. Stack organic materials for burning later. Roads to be dirt; no fill or gravel to be added.

c. Time Frame: During clearing, year one

d. Cost: Estimated 1984 cost = \$6,000

2. Viewing Facilities

a. Purpose: Considerable interest exists in bison and other wildlife both among Alaskans and visitors. Viewing facilities will simplify viewing wildlife (especially bison) and provide a means for doing so that does not unduly alarm the animals.

b. Procedure: Construct raised and camouflaged viewing platforms near water sites; construct nature drive or similar interpretative feature.

c. Time Frame: Summers of years two and three

d. Cost: Estimated 1984 cost = \$10,000

Maintenance Phase

1. Roads and Trails: To be handled as part of habitat maintenance.
2. Viewing Facilities: Repair as required; add new facilities as opportunities present; erect information signs as appropriate. Annual cost less than \$5,000.

EQUIPMENT AND FACILITIES

1. Helitorch - Helicopter-transported aerial firing device. Required for cost effective and safe ignition of prescribed fires. Usable by ADF&G and other resource management agencies statewide. On hand now
2. Tractor and Implements - A small- to medium-sized tractor with implements, including disc, broadcast spreader, rototiller, drill, and spare parts inventory. Use for the renovation of perennial grasses, maintenance of forest openings, fireline construction for prescribed fire, seeding and fertilizing of small areas, etc. Cost = \$75,000.
3. Small Bulldozer - A small dozer with 6-way blade for road and trail maintenance, reshaping of ponds, light clearing, berm stacking, etc. Cost = \$6,000.
4. Storage Barn and Shop - Needed for safe storage of equipment above and shop facilities for maintenance. Usable for storage of materials

and hand tools. Includes cost of electrical hookup, road, foundation pad, etc. Cost = \$100,000.

STAFFING

1. Bison Range Manager - Three-year project position; permanent/full time Game Biologist II; total 36 man-months; cost \$150,000 for 3 years.
2. Technician - An existing Fish and Game Technician IV position. Assist manager and continue maintenance work beyond project conclusion. Total 18 man-months during project. Cost = \$56,000 (estimated annual cost during maintenance phase for 6 months work = \$19,000).

BENEFITS

3

Implementation of this proposal will provide benefits for Alaskans and for area wildlife. Some benefits are:

1. A dramatic reduction in crop depredations in the Delta Junction area, which should in turn
2. Reduce the cost to the State of the proposed State-assisted crop damage insurance program;
3. New moose winter range to replace that lost to development in the Delta Agricultural Project and to provide for expansion of the local moose population;

4. An easily accessible area for recreational pursuits, including hunting, trapping, hiking, viewing, and photographing wildlife, dog sled racing, and so forth. While not a part of this proposal, 2 stocked lakes are on the eastern section of the Range;
5. A stable source of winter forage for bison that will allow maintenance of the free-ranging herd as new fences exclude bison from old winter ranges;
6. A reduction in State expense spent hazing bison out of agricultural areas;
7. A source of free firewood for area residents;
8. Revenue to the State from the sale of timber;
9. New habitat for sharp-tailed grouse and additional hunting opportunities for this and other game species, including bison, moose, bear, grouse, hares, and furbearers; and
10. Improved area and State economy through increased visitor use of the area.
11. Improved Alaska Highway safety and reduced road kills of bison as bison should remain south of the Alaska Highway.

COST SUMMARY

Capital Phase

	<u>Thousands of Dollars</u>	
1. Clearing	\$ 437.8	
2. Stump removal	92.4	
3. Planting	616.0	
4. Prescribed fire	113.6	
5. Water site development	20.0	
6. Forest openings	13.0	
7. Forest inventory	<u>60.0</u>	
	Total Habitat	\$1,352.8
8. Roads and trails	6.0	
9. Viewing facilities	<u>10.0</u>	
	Total Visitor Facilities	16.0
10. Tractor and implements	75.0	
11. Small bulldozer	60.0	
12. Storage barn/shop	<u>100.0</u>	
	Total Equipment	135.0
13. Staffing	<u>206.0</u>	
	Total Staffing	206.0
	TOTAL CAPITAL PHASE	\$1,809.8

Maintenance Phase

1.	Renovate perennial grasses	\$ 13.8
2.	Maintain prescribed fire sites	0 to 10.0
3.	Maintain water sites	2.0
4.	Maintain visitor facilities	5.0
5.	Assist Division of Forestry timber sales	<1.0
6.	Maintain roads, trails, and openings	2.0
7.	Maintain hay fields	<5.0
8.	Seasonal staffing (6 mo)	<u>19.0</u>

TOTAL MAINTENANCE PHASE \$ 57.8 (maximum)

LONG-TERM DIRECTIONS

1. Bison habitat maintenance should be a long-term commitment for the Delta Junction Bison Range. As conflicts with development are eased, and as summer range improvement continues, the Game Division should examine the possibility of increasing the bison herd beyond the present population goal (275 animals, precalving).
2. Recreational opportunities present a major challenge for the Division. Fast-paced development in the area has eliminated some recreational possibilities. Bison Range development should include new and improved opportunities for the spectrum of outdoor uses of wildlands.

3. The moose population in the Delta area is currently growing. Existing habitat may be outstripped in less than a decade. New habitat developed on the Bison Range should provide a large portion of the winter range needed. The prescribed fires described in this proposal should be only a beginning.

4. Timber management can parallel and in many situations complement wildlife habitat management. Sale of timber from the Range can provide the State continued revenues to repay costs of initial and subsequent development and a boost to the local economy. The Game Division should continue to closely cooperate at a local and district level with the Division of Forestry.

5. Visitors and Alaskans alike are greatly interested in bison. The Division should continually explore opportunities to make bison more accessible to people and should cooperate with the local Chamber of Commerce, Alaska Visitor's Association, and others as appropriate to optimize use of this resource.

Bison, farmers share home on the range

Trial shows conflict between herds, farms

By BRUCE BARTLEY
The Associated Press

DELTA JUNCTION — Bison, tons of trouble for some and brown-bearded remnants of the frontier's wide open spaces for others, have made themselves at home on the doorstep of the Alaska Range. Unfortunately, their dining area also includes the barley fields of the Delta Agricultural Project.

Their presence is a source of constant conflict between game managers trying to preserve one of the last free-roaming buffalo herds and farmers trying to make ends meet.

Attention will be focused on the conflict in the coming week when state prosecutors bring to trial a Delta farmer accused of killing three bison illegally last fall.

The bison have ranged the Delta area since about two dozen were transplanted from Montana more than 50 years ago.

The herd, now 300-400 strong, prospered. In the 1960s, Delta bison were used to start herds near McGrath, and along the Copper and Chitina rivers.

In the 1970s, former Gov. Jay Hammond's administration selected Delta as the springboard for an ambitious state-sponsored agricultural development program. And a successful game management story became the source of a bitter local dispute.

Already coping with extreme weather and climate, and operating under intense public scrutiny, farmers didn't need

bison roaming newly cleared fields and eating hard-won crops. And with grim regularity, the sight of burly buffalo trampling already stunted profits was enough to send a farmer over the edge — and a bison to his final home on the range.

On Sept. 21, Earl Mitchell summoned Alaska State Troopers to his farm on the west bank of the Gerstle River. He told them he'd shot three bison, and invoked a state regulation which permits killing game animals "in defense of life or property."

When investigators arrived, Mitchell was salvaging the animals as required by the "defense" regulation. The meat was donated to churches.

But the regulation lists several criteria to be met before a game animal can be dispatched legally. Investigators cited Mitchell, alleging he had failed to fulfill them all.

It wasn't the first time bison had run afoul of Mitchell, or Mitchell had run afoul of the law. A year earlier, Mitchell shot a buffalo on his farm. He pleaded guilty to the illegal killing, was fined \$1,000 with \$500 suspended, and given a suspended 10-day jail sentence.

Mitchell worked off his fine on a bulldozer on the state's 70,000-acre bison range across the Alaska Highway, the dividing line between the farms and a look-alike development offering bison an alternative to farmers' fields.

The shooting of bison by farmers didn't sit well in a community originally named Buffalo Center. Also fuming were thousands of hunters who make the state's 75 annual Delta bison permits among Alaska's most coveted.

Farmers argued they couldn't and wouldn't stand by and watch their life's work ground under the bison's massive hooves.



ALASKA NEWS

But Delta residents are looking hard for a way to have their buffalo and barley too.

Since Mitchell was cited, farmers, businessmen, sportsmen and others have been meeting to devise a solution. And last week state Sen. Pappy Moss asked for \$1.75 million to pay for it.

Dave Johnson, the Alaska Department of Fish and Game biologist most frequently cast as the villain in the controversy, says it's the closest thing to a consensus he's seen since he's been in Delta.

Responsible for protecting both the bison and the farmers' fields, Johnson has been catching it from all sides since he took the job in 1981.

"It's been a really tense situation," he says softly. But Johnson sees hope.

"If we can just convince the people who make the decisions that there are real, live people out here who are being hurt by

this, we can solve this problem. We can have both free-roaming bison and agricultural development."

Johnson and the others agree the key is further development of the alternative bison range. By clearing more black spruce planting more barley and grass and fencing the north side of the highway, they think the bison can be pretty well contained.

That was the plan when the barley project first was conceived but Johnson says it "fell through the cracks." There's never been enough money to develop the alternative range effectively, he says. That's what Moss' legislation is designed to do.

From April or May until August, most of the bison hang out west of the Delta River, Johnson says. But forage is limited, and about the time it runs out, the animals' migration instincts push them toward their winter range.

Unfortunately, that coincides with the ripening of the barley and hay crops in the 60,000-acre agricultural project. With a short growing season, everything has to go right for farmers to harvest their crops anyway. The presence of voracious buffalo doesn't help.

By developing the state range, which lies along the migration route, Johnson and the others hope to keep the bison south of the highway during the critical harvest weeks.

Hamstrung by a lack of money, game managers cleared an planted only 75 acres in 1980. Johnson says the bison ignored the offer. In 1981, the acreage doubled, and a few bison took advantage of it. In 1982, they spent perhaps a third of the critical period there. By last fall, the range had grown to 600 acres — about half of it cultivated — and most of the herd lingered until forage dwindled in late September.

Feds can award oil, gas leases in reserve: court

ANCHORAGE — The 9th U.S. Circuit Court of Appeals said Friday the federal government can award oil and gas leases in the National Petroleum Reserve-Alaska, but must make sure no oil company activities disturb subsistence lifestyles until the case can be considered further.

Oil companies paid \$16.7 million last summer for 18 tracts in the 24-million-acre reserve. Two North Slope residents sued, claiming lease stipulations did not protect adequately the caribou calving grounds and waterfowl habitat in the area.

U.S. District Judge James Fitzgerald of Anchorage held up lease awards until Dec. 20 while he studied the case. He finally concluded the lease sale regulations were adequate and said he would lift his injunction. But he gave the villagers sufficient time to appeal.

"There's no doubt that the ruling was a two-edged sword," George Gurr, a spokesman for

the Bureau of Land Management, said Friday. "Until we can see the actual wording of the order we don't know how we feel. But at least we didn't lose."

Jim Bamberger, a staff attorney for Alaska Legal Services who represented Sara Kunaknana of Nulqsut and Jean Numnik of Barrow, said they were pleased.

"My feeling is that the court felt that our arguments on subsistence were substantive and that's why they enjoined the oil companies from any activities that might affect subsistence until they could make a full ruling," Bamberger said.

He said the appellate court probably will hear additional arguments in the case this spring.

Bamberger said the ruling will prevent oil companies from drilling any exploratory wells until a final decision is reached. He said he also would consider seismic testing as a danger to subsistence hunting patterns.

"We will have to meet and see if there is some middle ground," Gurr said.

Briefly

Teacher accused of sexual assault

PALMER — Matanuska-Susitna school officials have suspended the principal of the Iditarod Elementary School, where a teacher has been accused of sexually assaulting his students.

