

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672  
6520 SENATE RESOURCES

924

*This is just one of the times we have to go to court to have our rights affirmed.*

ALASKA GREENHOUSES, INC.,  
Plaintiff,  
vs  
GREATER ANCHORAGE AREA  
BOROUGH,  
Defendant.

*We can always win but we should not have to fight for our rights.*

ENDORSED  
FILED in the Superior Court  
State of Alaska, Third District  
FEB 15 1973  
A. M. VOKACEK, Clerk  
By *M. Coy* Deputy

No. 72-1628

JUDGMENT UPON CONFESSION

This action came before the Court, the Honorable Eben H. Lewis presiding, on February 13, 1973, for confession of judgment by the defendant. The Court being fully advised in the premises, finds that the plaintiff, Alaska Greenhouses, Inc., for purposes of eligibility under Alaska Statute 29.10.398, is the owner of the property described in the complaint, is engaged in agricultural or horticultural activities, and therefore qualifies under the "farm use" tax statute, and in 1971 and in 1972, derived more than one-fourth of its gross income from farm use activities. It is therefore

ORDERED, ADJUDGED AND DECREED that plaintiff recover from the defendant \$2,236.36 with interest thereon at eight per cent (8%) per annum from February 13, 1973, plus costs of \$38.40, and attorney's fees of \$1,100.00.

Done at Anchorage, Alaska this 15 day of February, 1973.

ALASKA RURAL REHABILITATION CORP.

GENERAL OFFICES  
BOX C  
PALMER, ALASKA  
99648

March 7, 1972

RECEIVED  
JAN 19 1973

Mr. Mann Leiser, President  
Alaska Greenhouses, Inc.  
1301 Muldoon Road  
Anchorage, Alaska 99504

Dear Mann:

I have delayed answering your letter of February 21, as I was one of the local people who were asked to serve on a special committee to advise the Borough on the true value of farm land in the Matanuska Valley.

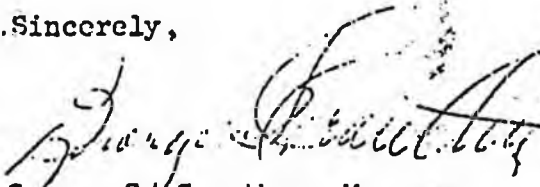
The Committee concluded that the true farm land value of the best soils in the Matanuska Valley is \$350 per acre.

Our best soils, located close to the City of Palmer, are Class II soils and are 18 inches or deeper in depth. Soils with a lower productive capacity will be taxed at a lower rate.

I am enclosing a copy of the soil classifications that we have in the Valley and the percentages assigned to those soils with lower productive capacity than our Class II soils.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

  
George S. Crowther, Manager  
Alaska Rural Rehabilitation Corp.

GSC:ph

Enclosure

Exhibit 4

January 11, 1973

Greater Anchorage Area Borough  
Board of Equalization  
3500 Tudor Road  
Anchorage, Alaska

RECEIVED

JAN 15 1973

Dear Sirs:

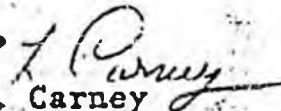
I would again like to go on record as supporting the request of Mr. Mann Leiser and Alaska Greenhouses, Inc., to qualify for a reduced land assessment for property used in agricultural production. The Department of Economic Development has been a supporter of this project since its inception and, in fact, partially financed construction of the greenhouse. When the feasibility study was done, we suggested the enterprise plan to take advantage of a state law which instructs Boroughs of the State to give agricultural enterprises this tax advantage. Under the Act, an agricultural enterprise qualifies if 25% of the entrepreneurs' gross income comes from the Activity.

There is no doubt in our mind that Alaska Greenhouses qualifies under the Act. Further, much of the land they occupy is flood plain-land and, as such, is virtually useless for anything but agricultural or recreational endeavors. The industry contributes substantially to the economics of the area and without the lower assessment will undoubtedly be forced to move. Certainly, the Borough needs the payroll generated, the operation preserves the area as a green belt area and, of course, the industry promotes a more beautiful Borough.

We recommend a procedure of assessment be instituted for agricultural enterprises which is patterned after that followed in the Matanuska Valley. The Mat-Su Borough assesses 100% productive agricultural land at a rate of \$350 per acre. This \$350 is based on a value of \$150 for land used for agriculture, and \$200 for improvements to put the land into production, such as clearing and leveling.

Your favorable consideration will be appreciated.

Sincerely,

  
Dominic L. Carney



## COOPERATIVE EXTENSION SERVICE

UNIVERSITY OF ALASKA  
FAIRBANKS ALASKA 99701

Matanuska - Susitna District Box 736  
Palmer, Alaska 99645

January 16, 1973

Mr. Mann Leiser  
Alaska Greenhouses  
1301 Muldoon Road  
Anchorage, Alaska 99504

Dear Mann:

It is logical that the law writers in rewriting the act on assessing farm lands drop the word "horticultural" as it is a part of agriculture. The act does mention "raising and harvesting crops" which would include horticulture as well as agronomy. Our vegetable growers, potato growers, and greenhouse growers (all horticulturists), in the Matanuska Valley qualify if they meet the 25% income provision of the law. All of them are engaged in the "raising and harvesting of crops." The same is true for others engaged in the "raising and harvesting of crops" such as a hay producer or grain producer, who are agronomists. Agronomy is not mentioned in the law either.

In looking for a comprehensive definition I went no further than our encyclopedia, Collier's Encyclopedia, copyright 1966, book #12 on page 291 gives the following:

"HORTICULTURE, a division of agriculture. The word is derived from the Latin hortus, "a garden" and colere, "to care for." Horticulture includes fruit growing (pomology), vegetable growing (olericulture), and floriculture, which embraces both flowers grown by amateurs and those grown commercially by florists."

Simply put horticulture is as much a part of agriculture as animal husbandry or agronomy.

This past year our best agricultural land was assessed at \$350 per acre. Uncleared land on the same farm and of the same quality was assessed at \$150 per acre. The lowest quality cleared land would be assessed at \$200 per acre. On comparative land values for farming I would hold the same as I did in my February 25, 1972 letter. When production capabilities of land are taken into consideration it would be impossible to establish a higher value on land for farming in the Anchorage area than what we have in the valley. I am sure that it would be still impossible to establish any recent history of land sales for farming in your area. Therefore, since lands in question are only 40 miles or so apart the logical approach would be to use land values (for farming) the same as we have in the Matanuska Valley.

Page 2, Mann Leiser  
January 16, 1973

I feel that this taxation issue that you face with the Anchorage Borough is extremely vital to the future well being of the whole area and I hope that it can soon be properly resolved to comply with the State law. The quality of our environment is presently a big issue. Your acres provide open space, a place of rare beauty in addition to promoting beautification to the entire Anchorage area. It is the very thing we are to preserve and promote in order to maintain a desirable environment in an urban setting. It would seem that this should be readily apparent to Borough officials.

Please feel free to call on me at any time that you feel I might be of assistance in this matter.

Sincerely yours,



Peter M. Probasco  
Program Leader -- Agriculture  
and Farm Management

PMP:lf

cc: Ben Westrade

# STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

## DEPARTMENT OF ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER — BRANCH OFFICE

338 DENALI STREET — ROOM 720, MACKAY BLDG.  
ANCHORAGE 99501

January 11, 1967

Greater Anchorage Area Borough  
Board of Equalization  
5500 Tudor Road  
Anchorage, Alaska

Dear Sirs:

I would again like to go on record as supporting the request of Mr. Mann Leiser and Alaska Greenhouses, Inc., to qualify for a reduced land assessment for property used in agricultural production. The Department of Economic Development has been a sponsor of this project since its inception and, in fact, partially financed construction of the greenhouse. When the feasibility study was done, we suggested the enterprise plan to take advantage of a state law which instructs Boroughs of the State to give agricultural enterprises this tax advantage. Under the Act, an agricultural enterprise qualifies if 75% of the entrepreneurs' gross income comes from the activity.

There is no doubt in our mind that Alaska Greenhouses qualify under the Act. Further, much of the land they occupy is not plain land and, as such, is virtually useless for anything but agricultural or recreational endeavors. The industry contributes substantially to the economics of the area and without the lower assessment will undoubtedly be forced to move. Certainly, the Borough needs the payroll generated, the operation preserves the area as a green belt area and, of course, the industry provides a more beautiful Borough.

We recommend a procedure of assessment be instituted for agricultural enterprises which is patterned after that used in the Matanuska Valley. The Mat-Su Borough assesses agricultural land at a rate of \$50 per acre. This is based on a value of \$150 for land used for agriculture, plus the cost of improvements to put the land into production, such as clearing and leveling.

Your favorable consideration will be appreciated.

Sincerely,

Item #3

# Standard Industrial Classification Manual - 1972

RECEIVED  
MAR 24 1973

## Division A

### Agriculture, Forestry, and Fishing

#### *The Division as a Whole*

This division includes establishments primarily engaged in agricultural production, forestry, commercial fishing, hunting and trapping, and related services.

The classification of agricultural production covers establishments (farms, ranches, dairies, greenhouses, nurseries, orchards, hatcheries, etc.) primarily engaged in the production of crops, plants, vines, or trees (excluding forestry operations); and the keeping, grazing, or feeding of livestock for the sale of livestock or livestock products (including serums), for livestock increase, or for value increase. Livestock as used here includes cattle, sheep, goats, hogs, and poultry. Also included are animal specialties such as horses, rabbits, bees, pets, fur-bearing animals in captivity and fish in captivity. Agricultural production also includes establishments primarily engaged in the operation of sod farms, mushroom cellars, cranberry bogs, poultry hatcheries, and in the production of bulbs, flower seeds, and vegetable seeds.

Farms are the establishment units generally utilized for the purpose of industrial classification of agricultural production. A farm may consist of a single tract of land, or a number of separate tracts which may be held under different tenures. For example, one tract may be owned by the farmer and another rented by him. It may be operated by the operator alone or with the assistance of members of his household or hired employees, or it may be operated by a partnership, corporation, or other type of organization. When a landowner has one or more tenants, renters, croppers, or managers, the land operated by each is considered a farm.

The classification of agricultural services includes establishments primarily engaged in supplying soil preparation services, crop services, landscape and horticultural services, veterinary and other animal services, and farm labor and management services.

The classification of forestry covers establishments primarily engaged in the operation of timber tracts, tree farms, forest nurseries, the gathering of forest products, or in performing forestry services. Logging camps and logging contractors are classified in Industry 2411.

The classification of fishing, hunting, and trapping covers establishments primarily engaged in commercial fishing (including shellfish and marine products); operating fish hatcheries, and fish and game preserves; and commercial hunting and trapping.

Group Industry  
No. No.

017 FRUITS AND TREE NUTS—Continued

0173 Tree Nuts

Establishments primarily engaged in the production of tree nuts.

Almond groves and farms  
Chestnut groves and farms  
Peanut groves and farms

Tree nut groves and farms  
Walnut groves and farms

0174 Citrus Fruits

Establishments primarily engaged in the production of citrus fruits.

Citrus groves and farms  
Grapefruit groves and farms  
Lemon groves and farms

Lime groves and farms  
Orange groves and farms  
Tangerine groves and farms

0175 Deciduous Tree Fruits

Establishments primarily engaged in the production of deciduous tree fruits. Establishments primarily growing citrus fruits are classified in Industry 0174, and tropical fruits in Industry 0179.

Apple orchards and farms  
Apricot orchards and farms  
Cherry orchards and farms  
Nectarine orchards and farms  
Peach orchards and farms  
Pear orchards and farms

Persimmon orchards and farms  
Plum orchards and farms  
Pomegranate orchards and farms  
Prune orchards and farms  
Quince orchards and farms

0179 Fruits and Tree Nuts, Not Elsewhere Classified

Establishments primarily engaged in the production of fruits and nuts, not elsewhere classified. This industry also includes establishments deriving 50 percent or more of their total value of sales of agricultural products from fruit and tree nuts (Industry Group 017), but less than 50 percent from products of any single industry.

Avocado orchards and farms  
Date orchards and farms  
Fig orchards and farms

Olive groves and farms  
Pineapple farms  
Tropical fruit farms

018

HORTICULTURAL SPECIALTIES

0181 Ornamental Floriculture and Nursery Products

Establishments primarily engaged in the production of ornamental plants and other nursery products, such as bulbs, florists' greens, flowers, shrubbery, flower and vegetable seeds and plants, and sod. These products may be grown under cover (greenhouse, frame, cloth house, lath house) or outdoors.

Bulbs, growing of  
Field nurseries: growing of flowers and shrubbery, except forest shrubbery  
Florists' greens, cultivated: growing of  
Flowers, growing of  
Fruit stocks, growing of  
Greenhouses for floral products  
Mats, preseeded: soil erosion—growing of

Nursery stock, growing of  
Plants, ornamental: growing of  
Plants, potted: growing of  
Roses, growing of  
Seed, flower and vegetable: growing of  
Shrubberies, except forest shrubbery: growing of  
Sod farms

0182 Food Crops Grown Under Cover

Establishments primarily engaged in the production of fruits and vegetables grown under cover.

Fruits grown under cover  
Greenhouses for food crops  
Mushroom cellars  
Mushroom spawn, production of

Rhubarb grown under cover  
Tomatoes grown under cover  
Vegetables grown under cover

0189 Horticultural Specialties, Not Elsewhere Classified

Establishments primarily engaged in the production of horticultural specialties, not elsewhere classified. This industry also includes establishments deriving 50 percent or more of their total value of sales of agricultural products from horticultural specialties (Industry Group 018), but less than 50 percent from products of any single industry.

## Major Group 01.—AGRICULTURAL PRODUCTION—CROPS

*The Major Group as a Whole*

This major group includes establishments (farms, orchards, greenhouses, nurseries, etc.) primarily engaged in the production of crops or plants, vines and trees (excluding forestry operations). This major group also includes establishments primarily engaged in the operation of sod farms, mushroom cellars, cranberry bogs, and in the production of bulbs, flower seeds, and vegetable seeds.

An establishment primarily engaged in crop production (Major Group 01) is classified in the industry (4-digit) and industry group (3-digit) which accounts for 50 percent or more of the total value of sales for its agricultural production. If the total value of sales for agricultural products of an establishment is less than 50 percent from a single 4-digit industry, but 50 percent or more of the value of sales for its agricultural products derives from the products of two or more 4-digit industries within the same 3-digit industry group, the establishment is classified in the miscellaneous industry of that industry group; otherwise, it is classified as a general crop farm in Industry 0191.

Group Industry  
No. No.

## 011 CASH GRAINS

## 0111 Wheat

Establishments primarily engaged in the production of wheat.

Wheat farms

## 0112 Rice

Establishments primarily engaged in the production of rice.

Rice farms

## 0115 Corn

Establishments primarily engaged in the production of corn for grain. Establishments primarily engaged in the production of sweet corn are classified in Industry 0101.

Corn farms (field corn)

## 0116 Soybeans

Establishments primarily engaged in the production of soybeans.

Soybean farms

## 0119 Cash Grains, Not Elsewhere Classified

Establishments primarily engaged in the production of cash grains, not elsewhere classified. This industry also includes establishments deriving 50 percent or more of their total value of sales of agricultural products from cash grains (Industry Group 011), but less than 50 percent from products of any single industry.

Barley farms  
Bean (dry field and seed) farms  
Buckwheat farms  
Cash grain farms; except wheat, rice,  
corn, and soybeans  
Cassia farms  
Emmer farms  
Feed grain farms  
Flaxseed farms  
Grain farms; except wheat, rice, corn,  
and soybeans

Lentil farms  
Mustard seed farms  
Oat farms  
Pea (dry field and seed) farms  
Popcorn farms  
Rye farms  
Safflower farms  
Sorghum (except for straw) farms

## 013 FIELD CROPS, EXCEPT CASH GRAINS

## 0131 Cotton

Establishments primarily engaged in the production of cotton and cottonseed.

Cotton farms

Cottonseed farms

Group No. Industry No.

**ANIMAL SERVICES, EXCEPT VETERINARY—Continued**

**0751 Livestock Services, Except Services for Animal Specialties—Continued**

<p>Artificial insemination Breeding of livestock, except animal specialties Catching poultry, with no hauling Cattle spraying Cleaning poultry coops Dairy herd improvement associations Livestock breeding services, except for animal specialties</p>	<p>Milk testing for butterfat, etc. Pedigree record services for cattle, hogs, sheep, goats, and poultry Sheep dipping and shearing Showing of cattle, hogs, sheep, goats, and poultry Slaughtering, custom, for individuals Vaccinating livestock, except animal specialties, except by veterinarians</p>
---	--

**0752 Animal Specialty Services**

Establishments primarily engaged in performing services, except veterinary, for pets, equines, and other animal specialties. Establishments primarily engaged in performing services other than veterinary for cattle, hogs, sheep, goats, and poultry are classified in Industry 0751.

<p>Boarding kennels Boarding or training horses (including race horses) Breeding of animals other than cattle, hogs, sheep, goats, and poultry Dog grooming Honey straining (on the farm)</p>	<p>Pedigree record services for pets and other animal specialties Showing of pets and other animal specialties Training of pets and other animal specialties Vaccinating pets and other animal specialties, except by veterinarians</p>
---	---

**076 FARM LABOR AND MANAGEMENT SERVICES**

**0761 Farm Labor Contractors and Crew Leaders**

Establishments primarily engaged in supplying labor for agricultural production or harvesting. Establishments primarily engaged in machine harvesting are classified in Industry 0722.

<p>Crew leaders, farm labor: contract</p>	<p>Farm labor contractors</p>
---	-------------------------------

**0762 Farm Management Services**

Establishments primarily engaged in providing farm management services, including management or complete maintenance of citrus groves, orchards, and vineyards. Such activities may include cultivating, harvesting, or other specialized activities, but establishments primarily engaged in performing such operations without management services are classified in the appropriate specific industry within Group 072.

