

CS FOR SENATE BILL NO. 106(STA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE SENATE STATE AFFAIRS COMMITTEE

Offered: 2/26/14

Referred: Rules

Sponsor(s): SENATORS MEYER, McGuire, Wielechowski, Dunleavy, Kelly, Dyson, Bishop, Giessel, Stedman, Egan, Huggins, Micciche

REPRESENTATIVES Gattis, Isaacson, Keller

A BILL

FOR AN ACT ENTITLED

1 **"An Act providing for certain individuals who have erected a building on land leased**
2 **from the state to receive a preference right to purchase certain state land without**
3 **competitive bid."**

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

5 * **Section 1.** AS 38.05.035(f) is amended to read:

6 (f) The director shall grant a preference right to the purchase or lease without
7 competitive bid of up to five acres of state land to an individual who has erected a
8 building on the land and used the land for bona fide business purposes for five or more
9 years under a federal permit or without the need for a permit and, after selection by the
10 state, under a state use permit or lease, if the business produced no less than 25 percent
11 of the total income of the applicant for the five years preceding the application to
12 purchase or lease the land. The director shall sell or lease the land at a price
13 determined by the director to represent the current fair market value of the unimproved
14 land but in no event less than the cost of administration including survey if required. If

the director determines in a written finding that the purchase or lease of the land would interfere with public use by residents of the area, the director may condition the purchase or lease to mitigate the adverse effects on the public use or may reject the application for the preference right. A lease granted under this subsection may not be for a period in excess of 50 years. [IN THIS SUBSECTION, "BUSINESS PURPOSES" MEANS A PURPOSE PERMITTED UNDER THE CLASSIFICATION OF THE LAND AT THE TIME THE LAND WAS ENTERED.]

* **Sec. 2.** AS 38.05.035 is amended by adding new subsections to read:

(p) Where there is a valid municipal entitlement selection on state land under AS 29.65.010 - 29.65.030 that has a state-issued land lease that has been issued competitively under AS 38.05.070 and before the decision to approve the municipal entitlement land selection, the director shall grant a preference right to purchase without further competitive bid of up to five acres of the state land to an individual who has erected a building approved by a lease on the state land and used the land for bona fide business purposes for 10 or more years under a state lease, if the business produced not less than 25 percent of the total income of the applicant for the 10 years preceding the application to purchase the land. An application for a preference right under this section must be filed with the director within 120 days after notice to the lessee of the municipal entitlement land selection. If the director grants the preference right, the director shall sell the land at a price determined by the director to represent the current fair market value of the unimproved land determined by an appraisal under AS 38.05.840 and a survey, both at the cost of the applicant. If the director determines that the purchase of the land would interfere with public use by residents of the area, the director may condition the purchase to mitigate the adverse effects on the public in the written finding under AS 38.05.035(e) or may reject the application if those effects cannot be avoided or mitigated. If the preference right application is approved, the amount of land within the overall municipal entitlement under AS 29.65.010 - 29.65.030 shall be reduced by the amount of land covered under this section; however, subject to appropriation, the revenue from the purchase of the parcel will be given to the municipality if the municipal entitlement land selection is approved.

(q) In (f) and (p) of this section,

- 1 (1) "building" means a permanent type of structure not less than 500
2 square feet in size with solid walls, foundation, and roof;
3 (2) "business purposes" means a purpose consistent with the
4 classification of the land at the time the land was entered.