

Alaska State Agricultural Lands



State of Alaska
Department of Natural Resources
Division of Agriculture

Topics

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- Agricultural Homesteads
- Pre1997 “Old Title” Land
- Post 1997 “New Title” Land
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What is State Agricultural Land?

Agricultural Homesteads,
Agricultural Rights Only,
Fee Simple land with Agricultural Covenants.

Agricultural Restrictions~AS 38.05.321

“A perpetual covenant for the benefit of all Alaska residents and running with the land that restricts or limits the use of the land for agricultural purposes”.

Agricultural Homesteads

- Parcel may not be subdivided before five (5) years after issuance of patent.
- Subdivided parcels must be greater than 40 acres in size. No limit on number of parcels.
- One “permanent habitable dwelling”, and other buildings required to support ag. use, or not inconsistent with ag. use per parcel.
- No fee for housing right on subdivided parcels.

Agriculture Rights Only or Pre 1997 “Old Title” Land

- Parcels sold and patent issued before August 17, 1997
- Subdivided parcels must be greater than 40 acres in size
- No limit on number of parcels
- Subdivided parcels do not have a housing right (unless parcel is greater than 640 acres)
- No ownership of land, title conveys the “Right to Farm” the land
- State can terminate conveyance if property is used for non-agricultural purposes

Fee Simple with Agricultural Covenants or Post 1997 “New Title” Land

- Patent issued after August 5 1997 or Old Title land that the owner has “converted” to New Title
- One housing right with original purchase
- Subdivided parcels must be greater than 40 acres in size. Only 4 parcels may be created
- Subdivided parcels must purchase the Right to Construct Housing, or place a lien on the parcel if passing to immediate family (lien must be paid when the parcel passes to a person outside the immediate family)

“New Title” (Continued)

- Title conveyed is “Fee Simple with Agricultural Covenants”
- State can’t terminate conveyance if property is used for non-agricultural purposes
- If agricultural covenants are broken, a civil action may be brought by the state, a municipality, or resident to enforce the covenant.

Agricultural Covenants

Agricultural covenants state the owner may:

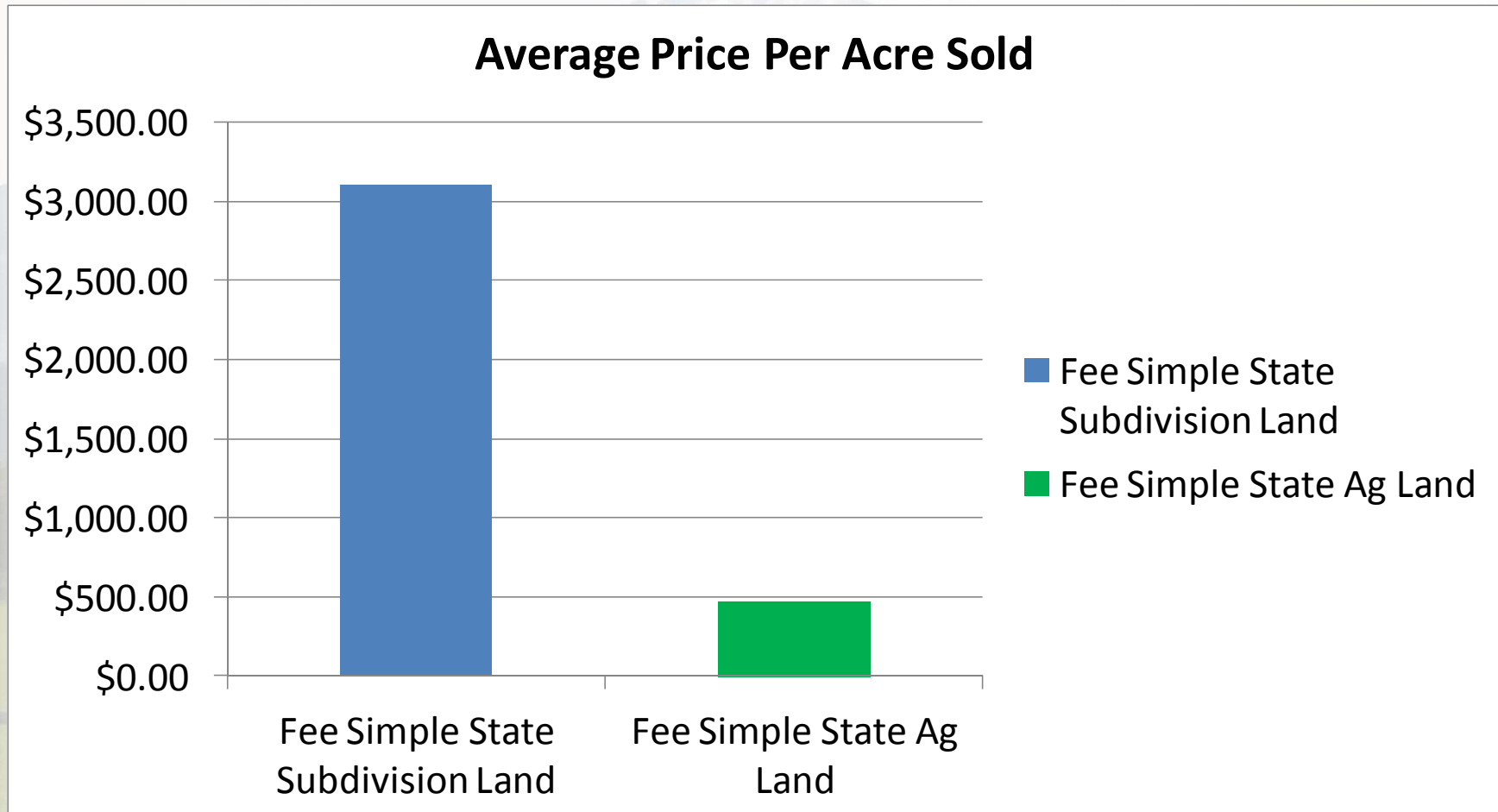
- Not use the land for other than **agricultural purposes**
- Not subdivide and convey the land obtained under homestead entry in parcels of less than 40 acres each
- Not subdivide and convey land obtained by purchase in more than four parcels of land of less than 40 acres each
- A subdivided parcel may not be further subdivided

