

(2) "department" means Department of Education. feminine.

(3) masculine pronouns include the

Sec. 9. **Effective Date.** This Act takes effect on July 1, 1963.

Approved April 18, 1962

CHAPTER 135

AN ACT

Appropriating \$27,500 for the construction of a roadway at Pelican; and providing for an effective date.

(H.B. 451)

Be it enacted by the Legislature of the State of Alaska:

Section 1. The sum of \$27,500 is appropriated from the general fund of the state to the Department of Public Works for the construction of a roadway on piling at the City of Pelican to connect the city

with the dock area. The expenditure of this appropriation by the state is contingent upon the sharing of half the cost of the construction by the City of Pelican.

Sec. 2. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 18, 1962

CHAPTER 136

AN ACT

Relating to the establishment and maintenance of orderly marketing conditions for milk.

(H.C.S.S.B. 193)

Be it enacted by the Legislature of the State of Alaska:

Section 1. **Statement of Purpose.** The purpose of this Act is to protect the health and welfare of the people of the State of Alaska by minimizing certain economic conditions which threaten to make it impossible to produce in the state milk which meets the standards which the health of its citizens requires.

Sec. 2. **Duties of the Director.** The director shall administer this Act. He shall enforce this Act and the provisions of marketing orders issued under it. He shall have an accounting made of the funds held by the board at least annually.

Sec. 3. **Milk Advisory Board.** There is created a milk advisory board consisting of five members. The director shall select the members of the board from among Alaskan producers, handlers, and retailers. No more than one handler and one retailer may serve on the board at one time.

Sec. 4. **Duties of the Board.** The board shall advise the director in the formulation of policy for the operation of the market program, receive and report complaints and violations of a marketing order, and assist the director in collection of data. It shall collect, hold, and account for the assessments authorized by this Act.

Sec. 5. **Milk Marketing Orders.** a. The director may, with the advice of the milk advisory board, issue, change, or repeal marketing orders to regulate the marketing of milk in specified regions of Alaska. His actions are subject to the provisions of the Administrative Procedure Act and Sec. 7 of this Act. A milk marketing order may be issued for any one or combination of the following purposes:

(1) to establish orderly marketing of milk;

(2) to provide for uniform grading and classification of milk;

(3) to provide for the proper preparation of milk for market;

(4) to insure an adequate supply of milk;

(5) to eliminate unfair competitive practices;

(6) to assist producers to adjust to changing conditions;

(7) to maintain incentive for the production of high quality milk under the most sanitary conditions; and

(8) to conduct research and provide information for the benefit of the producer and the consumer.

b. A milk marketing order shall be limited to a specific area or areas in the state.

Sec. 6. Content of Marketing Orders. A marketing order may direct that

(1) a determination be made whether or not a surplus of milk exists and if so, its extent;

(2) a surplus be disposed of with a proration of the burden of any loss among the handlers;

(3) the quantity, class, or grade of milk sold for a certain period be limited;

(4) the quantity a producer may sell be limited, based upon the quantity available, the quantities previously handled, or both;

(5) the quantity or grade a handler may handle during specified periods, based upon the quantity a handler has available, or quantities previously handled, or both;

(6) there be specified periods during which a particular grade of milk may be distributed;

(7) a surplus pool of milk or any class or grade of milk be formed and the milk sold, and that the proceeds of sale be equitably distributed;

(8) milk be inspected, graded, and classified, or any of these;

(9) an assessment, not to exceed three percent of value, be levied on the sale of milk to provide a fund for advertising, sales promotion, and the expenses of the board;

(10) prices at which any grade, class, or quantity will be sold be posted;

(11) milk be labeled;

(12) stations be established for the receiving and weighing of milk, and the collection of assessments;

(13) cooperative investigations or undertakings be entered into with other state or federal agencies.

Marketing orders are of general rather than special applicability. They are applicable to all producers and handlers in the region in which they apply.