<p>Citrus grove management and maintenance, with or without crop services Farm management services</p>	<p>Orchard management and maintenance, with or without crop services Vineyard management and maintenance, with or without crop services</p>
--	---

**078 LANDSCAPE AND HORTICULTURAL SERVICES**

**0781 Landscape Counseling and Planning**

Establishments primarily engaged in performing landscape planning, architectural, and counseling services.

<p>Garden planning Horticultural advisory or counseling services</p>	<p>Landscape architects Landscape counseling Landscape planning</p>
--	---

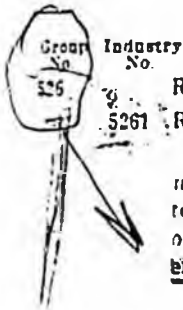
**0782 Lawn and Garden Services**

Establishments primarily engaged in performing a variety of lawn and garden services.

<p>Bermuda sprigging services Cemetery upkeep, independent Garden maintenance Garden planting Lawn care Lawn fertilizing services</p>	<p>Lawn mowing services Lawn spraying services Lawn sprigging services Mowing highways, center strips, and edges</p>
---	--



cus  
lts  
lts  
tion  
oll  
are  
ter-  
stall-  
are  
ex-  
ter-  
lude  
ords  
terl-  
0741.  
other  
for  
also  
attle  
live-  
rally  
pri-  
attle.



**RETAIL NURSERIES, LAWN AND GARDEN SUPPLY STORES**

**Retail Nurseries, Lawn and Garden Supply Stores**

Establishments primarily engaged in selling trees, shrubs, other plants, seeds, bulbs, mulches, soil conditioners, fertilizers, pesticides, garden tools, and other garden supplies to the general public. These establishments primarily sell products purchased from others, but may sell some plants which they grow themselves. Establishments primarily engaged in growing are classified in Major Group 01.

- Christmas trees (natural)—retail
- Fertilizer—retail
- Garden supplies and tools—retail
- Lawn mowers—retail
- Lawn sprinklers—retail
- Nursery stock, seeds and bulbs—retail
- Power mowers—retail

527

**MOBILE HOME DEALERS**

**5271 Mobile Home Dealers**

Establishments primarily engaged in the retail sale of new and used mobile homes. Establishments primarily selling travel trailers and campers are classified in Industry 5501.

Mobile homes, new and used—retail



RECEIVED  
MAR 2 = 1963

NEW CALIFORNIA LAW DEFINES "GROWING AGRICULTURAL CROPS"

The California Association of Nurserymen was successful this year in obtaining legislation which definitely establishes that the production of nursery crops is no different than the production of any other agricultural crops.

The bill as signed by the Governor of California reads as follows:

"Inasmuch as the planned production of trees, vines, rose bushes, ornamental plants and other horticultural crops is distinguishable from the production of other products of the soil only in relation to the time elapsing before maturity, plants being produced by nurseries shall be considered to be "growing agricultural crops" for the purpose of any laws pertaining to the agricultural industry of the State."

This legislation is probably the most important single piece of legislation that has ever been approved for the nursery industry in California.

Congratulations to the C. A. N.!

HIGHWAY LANDSCAPE POLICY

The bulletin, A Policy on Landscape Development for the National

System of Interstate and Defense Highways, has recently approved by the

MAR 2 = 1963  
9

FLORIDA LAW DEFINES "AGRICULTURE" TO INCLUDE  
HORTICULTURE AND FLORICULTURE

The Florida Nurserymen and Growers Association has joined the California Association of Nurserymen in going a long way toward averting difficulties with certain state governmental bodies who would exclude horticulture and floriculture from the definition of agriculture for such purposes as tax, licensing, real estate assessments, etc.

The bill which became Florida law reads as follows:

"That whenever the terms 'agriculture, agricultural purposes, agricultural uses' or words of similar import are used in any of the statutes of the State of Florida, such terms shall include horticulture and floriculture, horticultural purposes and floricultural purposes, horticultural uses and floricultural uses, and words of similar import applicable to agriculture shall likewise be applicable to horticulture and floriculture."

Congratulations to the Florida Nurserymen who once again have shown the good sense that it makes for nurserymen to work together in their various associations.

FINISH EUROPEAN STRAWBERRY PLANT IMPORTS PROPOSED

In the Federal Register of October 7, 1961, the U.S.D.A. announced that the United States strawberry industry is to be free

the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, and fur-bearing animals and wildlife.

"(2) In the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of such farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a hurricane, if the major part of such service is performed on a farm.

"(3) In connection with the production or harvesting of maple syrup or maple sugar or any commodity defined as an agricultural commodity in section 15 (g) of the Agricultural Marketing Act, as amended, or in connection with the raising or harvesting of mushrooms, or in connection with the ginning of cotton, or in connection with the hatching of poultry, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways used exclusively for supplying and storing water for farming purposes.

"(4) In handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to market, any agricultural or horticultural commodity; but only if such service is performed as an incident to ordinary farming operations or, in the case of fruits or vegetables as an incident to the preparation of such fruits or vegetables for market. The provisions of this paragraph shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption.

"As used in this subsection, the term 'farm' includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

This definition is amplified by Regulations 106 and 107 of the Bureau of Internal Revenue, obtainable from the Superintendent of Documents, Government Printing Office, Washington D.C. 20401, for 15¢ each (stamps not acceptable).

#### ADMINISTRATIVE DEFINITIONS

(3) Census. In the 1940 "Farm and Ranch Schedule" of the Bureau of the Census, the definition of a farm was as follows:

"A farm, for Census purposes, is all the land on which some agricultural operations are performed by one person, either by his own labor alone or with the assistance of members of his household, or hired employees. The land operated by a partnership is likewise considered a

farm. A 'farm' may consist of a single tract of land, or a number of separate tracts, and the several tracts may be held under different tenures, as when one tract is owned by the farmer and another tract is rented by him. When a landowner has one or more tenants, renters, croppers, or managers, the land operated by each is considered a farm. Thus, on a plantation the land operated by each cropper, renter, or tenant should be reported as a separate farm, and the land operated by the owner or manager by means of wage hands should likewise be reported as a separate farm.

"Include dry-lot or barn dairies, nurseries, greenhouses, hatcheries, fur farms, mushroom cellars, apiaries, cranberry bogs, etc.

"Exclude 'fish farms,' fish hatcheries, 'oyster farms,' and 'frog farms.'

"Do not report as a farm any tract of land of less than 3 acres, unless its agricultural products in 1939 were valued at \$250 or more."

(4) O.D.T. Orders. The terms "farm," "farm products" and "agricultural commodities and products" are used throughout various Office of Defense Transportation Orders. They were defined on November 23, 1942, by the General Counsel of ODT as follows:

"The term 'farm' as used in such General Orders and General Permits, includes any plot, parcel, or tract of land, used for agricultural purposes or devoted (1) to agriculture, (2) to any industry practiced by a cultivator of the soil in connection with the cultivation of the soil, or (3) to the breeding or raising of livestock, and includes any ranch, patch, orchard, vineyard, plantation or grove.

"The term 'agricultural commodities or products thereof' as used in such General Orders, includes within its scope any article or thing which is yielded, raised or produced on a farm--either incidental to or as a result of the cultivation of the soil or in connection with the breeding or raising of livestock--by nature, labor or otherwise. Such term includes any domestic animal, bird, or insect, raised on a farm, and also any product of such animal, bird or insect produced on, or in connection with the operation of, a farm and used as a food, as a fertilizer, or for the manufacture of clothing.

"The term 'farm products' as used in such General Permits, is synonymous with the term 'agricultural commodities and products thereof' as used in such General Orders."

(5) Economic Stabilization. For the purposes of wage and salary control, agricultural labor is currently defined by the Office of Economic Stabilization in the following items:

Sec. 1100.1 (g) "The term 'agricultural labor' means persons who are employed in farming in any of its branches, including among other things the cultivation and tillage of the soil, dairying, the production, cultivation and harvesting of agricultural or horticultural commodities, and the raising of livestock, bees or poultry; provided, however, that the term 'agricultural labor' shall not include any person whose salary payments exclusive of bonuses and additional compensation, and without regard to the contemplated adjustment, are at a rate computed on an annual basis which exceeds \$5,000. per annum."

FEB 26 1990

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y STATE CAPITOL  
JUNEAU ALASKA 99811  
907 465 3800

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

February 26, 1990

SUBJECT: Municipal Tax Exemption for Agricultural Land  
(SB 391)

TO: Senator Jack Coghill

FROM: Tamara Brandt Cook *ABC*  
Director  
Division of Legal Services

You have supplied me with a copy of an opinion of the Superior Court dated February 9, 1990 and asked whether I agree with the decision of the judge that the existing tax exemption for agricultural land applies to commercial greenhouse operations. I agree with Judge Savell that the existing definition of "farm use" in AS 29.45.060(c) includes land used for commercial greenhouse operations.

You have also asked whether SB 391 would provide an exemption for greenhouse structures or just the land. SB 391 provides an exemption for greenhouse structures, whether classified as real or personal property. It does, in fact, treat greenhouse structures differently from other farm buildings in that the agriculture exemption currently applies only to land, not to improvements or personal property. I do not, however, believe that the exemption could reasonably be applied to department stores that carry a small selection of house plants in stock because this does not seem to conform to the commonly understood meaning of agricultural use. Nevertheless, I have attempted to address this concern in the enclosed draft CS for the bill.

As requested, the enclosed CS limits the exemption to land occupied by a greenhouse. ~~In an effort to avoid the department store situation, the income test is modified in this CS so that the 10 percent of yearly income must come from the agricultural activities on the land.~~ The existing language only requires that the owner be actively engaged in farming the land and that the required level of income be generated

Senator Jack Coghill  
Page 2  
February 26, 1990

from the land. Hopefully, this change will prevent an argument about granting the exemption where the income generated comes from sales of toasters, bread, aspirin, or the like, rather than agricultural activities.

TBC:pl  
WKP2/091

Enclosure

BY SEN. COGHILL, Halford

1 IN THE SENATE

2 CS FOR SENATE BILL NO. 391 ( *Resources* )  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 SIXTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL

6 For an Act entitled: "An Act relating to a farm use exemption from municipi-  
7 pal taxation for agricultural land; and providing for  
8 an effective date."

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

10 \* Section 1. AS 29.45.060(c) is amended to read:

11 (c) In this section "farm use" means the use of land for profit  
12 for raising, in a greenhouse or otherwise, [AND HARVESTING] crops or  
13 ornamental plants, for the feeding, breeding, and management of live-  
14 stock, for dairying, or another agricultural use, or any combination  
15 of these. To be farm use land, the owner or lessee must be actively  
16 engaged in agriculture on [FARMING] the land, and derive at least 10  
17 percent of yearly gross income from the agricultural activities on the  
18 land. This section does not apply to land for which the owner has  
19 granted, and has outstanding, a lease or option to buy the surface  
20 rights. A property owner wishing to file for farm use classification  
21 having no history of farm-related income may submit a declaration of  
22 intent at the time of filing the application with the assessor setting  
23 out the intended use of the land and the anticipated percentage of  
24 income. An applicant using this procedure shall file with the asses-  
25 sor before February 1 of the following year a notarized statement of  
26 the percentage of gross income attributable to the land. Failure to  
27 make the filing required in this subsection forfeits the exemption.

28 \* Sec. 2. This Act takes effect January 1, 1991.

Alaska Municipal League  
Scott Burgess, Executive Director  
217 Second Street, Suite 200  
Juneau, Alaska 99801

RE: SB 391-Agricultural Deferment for Greenhouses

Dear Scott,

The Alaska Association of Assessing Officers has reviewed the above described bill and would like to offer our position and a proposed amendment.

The bill, as introduced, appears to have the value of "the greenhouse" reduced from full market value to a farm use value. AS 29.45.060 is a farm use "land" deferment and not meant to attach to structures upon the land. We believe that this bill substantially changes the farm use program from the original intent and does not address the issues which have been voiced by commercial greenhouse operators.

It is our understanding that the bill was introduced to include commercial greenhouse operations in the program. The inclusion of these types of operations is contrary to past positions of assessor's office's and the Department of Community & Regional Affairs. These positions were based upon an Attorney General's opinion in the early 1980's and the assumed intent of the legislature in passing the original bill. It was our belief that the program was designed to protect farms from being taxed out of existence because of rising land values and the demand for more developable property.

Commercial operations, such as greenhouses or creameries which are not part of a farm unit, do not necessarily need large spaces to operate efficiently. Many of these operations are within City Limits and comprise only one or two lots. Some larger operations may have as much as 35%-40% of the gross income coming from the sale of chemicals and fertilizer much like the Fred Meyer or Pay N Save operations around the State. We do not believe that the intent is to include an operation of this type and would suggest that the following be considered as an amendment to AS 29.45.060(c):

".....This section does not apply to land which supports a commercial greenhouse operation which is not a part of a farm unit or to land which the owner has granted, and has outstanding, a lease or option to buy the surface rights."

This amendment does not preclude the inclusion of greenhouse lands in the farm use program if the structures are a part of the farm unit, such as barns, shops and residences.

With the revenue forecasts that we have seen, it is difficult for us to envision the legislature wanting to erode our tax base by expanding property tax exemptions.

Mickey Keller,  
President

Steve Van Sant,  
Vice-President

Submitted by the Alaska Association of Assessing Officers

IN THE SENATE

Proposed CS for SENATE BILL NO. 391

IN THE LEGISLATURE OF THE STATE OF ALASKA

SIXTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to a farm use exemption from municipal taxation for agricultural land and greenhouses; and providing for an effective date."

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

\* Section 1. AS 29.45.060 is amended to read:

(a) Farm use land included in a farm unit and not dedicated or being used for non farm purposes shall be assessed on the basis of full and true value for farm use and may not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the land for both full and true value and farm use value. If the land is sold, leased, or otherwise disposed of for uses incompatible with farm use or 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 percent 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 municipality.

(b) An owner of farm use land must, to secure the assessment under this section, apply to the assessor before May 15 of each year in which the assessment is desired. The application shall be made upon forms prescribed by the state assessor for the use of the local assessor, and shall include information that may reasonably be required to determine the entitlement of the applicant. If the 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 profit for raising and harvesting crops, for the feeding, breeding, and management of livestock, for dairying, or another agricultural use, or any combination of these. To be farm use land, the owner or lessee must be actively engaged in farming the land, and derive at least 10 percent of yearly gross income from the land. This section does not apply to land supporting a commercial greenhouse operation which is not a part of a farm unit, or to land for 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 February 1 of the following year a notarized statement of the percentage of gross income attributable to the 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 percent 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 property tax revenues lost to it by the operation of this section.

(12 ch 74 SLA 1985)

\* Section 2. This Act takes effect January 1, 1991.

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: "An Act..farm use exemption... agricultural land and greenhouses..."  
 Sponsor: Senators Coghill & Halford  
 Requestor: \_\_\_\_\_

Agency Affected: Community & Regional Affairs  
 BRU: Community Assistance Grants  
 Components: Agricultural Land Exemption

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

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	-0-	100.	100.	100.	100.	100.
MISCELLANEOUS						
<b>TOTAL OPERATING</b>						
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND	-0-	100.	100.	100.	100.	100.
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

See attachment.

Prepared by: Jim Plasman, Deputy Director Phone: 465-4750  
 Division: Municipal & Regional Assistance Date: \_\_\_\_\_  
 Approved by Commissioner: [Signature] Date: 20 Feb 90  
 Agency: Community & Regional Affairs

- Distribution (by preparer):
- Legislative Finance
  - Legislative Sponsor
  - Requestor
  - Office of Management and Budget
  - Impacted Agency(ies)

STATE OF ALASKA 1990 - 16TH LEGISLATURE  
SECOND SESSION  
FISCAL NOTE

Bill/Resolution No.: Senate Bill 391

Title: "An Act relating to a farm use exemption from municipal taxation for agricultural land and greenhouses; and providing for an effective date."

There is no fiscal effect for FY 90. The Agricultural Land Exemption Program, which is designed to reimburse municipalities for the loss of local taxes resulting from the mandatory exemption of a portion of agricultural land value, would be affected by this legislation. It is estimated that the full funding level would increase by \$100,000. Farm use assessments on greenhouse operations located in urban areas will cause the greatest impact because of the significant disparities between farm use value and the value of the "highest and best use" of the affected property. There is currently no funding in the budget for the agricultural land exemption program, the full funding level of which is \$245,000.

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

FOURTH JUDICIAL DISTRICT

REX B. LANTZ, JR.,  
Appellant,

v.

FAIRBANKS NORTH STAR BOROUGH,  
Appellee.

FILED in the Trial Courts  
State of Alaska, Fourth District

FEB 09 1990

By \_\_\_\_\_ Deputy

Case No. 4FA-89-0986 Civil

MEMORANDUM DECISION

This is an appeal from a decision by the Fairbanks North Star Borough Assessor. The Assessor denied appellant Lantz's [Lantz] application for tax exempt farm use status for his commercial greenhouse operation. Jurisdiction is vested in the superior court pursuant to AS 29.45.200(c).<sup>1/</sup>

FACTS

Lantz has operated a commercial greenhouse since 1977. The property upon which the greenhouse is located has been continuously utilized as a commercial greenhouse facility since 1947. In his earlier years in business, Lantz was unaware of the farm

<sup>1/</sup>AS 29.45.200(c) provides:

(a) The governing body [of a municipality] sits as a board of equalization for the purpose of hearing an appeal from a determination of the assessor,....

....

(c) Notwithstanding other provisions in this section, a determination of the assessor as to whether property is taxable under law may be appealed directly to the superior court.

use exemption from real property taxation.<sup>2/</sup> Lantz became aware of the farm use exemption in 1981. He thereafter applied for and received the exemption every year until 1989 when the exemption was denied. This appeal followed.

The farm use exemption was originally enacted in 1967. The statutory definition expressly included horticulture.<sup>3/</sup> The statute was amended in 1972 and the term "horticultural" was deleted. The term "horticultural" was not deleted from the FNSB ordinance until 1986. Prior to the 1986 change, the Borough's definition of farm use mirrored the pre-1972 Alaska statute.

