

ALASKA LEGISLATURE COMMITTEE FILES 1999-2000 8672

9968 HOUSE RESOURCES

HB

25

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 25

Revision Date/Time (Note if correction) _____ Dept. Affected Fish and Game
 Title River Habitat Tax Incentive BRU Habitat
 Component Special Projects
 Sponsor Rep. Davies
 Requester House Resources Component No. 487

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
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 EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2000) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Ken Taylor Phone 465-6143
 Division Habitat Date/Time 1/24/00 9:16 AM
 Approved by Commissioner Frank Rue Date 2/24/2000
 Agency Department of Fish and Game

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Representative John Davies District 29

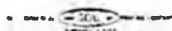
Sponsor Statement

House Bill 25

“An act relating to a municipal river habitat protection credit.”

This bill, recognizing the need for habitat protection along rivers within a municipality, is a land management tool that provides the option of protecting fish habitat along the rivers by offering a tax credit to property owners along those waterways. Note that this is not an unfunded mandate. It is entirely optional at the local government level.

In 1995 the nineteenth legislature recognized the importance of this kind of protection by granting similar legislation along the Kenai River; this bill would simply extend that option to municipalities along other rivers. There are few, if any, other rivers in the state with the fishing pressure that exist along the Kenai. However as state population and tourism continue to grow, many other circumstances will arise where a municipality may wish to encourage habitat protection. This bill will provide one more option for them to consider.



FISCAL NOTE

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: An Act relating to a municipal river BRU: none
habitat protection tax credit Component: none
 Sponsor: Rep. DAVIES
 Requestor: House C&RA Committee COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
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	0.0	0.0	0.0	0.0	0.0	0.0
REVENUE FUND SOURCE:						

FUNDING: (Thousands of Dollars)

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

POSITIONS:

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

Estimate of current (FY99) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

This legislation provides for an optional municipal tax credit. It would have neither programmatic nor fiscal impact on this department.

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-4708
 Division: Division of Administrative Services Date: 1/26/99
 Approved by Commissioner: *Mike Duran* Date: 1/26/99
 Agency: Community & Regional Affairs

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 25

Revision Date/Time (Note if correction) _____ Dept. Affected ADF&G
 Title River Habitat Tax Incentive BRU Habitat and Restoration
 Component Special Projects
 Sponsor Representative Davies
 Requester House Resources Component Serial No. 487

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other (Specify Type)	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time	0				
Part-time	0				
Temporary	0				

ANALYSIS: (Attach a separate page if necessary)

HB 25 will not required the expenditure of any additional funds by ADF&G

Prepared by Ken Taylor Phone 465-4105
 Division Habitat and Restoration Date/Time 2/10/99 11:16 AM
 Approved by Commissioner Frank Rue Date 2/11/99
 Agency Alaska Department of Fish and Game

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HB 58

TONY KNOWLES
GOVERNOR

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 20, 1999

The Honorable Brian Porter
Speaker of the House
Alaska State Legislature
State Capitol
Juneau, AK 99801-1182

Dear *Brian* Speaker Porter:

In the interest of improving efficiency within our state government, as well as between government and industry, I am transmitting this bill to transfer oil and gas royalty audit functions from the Department of Revenue (DOR) to the Department of Natural Resources (DNR). It makes sense to put the audit duties in the same department that administers, enforces, and is therefore most knowledgeable with, the oil and gas leasing program.

Ironically, the audit functions used to rest with DNR, but were switched to DOR in 1980 based on a legislative audit report. The recommendation stated cost savings would be achieved by having one staff of auditors review both tax and royalty compliance information. Since 1980, however, the state has entered into royalty settlements with the major North Slope producers and has made changes to its tax regulations. As a result, there is no longer as much overlap between royalty and tax audits. In addition, separating DNR's duty to administer and enforce oil and gas contracts, agreements, and leases from the department's ability to conduct audits leading to possible enforcement actions, has resulted in inefficiencies and other problems.

The bill specifically authorizes DNR to audit reports and costs relating to exploration incentive credits and oil and gas licenses. It also grants DNR audit powers commensurate to those of DOR currently, including the right to subpoena information for audit purposes. The two departments would be allowed to exchange confidential information obtained in the course of their respective audits; a breach of confidentiality by any agency employee would be a felony offense.

This bill takes a sensible step in how the state does business with the oil and gas industry.

Sincerely,

Tony Knowles
Tony Knowles
Governor

FISCAL NOTE

**STATE OF ALASKA
2000 LEGISLATIVE SESSION**

BILL NO. HB 58

Revision Date/Time (Note if correction) March 3, 2000 - 3 p.m. Dept. Affected Revenue
 Title Oil & Gas Audits BRU Revenue Operations
 Component Tax Division
 Sponsor House Rules
 Requester House Resources Component No. 115

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Personal Services	(230.9)	(230.9)	(230.9)	(230.9)	(230.9)	(230.9)
Travel	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	(233.4)	(233.4)	(233.4)	(233.4)	(233.4)	(233.4)

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Permanent Fund receipts)	(233.4)	(233.4)	(233.4)	(233.4)	(233.4)	(233.4)
TOTAL	(233.4)	(233.4)	(233.4)	(233.4)	(233.4)	(233.4)

Estimate of any current year (FY2000) cost: _____

POSITIONS

Full-time	-3	-3	-3	-3	-3	-3
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill transfers from DOR to DNR the responsibilities and authority for auditing reports and payments relating to revenue under oil and gas contracts, agreements and leases. This function is performed by three DOR positions that would be transferred from DOR to DNR.

The DOR positions had been funded with General Fund money but the Legislature in 1999 changed the funding source starting with the FY 2000 budget to Permanent Fund Receipts.

Prepared by: Dan Dickinson, Director Phone 269-1033
 Division Tax Division Date/Time March 3, 2000
 Approved by: Commissioner Wilson Condon Date 03/03/2000
 Agency Department of Revenue

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FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB58

Revision Date: 03-Mar-00 Dept Affected: Natural Resources
 Title: An Act relating to certain audits regarding oil BRU: Oil & Gas Development
and gas royalty and net profits and to audits regarding costs... Component: Oil & Gas Development
 Sponsor: Rules Committee
 Requestor: (H)RES Component Serial No. #439

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES	230.9	230.9	230.9	230.9	230.9	230.9
TRAVEL	2.5	2.5	2.5	2.5	2.5	2.5
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	233.4	233.4	233.4	233.4	233.4	233.4
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES (fund code)	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1105 Perm Fund Receipts	233.4	233.4	233.4	233.4	233.4	233.4
TOTAL	233.4	233.4	233.4	233.4	233.4	233.4

Estimate of any current year (FY00) cost: \$ none

POSITIONS

FULL-TIME	3	3	3	3	3	3
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Transfer from the Department of Revenue funds for two Revenue Auditor positions and one clerical position. The Revenue Auditor positions being transferred are filled and perform royalty audits. The departments agree that efficiencies will result in the timeliness of audits with the consolidation of this function in DNR. In the past, many of the tasks required to complete these royalty audits were duplicative of tasks performed in DNR. This fiscal note shows the transfer of the funds and positions from Dept. of Revenue to the Dept. of Natural Resources.

Prepared by: Ken Boyd, Director *[Signature]* Phone: 269-8800
 Division: Oil & Gas Date: 03-Mar-00
 Approved by Commissioner: John Shively *[Signature]* Date: 03-03-00
 Agency: Natural Resources

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WWWP0100-A 99-04-06 State of Alaska -- Commercial Fisheries Entry Commission

1998 Permit Holder List by Fishery and Name
[Report Description]

Fishery: E 91Q - KOREAN HAIR CRAB, POT GEAR VESSEL 60 FT OR OVER, BERING SEA

Name (l,f,m,s) Address	Resi- dency	Permit & Sequence	Vessel ADF&G	Start	Emboss
BLUE BOX 1064 SITKA AK 99835	R	E 91Q 21885K 01	29923	19980825 I	199808
BRADY JAMES 25710 NE 39TH WAY REDMOND WA 98053	N	E 91Q 21125M 01	33696	19980902 I	199809
BURLIN J.PETER E. 620 213TH ST SW BOTHELL WA 98021	N	E 91Q 26217C 01	06205	19980403 I	199804
HILLSTRAND DAVID M. BOX 1500 HOMER AK 99603	R	E 91Q 11195R 01	65577	19971219 I	199712
HILLSTRAND JOHNATHAN M. BOX 3186 HOMER AK 99603	R	E 91Q 30375Z 01	29923	19981005 I	199810
JORGENSON JON E. 1108 NW BALLARD WAY SEATTLE WA 98107	N	E 91Q 21891N 01	40917	19980825 I	199808
MATTSEN DANIEL R. BOX 2686 POULSBO WA 98370	N	E 91Q 22253E 01	00036	19980825 I	199808
MOREHOUSE JEFFREY A. 1108 NW BALLARD WAY SEATTLE WA 98107	N	E 91Q 21647L 01	36822	19980826 I	199808
MORRIS JOSEPH R. 14427 63RD DR SE SNOHOMISH WA 98296	N	E 91Q 30343V 01	62505	19981001 I	199810

MYROLD 3244 NW MARKET ST SEATTLE WA 98107	HAROLD	N	E 91Q 20870B 01 03718	19980930 I	199809
OCHSNER 10214 BELGROVE CT NW SEATTLE WA 98177	KURT	N	E 91Q 29977W 01 25041	19980908 I	199809
POULSEN 1143 NW 45TH SEATTLE WA 98107	ERIK	N	E 91Q 21138M 01 36047	19980806 I	199808
QUASHNICK 790 SE 13TH PL WARRENTON OR 97146	RICHARD S.	N	E 91Q 21268O 01 45706	19980915 I	199809
WABEY 1600 NW 198TH SHORELINE WA 98177	JOSEPH G.	N	E 91Q 21072P 01 61111	19980831 I	199808
WALKER 4311 126TH ST CT NW GIG HARBOR WA 98332	DAVID	N	E 91Q 21954I 01 32282	19981005 I	199810

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WWWP0100-A 99-04-06 State of Alaska -- Commercial Fisheries Entry Commission

1998 Permit Holder List by Fishery and Name
[Report Description]

Fishery: E 09Q - KOREAN HAIR CRAB, POT GEAR VESSEL UNDER 60 FT, BERING SEA

Name (l,f,m,s) Address	Resi- dency	Permit & Sequence	Vessel ADF&G	Start	Emboss
GALAKTIONOFF NECTARY JR. BOX 101 SAINT PAUL ISLAND AK 99660	R	E 09Q 19532A 01	41866	19980922 I	199809

GUNDERSEN PAUL E. BOX 2 NELSON LAGOON AK 99571	R	E 09Q 11939P 01	06743	19971126 I	199711
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WVWP0100-A 99-04-06 State of Alaska -- Commercial Fisheries Entry Commission

1998 Permit Holder List by Fishery and Name
[Report Description]

Fishery: E 91QV - KOREAN HAIR CRAB, POT GEAR, BERING SEA (VESSEL PERMIT)

Name (l,f,m,s) Address	Resi- dency	Permit & Sequence	Vessel ADF&G	Start	Emboss
FV OCEAN CAPE SITUK, INC. BOX 1064 SITKA AK 99835	R	E 91QV512540 01	29923	19980914 I	199809
GARCIA, KALE & KEELING, ANGE L. 17640 SE 295TH ST KENT WA 98042	A R	E 91QV51280N 01	62505	19981001 I	199810
GUNN-WIDING ENTERPRISES 3600 15TH AVE W #202 SEATTLE WA 98119	R	E 91QV51283P 01	32282	19981005 I	199810
KRISTIAN E POULSEN ENT, INC 1143 NW 45TH SEATTLE WA 98107	R	E 91QV51250U 01 E 91QV51252F 01	33696 36047	19980902 I 19980910 I	199809 199809
MATTSEN FISHERIES, INC 4324 NE LOOKOUT LN POULSBO WA 98370	R	E 91QV51248L 01	00036	19980825 I	199808
MGF FISHERIES, INC 1108 NW BALLARD WY SEATTLE WA 98107	R	E 91QV51255H 01	36822	19980914 I	199809
NORTH PACIFIC ENTERPRISES 8005 SE 28TH ST #200 MERCER ISLAND WA 98040	R	E 91QV51090S 01	06205	19980403 I	199804
OZZIE NORDHEIM 6701 24TH NW #203 SEATTLE WA 98117	N	E 91QV51251M 02	25041	19980908	PT
PACESETTER MARINE, INC 3762 S 349TH PL AUBURN WA 98001	R	E 91QV51251M 01	21436	19980908	I

