

ALASKA LEGISLATURE COMMITTEE FILES 2001-2002 86/2

10384 HOUSE RESOURCES

229

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: HB 232
 () Publish Date: _____
 Dept. Affected: Natural Resources
 BRU: Minerals, Land & Water Dev
 Component: Land Sales & Muni Entite
 Component Number: 2456

Revision Date/Time (Note if correction): _____
 Title: Remote Recreational Cabin Site Program
 Sponsor: Representative Fate
 Requester: (H) RES

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	490.0	450.0	450.0	450.0	450.0	450.0
Travel	30.0	30.0	30.0	30.0	30.0	30.0
Contractual	50.0	50.0	50.0	50.0	50.0	50.0
Supplies	15.0	15.0	15.0	15.0	15.0	15.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	585.0	545.0	545.0	545.0	545.0	545.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (1153)				418.0	418.0	418.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	585.0	545.0	545.0	127.0	127.0	127.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
1153 Land Disposal Income Fund				418.0	418.0	418.0
TOTAL	585.0	545.0	545.0	545.0	545.0	545.0

Estimate of any current year (FY2001) cost: None
 Check this box if funding for this bill is included in the Governor's FY2002 budget proposal: []

POSITIONS

Full-time	9	8	8	8	8	8
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill creates a new state land disposal program that duplicates the Remote Recreational Cabin program established in 1997 (AS 38.05.600). The legislation gives limited guidance as to how DNR will implement the new program. Hence this fiscal note must make a number of assumptions regarding how to implement this program.

The law generally describes what state land would be available under the program (land not classified for retention, not selected by municipalities). Beyond these few restrictions, the law does not authorize the Department to determine what areas are open, when openings occur, ensure there is adequate access before areas are open, or control when or how people go into areas. The program is first come, first served. Applicants stake their 2.5 acres, then apply to DNR, then survey, appraise and purchase the parcel. (CONTINUED)

Prepared by: Bob Loeffler Phone 269-8600
 Division: Mining, Land and Water Date/Time 10-Apr-01
 Approved by: Pat Pourchot Date 11-Apr-01
 Agency: Natural Resources

For distribution information, call the Governor's Legislative Office

ANALYSIS: (continued)

Because HB 232 opens such large areas, there will be considerable public confusion regarding what land is available. With few rules up front, there will be conflicting claims to parcels. DNR also anticipates significant access concerns. This will place considerable demands on DNR to provide information, particularly through the DNR public information offices in Anchorage, Fairbanks, and Juneau.

DNR will need to provide the public with accurate land status information for millions of acres of state land so the public knows what land is available, including the location of existing third-party interests, Mental Health Trust land, Native allotment locations, and trail and access information.

Fiscal Note Assumptions/Process

FY 02 -- program start-up -- 6 staff full time for mapping effort, 2 staff for developing staking guidelines and materials, program regulations, 1 for public information office. Specific tasks include:

1) DNR develops regulations to implement this program, establish qualifications, methods for resolving conflicting claims, etc.

2) DNR identifies land available for entry under this program -- from state and federal status plats based upon state ownership, land classifications, municipal entitlements, existing private lands, Native allotments, etc. Would need to prepare maps of several million acres.

a. Produce maps from status plats

b. Print and distribute maps

3) DNR prepares appraisal, survey, and staking guidelines

FY 03 and following years -- staking period opens -- assume staking and filing period starts summer 2002 and continues indefinitely -- 2 staff for Public Information Offices (Fairbanks and Anchorage), 2 staff to review/approve applications, 1 appraiser and 1 survey position to review and approve appraisals/surveys, 1 staff to issue deeds (and conduct related title search), 1FT staff to keep land status maps current

1) DNR Public Information Office staff to field program inquiries

2) DNR accepts applications, certifies they qualify

3) DNR reviews and approves appraisals

4) DNR issues title documents

Alaska State Legislature

REPRESENTATIVE
HUGH "BUD" FATE

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House Of Representatives

While in session
State Capitol
Juneau, Alaska
99801-1182
(907) 465-4976
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House District 33

MEMO

To: Representative Masek, Co-Chair
Representative Scalzi, Co-Chair
House Resources Committee Members

From: Representative Fate, Vice-Chair
House Resources Committee

A handwritten signature in cursive script that reads "Hugh Fate".

Date: April 20, 2001

Re: HB 232-Fiscal Note Assumptions/Process Rebuttal

FY 02 --program start up

- 1) The HB 232 presents the required qualifications of prospective purchasers for remote recreation cabin sites.
- 2) DNR claims that they have to prepare maps of several million acres. Very detailed maps are located at [HTTP://www.dnr.state.us/cgi-bin/lris/landrecords](http://www.dnr.state.us/cgi-bin/lris/landrecords). This land records information system for state status plots is very detailed information. Information includes: survey lines, township and section grids, roads, trails, title, boundaries, leases, surface water rights, etc. These maps are available and updated in an on-going process. As a matter of fact DNR already updates 15,000-25,000 transactions per year.

DNR should include procedures on their website explaining how to use the land records website. This would alleviate a great deal of duplication of map production costs. The printing and distribution of these maps could greatly lower costs, thus saving monies.

- 3) DNR prepares appraisal, survey and staking guidelines:

FISCAL NOTE REBUTTAL

- a) A state-approved appraiser will accomplish the appraisal. DNR currently has an appraiser list in their website. The costs of an appraisal are paid by the purchaser.
- b) DNR could provide a list of approved State of Alaska licensed surveyors in their website, like they do for assessors. The cost of surveying is the responsibility of the purchaser.
- c) Staking guidelines are provided in the text of the HB 232. Restrictions as to linear feet on a lake or river and other criteria are included. More detailed instructions may be included in the DNR website and at the local public information offices. *DNR ALREADY HAS STAKING INSTRUCTIONS IN HAC 67.280*

FY 03 and following years.

The DNR staff already has Public Information Offices in Fairbanks and Anchorage. This program can be augmented into other existing programs thus alleviating these staff costs.

The five other positions initially identified are like putting the cart in front of the horse. Why front-load a system with five additional personnel when there is a system in place that currently approves applications and keeps land status maps current? Furthermore, not knowing the response to this program, there is no firm justification for a full time person to approve appraisal/surveys.

In summation, it appears that the fiscal note provided by DNR is inflated. The true costs will be lowered if they augment this program into existing programs instead of creating a "stand-alone" program as provided.

Land Sale Income

The stated income from the remote recreation cabin site program land sales in the fiscal note is too low. My staff contacted three DNR approved land appraisers, one of which was a former State of Alaska chief land disposal officer. Current prices for land vary as to distance from urban centers, timber, water conditions, availability of water for personal use, means of transportation to the remote site etc.

The general range of land is provided below:

- 1) on a river (glacial or clear), \$1,000 to 5,000 per acre. (depending on above)
- 2) lakes \$700 to 3,000 per acre (depending on above)

Assuming that 250 parcels of 2.5 acres are sold at \$1,500 per acre that equates to a receipt of \$937,5000 per year. This is a very, very, conservative figure. Once the availability of land is known, the sale of parcels may more than quadruple.

DNR fiscal note provides an income of \$418,000 beginning in FY 2005. This is probably much later than when revenues actually arrive for the remote recreational cabin site land sales. The income provided by DNR in the fiscal note can be accounted for by:

- 1) Dividing \$418,000 by 209 (purchases) = \$2,000 per parcel.
- 2) Dividing the \$2,000 per parcel by 2.5 (acres in a parcel) = \$800 per acre.

DNR provided a very low estimate of income off this program.

If you have a choice, you will select prime land thus driving up the price per acre. It is anticipated that income will be much higher as this program gains notoriety.

Finally, as people receive title to this land, it may place it on the tax roll if it is in a borough or municipality that has a property tax. In any event, it will provide a basis for future taxation if a borough is established in the area or begins a property tax since the appraisal provides a threshold for a property assessment.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB-232
(H) Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: DNR
Title: HB-232:REMOTE RECREATIONAL CABIN SITE S BRU: Parks & Outdoor Rec.
Sponsor: Representative Hugh Fata Component: _____
Requester: House Resource Committee Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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 (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill is expected to increase revenue as the state is able to collect fees for the sale of certain remote cabins. This amount is indeterminant, since information is not available as to the parcels or their appraised value that the state may expect to transfer.

Prepared by: Jennifer Yuhas, Committee Aide

Phone (907) 465-3715

Representative Beverly Masek / Representative Drew Scalzi
Committee Co-chairs

Date 04 01 01

REPRESENTATIVE
HUGH "BUD" FATE

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Alaska State Legislature



House Of Representatives

SPONSOR STATEMENT

HB 232

Remote Recreational Cabin Site Sales

While in session:

State Capitol
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Fax: (907)465-3883

House District 33

For far too long, Alaskans have not been able to acquire fee simple land in a state where vast unencumbered lands exist, this bill corrects that situation. House Bill 232 makes it possible for residents of the state of Alaska to purchase remote cabin sites of two and one half (2½) acres from the state given that the individual covers the direct cost of applying for, surveying, and appraising.

Basically, this allows for individuals with a favorite hunting spot, a mining claim without any private property nearby, or someone just in search of a secluded cabin spot to get a small parcel of land from the state without having to enter the risky lottery of land disposal.

HB 232 removes the need for the state to do the surveying on the land and places it on the individual, eliminating most of the cost of land disposal to the state. It's a win-win situation. The state doesn't pay for surveying the land it disposes, and the residents of Alaska get a chance to have a secluded land parcel for a recreational cabin.

Two fiscal notes will be provided; one from the state, which I believe to be ballooned, and another which more closely reflects the likely costs and revenue stream.

The Constitution of the State of Alaska Reads:

Article VIII; Section 1 – STATEMENT OF POLICY

It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for the maximum use consistent with the public interest.

Article VIII; Section 2 – GENERAL AUTHORITY

The Legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people.

Alaska State Legislature

Interim: (May - Dec.)
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Session: (Jan. - May)
State Capitol, Suite 416
Juneau, AK 99801-1182
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Representative Hugh Fate

FOR IMMEDIATE RELEASE: April 5, 2001

CONTACT: Rep. Hugh Fate (907) 465-4976

Fate Proposes Selling State Land to Alaskans HB 232 Would Open 2.5-Acre Remote Cabin Sites to Residents

(JUNEAU) – Rep. Hugh “Bud” Fate (R-Fairbanks) introduced legislation today that would allow every Alaskan to stake out and purchase a 2.5-acre remote recreational cabin site.

Fate said he introduced House Bill 232 in an effort to open up more of Alaska’s outdoors for citizens to enjoy, to bring more land onto public tax rolls and to help stimulate the state economy by encouraging trade in building materials, transportation, real estate and other services.

“There are so many people in the state that have come up to me and said, ‘Gee, I wish I could get a place on a lake or a river,’” Fate said. “But they can’t. There is almost no place where a private citizen can actually get a piece of property that they can call their own. This bill is intended to try to make that possible.”

Under HB 232, each adult Alaskan could select and stake out no more than 2.5 acres of unencumbered state land that was not part of any current or anticipated state, federal or Native land selection. They would then select from a state-approved list of surveyors to have the parcel surveyed and its boundaries certified, pay the surveying and recording fees, and then pay the assessed fair-market price to the state within two years to win fee simple title to the land.

The bill includes limits on the amount of lake or river frontage allowed in each parcel, and provides that, while family members would be free to stake adjacent land, no one individual could own more than one parcel at a time under this program.

HB 232 would satisfy Alaskans’ hunger for personal land; promote more settlement in more areas of the state, bring in more property taxes where sites were inside taxing districts and bring in new revenue to the state through land sales at market prices, Fate said.

Past state land disposal efforts have not been widely successful in part because they limited the land available to certain areas, took more than seven years to transfer ownership, and in many cases offered unattractive land, Fate said. HB 232 would leave the choice to individuals, but would also expect them to bear the costs.

“Everybody I have talked to so far has said they really like this bill,” Fate said. “I would expect that many people will take advantage of this bill, should it pass and the governor sign it into law.”

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Broadcasters note: Comments are available on the Majority Actuality Line 1 (800) 478-6540

DRESS RELEASE

thanks for the update and request

Subject: thanks for the update and request

Date: Wed, 02 May 2001 16:11:41 -0800

From: "Nevada Bovee" <Nevada@northernschoolsfcu.org>

To: <Representative_Hugh_Fate@legis.state.ak.us>

HB 232

Thank you for the update. I too, support getting land into the hands of the people. and wish you success on the recreational cabin site sales bill. I would also like to see that the Fairbanks North Star Borough School District has the needed funding this year. I would like to see our representative working on a solution for school funding that addresses the inflation factor. Thanks again!

Nevada Bovee
Marketing AVP

Subject: Recreational Land for Alaskans

Date: Wed, 11 Apr 2001 23:16:53 -0800

From: Doug Fleming <tebay@alaska.net>

To: Representative_Hugh_Fate@legis.state.ak.us

RECEIVED

APR 13 2001

232

Dear Representative Fate;

I have been very pleased with your efforts toward making recreational land available for Alaskans, particularly since it moves away from the more recent "remote subdivision" approach. I have been a member of the Fairbanks community since 1987, when I relocated here from Maine to get involved with fisheries. Since that time I went through a Master's program in Fisheries at UAF, married my wife Margaret, have been raising our two sons Hugh and Ian, and have been working as a fishery biologist for ADF&G here in Fairbanks. We have a busy life here in Fairbanks, and feel that we'll probably continue to be here for the long haul. We avidly pursue outdoor activities with our two sons that include fishing, camping, hiking, boating, and hunting as they become older.

Since 1990 I have been interested in finding a little place in the woods, or along a river, or on a lake that we could build a cabin, but not in close proximity to others. Being a fishery biologist who gets around in our great state, its easy for me to see that there certainly is enough land to allow Alaskans a more "Alaskan" option such as what you are supporting. I don't think that enough people here realize how big Alaska is, and how much land we truly have. I know other people too have moved from other rural places where people's homes and properties were not confined to 2 acre lots in subdivisions. I fully understand the economics for this in residential areas, but have not pursued purchasing recreational land in the most recent DNR system because of the irony associated with it when supposedly "remote". Some people say to me, "well you just should have gotten here earlier when a guy could go stake a piece of land...". I don't know about yourself, but I got here in ALaska as soon as it was feasible. I spent many nights reading about the adventurers in the North Country, such as in Sig Olsens books.

Now that I have a family who really lives in Alaska for the outdoors, I am really looking foreward to my children being able to pass stories on about how it was to have a cabin out in the toolies, miles from anyone. I hope that you receive other support from other folks like me, that work hard to stay here for the long haul. I am sure that some people will nit-pick the idea and others will oppose the idea because the threat that someone might be interested in "their backyards". Anyway, I hope that your bill moves foreward without problems.

Please feel free to contact me with updates or if I can be of any help-
Sincerely,

Douglas Fleming
1962 Red Leaf Rd.
Fairbanks, 99709

Dist 29

Keep Alaska open to adventure

Select few would benefit from cabin land sale proposal

By

DAVE KELLEYHOUSE One good thing about Alaska's legislative process is that questionable legislation seldom makes it through the scrutiny of the committee system. I sincerely hope that HB 232, Rep. Hugh Fife's legislation opening state land sales for recreational cabin sites, dies a quiet death in that process.

Last spring I was asked to co-chair the Natural Resources Committee at the Alaska Republican Party Convention. Of all the pressing issues brought before the committee, a burning need to sell off prime state lands for private recreational cabin construction wasn't one of them. HB 232 just blew in out of the blue like other special interest legislation over the years.

As a conservative, I am not opposed to the concept of private land ownership. But, as a natural resource manager, I am opposed to helter-skelter public land disposals that would do far more harm than good for typical Alaskans.

As a matter of fact, there is land available for private recreational cabins on lakes and rivers easily accessible from Fairbanks and Anchorage. Harding, Birch, and even George and Healy Lakes are dotted with private parcels. The Delta and Richardson Clearwater and the Goodpastor, Salcha and Chatanika Rivers also offer opportunities for the acquisition of private recreational cabins and building sites. In Southcentral there are properties available on Big Lake and Lake Louise and along the Kenai, Gulkana and other popular recreational waters.