In April 1989, the Fairbanks North Star Borough Assessor notified Lantz that the farm use exemption was no longer applicable to commercial greenhouse operations and thus denied his application. In making this determination, the Assessor relied upon an Attorney General's opinion which had concluded that greenhouses were not entitled to farm use deferments. This interpretation was contrary to the practices of the borough since 1969.

---

<sup>2/</sup>The pertinent parts of both AS 29.45.060(c) and FNSB Ordinance 3.12.020(c) read as follows:

In this section, the term "farm use" means the use of land for profit for raising and harvesting crops, for the feeding, breeding and management of livestock, for dairying, or another agriculture use, or any combination thereof....

<sup>3/</sup>[F]arm 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 or horticultural use or any combination thereof.... 1967 S.L.A. 82

The question before the Court is whether horticulture is included within the meaning of "agriculture use" in the statute, such that the legislature's deletion of "horticulture" from the prior enactment should be viewed as non-substantive and would not, therefore, defeat Lantz's claim for exemption, or whether the deletion of horticulture, combined with the strict construction required of tax exemption statutes under City of Nome v. Catholic Bishop of Northern Alaska, 707 P.2d 870 (Alaska 1983), justifies the Assessor's denial of Lantz's application.

#### DISCUSSION

It is well recognized that it is within the court's special competency to independently interpret a statute. Weaver Bros., Inc. v. Alaska Transportation Commission, 588 P.2d 819, 821 (Alaska 1978). An administrative agency's interpretation of a statute is not binding on a court, but is merely entitled to some weight in deciding the correct interpretation of an ambiguous statute. State, Dept. of Highways v. Green, 586 P.2d 595, 602 n.21 (Alaska 1978).

Cases relying on contemporaneous administrative construction usually also note agency reliance on a long standing and continuous construction of the statute. Wien Air Alaska, Inc. v. Dept. of Revenue, 647 P.2d 1087, 1090 (Alaska 1982). While contemporaneous administrative construction is a valuable aid in determining the meaning of a statute, it is not conclusive. Public Defender Agency v. Superior Court, 534 P.2d 947, 952 (Alaska 1975); see Annot., 39 L.Ed.2d 942, §§ 2,8,9 (1975) (col-

lection of United States Supreme Court cases on weight to be given administrative constructions of statutes).

A fundamental principle of statutory interpretation is that a statute means what its language reasonably conveys to others. North Slope Borough v. Sohio Petroleum Corporation, 585 P.2d 534 (Alaska 1978). Unless words have acquired a peculiar meaning, by virtue of statutory definition or judicial construction, they are to be construed in accordance with their common usage. State v. Debenham Electric Supply Company, 612 P.2d 1001, 1002 (Alaska 1980).<sup>4/</sup> These concepts are embodied in what is referred to as the "plain meaning" rule. The question necessarily arises, therefore, whether the term agriculture encompasses the term horticulture.

One perusing lay encyclopedias learns that horticulture is commonly described as a branch of agriculture, concerned with fruits, vegetables, flowers and other plants. Similarly, two legal encyclopedias, Corpus Juris Secundum and American Jurispru-

---

<sup>4/</sup>See also AS 01.10.040

dence 2d, define agriculture as including horticulture.<sup>5/</sup> Black's Law Dictionary defines agriculture as:

The art or science of cultivating the ground, including the harvesting of crops, and in a broad sense, the science or art of production of plants and animals useful to man, including in a variable degree, the preparation of these products for man's use. In the broad sense, it includes farming, horticulture, forestry, together with such subjects as butter, cheese, making sugar, etc.

The opinion of the Alaska Division of Agriculture is contrary to that of the Assessor. According to the Director of the Division of Agriculture, "[t]he Division of Agriculture has always interpreted the term 'horticulture' to be included within the term agriculture."<sup>6/</sup>

The director of the Division's Plant Material Center has emphatically set forth the Division's view:

---

<sup>5/</sup> In a broader sense, "agriculture" is the science or art of the production of plants and animals useful to man; and in its general sense, "agriculture" includes gardening or horticulture, fruit growing, and storage and marketing. In the broad sense agriculture includes farming, horticulture ... subjects as butter....

....

In modern usage, agriculture is a wide and comprehensive term, and statutes using it without qualification must be given an equally comprehensive meaning.

C.J.S. Agriculture § 2.

<sup>6/</sup>Letter from Frank Mielke to Charles and Elaine Hawks (May 12, 1989).

Horticulture staff at the Plant Material Center has thoroughly research [sic] the common, accepted and scientific definitions of the word horticulture. There is no question that "horticulture" falls clearly within the definition of "agriculture," and as a general rule greenhouse operations are within the scope of activities categorized as agricultural.

The Division of Agriculture has consistently interpreted the term agriculture in this manner since Territorial days. Greenhouse operations are eligible for agricultural loans, and other assistance from the Division.

The utilization of the "plain meaning" rule as a strict exclusionary rule with respect to legislative history has been rejected in Alaska. North Slope Borough v. Sohio Petroleum Corporation, 585 P.2d 534 (Alaska 1978). While the legislative history pertaining to the deletion of horticulture from the then existing statute is scant, the Seventh Legislature did state the following:

The proposed revised municipal code is primarily a series of technical changes which reconcile inconsistent provisions in existing law, modernize the archaic language found throughout Title 29 and provide a more workable and immensely more understandable basic framework for local government.

Both the House and the Senate originally passed identical bills which included the word horticulture. The Free Conference Committee returned a bill in 1972 with the term horticultural deleted. It is telling that the Free Conference Committee first considered the deletion following receipt of a letter from the

chairman of the Greater Anchorage Area Borough. The letter set forth the following recommendation:<sup>2/</sup>

Sec. 29.53.035(c) includes in the definition of "farm use" lands put to a "horticultural use."

Problem: Garden supply and plant stores have been claiming the farm and agricultural reductions.

Recommendation: Exclude the term "horticultural use" from the definition of "farm use."

A review of the Committee's deliberations reveals that the discussion referred to the borough's letter. Thus, it appears that the Committee too was sufficiently concerned by potential abuse by garden supply and plant stores so as to delete the term horticultural. Greenhouses were not targeted for such exclusion, nor must they necessarily fall victim to it. Correctly viewed, the focus of the exclusion is where plants are sold, as distinguished from where they are grown. Accordingly, the deletion by the Free Conference Committee can reasonably be viewed as non-substantive, a reduction of redundancy. Moreover, it is improbable that the Free Conference Committee would decide to substantively alter a legislative directive previously agreed upon by both the House and the Senate.

The majority of jurisdictions that have considered such a question have found that the term agriculture includes horticultural.

---

<sup>2/</sup>Letter from Sheila Gallagher to Senator Merdes (December 7, 1971).

ture.<sup>8/</sup> Especially instructive is the reasoning set out by the Reiniger Brothers court:

Reiniger is engaged in the business of raising flowers and plants in greenhouses.

...

When interpreting a statute, we are guided by the plain meaning rule of Construction 1 Pa.C.S. § 1903. In Fidler v. Zoning Board of Adjustment, 408 Pa. 260, 182 A.2d 692 (1962), we had occasion to discuss the definition of agriculture. Therein we stated:

The word "agriculture" is a derivative of two Latin words, "agri" meaning field, and "cultra", meaning cultivation. In its narrowest sense, it concerns the tilling and cultivating of the soil. See, Commonwealth v. Carmalt, 2 Binney 235 (1810). However, it has from an early date reasonably and logically assumed a much broader meaning.

Webster's New International Dictionary (2d ed. 1961) defines "agriculture" as: "The art or science of cultivating the ground, and raising and harvesting crops, often including also feeding, breeding, and management of livestock; tillage; husbandry; farming; in a broader sense, the science and art of the production of plants and animals useful to man, including to a variable extent the preparation of these products for man's use and their disposal by marketing or otherwise. In this broad use it includes farming, horticulture, forestry, dairying, sugar making, etc."

The Oxford Universal Dictionary (3d ed. 1955) defines "agriculture" as: "The science and art of cultivating the soil; (sic) including the gathering in of the

---

<sup>8/</sup>See County of Lake v. Cushman, 353 N.E.2d 399 (Ill. App. 3d 1976); Nielsen v. Erickson, 272 N.W.2d 82, (S.D. 1978); Reiniger Brothers, Inc. v. Commonwealth of Pennsylvania, 522 A.2d 187 (Pa. Commw., 1987).

crops and the rearing of livestock; farming (in the widest sense)."

Id. at 264-265, 182 A.2d at 694, 695. Peters Orchard, 511 Pa. at 471, 515 A.2d at 552-53 (emphasis added).

The term "horticulture" is, in turn, defined in Webster's Third New International Dictionary 1093 (1966) as "the cultivating of an orchard, garden, or nursery on a small or large scale: the science and art of growing fruits, vegetables, flowers, or ornamental plants."

....

We conclude that Reiniger is indeed involved in the business of "agriculture."

While certainly not binding upon this Court, the rationale of the Pennsylvania decision is both logical and persuasive.

The Assessor acknowledged that his decision was based largely upon an Attorney General's opinion.<sup>9/</sup> Upon examination of the opinion, this Court finds the Attorney General's opinion to be flawed for two reasons.

First, the opinion was based in most part upon one Oregon case, Salem Nursery, Inc. v. Department of Revenue, 497 P.2d 371 (Or. 1972). At issue in that case was the question whether greenhouse grown azalea plants were exempt from tangible personal property tax, under the status of "shrubs growing upon agricultural land." (emphasis added). The court concluded they were not. The Salem case is distinguishable from the instant case and in fact may be read as consistent with the Cushman analysis of the definition of agriculture discussed herein. Regardless of

---

<sup>9/</sup>1981 Op. Atty. Gen. No. J-66-801 (Alaska, June 23, 1981)

such a finding, Salem does not stand for the general proposition that a greenhouse is not an agricultural use of land. Salem held that such items were taxable as any other merchant's stock in trade.

Secondly, the Attorney General's opinion states that greenhouses do not preserve agricultural lands or green space, perhaps the most predominant statutory purpose. This Court finds the Alaska State Division of Agriculture's contrary belief more persuasive:

One purpose of the exception is "... to preserve green space." Greenhouses and nurseries do preserve green space. They expand the productivity of our resources by being able to produce on marginal land, with good water where traditional field crops may not be grown. This does not make them any less agricultural. They generally landscape around the facilities. They promote Alaska citizens and businesses to replant or landscape our homes and offices after the construction has left a naked lot. People receive help selecting the plants best suited to their locale, which will grow and recreate that green space destroyed by the construction of our expanding cities. They are themselves a green space, often the only one available when snow blankets the rest of Alaska.<sup>10/</sup>

That horticulture has advanced technologically and has otherwise improved upon the lot in life that Alaskan's have been given by Mother Nature does not disqualify the use such of advancements from agricultural classification. It is not so simple a question whether the growth medium is soil in the earth or elevated for warmth, for protection, and for a prolonged growing sea-

---

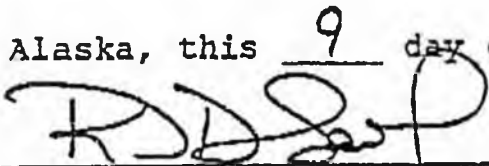
<sup>10/</sup>Letter from Frank Mielke to Mike Worley (July 7, 1989)

son. Improvements in the methods of growing fruits, vegetables, flowers and other plants, such as enclosures that capture the heat from the sun and provide substitute sources of heat in order to prolong the growth cycle and protect crops from an early and unexpected frost in Alaska's sometimes unpredictable summer, do not render the resulting crops any less the product of agriculture than field crops. Hot-house and hydroponic tomatoes, cucumbers and other vegetables are no less the product of agriculture than their smaller and less profitable cousins grown "naturally" in the field. Under the plain meaning rule and until such time as the legislature more clearly demonstrates a contrary intent, this Court concludes that agriculture includes horticulture and that the legislature's intent is met by the granting of such exemptions to greenhouse operations.

CONCLUSION

In view of this Court's interpretation of FNSB ordinance 3.12.020 and AS 29.45.060, the Assessor's decision is reversed. Appellants 1989 farm use application for a commercial greenhouse must be granted.

DATED at Fairbanks, Alaska, this 9 day of February, 1990.

  
\_\_\_\_\_  
RICHARD D. SAVELL  
Superior Court Judge

# Senator John B. (Jack) Coghill

Alaska State Legislature

Box V  
Juneau, Alaska 99811  
(907) 465-4797

Box 55028  
North Pole, Alaska 99705  
(907) 488-0862



## MEMORANDUM

DATE: February 20, 1990

TO: Senator Bettye Fahrenkamp  
Senate Resource Committee Chair

FROM: Senator Jack Coghill

SUBJECT: Sponsor Statement: SB 391: Farm Use Exemption For Greenhouses.

Thank you for scheduling this bill for public hearing in such a timely manner.

Intent: The intent of the bill is to make it clear in statute that "greenhouses" qualify for the farm use exemption allowable under AS 29.45.060 (a). Presently a greenhouse operator must go to court to qualify for this exemption. A note to this is that we received word last week that a greenhouse operation in Fairbanks won their case before the court. I do not believe we should force citizens to tie up our courts in order to receive an exemption that is clearly included in the statute. This bill makes it expressly so.

Background: Included with this packet is a memorandum from the Fairbanks North Star Borough, dated April 19, 1989, which states in the second paragraph, the reasoning for the recent change in interpretation.

This situation was brought to my attention by Hawks Farm and Garden Center Inc., of North Pole, and members of the Fairbanks North Star Borough Agricultural Commission.

In my drafting request we specified horticultural and tree farming purposes. Legal Services believe that the greenhouse language covers both of these farm use purposes. I agree with this assessment

Recommendations: It is my recommendation that the bill be move from committee with individual recommendations.

APR 19 REC'D

# ★ Fairbanks North Star Borough

809 Pioneer Road

P.O. Box 1267

Fairbanks, Alaska 99707

907 452-4761

## MEMORANDUM

To: V. Lenny Reagin, Borough Assessor  
 Karl McManus, Deputy Assessor

From: Debra A. Braga, Assistant Borough Attorney

Re: Farm Use Deferments

Date: April 19, 1989

This memo discusses two points. First, whether it is appropriate to grant a "farm use" deferment to greenhouses, and second, whether it is appropriate for any appeal to be made to the BOE, or whether an appeal can be made directly to the Superior Court.

Farm use deferments are dealt with at A.S. 29.45.060 and FNSB 3.12.020. That section defines "farm use" as "the use of land for profit for raising and harvesting crops, for the feeding, breeding, and management of livestock, for dairying, or another agricultural use, or any combination of these." A greenhouse operation does not use the land directly for the raising and harvesting of crops, or another agricultural purpose. The greenhouse is used to foster the growth of various plants in containers, usually for commercial sale. Therefore, the use of greenhouses does not fall within the farm use deferment.

Case law requires a strict construction of all tax exemption statutes. (City of Nome v. Catholic Bishop of Northern Alaska 707 P. 2d 870 (1985)) The burden is also on the taxpayer to provide sufficient information that their use falls within the statutory constraints.

The appeal procedure is somewhat unclear. A.S. 29.45.200(c) allows a direct appeal to the superior court for a determination by the assessor as to whether property is taxable. Generally, appeals to the Board of Equalization deal with valuation questions only, per A.S. 29.45.190(a). However, the Alaska Administrative Code at 19 AAC 38.030 reads, "an applicant...who believes that the valuation or classification assigned to the land that is the subject of the application is erroneous may appeal to the board of equalization." (emphasis added) This section deals specifically with farm use deferments, but has been on the books since 1975. The relevant sections of Alaska statutes were amended in 1985. Therefore, given the uncertainty caused by the administrative code, we should allow any

*agriculture*

MEMO/Farm Use Deferments

April 19, 1989

Page 2

individuals in this situation to appeal to the BOE if that is their desire, or directly to the Superior Court. The "may" language of A.S. 29.45.200(c) would also seem to indicate that an appeal to either body may be pursued.

I hope this answers your questions. Let me know if you need any additional information.



Official Business

# Alaska State Legislature

## Senate

P.O. BOX V  
State Capitol  
Juneau, Alaska 9981

Reading file  
Ag file  
New Legislative file

### MEMORANDUM

DATE: August 29, 1989

TO: Tamara Brandt Cook  
Director, Legal Services, LAA

FROM: Senator Jack Coghill

SUBJECT: Drafting Request

A handwritten signature in cursive script, likely belonging to Senator Jack Coghill, written over the "FROM" field of the memorandum.

Please prepare draft legislation that amends AS 29.45.060, to allow tax exemptions for "horticultural" and "tree farming" purposes.

We believe that these two agricultural uses of land are being misinterpreted in the law.

The purpose of clarifying this law is to make it abundantly evident that greenhouse operations, and/or tree farms, where "crops" are grown, is an agricultural use of the land and/or structure. This would be where the "crop" could be potted or bedding plants of any kind, including tree seedlings, flowers, fruits, vegetables, and shrubs, grown for commercial purposes. Commercial purposes should include cultivation of the "crop" for sale in pots or for replanting purposes, and the raising of the "crop" for their seed or root producing capacity and the subsequent sale of the seed or root.

Here is the problem. Several greenhouse operations in my district have recently been disallowed the agricultural use tax exemption in title 29. We have enclosed the North Star Borough Assistant Attorney's opinion in this matter for your information.

Please forward a work draft to my North Pole Office, P.O. Box 55028, North Pole, AK, 99705. Any questions can be directed to Bruce Geraghty at 488-0862.

Thank you.



# Alaska State Legislature

SENATE

Reading file  
Borough file  
Ag file  
New Legislation

Official Business

P.O. Box V  
State Capitol  
Juneau, Alaska 99811

August 29, 1989

Charles Hawks  
P.O. Box 55759  
North Pole, AK 99705

Dear Charles:

Thank you for dropping by my office with your agricultural tax exemption problem with the Borough. We are enclosing your original correspondence you left for my review. Also enclosed is my memorandum to Tamara Cook in our Legal Services Division.