PACIF MAVERICK, INC/R.QUASHNI C. 111 QUEEN ANNE AVE N #202 SEATTLE WA 98109	K R	E 91QV51257Q 01 45706	19980915 I	199809
ROYAL VIKING, INC. 5303 SHILSHOLE AVE NW SEATTLE WA 98107	R	E 91QV51279W 01 03718	19980930 I	199809
TYNES ENT & WABEY ENT, INC. 1212 NW CULBERTSON SEATTLE WA 98177	R	E 91QV51249E 01 61111	19980831 I	199808
ZOLOTOI PARTNERSHIP BOX 1064 SITKA AK 99835	R	E 91QV51256Z 01 40917	19980914 I	199809

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WWWP0100-A 99-04-06 State of Alaska -- Commercial Fisheries Entry Commission

1998 Permit Holder List by Fishery and Name
[Report Description]

Fishery: W 22B - SCALLOPS, DREDGE, STATEWIDE

Name (l,f,m,s) Address	Resi- dency	Permit & Sequence	Vessel ADF&G	Start	Emboss
ANDREWS MICHAEL R. BOX 1547 KODIAK AK 99615	N	W 22B 19146S 01	58200	19971230 I	199801
ARAIZA JUAN A. 1636 JANKE RD VIRGINIA BEACH VA 23455	N	W 22B 28383G 01	64110	19980527 I	199805
ASP SVEND BOX 905 CORDOVA AK 99574	R	W 22B 20685A 01	22011	19980819 I	199808
BEILE ERNEST E. BOX 36 HOMER AK 99603	R	W 22B 33210U 01	64572	19980520 I	199805
BRANDT BARRY W. 118 KITTY DR GRAFTON VA 23692	N	W 22B 27743A 01	41235	19980505 I	199805
FORD ROBERT L. 501 LONDONSHIRE TER HA PTON VA 23666	N	W 22B 20934U 01	58200	19980701 I	199807
HULSE SCOTT D. BOX 770881 EAGLE RIVER AK 99577	R	W 22B 45439Q 01	60773	19980507 I	199805
JASTAD JAN 3415 166TH PL SW LYNNWOOD WA 98037	N	W 22B 28812W 01	40924	19980617 I	199806
KANDIANIS MARK BOX 1547 KODIAK AK 99615	N	W 22B 26544B 01	58200	19980209 I	199802

LEMAR	JOHN D.	N	W 22B 29226L 01 40924	19980723 I	199807
1302 CHAMBERS ST					
STEILACOOM WA 98388					
MIKKELSEN	GLENN T.	N	W 22B 29962S 01 40924	19980908 I	199809
10801 56TH PL W					
MUKILTEO WA 98275					
MINIO	TOM	R	W 22B 21872Q 01 40312	19971226 I	199712
BOX 1001					
KODIAK AK 99615					
STRICKLER	DEAN V.	N	W 22B 28886B 01 59687	19980623 I	199806
1304 WHITE MARLIN LN					
VIRGINIA BEACH VA 23464					
WATSON	RODNEY L.	N	W 22B 14648C 01 64111	19980121 I	199801
284 CHAIR RD					
NEW BERN NC 28560					

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WWWP0100-A 99-04-06 State of Alaska -- Commercial Fisheries Entry Commission

1998 Permit Holder List by Fishery and Name

[Report Description]

Fishery: W 22BV - WEATHERVANE SCALLOPS, DREDGE, STATEWIDE

Name (l,f,m,s) Address	Resi- dency	Permit & Sequence	Vessel ADF&G	Start	Emboss
CAROLINA BOY INC BOX 600 SEAFORD VA 23696	R	W 22BV51170N 01	64110	19980505 I	199805
CAROLINA GIRL II INC BOX 600 SEAFORD VA 23696	R	W 22BV51171G 01	64111	19980505 I	199805
CAROLINA QUEEN II INC BOX 600 SEAFORD VA 23696	R	W 22BV51172X 01	41235	19980505 I	199805
HIWALL, INC BOX 369 WANCHESE NC 27981	U	W 22BV51199P 01	62968	19980513 I	
OCEANIC RESEARCH SERVICES IN C. BOX 192 ESTER AK 99725	R	W 22BV51238U 01	64572	19980629 I	199806
PROVIDER INC BOX 1547 KODIAK AK 99615	R	W 22BV51125L 01	58200	19980421 I	199804
PURSUIT, INC BOX 1001 KODIAK AK 99615	R	W 22BV51102N 01	40312	19980413 I	199804

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1998 Permit Holder List by Fishery and Name
[Report Description]

Fishery: W 22HV - WEATHERVANE SCALLOPS, DREDGE, COOK INLET (VESSEL PERMIT)

Name (l,f,m,s) Address	Resi- dency	Permit & Sequence	Vessel ADF&G	Start	Emboss
ASP, SVEND & MAXINE BOX 905 CORDOVA AK 99574	R	W 22HV51247V 01	22011	19980819 I	199808

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April 20, 1999

TO: Resources Committee Members
FR: Liz Cabrera, Fisheries Committee Aide
RE: Changes to the Current Moratorium Statute under CSHB 104(FSH)

Title 16 - Fish and Game

Sec. 16.43.225. Moratorium on new entrants into certain fisheries.

(a) is repealed
& reenacted
by
Section 1
of HB 104

(a) Subject to (b) of this section, the commission may establish a moratorium on new entrants into a fishery

(1) that has experienced recent increases in fishing effort that are beyond a low, sporadic level of effort;

(2) that has achieved a level of harvest that may be approaching or exceeding the maximum sustainable level for the fishery; and

(3) for which there is insufficient biological and resource management information necessary to promote the conservation and sustained yield management of the fishery.

(b) repealed
by
Section 11
Of HB 104

(b) The commission may establish a moratorium on new entrants into a fishery described in (a) of this section if

(1) the commissioner of fish and game, subject to AS 16.05.251 (g), petitions the commission under AS 44.62.220 to establish a moratorium on new entrants into the fishery; and

(2) the commission finds that

(A) the fishery has reached a level of participation that may threaten the conservation and the sustained yield management of the fishery resource and the economic health and stability of commercial fishing; and

(B) the commission has insufficient information to conclude that the establishment of a maximum number of entry permits under AS 16.43.240 would further the purposes of this chapter.

(c) amended
by Section 2
Of HB 104

(c) The commission may establish a moratorium under this section for a continuous period of up to four years. A fishery that has been subject to a moratorium under this section may not be subjected to a subsequent moratorium

under this section unless five years have elapsed since the previous moratorium expired.

Sec. 16.43.225. Moratorium on new entrants into certain fisheries. Continued...

(d) amended
by
Section 3
Of HB 104

(d) While a moratorium is in effect, the commission shall conduct investigations to determine whether a maximum number of entry permits should be established under AS 16.43.240 by

- (1) conducting research into conditions in the fishery;
- (2) consulting with the Department of Fish and Game and the Board of Fisheries; and
- (3) consulting with participants in the fishery.

(e)
Repealed &
reenacted
by
Section 4
of HB 104

(e) The commission shall establish by regulation the qualifications for applicants for an interim-use permit for a fishery subject to a moratorium under this section. The qualifications must include the minimum requirements for past or present participation and harvest in the fishery. The commission may not issue an interim-use permit for a fishery subject to a moratorium under this section unless the applicant can satisfy the qualifications established under this subsection and establish the present ability and intent to participate actively in the fishery.

Section 5 of HB 104 adds
new subsections here.

Sec. 16.43.260. Application for initial issue of entry permits.

(a) The commission shall accept applications for entry permits only from applicants who have harvested fishery resources commercially while participating in the fishery as holders of gear licenses issued under former AS 16.05.536 - 16.05.670 or interim-use permits under AS 16.43.210(a) or 16.43.225 before the qualification date established in (d), (e), or (f) of this section. The commission may specify by regulation the calendar years of participation that will be considered for eligibility purposes.

(b) The commission shall establish the opening and closing dates, places and form of application for entry permits for each fishery. The commission may require the submission of specific verified evidence establishing the applicant's qualifications under the regulations adopted under AS 16.43.250 .

(c) When an applicant is unable to establish qualifications for an entry permit by submitting the specific verified evidence required in the application by the commission, the applicant may request and obtain an administrative adjudication of the application according to the procedures established in AS 16.43.110 (b). At

the hearing the applicant may present alternative evidence of qualifications for an entry permit.

(d) Except as provided in (e) or (f) of this section, an applicant shall be assigned to a priority classification based solely upon the applicant's qualifications as of January 1, 1973.

(e) Except as provided in (f) of this section, when the commission establishes the maximum number of entry permits for a particular fishery under AS 16.43.240 after January 1, 1975, an applicant shall be assigned to a priority classification based solely upon the applicant's qualifications as of January 1 of the year during which the commission establishes the maximum number of entry permits for the fishery for which application is made.

(f) amended by Section 6 of HB 104 to change the qualification dates

(f) When the commission establishes the maximum number of entry permits under AS 16.43.240 for a fishery that is subject to a moratorium under AS 16.43.225, an applicant for an entry permit for the fishery shall be assigned to a priority classification based solely upon the applicant's qualifications as of the effective date of the statute or regulation establishing the moratorium.

Sec. 16.43.911. Applicability of other statutes.

(a) In addition to the penalties imposed under AS 16.43.960, the commission may also revoke, suspend, or transfer all vessel permits for violations under AS 16.43.960 (a).

(b) In addition to the penalties imposed under AS 16.43.970 (a), upon a first or second conviction under AS 16.43.970, the court may in its discretion order a forfeiture of vessel permits, as well as a loss of eligibility for future issuance of vessel permits, or order a suspension of fishing rights under vessel permits held or to be held for a period of not more than three years. Upon a third conviction under AS 16.43.970, all vessel permits held are forfeited, and the vessels for which the permits are issued lose eligibility for future issuance of vessel permits for a period of three years.

(c) Notwithstanding AS 16.05.815 and AS 16.43.975, the commission may release to the owner of a vessel information on the vessel's history of harvests in a fishery that is necessary to apply for a vessel permit under AS 16.43.901 - 16.43.906.

(d) AS 16.43.901 - 16.43.911 do not alter the requirement for an interim-use permit or entry permit under AS 16.43.140 or a vessel license under AS 16.05.490 - 16.05.530.

Section 7 of HB 104 adds a section (f) here.

(e) Nothing in AS 16.43.901 - 16.43.911 limits the powers of the Board of Fisheries or the Alaska Department of Fish and Game.

Section 8 of
HB 104
repeals
Section 5.

Section 5, ch. 126, SLA 1996.

AS 16.43.901 (Korean Hair Crab Moratorium) is repealed July 1, 2000.

Section 9 of
HB 104
repeals
Section 6.

Section 6, ch. 97 SLA 1997.

AS 16.43.906 (Weathervane Scallop Moratorium) and AS 16.43.911 is repealed July 1, 2001.

Section 10 of
HB 104
repeals
AS 16.43.911

Sec. 16.43.911. Applicability of other statutes.

(a) In addition to the penalties imposed under AS 16.43.960 , the commission may also revoke, suspend, or transfer all vessel permits for violations under AS 16.43.960 (a).

(b) In addition to the penalties imposed under AS 16.43.970 (a), upon a first or second conviction under AS 16.43.970 , the court may in its discretion order a forfeiture of vessel permits, as well as a loss of eligibility for future issuance of vessel permits, or order a suspension of fishing rights under vessel permits held or to be held for a period of not more than three years. Upon a third conviction under AS 16.43.970 , all vessel permits held are forfeited, and the vessels for which the permits are issued lose eligibility for future issuance of vessel permits for a period of three years.

(c) Notwithstanding AS 16.05.815 and AS 16.43.975 , the commission may release to the owner of a vessel information on the vessel's history of harvests in a fishery that is necessary to apply for a vessel permit under AS 16.43.901 - 16.43.906.