No, the real shortage is undeveloped state land easily accessible for weekend and holiday outings for family fishing, camping and hunting. As young Fairbanksans, my wife, daughter and I would load our tent and freight canoe into the pickup and in short order be in the "wilderness" of the Chatanika River or George Lake fishing for giant pike or hunting for wily bull moose. Today we would find ourselves pitching camp near the front yard of someone else's private weekend cabin! Regrettably, some pretty special parts of the "Last Frontier" are looking more and more like any number of unremarkable private recreation areas in the Lower 48.

There is no doubt that those few, well off individuals who can afford to build recreational cabins on a previously isolated lake or stretch of river truly enjoy their own private piece of the bush. But, there is also no denying that, forevermore, thousands of other less fortunate Alaskans will no longer feel comfortable setting up a tent camp nearby for a weekend of camping, fishing or hunting. To my way of thinking, the proliferation of private property and recreational cabins along state waterbodies is the ultimate land lockup, even worse than parks.

It's been my experience that Alaska's unproductive fish and game resources are easily overharvested following the settlement of formerly wild lands and waters. The huge 30 year-old pike and lake trout, abundant slab grayling and resident moose that draw private development are soon depleted with more continuous pressure to the detriment of occasional campers and private landowners alike.

Proponents of HB 232 are touting the economic benefits of the bill. But they

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are overlooking substantial costs to the state that will go on forever. There is the matter of increased and continuing costs of protecting scattered private cabins from forest fires. Consider the millions spent in a futile effort to protect private cabins near Big Lake just a few years ago. Any speculative increases to nonexistent tax rolls in remote areas will be more than outspent in firefighting costs where fires are now simply monitored, but not fought.

Alaskans can have the best of both worlds if we develop our state lands thoughtfully. On the other hand, we will have a monumental legal and ecological mess on our hands if we do it wrong. The state has spent millions on land use planning. Lands have been designated for timber harvesting, mining, wildlife habitat and, yes, disposals in the future. Let's pull together on this one. The magic of the Last Frontier should not be lost for our children, our grandchildren and newcomers to Alaska with the same thirst for outdoor adventures that many of us were able to enjoy not so long ago.

Dave Kelleyhouse is former chief of wildlife conservation for the Alaska Department of Fish and Game. He's now retired and lives near Tok.

5/3/01

Representative Hugh Fate
119 Cushman St.
Fairbanks, AK 99701-2879

Dear Representative Fate,

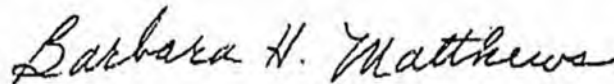
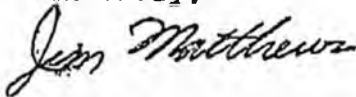
Your bill ^{Hugh}#232 was reviewed recently by members of the Goodpaster Property Holders Association at their annual meeting. During our consideration, several important questions were raised. For your information, nearly 40 owners belong to the Association, most of whom live in the Fairbanks community. Like us, most of these are lifelong Alaskan residents and users of the river.

Although the Bill appears to provide for some spacing buffers for its own regulation, it does not appear to provide similar protection for recreation sites acquired under prior statutes. It also appears to lack any spacing buffer provisions for property previously acquired by other means, such as native allotments, mining claims, Federal regulation, and even homesteads in recreation land areas. Such consideration appears particularly important.

For example, we own a recreation site acquired from the state through public auction. It has modest separation from other properties. However, as we assess your bill, it appears that a staker could select a site immediately adjacent to our cabin. If we have misinterpreted that provision or there has been an addition to your bill in that respect, we would appreciate a clarification.

Allowing applicants to stake sites and purchase them without allowing any other interested parties to bid, is quite different than the public auction process that we and other persons had to use to acquire state recreation sites in the past. We don't believe that current land stakers should have that protection, especially since Alaska's remote areas are easily accessed by today's machines such as tracked vehicles, float planes, etc.

Sincerely,



James W. and Barbara H. Matthews
P.O. Box 10553
Fairbanks, AK 99701

April 7, 2001

Bill allows land claims for cabins

By AMY DARLAND
For the News-Miner

Come July, "build lake front cabin" may be on to-do lists of Alaskans throughout the state.

House Bill 232, introduced Thursday by Rep. Hugh Fate, R-Fairbanks, would allow every Alaskan to stake a 2.5-acre claim to state land on which to build a recreational cabin.

"There are so many people in the state that have come up to me and said, 'Gee, I wish I could get a place on a lake or river, but they can't,'" Fate said. "There is almost no place where a private citizen can actually get a piece of property that they can call their own. This bill is intended to make that possible."

The bill includes a section specifically prohibiting the sale of lands that are tied up by state, federal and Native claims. Land in state park units would be off limits.

Under the bill, prospective buyers would have to apply for purchase of property within 30 days of claiming the plot. Upon approval of the application, the individual would have 24 months to pay for a surveyor and a state-approved appraiser to evaluate the claim. If the land is deemed unencumbered and available for purchase, a deed would be issued within 30 days after payment of the purchase price of the parcel.

There are also limitations on sales of popular water front properties. The bill allows for only one plot of land on any lake front to be sold for every 10 acres of

water.

In addition, river properties sold under those conditions must be at least two "meander miles," a distance measured by following the contour of the river, from any other stake sold under the bill.

The construction of a cabin is not required under the bill, but provisions were included to prevent overcrowding in waterfront areas, as has occurred in other state sales, Fate said. The limitations would prevent the recreational properties from being split into multiple properties, creating mini-subdivisions and thereby causing overcrowding.

Rep. Jeannette James, R-North Pole, said there have been problems with remote parcel claims in the past, but she doesn't think Fate's bill will necessarily encounter the same difficulties. She listed surveying inaccuracy as one of several past concerns.

Despite having positive thoughts about the proposal, the North Pole representative isn't immediately committing herself.

"I would resist saying that I would be a 'vote yes' until I see how public debate goes," James said. "But in general, I support the concept."

The bill was read in the House on Thursday and referred to the

See LAND CLAIMS, Page B-2



FATE

LAND CLAIMS

Continued from Page B-1

Resources and Finance committees. Fate is confident that the bill will emerge relatively unchanged.

"It will go to the Senate about like it is, I believe. I don't think (the Resource and Finance committees) will make substantive changes, but in this system you never know," Fate said Friday. "If they do make changes it will be for the better. Most people that I've shown the bill to down here seem to like it."

If approved by the House, Senate and Gov. Tony Knowles, the measure will take effect July 1, 2001.



ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the JERRALD D. STANSEI ^(H) RESOURCES
 Committee on House Bill 232 Committee Name
 Dated 4/22/02
 Bill / Subject

This is the 3rd time I have come down
 to TESTIFY IN FAVOR OF House Bill 232
 PRESENTED BY Representative Hugh B. FATE. This
 is a GREAT Bill & is desperately needed.
 I am the parent of 6 children who have just
 become adults. I now have 6 grand children. They
 feel there is nothing here for them at times regarding
 remote parcels. We are all avid outdoors people &
 greatly need LAND to go to, to develop & hunt & fish
 & to ~~SUBSIST~~ SUBSIST if we have to.

Thank You

SIGNED:

Jerrald D. Stansei
 Testifier

Representing

11775 Lyport Dr, FAIRBANKS, ALASKA 99709
 Address / Phone Number

The Constitution of the State of Alaska Reads:

Article VIII; Section 1 – STATEMENT OF POLICY

It is the policy of the State to encourage the settlement of its land and the development of its resources by making them available for the maximum use consistent with the public interest.

Article VIII; Section 2 – GENERAL AUTHORITY

The Legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people.

MEMORANDUM:

Alaska State Legislature

REPRESENTATIVE
HUGH "BUD" FATE

Mailing Address:
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Fairbanks, AK 99701
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Fax: 488-4271



While in session:
State Capitol
Juneau, Alaska
99801-1182
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Fax: (907)465-3883

House Of Representatives

House District 33

To: Representative Masek

From: Representative Fate

Concerning: House Bill 232

Date: January 17, 2002

I would like to request a hearing for House Bill 232, "An act permitting residents to purchase remote recreational cabin sites" in the House Resources Committee at your earliest possible convenience.

I have attached relevant information for the back up packet. Thank you for your assistance

Amendments to House Bill 232, "Remote Recreational Cabin Sites":

- 1) Page 1 line 4: after **program**, add the words "INTENT: It is the intent of this section that subsurface rights, which constitutionally accrue to the state, are in no way infringed if and when an entity leases or otherwise applies for exploration and/or development of subsurface assets.
- 2) page 2 line 4: before the word river, add the words "a navigable"
- 3) page 2 line 10: before the word river, add the word "navigable"
- 4) page 2 line 13: add a new subsection under (c) to read:

(4) A parcel not described above must have at least one (1) mile of separation from private land in all directions.

- 5) page 2 line 27: add three new subsections after (e) to read:

- (f) The Department of Revenue shall make regulations and procedures for payments on the sale of the appraised and surveyed state properties that have been applied for under this section.
- (g) No permanent man made object may be placed on the ground after survey and appraisal and before 50% of the indebtedness to the state has been paid by the applicant.
- (h) A person who shows proof of at least three years of use or occupancy on a parcel of land shall receive priority over a non-occupant if proof accompanies the application.
- (i) If all conditions are met after the applicant has applied for purchase of property under this section, and the procedures for payment have been established, the applicant may sell said property to a third party who will continue payments on the balance as originally prescribed in the procedures by the Department of Revenue.
- (j) The issue of a warranted deed shall not take place until all requirements of attaining the deed are met including full payment of costs and land. If the applicant has paid at least 50% and in that process has constructed permanent structures under subsection (f) of this section, the applicant shall have the right to sell his holdings to a third party provided that the Department of Natural Resources receives the proper sales documents.
- (k) The Department of Natural Resources shall nominate land for remote cabin site application provided that those lands nominated can facilitate the acceptance of 1,500 applications in the first year and no less than 5,000 each of the following years. Those areas applied for under subsection (g) of this section do not require nominating status for acceptance of the application

FISCAL NOTE

**STATE OF ALASKA
2002 LEGISLATIVE SESSION**

Fiscal Note Number: _____
 Bill Version: HB 232
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
 Title Remote Recreational Cabin Sites BRU Mining, Land & Water
 Component Land Sales & Muni Entitlements
 Sponsor Representative Fate
 Requester Representative Fate Component No. 2456

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	163.0	150.0	150.0	150.0	150.0	150.0
Travel	10.0	10.0	10.0	10.0	10.0	10.0
Contractual	50.0	50.0	50.0	50.0	50.0	50.0
Supplies	15.0	15.0	15.0	15.0	15.0	15.0
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	238.0	225.0	225.0	225.0	225.0	225.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	937.5	937.5	937.5	937.5	937.5	937.5
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	238.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
1153 Land Disposal Income Fund		225.0	225.0	225.0	225.0	225.0
TOTAL	238.0	225.0	225.0	225.0	225.0	225.0

Estimate of any current year (FY2002) cost: 0.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

After email discussions with state cartographers Representative Fate has reworked the Fiscal Note associated with House Bill 232. An explanation follows:

Fiscal Note Assumptions/Process:

FY 03— program start-up – 1 staff full time for mapping effort, 1 staff for developing staking guidelines and materials, program regulations, 1 for public information office.

Via email, Representative Fate has been informed by state cartographers for the division of land that mapping a 2.5 acre parcel would take between 1 and 1.5 hours to map. Given this assumption, one full time cartographer would be more than adequate to accept the load.

State land is sold at cost ranging from \$750 to \$4,000 per acre. Assuming 500 applicants per year at the minimum of \$750, the revenue is far above the expense. In fact, assuming as few as 150 applicants, the revenue is still positive.

Prepared by: Jay Hardenbrook Phone 465-4967
 Division Office of Representative Fate Date/Time 1/22/02 2:06 PM
 Approved by: Representative Fate Date 1/22/2002
 Agency Alaska State Legislature

Fairbanks Legislative Information Office

119 N. Cushman Street - Suite 101

Fairbanks, Alaska 99701

(907) 452-4448 - phone

(907)456-5346 - fax

To:

(14) RESOURCES

465-4822

From:

MICK MANNS

Notes:

RE: HB 232

Date:

3/4/02

Time: _____

Sent by:

ML

3 pages

Page - One - of new

*Paradise valley
Bettes .ok. 99726*

HOUSE BILL 232

*FAX- 907-474
3000*

Phone: 479-5704

LINE 13 SEC D SHOULD HAVE A LINE ADDED THAT SAYS,

A MINER, TRAPPER, GUIDE, OUTFITTER, LOGGER, OR LEGAL USER OF STATE LAND WHO WAS DEPRIVED OF AN I,T,M, SITE, HOME SITE. OR OTHER LEGAL USE BECAUSE OF A,N,C,S,A, D-2. NATIVE LAND SELECTIONS, THE NATIONAL MONUMENT ACT, OR OTHER STATE. FEDERAL. OR NATIVE OVER SELECTIONS SHOULD BE ENTITLED TO FILE ON UP TO 5 ACRES, IF HE OR SHE HAS BEEN IN POSSESSION OF THAT LAND AND USED THAT LAND FOR HIS LIVLYHOOD SINCE THE INTERUPTION BY THOSE ACTS, REGARDIERSH OF ITS PRESENT CLASSIFICATION.....

A. SECTION SHOULD BE ADDED THAT A PERSON WHO HAS A BUSINESS OR PRESENT LEGAL SITE HE HAS HAD FOR 5 OR MORE YEARS HE OR SHE MAY FILE ON THAT SITE OF PRESENT BUILDINGS.

RATHER THAN FORCE THE INDIVIDUAL TO STAKE MORE LAND NEAR BY AND CONSTRUCT MORE BUILDINGS WOULD MAKE NO SENSE AT ALL....

THE LEGISLATURE SHOULS HAVE A COPY OF EACH APPLICATION SENT TO A LEGISLATIVE SPECIAL LEASHION OFFICER SO ALL OF THESE APPLICATIONS GET PROSSESD.

WHEN THE IMOSLATURE PASSED S,B.,H,B, 130 IN 1983. MANY OF US APPLIED FOR LAND AND THE RADICALS IN D,N,R, CAME UP WITH SO MANY SCAMS TO DERRAIL THE PROSSES THAT GOVERNOR SHEFFIELD AND A FEW OF HIS CRONIES WERE THE ONLEY ONES WHO GOT LAND BEFOR THE ENTIRE PROSSES WAS SHUT DOWN SO NO ONE GOT LAND

FOR A STATE WITH 104 MILLION ACRES TO BE SO STINGY WITH THERE LAND DISPSAL IS A NATIONAL DISCRACE, ITS ABOUT TIME THE LEGISLATURE SAYS THE DUCK STOPS HERE AND TAKE CONTROL OF GIVING LAND TO ALASKANS WHERE ALASKANS OF EVERY CLASS CAN GET GOOD USEFABLE LAND WHEN AND WHERE THEY NEED OR WANT IT..

Page - two of two

THE PRESENT SYSTEM OVER THE LAST 30 YEARS HAS BEEN A
 RIDICULOUS DISASTER, OUR STATE CONSTITUTION SAYS,
 THE LEGISLATURE SHALL DISPOSE OF LAND LEASE LAND AND
 GRANT LAND FOR 30 YEARS RADICALS IN D,N,R, HAVE MADE A MOKERY
 OF EVERY LAND DISPOSAL OR LEGISLATURE HAS PROPOSED,

(A FEW MONTHS AGO ONE OF THE GOOD GUYS IN D.N.R, TOLD ME..)

YOU KNOW I HAVE ALMOST GOT FIRED IN THIS AGENCY, JUST FOR
 DOING MY JOB AND TRYING TO HELP PEOPLE GET LAND THEY
 WERE ENTITLED TO, AND UNTILL THE LEGISLATURE STEPS IN,
 AND PUTS SOME TEETH IN THESE LAWS SO RADICALS IN THIS
 AGENCY CANT SURCOMVENT THE INTENT OF THE LEGISLATURE WERE
 NEVER GOING TO GET DECENT LAND TO PEOPLE THAT NEED AND WANT IT

LET'S DRAFT THIS SO SIMPLE ACURATE G,P, S, SURVEYS DO THE JOB.