If you are aware of any others with a similar problem, please have them contact us also. This is one of the most ridiculous legal interpretations I've heard of yet.

It usually takes a couple of weeks to produce a working draft. We'll send you a copy when we receive it. If you have any further questions, contact Bruce Geraghty in my North Pole office.

I hope you've had a prosperous summer.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Jack Coghill".

Senator John B. (Jack) Coghill



# COOPERATIVE EXTENSION SERVICE

## UNIVERSITY OF ALASKA FAIRBANKS

2221 E. Northern Lights Blvd., Suite 118  
Anchorage, Alaska 99508-4143  
(907) 262-5824

January 30, 1990

Jack Coghill, Senator  
Capitol, Room 30  
PO Box V  
Juneau, AK 99811

Dear Senator Coghill:

Thank you for introducing Senate Bill 391 which clearly includes greenhouses and the production of ornamental plants as agricultural endeavors eligible for farm tax deferment. Horticulture businesses are important to the state and represents an \$18 million dollar industry as last reported by the USDA Alaska Agricultural Statistics Service.

The intent of AS 29.53.035 to protect agricultural lands in urban areas should include the production of horticultural crops. Senate Bill 391 clarifies such and will hopefully alleviate problems greenhouses and nurseries had when applying for farm tax deferment this past year.

Another bill which would benefit horticultural businesses is Senate Bill 390 which would establish an Alaska Garden Week. June is a more appropriate time to promote gardening in our state then during National Garden Week in April. Alaskans take pride in producing beautiful flowers and vegetables. The establishment at Alaska Garden Week would allow garden clubs, agencies and horticultural businesses to promote gardening and encourage the beautification of our communities. Thank you.

Sincerely,

Julie Riley  
Extension Horticulture Agent

JR/dmm



# ALASKA AGRICULTURAL STATISTICS 1988

COMPILED BY

## ALASKA AGRICULTURAL STATISTICS SERVICE

DeLon A. Brown  
State Statistician

P. O. Box 799  
Palmer, Alaska 99645  
Phone: (907) 745-4272

Janey Wineinger  
Statistical Assistant

Marge Burgess  
Administrative Clerk

ISSUED COOPERATIVELY BY

U.S. DEPARTMENT OF AGRICULTURE  
NATIONAL AGRICULTURAL STATISTICS SERVICE  
Charles E. Caudill  
Administrator  
Phone: (202) 447-2707

UNIVERSITY OF ALASKA  
AGRICULTURAL & FORESTRY  
EXPERIMENT STATION  
James V. Drew  
Director  
Phone: (907) 474-7305

AND

ALASKA DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF AGRICULTURE  
Mark Weaver  
Director  
Phone: (907) 745-7200

UNIVERSITY OF ALASKA  
COOPERATIVE EXTENSION SERVICE  
Irv Skelton  
Acting Director  
Phone: (907) 474-7246



# ALASKA RAILBELT HORTICULTURE INDUSTRIES SURVEY — 1986

The Horticulture Industry in Alaska represents a major segment of the State's agriculture industries. The vitality of the industry has a significant economic impact on much of the Railbelt while also providing many jobs. A large array of information was collected from greenhouses, landscape contractors, florists, interior-landscape businesses, nurseries, and local and national garden centers.

## HIGHLIGHTS

Retail sales during 1986 made up 83 percent of the total Railbelt horticulture industry sales, while the remaining 17 percent was sold at the wholesale level. Railbelt horticulture industries marketed an estimated \$11.3 million worth of green plants (value based on retail sales less wholesale purchases from Alaska producers). This was 37 percent of the total gross Railbelt industry sales in 1986. Alaska grown commodities made up 72 percent of this total.

Green plants accounted for over 40 percent of the \$28.1 million, 1986 Alaska Farm Commodity Cash Receipts. Value of cut and dried flowers sold totaled \$3.5 million or 12 percent of the total sales.

Cut and potted flowers made up the largest individual sales category in the Railbelt followed by bedding plants for the spring and summer garden trade.

The Railbelt's commercial greenhouse operations used a total covered space of 822 thousand square feet while nurseries had an additional 256 acres devoted to growing outdoor nursery stock.

The number of paid year-round and seasonal workers in the Railbelt Horticulture Industries, totaled 1,285 in 1986. An additional 290 unpaid workers were employed during the year. Wages paid totaled \$9.3 million.



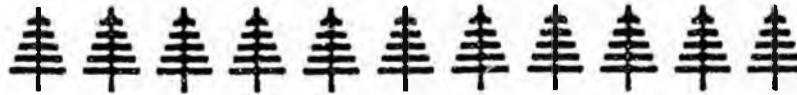
VALUE OF SALES AND GROWING SPACE - 1986



AREA	VALUE OF SALES 1/				GROWING SPACE	
	GREEN PLANTS 2/	CUT & DRIED FLOWERS	NON-GREEN 3/	% ALASKA GROWN	Greenhouse (Sq. Ft) 4/	Nursery (acres)
-----Thousand Dollars -----						
FAIRBANKS	1,225	170	830	89	144,700	27
MAT-SU	1,040	310	235	92	99,800	88
ANCHORAGE	8,200	2,890	6,725	67	512,000	114
KENAI PENIN.	785	135	295	79	65,500	27
RAILBELT	11,250	3,505	8,135	72	822,000	256

1/ Value based on retail gross sales, excludes wholesale purchases from Alaska Producers. 2/ Includes sod. 3/ Tools, chemicals, fertilizer, pots, topsoil, etc. 4/ Total covered area devoted to greenhouses in 1986 (includes area under glass, permanent plastic film and fiberglass.

# ALASKA RAILBELT HORTICULTURE INDUSTRIES SURVEY — 1986 (CONT'D)



## VALUE OF RETAIL SALES BY COMMODITY AND AREA - 1986 1/

ITEM	: FAIR- : ANCHOR- : KENAI : RAIL- : % OF TOTAL					: GREEN/CUT
	: BANKS	: MAT-SU	: AGE	: PENIN.	: BELT	
-----Thousand Dollars ----- - Percent-						
BEDDING:						
ORNAMENTAL	380	270	2,250	3/	2,900	20
VEGETABLE	220	140	275	30	665	4
FLOWERS:						
CUT	150	300	2,670	130	3,250	22
POTTED	140	190	930	70	1,330	9
POINSETTIA	25	20	310	30	335	3
HANGING BASKET	80	85	270	60	495	3
TROPICAL FOILAGE	30	15	1,455	3/	1,500	10
TREES	135	145	790	105	1,175	8
SHRUBS	105	140	850	45	1,140	8
GREENHOUSE VEGETABLES	90	10	360	5	465	3

1/ Excludes wholesale purchases from Alaska Producers. 2/ Will not add to 100; not all commodities accounted for. 3/ Combined with Anchorage to avoid disclosure of individual operation.



## EMPLOYMENT AND WAGES PAID - 1986

Area	: Total		: Paid Workers		Average	Total
	: Workers	: Unpaid Workers	: Year Round	: Seasonal	: No. Days (Seasonal)	: Wages Paid (Dollars)
Fairbanks	245	40	25	180	38	706,000
Mat-Su	155	50	25	80	40	595,000
Anchorage	1,005	120	260	625	62	7,470,000
Kenai Penin:	170	80	20	70	75	503,000
Railbelt	1,575	290	330	955	55	9,274,000

# 1986 ALASKA RAILBELT HORTICULTURE INDUSTRIES SURVEY

SEPTEMBER 1987

Compiled by



ALASKA AGRICULTURAL STATISTICS SERVICE  
U.S. DEPT. OF AGRICULTURE, P. O. BOX 799  
PALMER, AK 99645  
745-4272

in Cooperation with

ALASKA DIVISION OF AGRICULTURE  
DEPARTMENT OF NATURAL RESOURCES, P. O. BOX 949  
PALMER, AK 99645



The Horticulture Industry in Alaska represents a major segment of the State's agriculture industries. The vitality of the industry has a significant economic impact on much of the Railbelt while also providing many jobs. Turnaround in Alaska's economy took its toll on the horticulture industry during 1986. Several operations, large and small, went out of business during the year. To help maintain this important and dynamic Alaska industry, reliable statistics are needed for sound management decisions and the decisions by Government agencies supporting the research, education, promotion and marketing programs in cooperation with the industry. Some of the immediate needs were; value of sales by type, amount of growing area and employment by area along with Railbelt totals.

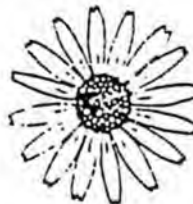
This report provides a large array of information collected from greenhouses, landscape contractors, florists, interiorscape businesses, nurseries, and local and national garden centers during March, April, and May of 1987 covering information for 1986. A special "Thanks" to all firms who took the time and effort to provide information on this survey, the Alaska Horticulture Association and Cooperative Extension Service, who provided input and support and the Alaska Division of Agriculture for providing the out-of-pocket funds for this survey.

A list of horticulture industries will always be incomplete because of operations going in-and-out of business. The Railbelt universe for this survey consisted of 253 known operations doing business during 1986. All operations were grouped into the following seven size-categories and mailed questionnaires in early March, 1987:

0 - 24,999	Non-receipts sub-	100,000 - 199,000	Non-receipts had
25,000 - 49,999	sampled for telephone	200,000 - 349,000	a complete follow-
50,000 - 99,999	follow-up enumeration.	350,000 - 499,999	up enumeration
		500,000+	

The Railbelt areas for this survey consist of:

Fairbanks	- North Star Borough to Nenana.
Mat-Su	- Nenana South and all of Mat-Su Borough.
Anchorage	- Municipality of Anchorage.
Kenai	- Kenai Peninsula Borough



Rooted cuttings or propagules are Alaska Grown if 50 percent of the production time is in Alaska. Foilage plants require a minimum of six months and woody plants a minimum of two years.

.....

Note to Data Users: The approach, geographic area and methodology procedures used for the 1986 survey were different from procedures used in previous surveys. It is our judgement that the 1986 data more accurately represents the actual Alaska Horticulture industry in categories shown on the following tables. Duplication of sales of the same product were removed at the wholesale level. This procedure was not done in previous surveys.

.....

HIGHLIGHTS

Retail sales during 1986 made up 83 percent of the total Railbelt horticulture industry sales, while the remaining 17 percent was sold at the wholesale level.

Railbelt horticulture industries marketed an estimated \$11.3 million worth of green plants (value based on retail sales less wholesale purchases from Alaska producers). This was 37 percent of the total gross industry sales in 1986. Alaska grown commodities made up 72 percent of this total. Green plants accounted for over 40 percent of the \$28.8 million, 1986 Alaska Farm Commodity Cash Receipts. Value of cut and dried flowers sold totaled \$3.5 million or 12 percent of the total sales.

Cut and potted flowers made up the largest individual sales category in the Railbelt during 1986 followed by bedding plants for the spring and summer garden trade.

The survey also showed the Railbelt's commercial greenhouse operations used a total covered space of 822 thousand square feet while nurseries had an additional 256 acres devoted to growing outdoor nursery stock.

The number of paid year-round and seasonal workers in the Railbelt Horticulture Industries, totaled 1,285 in 1986. An additional 290 unpaid workers were employed during the year. Wages paid by these Railbelt horticulture industries totaled \$9.3 million in 1986.



PERCENT OF TOTAL SALES BY TYPE OF OPERATION, RAILBELT AREA - 1986

						NATIONAL	
CUT FLOWER	NURSERY	GREENHOUSE	RETAIL FLORIST	LANDSCAPE/INTERIOR-SCAPE	LOCAL GARDEN CTR.	REGIONAL DEPT STORE	OTHER 1/
4	2	20	11	27	10	14	12

1/ INCLUDES SALES OF SOD, TOPSOIL, PEAT, HYDRO SEEDING AND WHOLESALE CUT FLOWERS, ETC.

The combination landscape/interiorscape operations accounted for 27 percent of the total Railbelt Horticulture Industry sales which included many State funded projects in 1986. Local, regional and national garden centers had 24 percent of the total industry sales in 1986.



VALUE OF SALES BY TYPE, AREA - 1986 1/

ITEM	FAIR-	MAT-SU	ANCHORAGE	KENAI	RAIL-	% OF TOTAL
	BANKS			PENIN.	BELT	GROSS SALES 2/
	-----THOUSAND DOLLARS-----					-----PERCENT-----
GREEN PLANTS 3/ CUT & DRIED FLOWERS	1,225	1,040	8,200	785	11,250	37
NON-GREEN 4/	170	310	2,890	135	3,505	12
	830	285	6,725	295	8,135	27
	-----PERCENT-----					
PERCENT ALASKA GROWN	89	92	67	79	72	

1/ VALUE BASED ON RETAIL GROSS SALES, EXCLUDES WHOLESALE PURCHASES FROM ALASKA PRODUCERS. 2/ WON'T ADD TO 100 PERCENT, SERVICES AND ETC. AREN'T ACCOUNTED FOR. 3/ INCLUDES SOD. 4/ TOOLS, CHEMICALS, FERTILIZER, POTS, TOPSOIL, ETC.

Green plants marketed by the Railbelt Horticulture industries generated \$11.3 million, 37 percent of the total sales in 1986. Alaska grown commodities accounted for 92 percent of the Mat-Su sales and 67 percent of the Anchorage sales. Railbelt-wide Alaska grown commodities averaged 72 percent. Cut and dried flowers generated \$3.5 million or 12 percent of the total sales in 1986. Non-green sales of \$8.1 million were 27 percent of the total sales.



VALUE OF RETAIL SALES BY COMMODITY AND AREA - 1986 1/

ITEM	FAIRBANKS	MAT-SU	ANCHORAGE	KENAI	RAIL-	% OF TOTAL
				PENIN.	BELT	GREEN/ CUT SALES 2/
	-----THOUSAND DOLLARS-----					-----PERCENT-----
BEDDING:						
ORNAMENTAL	380	270	2,250	3/	2,900	20
VEGETABLE	220	140	275	30	665	4
FLOWERS:						
CUT	150	300	2,670	130	3,250	22
POTTED:	140	190	930	70	1,330	9
POINSETTIA	25	20	310	30	385	3
HANGING BASKET	80	85	270	)	495	3
TROPICAL FOILAGE	30	15	1,455		1,500	10
TREES	135	145	790	5	1,175	8
SHRUBS	105	140	850	45	1,140	8
GREENHOUSE VEGETABLES	90	10	360	5	465	3

1/ EXCLUDES WHOLESALE PURCHASES FROM ALASKA PRODUCERS. 2/ WON'T ADD TO 100, NOT ALL COMMODITIES ACCOUNTED FOR. 3/ COMBINED WITH ANCHORAGE TO AVOID DISCLOSURE OF INDIVIDUAL OPERATIONS.

Bedding plants in the Railbelt were marketed for a total value of \$3.6 million and make up 24 percent of the total green plants/cut flower sales. Cut flowers were valued at \$3.3 million and 22 percent of the green plants/cut flower sales; sale of tropical foliage totaled \$1.5 million and 10 percent of the green/cut sales.



GROWING SPACE BY TYPE AND AREA - 1986

ITEM	FAIRBANKS	MAT-SU	ANCHORAGE	KENAI PENIN.	RAILBELT
GREENHOUSE (SQ. FEET) 1/ NURSERY (ACRES)	144,700 27	99,800 88	512,000 114	65,500 27	822,000 256

1/ TOTAL COVERED AREA DEVOTED TO GREENHOUSES IN 1986 (INCLUDES AREA UNDER GLASS, PERMANENT PLASTIC FILM AND FIBERGLASS.)

Commercial greenhouses in the Railbelt totaled 822 thousand square feet or nearly 19 acres. The largest covered space was in the Anchorage area followed by the Fairbanks area. Acres devoted to outdoor nursery stock in the Railbelt totaled 256 acres of which the Anchorage and Mat-Su areas accounted for the largest acreages.



EMPLOYMENT AND WAGES PAID BY AREA - 1986

ITEM	FAIRBANKS	MAT-SU	ANCHORAGE	KENAI PENIN.	RAILBELT
TOTAL WORKERS	245	155	1,005	170	1,575
UNPAID	40	50	120	80	290
PAID:					
YEAR ROUND	25	25	260	20	330
SEASONAL	180	80	625	70	955
AV. NO. DAYS (SEASONAL)	38	40	62	75	55
TOTAL WAGES PAID (000) DOLLARS	706	595	7,470	503	9,274

Total workers in the Railbelt Horticulture industries for 1986 was 1,575 of which 290 were unpaid and 1,285 paid. Paid workers were made up of 330 year-round and 955 seasonal. Seasonal employees worked an average 55 days during 1986 but ranged from 75 days in the Kenai Peninsula to only 38 days in Fairbanks. Wages paid in 1986 by the Railbelt Horticulture industries totaled \$9.3 million.





# ALASKA GREENHOUSE

1301 MULDOON ROAD • ANCHORAGE, ALASKA 99501

(907) 333-6970

January 27, 1990

Senator Jack Coghill  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

FEB 01 1990

To Senator Coghill et al re: Senate Bill #391, Farm Tax and Greenhouses.

I have enclosed several pages of various court rulings showing that greenhouses are considered under farm or agricultural use. This should back up your ability to add greenhouses to the Farm Use exemption tax bill.

While on the subject I would strongly ask you to support and work to reinstate our original Farm Tax Bill titled Section 29.10.398 Farm & Agricultural Use. It was a good bill. Fair, enforceable and a much better act than the one in effect now. The original Farm Tax Bill was altered by well meaning but misguided legislators.