(d) AS 16.43.901 - 16.43.911 do not alter the requirement for an interim-use permit or entry permit under AS 16.43.140 or a vessel license under AS 16.05.490 - 16.05.530.

(e) Nothing in AS 16.43.901 - 16.43.911 limits the powers of the Board of Fisheries or the Alaska Department of Fish and Game.

Section 11 of
HB 104
repeals
the following
sections

AS 16.05.050 (a) The commissioner has, but not by way of limitation, the following powers and duties:

(19) to petition the Alaska Commercial Fisheries Entry Commission, unless the Board of Fisheries disapproves the petition under AS 16.05.251(g), to establish a moratorium on new entrants into commercial fisheries

(A) that have experienced recent increases in fishing effort that are beyond a low, sporadic level of effort;

(B) that have achieved a level of harvest that may be approaching or exceeding the maximum sustainable level for the fishery; and

(C) for which there is insufficient biological and resource management information necessary to promote the conservation and sustained yield management of the fishery.

AS 16.05.251(g):

(g) The Board of Fisheries shall consider a request of the commissioner for approval of a petition to the Alaska Commercial Fisheries Entry Commission to establish a moratorium on new entrants into a commercial fishery under AS 16.43.225 at the board's next regular or special meeting that follows the receipt by the board of the request for approval of the petition and that allows time for the notice required under this subsection. The board may consider the request of the commissioner for approval of the petition only after 15 days' public notice of the board's intention to consider approval of the petition. The board shall consider whether the commissioner, in support of the request for approval of the petition, has adequately shown that the fishery meets requirements for a moratorium on new entrants under AS 16.05.050. The board by a majority vote of its members at the meeting when the petition must be considered shall approve or disapprove the petition.

FISCAL NOTE

No: 1

STATE OF ALASKA
1999 LEGISLATIVE SESSION

I Version: CSHB 104(FSH)
(H) Publish Date: 3/10/99

Revision Date/Time (Note if correction) _____ Dept. Affected: Fish and Game
 Title An Act revising the procedures and authority of the Alaska Commercial Fisheries Entry Commission, the Board of Fisheries, and ... BRU: Commercial Fisheries (Limited) Entry Commission
 Component: Limited Entry Program Administration
 Sponsor Rep. Hudson
 Requester Rep. Hudson - House Fisheries Committee COMPONENT SERIAL NO. 0471

(Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

EXPENDITURES/REVENUES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
OPERATING EXPENDITURES						
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 EXPENDITURES						
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

(Thousands of Dollars)

FUND SOURCE	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: \$ 0.0

POSITIONS

POSITIONS	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact

Prepared by Roger Kolden Phone 790-6950
 Agency Commercial Fisheries (Limited) Entry Commission Date/Time 02/19/99

Approved by Commissioner Bruce Twomley Date: 02/22/99
 Agency Commercial Fisheries (Limited) Entry Commission

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COMMITTEES
CHAIR
Fisheries Committee
Utility Restructuring Committee
MEMBER
State Affairs Committee
Transportation Committee

Sponsor Statement

CSHB 104 (FSH)

Entry Moratorium on Participants and Vessels

HB 104 amends the existing moratorium law to provide for a streamlined and effective process to better manage Alaska's fisheries resources. The current moratorium statute has proven cumbersome and unworkable.

The current process involves multiple steps whereby a fisherman seeking a moratorium must first go to the Commissioner of Fish and Game, who, in turn, must seek authorization from the Board of Fisheries. If the Fish Board authorizes the Commissioner to go forward, the Commissioner may then petition the Commercial Fisheries Entry Commission (CFEC) to provide a moratorium. The CFEC is then authorized to go forward if it can make findings as required by statute. Unfortunately, the standards set forth in statute are difficult to understand and mutually inconsistent.

This cumbersome and confusing process prevents quick response in fisheries that are growing too rapidly to ensure effective management. As a result, both the resource and the economic livelihood of the participants could be jeopardized. In some situations, ADF&G's only recourse is to close the fishery or refuse to open a new fishery if effort cannot be controlled.

HB 104 allows petitioners to request a moratorium directly from the CFEC. A moratorium would be established if the CFEC found that it was necessary "to promote the conservation and sustained yield management of the resource and the economic health and stability of commercial fishing in the state."

HB 104 authorizes the CFEC to implement a moratorium on entry of new vessels into a fishery as well as participants. This new authority provides an additional management tool for fisheries when a number of different skippers are used on one vessel.

Under the current statute, eligibility to participate during a moratorium is based solely on past participation. This requirement precludes the use of a moratorium in new

fisheries or closed fisheries. HB 104 allows the CFEC to implement a moratorium on a new or closed fishery if a fishery could not be opened because the participation levels may be sufficiently large to cause a conservation concern. Eligibility for the moratorium would be based on other reasonable standards such as participation in similar fisheries.

Additionally, HB 104 allows the state to extend its moratorium authority to offshore fisheries adjacent to state waters when consistent with federal law. The bill also includes provisions authorizing the CFEC to extend the current moratoria on the Korean Hair Crab and Weathervane Scallop fisheries for an additional two years if necessary.

Improving the moratorium law is consistent with our concern for developing and protecting jobs as well as streamlining government and resource protection.

STATE OF ALASKA

COMMERCIAL FISHERIES ENTRY COMMISSION

TONY KNOWLES, GOVERNOR

8800 GLACIER HWY, #109
JUNEAU, AK 99801

(907) 789-6150 Licensing Calls
(907) 789-6160 Other Business
(907) 789-6170 FAX
(907) 789-6180 BBS

INTERNET: www.cfec.state.ak.us

March 17, 1999

The Honorable Scott Ogan, Co-chairman
The Honorable Jerry Sanders, Co-chairman
House Resources Committee
State Capitol
Juneau, AK 99801

Dear Representatives Ogan and Sanders:

The Commercial Fisheries Entry Commission (CFEC) respectfully requests the scheduling of House Bill 104, relating to fisheries moratoria, for a hearing by the House Resources Committee. The bill was recently passed by the House Fisheries Committee with all "do pass" recommendations. A similar measure passed the House unanimously during the last legislative session, but died in the Senate Rules committee awaiting calendaring at the end of last year.

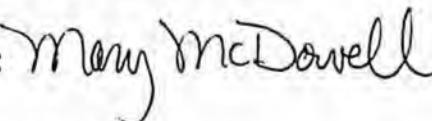
While current state law does contain a provision authorizing CFEC to enact fisheries moratoria, the statute provides for such a cumbersome and unworkable process that it has never been used. By improving the moratorium law, HB104 would provide an important fisheries management tool. It would allow the temporary capping of participation levels in a quickly growing commercial fishery to prevent over-fishing or over-capitalization, and provide a window of time for researching the resource, the fishery, and options for ensuring sound future management. The legislature has embraced the moratorium as a useful approach to getting a handle on a growing fishery, as evidenced by the three moratoria which the legislature has adopted by statute in the last couple of years. HB104 would not impair the legislature's ability to impose moratoria by statute.

We would very much appreciate your scheduling HB 104 for a Resources Committee hearing. We would be happy to provide you with additional information and to testify before your committee on this important legislation. Thank you for your consideration.

Sincerely,

COMMERCIAL FISHERIES ENTRY COMMISSION

Marlene Johnson, Commissioner
Mary McDowell, Commissioner
Bruce Twomley, Chairman

by: 

TONY KNOWLES
GOVERNOR



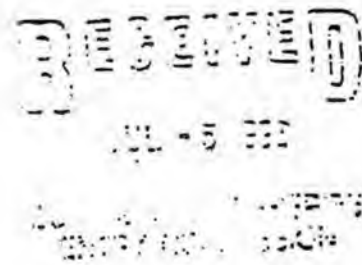
STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
FAX (907) 465-3532

July 3, 1996

The Honorable Drue Pearce
President of the Senate
716 W. 4th Avenue, Suite 500
Anchorage, AK 99501-2133

The Honorable Gail Phillips
Speaker of the House
716 W. 4th Avenue, Suite 620
Anchorage, AK 99501-2133



Dear President Pearce and Speaker Phillips:

Today I am signing House Bill 547, establishing a four-year moratorium on entry into the Southeast Alaska dive fisheries, and House Bill 538, establishing a four-year moratorium for the Bering Sea Korean hair crab fishery and providing for a vessel permit limited entry system. While there are important pragmatic reasons to implement provisions of these bills, I am concerned about the legislation from a public policy and resource management standpoint.

Addressing management of specific fisheries through legislation is not the ideal approach. Alaska's fisheries management system has proven highly effective in maintaining healthy and sustainable resources because it is run by scientists, professional fisheries administrators, and boards and commissions, rather than through the legislative process.

However, over the last few years, situations in several developing fisheries have pointed out that the provisions in existing law regarding the imposition of a moratorium are cumbersome and ineffective. The lack of sufficient funding for the Department of Fish and Game to conduct needed biological research on new or developing fisheries aggravates this situation. Thus, in fisheries such as those addressed in HB 547 and HB 538, we find ourselves having to quickly impose a moratorium through legislation to prevent damage to a fragile resource or the economic health and stability of a dynamic fishery.

Given the current lack of workable alternative approaches, I recognize several compelling reasons for signing these bills. These include:

- Significant increases in numbers of participants, both recent and anticipated, and the lack of adequate information threaten the conservation of stocks and the stability of these fisheries.
- Severe budget constraints on the Department of Fish and Game prevent gathering of sufficient information and necessitate conservative management of these fisheries.
- A veto of these bills and return to open access could create a stampede into these fragile fisheries. A moratorium will allow a "time out" for proper evaluation to ensure a well managed fishery providing conservation of the resources and sustained economic opportunity for Alaskans in the future.
- The bills establish moratoriums of set duration, not permanent limitations. Nor do they require limited entry. The moratoriums will provide opportunity for public participation in the design of future management options for each of the fisheries, as well as cooperation between the Commercial Fisheries Entry Commission, the Department of Fish and Game, and the Board of Fisheries.

As these bills demonstrate, we need to develop new statutes that provide our professional fisheries managers with the means to easily establish a moratorium in a particular fishery when the need arises. Therefore, I am directing the Commercial Fisheries Entry Commission to work with the Department of Fish and Game to review existing statutes and to recommend changes to make the fishery moratorium provisions more workable and effective.

I will provide the legislature with the results of this review and look forward to working with its members on amending our statutes. The goal is to avoid the need for future emergency legislation for our developing fisheries as exhibited by these two bills.

Sincerely,



Tony Knowles
Governor

cc: Commissioner Frank Rue
Dept. of Fish and Game

Bruce Twomley, Chair,
Commercial Fisheries Entry Commission

HB

109

HOUSE COMMITTEE REPORT

(9)

Date Referred to Committee: March 17, 1999

FURTHER REFERRALS:

Date of Committee Action: 3-31-99

The RESOURCES Committee considered:

HB 109

HOUSE BILL NO. 109

GLACIER BAY NATIONAL PARK

"An Act relating to management of fish and game in Glacier Bay National Park and Preserve and navigable waters."

recommends it be replaced with the following committee substitute CS HB 109 (RES) the same title
 a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal note(s) _____

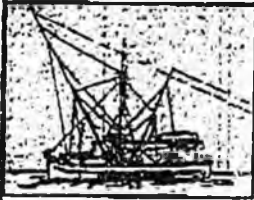
fiscal note(s) _____

zero fiscal note(s) _____

zero fiscal note(s) Div F+WP 3/4/99,
Div. Com Fish 3/1/99, Div. Spt. Fish. 3/1/99

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>	✓			
<i>John P. Harris</i>	✓			
<i>[Signature]</i>			✓	
<i>Tamara Barnes</i>	✓			
<i>[Signature]</i>	✓			
<i>Scott Dan</i>	✓			

CHAIR'S SIGNATURE *Scott Dan*



Alaska Trollers Association

130 Seward St., No. 505
Juneau, Alaska 99801
(907) 586-9400
(907) 586-4473 Fax

March 23, 1999

Representative Scott Ogan, Chairman
House Resources Committee
Alaska State Legislature
Juneau, AK 99811

Dear Representative Ogan:

The Alaska Trollers Association (ATA) is generally supportive of HB109. ATA believes that the state has jurisdiction over fish and game in all waters of the state, including those adjacent to Glacier Bay National Park.

