

# 30<sup>th</sup> Alaska State Legislature

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## Senate Bill 86 Alaska Railroad Corporation Land Sales

### SPONSOR STATEMENT

SB 86 creates a pilot project to allow the Alaska Railroad Corporation to manage their non-corridor real estate portfolio and enhance their ability to be self-sustaining as required by state statute.

The bill repeals the current requirement for legislative approval prior to an Alaska Railroad Corporation (ARRC) land sale or land lease for more than 95 years and enables the ARRC to react much more quickly and efficiently to real estate opportunities and land transactions with state entities such as DOTPF for state road and facility projects.

SB 86 will put ARRC on an even playing field with the Department of Transportation and Public Facilities (DOTPF), the Department of Natural Resources (DNR), the Alaska Mental Health Lands Trust, and the University of Alaska. Sale of land would include reversion of subsurface rights to DNR.

The bill would enable ARRC to sell land on which development would not occur with a land lease such as real estate in residential areas that could be subdivided for home construction. Such an incentive could increase private land ownership, encourage private development, and increase the local tax base.

SB 86 will allow ARRC to monetize non-performing land assets, generate cash flow to respond to opportunities in the real estate market, enhance the overall real estate portfolio of ARRC, and enable ARRC to continue to comply with the statutory mandate to remain self-sufficient.

The bill allows sale of railroad land that is not needed for railroad purposes and sales that are in the best interest of the state. The bill establishes a 90-day timeline to exercise first right of refusal but provides for written refusal prior to the deadline to shorten the process for a sale. It requires a 60-days public notice process which includes notification of adjacent landowners. SB 86 has a three-year sunset provision.