Ray Carter, principal of the school since 1976, will be suspended with pay beginning Wednesday, school Superintendent Gordon Tope said Saturday.

"I have nothing to say on anything to do with that case," Carter said. "I'll see what happens."

Music teacher George Koenig has been indicted by a Palmer grand jury on 11 counts of sexual assault or attempted sexual assault involving seven girls.

Tope said he will ask the school board to fire the 33-year-old teacher when the board meets Jan. 23. Koenig has been suspended with pay since Jan. 7.

"Based on our investigation to this point, the administration is recommending the dismissal of George Koenig," Tope said.

The decision to suspend Carter came after consultations with the school district's lawyer, he said. He would not explain why the principal has been suspended.

"I'm really not at liberty to release any further information," Tope said. "We're still investigating."

Alaska State Troopers Sgt. Rollie Port said investigators have received reports from parents and others that officials may have been slow in responding to complaints concerning Koenig.

Elementary school roof collapses

ANCHORAGE — Structural engineers Saturday were studying the debris in the library of the Airport Heights Elementary School to try to determine why the roof collapsed.

Assistant Superintendent Bill Tanner said no one was injured when the roof gave way about 10:30 p.m. Friday night. He said the only people in the building were a few carpenters and custodians.

"It's almost the floor, it's to within a couple of

feet of the floor," Tanner said of the roof. A rubber barrier in the ceiling was the only thing separating shelves of books from the freezing rain and wet snow that have blanketed Anchorage in the past several days.

Surprisingly, Tanner said, none of the books, computer equipment or other equipment and books were damaged. He said one table was bent badly.

Tanner said there was an estimated 15 inches of snow on the slightly sloped roof, an amount he termed "not that unusual." He said the library is part of a wing that was added to the school 14 years ago. The original school was built in 1950, he said.

A demolition crew is expected to have the debris cleared away and the library sealed off from the rest of the building so classes for the 325 students can resume as normal Monday morning, Tanner said.

He said he anticipates it will be several days before the cause of the problem and the cost of damage are determined.

—The Associated Press

Alaska

Court approves changes to 1935



NASA gets 'Golden Fleece' award

WASHINGTON — Sen. William Proxmire, D-Wis., has bestowed a Golden Fleece award for January on NASA for its practice on grounds that most of the people transported were U.S. government officials from the executive and legislative branches.

astronauts also were transported," he added. The flight of the nation's first Black and woman astronauts Guion Bluford and Sallie K. Ride, at

Individuals, 55 were foreign officials, five were judges and 6 could not be classified. "The problem with the VII trips to the space shuttle

City of Delta Junction

Box 229

Delta Junction, Alaska 99737

907 - 895 - 4656

The North End of the Alaska Highway

RESOLUTION 84-23

WHEREAS, the Delta Bison herd has always been an important feature in the Delta Junction community, and;

WHEREAS, agriculture is rapidly increasing in importance to the Delta Junction community and the state, and;

WHEREAS, the Delta Bison herd each year without fail causes serious crop depredations and resulting financial losses for farmers, and;

WHEREAS, this continued conflict degrades the long term outlook for both the bison herd and agriculture, and;

WHEREAS, Senate Bills 337 and 338 and House Bills 551 and 552 would solve this problem by developing fall and winter range for bison on the Delta Junction Bison Range, and a drift barrier to keep bison out of the farming area.

NOW, THEREFORE, BE IT RESOLVED that the Council for the City of Delta Junction requests that the Alaska Legislature and the Governor of Alaska pass into state law the provisions of the aforementioned legislation so that this problem may finally be resolved.

THIS RESOLUTION HAS BEEN PROPERLY ADOPTED this 7th day of February, 1984, by the authorized membership of the City Council of Delta Junction, in Delta Junction, Alaska.

FRANK W. GEIGER, MAYOR

LOUIS E. HEINBOCKEL, MAYOR PRO TEM

LEONARD LEMON, COUNCILMEMBER

MARY LEITH DOWLING, COUNCILMEMBER

MARVIN HINSLEY, COUNCILMEMBER

GLEN WRIGHT, COUNCILMEMBER

FREDERIC READY, COUNCILMEMBER

ATTEST

Laura L. Woodford
City Clerk/Treasurer

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SENATE RESOURCES COMMITTEE
LEGISLATION CHECKLIST

IDENTIFICATION:

BILL NUMBER: *SB 338*

BILL NAME: *appropriation for Delta jct. Bison Range and construction of a bison herd drift barrier.*

SPONSOR(S): *Moss*

DATE INTRODUCED: *1-9-84*

REFERRALS: *Resources
Finance*

RELATED BILLS PENDING:

*SB 337 - companion bill
HB 552 - Schultz
4/30/84 - Res. & Sen.*

INITIAL RESEARCH:

BILL SUMMARY COMPLETED:

SPONSOR CONTACTED FOR
BACKUP MATERIALS:

AGENCY RESPONSE:

SUMMARY BY LEGAL DIVISION:

DEPT. OF LAW SUMMARY:

FISCAL NOTE:

OTHER INTERESTED SENATORS OR
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS/GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPARATION:

CHAIRMAN BRIEFED:

STAFF MEMO TO COMMITTEE:

BACKGROUND MATERIAL DISTRIBUTED:

LIST OF WITNESSES:

DATE AND PLACE SET:

TELECONFERENCE:

PSA/PRESS RELEASE:

SUGGESTED AMENDMENTS/COMMITTEE
SUBSTITUTES DRAFTED:

CHAIRMAN
SENATE TRANSPORTATION
COMMITTEE
SENATE SPECIAL AGRICULTURE
COMMITTEE

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

Alaska State Legislature



State Senate

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

JUNEAU OFFICE:
POUCH V
JUNEAU, ALASKA 99811
(907) 465-4921

SENATE SPECIAL COMMITTEE ON AGRICULTURE

MEMORANDUM

February 1, 1984

RE: Senate Bills 335, 337 & 338

To: Senator Bettye Fahrenkamp, Chairman
Senate Resources Committee

From: Senator H. Pappy Moss, Chairman
Senate Special Agriculture Committee

A handwritten signature in dark ink, appearing to read "H. Pappy Moss".

I would like to formally request that Senate Bills 335, 337 & 338 be placed on the Senate Resources Committee Calendar.

An amendment to Senate Bill 335, providing for an Alaska Grain Reserve account in the Agriculture Revolving Loan Fund for the continuation of the Grain Reserve program, will be submitted to the Resources Committee for consideration.

Senate Bills 337 & 338, the bison range/barrier bill and its appropriation bill are the subject of much interest and concern to the people of Delta.

I would like to see these three bills before the Committee as soon as possible.

Introduced: 1/9/84
Referred: Resources and Finance

Funding Information
General Fund \$2,090,000
Other Funds -0-
\$2,090,000

1 IN THE SENATE

BY MOSS

2

SENATE BILL NO. 338

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making special appropriations for development of the Delta Junction bison range and construction of a bison herd drift barrier; and providing for an effective date."

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

11 * Section 1. Subject to AS 37.25.020, the sum of \$1,750,000 is appropriated from the general fund to the Department of Fish and Game for completion of the Delta Junction bison range development program.

14 * Sec. 2. Subject to AS 37.25.010, the sum of \$10,000 is appropriated from the general fund to the Department of Fish and Game to conduct a study for planning an expansion of tourist viewing facilities at the Delta Junction bison range.

18 * Sec. 3. Subject to AS 37.25.020, the sum of \$270,000 is appropriated from the general fund to the Alaska Agricultural Action Council (AS 44.33.-450) for the construction of a bison drift barrier along the southern boundary of the Delta Agriculture Project.

22 * Sec. 4. Subject to AS 37.25.020, the sum of \$60,000 is appropriated from the general fund to the Department of Natural Resources, division of forestry, for the administration of timber sales on the Delta Junction bison range and fire suppression activities associated with required burning on the range.

27 * Sec. 5. This Act takes effect July 1, 1984.

appropriation valid for life of project

lapse 6/30 unless enumerated

CHAIRMAN
SENATE TRANSPORTATION
COMMITTEE
SENATE SPECIAL AGRICULTURE
COMMITTEE

MEMBER
HEALTH, EDUCATION AND
SOCIAL SERVICES
COMMITTEE
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Alaska State Legislature



State Senate

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SENATE SPECIAL COMMITTEE ON AGRICULTURE Senator H. Pappy Moss, Chairman

SENATE BILL 337/338

February 17, 1984

- Senate Bill 337: "An Act relating to the Delta Junction bison range; and providing for an effective date."
- Senate Bill 338: "An Act making special appropriations for development of the Delta Junction bison range and construction of a bison herd drift barrier; and providing for an effective date."

Ever since agriculture was introduced into the Delta area there has been a conflict between the bison and the farmers. Senate Bills 337 and 338 are introduced to offer a lasting solution to the problems created by bison getting hungry at the same time that the farmers' crops are ripening in the fields.

These two bills would provide for the development of an alternative feeding area to the agricultural developments for the bison's fall and winter range. In addition to providing for forage for bison, SB 337 and 338 would provide for the construction of a bison drift barrier to aid in keeping the bison herd from drifting into the agricultural fields. These bills also provide for timber sales on the range, expansion of tourist facilities, and the creation of a Bison Range Advisory Committee.

ORIGINAL SENATE BILL

LOCATION IN HOUSE BILL

Senate Bill 338

Sec.1. \$1,750,000 for completion of the development of the Bison Range.

Sec.2. \$10,000 for tourist facilities

Sec.3. \$270,000 for construction of the drift barrier

Sec.4. \$60,000 for timber sales and fire suppression

Sec.5. Effective date, July 1, 1984

House Bill 552

Sec.1. \$1,544,000 for same purpose. Drops \$206,000 for project administration, OK'd by F&G.

Dropped, F&G states it is treated in Section 1.

Dropped, funded in SB 94

Sec.2. \$60,000 for timber sales and fire suppression

Sec.3. Effective date, July 1, 1984

SB 338 - APPROPRIATIONS FOR DEVELOPMENT OF THE DELTA JUNCTION BISON
RANGE AND CONSTRUCTION OF A BISON HERD DRIFT BARRIER.

SPONSORED BY MOSS.

APPROPRIATES FOR COMPLETION OF BISON RANGE DEVELOPMENT,
TOURIST VIEWING FACILITIES,
BISON DRIFT BARRIER,
ADMINISTRATION OF TIMBER SALES ON THE RANGE.

THERE IS FINANCE C.S.

Conforms with the change made by
Resources to SB 337 - that the
drift barrier will be on the
northern boundary of the bison
range.

Introduced: 1/9/84
Referred: Resources and Finance

Funding Information
General Fund \$2,090,000
Other Funds -0-
\$2,090,000

1 IN THE SENATE

BY MOSS

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SENATE BILL NO. 338

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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16 for planning an expansion of tourist viewing facilities at the Delta Junc-
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18 * Sec. 3. Subject to AS 37.25.020, the sum of \$270,000 is appropriated
19 from the general fund to the Alaska Agricultural Action Council (AS 44.33.-
20 450) for the construction of a bison drift barrier along the southern
21 boundary of the Delta Agriculture Project.

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23 from the general fund to the Department of Natural Resources, division of
24 forestry, for the administration of timber sales on the Delta Junction
25 bison range and fire suppression activities associated with required burn-
26 ing on the range.

27 * Sec. 5. This Act takes effect July 1, 1984.

*appropriation
valid for
life of
project*

*lapse 6/30
unless
enumerated*

Introduced: 1/30/84
Referred: Resources and
Finance

Funding Information
General Fund \$2,090,000
Other Funds -0-
\$2,090,000

1 IN THE HOUSE

BY SHULTZ

2

HOUSE BILL NO. 552

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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26 ing on the range.

27 * Sec. 5. This Act takes effect July 1, 1984.