For example. The original Bill stated the owner had to make 25% of his gross income from the farm use land, the new Bill only 10%. In the old bill if farm use land were sold for other than farm use the owner was liable to pay back the difference in taxes for two full years plus any part of the current year. The new Bill the seller has to repay seven years taxes. eg. If I purchased some farm land to grow a crop and after one or two years found it was losing money and I had to sell it for other than farm use I would have to pay back taxes for the two previous years plus any portion of the current year. Under the new Bill I would have to pay back seven years or five extra years when I had no interest in the property. What so ever. Is that fair?

Regarding Hawkes Greenhouse at Fairbanks they are farming and adding the word greenhouse would solve his immediate dilemma but I'd sure like to see you get the original Bill reinstated. It is much more clear and understandable to the real farmer who makes a substantial portion of his income from farming.

The original tampering and changing started when a misguided lady legislator denied us the Farm Tax Exemption saying "I feel the Bill was intended to apply to growing food." Every few years someone decides to deny us this use and we have to go through the re-education process for our legislators.

Among the papers I have sent you is a Court Judgement in our favor. This cost many times more in attorney fees than we saved not to count our own time spent in preparing the paper work.

I would like to see our legislature take a good hard look at a workable idea for our Wetlands where most of Alaska land is classified "Wetlands." If 10% of the south 48 states are wetlands then a fair solution would be to require Alaska to retain wetlands in the same proportion. Even to require Alaska to double the percentage used by the south 48 would be ok. Otherwise put all our wetlands into farm use.



# ALASKA GREENHOUSES

1301 MULDOON ROAD • ANCHORAGE, ALASKA 99504

Senator Jack Coghill continued

Listed below are EPA and Corps of Engineers Dept. of the Army Regulations regarding farming and related activities which do not require permits.

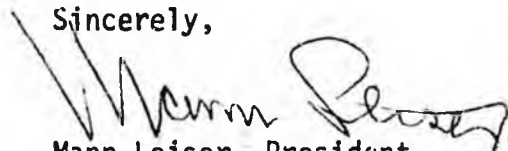
40 CFR Ch.1 (7-1-86 Edition Environmental protection agency 233.35. Activities not requiring permits and again in 33CFR Ch. 11 (7-1-86 Edition) Corps of Engineers, Dept. of the Army DoD 323.4 . Discharges not requiring permits (1) (i) Normal farming etc.

If the U.S. Senate and Congress pass the Wetlands Act to include Alaska as proposed we can turn the Wetlands into farmland and grow many cool weather crops each summer providing new employment with a new renewable resource. All the cool crops, cabbage, broccoli, cauliflower, turnips, radishes etc. grow splendidly here as do spinach, kale, strawberries, raspberries and potatoes. This would also give us a back haul to the south 48 in the equipment now going south empty. This would reduce by over 50% the shipping costs of goods we presently ship north bound.

This should not be done with state funds like the grandiose Big Delta grain farm failures or the cattle operation across the inlet from Anchorage but small state loans or SBA loans to individuals upon proper application would really work. Our greenhouse and 30 acres of land was an SBA loan and is all paid back and making money and best of all employing 30 people year round and up to 70 in the summer. (School kids etc.) all.

Thanking you for your time, I remain

Sincerely,



Mann Leiser, President

ALASKA GREENHOUSES, INC.


ML:b1

# Alaska MUNICIPAL League

TELEPHONE  
(907) 586-1325  
FAX 463-5480

217 SECOND STREET, SUITE 200  
JUNEAU, ALASKA 99801

TO: Senator Bettye M. Fahrenkamp, Chair  
Members, Senate Resources Committee

FROM: Scott A. Burgess, Executive Director 

DATE: March 2, 1990

SUBJECT: SB 391 - Farm use exemption from municipal taxation for  
agricultural land and greenhouses

The Alaska Municipal League continues to oppose SB 391 and the proposed CS for SB 391 (Resources) [Cook 2/26/90] to the degree it provides an inappropriate and expensive expansion of the farm use land assessment program for commercial greenhouses.

The AML opposes the proposed CS for SB 391 because:

1. the current mandated program is not funded, costing municipalities \$250,000 in lost revenue
2. the CS would expand the definition of farm land and thereby the cost of the program for municipalities
3. the land under large agricultural operations, e.g. tree farms, including the land under greenhouses as part of a farm unit or agricultural use can qualify for tax benefits under the existing program

We have met with the sponsor's staff and representatives of the Department of Community and Regional Affairs and the Alaska Association of Assessing Officers and reviewed the proposed CS. While the proposed CS addresses our previously expressed concern about exempting greenhouse structures from taxation, it still is not acceptable to the League and its members.

Our major concern <sup>is</sup> that this CS will add additional and inappropriate exemptions under a state-mandated program which is currently not funded at all, and has not been fully funded since FY 85, thereby increasing the burden on municipalities and their taxpayers. Municipal taxpayers are now forced to pick up the \$250,000 cost of this state-mandated program, and adding another exemption will cause additional increase in local taxes.

As I told the Committee last week, the League's 1990 Policy Statement (I.C.2) specifically opposes any additional mandated exemptions from municipal taxes and, in fact, calls for repeal of state-mandated tax exemptions for which funding is not appropriated by the Legislature.

Senator Fahrenkamp re SB 391

March 2, 1990

Page 2

The League would, in fact, support legislation or a new CS for SB 391 that

1. would allow exemptions granted under provisions of the farm use land exemption program only to the extent that the program is funded by the Legislature, and

2. if necessary, clarifies that the land under a greenhouse which is part of a farm unit qualifies for the farm use land assessment program.

Thank you.

cc: Senator Jack Coghill  
Senator Rick Halford

C/LEG:cssb391.sen

**S B**

**392**

SB 392

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

400 WILLOUGHBY AVE.  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2400

OFFICE OF THE COMMISSIONER

February 15, 1990

The Honorable Lloyd Jones  
Chair  
Senate Transportation Committee  
P.O. Box V  
Juneau, AK 99811

Dear Senator Jones:

Subject: SB 392, An Act Relating to Credit for Development or Improvement of Access to Land.

Position: The Department of Natural Resources does not oppose the concept of this bill; however, we recommend that a new section be added to AS 19.30.095 which would read:

"AS 19.30.095, Credit Against Lease or Purchase Payments. The Commissioner of Natural Resources may grant a credit against lease or purchase payments for state land to the lessee or purchaser of state land who develops or improves access on state land to the land being leased or developed.

The department shall develop regulations for the process; the credits shall be approved prior to construction, not subsequent to construction."

The department recommends the above change because of concerns about the present version of the bill. The state may be in a position of granting credit for a road that is not usable or maintained.

The bill requires the amount of credit be equal to the increased value of state land resulting from the development or improvement of access. Such a determination of value would be done by appraisal each time or for each segment or improvement resulting in multiple credit determinations and awarding credit more than once. The appraisal process is often time consuming and costly. The state must be careful in this area because such a credit must be reported to the IRS for federal income tax purposes.

February 15, 1990

There are no guarantees that construction would be completed; no contracts are entered into. If a contract to build a road is let, it must be awarded under State Procurement Code AS 36.30 prior to construction of the road. The procurement code requires competitive bidding and identification of construction standards before the road is built.

The bill appears to provide only for the width of the right-of-way but not for access construction standards, inspection, acceptance or even any prior approval before development or improvement would occur. Wetlands, critical habitat, etc., are considered prior to a disposal; however, alternative road access may affect these areas if the access is outside the planned disposal area.


The bill creates considerable administrative impact to implement and operate.

Development or improvement of access to state land and other state resources is difficult and expensive. There are land sales and leases of state land to which access roads do not exist although legal access may have been established. Additionally, there have been some agricultural sales for which road access did not exist, and development of the parcel was not required until physical access was constructed. AS 38.05.020(7) allows the Commissioner to waive specific development requirements for such agricultural land sale contracts if the land is inaccessible by road and transportation, marketing and development costs render the required development uneconomical.

A further alternative to the current approach would be to fund access roads pursuant to the existing authority in AS 19.30.111 - 19.30.241. This will not only provide needed access to disposal areas but provide jobs in the private economy through the procurement process.

Please contact me if you have any questions regarding this matter.

Sincerely,

  
Lennie Gorsuch  
Commissioner

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_  
 Title: An act relating to credit for development on improvement of access to land  
 Sponsor: Sen. Coghill  
 Requestor: \_\_\_\_\_

Agency Affected: Natural Resources  
 BRU: Land and Water Management  
 Components: \_\_\_\_\_

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

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	201.1	207.7	215.7	222.9		
TRAVEL	10.0	10.0	10.0	10.0		
CONTRACTUAL	4.0	4.0	4.0	5.0		
SUPPLIES	5.0	5.0	5.0	5.0		
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>220.1</b>	<b>226.7</b>	<b>234.7</b>	<b>242.9</b>		

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING:** (Thousands of Dollars)

GENERAL FUND	220.1	226.7	234.7	242.9		
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME	4	4	4	4		
PART-TIME	1	1	1	1		
TEMPORARY						

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Carol Shobe Phone: 762-2326  
 Division: DLWM Date: 2/15/90

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

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

Fiscal Note SB 392

<u>Positions</u>		<u>FY 91</u>	<u>FY 92</u>
NRM I Appraiser (18) NRM I Appraiser to appraise roads for land credit and give value to Regional Offices and Contract Administration.	1PFT	50,543	52,209
NRO II (16) - NRO, SCRO SERO NRO II positions will be located within the regional offices and will conduct field inspections, coordinate with Boroughs, DF & G, DEC, Div. of Ag, DOTPF, etc., to ensure that constructed roads are built to prevailing standards, environmentally proper, and that the road benefits the State of Alaska	2 PFT 1/2PPT	88,966 22,242	91,972 22,993
NRO I (14) Contract Admin. NRO I Contract Administration - to amend contracts, review payments, approve land credits related to land sale contracts affected by this bill. Additionally, write regulations and develop procedures	1 PFT	<u>39,936</u>	<u>40,516</u>
<b>TOTAL</b>		<b>201,087</b>	<b>207,690</b>
Travel	10.0		
Contractual	4.0.		
Supplies	5.0		

**S B**

**397**



# UNITED FISHERMEN OF ALASKA

211 4th Street, Suite 106  
Juneau, AK 99801  
907-586-2820

JAN 24 1990

Senator Bettye Fahrenkamp  
Alaska State Legislature  
P.O. Box V  
Juneau, Alaska 99811

January 23, 1990

Dear Senator Fahrenkamp:

United Fishermen of Alaska would like to call your attention to Senate Bill 397 that was introduced last week. We regard this bill as being a key piece of legislation for safeguarding the health of Alaska's finfish resources. Because we are sure this is a goal that is important to you, we ask you to hold hearings in your committee as soon as possible.

If we can provide you with any information to assist you, please don't hesitate to let us know.

Sincerely,

Kate Graham  
Executive Director

**S B**

**403**

SENATE COMMITTEE REPORT

DATE: 2/7/90

FURTHER: Finance

DATE TURNED INTO OFFICE: 3-8-90

Resources Committee considered SB 403

Act establishing the Stan Price Wildlife Sanctuary; efd.

and recommended:

- replace with \_\_\_\_\_ CS \_\_\_\_\_
  - or adopt \_\_\_\_\_ CS \_\_\_\_\_
  - attached amendment(s)
  - \_\_\_\_\_ letter of intent adopted
- same title
  - new title
  - technical title change (HB only)

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S): Dept/Date:

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

appropriation-no fiscal note

APPROVES PREVIOUS: Dept/Date:

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) FTG, DNR

Governor's bill w/fiscal note

SIGNING DO PASS:

*Julius Stupulenko*  
*[Signature]*  
*[Signature]*  
*[Signature]*

OTHER RECOMMENDATIONS:

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

*[Signature]*  
Chair: Signature and Recommendation

ALASKA STATE LEGISLATURE · SENATE

SENATOR RICHARD I. ELIASON

LABOR & COMMERCE COMMITTEE, CHAIRMAN  
RESOURCES COMMITTEE  
RULES COMMITTEE  
SPECIAL COMMITTEE ON HIGH SEAS  
SALMON INTERCEPTION  
SELECT COMMITTEE ON  
LEGISLATIVE ETHICS



P.O. BOX 143  
SITKA, ALASKA 99835

P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-4916

FAX (907) 465-4928

M E M O R A N D U M

TO: Sen. Bettye Fahrenkamp, Chairman  
Senate Resources Committee

FROM: Sen. Dick Eliason

A handwritten signature in cursive script, appearing to read "Dick Eliason".

DATE: Feb. 7, 1990

RE: SB 403, An act establishing the Stan Price State Wildlife  
Sanctuary.

SB 403 has been passed out of its first committee of referral, the Senate C&RA Committee, and is now in Senate Resources. It is a simple straight-forward bill which designates less than one square mile of tide and submerged lands around Pack Creek on Admiralty Island as a wildlife refuge.

The upland area at Pack Creek, which is a famous brown bear congregating and feeding area, is part of the Admiralty Island National Monument. Thus, a joint management agreement is in place between the U.S. Forest Service and the Alaska Department of Fish and Game to manage the uplands and tidelands of Pack Creek together. Passage of SB 403 will streamline this joint management as it will allow the Boards of Fish and Game to regulate not only the consumptive uses of the resources there (hunting, trapping, fishing), but also the other uses of the area including access for viewing and photography, management of human/bear interactions, and so on.

Back-up information, maps, and fiscal notes for SB 403 are attached. If you would like further information please contact my office. I would very much appreciate your scheduling of SB 403 for a Resources hearing as soon as possible.

Thank you for your consideration.



FEB 28 1990

February 23, 1990

Senator Bettye M. Fahrenkamp  
P.O. Box V  
Juneau, AK 99811

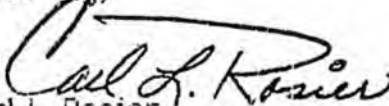
Dear Senator Fahrenkamp:

The Territorial Sportsmen support SB 403, "An Act establishing the Stan Price State Wildlife Sanctuary." Pack Creek is one of the three best brown bear viewing areas in the world. We very much want to see this situation continue, and sanctuary status will help insure that.

The problem at Pack Creek is the number of people. The number of visitors has dramatically increased there in the 1980's, and some means of controlling access is essential. Sanctuary status will give the Alaska Board of Game, in consultation with the public, the authority to establish reasonable regulations for visiting the area.

We strongly support this bill and would appreciate your scheduling and supporting SB 403 through the legislative process. Thank you for your consideration.

Sincerely,

  
Carl L. Rosier  
President

cc: Senator R. Eliason  
Senator J. Duncan  
Representative Ulmer  
Representative Hudson

# Bear Man of Admiralty Dies at Age 90

JUNEAU, Alaska (AP) — Admiralty Island's Stan Price, the longtime "bear man of Pack Creek," has died. He was 90.

Price, who lived for 40 years along the shores of Pack Creek on the island's northeast side, was renowned for his relationship with brown bears that roamed the creek, and he became a symbol of peaceful coexistence between humans and the huge animals.

Thousands of people visited the area about 30 miles south of Juneau to see brown bears in the wild. But Price himself also was an attraction — a small, white-haired man who casually strolled among the fearsome-looking bruins with nothing more than a walking stick for protection.

Price died Tuesday at the home of his great-nephew, Gary Lingle of Juneau, where he had been living since October. He suffered from cancer.

A native of Missouri, Price arrived in southeast Alaska in 1927 in a sailboat he had built in Seattle. In 1928, he set up a mining and logging operation at Windham Bay not far from Pack Creek. He also worked as a mechanic, fisherman and fox farmer.

Lingle, who moved to Juneau in 1970 from Portland, Ore., was a regular visitor to Pack Creek to see his

great-uncle. He said he bought a plane and learned to fly so he could supply Price with fresh food and mail. During the summer, Lingle would fly out twice a week with supplies and help with firewood and other chores associated with cabin life.

Price was married twice. Edna, his wife of 50 years, died of cancer in 1973. In 1975 he married Esther, an old childhood friend. She is still living but suffers from Alzheimer's disease and lives with a daughter in Arkansas, Lingle said.

In the 20 years that he regularly visited his great-uncle, Lingle said, he always felt safe walking with Price because of the special relationship he had with the Pack Creek bears.

"He (Price) always said if you're friends with the bears, the bears will be friends with you," Lingle said. "He had a mutual respect with the bears and the proof is that he lived there for 40 years with only one incident."

That incident occurred on a narrow path between Price's woodshed and his house on the beach. Price and a brown bear surprised each other and a face off began with neither backing down. The big brownie finally swatted Price, breaking his collarbone. It was the only time he was hurt by a

bear, Lingle said.

Despite living in close quarters with some 25 brown bears that roam the Pack Creek drainage, Price never carried a rifle. A quick hop on the nose with his walking stick was usually sufficient if a bear got testy.

As word of Price's special relationship with the bears spread, films, television shows and magazines began spreading his story. During the 1980s, the number of visitors to Pack Creek increased dramatically.

In 1987, the U.S. Forest Service and the Alaska Department of Fish and Game began to restrict visitation in the area and the Pack Creek Cooperative Management area was set up. Visitor permits now are required and an armed guard is provided during the summer months.

Lingle said these restrictions rankled Price.

"It won't be the same without Stan out there," Lingle said. "They (the Forest Service) had an opportunity to include him in their plans but instead they did everything they could to alienate and isolate him."

Juneau wildlife filmmaker and Alaska Board of Game member Joel Bennett knew Price for 21 years. He credits Price with helping to lead him to a career in film. In fact, Price was

featured in a Turner Broadcasting special last year filmed by Bennett.

"He had a gentleness and a special way of communicating with the bears," Bennett said. "He didn't subscribe to the theory that they were marauding killers lurking behind every tree."

Bennett was also a frequent visitor to Pack Creek to film Price and his bears. He said Price would walk to within six or eight feet of the animals and talk to them.

Price also had an affinity with other animals. Bennett filmed deer surrounding Price's cabin and actually coming inside to eat.

"Stan loved all creatures. He's most well known for the bears of course but he had a similar reverence with all other life forms," Bennett said.