MAKE THE STAKING SIPLE AND FOOL PROOF

Many eyes were at the worst. Bashed in 83-84-

DONT LEAVE ANY LOOP HOLES, WHERE A HAND FULL OF RADICAL
 PEOPLE WHO WANT ALASKA ON BIG ANTI DEVELOPMENT COSTLY
 PARK CAN KEEP ALASKANS FROM HAVING A PLACE TO ENJOY
 THERE OWN PLACE IN THERE OWN STATE, SOME PLACE TO TAKE
 THE KIDS AND GRAND KIDS PREINDS AND FAMILY

ALASKAS CHILDREN OUGHT TO HAVE A PLACE IN THE COUNTRY
 TO PLAY, FISH, CANOE, SNOW GO AND LIVE LIKE ALASKANS.

ITS LONG PASSED TIME TO GIVE ALASKAN KIDS MORE TO DO THAN
 STEEL HUB CAPS, SMOKE POT AND BECOME T,V. COUCH POTATOE.
 THIS IS A DEMOCRACY NOT A COMMUNIST LAZY DO NOTHING DICTATORHIP
 WEVE GOT 200 MILLION ACRES OF PARKS AND DO NOTHING LANDS
 FOR SPECIAL INTEREST GROUPS ITS TIME THE PEOPLE OF ALASKA
 GET A PLACE FOR REAL ALASKANS,

HB

241

ALASKA STATE LEGISLATURE

REPRESENTATIVE
JEANNETTE JAMES
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North Pole, Alaska 99705
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House of Representatives
House District 34

Sponsor Statement, HB 241

4/17/01

If all government-funded employment in Alaska disappeared one day, only a few thousand private sector family-wage jobs would remain. It can be argued Alaska does not have an economy. ... Rather Alaska has a series of boom and bust cycles tied to the price of, and demand for, natural resources.

Alaska's economic future will be built on improved infrastructure. Connecting Alaska to the rest of North America by rail will benefit the mining, agriculture, tourism, military, manufacturing, and oil and gas sectors of the economy, while reducing the cost of bringing goods to the state as well as exporting our products.

The purpose of HB 241 is to begin the process of completing the last transcontinental railroad. Without appropriating funds, HB 241 authorizes the Alaska Railroad to delineate a transportation and utility corridor from existing tracks at Eielson AFB to the Canadian Border. After a survey and full delineation is achieved, state land would be transferred fee simple title.

This bill also authorizes and encourages the Alaska Railroad Corp. to obtain ownership or a right of way through any other lands, whether federal or private.

HB 241 mandates a 500-foot wide transportation and utility corridor that could allow for pipelines for gas or water as well as electric transmission lines and fiber optic cable. HB 241 allows the Alaska Railroad to use funds it can obtain, such as from federal appropriations or by sale of bonds, to survey and obtain a right of way to the Canadian border.

A separate section of this bill authorizes the Alaska Railroad to investigate extending to Whitehorse, Yukon.

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB241
 () Publish Date: 4/10/2001

Revision Date/Time (Note if correction): _____ Dept. Affect: DCED
 Title: Extension of the Alaska Railroad to Canada BRU: _____
and to Whitehorse, Yukon Territory Component: _____
 Sponsor: Representative James
 Requester: Representative James Component Number: _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
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 (FY2001) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2002 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

At this point, the Alaska Railroad Corporation (ARRC) matches all federal grant appropriations with its internal funds. Should this be the case regarding federal funding appropriated for corridor delineation to the Canadian border and Whitehorse, there will be no fiscal impact to the State's general fund. There will be a fiscal impact if the State helps the ARRC match the federal dollars. The ARRC is currently asking Senator Frank Murkowski to look for federal funding options for corridor delineation. It has been estimated it would take approximately \$5 million to delineate and survey the corridor from the Alaska Railroad near Fairbanks to the Canadian border. In addition, this bill would allow the ARRC to investigate the extension from the Alaska border to Whitehorse, in the Yukon Territory. At this time, the ARRC has not estimated the cost to determine the Whitehorse route and conduct surveys for this section of corridor. Finally, the bill would allow the ARRC to acquire rights-of-way in the corridor. We assume that State land could be acquired for no cost. Military land could be transferred by our Congressional Delegation. Native lands would require purchase or easements and we do not have estimates for the associated costs.

Prepared by: Wendy Lindskoog, Director External Affairs
 Division: Alaska Railroad Corporation
 Approved by: Commissioner Deborah B. Sedwick
 Agency: Department of Community & Economic Development

Phone (907) 265-2498
 Date/Time 4/24/01 12:00p.m.
 Date 4/24/2001

For distribution information, call the Governor's Legislative Office

HB

244

House Resources Committee
Juneau, Alaska

April 22, 2001

Dear Co-Chair Masek, Co-Chair Scalzi and Committee Members:

Thank you for the opportunity to provide input on HB 244.

My name is Linda Paganelli. I am a long time resident of the Denali Borough living on the Stampede Trail in the Panguingue Creek Subdivision. This coming summer will mark my 20th season driving a bus on the Denali National Park Road for the Park's concessionaire. For the past five months, I have been employed by the Northern Alaska Environmental Center in the capacity of Denali Watch Coordinator. While I do support efforts to assess possible solutions to park access issues, I do not support the North Access solution as put forth in HB 244 based on the following:

Determinations made by the Alaska State Department of Natural Resources, the National Park Service, and the United States Congress* are unanimous in their findings that the area in question, The Wolf Townships, serves as an important habitat for wildlife, particularly for park caribou and wolf populations. These lands should remain in public ownership for the purposes of maintaining wilderness recreation opportunities for local, regional, and statewide users and protecting fish and wildlife habitat. [*NPS Land Protection Plan]

In 1986, the Denali Subsistence Resource Commission conveyed, to the Secretary of the Interior, their strong opposition to any construction of new roads or railroads in Denali National Park and Preserve. The Commission reiterated their opposition to north access efforts in 1993 and 1994. Any activity that impairs the overall health of an ecosystem, natural processes or resource availability has the potential to adversely impact the customary and traditional activities practiced by subsistence users. The Wolf Townships, retained in State ownership, will continue to serve to protect the natural ranges of large park mammals from incompatible development and will thus, better ensure the continuance of the subsistence lifestyle. Although HB 244, stipulates access development only to the boundary of the National Park, it is implied that this is only an incremental step to pushing the road through the Park's northern additions.

I am concerned with the stipulation contained in this bill that grants over 45,000 acres of prime public land to the Denali Borough. I am in agreement with the Department of Natural Resources, "that a more efficient and equally effective approach would be for the Borough and Kantishna Holdings, Inc. to identify the corridor first, then DNR transfer the land, or Kantishna Holdings, Inc., simply apply for a ROW from DNR."

I am concerned that this bill grants sole rights of project development to one company, Kantishna Holdings, Inc., without the opportunity for a competitive bid process. On this basis, I question the constitutional validity of the bill *. What's the legislative purpose behind granting Kantishna Holdings Inc., a sweetheart deal and a legislatively mandated seat at the planning table? Where's the state's common interest in bestowing this deal to Kantishna Holdings, Inc.?

***Alaska State Constitution: Article I, Sec. 15 and Article II, Sec. 19**

Article I, Sec. 15: "special privilege", consulting on route, as well as preference in ultimate development

Article II, Sec. 19: the legislative act must be "reasonably related to a matter of common interest to the whole state." Where's the State's common interest for KHI?

An unreasonable fixed date, for the transfer of lands from the State to the Borough, fails to encourage or even permit public input as to whether these lands should be transferred at all. Impacts to homeowners, sport and subsistence hunters, local guiding businesses, and other local, regional, and statewide users will consequently be ignored. Transfer to the municipality should not be approved until the recommended changes to the Tanana Basin Area Plan have been publicly reviewed through the amendment and reclassification processes as defined by Alaska Statutes:

AS 38.04.065 Land Use Planning and Classification.

(a) Except as provided in (d) and (h) of this section, the commissioner shall, with local governmental and public involvement under AS 38.05.945, adopt, maintain, and, when appropriate, revise regional land use plans that provide for the use and management of state-owned land.

AS 38.05.035 Powers and Duties of the Director.

(e) Upon a written finding that the interests of the state will be best served...

(5) public notice requirements relating to the sale, lease, or other disposal of available land...

AS 38.05.945 Notice.

(a) This section establishes the requirements for notice given by the department for the following actions:

(1) classification or reclassification of state land under AS 38.05.300 and the closing of land to mineral leasing or entry under AS 38.05.185;

The Denali Borough Government boasts a "do nothing" policy towards guiding growth and development in the Borough. This shortsighted approach towards planning, in a gateway community to one of the world's leading tourist destinations, should not be downplayed. Representative Jeannette James contends that the Borough's lack of experience in planning is not a significant factor since local government officials will be relying on a private consulting firm, Alaska Transportation Consultants, Inc., to guide them in their decision making efforts. A private developer, Kantishna Holdings, Inc., and a private consulting firm, both with undisclosed agendas, being the leaders on this development project creates added concerns that affected citizens will be further distanced from participating in the process and the project.

The language of this bill is too loosely woven: it designates no time frames for surveys, development or construction completion, it does not define what happens to the land if the railroad is never developed, it does not define what "facilities" may be developed, and does not maintain an accountability of action for the designated contractor. At a minimum, a drop-dead date should be included, as discussed in the House Transportation Committee Hearing on April 17, 2001, whereby the land is transferred and no developments occur by a specified date, the land reverts back to the State.

North Access is based on speculation. Proponents speculate that the route will continue through the National Park to Kantishna and create a loop corridor, speculate that demand will exist for year-round operation, speculate that 350-900 permanent jobs will be created by this development, speculate that concerns for environmental and social and cultural impacts to the

area are inconsequential, and speculate that the proposed 30 mile rail route, which provides minimal opportunity for mountain or wildlife viewing, will provide visitors with a satisfactory experience. The State Legislature and the people of Alaska deserve to be provided with the following information before a determination of this proposal can be justly assessed: the project's feasibility, a finding that a rail route located in this region is in the State's best interest, a determination of the socio-economic impacts to the people of the Borough and the State, a proof of funding ability by Kantishna Holdings, Inc., and an unequivocal demonstration of the need for north access.

The State of Alaska has the opportunity to contribute to the fulfillment of a vision of creating enhanced park experiences for the people of Alaska, the nation, and the world by supporting in partnership with the NPS the implementation of plans already identified and studied to address these concerns. On behalf of the Northern Alaska Environmental Center and myself, as a local resident, I request that the Resources Committee vote **No Pass on HB 244**.

I would like to thank you for the opportunity to provide input on this much-debated and highly contentious issue. If I can be of further assistance to you in this matter, please let me know. Thank you for your time and considerations regarding this bill.

Linda A. Paganelli
Denali Watch Coordinator, Northern Center
Healy, Alaska
907 683-2744
lindapag@mtaonline.net

cc: Representative Jeannette James, DNR Commissioner Pourchot

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 244
 () Publish Date: _____
 Dept. Affected: Natural Resources
 BRU: Minerals, Land & Water Dev
 Component: Land Sale/Muni Entitle
 Component Number: 2456

Revision Date/Time (Note if correction): _____
 Title: ROW to DENALI BOROUGH for RR/Utility
 Sponsor: Rep. James
 Requester: (H) TRA

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services	16.0				28.2	
Travel	0.5				3.0	
Contractual	5.0				1.0	
Supplies						
Equipment						
and Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	21.5	0.0	0.0	0.0	32.2	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	21.5				32.2	
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	21.5	0.0	0.0	0.0	32.2	0.0

Estimate of any current year (FY2001) cost: None

Check this box if funding for this bill is included in the Governor's FY2002 budget proposal: []

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

DNR assumes that, because the bill mandates conveyance of the 46,000 acres within 60 days, HB 244 intends and will be amended to specifically state that the conveyance is exempt from AS 38.05.035 (preparation of a Best Interest Finding). Similarly, DNR assumes the bill intends the conveyance to be exempt from AS 38.04.045, surveys. The FY 2002 costs are to identify and reserve valid existing rights, including the RS 2477 right-of-way along the Stampede Trail (RST 340). They also include public notice, title checks, and drafting and issuance of deeds. Public notice is constitutionally required for state land disposals and will be done under AS 38.05.945, unless the bill is amended to exempt the conveyance.

(Continued)

Prepared by: Bob Loeffler Phone 269-8600
 Division: Mining, Land and Water Date/Time 13-Apr-01
 Approved by: Pat Pourchot Date 16-Apr-01
 Agency: Natural Resources

For distribution information, call the Governor's Legislative Office

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House of Representatives
House District 34

Sponsor Statement, HB 244

4/12/01

In order to help bring about economic development in the Denali Borough, and to relieve a bottleneck at the single entrance to Denali National Park, many Alaskans have strongly supported a new route into the park -- for tourists and for Alaskans alike.

In 1998 HB 386 was signed into law, which authorized the Alaska Industrial Development and Export Authority to engage in a number of economic development activities. Section 25 of the bill provided for a right of way for a railroad and utility corridor to connect Healy with the eastern boundary of Denali Park, generally paralleling the Stampede Trail.

Kantishna Holdings, Inc. was authorized to finance and complete the project. HB 386, however, did not require AIDEA to act on the provisions of Section 25, and it did not.

The **technical purpose** of HB 244 is twofold. First, it substitutes the Denali Borough for AIDEA as drafted in HB 386. Second, it cancels the AIDEA authorization in Section 25 of that bill.

The **overall purpose** of HB 244 is to create real economic development opportunity in the Denali Borough by facilitating development of a visitor-oriented railroad and other facilities by Kantisha Holdings, Inc. HB 244 is strongly supported by the Denali Borough Mayor and Assembly. HB 244 is also consistent with findings of the National Park System Advisory Board -- Denali Park Task Force for improving park access through a new Northern entry route.

ALASKA STATE LEGISLATURE

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House of Representatives
House District 34

Q&A on HB244

April 17, 2001

ISN'T A 40,000 ACRE SELECTION EXCESSIVE, CONSIDERING ONLY 3,500 ACRES WILL BE RETAINED FOR A RAIL/UTILITY CORRIDOR?

It is necessary to select a larger area in order to insure the best possible right of way is surveyed. There needs to be a wide swath to select from, so all the varied interests and concerns -- from being a good neighbor to avoiding wildlife habitat or wetlands -- can be addressed. In addition, it's ideal to have a larger parcel to select a smaller one from so it can meet specific needs for rail, such as curve and grade.

DO WE NEED A "DROP-DEAD" DATE?

The practical difficulty with writing an end-date into HB244 is that it would raise a tempting target to those who would oppose the project through use of stall and delay tactics.

IF HB244 PASSES, WON'T KANTISHNA HOLDINGS' PROJECT BE A 'SOLE SOURCE' CONTRACT?

No. Kantisha Holdings' effort to obtain a right-of-way is no different than a river rafting operator who seeks a lease of public land for a base of operations. There is no RFP -- and neither the state, borough or federal government is asking that anything be done. This is a private proposal to build on public lands for public convenience. The state government, Denali Borough and Alaska Railroad retain ownership of all land involved.

SHOULDN'T THIS R.O.W. BE PART OF THE BOROUGH'S LAND SELECTION?

This grant of land is for economic development and is restricted to the uses described. While there might be ancillary uses of the land that benefit the borough, but the prime goal is rail and related facilities.

ALASKA STATE LEGISLATURE

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House of Representatives
House District 34

WOULDN'T THE STAMPEDE TRAIL BE THE BEST R.O.W FOR A RAIL LINE?

The Stampede Trail (Stampede Road) is not a railroad route. It was built by Yutan Construction with old D-3 Caterpillar Tractors and would not even be considered a road if it was built today. It should be noted that no part of the proposed route crosses designated wilderness areas.

WHY CONSTRUCT A SECOND ACCESS JUST A FEW MILES NORTH OF THE EXISTING PARK ROAD?

It's true that this proposed R.O.W. is just 17 miles north of the park entrance. But the two access routes are separated by a massive mountain range. Eventually, park visitors could complete a loop using the existing road for the inbound or outbound portion, while enjoying a unique viewing experience throughout the entire route.

COULD HB244 THREATEN THE \$1.5 MILLION SET ASIDE FOR NORTH DENALI ACCESS CONSTRUCTION IN FEDERAL TEA-21 FUNDING?