While ATA strongly supports the notion that Alaska should manage its fisheries, there are portions of your bill, which we do not fully understand. Hopefully you will clarify on the record your intent on the following points:

1. If the state is not allowed to expend funds to "adopt, enforce, or otherwise assist in the implementation of the federal regulatory program...in the park", will that preclude ADFG and CFEC from assisting fishermen who are slated for compensation programs? Will ADFG still be able to generate numbers and work with fishermen to minimize the impact of federal actions (e.g. park management plan)? There are significant issues that fishermen will confront as the regulatory and statutory process moves ahead. The assistance of the state will be needed to ensure a good outcome for our families and communities.
2. Is the mandate not to "adopt, enforce, or otherwise assist in the implementation of the federal regulatory program" limited only to the Park? Will this measure in any way impact fisheries that the state has been delegated management authority for by another body, such as the North Pacific Fishery Management Council or the International Pacific Halibut Commission? Since salmon and halibut fisheries occur in many waters where the state has not "assented to federal control", our members are deeply concerned about the ramifications of this provision on their fisheries.

ATA appreciates your efforts on our behalf and hope that some clarifying language can be generated to address the above issues.

Sincerely,

Dale A. Kelley
Executive Director

House Resources
HIB 109 Glacier Bay National Park
March 24, 1999

Communities near Glacier Bay National Park need adequate opportunities to maintain their economic and social survival. We request the continued fair and reasonable opportunity to fish in Glacier Bay National Park, to help alleviate the growing social economic crisis within our community. We have traditionally depended on the marine resources for our economic and social well being. We wish to maintain the ability to diversify our local economies and maintain stable long term employment. No actions should be taken to restrict the exercise of valid commercial fishing rights or privileges. There is a long-term pattern of commercial and subsistence taking of fish resources within the marine waters of Glacier Bay National Park. Local residents from communities in close proximity are a natural part of the ecosystem and are dependent upon the harvesting of marine resources as a part of their economic survival. These communities are economically and socially integrated to the commercial fishing lifestyle. The State of Alaska and the Secretary of Interior have an obligation to protect the pattern of use of commercial fishing, consisting of methods and means of harvest which are characterized by a reliance that provides to the economic well-being of our community. The City of Pelican has a direct dependence on the continuation of commercial fishing within Glacier Bay National Park. It is essential the State of Alaska continue to assert state jurisdiction of all fish & game within marine navigable state boundaries. Thank you for your continued support of fishing in Glacier Bay National Park.

Patricia Phillips
P.O. Box 33
Pelican, Alaska 99832
907-735-2240

Pelican City Council Member
F/V Pacific Dawn: commercial fishing

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 109

Revision Date/Time (Note if correction) _____ Dept. Affected Fish and Game
 Title GLACIER BAY NATIONAL PARK BRU Commercial Fisheries
 Component Southeast Region Fish Management
 Sponsor Rep. Ogan
 Requester House WTR Component Serial No. 2167

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by Duffy, Acting Deputy Director Kevin C. Duffy Phone 465-6151
 Division Division of Commercial Fisheries Date/Time 3/1/99 4:14 PM
 Approved by Commissioner Frank Rue *Kevin Bruce for* Date 3/1/99
 Agency Alaska Department of Fish and Game

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FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 109

Revision Date (Note if correction) _____ Dept. Affected: Fish and Game
 Title Glacier Bay National Park BRU Sport Fish
 Component Sport Fish
 Sponsor Representative Ogan
 Requester House WTR Component Serial No. 464

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
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 EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES (1002)	0.0	0.0	0.0	0.0	0.0	0.0
----------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other -- F&G Fund (1024)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Enactment of this bill will not affect the Division of Sport Fish therefore a zero fiscal note is being submitted.

Prepared by Kevin Delaney, Director
 Division Sport Fish
 Approved by Commissioner Beron Bruce
 Agency Alaska Department of Fish and Game

Phone 465-4180
 Date 2/25/99
 Date 3/1/99

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FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO: HB109

Revision Date: _____ Dept. Affected: Public Safety
 Title: An Act relating to management of fish and game BRU: Fish and Wildlife Protection
in Glacier Bay National Park and Preserve Component: Detachments
 Sponsor: Representative Ogan,
 Requestor: _____ COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES: (Thousands of Dollars) (inflation not included)

OPERATING	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
CHANGE IN REVENUES () Revenue Code	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
Other						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

Estimate of current year (FY 99) impact: \$ -0-

POSITIONS:

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

ANALYSIS: (Attach a separate page if necessary.)

This bill is inconsistent with divisional objectives, but will not adversely impact the budget.

Prepared By: Lieutenant Howard R. Starbard Phone: 746-9107
 Division: Fish and Wildlife Protection Date: February 26, 1999
 Approved by Commissioner: *Ronald L. Ote* Date: 3-4-99
 Agency: Ronald L. Ote, Department of Public Safety

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SPONSOR STATEMENT

House Bill 109

"An Act relating to management of fish and game in Glacier Bay National Park and Preserve and navigable waters."

HB 109 adds Glacier Bay National Park to existing statute (AS 16.20.010) affirming the State of Alaska has not assented to federal control in that area.

The existing statute recognizes the state has jurisdiction over all fish and game within state boundaries except in those areas where it has assented to federal control.

HB 109 also adds a section to AS 16.20.010 which includes language from a U.S. Supreme Court case, *New York v. United States (1992)*, "...the federal government cannot commandeer the lawmaking process of the states to compel the state to enact and enforce a federal regulatory program."

The new section further strengthens the state's position with language asserting the state may not expend funds to adopt, enforce, or otherwise assist in the implementation of the federal regulatory program for control of fish and game in the park.

Recent activity by the U.S. Department of Interior sparked the introduction of this bill. HB 109 affirms that the State of Alaska supports continuing traditional activities, such as commercial and subsistence fishing, in Glacier Bay National Park and Preserve.

Article 01. STATE GAME REFUGES

Sec. 16.20.010. Legislative recognition.

The legislature recognizes that

(1) the state has jurisdiction over all fish and game in the state except in those areas where it has assented to federal control;

(2) the state has not assented to federal control of fish and game in those areas which were set apart as National Bird and Wildlife Refuges while the state was a United States territory;

(3) special recognition of the value to the state and the nation of areas of unspoiled habitat and the game characteristic to it will be demonstrated by designating as state game refuges those federal lands which were National Bird and Wildlife Refuges or Ranges at the time that Alaska achieved statehood.

History -

(Sec. 1 ch 114 SLA 1960)

Collateral Refs -

38 C.J.S., Game, Sec. 7, 8, 15.

Article Notes -

Opinions of the Attorney General. For a discussion of the authority of the Department of Natural Resources and

Subject: glacier Bay waters

Date: Fri, 05 Mar 1999 09:28:28 -0900

From: "Marlin E. Benedict" <fishing@seapac.net>

To: Fairbanks_LIO@legis.state.ak.us

Marlin Benedict wrote:
Box 301
Wrangell Alaska 99929

To The My State (Alaska) Representatives;

You (the state of Alaska) have my hopes and prayers that you win the law suit against the Federal Government over Glacier Bay, navigable waters, and the lands under the waters. If you do not win I see them (USFS) claiming the same on wilderness areas and in fact they are even now claim this here in Wrangell with the Stikine river but have not tried it in court.

If Alaska can not manage Alaska for Alaskan's we have truly have lose are freedom to kept Alaska a place for those who live here first. >From our wildlife to our fishes and land. We see here in Wrangell the federal government destroying a way of live, just so the USFS can make us like the rest of the US. Leases on federal lands have doubled this year. One USFS personal said we want you to rent our cabins and do away with yours. We are seeing changes in our way of life that not useful or my any sense. How long before we need a permit to park our car to enjoy a picnic or pick berries or walk on a trail. John Murr would have been put in jail now days for the things he did and he is the forest service hero.

Please win for Alaska what is Alaska's. Do not let them walk all over us because were different and small. We like it that way. Wild and free!

Keep Alaska for Alaskan's and visitors as visitors.

Marlin E. Benedict
Box 301
Wrangell Alaska 99929
(907)874-2590
email: fishing@seapac.net

9450 Herbert Place
Juneau, Alaska 99801
PH #789-7516

March 4, 1999

The Honorable Representative Scott Ogan
Alaska Legislature

Dear Representative Ogan,

Glacier Bay Fisheries

Recently employees of the National Park Service, wearing Firearms, contacted Alaska Fishermen in Glacier Bay National Park, boarding their vessels, and causing the Fishing People to be frightened and intimidated.

These fishermen were conducting legal operations as set forth by the Alaska Department of Fish & Game, in State waters.

The action by the National Park Service exceeded their authority, and violates the Sovereignty of the State of Alaska to manage Fisheries within State boundaries.

The Right of the State of Alaska to manage Fisheries is guaranteed by Historical Precedent in that No State has ever been denied such Management, and is a Primary Reason why Alaskans voted for Statehood, so as to obtain management of our own affairs and resources, especially Fisheries.

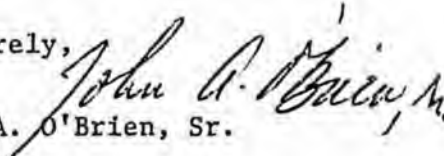
I respectfully urge Passage of your Bill about Fisheries in Glacier Bay, and action by our U.S. Congressional Delegation, and Governor Knowles to protect Alaskans from Federal Agents. It is recommended that Federal employees cease & desist from wearing Firearms when Alaskans are conducting legal operations in peaceful assembly.

Anything less is to let Federal Departments of the National Park Service, and also notably the U.S. Forest Service, to subject Alaska to an expanding Police State atmosphere.

These agencies over time have assumed the position that Government Agencies and employees are more powerful than the People, whereas the genius Founding Fathers of our Country intended that the People are supposed to be more Powerful than the Government.

Thank you for the opportunity to express my views on behalf of Alaska.

Sincerely,

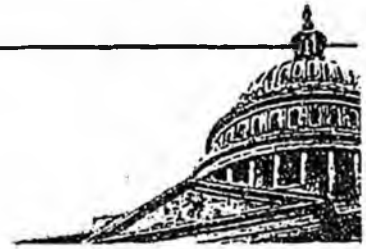

John A. O'Brien, Sr.

cc: Senator Stevens
Senator Murkowski
Representative Don Young
Governor Knowles
Senator Elton
Representative Hudson
Representative Kertula

NEWS FROM THE OFFICE OF

FRANK MURKOWSKI

United States Senator • Alaska



For Immediate Release:
March 3, 1999

Contact: Chuck Kleeschulte or Cindi Bookout
O (202) 224-9306; H (301) 283-4149; O 224-8767
(Email: chuck_kleeschulte@murkowski.senate.gov)

MURKOWSKI RESPONDS TO BABBITT COMMENTS ON GLACIER BAY

WASHINGTON -- The following memorandum presented to Department of the Interior Secretary Bruce Babbitt this morning is a response by Sen. Frank Murkowski to comments made during a hearing into the Glacier Bay issue on Tuesday, March 2.

The Senator had promised such a response during the hearing.

See attached memorandum...

FRANK H. MURKOWSKI
ALASKA

COMMITTEES:

CHAIRMAN
ENERGY AND NATURAL RESOURCES

FINANCE
VETERANS' AFFAIRS
INDIAN AFFAIRS

United States Senate

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851 E. WESTPOINT DRIVE, SUITE 207
WASILLA, AK 99854-7142
(907) 376-7865

MEMORANDUM

March 3, 1999

TO: Secretary Babbitt
FROM: Frank Murkowski
RE: Glacier Bay Fishing

During our exchange yesterday on Glacier Bay fishing, you indicated that fishermen may have disagreed with the policy, but not the methods, of the National Park Service.

I disagreed, saying that the methods were also questionable. The fishermen back me up when I say that the Park Service rangers, while polite, were not simply making requests for voluntary compliance with the closures... the fishermen on the boats being boarded felt that they had no choice but to remove their gear and move.