Sec. 7. Procedure for Issuance of Marketing Orders. (a) A milk marketing order is initiated by the submission of a petition signed by not less than 10 percent of the commercial producers in the area to which the marketing order is to apply. Upon receiving the petition, the director shall proceed as provided in Art. IV, Ch. 1, of the Administrative Procedure Act. In reaching a decision on the requested marketing order, the director shall consider at least the following factors:

(1) the quantity and quality of milk available in the area;

(2) the quantity of milk required in the area;

(3) the costs of production under desirable sanitary conditions; and

(4) the comparative position of milk in the economy of the area.

b. Before the director may issue, change, or repeal a marketing order, it must be approved in a referendum by (1) at least two-thirds of the producers voting in the referendum who each, during a representative period, have produced for market commercial quantities of milk and who, during the same period, have produced in total at least two-thirds of the volume of the commodity in the market area specified in the order; and (2) handlers in the same area and during the same period of at least one-half of the volume of milk. A marketing order which is approved by the producers but disapproved by the handlers may nevertheless be issued if necessary to carry out the purposes of this Act. In such a case the director shall not issue the order without the permission of the commissioner of natural resources.

Sec. 8. Definitions. For the purposes of this Act the term

(1) "director" means the director of

the division of agriculture, Department of Natural Resources;

(2) "board" means the milk control advisory board;

(3) "handler" means a person or firm engaged in selling, marketing, or distributing milk to persons other than the ultimate consumer, and includes producers who perform these functions;

(4) "producer" means any person or firm in this state who produces or causes to be produced milk for market.

Sec. 9. This Act pertains only to fresh

whole milk and shall not mean any of the by-products of fresh whole milk.

Sec. 10. **Unauthorized Actions.** No action is authorized by this Act which is intended to or which does fix prices at an artificially high level, or which places an undue burden upon interstate commerce.

Sec. 11. **Penalties.** Any person who violates any provision of this Act or any order made pursuant to this Act is guilty of a misdemeanor and, upon conviction, is punishable by a fine of not less than \$100 nor more than \$2,000.

Approved April 18, 1962

CHAPTER 137

AN ACT

Relating to the Alaska Lands Act; and providing for an effective date.

(S.B. 217)

Be it enacted by the Legislature of the State of Alaska:

Section 1. Art. III, Sec. 4, Ch. 169, SLA 1959, as amended by Sec. 1, Ch. 155, SLA 1960, is amended to read:

Sec. 4. **Public and Charitable Use.** (a) The lease, sale, or other disposal of any Alaska lands or resources may be made to any Alaska or federal agency or political subdivision, or the lease, sale, or other disposal of coal deposits suitable for mining may be made to any utility owned and operated by a government agency or nonprofit cooperative association organized to participate under the Federal Rural Electrification Act for the purpose of generating electric power and energy or the production of process steam, or both, for less than the appraised value as may be determined by the director and approved by the commissioner to be fair and proper and in the best interests of the public, with due consideration being given to the nature of the public services or function rendered by the said agency, subdivision, or utility making application therefor, and of the terms of the grant under which the land was acquired by Alaska.

(b) Notwithstanding the provisions of Secs. 1, 5, and 6, Art. V, Ch. 169, SLA 1959, and Sec. 2, Art. V, Ch. 169, as

amended by Sec. 1, Ch. 74, SLA 1961, the director upon application filed by an applicant eligible under this subsection may, by negotiation and without public auction in the manner prescribed in this subsection, lease any lands of the state for a term not in excess of 55 years. Before leasing, the director shall prepare a land use plan and a land classification to insure that the proposed use is compatible with area utilization. Before the land may be leased under this subsection, it must be shown to the satisfaction of the director that the land is to be used for an established or definitely proposed project, and that the eligible applicant, as hereinafter described, has the financial ability to carry out the project. The commissioner may establish limitations on the acreage which may be leased pursuant to this subsection to any applicant.

(1) Eligible applicants under this subsection shall be limited to nonprofit corporations, associations, clubs, or societies organized and operated exclusively for charitable, religious, scientific, or educational purposes, or for the promotion of social welfare, if the project for which the land is desired conforms to those objectives. In every case the applicant shall submit evidence that it is exempt from payment of federal income tax.