*deleted
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(c) All public buildings accepted under the provisions of AS 37.20.010 and 37.20.020 are subject to the jurisdiction of the Department of Transportation and Public Facilities. (§§ 3 — 5 ch 176 SLA 1959).

Opinions of Attorney General. — The Department of Administration has primary jurisdiction over the disposal of all chattels owned by the state or any other property which may conveniently be handled separately from the land, without regard to whether it is located on lands under the jurisdiction of the Department of

Public Works (now Department of Transportation and Public Facilities) or the Department of Natural Resources, except that in the case of buildings, the ordinary fixtures of the buildings will follow the jurisdiction of the buildings. 1961 Op. Att'y Gen., No. 9.

Sec. 37.20.040. Alaska Native Fund. The amount required by federal law to be paid into the Alaska Native Fund established by F. L. 92-203 is not revenue of the state, except for the purpose of calculating the amount to be placed in the Alaska Permanent Fund, and shall be paid by the commissioner of revenue to the Alaska Native Fund directly on receipt. (§ 1 ch 107 SLA 1977)

Chapter 25. Miscellaneous Provisions.

Section.	Section
10. Unexpended balances of one-year appropriations	30. Appropriations for projects of the Alaska energy center
20. Unexpended balances of appropriation for capital projects	

Opinions of attorney general. — The provisions of AS 37.25.010 and 37.25.020 regarding unexpended balances of appropriations are applicable to the University of Alaska. February 28, 1977, Op. Att'y Gen.

There is no constitutional obstacle to making the University of Alaska subject to the provisions contained in this title. February 28, 1977, Op. Att'y Gen.

Sec. 37.25.010. Unexpended balances of one-year appropriations. (a) The unexpended balance of a one-year appropriation authorized in an appropriation bill lapses on June 30 of the fiscal year for which appropriated. However, a valid obligation (encumbrance) existing on June 30 is automatically reappropriated for the fiscal year beginning on the succeeding July 1 if it is recorded with the Department of Administration by August 31 of the succeeding fiscal year.

(b) An indebtedness arising from a prior year for which the appropriation has lapsed shall be paid from the current year's appropriations, if (1) this expenditure does not exceed the balance lapsed; and (2) the original obligation date is not more than two years from the requested date of disbursement. (§ 1 ch 113 SLA 1962)

37.25.010

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PUBLIC FINANCE

§ 37.30.100

Sec. 37.25.020. Unexpended balances of appropriation for capital projects. An appropriation made for a capital project is valid for the life of the project and the unexpended balance shall be carried forward to subsequent fiscal years. Between July 1 and August 31 of each fiscal year, a statement supporting the amount of the unexpended balance required to complete the projects for which the initial appropriation was made and the amount that may be lapsed shall be recorded with the Department of Administration. (§ 2 ch 113 SLA 1962)

Sec. 37.25.030. Appropriations for projects of the Alaska energy center. An appropriation to the Alaska Energy Center for a research, development, or demonstration project under AS 46.12.120(2) is valid for the duration of the project and the unexpended balance for the project shall be carried forward to subsequent fiscal years. (§ 6 ch 148 SLA 1980)

Chapter 30. Local Government Bonding.

Section

100. Prohibited bidding on bonds

Secs. 37.30.010 — 37.30.090. Anticipatory borrowing. [Repealed, § 1 ch 118 SLA 1972.]

Sec. 37.30.100. Prohibited bidding on bonds. (a) No person who provides financial programming or marketing assistance to a political subdivision of the state, whether home rule or otherwise, in connection with the issuance or sale of general obligation bonds, revenue bonds or bond anticipation notes of the political subdivision may bid on the bonds or notes if offered at public sale, or negotiate for their purchase if sold at private sale.

(b) The sale of general obligation, revenue bonds or bond anticipation notes of a political subdivision to a person prohibited from bidding on, or negotiating for the sale of bonds or notes under (a) of this section is against public policy and the sale is void.

(c) In this section "person" means an individual, firm, agent, factor, intermediary, partnership, corporation, association, bond house, stockbroker or bond broker. (§ 2 ch 102 SLA 1974)

ranking applications shall include facility need and suitability, public support for construction or development and maintenance of a facility, availability of land, management capacity, alternatives to completion of the facility proposed, redevelopment or rehabilitation of a structure qualifying as an historic property or a building of historic value which is part of an historic district, and cost;

(2) by application of the criteria adopted under (1) of this section, advise the commissioner of commerce and economic development regarding the approval of requests for financial assistance in the construction of cultural facilities submitted in accordance with AS 43.18.500;

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Article 10. Alaska Agricultural Action Council.

Section

- 450. Creation of council
- 455. Compensation of members
- 460. Meetings
- 465. Quorum

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- 470. Powers and duties of the council
- 475. Agricultural development projects
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(c) The term of a member of the council is four years. Vacancies are filled in the same manner as original appointments, but a member appointed to fill a vacancy serves for the unexpired term of the member he succeeds. (§ 1 ch 75 SLA 1979)

§ 44.33.450

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§ 44.33.455

STATE GOVERNMENT

§ 44.33.470

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(2) evaluate the need for farm conservation plans for land under agricultural production in the state;

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
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POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3634
(907) 465-3835

Senate

Committee on Resources

TO: Senate Resources Committee Members
FROM: Senate Resources Committee Staff
RE: SB 338, An Act making special appropriations for the development of the Delta Junction bison range and construction of a bison herd drift barrier
DATE: February 22, 1984

SB 338 would appropriate \$1.75 million from the General Fund to the Department of Fish and Game for completion of the Delta Junction bison range development program:

Clearing	\$438,000
Berm Removal	92,400
Forage Planting	616,000
Prescribed Burning	110,000
Roads and Trails	5,000
Bison Viewing Facilities	5,000
Planting and Maintenance Equipment	135,000
Storage Barn	100,000
Water and Sewer Development	20,000
Forest Openings	13,000
Project Administration	206,000
<u>TOTAL</u>	<u>\$1,750,000</u>

To date, \$292,000 has been spent on the program:

FY 79	\$7,300
FY 80	20,000
FY 81	50,400
FY 82	10,300
FY 83	184,000
FY 84	50,000
<u>TOTAL</u>	<u>\$292,000</u>

Approximately 600 acres have been cleared to date. Half of that was planted for bison use by July 1983.

Alaska State Legislature

COMMITTEES

Co-Chairman — House Resources
Committee

Chairman — REAA Budget Oversight
Committee

Member — House State Affairs

DOT — Finance Sub Committee



House of Representatives

Dick Shultz

While in Session

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

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

MEMORANDUM

TO: Senator Bettye Fahrenkamp, Chair
Senate Resources Committee

FROM: Representative Dick Shultz, Co-Chair *DS*
House Resources Committee

DATE: March 30, 1984

RE: HCR 51/HB 552

This is to request you to waive out of committee HCR 51 and HB 552.

SB 337 that you passed out of committee is identical, in part, to HCR 51. In my discussion with Senator Moss we are in concurrence that we will use HCR 51 as the vehicle to establish the Ad Hoc Committee and will take that part out of his bill. A CS for SB 337 can then be offered by the Finance Committee to reflect the increase in bison fees and timber sales. I am presently holding my bill, HB 551, in House Rules pending passage of CSSB 337. I can then kill my bill and use Pappy's as the vehicle for raising the bison fees and providing for timber sales.

HB 552 and SB 338 (which you have passed from your committee) are the same appropriation bill. By waiving HB 552 out of your committee we can then use it as the appropriation vehicle to expand the bison range.

Consideration of this request would be most appreciated.

cc: Senator Pappy Moss

*Senator Pappy Moss
HB 552
March 31, 1984*

Alaska State Legislature

COMMITTEES

Co-Chairman — House Resources
Committee
Chairman — REAA Budget Oversight
Committee
Member — House State Affairs
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House of Representatives

Dick Shultz

While in Session:

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

Home - P O Box 355
Delta Junction, Alaska 99737

MEMORANDUM

TO: Senator Bettye Fahrenkamp, Chair
Senate Resources Committee

FROM: Representative Dick Shultz, Co-Chair
House Resources Committee

DATE: March 29, 1984

RE: Scheduling of House Bills

This is to request the scheduling of the following bills as soon as possible:

HB 542 "Re/Leasing land for refuse disposal"
HB 552 "Spec approp/Delta Jct. Bison Drift Barrier"
HB 553 "Amend Alaska Grain Reserve Program"
HCR 51 RE/Appoint Delta Jct. Bison Range Advisory Board

Consideration of this request would be most appreciated.

MAR 30 1984

Delta Farmer gets Jail Term and Fine for Killing Three Bison

Delta Junction Ag Project 1 farmer, Earl Mitchell, was ordered to spend 45 days in jail and pay a \$3,000 fine after being convicted of killing three bison last fall in his fields.

The sentence was imposed by District Court Judge H.E. Crutchfield. In his remarks at sentencing, the judge criticized the state government for failing to properly plan for the inevitable conflict between the bison and farmers on the Delta

ag projects.

Mitchell claimed he shot the animals in defense of life or property, claiming as other farmers in the area have, that the bison were trampling, thereby destroying, his hay.

Neil Schenk, Delta dairyman and President of the local chapter of the Alaska Farmers/Stockgrowers Association, acknowledged the severity of the bison problem for farmers. "There's no doubt that

something has to be done, and soon. We have a bison bill, number SB338, pending in Juneau now. Several farmers, including myself, helped put it together. If it passes we believe it will go a long way to solving the problem," Schenk said.

Crutchfield sentenced Mitchell to 180 days in jail and a \$1000 fine for each animal, but reduced the jail time to 45 days. At last report, Mitchell was considering appealing the case.

AFFORDABLE FARM MACHINERY

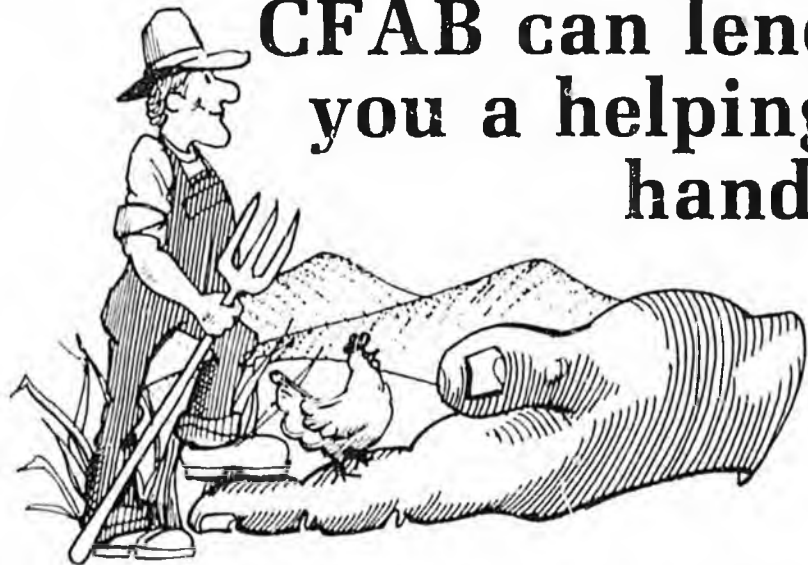
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Editor's Note: Lucille Frey submitted this article for publication last fall. Although it is somewhat dated now, I felt both the Happy Herders' and Lucille had earned the coverage for their efforts.

Young Alaskans in Agriculture

Happy Herders — a Growing 4-H Club

by Lucille T. Frey

"Happy Herders" was an appropriate name for the **H**Matanuska-Susitna based 4-H club as the Alaska State Fair came to a close on September 5. The fair's junior livestock auction brought a total of \$69,100 to young people from around the state enrolled in 4-H and FFA livestock projects. With 24 of the 41 animals sold belonging to Happy Herders club members, their share of the money was \$37,438.75, two percent of which goes into the club's coffers.

The fair and auction is the culmination of a year's hard work by 4-H members and their families.