Visitation to Pack Creek will probably drop off since people came there as much to see Price as the bears, Bennett said.

"This is the passing of a grand old man that represents a unique part of the heritage of Alaska," Bennett said. "His legacy is that people can coexist with wildlife peacefully if we try. He taught that by example."

## QUESTIONS AND ANSWERS ABOUT THE PROPOSED STAN PRICE STATE WILDLIFE SANCTUARY

**Where would the proposed Stan Price State Wildlife Sanctuary be located?**

The sanctuary would occupy a small portion of Admiralty Island in the Seymour Canal area. It would include the Pack Creek tidelands and immediately adjacent state waters.

**What is the key attraction at the proposed sanctuary?**

Brown bear sows and cubs congregate along Pack Creek during summer fish runs. Because of their long association with Price, and because visitors leave them alone, some of the bears fish while people are present. Bears sometimes approach the viewing sand spit quite closely, and there are often good photo opportunities.

**How big would the proposed sanctuary be?**

The sanctuary would encompass 613 acres--slightly less than one square mile. It would include only state tidelands and adjacent state waters. Tongass National Forest lands would not be included. All of the area commonly used by Pack Creek bears for fishing would either be part of the sanctuary or in the National Monument.

**Why is this sanctuary important?**

Human visitation in the area increased rapidly in the 1980's. There were over 500 visitors in July and August, 1989. The state manages the Pack Creek tidelands on which the bears fish. The Board of Game can currently regulate only hunting and trapping in this area. Sanctuary status would give the Board authority to regulate all human uses, including visitation. The Department of Fish and Game would enforce these regulations with existing personnel who are stationed on-site during the summer.

**If this area were to become a wildlife sanctuary would it automatically be closed to hunting?**

No. Hunting in state sanctuaries is regulated by the Alaska Board of Game. The Pack Creek area has been closed to brown bear hunting since before statehood. Little or no hunting of any kind takes place within the proposed sanctuary. The Department of Fish and Game has no plans to recommend closure of this area for any other kind of hunting. Any proposed changes in the hunting regulations are publicly noticed by the Board before they take action.

**STAN PRICE STATE WILDLIFE SANCTUARY Q & A**  
**Page 2**

**This portion of the Admiralty Island National Monument is managed as a wilderness area. Would this legislation change the wilderness character of the area?**

No. The area is currently managed under a cooperative agreement between the Alaska Department of Fish and Game and the USDA Forest Service. Visitation on Forest Service lands in this area is managed by a permit system. Management of the area as a wildlife sanctuary would enhance this unique state-federal management system, and help insure its wilderness character.

**Why name this area after Stan Price?**

Stan Price was a colorful southeast Alaska resident who developed a world-wide reputation for his peaceful relationship with bears. Price loved the bears and gave lectures around the United States on Pack Creek bears. Price lived in the area from about 1955 until the time of his death in 1989.

**Are there other state sanctuaries in Alaska?**

There are currently two: Walrus Islands in Bristol Bay and McNeil River on the Alaska Peninsula. Both are famous around the world for opportunities to see walrus and brown bears. Most pictures of brown bears fishing in streams come from McNeil River. The proposed state sanctuary would be the first in southeast Alaska.

**Would management of this sanctuary be similar to McNeil river?**

In general, yes. The area would be primarily managed for bears and to give people an opportunity to view bears in a near-natural setting. Management regulations would ultimately be determined by the Board of Game. Visitors to McNeil River must first obtain a drawing permit. Visitors to Pack Creek must also obtain a permit, but the number of permits is not currently limited. However, if visitation becomes excessive, a drawing permit system might be instituted on the sanctuary.

**Would access to important mineral deposits or other resources be lost in this sanctuary?**

The proposed sanctuary is extremely small--613 acres. None of it is above water at a 19 foot tide. It is surrounded by a federal wilderness area. Any opportunities that might be lost in this designation would be minor.



United States  
Department of  
Agriculture

Forest  
Service

Region 10  
Tongass National Forest

Chatham Area  
204 Siginaka Way  
Sitka, Alaska 99835  
(907) 747-6671

Reply To: 1510-7

Date: February 2, 1990

Honorable Richard Eliason  
Alaska State Senate  
P.O. Box V  
Juneau, AK 99811  
Attn: Mary McDowell

Dear Senator Eliason:

Senate Bill 403 was recently introduced for consideration. The bill would establish the Stan Price State Wildlife Sanctuary on State land at Pack Creek on Admiralty Island. Per discussion between your staff and the Admiralty Island National Monument Manger, I would submit the following as the Forest Service's statement concerning the proposed legislation.

The Alaska Dept. of Fish and Game (ADF&G) and Admiralty Island National Monument, Chatham Area, Tongass National Forest, have been cooperating in the management of Pack Creek for a number of years. Since 1987 we have completed two joint planning efforts, resulting in effective management guidelines for the area. In May, 1988, the Pack Creek Cooperative Management Area was established to provide a unique recreational opportunity for visitors while protecting both the bears and their habitat.

The Forest Service, as well as the State of Alaska, have had a long relationship with Stan Price. His longevity, relationship with the bears, and popularity with visitors at Pack Creek made him a memorable individual. I believe the naming of the State Sanctuary would be an appropriate way of recognizing Stan.

Enactment of this legislation will allow for the continued cooperative management between the ADF&G and the Forest Service of an extremely important area; while memorializing a significant Alaskan citizen.

Thank you for the opportunity to comment on this bill.

Sincerely,

GARY A. MORRISON  
Forest Supervisor

cc:  
ADF&G  
ANM

900129 1300 ANM 1517 PS





STATE OF ALASKA  
OFFICE OF THE GOVERNOR

BILL ANALYSIS

DEPARTMENT Fish and Game	DIVISION Habitat	BILL NUMBER SB403	SPONSOR Senator Eliason
-----------------------------	---------------------	----------------------	----------------------------

SHORT TITLE OF BILL  
An Act establishing the Stan Price Wildlife Sanctuary

DEPARTMENT POSITION  
Support

PREPARED BY Frank Rue, Director	DATE 2-2-90	COMMISSIONER'S SIGNATURE <i>Alum D. Riley</i>	DATE 2/2/90
------------------------------------	----------------	--	----------------

SUMMARY

OTHER AGENCIES AFFECTED BY BILL Department of Natural Resources	CONSTITUENT GROUP(S) AFFECTED BY BILL Local recreationalists and wildlife viewers
--	--

ORGANIZATIONAL SUPPORT FOR BILL Local Environmental Groups	ORGANIZATIONAL OPPOSITION TO BILL None
---	---

FISCAL IMPACT:  NONE  FISCAL NOTE ATTACHED

BACKGROUND/LEGISLATIVE INTENT  
The purpose of the bill is to establish the Stan Price State Wildlife Sanctuary and to provide permanent protection for brown bears, other fish and wildlife populations and their habitats

- ANALYSIS OF BILL/PROGRAM EFFECTS
1. Establish the Stan Price Wildlife Sanctuary.
  2. Provide permanent protection for brown bears, other fish and wildlife populations, and their habitats.
  3. Provide for a board to adopt regulations governing uses and activities affecting natural habitat and fish and wildlife.
  4. Direct the Commissioner to manage the sanctuary compatibly with adjacent uplands management and allow for management through cooperative agreements..

AMENDMENTS PROPOSED

PLEASE ATTACH A SEPARATE SHEET FOR ADDITIONAL COMMENTS OR ANALYSIS.

STATE OF ALASKA  
1990 LEGISLATIVE SESSION

BILL VERSION: S3403  
PUBLISH DATE: \_\_\_\_\_

**FISCAL NOTE**

**REQUEST:**

Revision Date: \_\_\_\_\_  
Title: An Act Establishing the State  
Price State Wildlife Sanctuary  
Sponsor: Senator Eliason  
Requestor: \_\_\_\_\_

Agency Affected: ADFG  
BRU: Habitat & Wildlife Conservation  
Components: \_\_\_\_\_

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

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0					
TRAVEL	0					
CONTRACTUAL	0					
SUPPLIES	0					
EQUIPMENT	0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	0					

CAPITAL	0					
---------	---	--	--	--	--	--

REVENUE	0					
---------	---	--	--	--	--	--

**FUNDING: (Thousands of Dollars)**

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

**POSITIONS:**

FULL-TIME	-					
PART-TIME	-					
TEMPORARY	-					

**ANALYSIS :** (Attach a separate page if necessary)

Prepared by: Frank Rue, Director  
Division: Habitat

Phone: \_\_\_\_\_  
Date: 2/1/90

Approved by Commissioner: *Walter D. Wiley*  
Agency: Alaska Department of Fish and Game

Date: 2/2/90

Distribution (by preparer):  
Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

STATE OF ALASKA  
1990 LEGISLATIVE SESSION

BILL VERSION : SB 403  
PUBLISH DATE : \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: 1-Feb-90 Agency Affected: Natural Resources  
 Title: An Act establishing the Stan Price BRU: Land and Water Management  
State Wildlife Sanctuary.  
 Sponsor: Eliason and Duncan Components: Land and Water Mgmt  
 Requestor: C&RA

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

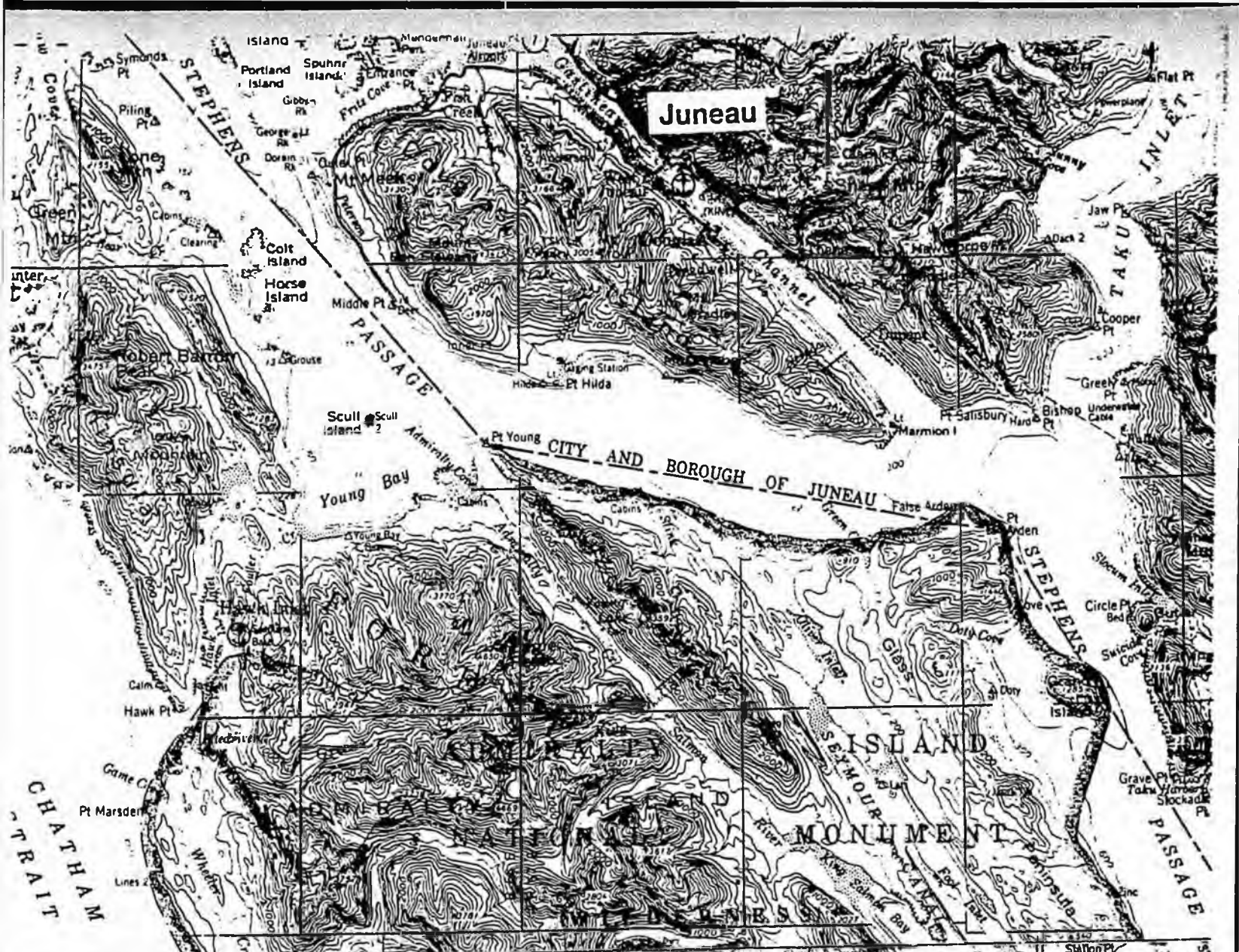
POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

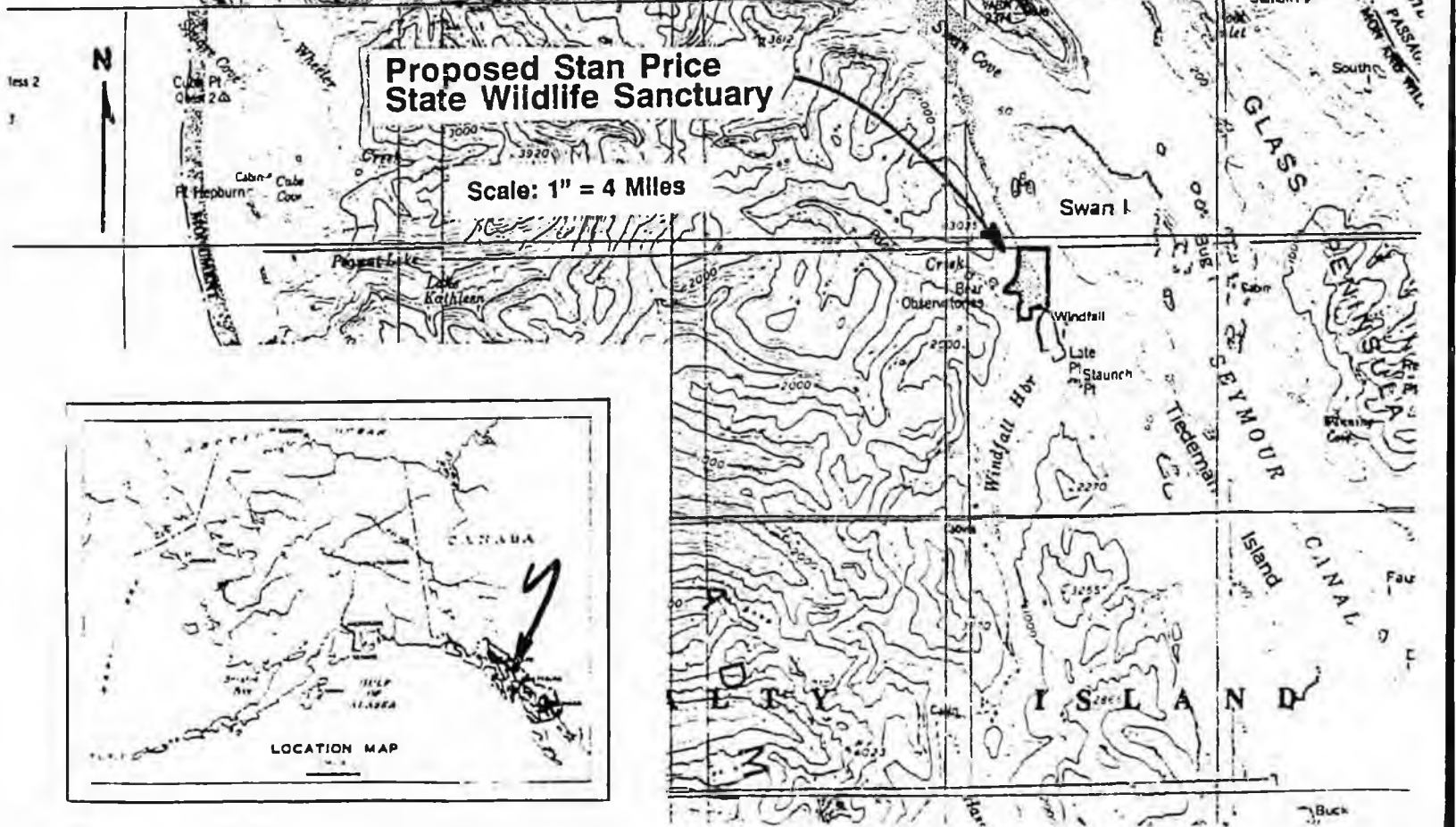
Prepared by: Janet Burleson Phone: 465-3400  
 Division: Land and Water Management Date: 1-Feb-90  
 Approved by Commissioner: Lennie Gorsuch Date: 1-Feb-90  
 Agency: Department of Natural Resources

Distribution (by preparer) :  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)



