

# SB 199 State Land: Disposal/Sale/Lease/Restrict

## Senate Transportation Committee



**Presented by Rachel Longacre, Chief of Operations**  
Division of Mining, Land and Water  
Alaska Department of Natural Resources  
February 13, 2024





# Overview

- Authorize the Department of Education & Early Development (DEED) and the Department of Transportation & Public Facilities (DOT&PF) to directly dispose of surface land, rather than transferring land to the Department of Natural Resources (DNR) for conveyance
- Increase the cap on the Land Disposal Income Fund (LDIF)
- Update and improve provisions relating to DNR's land disposal procedures in AS 19.30, AS 38.04, AS 38.05
- Amends agricultural use restrictions
- Add a new statute relating to leases and sales of land for commercial development



# Authority for Direct Disposal of State Land

- Proposed amendments allow the Department of Education and Early Development (amending AS 14.07.030) and Department of Transportation & Public Facilities (amending AS 35.20.070) to sell land directly to private parties
  - Streamlining land disposals, reducing multi-agency involvement
  - Expanding eligible recipients beyond federal, state agencies, and political subdivisions



# Land Disposal Income Fund (LDIF)

- The LDIF holds deposits from the state land disposal program
- Under current law, the portion of the fund in excess of \$5 million is to be deposited in the state general fund
- The bill raises state land disposal income fund cap from \$5 million to \$12 million
- Boosts spending authority for larger projects
- Addresses inflation since 2000; cap unchanged for 20 years
- Adjustment to funding cap, not appropriation
- Department can request limit increase in annual report

# Agricultural Land Lease and Sale Procedures



- Amendment to AS 38.05.321 allows broader use of agricultural land and improvements
- Currently an agricultural landowner can only use the land for purposes that are incidental to and not inconsistent with agricultural land
- Proposed amendment would now allow an agricultural landowner to use land for purposes that are consistent with and do not interfere with the primary purpose



# Access Road Construction

- Amends AS 19.30.080 to specify that access roads to surface disposals may be developed at a pioneer standard
  - Clarifying language on right-of-way widths within municipal boundaries
  - Align with municipal zoning requirements to the same extent as private developers



# Land Sale Procedures

- Land sale disposal contracts
  - Longer purchase terms from 20 years to 30 years
  - Consistency in terms from “Foreclosure” to “Termination”
  - Allows for paid in full purchase when existing infrastructure would increase liability of financing a land sale purchase contract



# Survey Requirements for Leases

- Discretion of cadastral surveys for long-term leases
  - Survey could be required where infrastructure boundaries or access management is in the best interest of the state
  - Reduces the financial and administrative burden on industries
  - Industry is challenged by current requirements
    - Ex: Renewable energy projects, grazing leases



# Land for Commercial Development

- Stimulate economic development
- Offers land for leasing, and sale, by requesting proposals
  - For state land identified or nominated as a Qualified Opportunity Zone
  - For state land nominated by the public
    - Land nominated cannot exceed 640 acres
  - For any other state land the commissioner deems appropriate for commercial development
- Nominated land may need to be reclassified
  - Provide additional public notice beyond normal AS 38.05.945



# Sectional Analysis

- **Section 1:** Amends AS 14.07.030 to expand authority for land disposals for Dept. of Education and Early Development
- **Section 2:** Amends AS 19.30.080 for access road development related to surface disposals within a municipal boundary
- **Section 3:** Reenacted authority to Dept. of Transportation & Public Facilities to expand authority to vacate and dispose of land



# Sectional Analysis, cont.

- **Section 4:** Raises state land disposal income fund cap from \$5 million to \$12 million
- **Section 5:** Removes the requirement of a cadastral survey for a long-term lease under AS 38.05.070
- **Section 6:** Grants the commissioner discretion to require a cadastral survey for a long-term lease issued under AS 38.05.070
- **Section 7:** Repeals and reenacts AS 38.05.055 to clarify requirements for public auction or sealed bid as the default methods for sale of state land



# Sectional Analysis, cont.

- **Section 8:** Amends AS 38.05.065(a) to allow a longer term of 30 years for contracts
- **Section 9-12:** Updates AS 38.05.065(c), (d), and (f) with consistent industry terms
- **Section 13:** Amends AS 38.05.065(h) for consistency in land sale disposals
- **Section 14:** Adds new section (j) to AS 38.05.065 for consistency in land sale disposals and new section (k) to reduce liability to the state



# Sectional Analysis, cont.

- **Section 15:** Adds new section to AS 38.05 (AS 38.05.086) for nomination, lease, and sale of land for commercial development
- **Section 16:** Amends AS 38.05.321 to expand allowable uses on conveyed agricultural land
- **Section 17:** Amends AS 38.05.965 to include term definitions
- **Section 18:** Repeals AS 38.05.065(b) to conform with updates in previous section 13
- **Section 19:** Provides immediate effective date



# Fiscal Note

- FY 2025 \$655.4 (5 positions)
  - Two Permanent Full-Time Natural Resource Specialists 3
  - Two Permanent Full-Time Natural Resource Specialist 2
  - One Permanent Full-Time Appraiser 1
- These positions will support timely adjudication of the expanded Land Sales with Commercial Development program applications
- FY 2026-2030 \$630.4 annually

# Thank you!



Rachel Longacre, Chief of Operations  
Division of Mining, Land and Water  
Department of Natural Resources  
(907) 269-8532  
[rachel.longacre@alaska.gov](mailto:rachel.longacre@alaska.gov)