No. Federal TEA-21 funds can be used for a survey or EIS as well as for actual construction under legislative intent language.

Rep. Jeanette James
State Capitol
Rm 214
Juneau, Alaska 99801-1182



Re: HB-244
April 12, 2001

Dear Rep. James:

When the George Parks Highway opened in 1972, there was already a recognition among transportation planners, far sighted legislators and visitor industry leaders of the need for better access into Denali National Park and Preserve. Prior to the Parks Highway opening, an overland trip to Denali meant driving to Paxon Lodge via Glenallen from Anchorage or through Delta Junction from Fairbanks, then venturing across the Denali Highway, little more than a seasonal trail in those days, a beautiful, but long trip. It's important to note that the Parks Highway is the most recent major transportation infrastructure Project to be built in Alaska, now approaching 30 years of age. Today, Delta and Glenallen are the gateways to Prince William Sound and Wrangell Saint Elias NP.

The other way to get to Denali before the Parks Hwy opened was via the Alaska Railroad from Fairbanks or Anchorage. Rail was a less arduous, more reliable and far more comfortable way to travel. However today, even with all the changes in how to get there, Denali Park is still served by the same single internal road (a road that fails even to comply with national or state highway safety standards) and the visitor volume has grown from between 40,000 to 60,000 in 1970's to over 500,000 per annum in 2000. Unfortunately, only about 2% of the visitors who come to see Mt. McKinley across Wonder or Reflection Lakes ever do.

Kantishna Holdings, Inc. (KHI) first proposed building a railroad to the vicinity of Kantishna in 1991. Upon exploration, KHI determined that a rail system operation transferring bus and rail passengers at a terminal location near Wonder Lake would allow the Park visitor volume to double without any additional vehicles being placed on the road system. Not only that, but the actual number of vehicles events on the road each year could be reduced when NPS administrative vehicles were eliminated in favor of Park personnel using the railroad. Likewise, passenger, freight and equipment delivery to the Kantishna would made simple, fast and cost efficient for the NPS, the railroad and other Park Inholders.

This Project is an environmentally sound and sensible proposal to provide for long term resource protection in Denali while allowing visitors, especially children, to see the park without having to endure an 8 hr bus ride - out and back. There are over 70,000 school age children in the Alaska's railbelt, not to mention the balance of the state, of whom perhaps less than 3% have ever been to Wonder Lake. And, the entire route is outside the Wilderness Areas of the Park. We firmly believe that those allowed to view the Park will help to preserve it for future generations.

Perhaps the most significant statewide impact of this bill is the advancement of the Denali Railway System Project and its effect on the expanding visitor industry which has been growing at about 7% p.a. for the past 10 years. At this writing, there is no proposal by the State of Alaska or the Federal Government for new access into Denali Park. The NPS and a group of state employees did conjure up a publicly funded plan for the South Side of Denali but it had no real access into the park and has all but failed at this point. Prior to that plan being hatched, the National Park System Advisory Board had made a finding in the Denali Task Force process endorsing the creating of a new northern railroad route to Wonder Lake.

The main impact of northern rail access development at Denali Park will be new year-round jobs for Alaskans and a new economic base for the Denali Borough. Keep in mind, the Denali Borough is not likely to directly benefit much from the proposed Alaska Natural Gasline Project, the proposed National Missile Defense System and no new major mining project is planned in the area. In fact, gas development and transport may have an adverse effect on the Usibelli Mine operations, the premiere coal operation in Alaska, and that could adversely impact the residents and future of the Denali Borough. In other words, between the Talkeetna Cutoff and Fairbanks there is virtually no proposed major economic development project outside of this Project.

As for cost-benefit analysis, it's fairly simple: Minimal public cost, great community benefit. The Denali Borough has an active role in the management of the lands already under their control and they have the experience and competent personnel needed to manage the activities outlined in HB-244. Clearly, there will be ample oversight on this project, not only the portion covered in HB-244, which is all state land, but also on the portion extending into the Park. HB-244 also shows the new Secretary of the Interior that the State of Alaska has the willingness to pursue other types of economic development beyond oil and gas.

Simply put, this is a Public/Private undertaking, the kind so often promoted by economic development organizations in Alaska and nationally, that will provide for long term economic provision in the Denali Borough. It is year-round infrastructure developed through private capital for the long term.

HB-244 works, for Denali National Park and its neighbors. I wish to compliment you and the rest of the Legislature for your farsightedness in this matter and, I look forward to any questions you may have regarding the Project.

With thanks and very best regards I am.

Sincerely yours,
Joseph N. Fields III, President
Kantishna Holdings Inc.

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DENALI BOROUGH

P. O. Box 480 • Healy, Alaska 99743
Phone (907) 683-1330 • Fax (907) 683-1340
dbgovt@mtaonline.ncl
www.homestead.com\akdenali\borough.html



April 12, 2001

Representative Joannette James
State Capitol Building
Juneau, AK 99801

John C. Gonzales, Mayor
(907) 582-2346

Re: HB-244

Dear Representative James:

Thank you for the introduction of House Bill 244. I feel this bill has been a long time coming.

As you know, the Denali Borough Assembly adopted a resolution in 1993 endorsing a railroad/utility corridor for a northern Denali National Park access. Approximately one half million visitors come to the Park, and of this number only about 2% are able to go all the way to Wonder Lake. It's a shame that only this small number of visitors are permitted entrance to Wonder Lake.

We Alaskans should be proud to be able to share the wonders of not only the Mountain itself, but also the wildlife and beautiful scenery with those who wish to participate. This bill allows more visitors to share in the "Denali experience". I wish to remind you that Denali National Park is a critical element in the Alaska visitor industry throughout the State.

Kantishna Holdings has proposed an environmentally sound, sensible, innovative, and unique tourism railroad between Healy and Wonder Lake to provide access to the growing number of Alaskan visitors.

On April 8, 2001 the Denali Borough Assembly voted unanimously in support of your bill and stated they urge you to make this bill a reality.

Representative James, let me assure you that I have complete confidence that the Denali Borough government is more than capable of administering the intent of this bill. We are not only capable, but we welcome the challenge.

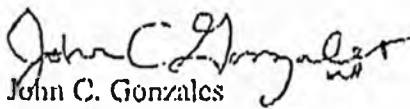
The Legislature by law has required local government to share in supporting its citizens.

Through this law the Borough must find ways to create revenue. In order to create revenue, we must have economic development and employment.

With your bill, the Denali Borough government and its citizens can continue to work toward self-sufficiency.

Please feel free to contact me if you have any questions. The Denali Borough Assembly, Staff and myself are at your service.

Sincerely,



John C. Gonzales
Mayor

FRANK H. MURKOWSKI
ALASKA

COMMITTEES:
SELECT COMMITTEE ON INTELLIGENCE (VICE CHAIRMAN)
ENERGY AND NATURAL RESOURCES
FOREIGN RELATIONS
VETERANS' AFFAIRS
SELECT COMMITTEE ON INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-0202
(202) 224-6665

April 2, 1993

222 WEST 7TH AVENUE, BOX 1
ANCHORAGE, AK 99513-7570
(907) 271-3735

101 12TH AVENUE, BOX 7
FAIRBANKS, AK 99701-8278
(907) 456-0233

P.O. BOX 21647
JUNEAU, AK 99802-1647
(907) 588-7400

130 TRADING BAY ROAD, SUITE 350
KENAI, AK 99611-7716
(907) 283-5808

109 MAIN STREET
KETCHIKAN, AK 99901-6489
(907) 225-6880

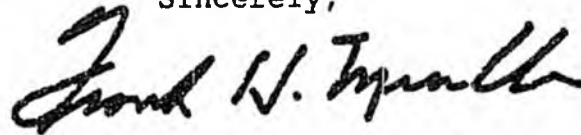
Mr. Joseph N. Fields, III
Director
Kantishna Group Incorporated
P. O. Box 71047
Fairbanks, Alaska 99707

Dear Joseph:

Thank you for your update on the railroad into Denali National Park. As you know, I support increased access to the Park and appreciate your proposal.

It sounds like you are on the right track, and I appreciate your efforts to keep me informed.

Sincerely,



Frank H. Murkowski
United States Senator

April 23, 2001

Testimony before House Resources Committee
RE: HB 244

I appreciate the opportunity to testify regarding HB 244. My long residence and employment in the Denali Borough gives me some perspective on the issue. I have worked at the entrance to the Park, in Kantishna for over 20 seasons, and I own personal property in the Borough. In addition, I am familiar with the Stampede trail, having skied this route in the early 1970's. Currently I am President of Denali Citizens Council, a local group of concerned citizens.

I urge you not to support this bill. My reasons are detailed below.

1. A North Access project of this scope would have immediate and long-term detrimental impacts upon the resource values of the Stampede townships and of the surrounding National Park lands. The North additions to Denali National Park were added specifically to provide habitat for large mammals, caribou, and their predators, wolves. The Stampede townships, nestled within these additions, are as important to these species as are the neighboring Park lands. The Denali Subsistence Commission, a broad based local advisory group, has come out on several occasions against the construction of either rail or road to the North of Denali as being detrimental to subsistence uses.
2. It is easy to say that "rail only access" would be environmentally friendly, but HB 244 provides no safeguards to prevent the building of a network of roads and "facilities" along the entire route of the railroad. If the sponsors of this bill are concerned that rail **only** be built, they need to provide safeguards against the use of the 3500 acres for any other transportation purpose, and provide for the return of these lands to the state if they are not used for the original project. They need to address the problem of strip development along any transportation route. This development will occur if not regulated.
3. The North Access Feasibility Study of 1997 lists tremendous costs for planning, permitting and construction of a railroad in this area (see my testimony for House Transportation). The responsibility for showing that this project is cost effective should rest with Kantishna Holdings. However we have not seen a detailed business plan, projection of costs, discussion of how revenues will meet costs or description of proposed "facilities." Has the Alaska Railroad been contacted for a competitive bid? Has the developer shown that a ride on this railroad will be affordable?
4. The State of Alaska has an Area Planning process (Tanana Basin Area Plan in this case) and provisions for "best interest findings" during land conveyances. These processes ensure that there be public input prior to a change in land use patterns. Why are these processes avoided in this bill? The stakeholders in the future of the Stampede Townships are local residents, many of whom moved to Healy and Denali with a certain rural lifestyle in mind. Their voice in this process is not optional.

5. While change is inevitable, I support comprehensive planning to avoid mistakes that are both financially and environmentally costly. In the past 20 years, visitation at Denali National Park has tripled. The pace of this change has generated problems with crowding, traffic safety and the quality of experience for tourists and locals. Although North Access advocates would like you to believe that their plan will take pressure off the Denali Park entrance, it will only bring these problems further North in a Borough where very little attention is paid to the quality of development. In my view, it is time, first, to step back and address the existing transportation and development issues along the Parks Highway.

Thank you for the opportunity to speak. If any of the documents quoted in my testimony would be of interest, please contact me for references.

Sincerely,

Nancy Bale
PO Box 240054
Anchorage, Alaska 99524
(907) 277-3825

Subject: (HB 244)

Date: Sat, 21 Apr 2001 14:57:01 -0700 (PDT)

From: Dan King <blkwolf17@yahoo.com>

To: Jennifer_Yuhas@legis.state.ak.us

Denali Park has changed much in the last few years. Between Cantwell and Healy has become a city in itself. To open up more access to the park will only invite more businesses to build along this corridor. The massive motel being built on the bluff now overlooking Denali is an example of money over common sense.

Denali is a preserve, meant to be left alone. NO MORE ACCESS ROUTES ARE NEEDED! Any more routes in are strictly for tourism dollars, those of us who live here, we want Denali left alone.

Dan King
North Pole

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Subject: HB 244 in Resources Committee
Date: Sun, 22 Apr 2001 06:15:50 -0800
From: "Nancy Bale" <nancybale@hotmail.com>
To: Jennifer_Yuhas@legis.state.ak.us

Dear Ms. Yuhas,
Attached is my testimony on HB 244 for the Monday Resources Committee meeting. I would like to be present by teleconference from the Anchorage LIO. Please email me if there is a problem receiving this attachment.
Thank you
Nancy Bale
(907) 277-3825

Get your FREE download of MSN Explorer at <http://explorer.msn.com>

 Testimony for HB 244.doc	Name: Testimony for HB 244.doc Type: Winword File (application/msword) Encoding: base64 Download Status: Not downloaded with message
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Subject: HB 244

Date: Sun, 22 Apr 2001 11:13:04 -0800

From: "The Brauns" <sueb@usibelli.com>

To: <Jennifer_Yuhas@legis.state.ak.us>

Ref: HB244

Dear House Resources Committee,

Please stop House Bill 244. It *donates* at least 3500 acres of land to developers. One year ago my family sold one and a half acres of land near Denali National Park and Preserve. We signed a Confidentiality Agreement so we cannot tell you how much money we recieved. It is accurate however to say that some land near Denali is worth at least thirty times what it was worth in 1980, and its value continues to rise, apparently at the same rate. Based on current land values in Panguingue Subdivision and my personal experience I believe 3500 acres of commercial land in the Wolf Townships are worth at least \$63 million and in the near future could be worth many times that. Kantishna Holdings Inc. and the Denali Borough are well aware of the value of this land. The potential return on investment justifies these land prices but Denali Borough will get this land for free in addition to their borough entitlement. The borough is already heavily subsidised by state government, and residents have repeatedly refused to give any financial support to their local government.

I would emphasize again that the Denali Borough Assembly has refused to regulate land use as charged by the legislature. They have not abided by their agreement with the state and I believe it is irresponsible to convey land to them.

Sincerely

David P. Braun
Box 222
Healy Ak.99743
683-2654

Subject: HB 244

Date: Sun, 22 Apr 2001 12:54:21 -0800

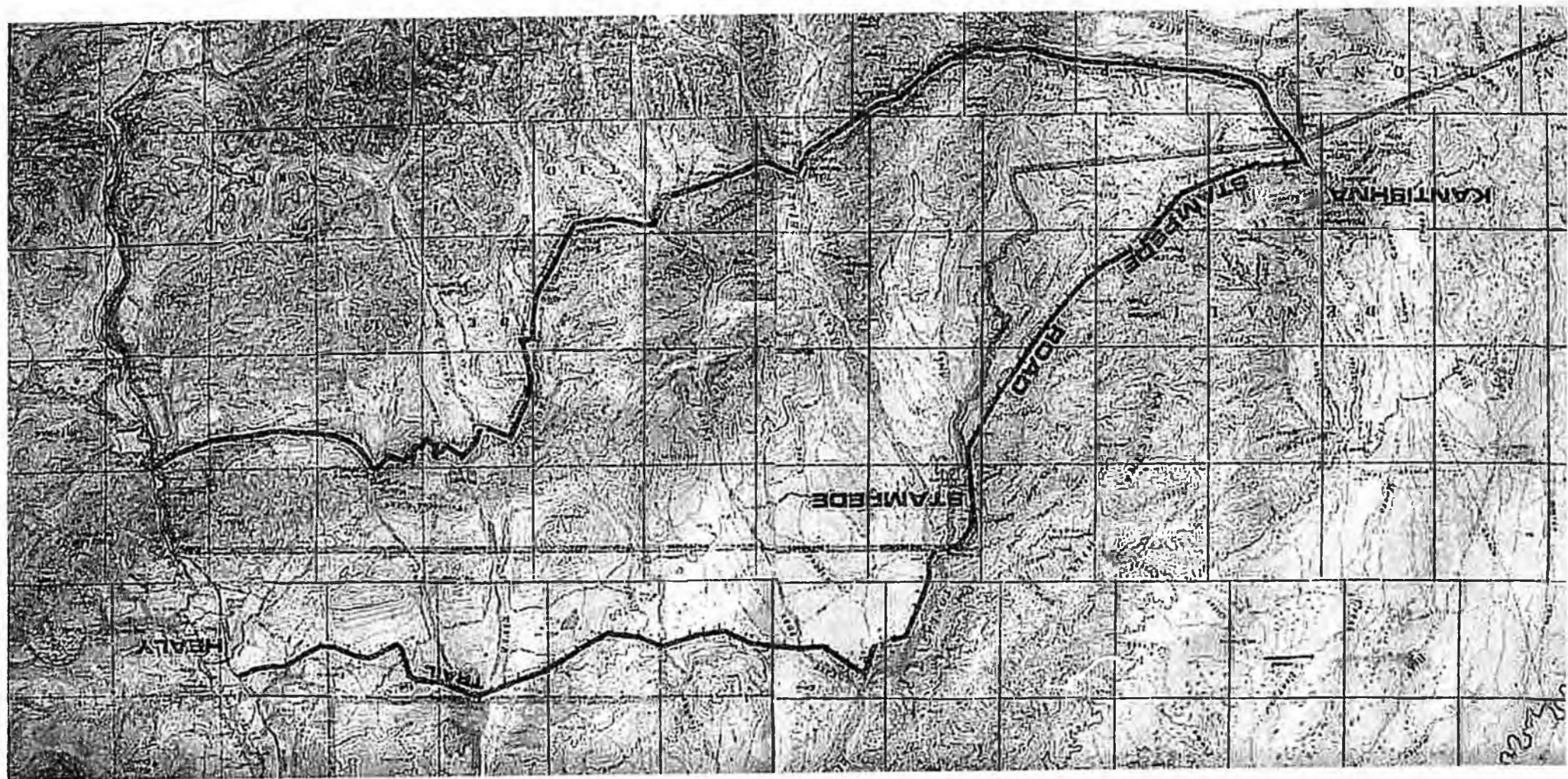
From: "The Brauns" <sueb@usibelli.com>

To: "Jennifer Yuhas" <Jennifer_Yuhas@legis.state.ak.us>

Dear Members of the Resource Committee,

I oppose House Bill 244. Among other reasons, I think the transferring of excess land to the borough and then transferring back the part not needed for the railroad is a very sloppy way of doing business. The bill should be stopped on those grounds alone.