Here are some comments of the fishermen and observations of others in Alaska that support my contention:

"They have a person with a gun... the people in the (ranger) boat are taking evidence with a camera... I didn't think we had any other option than to remove our gear." - Ken Eichner of Ketchikan

"The Park Service later tried to put a benign spin on their actions, painting them as purely informational and educational vessel boardings... That's hardly the way it came across to fishermen, however. When a gun-toting park ranger tells you to leave an area, he's telling you to leave, not asking." - Juneau Empire Editorial 2/28/99

Crabber Joe Place of Juneau figures he and his crew lost about \$30,000 in gross revenues after they were pressured last week to move their boat out of waters they have fished for years. - 2/23 Juneau Empire Report

"It was inappropriate and unprofessional for the Park Service to tell crabbers about the closures during the season." - Alaska House Fisheries Committee staffer Liz Cabrera.

Here are some other relevant facts that underscore the seriousness and economic impact of the Park Service's actions:

- The 1999 tanner crab fishery was from 12:00 noon Monday 2/15 to 12:00 noon Sunday, 2/21. Statistical analysis of this 6-day fishery indicates that the first two days are critical. In the first two days, catch per vessel falls off rapidly, from 6,000-9,000 crab per day to about 3,000 crab per day. This is a drop from earnings of \$38,000 to \$57,000 per day to earnings of less than \$20,000 per day.
- This year, during the first day and later, 11 of the 14 vessels fishing in Glacier Bay were boarded by armed personnel. A number of those boarded were forced to move or prevented from fishing in their intended area. We have confirmed four of these cases with the Petersburg Vessel Owners Association, which represents most of the crabbers, and have been told of others.
- NPS now says it was conducting "education" and simply asking for voluntarily cooperation with closures made by last year's legislation. However, the fishermen did not feel they were being given a choice, and the NPS had not promulgated regulations for those closures.
- In explaining her actions, the Superintendent also makes the statement that NPS "options" include closing the entire bay until the permitting system and eligibility issues are all finalized. This is clearly contrary to the intent of Congress.

Mr. Secretary, rangers were polite and courteous, but the fact is, armed parties told fishermen they were in closed areas and subject to being cited. Fishermen were not told that they had a choice. This is not consistent with what the Park Superintendent later said was her intention.

This fishery has occurred in Glacier Bay for many years and its scheduling is well-known. NPS could easily have avoided this by contacting fishermen before the season.

Forcing the issue during the first day of the season caused serious economic losses. Was this intentional?

HB

114

Board of Game
PO Box 25526
Juneau, AK 99802

Honorable Scott Ogan, Co-Chair
House Resources Committee
State Capitol Building, Room 128
Juneau, AK 99801-1182

MAR 26 1999

March 24, 1999

Dear Representative Ogan:

In official action at the March meeting of the Alaska Board of Game, the board has endorsed SB-74, same-day airborne for wolves by Department agents, and HB-114, eliminating the annual requirement for reauthorization of antlerless moose hunts.

The board recognizes the importance of predator control in managing Alaska's resources, and feels that the passage of Ballot Measure 3 in 1996 severely restricted the board's and the Department's ability to implement such action. By allowing Department personnel and agents to use same-day-airborne, and eliminating the "irreversible decline" clause, we feel that management of the state's wolves will be more readily attainable.

Regarding the reauthorization of antlerless moose hunts, the board agrees that the requirement to do so annually is a burden on the system. With our regional 2-year meeting cycle, the Department must have personnel travel long distances to address these reauthorizations. In cases where the hunt may not occur due to population estimates or bull:cow ratios, the hunt is reauthorized anyway, so that it is not lost in the future. By eliminating the annual reauthorization requirement, the board and Department will have more flexibility in using antlerless hunts in managing moose populations.

We encourage passage of both bills, and encourage distribution of this letter to other concerned legislators.

Sincerely,



Michael Fleagle,
Member, Board of Game

FISCAL NOTE

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL NO. HB 114

Revision Date (Note if correction) _____ Dept. Affected: Fish and Game
 Title Repeal Prohibition Antlerless Moose BRU Boards of Fisheries and Game
 Component Boards Services
 Sponsor Rep. Masek
 Requester (H) RES Component Serial No. 482

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05
Personal Services	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Travel	(4.2)	(4.2)	(4.2)	(4.2)	(4.2)	(4.2)
Contractual	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)	(3.5)
Supplies	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES (1024)	0.0	0.0	0.0	0.0	0.0	0.0
----------------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other -- F&G Fund (1024)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)
TOTAL	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)	(8.9)

Estimate of any current year (FY99) cost: 0.0

POSITIONS

Full-time	0	0	0	0	0	0
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

A breakdown in cost savings is as follows: Personal Services--overtime for staff; Travel--per diem and board member honorarium; Contractual--printing, room rent, coffee; Supplies--office supplies.

Prepared by Laird Jones, Executive Director *Laird Jones* Phone 465-6098
 Division Boards Support Section, Div. of Administration Date 3/3/99
 Approved by Commissioner *[Signature]* Date 3/12/99
 Agency Alaska Department of Fish and Game

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Representative Beverly Masek

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Sponsor Statement for HB 114

Anterless Moose Hunts

HB 114 will remove the statutory stipulation requiring Advisory Committees to approve anterless hunts before the Board of Game can implement them. This will effectively reduce the time involved in implementing anterless hunts, as well as save approximately ten to twenty thousand dollars.

Since 1975 the State Board of Game has been required to obtain the approval of a majority of the local advisory committees in proximity to the game management unit for which the hunt is proposed. To date, this requirement has caused the Department and the Board a great deal of time and some expense to pursue anterless moose hunts. Originally this provision was instigated on behalf of Alaskans who felt cow moose hunts were wrong for a variety of reasons regardless of biological evidence. Since then the Department has managed to educate most Alaskans about the benefits of anterless hunts in relation to overall population dynamics and quality of habitat. Because of that effort anterless hunts are rarely opposed today.

Anterless moose hunts have rarely been opposed under the current system and Advisory Committees still have considerable clout within the Board of Game process. If a majority of the Advisory Committees wished to stop an anterless hunt, experience shows that the Board of Game will go along with them 99% of time.

HB 114 will benefit the State and the Board of Game by streamlining the regulatory process providing a cost savings to the state in time and money.

Article 06. MISCELLANEOUS PROVISIONS

Sec. 16.05.780. Taking of antlerless moose prohibited.

(a) The taking of antlerless moose in any game management unit or subunit or a portion of a unit or subunit is prohibited except that antlerless moose may be taken only under regulations adopted under (b) of this section after

(1) the department recommends the season be opened in that year, based on biological evidence, and

(2) a majority of active local advisory committees for that unit or subunit have recommended an opening for that year, after each has taken a vote and a majority of the members of those committees have voted in the affirmative.

(b) Pursuant to (a) of this section the board, in its regularly scheduled annual game board meeting, may adopt regulations for the taking of antlerless moose in any game management unit or subunit in any year.

History -

(Sec. 1 ch 113 SLA 1975)

Decisions -

Quoted in *Bobby v. Alaska*, 718 F. Supp. 764 (D. Alaska 1989).

HB

116

FISCAL NOTE

STATE OF ALASKA
2000 LEGISLATIVE SESSION

BILL NO. HB 116 ver X

Revision Date/Time: _____	Dept Affected: <u>Natural Resources</u>
Title: <u>Board of Agriculture and Conservation</u>	BRU: <u>Agricultural Develop., ARLF Prog Admin.</u>
Sponsor: <u>Rep. James</u>	Component: <u>Agricultural Development, NL Plant</u>
Requestor: <u>(H)RES</u>	Component No: <u>455, 2204 and 2235</u>

Expenditures/Revenues (Thousands of Dollars)
 Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES						
TRAVEL	9.0	9.0	9.0	9.0	9.0	9.0
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	9.0	9.0	9.0	9.0	9.0	9.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES (fund code)	***	***	***	***	***	***

(Thousands of Dollars)

FUND SOURCE	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1021 ARLF	9.0	9.0	9.0	9.0	9.0	9.0
TOTAL	9.0	9.0	9.0	9.0	9.0	9.0

Estimate of any current year (FY2000) cost: \$ none

POSITIONS

	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

FY01 and future costs are difficult to quantify since proposed legislation creates a new level of government.

Currently the Agricultural Revolving Loan Fund Board meeting expenses are approximately \$9.0 per year for travel related meeting expenses for 8 meetings a year, the minimum set by statute. These costs can be higher depending on where a board member lives, the number of meetings held, or if all seven seats are filled during the year. There are no costs to the Division of Agriculture for the creamery corporation meetings. The new board of agriculture, it would be reasonable to assume, would need to meet initially at least twice as many times or more (16) since the proposed board has an expanded mission and operates as an independent unit. We estimate at least \$9.0 increase in meeting expenses. This \$9.0 is reflected in the fiscal note.

Prepared by: <u>Robert Wells</u> <i>[Signature]</i>	Phone: <u>907-745-7200</u>
Division: <u>Division of Agriculture</u>	Date: <u>31-Jan-00</u>
Approved by Commissioner: <u>John Shively</u> <i>[Signature]</i>	Date: <u>1-31-2000</u>
Agency: <u>Natural Resources</u>	

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Until it is clarified what additional responsibilities (i.e. administer land sale contracts) we have to assume new administrative costs. It is unknown how many exempt staff the board may hire. Currently the Division of Agriculture - excluding the North Latitude Plant Materials Center has 16 full time positions and 2 part time positions. The new legislation allows for hiring of staff by a director appointed by the board. We do not know what staff this might include or the associated costs. We do not know if this staff would replace current staff or be an addition. Also, some Division of Mining, Land and Water functions are pulled into the proposed new organization.

*** Based on loans issued in FY99, each percent decline in the interest rate of ARLF loans will result in a corresponding decline in interest revenue that averages approximately \$20,000 annually over a five-year period.

Also the exiting portfolio could eventually participate in any offered reduction through requested loan modifications, which would further reduce interest income.

FISCAL NOTE

STATE OF ALASKA

BILL NO. HB 116 ver X

2000 LEGISLATIVE SESSION

Revision Date/Time: <u>07-Feb-00</u>	Dept Affected: <u>Natural Resources</u>
Title: <u>Board of Agriculture and Conservation</u>	BRU: <u>Agricultural Develop., ARLF Prog Admin.</u>
Sponsor: <u>Rep. James</u>	Component: <u>Agricultural Development</u>
Requestor: <u>(H)RES</u>	Component No <u>455, and 2235</u>

Expenditures/Revenues (Thousands of Dollars)
 Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006
PERSONAL SERVICES						
TRAVEL	9.0	9.0	9.0	9.0	9.0	9.0
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	9.0	9.0	9.0	9.0	9.0	9.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES (fund code)	(22.1)	(29.8)	(37.0)	(43.6)	(49.4)	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
1021 ARLF	9.0	9.0	9.0	9.0	9.0	9.0
TOTAL	9.0	9.0	9.0	9.0	9.0	9.0

Estimate of any current year (FY2000) cost: \$ none

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

FY01 and future costs are difficult to quantify since proposed legislation creates a new level of government.

Currently the Agricultural Revolving Loan Fund Board meeting expenses are approximately \$9.0 per year for travel related meeting expenses for 8 meetings a year, the minimum set by statute. These costs can be higher depending on where a board member lives, the number of meetings held, or if all seven seats are filled during the year. There are no costs to the Division of Agriculture for the creamery corporation meetings. The new board of agriculture, it would be reasonable to assume, would need to meet initially at least twice as many times or more (16) since the proposed board has an expanded mission and operates as an independent unit. We estimate at least \$9.0 increase in meeting expenses. This \$9.0 is reflected in the fiscal note.

Prepared by: <u>Robert Wells</u> <i>[Signature]</i>	Phone: <u>907-745-7200</u>
Division: <u>Division of Agriculture</u>	Date: <u>07-Feb-00</u>
Approved by Commissioner: <u>John Shively</u> <i>[Signature]</i>	Date: <u>2-7-00</u>
Agency: <u>Natural Resources</u>	

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Until it is clarified what additional responsibilities (i.e. administer land sale contracts) we have to assume new administrative costs. It is unknown how many exempt staff the board may hire. Currently the Division of Agriculture - excluding the North Latitude Plant Materials Center has 16 full time positions and 2 part time positions. The new legislation allows for hiring of staff by a director appointed by the board. We do not know what staff this might include or the associated costs. We do not know if this staff would replace current staff or be an addition. Also, some Division of Mining, Land and Water functions are pulled into the proposed new organization.