Sue Caswell, 4-H Fair Superintendent and former 4-H Leaders' Council president, says that the Happy Herders are required to attend at least eight club meetings, as well as yearly club sponsored seminars for each breed of animal owned by the members. They must be enrolled in "Market Animals" by January 1 and are encouraged to do demonstrations and reports on their animal projects.

Only blue and red ribbon animals from the district 4-H fairs are permitted to show at state fair. In addition, market animals must weigh at least a minimum weight for their division to be shown in the junior market livestock and auction.

A livestock advisory committee chooses the judges. "We try to get tough judges at the district fair," says Vickie Kevan, 4-H leader, "because we can't afford not to keep up the quality of the animals if we want to continue to get buyers for the junior livestock auction."

Both at district and state fair the youngsters begin the day early —



(Photo: Lucille T. Frey)

Eleven-year-old Christopher Moore and his black Angus steer, "Hagar the Horrible" take a break from fair activities.

washing, brushing, clipping, and in some cases carding their animals. Mud, water and manure combine to make the task difficult.

Penny Caswell, in her last year as a 4-H member, says, "It can take up to two hours to get an animal ready for showmanship class." She is looking forward to being a co-leader of the club with Arlene (Kevan) Linn next year.

First year 4-H member Guy Schummer was excited about "walking a goat for the first time" in the district fair. In the show ring he was the smallest with the largest goat.

Four-Hers brought 11 steers, 24 pigs, 7 sheep, 15 goats, 6 dairy heifers, 8 beef cows and calves to this year's Mat-Su District 4-H Fair.

The Happy Herders 4-H Club was formed in 1978 with Vickie Kevan as leader and three members — LeAnn Horvath, Arlene Kevan, and Rori Tull. Over 40 members now raise

beef and dairy cattle, goats, sheep, and hogs.

As membership increased parents took on some of the leadership duties. Ilene Schummer assists Lazy Mountain 4-Hers with pigs and goats. Charlie Willis helps with beef cattle. John Mason gives the Sutton members assistance with their beef and hogs.

Wilder Simpson works with the dairy group, most of whom use University of Alaska dairy heifers for their projects. These 4-H members are allowed to choose Experiment Station dairy heifers to work with for the year and to show at district and state fair.

"The dairy members have been a separate group," Kevan says, "but will become part of the Happy Herders in the coming year."

While Sue and Carl "Bill" Caswell are not "official" leaders of the club they are involved with its success. Each year Bill contacts all potential

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SENATE RESOURCES COMMITTEE
LEGISLATION CHECKLIST

IDENTIFICATION:

BILL NUMBER: *SB 339*

BILL NAME: *repealing expiration date of ag. action council*

SPONSOR(S): *Moss*

RELATED BILLS PENDING:

DATE INTRODUCED: *1/9/84*

REFERRALS: *Resources*

INITIAL RESEARCH:

BILL SUMMARY COMPLETED:

SUMMARY BY LEGAL DIVISION:

SPONSOR CONTACTED FOR
BACKUP MATERIALS:

DEPT. OF LAW SUMMARY:

FISCAL NOTE: *zero*

AGENCY RESPONSE:

OTHER INTERESTED SENATORS OR
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS/GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPARATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE:

BACKGROUND MATERIAL DISTRIBUTED:

PSA/PRESS RELEASE:

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/COMMITTEE
SUBSTITUTES DRAFTED:

(Kathleen) - Richard Patton
✓ Moss - available for questions
✓ Sharon Barton, DNR
✓ DCED - Katie Wallen - Vivian O'Reilly,
Carol Amstrong - etc. for available for questions

ALASKA AGRICULTURAL ACTION COUNCIL

1) Major Accomplishments

a) All three agricultural development projects are proceeding as planned.

Delta I, Delta II and Point McKenzie have been sold and are presently meeting their clearing time projections. About 90% of the clearing is done.

b) Two contracts for meat processing were let this year.

1) Mt. McKinley Meat and Sausage, Palmer, started construction on 12/6/83.

2) McKee's Meats, Fairbanks, will start construction as soon as Fairbanks is through break-up. They should be in operation by Fall of 1984.

c) Research for three new projects continued throughout 1983.

1) Nenana/Totchaket

2) Fish Creek (Point McKenzie extension)

3) Delta Creek

d) Work on the Seward Grain Terminal project was halted.

2) Budget

Budget breakdown for FY 84 was:

Capital.....\$176,200 (Delta I, II and Point McKenzie)

Operating.....\$313,300

3) Number of Employees

Six full-time and one part-time (shared with Cooperative Extension Service)

4) Year-end Report

A draft has been sent to all Council members, and will be submitted to the Legislature upon its approval.

SENATE BILL 339

repealing the termination date of the Alaska Agricultural Action Council

sponsor: MOSS

SB 339

As prepared by the Sponsor, Senator Moss, the bill would repeal the termination date of the Council effective June 30, 1984.

CS SB 339

The Resource Committee substitute repeals the termination date of the Council and re-establishes the Council under sunseting provisions.

SB
339

ranking applications shall include facility need and suitability, public support for construction or development and maintenance of a facility, availability of land, management capacity, alternatives to completion of the facility proposed, redevelopment or rehabilitation of a structure qualifying as an historic property or a building of historic value which is part of an historic district, and cost;

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(2) evaluate the need for farm conservation plans for land under agricultural production in the state;

- (3) serve as coordinator for gathering information and data relating to agriculture;
- (4) recommend appropriate activities for the promotion of agriculture in the state;
- (5) provide technical information and make recommendations to the commissioner of natural resources regarding the classification of state land having a potential for agricultural use;
- (6) act as administrator of the Delta agricultural development project and any other agricultural development project authorized under AS 44.33.475;
- (7) contract for the clearing, draining and breaking of agricultural land located in the Delta agricultural development project;
- (8) contract with the owners of land prepared for agricultural use under (7) of this subsection for reimbursement to the state of the cost of the clearing, draining and breaking of the land;
- (9) contract for the construction of access roads in the Delta agricultural development project;
- (10) conduct studies and carry out experimental and pilot projects to develop markets for agricultural products produced in the state; and
- (11) recommend legislation to the governor to improve agricultural development in the state. (§ 1 ch 75 SLA 1979)

Editor's note. — Section 4 of ch. 75 provides that this article terminates July 1, 1984.

Sec. 44.33.475. Agricultural development projects. (a) Before January 15 of each year the council shall report to the governor and the legislature concerning the activities of the council during the current fiscal year. The report shall contain recommendations for the development of agriculture in the state during the next fiscal year.

(b) An agricultural development project recommended under (a) of this section may not be implemented unless authorized by law. The report required by (a) of this section shall include recommended legislation which

- (1) sets out the type of agricultural development to be accomplished and, if state land is to be developed for agricultural production, describes the boundaries of the land to be developed;
- (2) defines specific tasks to be performed by appropriate state agencies to the extent the tasks are identifiable at that time; and
- (3) grants to the council sufficient authority to insure cooperation of all state agencies involved in the implementation of the agricultural development project. (§ 1 ch 75 SLA 1979)

Editor's note. — Section 4 of ch. 75 provides that this article terminates July 1, 1984.

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Sec. 44.33.500. Definitions. In AS 44.33.450 — 44.33.500,
(1) "council" means the Alaska Agricultural Action Council;
(2) "Delta agricultural development project" means the state funded program to develop agricultural land located in the Big Delta, Tanana Loop region for the production of small grains and other related agricultural products. (§ 1 ch 75 SLA 1979)

Editor's note. — Section 4 of ch. 75 provides that this article terminates July 1, 1984.

Article 11. Native Art Competitions.

Section	Section
501. Program of competitions	505. Sale of entries
502. Regional competitions	506. Other displays
503. Place of competition	507. Grants and assistance
504. Judges	512. Temporary custody

Revisor's note. — The responsibility for the competitions was initially vested in the director of tourism. In 1962 those responsibilities were codified under the Department of Economic Development and Planning. Chapter 103, SLA 1966, transferred planning function from the department to the Office of the Governor and renamed the department the Department of Economic Development. Chapter 207, SLA 1975, provided that all references to the "Department of Economic Development" be read as "Department of Commerce and Economic Development".

Sec. 44.33.501. Program of competitions. (a) The Department of Commerce and Economic Development shall direct a continuing program of competitions. The competitions shall be held each summer to select outstanding examples of Alaskan Native arts and crafts.

(b) The Department of Commerce and Economic Development, after consulting with a committee from the Alaska Native Brotherhood and Sisterhood appointed by their councils from among the memberships of those organizations, shall adopt regulations for the competitions, providing for, but not limited to the following:

- (1) eligibility requirements for entrants;
- (2) categories for entry, such as basketwork, wood carving, pottery, stone work, ivory work, painting, etc.;
- (3) criterion for selecting category winners and grand prize winners;
- (4) transportation and display of entries;
- (5) prizes and awards for winning entrants which are restricted to ribbons, cups, plaques, etc.;
- (6) preparation of entry forms which
 - (A) give the name and mailing address of the entrant,

Alaska State Legislature

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

Committee on Resources

MINUTES

January 25, 1984
3:03 pm

Beltz Room
Room 211, Capitol

MEMBERS PRESENT

Senator Fahrenkamp, Chairman
Senator Ziegler, Vice Chair
Senator V. Fischer
Senator Paul Fischer
Senator Mulcahy
Senator Sturgulewski

CALENDAR

- SB 322 An Act relating to the Alaska Agricultural Loan Board; and providing for an effective date.
- SB 342 An Act amending the Alaska Agricultural Loan Act.
- SB 339 An Act repealing the expiration date of the Agricultural Action Council; and providing for an effective date.
- SB 356 An Act amending the expiration date of the Alaska Agricultural Action Council.

TELECONFERENCED TO:

Fairbanks
Delta
Palmer/Wasilla

Anchorage
Homer
Soldotna

Senator Kerttula testified in support of SB 322. He said the geographic areas where agricultural development exists have expanded and suggested the Governor appoint two more members to represent farmers from those areas.

Senator Faiks testified in favor of SB 342. He answered questions about the bill and also supported the Kerttula amendment regarding soil classification.

Bob Arnold, Deputy Commissioner, Department of Natural Resources, acknowledged that SB 342 would create a greater demand on the Agricultural Revolving Loan Fund and asked for clarification from the Legislature on granting loans for non-food products.

Steve Shropshire, Alaska Horticulture Association, spoke in support of SB 342. He felt the definition of "agriculture" should include horticulture.

Mayor Bill Allen, Fairbanks North Star Borough, supported all the bills before the Committee. He urged the continuation of the Alaska Agricultural Action Council and the expansion of the agricultural loan program.

Frank Geiger, Mayor, Delta Junction, spoke in support of all four bills. He recommended that two Boards be established, one for the Interior and one for the rest of the state.

Richard Ramsey, Aide to Senator Kerttula, testified in support of Kerttula's proposed amendment to SB 342. This amendment would allow more lands to be eligible for clearing loans.

Edna Anderson, Homer, recommended passage of SB 339 and SB 358 and said she agreed with Mayor Allen's comments.

Pete Roberts, Homer, supported Kerttula's proposed amendment to SB 342.

Ed Merdes, Fairbanks, supported all the bills being heard. He introduced the idea of "production incentives" to lower costs of production and make our crops more competitively priced.

Pat Mulligan, President, Alaska Farmers and Stock Growers, spoke in support of SB 342 and horticulture.

Bill Heim, Director, Division of Agriculture, DNR, wanted legislative guidance, through SB 342, on the expansion of the loan program. He supported Kerttula's proposed amendment to SB 342. Regarding SB 322, he recommended that the two new members be from Delta and Fairbanks.

Ken Ulz, Kobuk Fuel and Feed, spoke in support of all the bills being heard. He felt fur ranching was just as valid as any other ranching enterprise.

Bruce Willard, Homer, supported the continuation of the Alaska Agricultural Action Council.

Harry Wassink, Anchorage, proposed raising the cap on ARLF loans, particularly for dairy farmers.