Sincerely,
Susan Braun
PO Box 222
Healy, AK 99743
(907) 683-2654



Dear House Resources Committee member,

I am opposed to House Bill 244. Public and private land developers are trying to appropriate state land in Denali Borough. They want to make the Wolf Townships an extension of Denali National Park's transportation system, and develop it for their own financial gain.

On Thursday April 19 House Transportation Committee quickly passed HB 244 out of committee without providing for any public comment or public hearing. The history of this bill is interesting. A working draft of the bill distributed at the Denali Borough Assembly Meeting April 7th said "The Denali Borough shall identify and survey a railroad and utility corridor ...from near the community of Healy to the eastern boundary of Denali National Park and Preserve." It also said "The borough may retain not more than 3500 acres of the land granted to the borough under this section." This land would be in addition to the borough entitlement and is worth many millions of dollars. The citizens of Alaska will not be adequately compensated for the loss of this public land.

A legislative staffer noted that having Denali Borough do a survey for a private enterprise put the borough in the role of developer. The bill was changed so that Kantishna Holdings Inc. (KHI) would identify and survey the railway, but the Denali Borough would still get 3500 acres to develop whether the railroad was built or not. Its political and economic feasibility is in doubt. Contrary to public statements made by Mr. Fields, spokesman for KHI, he still wants a hotel at Wonder Lake. Mr. Fields also is not open about his backers; KHI is a private corporation with private information.

This bill is an attempt to give valuable public land to Denali Borough to sell, lease or otherwise develop. The ultimate use of any land conveyed to the borough is completely unpredictable. The Borough Assembly is unwilling to regulate land use as charged by the legislature. Hunting in the Wolf Townships is especially threatened by chaotic development. Intense hunting pressure is only sustainable now because any animal that steps out of Denali Park and Preserve is fair game.

Contrary to what supporters of HB 244 say the question is not whether development should occur but where it should be. There are tens of thousands of acres east of Panguingue Subdivision open to Borough land selection. Leaving the Wolf Townships as they are encourages development that is independent of Denali National Park and will continue to give Alaskans and tourists an alternative to the congestion and bureaucracy of the park. It is worth noting that now travelers from all over the globe are purposely coming to the Wolf Townships as the result of Jon Krakaur's book Into the Wild, the story of Chris McCandless's death. It is shortsighted and impossible to funnel all our visitors through Denali National Park. We can learn from mistakes made outside parks in the lower 48.

I question the motives of those who are hostile to Denali National Park but would force the park to expand its transportation system onto our public land.

If HB 244 passes what we have now will be lost forever.

Sincerely

David P. Braun 683 - 2654 phone and fax.
sueb@usibelli.com

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FAX NO. 0000000000

P. 01

APR-07-2001 SAT 01:45 PM LEGAL SERVICES

FAX NO. 907 465 8231

P. 02

WORK DRAFT

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22-LS0850V
Cook
4/7/01

HOUSE BILL NO. 244

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE JAMES

Introduced;
Referred:

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to a grant of state land to the Denali Borough for a railroad and utility
2 corridor and a railroad development project; repealing provisions relating to a grant of
3 a right-of-way of land for a railroad and utility corridor to the Alaska Industrial
4 Development and Export Authority; and providing for an effective date."

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

6 * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
7 to read:

8 GRANT FOR RAILROAD AND UTILITY CORRIDOR. (a) The Department of
9 Natural Resources shall grant to the Denali Borough the land described under (b) of this
10 section for the purpose of supporting economic development in the borough by enabling
11 Kantishna Holdings, Inc., and its successors and assigns in interest, to provide for a utility
12 corridor and for the design, construction, development, operation, and maintenance of a
13 railroad and facilities to support that development project. The grant to the borough may not
14 impair current valid property rights in the land granted under this section.

APR-07-01 SAT 08:47 PM 00000000

FAX NO. 0000000000

P. 02

APR-07-2001 SAT 01:45 PM LEGAL SERVICES

FAX NO. 907 465 8231

P. 03

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22-LS0850U

1 (b) By September 1, 2001, the Department of Natural Resources shall transfer to the
2 Denali Borough the following state land:

3 (1) Township 12 South, Range 7 West, Fairbanks Meridian

4 Section 6: S1/2

5 Section 7;

6 (2) Township 12 South, Range 8 West, Fairbanks Meridian

7 Section 1: S1/2

8 Section 2: E1/2 of S1/2

9 Section 7: S1/2

10 Section 13: W1/2

11 Sections 11, 12, and 14 - 23, inclusive;

12 (3) Township 12 South, Range 9 West, Fairbanks Meridian

13 Sections 7 - 24, inclusive;

14 (4) Township 12 South, Range 10 West, Fairbanks Meridian

15 Sections 9 - 24 and 28 - 30, inclusive;

16 (5) Township 12 South, Range 11 West, Fairbanks Meridian

17 Sections 13 - 14, inclusive;

18 Section 15: S1/2

19 ^{10/21} Sections 19 - 35, inclusive.

20 (c) ^{10/21} The Denali Borough shall identify and survey a railroad and utility corridor not
21 more than 300 feet in width that runs from near the community of Healy to the eastern
22 boundary of Denali National Park and Preserve through the land granted under this section.

23 ^{10/21} The borough shall also select and survey ancillary land necessary to support the development
24 and operation of a railroad and facilities to support economic development in conjunction
25 with the railroad development project. By September 1, 2006, the borough shall transfer land
26 granted under this section that is not needed for the corridor or the railroad development
27 project back to the state. The borough may retain not more than 3,500 acres of the land
28 granted to the borough under this section.

29 * Sec. 2. Sections 24(c) and 25, ch. 109, SLA 1998, are repealed.

30 * Sec. 3. This Act takes effect July 1, 2001.

Richard:

This Draft \F does not work the way it is. It puts the borough into the role of developer delete words in [] and substitute the words immediately following in "bold"

Page 1
Section 1
Line 10,

after - "enabling"

Should read:

[The] "Kantishna Holdings, Inc. and its successors and assigns in interest, or Kantishna Holdings, Inc. or its successors and assigns in interest, to select a railroad and utility..." And

Page 2
Section 1 (c)
line 20

after " (c) "

Should read:

[The Borough] "Kantishna Holdings, Inc., shall identify..." And

Page 2
Section 1 (c)
line 23

Should read:

[The Borough] "Kantishna Holdings, Inc., shall also select..."

--I've already called Mayor Gonzales. And I can take the text of the the amended draft as an unofficial document.

House Resources Committee
Juneau, Alaska

April 22, 2001

Dear Co-Chair Masek, Co-Chair Scalzi and Committee Members:

Thank you for the opportunity to provide input on HB 244.

My name is Linda Paganelli. I am a long time resident of the Denali Borough living on the Stampede Trail in the Panguingue Creek Subdivision. This coming summer will mark my 20th season driving a bus on the Denali National Park Road for the Park's concessionaire. For the past five months, I have been employed by the Northern Alaska Environmental Center in the capacity of Denali Watch Coordinator. While I do support efforts to assess possible solutions to park access issues, I do not support the North Access solution as put forth in HB 244 based on the following:

Determinations made by the Alaska State Department of Natural Resources, the National Park Service, and the United States Congress* are unanimous in their findings that the area in question, The Wolf Townships, serves as an important habitat for wildlife, particularly for park caribou and wolf populations. These lands should remain in public ownership for the purposes of maintaining wilderness recreation opportunities for local, regional, and statewide users and protecting fish and wildlife habitat. [*NPS Land Protection Plan]

In 1986, the Denali Subsistence Resource Commission conveyed, to the Secretary of the Interior, their strong opposition to any construction of new roads or railroads in Denali National Park and Preserve. The Commission reiterated their opposition to north access efforts in 1993 and 1994. Any activity that impairs the overall health of an ecosystem, natural processes or resource availability has the potential to adversely impact the customary and traditional activities practiced by subsistence users. The Wolf Townships, retained in State ownership, will continue to serve to protect the natural ranges of large park mammals from incompatible development and will thus, better ensure the continuance of the subsistence lifestyle. Although HB 244, stipulates access development only to the boundary of the National Park, it is implied that this is only an incremental step to pushing the road through the Park's northern additions.

I am concerned with the stipulation contained in this bill that grants over 45,000 acres of prime public land to the Denali Borough. I am in agreement with the Department of Natural Resources, "that a more efficient and equally effective approach would be for the Borough and Kantishna Holdings, Inc. to identify the corridor first, then DNR transfer the land, or Kantishna Holdings, Inc., simply apply for a ROW from DNR."

I am concerned that this bill grants sole rights of project development to one company, Kantishna Holdings, Inc., without the opportunity for a competitive bid process. On this basis, I question the constitutional validity of the bill *. What's the legislative purpose behind granting Kantishna Holdings Inc., a sweetheart deal and a legislatively mandated seat at the planning table? Where's the state's common interest in bestowing this deal to Kantishna Holdings, Inc.?

***Alaska State Constitution: Article I, Sec. 15 and Article II, Sec. 19**

Article I, Sec. 15: "special privilege", consulting on route, as well as preference in ultimate development

Article II, Sec. 19: the legislative act must be "reasonably related to a matter of common interest to the whole state." Where's the State's common interest for KHI?

An unreasonable fixed date, for the transfer of lands from the State to the Borough, fails to encourage or even permit public input as to whether these lands should be transferred at all. Impacts to homeowners, sport and subsistence hunters, local guiding businesses, and other local, regional, and statewide users will consequently be ignored. Transfer to the municipality should not be approved until the recommended changes to the Tanana Basin Area Plan have been publicly reviewed through the amendment and reclassification processes as defined by Alaska Statutes:

AS 38.04.065 Land Use Planning and Classification.

(a) Except as provided in (d) and (h) of this section, the commissioner shall, with local governmental and public involvement under AS 38.05.945, adopt, maintain, and, when appropriate, revise regional land use plans that provide for the use and management of state-owned land.

AS 38.05.035 Powers and Duties of the Director.

(e) Upon a written finding that the interests of the state will be best served...

(5) public notice requirements relating to the sale, lease, or other disposal of available land...

AS 38.05.945 Notice.

(a) This section establishes the requirements for notice given by the department for the following actions:

(1) classification or reclassification of state land under AS 38.05.300 and the closing of land to mineral leasing or entry under AS 38.05.185;

The Denali Borough Government boasts a "do nothing" policy towards guiding growth and development in the Borough. This shortsighted approach towards planning, in a gateway community to one of the world's leading tourist destinations, should not be downplayed. Representative Jeannette James contends that the Borough's lack of experience in planning is not a significant factor since local government officials will be relying on a private consulting firm, Alaska Transportation Consultants, Inc., to guide them in their decision making efforts. A private developer, Kantishna Holdings, Inc., and a private consulting firm, both with undisclosed agendas, being the leaders on this development project creates added concerns that affected citizens will be further distanced from participating in the process and the project.

The language of this bill is too loosely woven: it designates no time frames for surveys, development or construction completion, it does not define what happens to the land if the railroad is never developed, it does not define what "facilities" may be developed, and does not maintain an accountability of action for the designated contractor. At a minimum, a drop-dead date should be included, as discussed in the House Transportation Committee Hearing on April 17, 2001, whereby the land is transferred and no developments occur by a specified date, the land reverts back to the State.

North Access is based on speculation. Proponents speculate that the route will continue through the National Park to Kantishna and create a loop corridor, speculate that demand will exist for year-round operation, speculate that 350-900 permanent jobs will be created by this development, speculate that concerns for environmental and social and cultural impacts to the

area are inconsequential, and speculate that the proposed 30 mile rail route, which provides minimal opportunity for mountain or wildlife viewing, will provide visitors with a satisfactory experience. The State Legislature and the people of Alaska deserve to be provided with the following information before a determination of this proposal can be justly assessed: the project's feasibility, a finding that a rail route located in this region is in the State's best interest, a determination of the socio-economic impacts to the people of the Borough and the State, a proof of funding ability by Kantishna Holdings, Inc., and an unequivocal demonstration of the need for north access.

The State of Alaska has the opportunity to contribute to the fulfillment of a vision of creating enhanced park experiences for the people of Alaska, the nation, and the world by supporting in partnership with the NPS the implementation of plans already identified and studied to address these concerns. On behalf of the Northern Alaska Environmental Center and myself, as a local resident, I request that the Resources Committee vote **No Pass on HB 244**.

I would like to thank you for the opportunity to provide input on this much-debated and highly contentious issue. If I can be of further assistance to you in this matter, please let me know. Thank you for your time and considerations regarding this bill.

Linda A. Paganelli
Denali Watch Coordinator, Northern Center
Healy, Alaska
907 683-2744
lindapaq@mtaonline.net

cc: Representative Jeannette James, DNR Commissioner Pourchot

Subject: HB244

Date: Sat, 21 Apr 2001 17:21:31 -0800

From: "Kenneth W. Therriault" <hectors@ptialaska.net>

To: Representative_Beverly_Masek@legis.state.ak.us

I'd like to express my support for HB244 and ask for your assistance in passage of this legislation.

Ken Therriault

Subject: HB 244

Date: Sat, 7 Apr 2001 19:27:16 -0800

From: "Hal Hume" <hnh@alaska.net>

To: "Beverly Masek" <Representative_Beverly_Masek@legis.state.ak.us>,
"Drew Scalzi" <Representative_Drew_Scalzi@legis.state.ak.us>,
"Joe Green" <Representative_Joe_Green@legis.state.ak.us>,
"Mike Chenault" <Representative_Mike_Chenault@legis.state.ak.us>,
"Lesil McGuire" <Representative_Lesil_McGuire@legis.state.ak.us>,
"Gary Stevens" <Representative_Gary_Stevens@legis.state.ak.us>,
"Beth Kerttula" <Representative_Beth_Kerttula@legis.state.ak.us>,
"Jeannette James" <Representative_Jeannette_James@legis.state.ak.us>

This is a request for passage out of committee for HB 244.

This bill is not only important to Interior Alaskans, but also to all Alaskans and to all visitors to Denali Park. As a forty-five year resident, I find it unbelievable that it is nearly impossible for us to visit our own park. My wife and I have visited the park on one occasion during our forty-five years of residence - only because it is not a pleasant experience to sit in a school bus for the drive in, as well as the great difficulty in getting reservations today.

With the development of an environmentally friendly, economical railroad running into the park from the north side, we can easily double the opportunities for visitors to see the park; and, in a far more pleasant and desirable manner. If one would, with honest objectivity, consider the most desirable method of visiting the park, the railroad running entirely around the north side and back along the present route of the park road would win hands down.