**Proposed Stan Price State Wildlife Sanctuary**

Scale: 1" = 4 Miles



# TOWNSHIP 46S RANGE 69E OF THE COPPER RIVER MERIDIAN, ALASKA

GRAPHIC 1

ID

**SYMBOL**

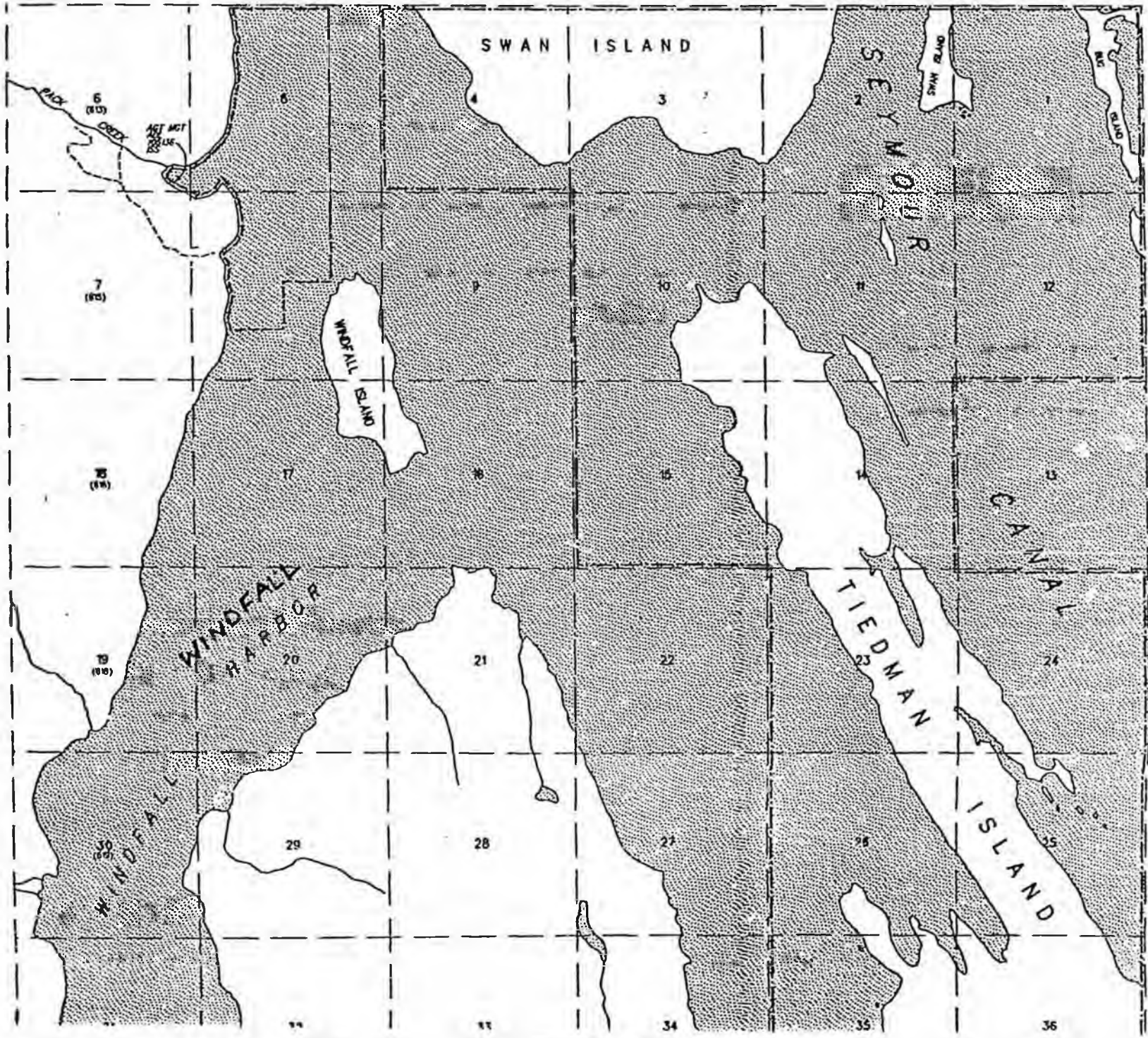
- STREAM
- WATERBODY
- SURVEY
- SECTION LINE
- MAJOR ROAD
- SECONDARY ROAD
- TRAIL
- BOUNDARY
- RAILROAD
- ELECT PWR LINE
- TELEPHONE LINE
- PIPELINE
- HOPE CONTROL
- POINTS OF ACTION
- AIRPORTS OR LANDING STRIPS

**CLASSIFICATION**

- TITLE
- CLASSIFICATION
- DISPOSAL
- MUNICIPAL
- RESTRICTIONS
- FEDERAL ACTIONS
- 10 CABIN PERMIT
- 20 CABIN PERMIT
- PROHIBITION FROM TRESPASS
- TRESPASS

GRID

2	1
11	12
10	11



BASED ON  
 COORD  
 ALASKA  
 SEC  
 T  
 T  
 LAT  
 LONG  
 HYDRO  
 USGS  
 LAND  
 AC

OTHER AC  
 OF STATE  
 CIVIL  
 ENGINEER  
 D. R.

# Pack Creek Map

Camp in sites marked ▲

Refer to USGS map: Sitka D-1 Quad

0 1 mile

Swan Island

Observatory  
(out of use)

Pack  
Creek

Tidal Flat

Pack Creek  
Trail (1 mi.)

Viewing Sand Spit

Price Residence

Long Garden

South Garden

Food Cache

South Sand Spit

Inchomise

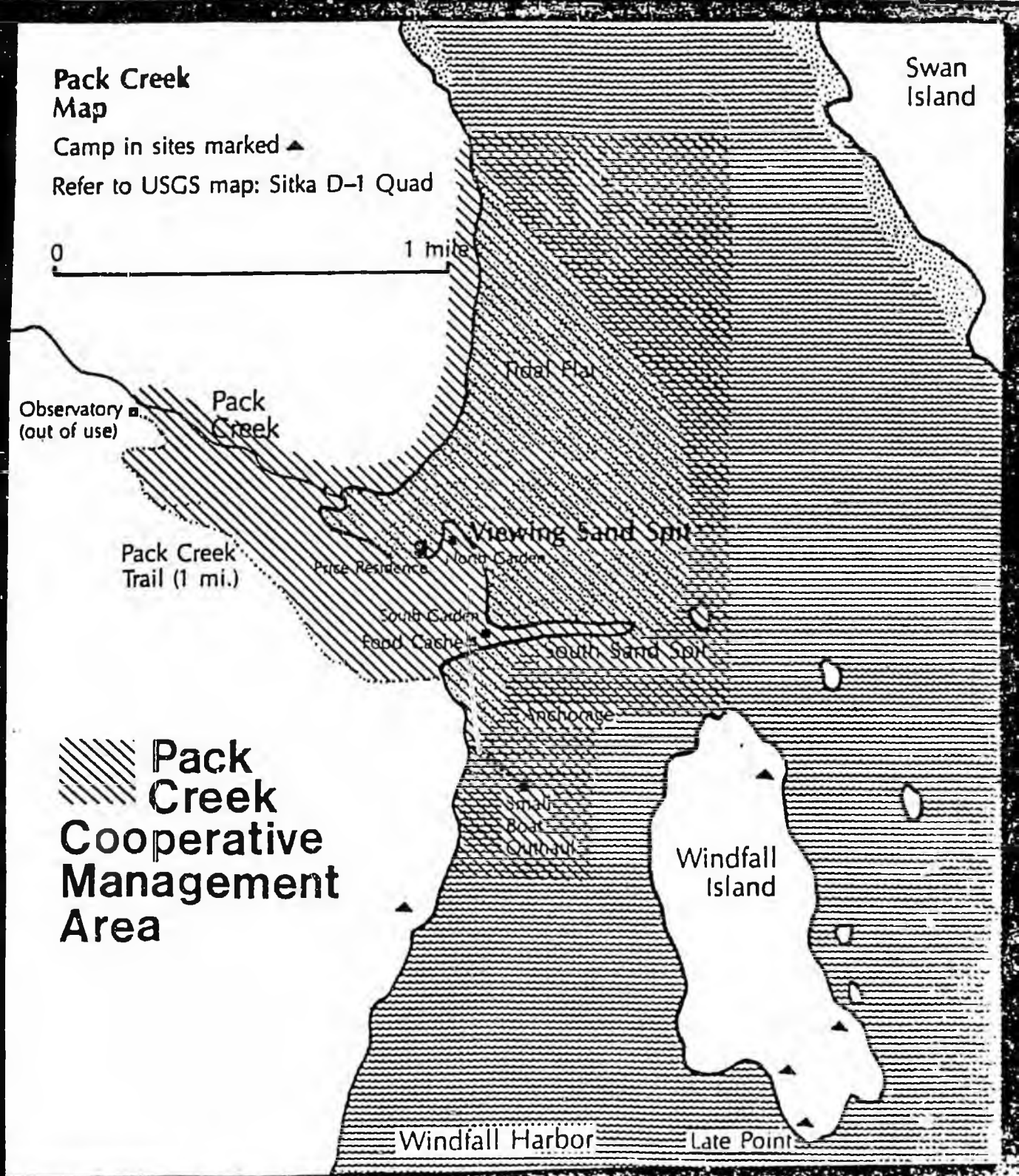
Small  
Boat  
Outfall

Windfall  
Island

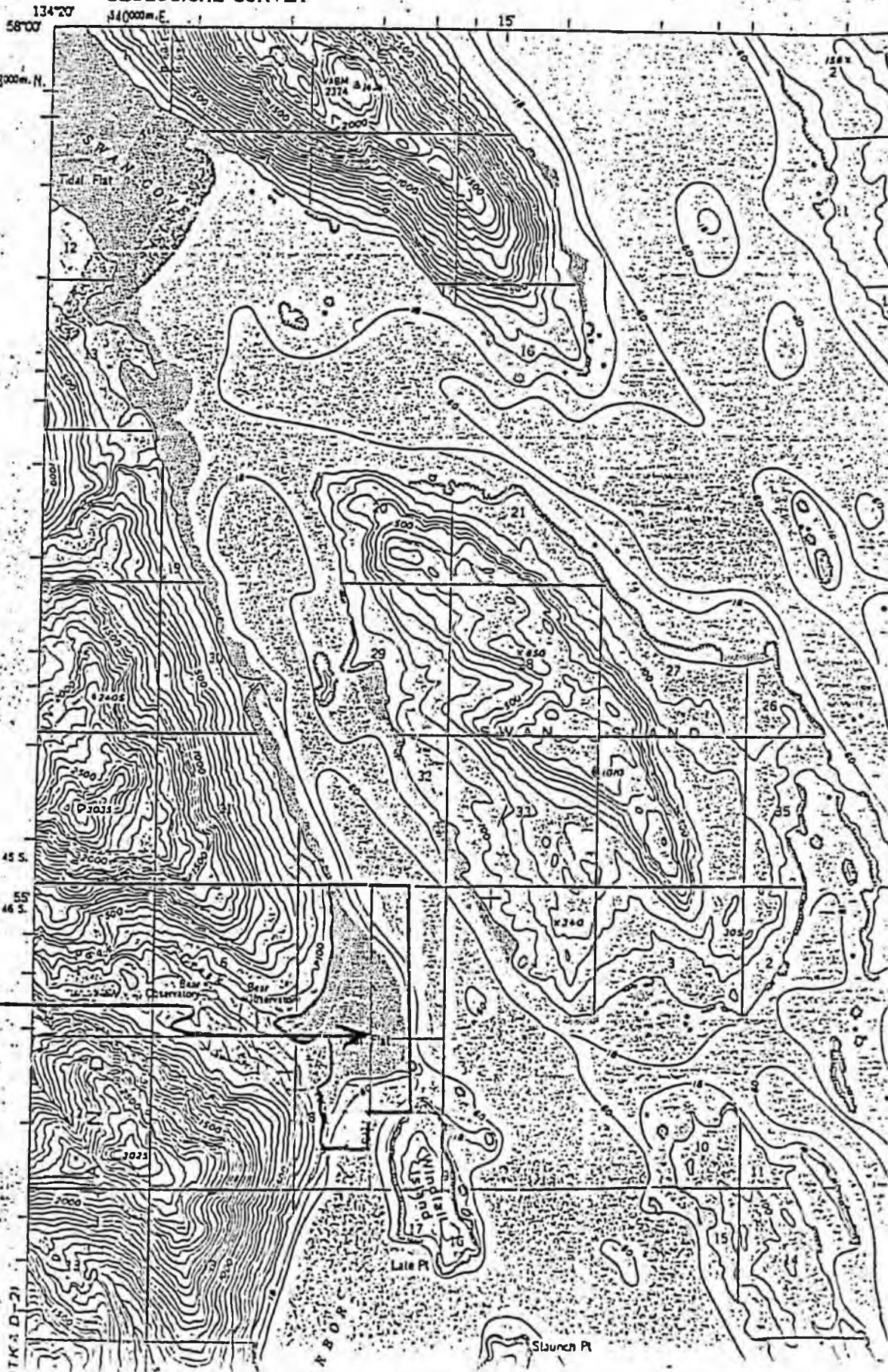
 Pack  
Creek  
Cooperative  
Management  
Area

Windfall Harbor

Late Point



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

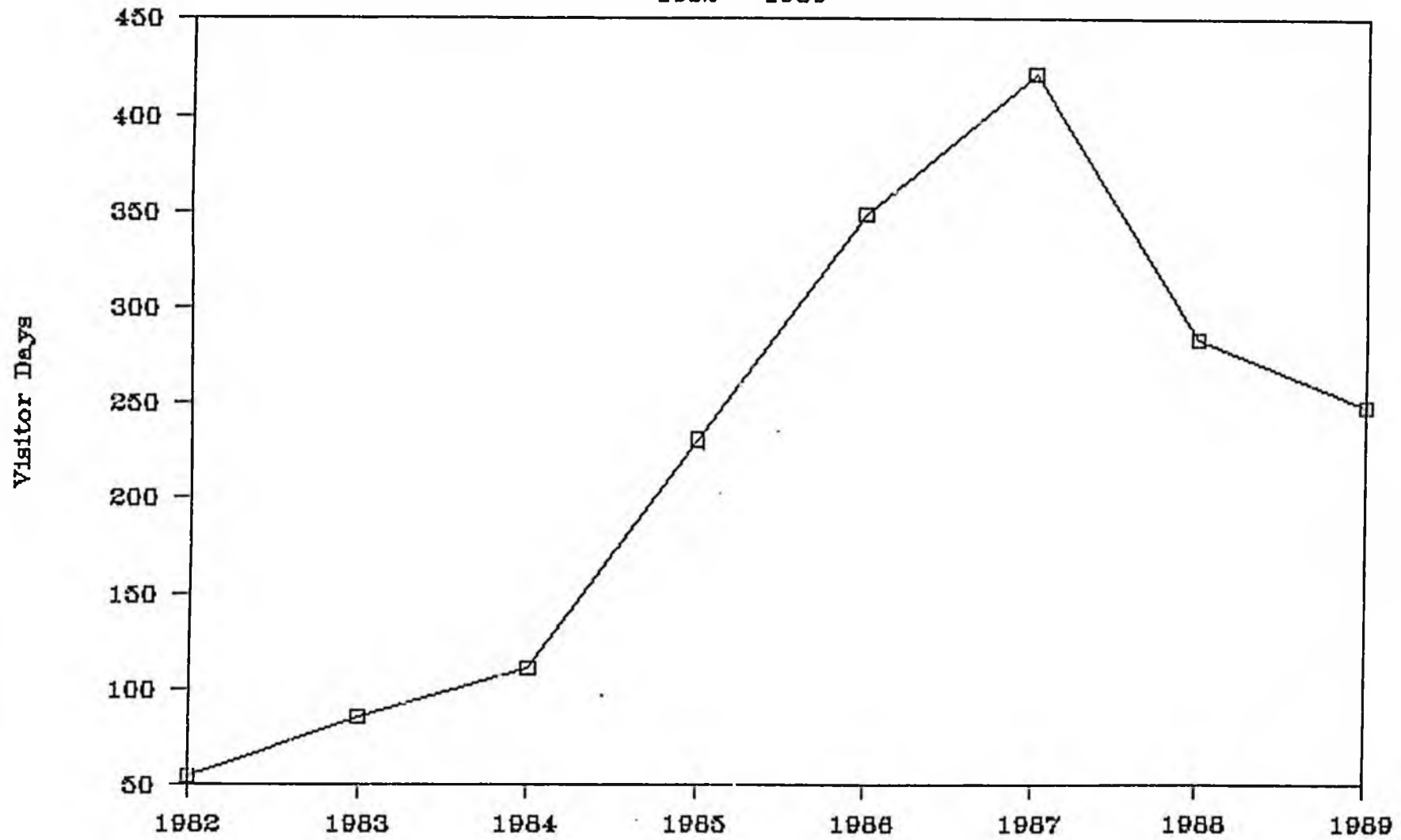


SITKA D-1 Quad

Proposed Area  
ILMA ADL No. 105136  
Approx. 613 acres

# PACK CREEK VISITOR USE

1982 - 1989



# STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-4400

February 5, 1990

The Honorable Al Adams  
Chair, Community and Regional  
Affairs Committee  
Alaska State Senate  
P.O. Box V  
Juneau, AK 99811

Dear Senator Adams:

Subject: Senate Bill 403 would establish the Stan Price State Wildlife Sanctuary on state tide and submerged land.

Position: DNR supports this legislation.

Background: This legislation would provide permanent protection for brown bears and other fish and wildlife. The legislation affects tide and submerged land already managed by the U.S. Forest Service and the Department of Fish and Game through a cooperative agreement from this department. We feel that the establishment of this sanctuary is in the public's interest. The uplands are managed by the U.S. Forest Service and are designated wilderness.

To ensure consistency with other established sanctuaries (Walrus Island State Game Sanctuary and McNeil River State Game Sanctuary) and to clarify management responsibilities between Fish and Game and DNR, the following language should be added:

Applicability of other laws. The provisions of AS 16.20.130-140 relating to administration, multiple use and sale and lease apply also to the Stan Price State Wildlife Sanctuary.