Sig Restad, Agricultural Experimental Station, Palmer, testified in support of the four bills before the Committee.

Burton L. Clifford, U.S Department of Agriculture (USDA),
spoke in support of all of the bills.

Carrol Martin, Soldotna, testified in support of all the bills
heard today.

Jerry Giaouque, Palmer, spoke in support of all the bills.

Terry Weiland, Palmer, supported SB 339 and SB 358 and also
wanted the cap raised on ARLF loans.

Jerry Brehmer, Delta, was in favor of all of the bills.

Vincent O'Reilly, Deputy Commissioner, Department of Commerce
and Economic Development, testified that the Administration
supports agricultural development. They are currently
reexamining the program, trying to focus on in-state market
needs. He felt that coordinating that effort should be done by
the line agencies, specifically the Department of Natural
Resources and the Department of Commerce and Economic
Development, rather than the Alaska Agricultural Action
Council.

Annely Girard, Palmer, testified that farmers need to
diversify. She felt the passage of SB 342 would allow them to
do that. She spoke of growing shrubs and fast growing trees
such as poplars in greenhouses for use as windbreaks.

Bob Arnold, Deputy Commissioner, Department of Natural
Resources, spoke again to concur with Vincent O'Reilly, Deputy
Commissioner, Department of Commerce and Economic Development,
that the functions of the Alaska Agricultural Action Council
can be better carried out by the line agencies, particularly
the Department of Natural Resources.

The meeting adjourned at 4:42 pm.



United States
Department of
Agriculture

Soil
Conservation
Service

Professional Center - Suite 129
2221 East Northern Lights Boulevard
Anchorage, AK 99504 (907) 276-4246

January 26, 1984

Senator Bettye Fahrenkamp, Chairperson
Senate Resources
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Fahrenkamp:

Attached is the testimony I offered yesterday through the teleconference hearing regarding the Alaska Agricultural Action Council. I know the teleconference was due to end at 4:30 PM so felt rushed trying to give the testimony and probably did not come across as clear as I should have.

The Agricultural Action Council has been very important in the agricultural development process, and as noted in the testimony, until the industry can stand on equal footing with other departments, then the council continues to have a vital role in these efforts. Because of this, I hope the attached written record will be of value to the committee in their considerations.

I certainly will be happy to provide any other background or testimony that might be useful regarding this matter.

Sincerely,

Burton L. Clifford
State Conservationist

cc:

All Committee Members
Senator J. Kerttula
Senator P. Moss



FEB 2 1984

Testimony given on 1/25/84 Teleconference Hearing regarding the status of the Alaska Agricultural Action Council

I would like to comment on current bills identified as SB 358 and SB 339 relative to the Alaska Agricultural Action Council (AAAC). One bill moves the expiration date of the council forward to July 1, 1989 and the other simply repeals the expiration date, making the council perpetual.

The AAAC has been in my judgment the prime mover of the agricultural development effort to date. My agency has been deeply involved over the past years in support, as requested by the state, in the efforts of the council. We are committed to the program they might actively carry on, as we are to any other natural resource effort in which we can provide assistance.

The previous administration and legislatures committed themselves to agricultural developments that have occurred to this point and Governor Sheffield has, based on the plan discussed last month in Fairbanks, dedicated his administration to continue the agricultural commitment. It appears to me that the present legislature is also committed to the present administration plan. The point being made is that there is still a strong agricultural commitment with a specific plan of action emphasizing the infrastructure, actual development of farms committed to date, and the completion of other activities necessary to demonstrate reliability. It also seems to me, as the Governor presented his speech at the Agricultural Symposium, that he was setting the stage for future developments. Again, the point is a continued strong commitment to Alaska agriculture and let me hasten to add that we in the Soil Conservation Service are anxious to assist in whatever course of action the state takes.

It appears, historically, the prime reason agriculture was slow to develop during the 1960's and early 1970's, was a lack of state support. What support was present, primarily through the Division of Agriculture, was sometime overshadowed by other interests; Divisions or Departments that had either a stronger organization or power to override some agricultural efforts. Another reason was that this resource did not receive much attention from various administrations or legislatures. This was noted by the State Association of Soil Conservation Districts and was the primary reason they submitted a resolution to the Governor in the fall of 1976 asking him to take a personal interest in Alaska's agriculture. I guess we will never know if that particular resolution had any impact on what happened, but it was only a few weeks later that a representative of the Governor called a large group of us together to discuss Alaska agriculture, its potential, possibilities, and concerns that should be addressed. A task force action was started through the Governor's Ad hoc Council and it went forward because, I believe, of the powers that were given to the effort by the Governor. The Ad hoc group evolved to the AAAC and it had the power or authority to obtain cooperation between state departments and divisions, even to the point of demanding action to maintain projects and other efforts on an effective schedule. This was appropriate to meet the state's commitment to this industry.

Having worked in Alaska for the past 18 years on such activities, it is my conviction this power, exercised by the Governor's representative, guided by the Council, is the primary reason this resource moved to the present point of development. I believe the loss of this type of endorsement before the industry becomes full grown may well bring Alaska's agricultural efforts to a level that will be difficult for it to compete with other forces. Remember that Alaska agriculture does not have department status and the Council's role the past several years has to some extent helped overcome this lack of position. I might add it has been an economical organization when we note its accomplishments.

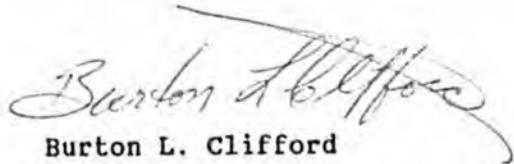
The Council also became a forum for action. It was (and is) a vehicle to rapidly review ideas, concepts, and basic needs for a fledgling industry as it struggles to both emerge into, as well as catch up with, the 20th century. This process has placed tremendous pressure on this effort and the need to rapidly respond is critical. Most of us fully understand the critical margin relative to this Alaska resource. The only way, I believe, to keep this margin from becoming more narrow is by working through an action group such as the Council. A group that has the primary mission to monitor and react to the industry's emerging needs. This calls again for special powers and mission objectives which the Council has to date had as working tools.

Another factor that has enhanced the present efforts has been the Council's ability to bring to the industry's assistance excellent authorities that can deal with both in and out of state factors relative to Alaska's developing agriculture. Over the years, we have been fairly traditional, relative to agriculture in Alaska, while the rest of the world has rapidly moved forward. I personally make quite an effort to stay somewhat current on world markets and yet I continue to be amazed the fast pace agriculture moves in this part of the market place, especially over the past 10 years. It is imperative that we understand these forces in the event that someday we might be a part of them, even on a small scale. The Council, to date, has been the primary group to fill this role.

Relative to intrastate activities, the Council has again been the moving force to coordinate developing activities on projects, both land development and facilities. The new slaughterhouse is probably the most recent example. May I compliment the administration and legislature for this accomplishment, but let me suggest that you did it through a very active AAAC.

I appreciate the opportunity to provide background from my observations and my experience with the AAAC. I believe the Council, with the role it has come to play, is a critical organization if the agricultural industry is to continue to evolve and I believe there is a commitment as stated previously for that purpose. This in no way slights other interests, such as the Division of Agriculture, which also is critical to this effort and has done an excellent job. The Council, however, is strongly mission oriented along the development needs of the industry. It does not run the risk of having its energies diverted into other activities more common to the maintenance of the industry and the services the state provides along these lines.

The Council must continue at least for some future period if not as a perpetual group, and have the power to bring together others when necessary to keep activities moving on a timely basis and finally the support, both legislatively and financially to carry out its mission.



Burton L. Clifford
State Conservationist
USDA - Soil Conservation Service
Anchorage, Alaska
1/25/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 339
Title: Repealing the expiration date of the Agric. Action Council
Sponsor: Moss
Requestor: Senate Resources
Date of Request: _____

FISCAL DETAIL

Agency Affected: Commerce and Economic Development
Program Category Affected: Development
BRU, Program or Subprogram(s) Affected: Agricultural Action Council

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						
900 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Carl Amstrup Phone: 452-1590
Division: Alaska Agricultural Action Council Date: 1/23/84
Approved by Commissioner: Richard A. Lyon Date: 1/25/84
Agency: Commerce and Economic Development

Distribution (by Agency preparing fiscal note):

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

12/1/83

received 11/01/84

SB 339: "An Act repealing the expiration date of the Alaska Agricultural Action Council; and providing for an effective date."

SB 358: "An Act amending the expiration date of the Alaska Agricultural Action Council."

The Administration supports the development of Alaska's agricultural industry through an integrated management system that will encourage all phases of development. Line agencies within the Departments of Commerce and Economic Development, Natural Resources, and Transportation and Public Facilities will provide this support.

1. Agriculture has come of age.

With 130,000 tillable acres currently in private hands and 130,000 acres of range leases, plus rapidly increasing activities in horticulture, poultry, fur farming and meat processing, agriculture deserves the same product management support in the form of advocacy, economic analysis and market support that other industrial sectors receive through line office and division associations with Commerce.

2. Agriculture is increasingly an integrated industry.

Horizontally, agriculture ranges from egg production to reindeer herding. Vertically, it moves from seed production to barley, to multiple livestock, to meat processing, to in-state and export marketing. It is developing support service industries. Administratively, it should be structured such that all aspects of market integration are addressed.

3. Agriculture needs a market orientation.

Alaskan agriculture supplies only 20% of the in-state fluid milk market, 2% of the beef, 3% of the pork and 10% of the eggs. Yet, 130,000 acres provides the potential to supply 75% of the fluid milk, 25% of the beef, 40% of the pork and 60% of the eggs. Agriculture needs a major market orientation which matches the production orientation. The Department of Commerce and Economic Development is using marketing as the catalyst for all of its advocacy divisions.

4. Agricultural development is a three-legged stool.

The department has been designated as the State's lead agency in the area of economic development. Yet, development clearly involves three functions: land management and disposal are clearly within the jurisdiction of DNR, infrastructure is the responsibility of DOT&PF and Commerce's responsibility is product management. Development of agriculture requires strong state support in product management.

Department of Commerce & Economic Development / POSITION PAPER

5. The department's advocacy offices fall into three categories. Enterprise and International Trade deal with small business development and Alaska's commercial relationship with foreign countries. Energy and Minerals Development relate to nonrenewable resources. Tourism and Fisheries Development relate to Alaska's renewable resources, yet without a commitment to forestry and agriculture, the renewable resource commitment is fragmented and shallow.
6. The department is demonstrating its commitment of objective economic analysis in the field of agriculture and forestry. Since December 1, the department has released an economic assessment of Alaskan agriculture, plus 15 monographs on agriculture and forestry. The department is committed to building an economic data base, forecasting, and economic analysis for each advocacy sector. Forestry and Agriculture are the only two regions where this research is left without an implementing agency.

 2/3/84

Richard A. Lyon, Commissioner

Department of
Commerce & Economic Development

"Product Management"

Advocacy
Economic Analysis
Marketing

Department of
Natural Resources

"Land Management"

Land Disposal
Clearing Loans
Soil & Seed Testing
Project Management

Department of
Transportation & Public Facilities

"Infrastructure Management"

Access Roads
& Bridges
Utilities
Railroad
Facilities Management

Product Management Activities

Advocacy:

1. Continue and expand outreach programs with grain farmers, dairy industry, experiment station and extension service.
2. Develop associations with livestock association, horticulture, fur farming and Native interests.
3. Expand ties with international community and in-state entrepreneurs, particularly in the area of processing, support industries and financing.
4. Organize commodity councils.

Economic Analyses:

1. Long-range economic forecasting.
2. Building economic data base and objective economic analysis of industries and projects.