As I understand the current proposal, Kantishna Holding Company would like to build the railroad to Wonder Lake. If this plan were to prevail, the visit to Wonder Lake would be enhanced by providing a two legged trip: one leg by motor vehicle and the other by rail. Visitors might not travel the same route twice, at least this would be an option. Certainly, the rail option would be a clean, comfortable and highly desirable manner of travel. Most importantly, it would be the safest by far!

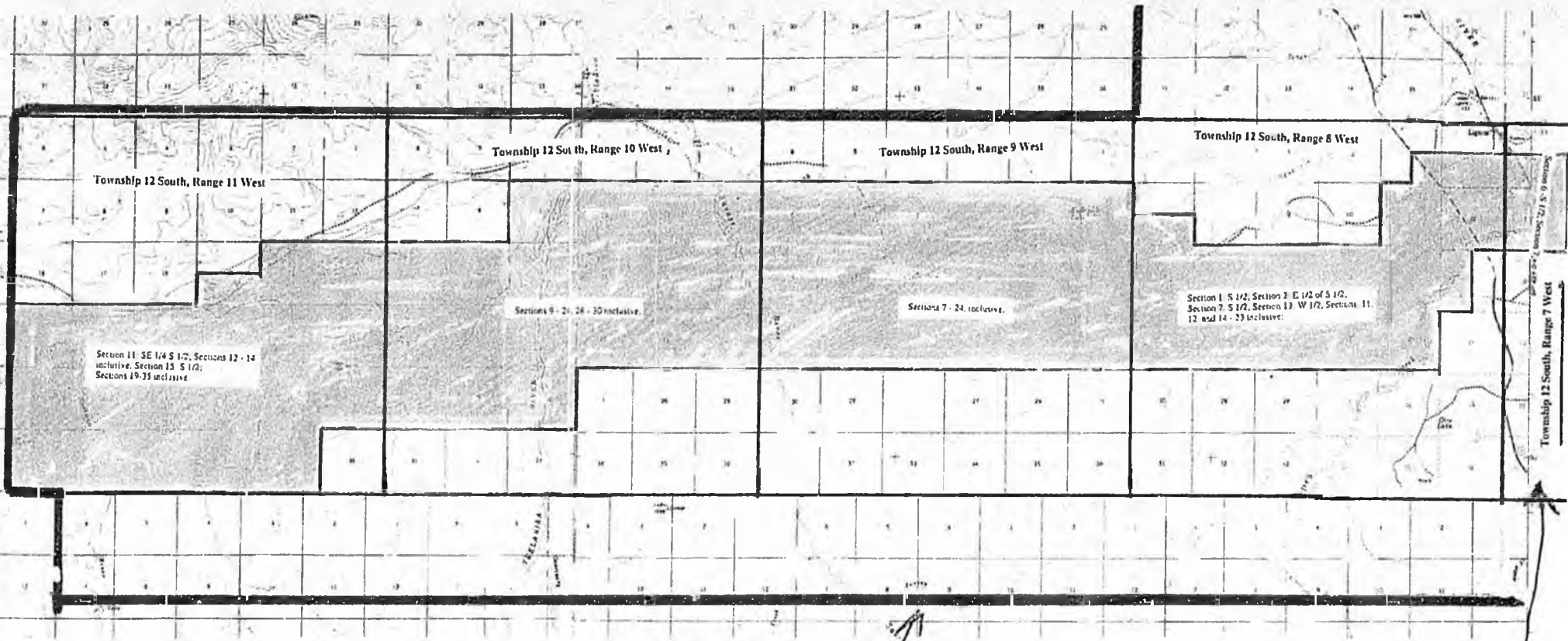
Government control of this beautiful parcel of land has certainly been less than "user friendly", and it is time to give the private sector the opportunity to provide a first class visit to our park.


Please, please, please pass HB 244 out of committee at the first opportunity.

Thank you,

Hal Hume
4016 Birch Lane
Fairbanks, Alaska 99709

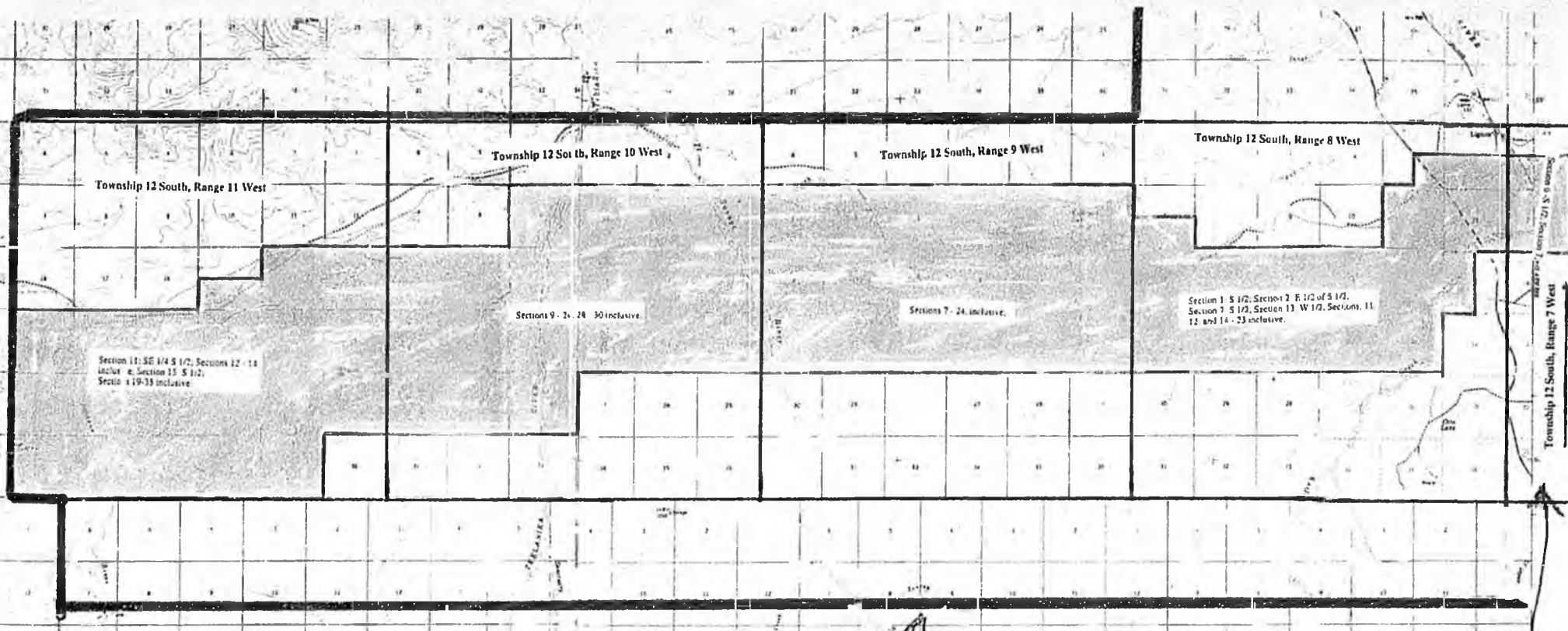
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907-479-6777 (FAX)



PARK BOUNDARY 

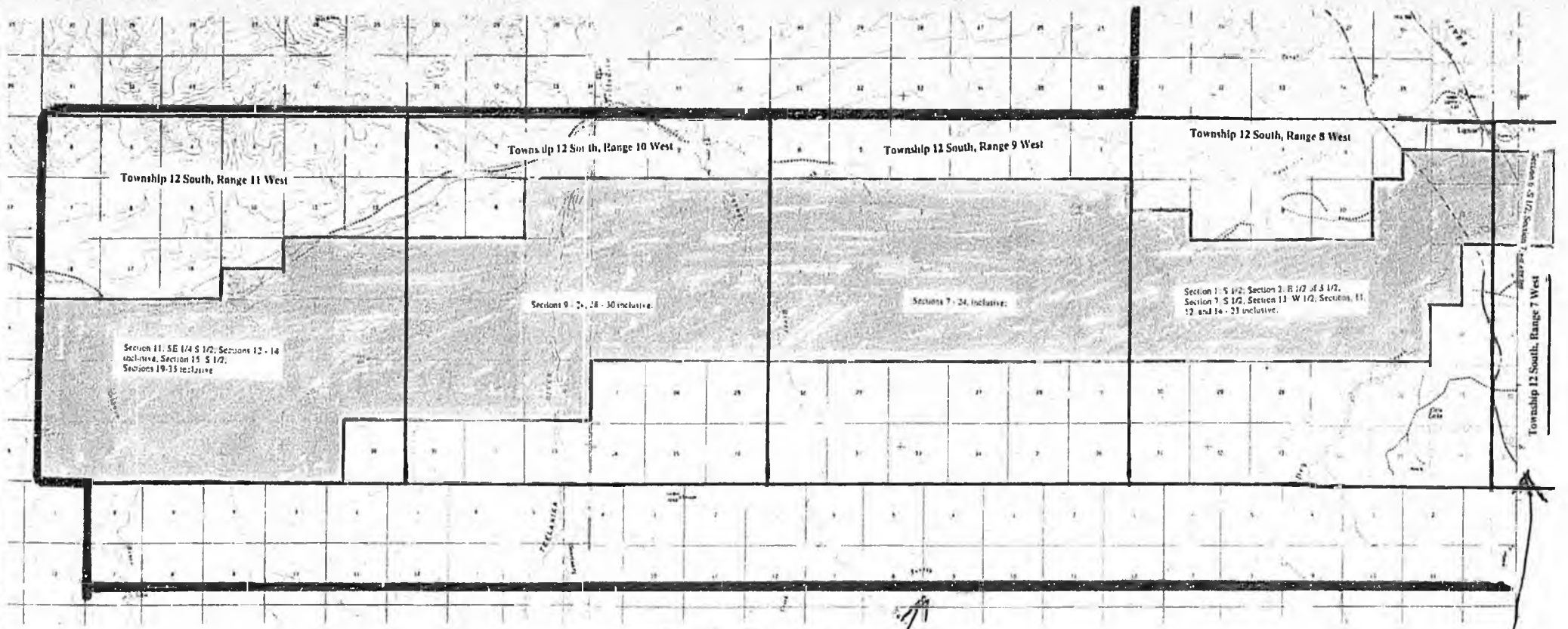
Reference map of proposed land corridor to be transferred to the Denali Borough from which a railroad right-of-way is to be selected by Kantishna Holdings, Inc.

Note:
Only the portion of T 12 S, R 7 W containing the proposed corridor is shown on this map - KHI