Changes in Revenue:

Based on loans issued in FY99, each percent decline in the interest rate of the Agricultural Revolving Loan Fund loans will result in a corresponding decline in interest revenue that averages approximately \$20.0 annually over a five-year period. The revenue projections above reflect an estimated 2% reduction in interest.

Under Sec. 03.10.050 (e), the department has the authority to establish credits for persons who have a loan from the Agricultural Revolving Loan Fund and maintain good financial standing. The credits may be applied against no more than 2 percentage points a year of the interest due on Agricultural Revolving Loan Fund loans. (If a loan to a good borrower was at an interest rate of 5 percent, a 2 percent credit would set the annual interest rate for the year at 3 percent).

Interest increase and (losses) for various changes in the interest rate:					
RATE	FY2001	FY2002	FY2003	FY2004	FY2005
10%	22,078.32	29,819.24	37,016.28	43,594.98	49,383.04
9%	11,039.16	14,909.62	18,508.14	21,797.49	24,691.52
8%	0.00	0.00	0.00	0.00	0.00
7%	(11,039.16)	(14,909.62)	(18,508.14)	(21,797.49)	(24,691.52)
6%	(22,078.32)	(29,819.24)	(37,016.28)	(43,594.98)	(49,383.04)
5%	(33,117.48)	(44,728.86)	(55,524.42)	(65,392.47)	(74,074.56)
4%	(44,156.64)	(59,638.48)	(74,032.56)	(87,189.96)	(98,766.08)
3%	(55,195.80)	(74,548.10)	(92,540.70)	(108,987.45)	(123,457.60)

PLEASE NOTE: These projections are based on FY99 actuals and reflect estimated increases and decreases in interest revenues.

ALASKA STATE LEGISLATURE

REPRESENTATIVE
JEANNETTE JAMES
PO Box 56622
North Pole, Alaska 99705
(907) 488-1546
FAX (907) 488-4271



While in Juneau
State Capitol
Juneau, Alaska
99801-1182
(907) 465-3743
FAX (907) 465-2381

House of Representatives
House District 34

HB 116 Changes from version X to version XX

1. To satisfy the needed "tie" between the board and the administration:

The Commissioner of D.N.R. is added as a board member. Legislative confirmation of the board is not required, but the Governor can remove a board member only for cause.

2. To solve the Title 38 lands issue:

Sole authority for the board to make decisions on Title 38 lands is removed, but the board must be consulted prior to any such decisions.

3. To satisfy the ethics questions:

A person may be appointed to the board even though that person or an immediate family member has an existing lease, permit, or loan for which the board is responsible, but that person may not participate in any board action that directly affects that lease, permit, or loan.

While serving on the board, and for one year after leaving that office, a board member or an immediate family member of a board member may not obtain a new lease, permit, or loan for which the board is responsible.

- (4. The board's authority to hire the Director of Agriculture is unchanged.)

STATE OF ALASKA
HOUSE OF REPRESENTATIVES

Representative Jeannette James



P.O. Box 56622
North Pole, AK 99701
TEL 488-1546, FAX 488-4271

State Capitol
Juneau, AK 99801
TEL 465-3743, FAX 465-2381

Sectional Analysis
CS HB 116 (RES), Version LS0407XX

2/9/00

Section 1 adds an entire new chapter to Title 3 Agriculture and Animals

"CHAPTER 9. BOARD OF AGRICULTURE AND CONSERVATION."

The new Board of Agriculture and Conservation consists of the Commissioner of D.N.R. and seven members appointed by the Governor:

One with business or financial experience,
One from a statewide agriculture promotion organization,
One from Alaska Soil and Water Conservation Districts,
Four from different enterprises in commercial production agriculture.

Appointed members serve staggered three-year terms, and they may appoint a director who can employ staff and is responsible for daily operations of the ARLF.

Statutory duties of the Division of Agriculture are transferred to the new board.

A person may be appointed to the board even though that person or an immediate family member has an *existing* lease, permit, or loan for which the board is responsible, but that person may not participate in any board action that directly affects that lease, permit, or loan.

While serving on the board, and for one year after leaving that office, a board member or an immediate family member of a board member may not obtain a *new* lease, permit, or loan for which the board is responsible.

The board may adopt regulations and may make recommendations to the Commissioner of DNR regarding identification and disposal of agricultural land.

Section 2 amends existing statute, authorizing the new board (instead of DNR) to make loans.

Section 3 amends existing statute, making the interest rate on farm development, chattel, or irrigation loans comparable to that charged by other agricultural lending institutions in the state.

Section 4 amends existing statute, authorizing the new board, instead of the ARLF Board, to extend the term of a loan for up to three years.

Section 5 amends existing statute, authorizing the new board, in place of DNR and Division of Agriculture, to assess delinquency and penalties on loans.

Section 6 amends existing statute, making the interest rate on farm development, chattel, or irrigation loans comparable to that charged by other agricultural lending institutions in the state.

Section 7 amends existing statute, making the interest rate on farm development, chattel, or irrigation loans comparable to that charged by other agricultural lending institutions in the state..

Section 8 amends existing statute, authorizing the new board, instead of the Commissioner of DNR, to adopt regulations to establish other terms and interest rates for loans.

Section 9 amends existing statute, authorizing the new board to restructure loans by reducing interest and extending terms to a borrower who has experienced an agricultural disaster as defined by regulations adopted by the board.

Section 10 amends existing statute, authorizing the new board, rather than the ARLF Board, to approve an application for loan restructuring.

Section 11 amends existing statute, designating the new board, instead of the Commissioner of DNR, to be the recipient of out-standing balance payments.

Section 12 amends existing statute, authorizing the legislature to appropriate money from the ARLF for costs of administering the operations of the new board.

Section 13 amends existing statute, giving the new board, instead of the commissioner of DNR, authority to administer the ARLF. A loan may not be made without the approval of a majority of the board, except that emergency loans up to \$50,000 may be approved by majority vote of a committee composed of the board chair, another board member, and the director.

Section 14 amends existing statute, exempting the new board from public meeting requirements.

Section 15 amends existing statute, allowing the new board, rather than DNR, to establish credits for loans maintained in good financial standing.

Section 16 amends existing statute, allowing the new board, rather than the Director of Agriculture, to dispose of property acquired through foreclosure or default. It also allows money from such disposals to be appropriated to the ARLF.

Section 17 amends existing statute and adds a new subsection, specifying that the new board shall be given the opportunity to comment before disposal of any state land designated as agricultural.

Section 18 amends existing statute, specifying that the new board shall be consulted prior to conveyance of agricultural use rights.

Section 19 amends existing statute, specifying that the new board shall be consulted prior to any action to waive, postpone, or modify development requirements of a contract for sale of agricultural land.

Section 20 amends existing statute, specifying that the new board shall be consulted prior to any action to adopt regulations specifying qualifications for lottery participants involving agricultural land disposal.

Section 21 amends existing statute, specifying that the new board shall be consulted prior to any action to provide for the sale of agricultural land subject to state subdivision requirements and municipal ordinances.

Section 22 amends existing statute, specifying that the new board shall be consulted prior to any action to provide for maximum interest rates, to declare a moratorium of up to five years on payments, to certify agreements with purchasers to perform development and expenditures during a moratorium, and to assure compliance with development plans during a moratorium.

Section 23 amends existing statute, specifying that the new board shall be consulted prior to any action granting an Alaska resident first option on auctioned agricultural land.

Section 24 amends existing statute to allow payments collected under this section to be appropriated to the ARLF.

Section 25 amends existing statute, specifying that the new board shall be consulted before the Director of the Division of Mining, Land, and Water disposes of any land designated as agricultural.

Section 26 amends existing statute, allowing payments received under this section to be accounted for separately and appropriated to the ARLF.

Section 27 amends existing statute specifying that the new board shall be consulted prior to any action to dispose of homestead entry land designated as agricultural.

Section 28 amends existing statute, adding the new board's director to the list of exempt service employees.

Section 29 adds the new board to the list of boards defined in statute.

Section 30 *REPEALS* existing statutes which:

Define the ARLF Board,
Define a duty of the ARLF Board,
Define limitations on ARLF Board members,
Place the ARLF Board in statute.

Section 31 outlines the transition process from existing boards to the new board.

Section 32 sets the effective date of this bill as July 1, 2000.

CS FOR HOUSE BILL NO. 116()

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES JAMES. Harris

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Board of Agriculture and Conservation, to the
2 agricultural revolving loan fund, to the disposal of interests in state agricultural
3 or grazing land; and providing for an effective date."

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

5 * Section 1. AS 03 is amended by adding new sections to read:

6 Chapter 09. Board of Agriculture and Conservation.

7 Sec. 03.09.010. Board of Agriculture and Conservation established. (a)

8 There is established in the department the Board of Agriculture and Conservation. The
9 board consists of the commissioner and seven members appointed by the governor.

10 Appointed members shall have the following qualifications:

- 11 (1) one member shall have general business or financial experience;
- 12 (2) one member shall be a member of a statewide agriculture promotion
- 13 organization;
- 14 (3) one member shall be a member of a soil and water conservation

1 district established under AS 41.10.130(a) who is also engaged in commercial
2 production agriculture:

3 (4) four members shall be engaged in commercial production
4 agriculture, each shall represent a different agriculture enterprise from the others, such
5 as livestock production, dairy, vegetable production, grain production, horticultural
6 production, and greenhouse and hydroponic production.

7 (b) Appointed members of the board serve staggered three-year terms and until
8 a successor is appointed. Appointed members may be removed from office by the
9 governor only for cause. If a vacancy occurs, the governor shall immediately appoint
10 a member for the unexpired portion of the term.

11 (c) Appointed members of the board receive no compensation, but are entitled
12 to per diem and travel expenses authorized for boards and commissions under
13 AS 39.20.180.

14 (d) While serving on the board and for one year after leaving that office, a
15 board member or an immediate family member of the board member, may not obtain
16 a lease, permit, or loan under AS 03.10 or under AS 38.05. Notwithstanding
17 AS 39.52.150(a), a person may be appointed to the board even though, at the time of
18 appointment, that person, or an immediate family member, has a lease, permit, or loan
19 under AS 03.10 or AS 38.05. However, that person may not participate in any action
20 by the board that directly affects that lease, permit, or loan. If a person with a lease,
21 permit, or loan under AS 03.10 or AS 38.05 is appointed to the board, failure by that
22 person to abide by all the terms and conditions of the lease, permit, or loan constitutes
23 cause for removal under (b) of this section.

24 **Sec. 03.09.020. Officers and employees.** (a) The Board of Agriculture and
25 Conservation shall elect a member to serve as chair and a member to serve as vice-
26 chair for one-year terms. A member may be reelected to serve additional terms as
27 chair or vice-chair.

28 (b) The board may appoint a director, who may employ staff and who is
29 responsible for the daily operations of the agricultural revolving loan fund
30 (AS 03.10.040). The director is in the exempt service under AS 39.25.110.

31 **Sec. 03.09.030. Quorum.** Five members of the Board of Agriculture and

1 Conservation constitute a quorum for the transaction of business or the exercise of a
2 power or function at a meeting of the board.

3 **Sec. 03.09.040. Regulations.** (a) The Board of Agriculture and Conservation
4 may adopt regulations under AS 44.62 (Administrative Procedure Act) to carry out its
5 duties.

6 (b) The board may, by regulation, classify loan and marketing information and
7 make some classes of loan or marketing information confidential.

8 **Sec. 03.09.050. Agricultural land.** The Board of Agriculture and
9 Conservation may recommend to the commissioner that land in the land disposal bank
10 established under AS 38.04.020 be classified as suitable for agriculture. The board
11 may identify state land for agricultural disposal and request the commissioner to
12 provide for the survey and disposal of the land.

