



THE STATE
of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Natural Resources

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The Honorable Joshua Revak, Chair
Senate Resources Committee
Alaska State Capitol, Rm 205
Juneau, Alaska 99801

February 8, 2022

Re: SB 133 Remote Recreational Sites; Sales; Permits Committee Follow-up

Senator Revak:

Thank you for the opportunity to present SB 133 Remote Recreational Sites; Sales; Permits to the committee on January 31, 2022. In providing testimony there were requests for follow-up information from the committee member, those answers are below.

The current Remote Recreational Cabin Site (RRCS) program:

- A two-step best interest finding decision determines a staking area and applicants can apply for a drawing in the lottery of authorizations.
- Staking authorizations are 5-20 acres and costs include survey, appraisal, lease payments and administrative fees, some of which is credited towards the purchase price. The purchase price is the fair market value (FMV).

Ex. \$20,000 (FMV) - \$5,000 (survey cost credit) + \$250 (appraisal) + \$1,000 lease payments = \$16,250

- Since 2001, the amount of land being offered to Alaskans through the current RRCS program is 50,462 acres.
- From these offerings, 937 parcels have been staked, 807 of those staked parcels have moved to purchase for a total of 10,655 acres. The average acres per lot sold is 13.2 acres.

SB 133 would retain the current RRCS program with the following modifications:

- A decision and a commissioner's list of available staking areas is issued annually. The annual list will include vacant, unappropriated, unreserved (VUU) land.¹

Example: Douglas Island has approximately 3,000 acres VUU land that potentially could be included in the commissioner's list. The remainder of the island largely consists of federal, municipal, and private ownership. Remaining state land is protected by legislative designations, Mental Health Trust designations, or is topographically challenging.

- Staking authorizations are 10 acres maximum and costs would remain the same.
- To purchase competitively from the commissioner's list, the applicant may receive a credit of some costs to offset the personal development costs of the land. This would be developed in regulation as the bill provides.

¹ Maps of VUU land could be supplied upon request but require a specific area for the very detailed information.

SB 133 would create an additional program element as follows:

- A nomination process that would create a preferential right to purchase land not included in the commissioner's annual list.
- The applicant could apply for a permit to begin utilizing the land, move to lease, and complete a survey and appraisal, and then move to sale at FMV.

Ex. \$20,000 (FMV) + \$7,000 (survey/instructions) + \$1,200 (appraisal/instructions) + \$1,000 lease payments = \$29,200

- For the preferential right to purchase noncompetitively, the applicant takes the burden of cost.
- Permits are revocable at-will while a lease allows for legal interest in the parcel for eventual ownership. An applicant could apply for a permit to begin utilizing the land and construct a removeable structure. The lease provides a pathway to permeant structures and ownership after survey and appraisal.

All actions and decisions by the Department are appealable.

Regardless of the decision process, the appeal and request for reconsideration processes provide administrative recourse for people who are aggrieved by or affected by a decision issued by the department by allowing them to seek the Commissioner's review of the decision.

Thank you for your time and consideration. Please let me know if I can be of further help in providing information to the committee.

Sincerely,



Laura Boomershine
Legislative Liaison

Cc: Akis Gialopsos, Governor's Legislative Office Director