Marketing:

1. Develop and implement marketing strategies.
2. Perform market analyses.
3. Identify competitive force.

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) 465-3834
(907) 465-3835

Senate

Committee on Resources

MINUTES

February 3, 1984
3:07 pm

Beltz Room
Room 211, Capitol

MEMBERS PRESENT

Senator Fahrenkamp, Chairman
Senator Vic Fischer
Senator Paul Fischer
Senator Mulcahy
Senator Sturgulewski

CALENDAR

- SE 322 An Act relating to the Alaska Agricultural Loan Board; and providing for an effective date.
- SB 342 An Act amending the Alaska Agricultural Loan Act.
- SB 339 An Act repealing the expiration date of the Agricultural Action Council; and providing for an effective date.
- SB 358 An Act amending the expiration date of the Alaska Agricultural Action Council.

Briefing on Bristol Bay Cooperative Management Plan

SB 339

Vince O Reilly, Deputy Commissioner, Department of Commerce and Economic Development, testified against SB 339. He stressed the Administration's commitment to agriculture, with an emphasis on production for in-state market needs. A Memorandum of Understanding is being written that would divide the responsibilities of the Alaska Agricultural Action Council between the Departments of Natural Resources, Commerce and Economic Development, and Transportation. Also, by transferring those duties to line agencies, more emphasis would be placed on forest product marketing.

Senator Mulcahy moved to adopt the Resources Committee Substitute for SB 339, and move it from committee with individual recommendations. There was no objection.

SB 342

Alex Shadura, testified in favor of SB 342, supporting horticulture as an important part of the agriculture industry. He expressed concern that the definition of horticulture as "growth in greenhouses or nurseries" contained in the Committee Substitute was restrictive.

Senator Mulcahy moved to adopt the Resources Committee Substitute for SB 342, and moved the bill from Committee with individual recommendations. There was no objection.

SB 322

Senator Mulcahy moved the bill from Committee with individual recommendations. There was no objection.

Frank Rue, Department of Natural Resources, Division of Land and Water Management, Resource Allocations, presented the committee with a brief overview of the changes that were made to the draft version of the Bristol Bay Cooperative Management Plan. Changes were made in the areas of oil and gas leasing, mineral exploration and development, and land disposals. Many of the original guidelines were seen as too specific and were dropped or rewritten in the final draft. Senator Sturqulewski and Senator Fahrenkamp had questions about the amendment process and asked for a more in-depth report on how Legislative authority over the lands will be affected under the plan.

The meeting adjourned at 4:38 pm.

March 22, 1984

Senator Jan Faiks
Pouch V
Juneau, Alaska 99811

Dear Senator Faiks;

On behalf of all of the farmers in the group from Delta Junction, we would like to express our thanks to you for your time and for the most stimulating discussion we had on agriculture related issues yesterday. Keep up the good work!

We discussed the sponsor substitute for Senate Bill 45, which would allow farmers of the state a five year period to develop their farms and while actively doing so, the payments and interest on the land would be tolled. Our discussion led us to the subject of the Alaska Agricultural Action Council and we expressed to you some of the reasons why we are not pleased with the performance of that agency. We might note that the Council, at the lower levels, has been doing an outstanding job. However, because of lack of support from the top, this work has been limited to controlling the quality of work being done in clearing on the Delta I and Delta II tracts. We have listed below some of our grievances with the Alaska Agricultural Action Council.

It is our opinion that the Council is not acting to develop markets either in state or out of state. They should be doing the following:

- A. Contacting end users of feed grains or by getting buyers and sellers together.
- B. Promoting the red meat industries, working with local groups such as the FFA or the 4H.
- C. Getting rape seed production underway by
 1. Developing test marketing plans;
 2. Seeking contracts for the growing of rape seed as requested by at least two farmers in the Delta area;
 3. Contacting foreign companies who are the producers and end users of vegetable oils;
 4. Investigating the feasibility and availability of in state crushing facilities for rape seed;
 5. Getting herbicides cleared for use in Alaska.

NOTE: The rape seed potential is so great that in Canada it is the Number 2 cash producer in farm sales.

- D. Assessing the economic progress of the farms and making recommendations. Requests for such a study have been made as long as six months ago and no evidence exists that any work has been done in this area.
- F. Working with the farmers and agriculture businesses to see that legislation is progressing to aid those trying to promote agriculture in Alaska. The plight of the Delta II farms is a good example. The council is not actively pursuing any form of salvage efforts in this area.
- G. Transportation--a great need exists for getting feed grains out and fertilizer and supplies in to Delta farmers. Nothing is being done to streamline or economize these facilities.
- H. Promoting and assisting the dairy industry including cattle procurement, equipment, processing, transportation, etc.
- I. Liason--keeping concerned parties informed on the current status of agricultural issues.

In summary, there exists a great need for agricultural action and promotion. Because there appears to be little or no activity from the Alaska Agricultural Action Council, the burden of implementing the steps mentioned above reverts to us; the producers, transportation users, etc. Perhaps this is where they belonged in the first place!

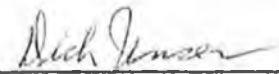
We are getting great responses here in the Capitol from all those who we are contacting. We are working on developing markets, streamlining transportation, and getting legislative assistance, etc., etc.

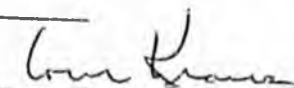
It is therefore our opinion that the Council should either be eliminated or revitalized to accomplish the tasks for which it was intended. The Alaska Agricultural Action Council should be more than just a social affair.

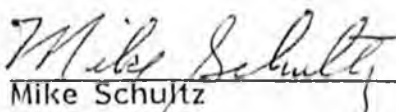
Again, thank you for your time and please contact us if there is any way you feel we could be helpful.

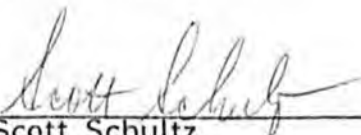
Yours very truly,


Charles Trowbridge


Dick Jensen


Tom Krause


Mike Schultz


Scott Schultz

cc: Governor Sheffield
Commissioner Lyon, Department of Commerce and Economic
Development
Commissioner Wunnike, Department of Natural Resources
Carl Amstrup, Alaska Agriculture Action Council
✓ Senator Fahrenkamp
Senator P. Fischer
Senator Josephson
Senator Kerttula
Senator Moss
Senator Mulcahy
Senator Sturgulewski
Representative Abcod
Representative Adams
Representative Barnes
Representative Bettisworth
Representative Bussell
Representative Hayes
Representative Shultz
Representative Ward

S

B

340

partial exemption, the easement must be in perpetuity. However, the easement is automatically terminated before an eminent domain taking of fee simple title or less than fee simple title to the property so that the property owner is compensated at a rate which does not reflect the easement grant.

(f) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to real property if an increase in assessed value is directly attributable to alteration of the natural features of the land or new maintenance, repair or renovation of an existing structure and if the alteration, maintenance, repair or renovation, when completed, enhances the exterior appearance or aesthetic quality of the land or structure. No exemption may be allowed under this subsection for the construction of an improvement to a structure if the principal purpose of the improvement is to increase the amount of space for occupancy or nonresidential use within the structure or for the alteration of land as a consequence of construction activity. An exemption provided in this subsection may continue for up to four years from the date the improvement is completed or from the date of approval for the exemption by the local assessor, whichever is later.

(g) A municipality may by ordinance exempt from taxation all or any part of the increase in assessed value of improvements to a single family dwelling if the principal purpose of the improvement is to increase the amount of space for occupancy. An exemption provided in this subsection may continue for up to two years from the date the improvement is completed or from the date of approval of an application for the exemption by the local assessor, whichever is later. (§ 2 ch 118 SLA 1972; am § 2 ch 1 FSSLA 1973; am § 1 ch 33 SLA 1975; am § 1 ch 111 SLA 1976; am § 1 ch 262 SLA 1976; am § 1 ch 95 SLA 1977; am § 31 ch 94 SLA 1980; am § 1 ch 44 SLA 1983)

Effect of amendments. — The 1973 amendment added the second sentence of subsection (a).

The 1975 amendment added subsection (e).

The first 1976 amendment added paragraph (3) of subsection (e).

The second 1976 amendment added paragraph (2)(D) of subsection (b).

The 1977 amendment added subsections (f) and (g).

The 1980 amendment deleted "adopted without weighted voting" near the beginning of paragraph (1) of subsection (c).

The 1983 amendment, effective July 9, 1983, added paragraph (b)(3).

Legislative history reports. — For legislative intent in enacting ch. 44, SLA 1983, see 1983 Senate Journal, p. 639, and 1983 House Journal, p. 1707.

Sec. 29.53.035. Farm or agricultural lands. (a) Farm use lands included in a farm unit and not dedicated or being used for nonfarm purposes shall be assessed on the basis of full and true value for farm use, and shall not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the farm use land for both full and true value and farm use value. Should the

perpetuity. However, the
an eminent domain
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hichever is later. (§ 2 ch
§ 1 ch 33 SLA 1975; am
§ 1 ch 95 SLA 1977;
1983)

0 amendment deleted "adopted
weighted voting" near the
of paragraph (1) of subsection

2 amendment, effective July 9,
d paragraph (b)(3).
ive history reports. — For
intent in enacting ch. 44, SLA
983 Senate Journal, p. 639, and
e Journal, p. 1707.

nds. (a) Farm use lands
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ed or used for some other
a records valuing the farm
rm use value. Should the

farm use land be sold, leased, or otherwise disposed of for uses incom-
patible with farm use or be converted to a use incompatible with farm
use by the owner, the owner is liable to pay an amount equal to the
additional tax at the current mill levy together with eight per cent
interest for the preceding seven years, as though the land had not been
assessed for farm use purposes. Payment by the owner shall be made
to the state to the extent of its reimbursement for revenue loss under
(e) of this section for the preceding seven years. The balance of the
payment shall be made to the city or borough.

(b) An owner of farm use land must, to secure the assessment, make
application to the assessor before May 15 of each year in which the
assessment is desired. The application shall be made upon forms pre-
scribed by the state assessor for the use of the local assessor and shall
include information which may reasonably be required to determine
the entitlement of the applicant. If the farm use land is leased for farm
use purposes, the applicant shall furnish to the assessor a copy of the
lease bearing the signatures of both lessee and lessor along with the
completed application. The applicant shall furnish the assessor a copy
of the lease covering the period for which the exemption is requested.

(c) In this section "farm use" means the use of land for raising and
harvesting crops or for the feeding, breeding and management of
livestock or for dairying or another agricultural use for profit or any
combination thereof. To be farm use land, the owner or the lessee must
be actively engaged in farming the land, and derive at least 10 per cent
of its yearly gross income from the farm use land. The provisions of this
section do not apply to land respecting which the owner has granted,
and has outstanding, a lease or option to buy the surface rights. A
property owner wishing to file for farm use classification having no
history of farm-related income may submit a declaration of intent at
the time of filing the application with the assessor setting out the
intended use of the land and the anticipated percentage of income. An
applicant using this procedure shall file with the assessor before
January 1 of the following year a notarized statement of the
percentage of gross income attributable to the farm use land. Failure
to make the filing required in this subsection forfeits the exemption.

(d) In the event of a crop failure by an act of God the previous year,
the owner or lessee may submit an affidavit affirming that 10 per cent
of gross income for the past three years was from farming.

(e) Subject to legislative appropriations for the purpose, the state
shall reimburse a borough or city, as appropriate, for the real property
revenues lost to it by the operation of this section. (§ 2 ch 118 SLA
1974; am § 1 ch 90 SLA 1974; am § 3 ch 229 SLA 1976; am § 1 ch 66
SLA 1978)

Effect of amendments. — The 1974 comparison impracticable and added sub-
section made such changes in subsec- sections (d) and (e).
tions (b) and (c) as to make a detailed

Legislative history reports. — For adoption of the House Finance Committee letter of intent on the shift of responsibility from the Department of Natural Resources to the Department of Revenue, see 1980 House Journal, pp. 1030, 1143.

ity from the Department of Natural Resources to the Department of Revenue, see 1980 House Journal, pp. 1030, 1143.

Sec. 38.05.037. Zoning regulations in the unorganized borough to facilitate federal land sales.