13 * **Sec. 2.** AS 03.10.020(a) is amended to read:

14 (a) The Board of Agriculture and Conservation (AS 03.09.010)
15 [DEPARTMENT] may

16 (1) make a loan to

17 (A) an individual resident farmer, homesteader, or a partnership
18 or corporation composed of farmers and homesteaders for

19 (i) clearing land for agricultural purposes;

20 (ii) development of farms;

21 (iii) storage and processing of farm produce; or

22 (iv) the purchase of livestock or machinery;

23 (B) an individual state resident, or a partnership or corporation

24 for

25 (i) storage and processing plants for agricultural
26 products;

27 (ii) the commercial production or processing of
28 horticultural products in the state;

29 (iii) the commercial production or processing of animal
30 feed in the state; or

31 (iv) the raising or care of animals in the state for the

- 1 purpose of marketing their fur;
- 2 (2) designate agents and delegate its powers to them as necessary;
- 3 (3) adopt regulations necessary to carry out its functions, including
- 4 regulations to establish reasonable fees for services provided and charges for collecting
- 5 the fees;
- 6 (4) establish amortization plans for repayment of loans, which may
- 7 include delayed payments of principal and interest for not to exceed five years;
- 8 (5) enter into agreements with private lending institutions, other state
- 9 agencies or agencies of the federal government, to carry out the purposes of this
- 10 chapter;
- 11 (6) collect the fees and collection charges established under this
- 12 subsection.

13 * Sec. 3. AS 03.10.030(a) is amended to read:

- 14 (a) The farm development, chattel, or irrigation loan made under this chapter
- 15 (1) may not exceed a term of 30 years, except that a chattel loan may
- 16 not exceed a term of seven years;
- 17 (2) may not, when added to the outstanding balance of other loans
- 18 made under this chapter, exceed a total outstanding balance of \$1,000,000;
- 19 (3) shall be secured by a real estate or chattel mortgage of any priority,
- 20 except that the portion of a loan that exceeds \$500,000, when added to prior
- 21 indebtedness that is secured by the same property, must be secured by a first mortgage;
- 22 (4) shall bear interest at a rate comparable to that charged by other
- 23 agricultural [THAT MAY NOT BE LESS THAN EIGHT PERCENT OR MORE
- 24 THAN THE COMMERCIAL RATE, UNLESS THE COMMERCIAL RATE IS
- 25 EIGHT PERCENT OR LESS; IN THIS PARAGRAPH, "COMMERCIAL RATE"
- 26 MEANS THE PREVAILING RATE OF INTEREST AT PRIVATE] lending
- 27 institutions in the state for loans similar to those referred to in this subsection.

28 * Sec. 4. AS 03.10.030(c) is amended to read:

- 29 (c) A short-term [SHORT TERM] loan, to be amortized within one year, not
- 30 to exceed \$350,000 to any one borrower may be made for operating purposes, except
- 31 that a loan made under this subsection may not exceed \$200,000 unless the loan is

1 made to a borrower in a farm disaster area declared under AS 03.10.058. An applicant
2 for a short-term [SHORT TERM] loan may be required to purchase insurance through
3 the Federal Crop Insurance Act (7 U.S.C. 1501 - 1520) as a condition of the loan.
4 The term of a loan made under this subsection may be extended for up to three years
5 by the Board of Agriculture and Conservation [AGRICULTURAL REVOLVING
6 LOAN FUND BOARD], in the discretion of the board, upon application by the
7 borrower.

8 * Sec. 5. AS 03.10.030(e) is amended to read:

9 (e) An installment payment is delinquent unless it is mailed by the borrower
10 on or before the 30th day after the date specified for payment in the loan agreement
11 or unless it is received by the Board of Agriculture and Conservation
12 [DEPARTMENT] on or before the 30th day after the date specified for payment in the
13 loan agreement. If an installment payment is delinquent, the director of the board
14 [DIVISION OF AGRICULTURE OF THE DEPARTMENT] may assess a delinquency
15 penalty. The delinquency penalty shall be an amount equal to seven percent of the
16 delinquent payment, but the combined delinquency penalty and loan interest may not
17 exceed 15 percent.

18 * Sec. 6. AS 03.10.030(f) is amended to read:

19 (f) A farm product processing loan may not exceed \$250,000. A mortgage
20 that secures a farm product processing loan may be of any priority if the total
21 indebtedness on the real estate, including the secured farm product processing loan,
22 does not exceed \$250,000. A farm product processing loan that, if made, would raise
23 the existing indebtedness on the real estate securing the loan above \$250,000, or a
24 farm product processing loan on real estate that has a prior indebtedness of \$250,000
25 or more, may be made only if all prior mortgagees agree to subordinate their
26 mortgages to that of the state for the amount of the farm product processing loan that
27 exceeds the \$250,000 indebtedness limit on the real estate. A farm product processing
28 loan may not exceed a term of 30 years or bear interest at a rate that is less than a
29 rate comparable to that charged by other agricultural lending institutions in the
30 state for similar loans, [EIGHT PERCENT A YEAR] and shall be secured by a real
31 estate or chattel mortgage or both.

1 * Sec. 7. AS 03.10.030(g) is amended to read:

2 (g) A loan for clearing land may not

3 (1) exceed \$250,000.

4 (2) bear interest at a rate that is less than a rate comparable to that
5 charged by other agricultural lending institutions in the state for similar loans
6 [EIGHT PERCENT];

7 (3) have a term in excess of 20 years; or

8 (4) be made for clearing land other than land that has been classified
9 by the United States Department of Agriculture, Natural Resource [SOIL]
10 Conservation Service, under the Land Capability Classification System as having
11 agricultural potential for the production of annual crops or [,] hay, or for pasture.

12 * Sec. 8. AS 03.10.030(h) is amended to read:

13 (h) The Board of Agriculture and Conservation [COMMISSIONER] shall
14 adopt regulations to establish other terms for loans made under this chapter, consistent
15 with the provisions of this section, and may establish interest rates for loans under
16 (a)(4) of this section that

17 (1) encourage agricultural development;

18 (2) do not subsidize nonviable agricultural enterprises; and

19 (3) do not discriminate against viable existing agricultural enterprises.

20 * Sec. 9. AS 03.10.033(a) is amended to read:

21 (a) To increase the return to the state, the Board of Agriculture and
22 Conservation [AGRICULTURAL REVOLVING LOAN FUND BOARD] may
23 restructure loans (1) in existence on January 1, 1987, made by the former
24 Agricultural Revolving Loan Fund Board [BOARD] or by the former Alaska
25 Agricultural Action Council based upon guidelines approved by the Board of
26 Agriculture and Conservation; or (2) of a borrower who has experienced an
27 agricultural disaster as defined by regulations adopted by the Board of
28 Agriculture and Conservation [BOARD]. The restructuring may only include
29 reduction of interest [TO RATES BELOW THOSE SPECIFIED BY AS 03.10.030],
30 an extension of the term of the loan, and an improvement to the security interest of the
31 state. It may not reduce the amount of principal and interest owed before the loan is

1 restructured. AS 03.10.030(a)(1) does not apply to a loan that is restructured
2 under this section.

3 * Sec. 10. AS 03.10.033(c) is amended to read:

4 (c) Notwithstanding any other provision of this section, the Board of
5 Agriculture and Conservation [AGRICULTURAL REVOLVING LOAN FUND
6 BOARD] may approve an application for restructuring under this section only upon

7 (1) the applicant's written release of the state, including [THE
8 ALASKA AGRICULTURE ACTION COUNCIL, THE AGRICULTURAL
9 REVOLVING LOAN FUND, AND] the University of Alaska, from all potential
10 liability for actions and omissions occurring before the date of restructuring that relate
11 in any way to a state farm project, land sale, land sale relinquishment, farm loan, or
12 loan application or loan modification application, whether granted or denied by the
13 state; and

14 (2) assignment by the applicant to the board of the proceeds from the
15 federal government under 7 U.S.C. 1442 (Conservation Reserve Program) and P.L. 88-
16 26 (Feed Grain Act of 1963), as amended.

17 * Sec. 11. AS 03.10.035(a) is amended to read:

18 (a) A borrower may not use farm land for a nonfarm [NON-FARM] use or
19 sell, lease, or otherwise dispose of farm land if that land is encumbered by a mortgage
20 given to secure the payment of a farm development, chattel, or irrigation system loan
21 under this chapter unless the borrower either

22 (1) pays the outstanding balance of the loan in a lump sum or under
23 other terms agreed to by the Board of Agriculture and Conservation
24 [COMMISSIONER] that accelerate payment of the loan; or

25 (2) pays the outstanding principal balance for the remaining term of the
26 loan at the prevailing rate of interest that is charged by commercial banks in the state
27 during the calendar quarter in which the board [DEPARTMENT] receives notice of
28 the change of use, sale, lease, or other disposal of the farm land.

29 * Sec. 12. AS 03.10.040(b) is amended to read:

30 (b) Money in the fund may be used by the legislature to make appropriations
31 for costs of administering this chapter and for operations of the Board of

1 Agriculture and Conservation.

2 * Sec. 13. AS 03.10.050(a) is amended to read:

3 (a) The Board of Agriculture and Conservation [COMMISSIONER] shall
4 administer the agricultural revolving loan fund [IN CONJUNCTION WITH THE
5 AGRICULTURAL REVOLVING LOAN FUND BOARD]. A [NO] loan [IN EXCESS
6 OF \$25,000] may not be made [BY THE COMMISSIONER] without the approval of
7 a majority of the board, except that emergency loans not to exceed \$50,000 may be
8 made upon the approval, by majority vote, of a committee composed of the chair
9 of the board, another board member, and the director of the board.

10 * Sec. 14. AS 03.10.050(c) is amended to read:

11 (c) A meeting of the [AGRICULTURAL REVOLVING LOAN FUND] board
12 to act on applications for loans is exempt from the public meeting requirements of
13 AS 44.62.310.

14 * Sec. 15. AS 03.10.050(e) is amended to read:

15 (e) To encourage the prompt payment of loans, the board [DEPARTMENT]
16 may establish a program of credits for persons who have a loan from the agricultural
17 revolving loan fund and maintain good financial standing. The credits may be applied
18 against no more than two percentage points a year of the interest due on agricultural
19 revolving loan fund loans.

20 * Sec. 16. AS 03.10.050(g) is amended to read:

21 (g) The board [DIRECTOR OF AGRICULTURE] may dispose of property
22 acquired by the agricultural revolving loan fund [AGRICULTURAL REVOLVING
23 LOAN FUND BOARD OR BY THE COMMISSIONER] through foreclosure, default,
24 or other action arising out of agricultural loans or the sale of agricultural land.
25 Disposals shall be conducted under regulations approved by the commissioner. The
26 regulations must ensure that the property is disposed of so as to maximize the return
27 to the state and must require that the parcels of land that are composed primarily of
28 cropland soils be restricted to agricultural uses and disposed of only to persons who
29 are residents of the state.

30 * Sec. 17. AS 38.04.020(g) is amended to read:

31 (g) After July 1 of each year, the commissioner shall direct the expenditure of

1 money appropriated for the disposal of land in response to requests made under (e) and
2 (f) of this section for the following:

3 (1) land [LAND] designated as suitable for homestead disposal shall
4 be classified and surveyed under this chapter and AS 38.05 and made available for
5 staking and lease under AS 38.09; [.]

6 (2) land [LAND] designated as suitable for subdivision and homesite
7 disposal shall be surveyed, subdivided, classified, and disposed of under this chapter,
8 AS 38.05, and AS 38.08; [.]

9 (3) land [LAND] designated [AGRICULTURAL.] commercial,
10 industrial, or suitable for other disposal shall be sold under AS 38.05.055 or 38.05.057;

11 (4) land designated agricultural shall be disposed of under
12 AS 38.05.055 - 38.05.065, except the Board of Agriculture and Conservation
13 (AS 03.09.010) shall receive notice of each proposed disposal and be given an
14 opportunity to comment before the final disposal decision is made.

15 * Sec. 18. AS 38.04.030 is amended to read:

16 Sec. 38.04.030. Land availability programs. Programs that may be used by
17 the director to make the state's land surface available for private use under
18 AS 38.04.020 - 38.04.055 include sale of whole or partial rights to the fee simple
19 estate, including conveyance of agricultural use rights; leasing; open-to-entry;
20 homesiting; homesteading; permitting for construction and occupation of cabins in
21 isolated locations on land retained in state ownership; and other methods as provided
22 by law. However, agricultural use rights may be conveyed only after consulting
23 with the Board of Agriculture and Conservation.