This language is included in the McNeil River State Game Sanctuary statute (Sec. 16.20.170)

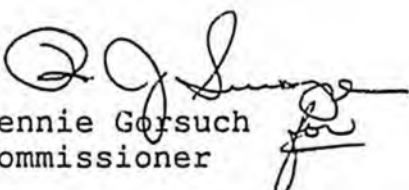
Senator Adams

- 2 -

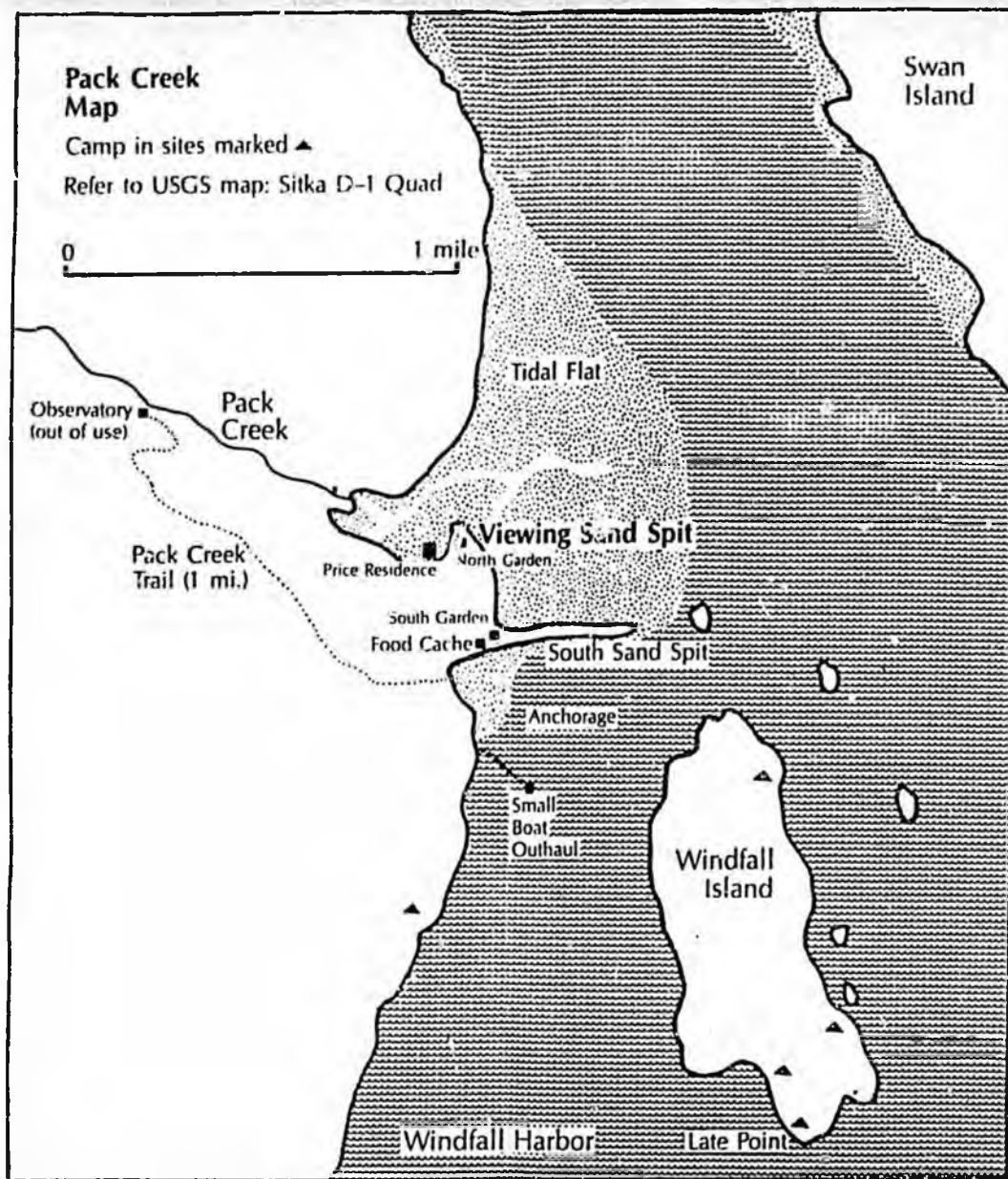
February 5, 1990

It is appropriate that the sanctuary be named after Mr. Price, the long-term Alaskan who inhabited this area for so many years and had a deep affection for the wildlife in the area. Please contact me or my staff if you have questions regarding this matter.

Sincerely,

  
Lennie Gorsuch  
Commissioner

cc: Bill Sponsor  
Committee Members  
Bob Evans, Legislative Liaison  
Office of the Governor  
Denby Lloyd, Special Staff Assistant  
Office of the Governor  
Gary Gustafson, Director  
Division of Land and Water Management  
Department of Natural Resources



### Pack Creek Safety

Pack Creek bears are habituated to humans, but they aren't tame. A few bears have tasted human food and will boldly approach you in search of more. While they may seem unaggressive, use some common sense. Follow these precautions:

- **Leave your food behind.**  
A bucket cache is provided near the south sand spit (see Pack Creek Map). Do not carry food in your pack. Never feed any bear or leave any pack unattended. Intentionally leaving food unattended and accessible to bears is a violation of Alaska law. Even packs with no food in them are attractive to curious bears.
- **Stay near the viewing sand spit.**  
Moving into the meadow herds the bears out of photo range for other visitors. Bears will approach the viewing spit if you have patience. Use a telephoto lens for closeup shots. Bears may allow you to approach closely but will show their displeasure through subtle signs not easily recognized by most visitors. If you are too close, you leave no room for error and you are inviting a charge.
- **Camp only in designated sites.**  
The best camps are on Windfall Island. No camping is allowed near the estuary or food cache.

### For further information

Admiralty National Monument  
8465 Old Dairy Road  
Juneau, AK 99801  
Phone: (907) 789-3111

Alaska Department of Fish and Game  
Phone: Juneau (907) 465-4265  
Sitka (907) 747-5449



## Bear Viewing

Pack Creek, Swan Cove and Windfall Harbor



United States  
Department of  
Agriculture

PREPARED BY  
Forest  
Service

Alaska Region  
Leaflet No.  
R10-RG-13

### Swan Cove and Windfall Harbor

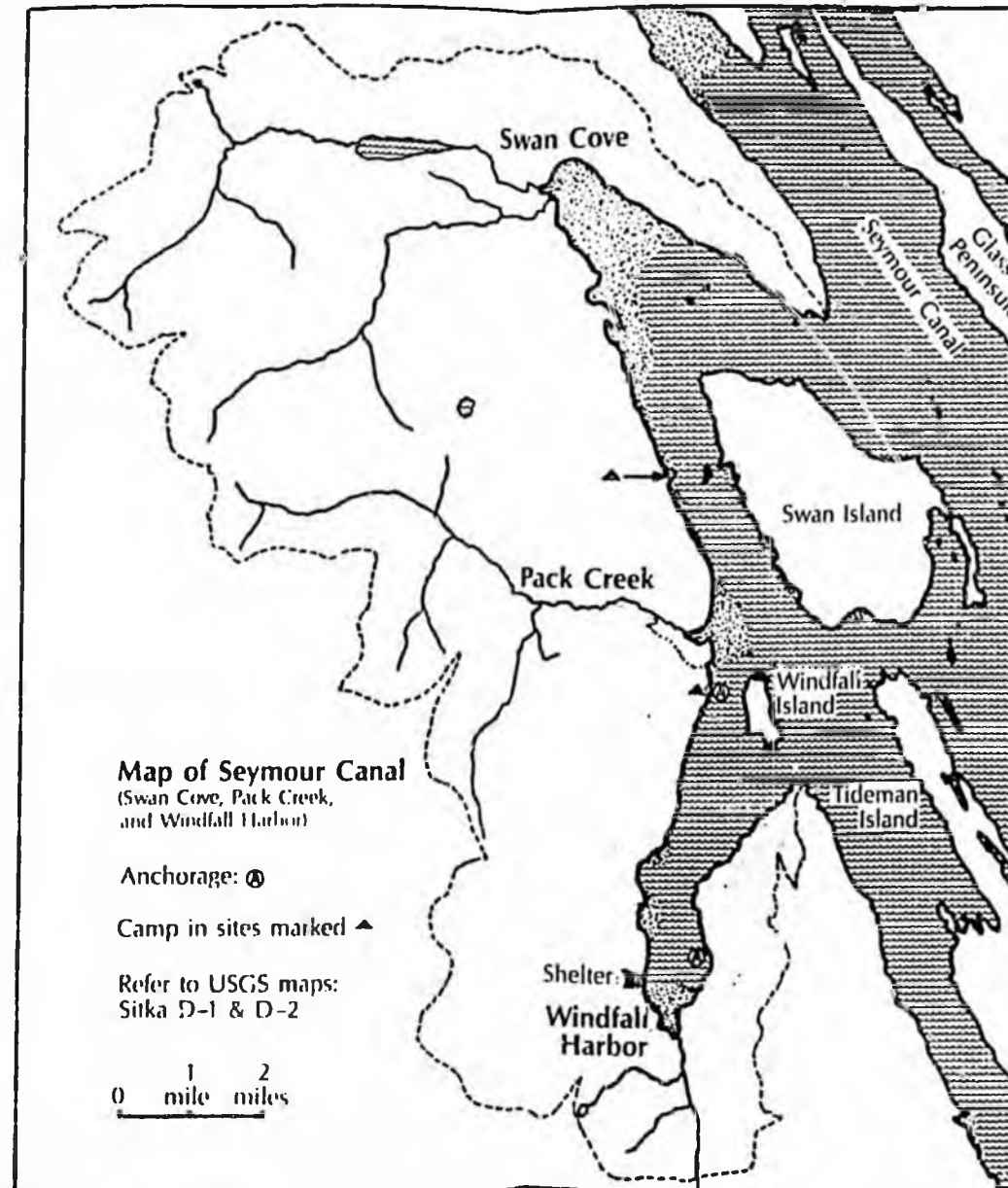
These large bays have extensive tidelags with good populations of brown bear, few human visitors, and no facilities. Bears are most abundant in July and August, and to a lesser extent in June and September. These wild bears are unaccustomed to humans and should be treated with respect (see **BEAR SAFETY** section). Boat anchorages are possible in the areas indicated on the map but consult the local assembly tables for the timing and height of high and low tides and when going ashore remember that large tidal variations on shallow tidal flats can easily strand a boat ashore. Windfall Harbor has a three-sided shelter to camp near and a good site is shown for Swan Cove. Other sites are available on Swan Island. Always keep a clean camp and hang food high at night.

### Pack Creek

Pack Creek has been closed to bear hunting since the mid-1940s and several bears are habituated to the presence of humans. The opportunity to see bears is high because of this but some of the bears have obtained human food and have lost their fear of humans. This is a dangerous situation that warrants special precautions (see **PACK CREEK SAFETY**). A floathouse near the estuary has been occupied by Stan Price since the late 1950s. A few bears allow him to approach closely, but you should use some common sense and keep your distance. Bears have destroyed boats left on the beach and daypacks left in the meadow and on the viewing spit, and there have been several dangerous incidents involving visitors who approach too close.

### Management

The Windfall, Pack Creek, Swan Cove and Swan Island area is managed as part of the Admiralty National Monument and is administered by the USDA Forest Service. The Alaska Department of Fish and Game has jurisdiction over the bears and both agencies cooperate in managing the area for its wilderness values and non-consumptive uses. In 1984 the Alaska Board of Game extended the boundaries of the original Pack Creek bear refuge to include the entire area shown on the map of Seymour Canal.



### Bear Safety

Whenever in bear country you should act responsibly with food and respect the territorial nature of bears.

- **Keep your distance.**

It takes experience to know how close you can come to a bear, and the best advice is to stay back at least 100 feet. Staying out in the open where the bear can clearly see you is advisable. It is not wise to wander up a salmon creek where the noise of water and tree cover screens your approach and surprises a bear. Bears sometimes communicate to other animals and to humans through body posture.



Standing in profile to you, head lowered, and "passively" looking toward the distance may be the bear's way of showing you his size, a polite way of telling you to move out of his space. Aggression is signaled by teeth chatter, hair raised on the hump and back, and ears laid back along the sides of the head.



Standing erect on hind legs is usually not an aggressive posture. When the bear's head and nose are raised with ears forward, the animal may only be trying to identify human noises and smells.

- **Keep a clean camp.**

No site, even those on small islands, is safe from a bear visit. Set the tent up well away from the cooking area and do not take food near it. Thoroughly burn all food scraps and refuse to remove smells and pack out whatever remains. People who use the site after you will appreciate you not burying or leaving anything behind that will attract bears into their camp. Hang food 12 feet above the ground when not in use. Remember, intentionally leaving food unattended and accessible to bears is considered feeding and is a violation of Alaska law. Be sure to drown your campfire. Many sites are destroyed by campfires that people thought "couldn't possibly spread."

**S B**

**422**

**FILE 1**

Selection=> B005-LAST PAGE  
 PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12  
 HELP SUBJ EXIT MENU PRINT BWD FWD FIRST LAST QUIT  
 Bill/Resolution History 05:15 PM 05/16/90 Page 1

BILL: SB 422  
 NAME: CSSB 422(RLS) AM  
 TITLE: "An Act relating to guide-outfitter use area permits, the Big Game Commercial Services Board, guide-outfitters, transporters and air carriers, and providers of other big game commercial services, and commercial use permits; relating to hunting for mountain goat by nonresident hunters; and providing for an effective date."

PRIME SPONSOR: RULES  
 BY REQUEST

FUNDING : \$72,000 GENERAL(FNOTE) \$139,300 OTHER(FNOTE)  
 CURRENT STATUS: (H) FIN STATUS DATE: 04/30/90

Selection=>  
 PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12  
 HELP SUBJ EXIT MENU TEXT PRINT BWD FWD FIRST LAST QUIT  
 BASIS Journal Text

03/27/90 SENATE JOURNAL PAGE 3058  
 \_SB 422\_

The Resources Committee considered SENATE BILL NO. 422 (An Act relating to guide-outfitter use area permits, the Big Game Commercial Services Board, and guide-outfitters, transporters, and providers of other big game commercial services) and recommended it be replaced with

CS FOR SENATE BILL NO. 422 (Resources), entitled:  
 "An Act relating to guide-outfitter use area permits, the Big Game Commercial Services Board, guide-outfitters, transporters and air carriers, and providers of other big game commercial services, and commercial use permits; and providing for an effective date."

Senator Fahrenkamp, Chair, and Senators Frank and Sturgulewski signed "do pass." Senator Halford signed "do

Selection=>  
 PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12  
 HELP SUBJ EXIT MENU TEXT PRINT BWD FWD FIRST LAST QUIT  
 BASIS Journal Text

03/27/90 SENATE JOURNAL PAGE 3058  
 not pass unless non-severable." Senator Eliason signed "no recommendation."

03/27/90 SENATE JOURNAL PAGE 3059  
 SENATE JOURNAL 3059  
 March 27, 1990

\_SB 422 cont'd\_  
 Fiscal notes for SENATE BILL NO. 422 and the Committee Substitute published today from Department of Commerce and Economic Development and Department of Fish and Game.

SENATE BILL NO. 422 was referred to the Finance Committee.

Selection=> B005-LAST PAGE  
 PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12  
 HELP SUBJ EXIT MENU TEXT PRINT BWD FWD FIRST LAST QUIT

# STATE OF ALASKA

## DEPARTMENT OF FISH AND GAME

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

P.O. BOX 3-2000  
JUNEAU, ALASKA 99802-2000  
PHONE: (907) 465-4100

March 23, 1990

The Honorable Bettye Fahrenkamp  
Chair  
Senate Resources Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Senator Fahrenkamp:

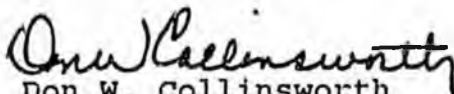
We appreciate your efforts toward accommodating concerns regarding Senate Bill 422 to enable its passage out of the Senate Resources Committee. Toward that end, we would like to clarify our intent regarding the reporting requirement for air taxi operators who commercially transport big game hunters, their equipment, or harvested big game animals to, from, or in the field (CS for Senate Bill 422, Section 16, work draft of March 21, 1990).

We support the intent of language in Section 16 that all air carriers subject to AS 42.30.200 shall annually submit an activity report regarding the commercial transport of big game hunters, related gear, and harvested animals. This would include licensed transporters as required under AS 08.54.400, as well as those air taxi operators who transport hunters but are not required to obtain a transporter license.

The department needs the information that would be provided in the activity reports to help assess the effort and resulting harvest of big game animals associated with commercial transportation services, versus other modes of access. The information we desire are such items as the number of big game hunters, their destination by game management unit or subunit, and the species and number of harvested big game animals that were transported.

We appreciate the opportunity to comment, and commend the committee for its thorough analysis and consideration of SB 422. Please do not hesitate to contact Molly McCammon of my office if we can be of further assistance.

Sincerely,

  
Don W. Collinsworth  
Commissioner

cc: Lew Pamplin, Director, Division of Wildlife Conservation

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

### DIVISION OF OCCUPATIONAL LICENSING

STEVE COWPER, GOVERNOR

P.O. BOX D  
JUNEAU, ALASKA 99811-0800  
PHONE: (907) 585-2534

March 26, 1990

Honorable Bettye Fahrenkamp  
Chairman  
Senate Resources Committee  
P.O. Box V  
Juneau, AK 99811

Dear Senator Fahrenkamp:

I have met with the Alaska Air Carriers Association regarding the future implementation of the reporting requirements contained in Section 15 of the proposed committee substitute for SB 422, which the commercial air carriers have agreed to support for the purposes of assisting the Department of Fish and Game in obtaining information which may be helpful in future harvest decisions and the Commercial Services Board in the regulation of the commercial big game hunting industry.

The report required of this section will be a one-page form which will ask for the number of hunters flown to, from, or in the "field," as defined in current law; the type of transportation provided; the big game harvested; and the area in which the hunt was conducted. It will be designed to be as simple as possible, to avoid putting undue administrative burden on air carrier employees and their customers (i.e., big game hunters). Data will not be requested from carriers for hunters flown between federal, state, and municipal airports or air strips. The report will be filed once a year (by January 31) for the previous year's activity.

Transporters are being defined in Section 16 of the bill as those air carriers which advertise to attract big game hunters and those which charge more than customary charter rates to hunters. The amendment in Section 16 of SB 422 removes the controversial "incidental" standard in present law. The new standard will be easier to enforce than the existing vague language.

The term "advertise" will require definition through regulation. Advertising in newspapers and brochures, on television and radio, and through participation at hunting shows and expositions exemplifies the kind of advertising on which the Commercial Services Board will focus.