Opinions of attorney general. — The zoning power vested in the Department of Natural Resources under this section is broad enough to encompass the creation of historical districts as a control over land use, but the exercise of that authority does

not make the property eligible for historic preservation loans under AS 45.98, which is aimed solely at historic districts established by municipalities. January 3, 1980, Op. Att'y Gen.

Article 2. Sale of Lands.

Section	Section
45. Generally	65. Terms of contract of sale
47. [Repealed]	66. [Repealed]
50. Disposal of land for private ownership	67. Veterans preference
55. Auction sale procedures	68. Forest Service permittees' sales preference
57. Disposal of land by lottery	69. Preference to persons for agricultural purposes
58. [Repealed]	
59. Limitation on purchases of agricultural land	

Editor's notes. — For provisions for preferences for occupants of land under a United States Forest Service timber

contract, see ch. 47, SLA 1982 in the 1982 Temporary and Special Acts and Resolves.

Sec. 38.05.045. Generally. All lands owned in fee by the state or to which the state may become entitled, excepting tide, submerged or shorelands, and timber or grazing lands, may be sold as provided in AS 38.05.045 — 38.05.069 and 38.08.010 — 38.08.120. However, this section does not prevent the disposition of lands as provided in AS 38.05.300 — 38.05.348. (§ 1 art IV ch 169 SLA 1959; am § 50 ch 32 SLA 1971; am § 12 ch 85 SLA 1979)

Effect of amendments. — The 1979 amendment added "and 38.08.010 — 38.08.120" to the end of the first sentence.

Sec. 38.05.047. Classification and sale of state land in municipalities.

Repealed by § 45 ch 113 SLA 1981.

Cross references. — For provisions on the land disposal bank containing state land classified for disposal into private ownership, see AS 38.04.020. Editor's notes. — The repealed section derived from § 13, ch. 85, SLA 1979

Sec. 38.05.050. Disposal of land for private ownership. The commissioner, upon the recommendation of the director, shall determine the land to be disposed of for private use. The director shall determine the time and place of disposal. An auction sale, a lottery sale, or a disposal of land for homesites under AS 38.04.020(g)(2)(C) must be held in the municipality that is closest to the land to be sold or disposed of and in which regular sessions of a court of the state are held. (§ 1 art IV ch 169 SLA 1959; am § 1 ch 73 SLA 1978; am § 14 ch 113 SLA 1981)

Effect of amendments. — The 1978 amendment substituted "commissioner, upon recommendation of the director" for "director, with the approval of the commissioner" near the beginning of the former first sentence and added "or an adjacent recording district" to the end of the former third sentence. The 1981 amendment rewrote this section.

Sec. 38.05.055. Auction sale procedures. Under another method of sale is required under AS 38.05.005 — 38.05.370, under AS 38.07.010 — 38.07.060, or under AS 38.08.010 — 38.08.120, the sale of state land shall be made at public auction to the highest qualified bidder as determined by the director. A bidder must appear in person at the auction unless medical reasons, attendance at school, or military service outside the state prevent attendance. A bidder may be represented by an attorney or agent at the auction if the land offered for disposal is commercial, industrial, or agricultural land. An aggrieved bidder may appeal to the commissioner within five days after the sale for a review of the director's determination. The sale shall be conducted by the director or his representative, and at the time of sale the successful bidder shall deposit an amount equal to five percent of the purchase price, or if the purchaser elects to use land discounts granted under AS 38.05.058, five percent of the amount bid after deduction of the discount. The director or his representative shall immediately issue a receipt containing a description of the land or property purchased, the price bid, the amount deposited, and the amount of any discount allowed. The receipt shall be acknowledged in writing by the bidder. (§ 2 art IV ch 169 SLA 1959; am § 9 ch 61 SLA 1960; am § 2 ch 137 SLA 1962; am § 3 ch 176 SLA 1978; am § 14 ch 85 SLA 1979; am § 15 ch 113 SLA 1981)

Effect of amendments. — The 1978 amendment substituted "§§ 67 and 315(d)" for "§ 315(d)" near the beginning of the section.

The 1979 amendment substituted "AS 38.05.057, 38.05.315(d), and AS 38.08, the sale of state land" for "AS 38.05.057 and 38.05.315(d), the sale" in the first sentence.

The 1981 amendment substituted under AS 38.05.005 — 38.05.370, under AS 38.07.010 — 38.07.060, or under "AS 38.05.057, 38.05.315(d), and" at the beginning of the first sentence, added the present second and third sentences, and substituted "five percent" for "one-tenth" preceding "of the purchase price" and added "or if the purchaser elects to use land discounts granted under AS 38.05.058, five percent of the

of unoccupied land is for agricultural purposes, and if he determines that it is in the best interests of the state to sell or lease the land, he shall grant to an Alaskan resident owning and using or leasing and using land for agricultural purposes a 60-day first option after the date of the auction to purchase or lease the unoccupied land situated adjacent to or in the approximate vicinity of his presently held land for the amount of the high bid received at public auction. A parcel of agricultural land sold under this section may not be less than 20 acres and a parcel of agricultural land which is acquired by exercise of the option granted in this subsection may not exceed 320 acres. Agricultural land which is acquired under this section must be used for agricultural purposes as required by law.

(b) If more than one person is eligible for a first option under (a) of this section, the director shall determine priority by granting precedence first to the person who demonstrates the greatest need for the unoccupied land in order to establish an economic unit and, secondly, to the eligible person who occupies land that is most readily accessible to unoccupied land to be sold or leased. In the event that two or more persons have approximately equal qualifications for priority under this section, the director shall grant priority to that person who is a veteran. If more than one person is approximately equally well qualified under this section, the director shall determine priority by lot.

(c) Under this section

(1) the director may convey or lease an interest in the land only for agricultural purposes, and all other interests in the land remain in the state; the sale or lease shall be at public auction;

(2) the remaining interests may subsequently be conveyed or leased by the director only upon the request of the grantee or lessee or his assigns and the determination of the director, with the written concurrence of the commissioner, that the conveyance or lease is in the public interest;

(3) the conveyance or lease of the remaining interests shall be at public auction; the original grantee or lessee or his assigns have a preference right to meet the high bid within 30 days after the day of the auction; if the right is exercised, the value of improvements owned by the holder of the preference right, included with the remaining interests sold, shall be deducted from the purchase price;

(4) by requesting the conveyance or lease of the remaining interest, the original grantee or lessee or his assigns

(A) consents to the sale or lease, and

(B) if the preference right provided by (3) of this subsection is not exercised, consents to sell at fair market value the improvements related to the remaining interest, as appraised by the director;

(F) the remaining interests in the land may not be conveyed or leased for less than their appraised value together with improvements except for the deduction allowed by (3) of this subsection.

(d) When not in conflict with this section, other provisions of AS 38.05.045 — 38.05.105 apply to disposals under this section.

(e) For the purposes of this section,

(1) "agricultural purposes" includes farming, ranching, grazing, and storage or control of agricultural crops or livestock;

(2) "approximate vicinity" includes an area in which the land does not have a common boundary to presently held land or in which the land is physically separated from presently held land by any type of barrier.

(f) Nothing in (c) of this section affects the disposal of minerals under AS 38.05.135 — 38.05.183. (§ 1 ch 97 SLA 1965; am §§ 1, 2 ch 71 SLA 1976; am §§ 4 — 6 ch 57 SLA 1976; am § 30 ch 85 SLA 1979)

Effect of amendments. — The 1979 amendment, in subsection (a), deleted "provided the aggregate number of acres owned and acquired under the option shall not exceed 320 acres; and further provided

that the land acquired under this section is used for agricultural purposes as required by law" from the end of the first sentence and added the second and third sentences.

Article 3. Leasing of Lands Other Than for the Extraction of Natural Resources.

Section	Section
70. Generally	95. Subleases
75. Leasing procedures	97. Exemption from rental payments on land leased by nonprofit organizations
77. Classification and disposal of remote parcels	98. Senior citizens exemption
78. Purchase of land in a remote parcel	102. Lessee preference
79. Remote cabin permit	103. Rights of holder of security interest
85. Term of lease	105. Periodic rent adjustments
87. Forest Service permittees' leasing preference	

Sec. 38.05.070. Generally. (a) Land, including tide, submerged or shoreland, to which the state holds title or to which it may become entitled, may be leased, except for the extraction of natural resources, in the manner provided in AS 38.05.070 — 38.05.105

(b) The director, with the approval of the commissioner, shall determine the land to be leased and the limitations, conditions and terms of the lease. If the appraised value of the transaction is \$250 a year or less the director may negotiate a lease without advertisement for a period not to exceed five years, and on the limitations, conditions and terms which he considers are in the best interests of the state. A lease negotiated under this subsection is not eligible for a preference under AS 38.05.102.

(c) A lease may be issued for a period up to 55 years, if it appears to be in the best interests of the state and if the commissioner approves. If the commissioner determines that the land or a part of it which is the subject of a grazing lease is not being used for the purpose issued, the

(c) The director shall, for contracts under (a) or (b) of this section, set for each sale the period for the payment of installments and the total purchase price plus interest. The director, with the consent of the commissioner, may also include in contracts under this section conditions, limitations and terms which he considers necessary and proper to protect the interest of the state. Violations of any provision of AS 38.05.005 — 38.05.370 or the terms of the contract of sale subject the purchaser to appropriate administrative and legal action, including but not limited to specific performance, foreclosure, ejectment, or other legal remedies in accordance with applicable state law. (§ 3 art IV ch 169 SLA 1959; am § 5 ch 176 SLA 1978; am §§ 26, 27 ch 85 SLA 1979; am §§ 17, 18 ch 113 SLA 1981)

Effect of amendments. — The 1978 amendment rewrote this section.

The 1979 amendment substituted the language beginning "prevailing rate for real estate mortgage loans" for "rate of not less than five per cent a year" at the end of the first sentence of subsection (a), and in subsection (b), substituted "under the procedures specified in AS 38.05.057 (lottery disposals)" for "by lottery" in the first sentence and substituted "for real estate mortgage loans made by the federal land bank for the farm credit district for Alaska" for "on similar land transactions" and deleted "as determined by the direc-

tor, but in no case may it be below five per cent a year or above the current usury rate as set by AS 45.45.101(b) and (d)" in the third sentence.

The 1981 amendment added "under AS 38.05.055" following "public auction" and substituted "twenty" for "ten" preceding "years" in the first sentence of subsection (a). In subsection (b), the amendment deleted "the procedures specified in" following "land sold under" and substituted "and under AS 38.05.078" for "(lottery disposals)" preceding "shall require the remainder" in the first sentence.

Sec. 38.05.066. Preference to persons for fishery purposes.

Repealed by § 34 ch 94 SLA 1980.

Editor's notes. — The repealed section derived from § 1, ch. 158, SLA 1968; § 1, ch. 74, SLA 1970

Sec. 38.05.067. Veterans preference. (a) Except as provided in (e) of this section, before offering to the general public any unoccupied residential lands, the director shall offer the land at a restricted sale at which only veterans may buy.

(b) The director shall not sell the lands under this section at less than their fair appraised market value. The director shall make regulations necessary to ensure that lands sold under this section are for bona fide residential use and not for speculation.

(c) When not in conflict with this section, other provisions of AS 38.05.045 — 38.05.067 apply to sales under this section.

(d) In this section "veteran" means a person with 90 days or more of active service in the armed forces of the United States who has been honorably discharged.

(e) [Effective July 1, 1984] This section does not apply to the sale of state land under AS 38.04.020(g)(2) and AS 38.09. (§ 4 art IV ch 169 SLA 1959; added by ch 102 SLA 1962; am § 1 ch 28 SLA 1963; am § 1 ch 1 SLA 1968; am §§ 28, 29 ch 85 SLA 1979; am § 35 ch 94 SLA 1980; am §§ 19, 20 ch 113 SLA 1981; am § 6 ch 103 SLA 1983).