24 * Sec. 19. AS 38.05.020(b)(7) is amended to read:

25 (7) after consulting with the Board of Agriculture and Conservation
26 (AS 03.09.010), to waive, postpone, or otherwise modify the development requirements
27 of a contract for the sale of agricultural land if

28 (A) the land is inaccessible by road; or

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

31 * Sec. 20. AS 38.05.057(c) is amended to read:

1 (c) The commissioner, after consulting with the Board of Agriculture and
2 Conservation (AS 03.09.010), may adopt regulations under the Administrative
3 Procedure Act (AS 44.62) that [WHICH] specify qualifications for lottery participants
4 different from those specified in (b) of this section if

5 (1) an interest in land limited to agricultural purposes is to be sold
6 under (a) of this section;

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

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

12 * Sec. 21. AS 38.05.059 is amended to read:

13 Sec. 38.05.059. Sale of agricultural land. The commissioner, after
14 consulting with the Board of Agriculture and Conservation (AS 03.09.010), may
15 provide for the sale of land classified under AS 38.05.020(b)(6) for agricultural uses
16 in parcels or tracts described by aliquot parts. The parcels or tracts are subject to state
17 subdivision requirements and municipal ordinances.

18 * Sec. 22. AS 38.05.065(h) is amended to read:

19 (h) The commissioner, after consulting with the Board of Agriculture and
20 Conservation (AS 03.09.010),

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

25 (2) may declare a moratorium of up to five years on payments on land
26 sold under this section for land classified under AS 38.05.020(b)(6) for agricultural
27 uses if

28 (A) the commissioner determines that the moratorium is in the
29 best interest of the state;

30 (B) the commissioner certifies and the contract purchaser agrees
31 to perform farm development, crop production, and harvesting, not including

1 land clearing or related activity, requiring the expenditure of amounts
2 equivalent to the payments that would otherwise be made during the
3 moratorium:

4 (C) the sale of the agricultural land takes place after July 1,
5 1979; and

6 (D) the contract purchaser is in compliance with the
7 development plan specified in the purchase contract at the time the purchaser
8 applies for a moratorium under this subsection and remains in compliance with
9 the development plan during the moratorium; for the payments subject to the
10 moratorium declared under this paragraph, interest payments are subject to the
11 moratorium but interest continues to accrue during the moratorium.

12 * Sec. 23. AS 38.05.069(a) is amended to read:

13 (a) After consulting with the Board of Agriculture and Conservation
14 (AS 03.09.010), on [ON] a determination that the highest and best use of unoccupied
15 land is for agricultural purposes and that it is in the best interests of the state to sell
16 or lease the land, the commissioner shall grant to an Alaska [ALASKAN] resident
17 owning and using or leasing and using land for agricultural purposes a first option at
18 the auction to purchase or lease the unoccupied land situated adjacent to land presently
19 held by the Alaska [ALASKAN] resident for the amount of the high bid received at
20 public auction. If more than one Alaska [ALASKAN] resident qualifies for a first
21 option under this section, eligibility for the first option shall be determined by lot and
22 the option must be exercised on the conclusion of the public auction. A parcel of
23 agricultural land sold under this section may not be less than 20 acres, and a parcel of
24 agricultural land that is acquired by exercise of the option granted in this subsection
25 may not exceed 320 acres. Agricultural land that is acquired under this section must
26 be used for agricultural purposes as required by law.

27 * Sec. 24. AS 38.05.321(e) is amended to read:

28 (e) A landowner may subdivide land classified for agricultural use and for
29 which the landowner obtained a patent under a homestead entry permit issued under
30 AS 38.09 so long as the resulting parcels are not in violation of the minimum parcel
31 size set out in (a) of this section. A landowner may subdivide other land classified for

1 agricultural use as authorized under (d)(3)(C) of this section. If the subdivision
2 involves land classified for agricultural use and for which the landowner obtained a
3 patent under a homestead entry permit issued under AS 38.09, or if the subdivision of
4 land authorized under (d)(3)(C) of this section results only in parcels of 640 acres or
5 more, the landowner may subdivide without payment as required by this subsection.
6 If subdivision of land authorized by (d)(3)(C) of this section would result in one or
7 more parcels of less than 640 acres, the landowner may subdivide only if the
8 landowner first tenders payment to the department for the right to construct housing
9 in each subdivided parcel of less than 640 acres. Payments collected under this
10 subsection shall be separately accounted for and may be appropriated to the
11 agricultural revolving loan fund (AS 03.10.040). For purposes of this subsection,
12 the value of the right to construct housing in a subdivided parcel

13 (1) is \$4.000 for the parcel, subject to adjustment under (h) of this
14 section; or

15 (2) shall be determined by an appraisal made by an appraiser under
16 contract to the landowner owning the parcel, and the appraisal must include the value,
17 determined as of the date of subdivision, of the right to construct housing by the
18 landowner under (d)(3) of this section.

19 * Sec. 25. AS 38.05.035(b) is amended to read:

20 (b) The director may

21 (1) delegate the administrative duties, functions or powers imposed
22 upon the director to a responsible employee in the division;

23 (2) grant preference rights for the lease or purchase of state land
24 without competitive bid in order to correct errors or omissions of a state or federal
25 administrative agency when inequitable detriment would otherwise result to a diligent
26 claimant or applicant due to situations over which the claimant or applicant had no
27 control; the exercise of this discretionary power operates only to divest the state of its
28 title to or interests in land and may be exercised only

29 (A) with the express approval of the commissioner; and

30 (B) if the application for the preference right is filed with the
31 director within three years from

- 1 (i) the occurrence of the error or omission;
2 (ii) the date of acquisition by the state of the land; or
3 (iii) the date of a court decision or settlement nullifying
4 a disposal of state land;

5 (3) grant a preference right to a claimant who shows bona fide
6 improvement of state land or of federal land subsequently acquired by the state and
7 who has in good faith sought to obtain title to the land but who, through error or
8 omission of others occurring within the three years before (A) the application for the
9 preference right, (B) the date of acquisition by the state of the land, or (C) the date of
10 a court decision or settlement nullifying a disposal of state land, has been denied title
11 to it; upon a showing satisfactory to the commissioner, the claimant may lease or
12 purchase the land at the price set on the date of original entry on the land or, if a price
13 was not set at that time at a price determined by the director to fairly represent the
14 value of unimproved land at the time the claim was established, but in no event less
15 than the cost of administration including survey; the error or omission of a predecessor
16 in interest or an agent, administrator, or executor which has clearly prejudiced the
17 claimant may be the basis for granting a preference right;

18 (4) sell land by lottery for less than the appraised value when, in the
19 judgment of the director, past scarcity of land suitable for private ownership in any
20 particular area has resulted in unrealistic land values;

21 (5) when the director determines it is in the best interest of the state
22 and will avoid injustice to a person or the heirs or devisees of a person, dispose of
23 land, by direct negotiation to that person who presently uses and who used and made
24 improvements to that land before January 3, 1959, or to the heirs or devisees of the
25 person; the amount paid for the land shall be its fair market value on the date that the
26 person first entered the land, as determined by the director; a parcel of land disposed
27 of under this paragraph shall be of a size consistent with the person's prior use, but
28 may not exceed five acres;

29 (6) after consulting with the Board of Agriculture and Conservation
30 (AS 03.09.010), dispose of an interest in land limited to use for agricultural purposes
31 by lottery;

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(7) convey to an adjoining landowner for its fair market value a remnant of land that the director considers unmanageable or a parcel of land created by a highway right-of-way alignment or realignment, or a parcel created by the vacation of a state-owned right-of-way if

(A) the director determines that it is in the best interests of the state:

(B) the parcel does not exceed the minimum lot size under an applicable zoning code; and

(C) the director and the platting authority having land use planning jurisdiction agree that conveyance of the parcel to the adjoining landowner will result in boundaries that are convenient for the use of the land by the landowner and compatible with municipal land use plans;

(8) for good cause extend for up to 90 days the time for rental or installment payments by a lessee or purchaser of state land under this chapter if reasonable penalties and interest set by the director are paid;

(9) quitclaim land or an interest in land to the federal government on a determination that the land or the interest in land was wrongfully or erroneously conveyed by the federal government to the state;

(10) negotiate the sale or lease of state land at fair market value to a person who acquired by contract, purchase, or lease rights to improvements on the land from another state agency or who leased the land from another state agency [;

(11) REPEALED].

* Sec. 26. AS 38.07.010(b) is amended to read:

(b) The land that is [THUS] cleared or drained under (a) of this section shall be put up for competitive lease in lots of not less than 320 acres each. Lease payments shall be separately accounted for and may be appropriated to the agricultural revolving loan fund (AS 03.10.040).

* Sec. 27. AS 38.09.010(a) is amended to read:

(a) The commissioner shall designate and make available for homestead entry state land, including, after consulting with the Board of Agriculture and Conservation (AS 03.09.010), land classified for agricultural use. State land made

1 available for homestead entry under this chapter shall be distributed throughout the
2 state.

3 * **Sec. 28.** AS 39.25.110 is amended by adding a new paragraph to read:

4 (34) the director of the Board of Agriculture and Conservation.

5 * **Sec. 29.** AS 39.50.200(b) is amended by adding a new paragraph to read:

6 (56) Board of Agriculture and Conservation (AS 03.09.010).

7 * **Sec. 30.** AS 03.10.050(b), 03.10.050(d), 03.10.052; and AS 39.50.200(b)(1) are repealed.

8 * **Sec. 31.** The uncodified law of the State of Alaska is amended by adding a new section
9 to read:

10 **TRANSITION.** (a) Notwithstanding AS 03.09.010(b), enacted in sec. 1 of this Act,
11 two initial appointed members of the Board of Agriculture and Conservation shall be
12 appointed to one-year terms and two initial appointed members of the board shall be appointed
13 to two-year terms.

14 (b) Notwithstanding AS 03.09.040, enacted in sec. 1 of this Act, AS 03.10.020(a), as
15 amended in sec. 2 of this Act, AS 03.10.030(h), as amended in sec. 8 of this Act, and
16 AS 03.10.033(a), as amended in sec. 9 of this Act, regulations that apply to the agricultural
17 revolving loan fund and to loans from the fund remain in effect until amended or repealed by
18 the Board of Agriculture and Conservation.

19 * **Sec. 32.** This Act takes effect July 1, 2000.

STATE OF ALASKA
HOUSE OF REPRESENTATIVES

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Sectional Analysis
CS HB 116 (RES), Version LS0407\X

1/24/00

Section 1 adds an entire new chapter to Title 3 Agriculture and Animals

"CHAPTER 9. BOARD OF AGRICULTURE AND CONSERVATION."

The new Board of Agriculture and Conservation consists of seven members appointed by the Governor and confirmed by the Legislature:

One with business or financial experience,
One from a statewide agriculture promotion organization,
One from Alaska Soil and Water Conservation Districts,
Four from different enterprises in commercial production agriculture.

Members serve staggered three-year terms, and they may appoint a director who can employ staff and is responsible for daily operations of the ARLF.

Essentially, all existing statutory duties of the Division of Agriculture are transferred to the new board.

This section also specifies that a board member may obtain an ARLF loan, and a person with an outstanding ARLF loan may be appointed as a board member, but a board member is prohibited from using the office for personal gain.

The board may adopt regulations and may make recommendations to the Commissioner of DNR regarding identification and disposal of agricultural land.

Once a parcel of land is classified as agricultural, the board may carry out disposal of that land, and the proceeds may be appropriated into the ARLF.

Section 2 amends existing statute, authorizing the new board (instead of DNR) to make loans.

Section 3 amends existing statute, making the interest rate on farm development, chattel, or irrigation loans comparable to that charged by other agricultural lending institutions in the state.

Section 4 amends existing statute, authorizing the new board, instead of the ARLF Board, to extend the term of a loan for up to three years.

Section 5 amends existing statute, authorizing the new board, in place of DNR and Division of Agriculture, to assess delinquency and penalties on loans.

Section 6 amends existing statute, making the interest rate on farm development, chattel, or irrigation loans comparable to that charged by other agricultural lending institutions in the state.

Section 7 amends existing statute, making the interest rate on farm development, chattel, or irrigation loans comparable to that charged by other agricultural lending institutions in the state..

Section 8 amends existing statute, authorizing the new board, instead of the Commissioner of DNR, to adopt regulations to establish other terms and interest rates for loans.

Section 9 amends existing statute, authorizing the new board to restructure loans by reducing interest and extending terms to a borrower who has experienced an agricultural disaster as defined by regulations adopted by the board.

Section 10 amends existing statute, authorizing the new board, rather than the ARLF Board, to approve an application for loan restructuring.