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Bullard
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SENATE CS FOR HOUSE BILL NO. 115(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES STORY, Kreiss-Tomkins, Vance, Hannan, Snyder, Josephson

SENATOR Kiehl

A BILL

FOR AN ACT ENTITLED

"An Act relating to aquatic farming and hatchery site leases; and requiring the director of the division of lands to provide the legislature with an annual report relating to aquatic farming and hatchery site leases."

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

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

(a) The director shall

(1) have general charge and supervision of the division and may exercise the powers specifically delegated to the director; the director may employ and fix the compensation of assistants and employees necessary for the operations of the division; the director is the certifying officer of the division, with the consent of the commissioner, and may approve vouchers for disbursements of money appropriated to the division;

(2) manage, inspect, and control state land and improvements on it belonging to the state and under the jurisdiction of the division;

(3) execute laws, rules, regulations, and orders adopted by the commissioner;

(4) prescribe application procedures and practices for the sale, lease, or other disposition of available land, resources, property, or interest in them;

(5) prescribe fees or service charges, with the consent of the commissioner, for any public service rendered;

(6) under the conditions and limitations imposed by law and the commissioner, issue deeds, leases, or other conveyances disposing of available land, resources, property, or any interests in them;

(7) have jurisdiction over state land, except that land acquired by the Alaska World War II Veterans Board and the Agricultural Loan Board or the departments or agencies succeeding to their respective functions through foreclosure or default; to this end, the director possesses the powers and, with the approval of the commissioner, shall perform the duties necessary to protect the state's rights and interest in state land, including the taking of all necessary action to protect and enforce the state's contractual or other property rights;

(8) maintain the records the commissioner considers necessary, administer oaths, and do all things incidental to the authority imposed; the following records and files shall be kept confidential upon request of the person supplying the information:

(A) the name of the person nominating or applying for the sale, lease, or other disposal of land by competitive bidding;

(B) before the announced time of opening, the names of the bidders and the amounts of the bids;

(C) all geological, geophysical, and engineering data supplied, whether or not concerned with the extraction or development of natural resources;

(D) except as provided in AS 38.05.036, cost data and financial information submitted in support of applications, bonds, leases, and similar items;

(E) applications for rights-of-way or easements;

1 (F) requests for information or applications by public agencies
2 for land that is being considered for use for a public purpose;

3 (9) account for the fees, licenses, taxes, or other money received in the
4 administration of this chapter including the sale or leasing of land, identify their
5 source, and promptly transmit them to the proper fiscal department after crediting
6 them to the proper fund; receipts from land application filing fees and charges for
7 copies of maps and records shall be deposited immediately in the general fund of the
8 state by the director;

9 (10) select and employ or obtain at reasonable compensation cadastral,
10 appraisal, or other professional personnel the director considers necessary for the
11 proper operation of the division;

12 (11) be the certifying agent of the state to select, accept, and secure by
13 whatever action is necessary in the name of the state, by deed, sale, gift, devise,
14 judgment, operation of law, or other means any land, of whatever nature or interest,
15 available to the state; and be the certifying agent of the state, to select, accept, or
16 secure by whatever action is necessary in the name of the state any land, or title or
17 interest to land available, granted, or subject to being transferred to the state for any
18 purpose;

19 (12) on request, furnish records, files, and other information related to
20 the administration of AS 38.05.180 to the Department of Revenue for use in
21 forecasting state revenue under or administering AS 43.55, whether or not those
22 records, files, and other information are required to be kept confidential under (8) of
23 this subsection; in the case of records, files, or other information required to be kept
24 confidential under (8) of this subsection, the Department of Revenue shall maintain
25 the confidentiality that the Department of Natural Resources is required to extend to
26 records, files, and other information under (8) of this subsection;

27 (13) when reasonably possible, give priority to and expedite the
28 processing of an application for a lease or assignment of a lease of state land for
29 development and operation of a gas storage facility, for a right-of-way to a gas storage
30 facility, for a change to the allocation of production within a unit, and for a permit
31 necessary for the operation of a gas storage facility; in this paragraph, "gas storage

facility" has the meaning given in AS 31.05.032;