Effect of amendments. — The 1979 amendment added "Except as provided in (e) of this section" to the beginning of subsection (a) and added subsection (e).

The 1980 amendment substituted "November 7, 1975" for "a date six months after the termination of hostilities involving forces of the United States in Viet Nam" in paragraph (4) of former subsection (d).

The 1981 amendment rewrote subsection (d) and substituted "AS

38.04.020(g)(2)" for "AS 38.05.047(f)" in subsection (e).

The 1983 amendment, effective July 1, 1984, substituted the reference to AS 38.09 for references to AS 38.05.077 and 38.05.078 in subsection (e).

Editor's notes. — Until July 1, 1984, subsection (e) reads as follows: "(e) This section does not apply to the sale of state land under AS 38.04.020(g)(2), AS 38.05.077, and 38.05.078."

Sec. 38.05.068. Forest Service permittees' sales preference.

(a) Before offering to the public any land which is subject to a valid existing United States Forest Service permit in effect on the day before that land is tentatively approved for patent to the state, or which is subject to a lease issued under AS 38.05.087, the director shall offer the land for sale to the permittee or his successor in title, if he can be found.

(b) When not in conflict with this section, other provisions of AS 38.05.045 — 38.05.069 apply to sales under this section.

(c) If the permit described in (a) of this section is for a recreational cabin, recreational residence, nonrecreational residence, or a residence of a community nature and the land is used for noncommercial residential or recreational purposes, the purchase price offered to a permittee or his successor shall be an amount determined by the commissioner which is equal to the state money required to be spent in order to sell the land plus the cost of survey or resurvey, if the survey or resurvey is made by the department or a contractor of the department.

(d) If the permit described in (a) of this section is for a use other than a use listed in (c) of this section, the purchase price offered to a permittee or his successor shall be not less than the appraised fair market value of the land. (§ 1 ch 26 SLA 1963; am § 39 ch 127 SLA 1974; am §§ 1, 2 ch 26 SLA 1979)

Effect of amendments. — The 1979 amendment substituted "on the day before that land is tentatively approved for patent" for "in a state-selected area at the time the area was patented" in subsection

(a), deleted "at not less than its fair appraised market value before offering to the general public" from the end of subsection (a), and added subsections (c) and (d).

Sec. 38.05.069. Preference to persons for agricultural

(2) prohibit the resale of land purchased by the initial purchaser until the requirements imposed under (1) of this subsection, if any, are satisfied.

(j) The commissioner may require a participant in a lottery under this section for the sale of land that is part of an agricultural development project under AS 44.33.475 to submit a single application for that land. Immediately following the drawing of an applicant's name in the lottery, the applicant shall be given an opportunity to select for purchase one parcel of the land that is offered in the lottery. The names of alternate applicants shall be drawn after all parcels have been selected. If the applicant who originally selected a parcel unequivocally rejects the offer to purchase the parcel or fails to sign the contract of sale within the period of time specified by the commissioner, the parcel shall be offered for sale to alternate applicants in the order in which their names were drawn. (§ 4 ch 176 SLA 1978; am §§ 15 — 22 ch 85 SLA 1979; am § 16 ch 113 SLA 1981; am § 2 ch 129 SLA 1982; am § 5 ch 103 SLA 1983)

Revisor's notes. — In subsection (a), in the present fifth sentence, a period was added following "representative" and in the present sixth sentence, the word "and" was deleted preceding "an applicant" by the revisor of statutes under AS 01.05.031.

Effect of amendments. — The 1979 amendment, in subsection (a), substituted "commissioner may dispose of land" for "director may sell land" in the first sentence, substituted the language beginning "shall be the fair market value" for "may not be less than the fair market value of that land unless the sale is conducted under the provisions of AS 38.05.035(b)(4)" at the end of the second sentence, added the present third and fourth sentences, and in the former fifth sentence, substituted "commissioner" for "director," inserted "signing a contract of," deleted "with the person conducting the lottery" following "shall deposit," and added the language beginning "or if the purchaser elects" to the end. The amendment also substituted "qualify to participate in a lottery" for "purchase land by lottery" in the introductory language of subsection (b), substituted "one year" for "three years" in paragraph (2) of subsection (b), substituted "lottery participants" for "potential purchasers" in the introductory language of subsection (c), substituted "\$25" for "\$10" in paragraph (2) of subsection (d), substituted "45 days" for "30 days" in paragraph (1) of subsection (e), substituted "AS 38.05.345(e)" for "AS 38.05.345(d)" in paragraph (3) of subsec-

tuted "to be conveyed" for "purchased" and "disposal" for "sale" in the first sentence of subsection (g).

The 1981 amendment deleted "but may not be less than \$400 per acre, or, if the land is limited to use for agricultural purposes, the purchase price may not be less than \$100 per acre" at the end of the second sentence of subsection (a). In subsection (a), the amendment also added the present sixth and seventh sentences and, in the present eighth sentence, substituted "on" for "and at," substituted "day of the lottery" for "time of signing a contract of sale," deleted "discount" preceding "purchase price" and added "after deduction of the discount" following "purchase price."

The 1982 amendment added subsection (j).

The 1983 amendment, effective July 1, 1984, deleted "or if more applications are received for the right to select a remote parcel offered under AS 38.05.077 than the number of remote parcels authorized" following "received for a parcel" in the second sentence of subsection (f).

Editor's notes. — Until July 1, 1984, subsection (f) reads as follows: "(f) If only one application for a parcel is received, the commissioner shall offer the parcel to the applicant who applied for the parcel if the applicant is qualified to participate in the lottery. If more than one application is received for a parcel, or if more applications are received for the right to select a remote parcel offered under AS 38.05.077 than the number of remote parcels authorized,"

applicant who is entitled to receive a conveyance of the land by lottery. If the commissioner does not receive an application for a parcel of state land or if a purchaser fails to sign a lease agreement or contract of sale, the parcel shall be offered to the first eligible person to apply for the parcel. If the parcel was designated as a homesite and offered to the public under AS 38.05.047(f), the parcel shall be disposed of under the terms required by AS 38.08.010 — 38.08.120."

AS 38.05.047, referred to near the end of subsection (f), was repealed by § 45, ch. 113, SLA 1981.

AS 38.05.055, referred to in (g) of this section, was amended by § 15, ch. 113, SLA 1981. One of the changes was the deletion of language relating to the form of contract. See AS 38.05.065(b) for the terms required in contracts of sale for land sold under this section.

NOTES TO DECISIONS

Quoted in *Gilman v. Martin*, Sup. Ct. Op. No. 2652 (File No. 5937), 662 P.2d 120 (1983); *LeResche v. Lustig*, Sup. Ct. Op. No. 2656 (File No. 6058), P.2d (1983).

Sec. 38.05.058. Land discount program. [Repealed, § 19 ch 87 SLA 1983.]

Sec. 38.05.059. Limitation on purchases of agricultural land. A person may purchase from the state a total of not more than one parcel of land that is part of an agricultural development project under AS 44.33.475 during any eight-year period. (§ 3 ch 129 SLA 1982)

Sec. 38.05.060. Rejection of bids.

NOTES TO DECISIONS

Cited in *State v. University of Alaska*, Sup. Ct. Op. No. 2303 (File No. 4579), 624 P.2d 807 (1981).

Sec. 38.05.065. Terms of contract of sale. (a) The contract of sale for land sold at public auction under AS 38.05.055 shall require the remainder of the purchase price to be paid in monthly, quarterly or annual installments over a period of 20 years, with interest at the prevailing rate for real estate mortgage loans made by the federal land bank for the farm credit district for Alaska at the time the contract is signed. Installment payments plus interest shall be set on the level-payment basis.

(b) The contract of sale for land sold under AS 38.05.057 and under AS 38.05.078 shall require the remainder of the purchase price to be paid in monthly, quarterly, or annual installments over a period of not more than 20 years. Installment payments plus interest shall be set on the level-payment basis. The interest rate to be charged on installment payments is the prevailing rate for real estate mortgage loans made by the federal land bank for the farm credit district for Alaska at the time

discount" in the fifth sentence. The amendment added "the amount deposited" following "the price bid" and added "amount of any discount allowed" in the sixth sentence, substituted "the" for "terms of sale, which" at the beginning of the seventh sentence and deleted the

former eighth sentence which read "A contract of sale on a form approved by the attorney general shall be signed by the purchaser and, after approval of the commissioner, the contract shall also be signed by the director on behalf of the state."

NOTES TO DECISIONS

Cited in *State v. University of Alaska*, Sup. Ct. Op. No. 2303 (File No. 4579), 624 P.2d 807 (1981).

Sec. 38.05.057. Disposal of land by lottery. (a) The commissioner may dispose of land, including land limited to use for agricultural purposes, by lottery. The purchase price of land sold by lottery shall be the fair market value of the land as determined by the commissioner. The commissioner may sell land by lottery for less than the fair market value of the land if he determines that scarcity of land for private use in the area of the land to be sold has resulted in unrealistic land values. Before the commissioner determines the purchase price for land which is located in a municipality and which is to be sold under this section, he shall consult with the assessor of the municipality. The lottery shall be conducted in public by the commissioner or his representative. An applicant may not be selected to purchase land unless he is present on the date and at the place that the lottery is conducted unless medical reasons, attendance at school, or military service outside the state prevent attendance. An applicant may be represented by an agent on the day of the lottery if the land offered for sale is commercial, industrial, or agricultural land. On the day of the lottery a purchaser selected by lot shall deposit an amount equal to five percent of the purchase price, or if the purchaser elects to use land discounts granted under AS 38.05.058, five percent of the purchase price after deduction of the discount.

(b) To qualify to participate in a lottery under (a) of this section, a potential purchaser shall

- (1) at the time of application have attained the age of 18;
- (2) submit proof, as required by regulation, that he has been a resident of the state for not less than one year immediately preceding the date his application was submitted; and
- (3) certify that he has not purchased land at a sale by lottery in the state within eight years immediately preceding the sale date.

(c) The commissioner may adopt regulations under the Administrative Procedure Act (AS 44.62.010 — 44.62.650) which specify qualifications for lottery participants different from those specified in (b) of this section if

- (1) an interest in land limited to agricultural purposes is to be sold

(2) the sale is a part of a program to develop agricultural land as a renewable resource of the state; and

(3) the regulations include residency, skill, experience, and financial requirements necessary to qualify persons who are competent and financially able to develop the land as a successful agricultural enterprise.

(d) To apply for participation in a lottery under this section an applicant shall

(1) certify that he is qualified under the applicable provisions of this section; and

(2) pay a nonrefundable application fee of not more than \$25 for each application.

(e) The director shall accept applications to purchase particular parcels under the following procedures and conditions:

- (1) the application period may not be less than 45 days;
- (2) no application may be accepted less than 15 days before each lottery;
- (3) notice of the application period and the date of the lottery shall be given in accordance with AS 38.05.345(e); and
- (4) the application shall be made on a form provided by the department.

(f) [Effective July 1, 1984] If only one application for a parcel is received, the commissioner shall offer the parcel to the applicant who applied for the parcel if the applicant is qualified to participate in the lottery. If more than one application is received for a parcel, the commissioner shall select the applicant who is entitled to receive a conveyance of the land by lottery. If the commissioner does not receive an application for a parcel of state land or if a purchaser fails to sign a lease agreement or contract of sale, the parcel shall be offered to the first eligible person to apply for the parcel. If the parcel was designated as a homesite and offered to the public under AS 38.05.047(f), the parcel shall be disposed of under the terms required by AS 38.08.

(g) After receiving the deposit required under (a) of this section, the director or his representative shall immediately issue a receipt containing a description of the land or property to be conveyed, the price of the land, and the terms of disposal. The receipt shall be acknowledged in writing by the purchaser. A contract of sale shall be executed in the same form and manner as required under AS 38.05.055.

(h) An aggrieved lottery participant may appeal to the commissioner within five days after the lottery is conducted for a review of the lottery procedures.

(i) The director may include in contracts for sale of land under this section terms which