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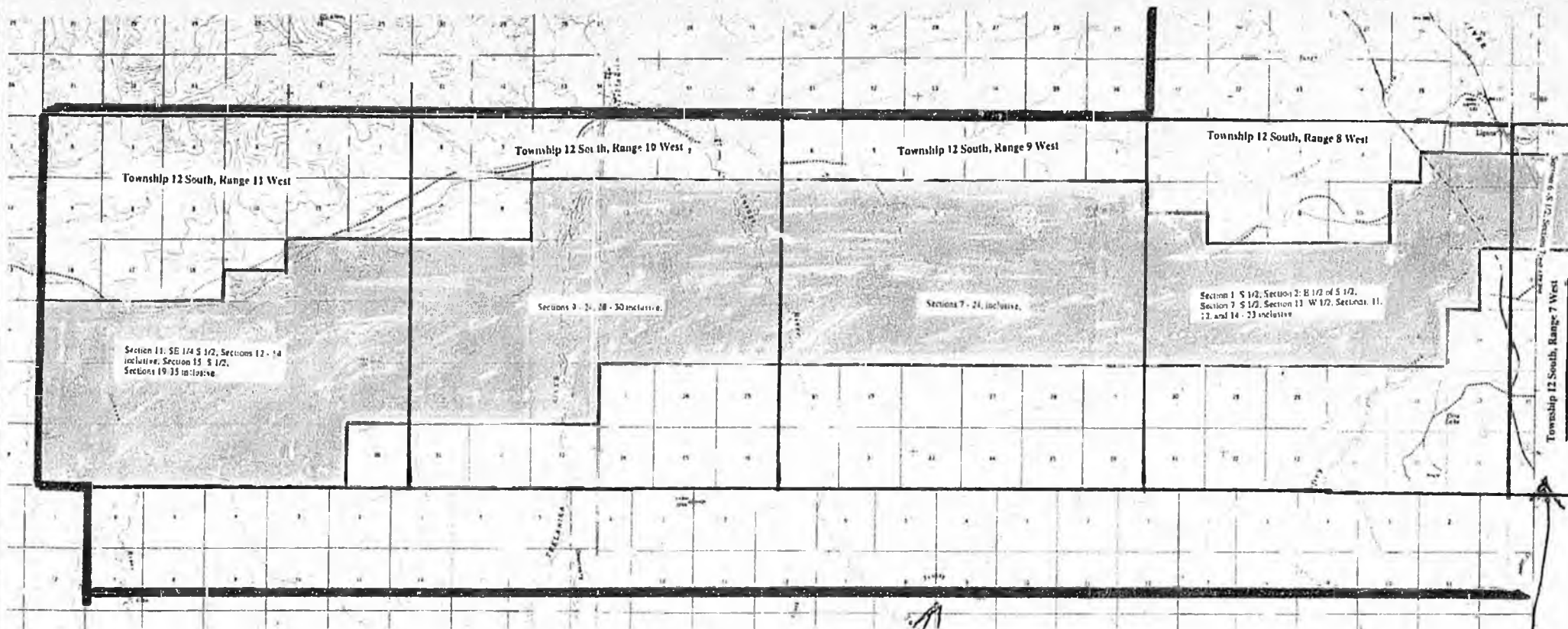
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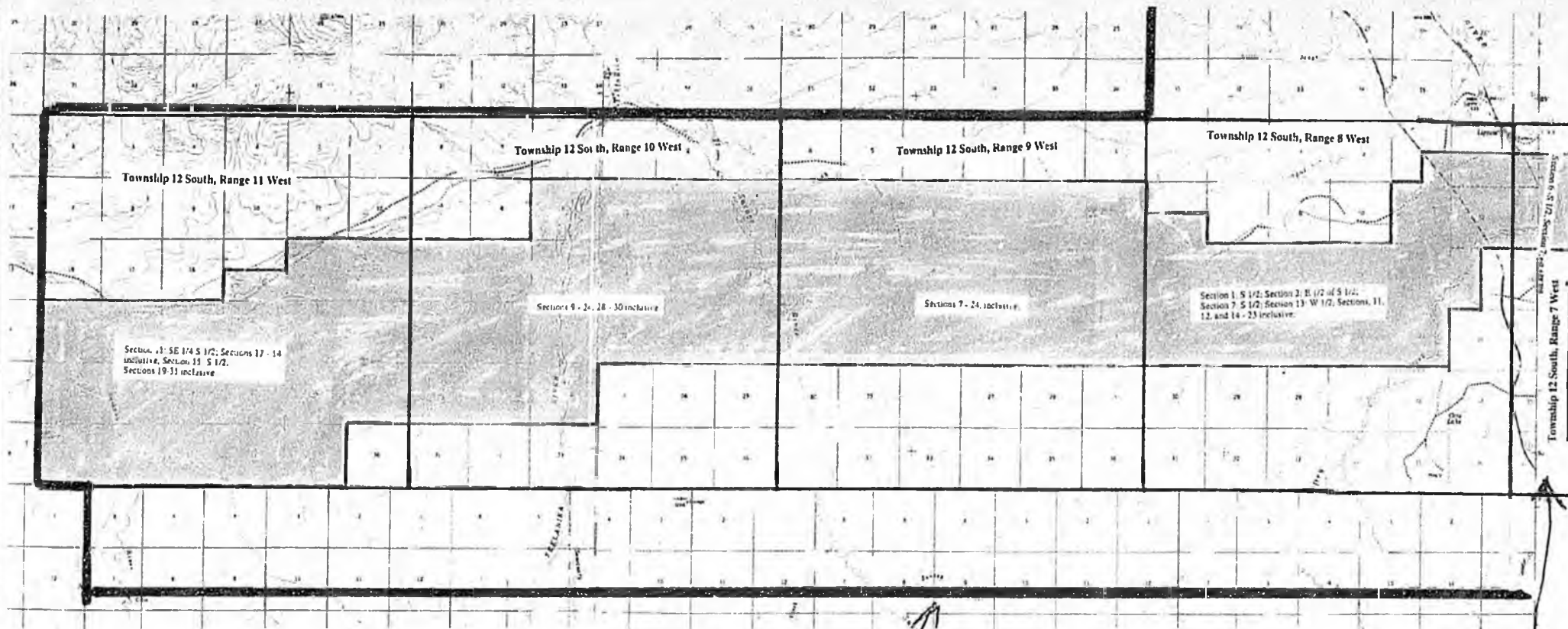
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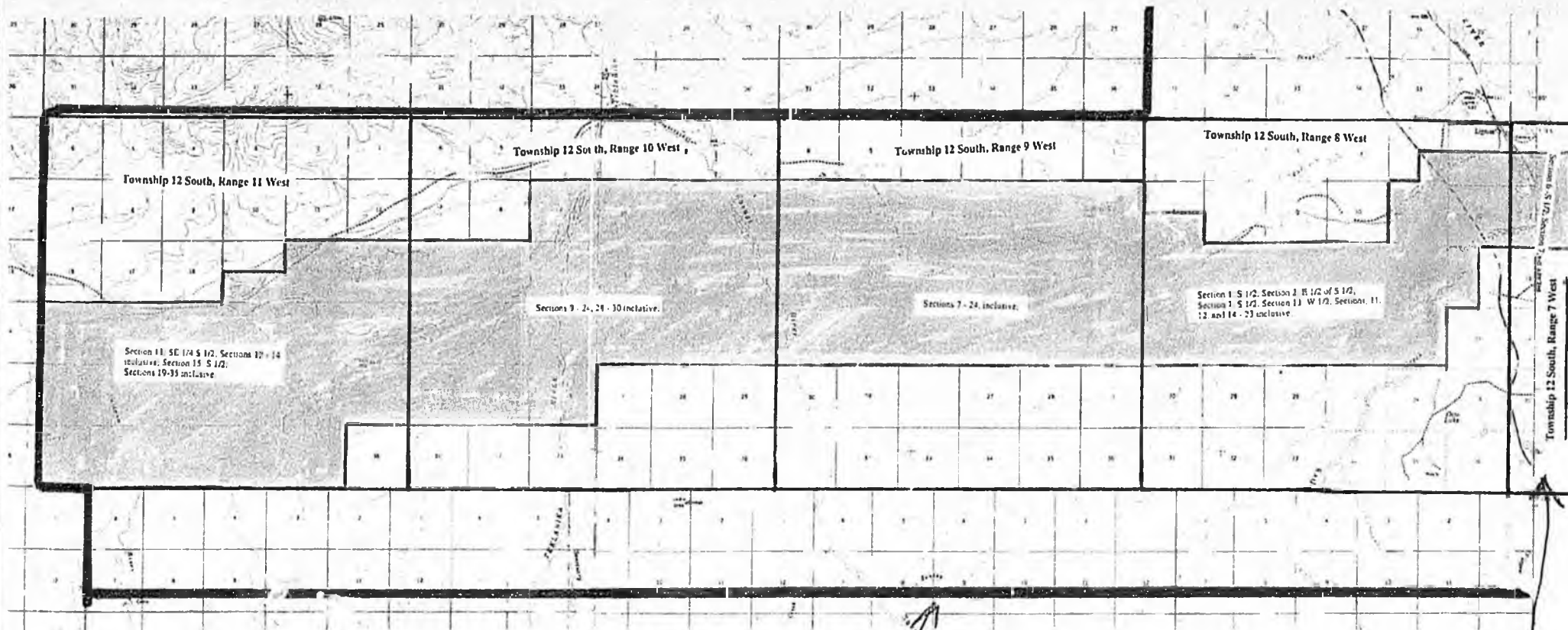
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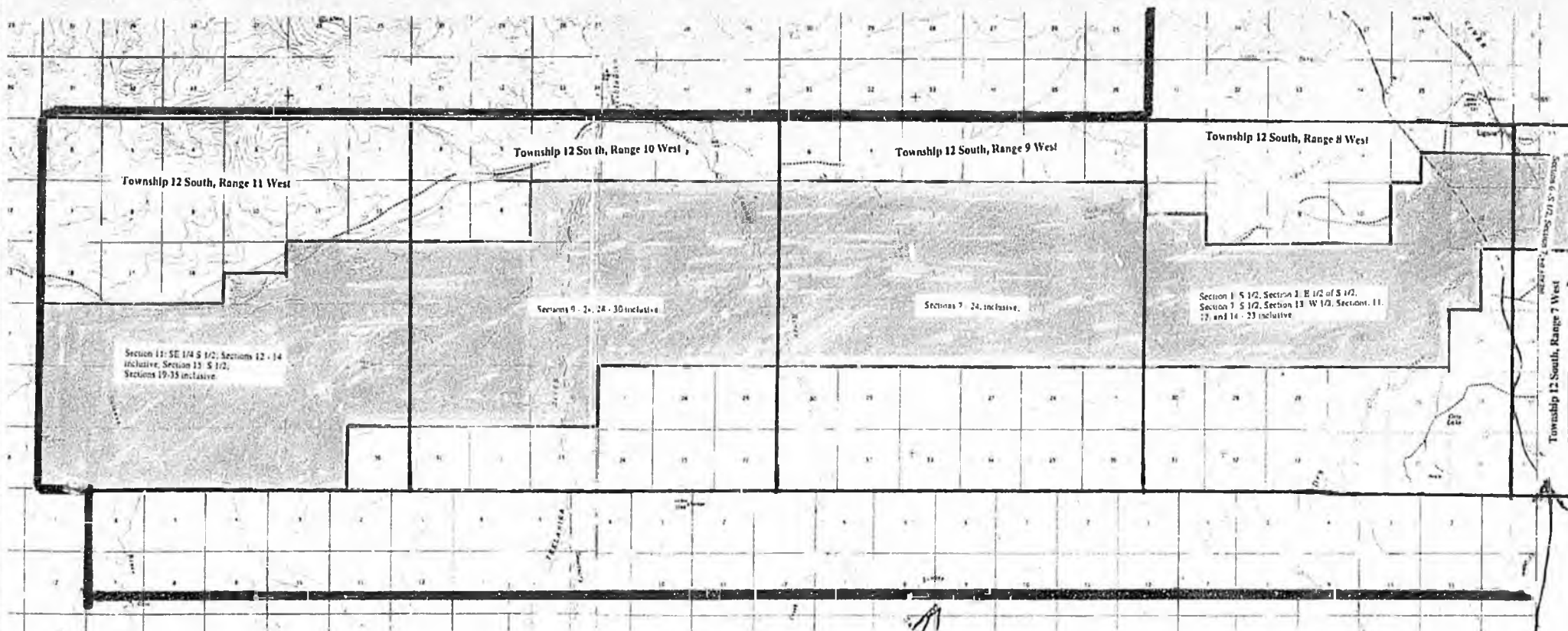
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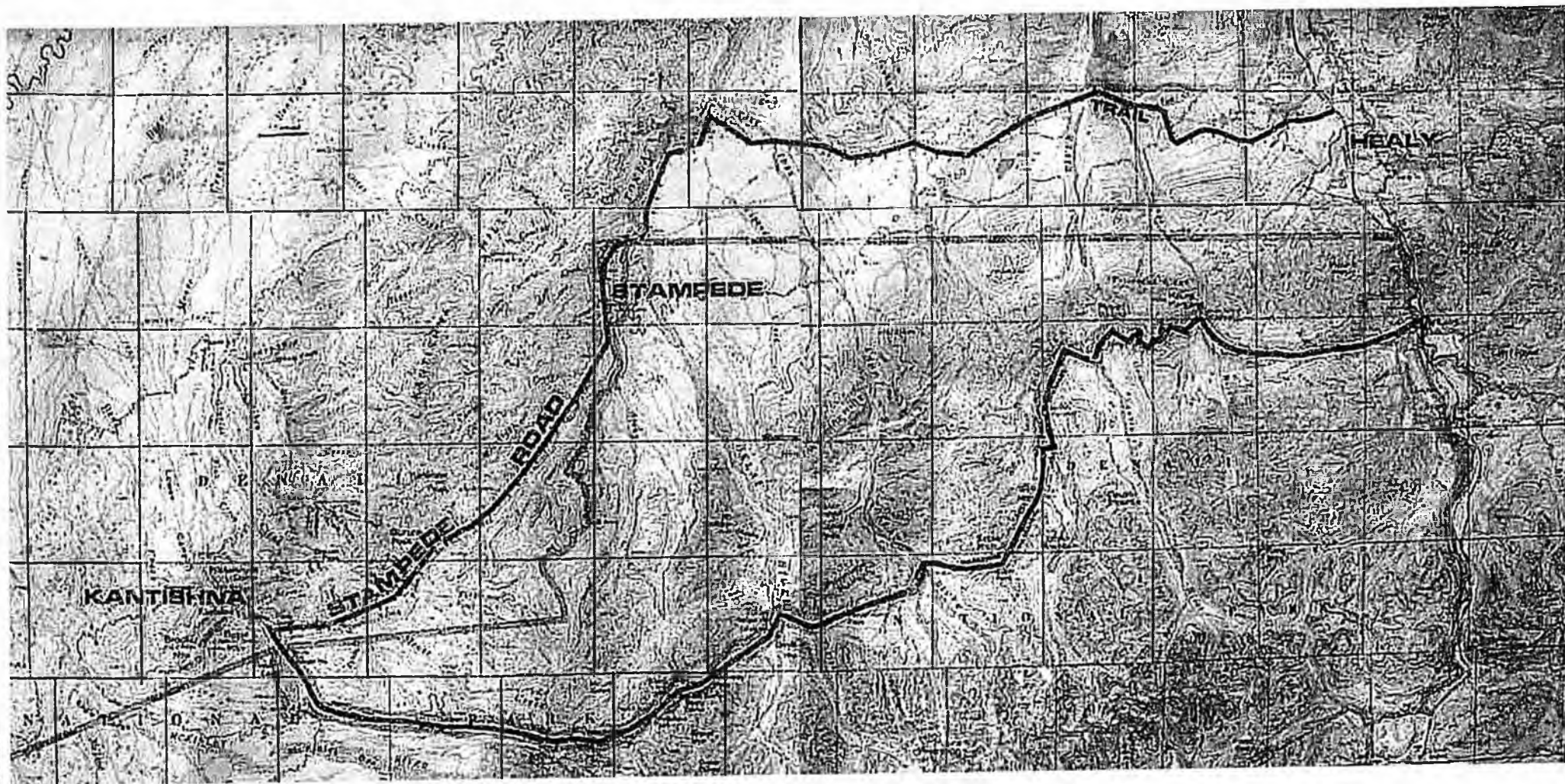
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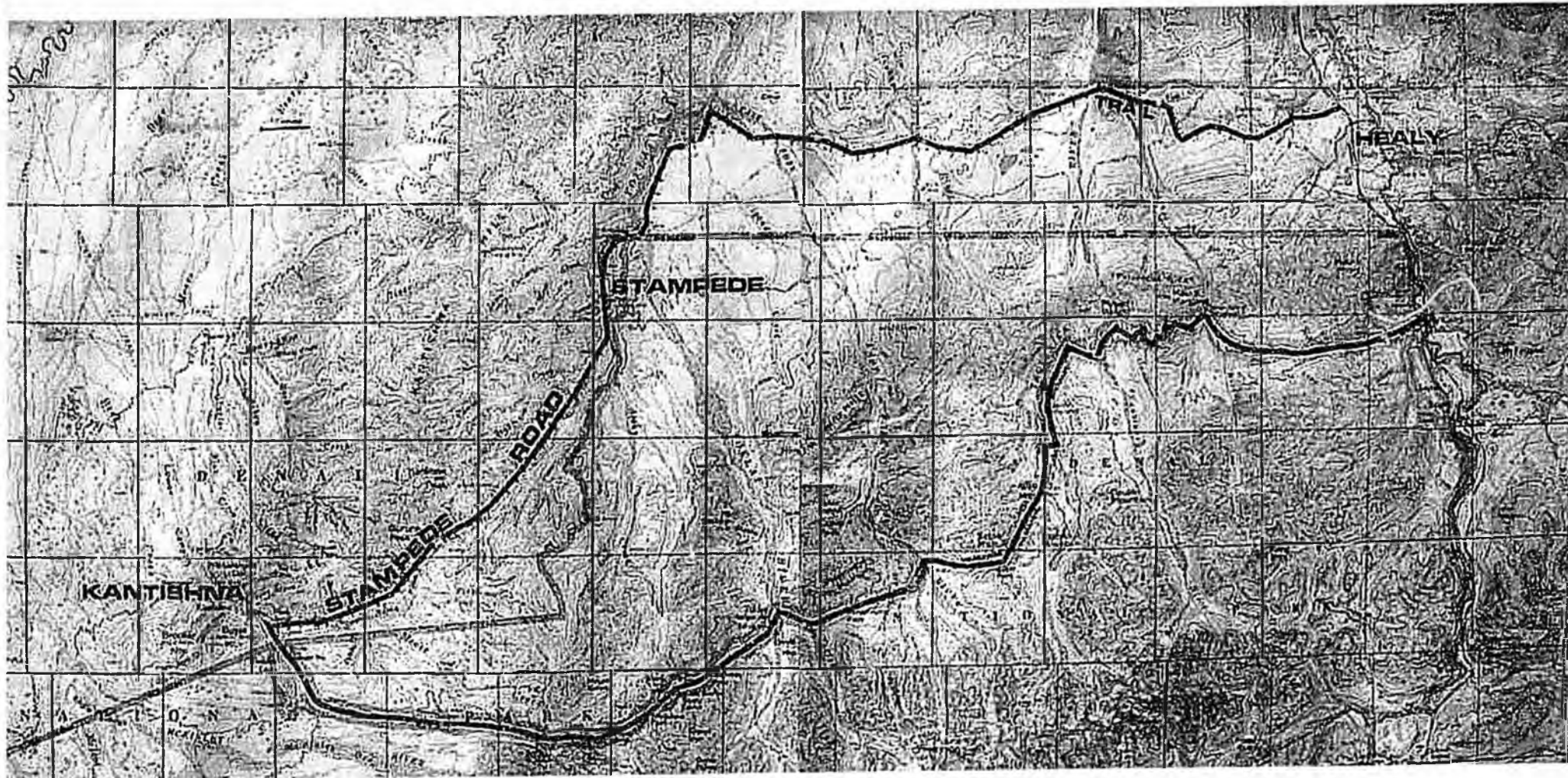


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HB

249

Bill History/Action Display



BILL: HB 249

SHORT TITLE: AG REVOLVING LOAN FUND PROPERTY DISPOSAL

BILL VERSION:

SPONSOR(S): REPRESENTATIVE(S) JAMES, Harris

CURRENT STATUS: (H) RES

STATUS DATE: 04/20/01

HEARING: (H) RES Apr 23 1:00 PM CAPITOL 124

TITLE: "An Act relating to disposal of certain property acquired by the agricultural revolving loan fund."

Full Text

No Fiscal Notes Available

Committee Action with Bill History

Jrn-Date	Jrn-Page	Action
04/20/01	<u>1097</u>	(H) READ THE FIRST TIME - REFERRALS
04/20/01	<u>1097</u>	(H) RES
04/20/01	<u>1097</u>	(H) REFERRED TO RESOURCES

Similar Subject Match or Exact Subject Match

AGRICULTURE

LAND

PUBLIC LAND

REGULATIONS

RESOURCES

Bill Root:

Display Bill Root

BASIS HAS BEEN RE-PROGRAMMED THIS YEAR



TO REPORT PROBLEMS WITH BASIS INQUIRY

Return to Basis Main Menu (22 Legislature)

Return to Legislature Home Page

URGENT MESSAGE



ALASKA WILDLAND

ADVENTURES

to fax 907-465-4822
HOUSE RESOURCES COMMITTEE
ROOM 124, CAPITAL
BUREAU, ALASKA 99801

April 23, 2001

To: Representatives James, Dyson, Harris, Wilson, and Scalzi--
House Resources Committee

I have just been informed of HB 244 and want to state that we are emphatically opposed to this bill for multiple reasons.

