



Governor Michael J. Dunleavy
STATE OF ALASKA

February 18, 2020

The Honorable Cathy Giessel
Senate President
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Giessel:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill clarifying the State's role in management of state land, removing barriers or obstacles in the state land sales process, allowing for the lease of state lands for economic or industrial development, and repealing statutes that have created land use or management problems for the State.

This bill would make land managed by the Department of Natural Resources -- including Mental Health Trust land, parks and recreation areas, refuges, and habitat areas -- subject to the Department of Natural Resources' platting authority, regardless of where the land is situated. Under current law, plats for subdivisions of state lands for disposal of sale must be approved by a municipality exercising its platting authority. Obtaining this approval delays the platting process and slows state land sales.

To make the most of all avenues available to encourage land use for the benefit of the public, this bill includes a new statute for leasing state lands for commercial or industrial development. Under this new statute, the State can lease and sell lands situated within federally designated Qualified Opportunity Zones, or nominated and assessed by the state as appropriate for commercial development. The statute includes a process for requesting proposals from prospective lessees, for accepting bids, and for entering a contract to lease. This statute will allow the lessee to apply to purchase the leased land at any time during the term of the lease if the department determines the lessee has used the land for commercial development consistent with their proposal.

Further, this bill clarifies the state land sale bidding process by requiring an earnest money deposit, increasing the term of a contract for sale, and granting the state greater discretion as far as when to construct access roads related to state land sales.

President Giessel
February 18, 2020
Page 2 of 2

This bill also repeals the establishment of recreational rivers and corridors. These statutes have created management problems for the State and through this bill we can end those management issues, maintain public use, and allow the State to consider the disposal of some of those state lands.

In order to make the best use of our state land for all citizens, I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Dunleavy", with a long horizontal flourish extending to the right.

Mike Dunleavy
Governor

Enclosure