Agricultural Purpose

“Agricultural purposes” are defined to mean:

- the production, for commercial or personal use , of useful plants and animals
- the construction of housing for landowners and farm laborers
- improvements for animals
- improvements that are reasonably required for or related to agricultural use
- the use of gravel reasonably required or related to agricultural production on the parcel conveyed
- removal and disposition of timber in order to bring agricultural land into use.

Agricultural Land Sale Comparison



Agricultural Land Sale Comparison

- The average price paid for Agricultural Land in the last 10 (2002-2012) years is \$464.28
- The most expensive parcel (per acre) in the last 10 years was \$900.00 (Nenana – Two Lakes)
- The least expensive parcel (per acre) in the last 10 years was \$81.00 (Kobe North)
- The average price paid for Fee Simple State Subdivision Land in the last 5 years was \$3,104 (10 year data unavailable)

Agricultural Land Committee

- Committee formed after AK Farm Bureau meeting with DNR Commissioner
- Held 3 meetings over 8 months to discuss Ag land issues and potential solutions
- Open to anyone to participate
- Participants included State Ag land owners, fee simple land owners, farmers, ARRC staff, DNR staff, Ak Farmland Trust staff
- Recommendations forwarded to DNR Commissioners Office

Agricultural Land Committee Recommendations

Agriculture Land in Private Ownership

- Committee supports enforcement of agriculture covenants
- Committee supports sending letters to all ag land owners
 - Informing owners of different types of ag land
 - Provide contact information for questions
 - Owners are allowed one year to come into compliance

Agricultural Land Committee Recommendations (continued)

- Committee supports the following change to agriculture covenants:
 - One time application for one 5 acre area (must include current housing) within an agricultural parcel for “Non agricultural allowable use waiver”
 - Intent of allowance is to assist producers in active production and allow for non farm income – examples would be bed & breakfast, cell towers, etc.
 - 5 acre “Non agricultural allowable use waiver” would remain with parcel and not be eligible for future subdivision.
- Applicant must have 50% of available crop land on parcel in production.

Agricultural Land Committee Recommendations (continued)

Farm Conservation Plans

Committee supports the following:

- Recording of State Farm Conservation plans
- The resources provided the local soil and water districts
- Requirements to State Farm Conservation plans:
 - Update at change of ownership
 - Update to be completed every 10 years
 - Update at time of subdivision
 - Update at application for “5 acre non agriculture allowable use waiver”

Agricultural Land Committee Recommendations (continued)

- ***Future Land Sales***

Committee supports the following:

- Continues sale of agriculture parcels with agriculture covenants attached
- Agriculture land sales offering multi sized parcels of 10 acres or larger
- All parcels should be appraised and offered for sale at agriculture land value, regardless of size
- Small parcels sold by lottery in an effort to keep costs down and affordable for small scale farms
- Division of Agriculture and Mining, Land, and Water working together to assure fee simple lots made available to foster business development in future agriculture developments.