- 1) We have been following the Kantishna Railroad project over the years and, in our opinion, it is not a financially sound project, and it shouldn't be supported in any way by borough, state, or federal governments.
- 2) Public resources should not be dedicated to a private enterprise without thorough public review, and no bill should specifically list a private enterprise as a beneficiary. Public resources should not support such a financially absurd project.
- 3) Kantishna Holdings, Inc. has not demonstrated the ability to operate a railroad, much less plan one, and there is no evidence that even if a railroad was desired that this enterprise should be the one selected to plan and operate it.
- 4) Any transportation corridor concerning Denali National Park must include the National Park Service in the planning process. Making land management determinations on state land for a project that ultimately must incorporate federal lands without first coordinating with the National Park Service planning process is inefficient, wasteful, and imprudent.

On behalf of our family of companies, including Alaska Wildland Adventures, Denali Backcountry Lodge, Denali Wilderness Lodge, and Denali Cabins, and on behalf of our twenty, year around Alaskan staff, we urge you to vote against this bill.

Respectfully,

Kirk Hoessle
President



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VILLOPAM MESSAGE



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 JUNEAU, ALASKA 99801



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HB 116
SLA 2000
Chapter 81

→ (See Section 17)

AN ACT

1 Relating to the Board of Agriculture and Conservation, to the director of agriculture, to the
2 agricultural revolving loan fund and to loans from the fund, to the disposal of interests in state
3 agricultural land; and providing for an effective date.

4
5

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

7 Chapter 09. Board of Agriculture and Conservation.

8 Sec. 03.09.010. Board of Agriculture and Conservation established. (a)
9 There is established in the department the Board of Agriculture and Conservation
10 composed of members as set out in AS 03.10.050(b).

11 (b) Members of the board serve staggered three-year terms and until a
12 successor is appointed. A member may be removed from office by the governor if the
13 governor first provides a written statement of the reasons for removal to the member
14 and makes the statement available to the public. If a vacancy occurs, the governor

1 shall immediately appoint a member for the unexpired portion of the term.

2 (c) Members of the board receive no compensation, but are entitled to per
3 diem and travel expenses authorized for boards and commissions under AS 39.20.180.

4 (d) While serving on the board, a board member, or an immediate family
5 member of the board member who shares the same household and financial resources
6 with that board member, may not obtain a lease, permit, installment contract, or loan
7 or purchase land under AS 03.10 or under AS 38.05, or have an existing lease, permit,
8 installment contract, or loan under AS 03.10 or under AS 38.05 modified or
9 restructured. Notwithstanding AS 39.52.150(a), an immediate family member who
10 does not share the same household and financial resources with the board member may
11 obtain a lease, permit, installment contract, or loan or purchase land under AS 03.10
12 or under AS 38.05 or have an existing lease, permit, installment contract, or loan under
13 AS 03.10 or under AS 38.05 modified or restructured. Notwithstanding
14 AS 39.52.150(a), a person may be appointed to the board even though, at the time of
15 appointment, that person, or an immediate family member, has a lease, permit,
16 installment contract, or loan under AS 03.10 or AS 38.05. However, that person may
17 not take or withhold any official action that affects the lease, permit, installment
18 contract, or loan of that person or an immediate family member who shares the same
19 household and financial resources with that person. If a person with a lease, permit,
20 installment contract, or loan under AS 03.10 or AS 38.05 is appointed to the board,
21 failure by that person to abide by all the terms and conditions of the lease, permit,
22 installment contract, or loan may be the basis for removal under (b) of this section.
23 For purposes of this subsection, "immediate family member" and "official action" have
24 the meanings given in AS 39.52.960.

25 (e) The board shall elect a member to serve as chair and a member to serve
26 as vice-chair for one-year terms. A member may be reelected to serve additional terms
27 as chair or vice-chair.

28 **Sec. 03.09.020. Director of agriculture and staff.** (a) The director of the
29 division of agriculture of the department shall serve as the director of the Board of
30 Agriculture and Conservation. The director may employ staff and, as directed by the
31 board, is responsible for the daily operations of the agricultural revolving loan fund

1 (AS 03.10.040).

2 (b) The director of agriculture shall be appointed to the partially exempt
3 service by the commissioner from a list of two or more candidates submitted by the
4 board. The commissioner may reject all candidates, in which case the board shall
5 submit a new list. The director may be removed by the commissioner at any time, and
6 the office shall remain vacant until a new director is appointed under this subsection.

7 **Sec. 03.09.030. Quorum.** Five members of the Board of Agriculture and
8 Conservation constitute a quorum for the transaction of business or the exercise of a
9 power or function at a meeting of the board.

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

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

15 **Sec. 03.09.050. Agricultural land.** The Board of Agriculture and
16 Conservation may recommend to the commissioner that land in the land disposal bank
17 established under AS 38.04.020 be classified as suitable for agriculture. The board
18 may identify state land for agricultural disposal and request the commissioner to
19 provide for the survey and disposal of the land.

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

21 (a) The Board of Agriculture and Conservation (AS 03.09.010)
22 [DEPARTMENT] may

23 (1) make a loan to

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

26 (i) clearing land for agricultural purposes;

27 (ii) development of farms;

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

29 (iv) the purchase of livestock or machinery;

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

31 for

- 1 (i) storage and processing plants for agricultural
2 products;
- 3 (ii) the commercial production or processing of
4 horticultural products in the state;
- 5 (iii) the commercial production or processing of animal
6 feed in the state; or
- 7 (iv) the raising or care of animals in the state for the
8 purpose of marketing their fur;
- 9 (2) designate agents and delegate its powers to them as necessary;
- 10 (3) adopt regulations necessary to carry out its functions, including
11 regulations to establish reasonable fees for services provided and charges for collecting
12 the fees;
- 13 (4) establish amortization plans for repayment of loans, which may
14 include delayed payments of principal and interest for not to exceed five years;
- 15 (5) enter into agreements with private lending institutions, other state
16 agencies or agencies of the federal government, to carry out the purposes of this
17 chapter;
- 18 (6) collect the fees and collection charges established under this
19 subsection.
- 20 * Sec. 3. AS 03.10.030(a) is amended to read:
- 21 (a) The farm development, chattel, or irrigation loan made under this chapter
- 22 (1) may not exceed a term of 30 years, except that a chattel loan may
23 not exceed a term of seven years;
- 24 (2) may not, when added to the outstanding balance of other loans
25 made under this chapter, exceed a total outstanding balance of \$1,000,000;
- 26 (3) shall be secured by a real estate or chattel mortgage of any priority,
27 except that the portion of a loan that exceeds \$500,000, when added to prior
28 indebtedness that is secured by the same property, must be secured by a first mortgage;
- 29 (4) shall bear interest at a fixed rate comparable to that charged by
30 other agricultural [THAT MAY NOT BE LESS THAN EIGHT PERCENT OR
31 MORE THAN THE COMMERCIAL RATE, UNLESS THE COMMERCIAL RATE

- 1 IS EIGHT PERCENT OR LESS; IN THIS PARAGRAPH, "COMMERCIAL RATE"
2 MEANS THE PREVAILING RATE OF INTEREST AT PRIVATE] lending
3 institutions in the state for loans similar to those referred to in this subsection.
- 4 * Sec. 4. AS 03.10.030(c) is amended to read:
- 5 (c) A short-term [SHORT TERM] loan, to be amortized within one year, not
6 to exceed \$350,000 to any one borrower may be made for operating purposes, except
7 that a loan made under this subsection may not exceed \$200,000 unless the loan is
8 made to a borrower in a farm disaster area declared under AS 03.10.058. The loan
9 shall bear interest at a fixed rate comparable to that charged by other
10 agricultural lending institutions in the state for loans similar to those referred to
11 in this subsection. An applicant for a short-term [SHORT TERM] loan may be
12 required to purchase insurance through the Federal Crop Insurance Act (7 U.S.C. 1501
13 - 1520) as a condition of the loan. The term of a loan made under this subsection may
14 be extended for up to three years by the Board of Agriculture and Conservation
15 [AGRICULTURAL REVOLVING LOAN FUND BOARD], in the discretion of the
16 board, upon application by the borrower.
- 17 * Sec. 5. AS 03.10.030(e) is amended to read:
- 18 (e) An installment payment is delinquent unless it is [MAILED BY THE
19 BORROWER ON OR BEFORE THE 30TH DAY AFTER THE DATE SPECIFIED
20 FOR PAYMENT IN THE LOAN AGREEMENT OR UNLESS IT IS] received by the
21 Board of Agriculture and Conservation or the director of the board
22 [DEPARTMENT] on or before the 30th day after the date specified for payment in the
23 loan agreement. If an installment payment is delinquent, the director of the board
24 [DIVISION OF AGRICULTURE OF THE DEPARTMENT] may assess a delinquency
25 penalty. [THE DELINQUENCY PENALTY SHALL BE AN AMOUNT EQUAL TO
26 SEVEN PERCENT OF THE DELINQUENT PAYMENT, BUT THE COMBINED
27 DELINQUENCY PENALTY AND LOAN INTEREST MAY NOT EXCEED 15
28 PERCENT.]
- 29 * Sec. 6. AS 03.10.030(f) is amended to read:
- 30 (f) A farm product processing loan may not exceed \$250,000. A mortgage
31 that secures a farm product processing loan may be of any priority if the total

1 indebtedness on the real estate, including the secured farm product processing loan,
 2 does not exceed \$250,000. A farm product processing loan that, if made, would raise
 3 the existing indebtedness on the real estate securing the loan above \$250,000, or a
 4 farm product processing loan on real estate that has a prior indebtedness of \$250,000
 5 or more, may be made only if all prior mortgagees agree to subordinate their
 6 mortgages to that of the state for the amount of the farm product processing loan that
 7 exceeds the \$250,000 indebtedness limit on the real estate. A farm product processing
 8 loan may not exceed a term of 30 years or bear interest at a rate that is less than a
 9 fixed rate comparable to that charged by other agricultural lending institutions
 10 in the state for similar loans, [EIGHT PERCENT A YEAR] and shall be secured by
 11 a real estate or chattel mortgage or both.

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

13 (g) A loan for clearing land may not

14 (1) exceed \$250,000;

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

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

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

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

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

28 (1) encourage agricultural development;

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

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

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

1 (a) To increase the return to the state, the Board of Agriculture and
 2 Conservation [AGRICULTURAL REVOLVING LOAN FUND BOARD] may
 3 restructure loans (1) in existence on January 1, 1987, made by the former
 4 Agricultural Revolving Loan Fund Board [BOARD] or by the former Alaska
 5 Agricultural Action Council based upon guidelines approved by the Board of
 6 Agriculture and Conservation; (2) of a borrower in an area that has been
 7 declared a farm disaster area under AS 03.10.058; or (3) of a borrower who has
 8 experienced an agricultural disaster based upon regulations adopted by the
 9 Board of Agriculture and Conservation. Notwithstanding any other provision of
 10 law that relates to loan terms, the [BOARD. THE] restructuring may only include
 11 reduction of interest to a fixed rate not less than five percent a year [TO RATES
 12 BELOW THOSE SPECIFIED BY AS 03.10.030], an extension of the term of the loan,
 13 and an improvement to the security interest of the state. It may not reduce the amount
 14 of principal and interest owed before the loan is restructured.

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

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

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

26 (2) assignment by the applicant to the board of the proceeds from the
 27 federal government under 7 U.S.C. 1442 (Conservation Reserve Program) and P.L. 88-
 28 26 (Feed Grain Act of 1963), as amended.

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

30 (a) A borrower may not use farm land for a nonfarm [NON-FARM] use or
 31 sell, lease, or otherwise dispose of farm land if that land is encumbered by a mortgage

1 given to secure the payment of a [FARM DEVELOPMENT, CHATTEL, OR
2 IRRIGATION SYSTEM] loan under this chapter unless the borrower either

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

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

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

11 (b) Money in the fund may be used by the legislature to make appropriations
12 for costs of administering this chapter and for operations of the Board of
13 Agriculture and Conservation.

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

15 (a) The Board of Agriculture and Conservation [COMMISSIONER] shall
16 administer the agricultural revolving loan fund [IN CONJUNCTION WITH THE
17 AGRICULTURAL REVOLVING LOAN FUND BOARD]. A [NO] loan [IN EXCESS
18 OF \$25,000] may not be made [BY THE COMMISSIONER] without the approval of
19 a majority of the board, except that emergency loans based upon regulations
20 adopted by the board and not to exceed \$50,000 may be made upon the approval,
21 by majority vote, of a committee composed of the chair of the board, another
22 board member, and the director of the board.

23 * Sec. 14. AS 03.10.050(b) is amended to read:

24 (b) The board is composed of seven members appointed by the governor and
25 confirmed by the legislature in joint session. Members shall have the following
26 qualifications:

27 (1) one member shall have general business or financial experience;

28 (2) one member shall be a member of a statewide agriculture
29 promotion organization;

30 (3) one member shall be a member of a soil and water conservation
31 district established under AS 41.10.130(a) who is also engaged in commercial

1 production agriculture;

2 (4) four members shall be engaged in commercial production
3 agriculture; each shall represent a different agriculture enterprise from the
4 others, such as livestock production, dairy, vegetable production, grain
5 production, horticultural production, and greenhouse and hydroponic production
6 [FIVE MEMBERS SHALL BE PERSONS WITH BACKGROUND AND
7 EXPERIENCE IN ALASKA AGRICULTURE, TWO OF WHOM SHALL BE
8 FARMERS WHO ARE RESIDENTS IN THE STATE, OPERATE PRODUCING
9 FARMS IN THE STATE, AND HAVE OPERATED THE PRODUCING FARMS IN
10 THE STATE FOR AT LEAST FIVE YEARS. MEMBERS OF THE BOARD SERVE
11 AT THE PLEASURE OF THE GOVERNOR FOR OVERLAPPING THREE-YEAR
12 TERMS. MEMBERS OF THE BOARD ARE NOT ENTITLED TO RECEIVE
13 COMPENSATION FOR THEIR SERVICES, BUT SHALL RECEIVE THE SAME
14 TRAVEL PAY AND PER DIEM AS PROVIDED BY LAW FOR BOARDS AND
15 COMMISSIONS].

16 * Sec. 15. AS 03.10.050(c) is amended to read:

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

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

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

26 * Sec. 17. AS 03.10.050(g) is amended to read:

27 (g) The board [DIRECTOR OF AGRICULTURE] may dispose of property
28 acquired by the agricultural revolving loan fund [AGRICULTURAL REVOLVING
29 LOAN FUND BOARD OR BY THE COMMISSIONER] through foreclosure, default,
30 or other action arising out of agricultural loans or the sale of agricultural land.
31 Disposals shall be conducted under regulations approved by the commissioner. The

1 regulations must ensure that the property is disposed of so as to maximize the return
2 to the state and must require that the parcels of land that are composed primarily of
3 cropland soils be restricted to agricultural uses and disposed of only to persons who
4 are residents of the state.

5 * Sec. 18. AS 38.04.020(g) is amended to read:

6 (g) After July 1 of each year, the commissioner shall direct the expenditure of
7 money appropriated for the disposal of land in response to requests made under (e) and
8 (f) of this section for the following:

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

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

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

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

21 * Sec. 19. AS 38.04.030 is amended to read:

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

30 * Sec. 20. AS 38.05.020(b)(7) is amended to read:

31 (7) after consulting with the Board of Agriculture and Conservation

1 (AS 03.09.010), waive, postpone, or otherwise modify the development requirements
2 of a contract for the sale of agricultural land if

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

4 (B) transportation, marketing, and development costs render the
5 required development uneconomic;

6 * Sec. 21. AS 38.05.057(c) is amended to read:

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

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

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

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

18 * Sec. 22. AS 38.05.059 is amended to read:

19 Sec. 38.05.059. Sale of agricultural land. The commissioner, after
20 consulting with the Board of Agriculture and Conservation (AS 03.09.010), may
21 provide for the sale of land classified under AS 38.05.020(b)(6) for agricultural uses
22 in parcels or tracts described by aliquot parts. The parcels or tracts are subject to state
23 subdivision requirements and municipal ordinances. Money from a sale of
24 agricultural land shall be separately accounted for and may be appropriated to
25 the agricultural revolving loan fund (AS 03.10.040).

26 * Sec. 23. AS 38.05.065(h) is amended to read:

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

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