(14) prepare and submit to the senate secretary and chief clerk of the house of representatives on or before the first day of each regular session of the legislature an annual report in electronic form concerning site lease applications submitted under AS 38.05.083; in preparing and submitting the report, the director shall

(A) include in the report

(i) a list of all applications pending with the department, including applications for a new lease and applications for renewal, amendment, and assignment of a lease, and the length of time each application has been pending with the department;

(ii) for an application that has not been granted, the reason the application has not been granted; and

(iii) the number of leases that the director elected not to renew under AS 38.05.070;

(B) notify the legislature that the report is available.

* **Sec. 2.** AS 38.05.070(e) is amended to read:

(e) The director may renew a lease issued under this section, AS 38.05.075, **38.05.083**, or 38.05.810 upon its expiration if the lease is in good standing and the lease renewal is determined to be in the best interests of the state. A renewal issued under this subsection is not subject to AS 38.05.035(e). A lease **under this section, AS 38.05.075, 38.05.083, or 38.05.810** may be renewed only once for a term not longer than the initial term of the lease. The director shall provide notice of the lease renewal decision.

* **Sec. 3.** AS 38.05.083(a) is amended to read:

(a) The commissioner may offer to the public for lease at public auction or by sealed bid under AS 38.05.075 or by negotiation under AS 38.05.070 a site for aquatic farming or related hatchery operations. Before a final decision to issue [OR RENEW] a lease under this section, the commissioner shall give notice and allow opportunity for comment in accordance with AS 38.05.945 and may hold a hearing to take testimony. Before a final decision to issue [OR RENEW] a lease under this section,

the commissioner shall consider all relevant comment or testimony submitted under this section, AS 38.05.945, or 38.05.946.

* **Sec. 4.** AS 38.05.083(b) is amended to read:

(b) The commissioner, for good cause, may deny an application for issuance [OR RENEWAL] of a lease under this section but shall provide the applicant with written findings that explain the reasons for the denial.

* **Sec. 5.** AS 38.05.083 is amended by adding new subsections to read:

(g) The commissioner may, under AS 38.05.070(e) - (g), renew or extend a lease issued under this section.

(h) Nothing in this section prohibits a lessee under this section using a site for aquatic farming and related hatchery operations from also using that site for a tourism enterprise or educational purpose relating to aquatic farming or related hatchery operations.

(i) Notwithstanding AS 38.05.035 and 38.05.850, if a site leased under this section is actively used for aquatic farming or related hatchery operations, the commissioner may not charge a lessee, sublessee, or other person assigned all or a part of the lease a fee for using or allowing the use of the site, or passage across the site, for a tourism enterprise or educational purpose relating to aquatic farming or related hatchery operations.

* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REPORT TO LEGISLATURE. (a) The Department of Natural Resources, in cooperation with the Department of Fish and Game, shall prepare a written report that includes

(1) the number of aquatic farming and hatchery site lease applications under AS 38.05.083 that are pending review with the Department of Natural Resources, including applications for a new lease and applications for renewal, amendment, and assignment of a lease, the date each application was submitted to the department, the length of time each application has been pending with the department, and the reason for which each application has not been granted;

(2) an estimate of the monetary investments and jobs that might be made or

1 created if all pending applications relating to aquatic farming and hatchery site leases under
2 AS 38.05.083 were approved; and

3 (3) recommendations from the Department of Natural Resources, the
4 Department of Fish and Game, and other state agencies for the streamlining and improvement
5 of the leasing arrangements, including assignment of leases, for aquatic farm and hatchery
6 sites.

7 (b) The commissioner of natural resources shall deliver the report prepared under (a)
8 of this section to the senate secretary and the chief clerk of the house of representatives in
9 electronic form not later than January 20, 2022, and notify the legislature that the report is
10 available.