**Department of Natural Resources** 

OFFICE OF THE COMMISSIONER





550 W. 7th Avenue, Suite 1400 Anchorage, AK 99501-3561 Main: 907.269-8431 Fax: 907-269-8918

## Senate Bill 133 Remote Recreational Sites; Sales; Permits Sectional Analysis, Version A, 5/3/2021

Section 1 – Amends the uncodified law of the State of Alaska to add a statement of purpose.

Section 2 – Amends AS 38.05.035(e) to include a new section (I). This section excludes a remote recreational site lease under AS 38.05.610 or sale under AS 38.05.620 from the requirement for a written finding from the requirements of AS 38.05.035(e)(6).

**Section 3** – Amends AS 38.05.045 to add disposition of land under AS 38.05.600 – AS 38.05.690 under which state-owned land may be disposed.

**Section 4** – Amends AS 38.05.065(b) to subject sale of land under AS 38.05.600 – AS 38.05.690 to the requirement for regular installment payments on level-payment basis at interest rates as provided in AS 38.05.065(i), and increases the 20-year maximum term of such a payment plan to 30 years.

Section 5 – Amends AS 38.05.125(a) to include land sold or leased under AS 38.05.600 - AS 38.05.690 to the list of statutes under which state land is sold and provides the reservations to which the sold lands are subject.

Section 6 – Repeals and reenacts AS 38.05.600.

New section 38.05.600. is now titled "Eligibility, nomination, classification, and staking of remote recreational sites."

**Subsection (a)** directs the DNR commissioner to provide for the lease, sale, or permitting of remote recreational sites to eligible applicants through a schedule of offerings or nomination process.

**Subsection (b)** provides that only an eligible applicant can submit an application to nominate a remote recreational site, lease or purchase a recreational site, or be issued a permit for a recreational site. Provides that the department will reject an application from an ineligible person, and establishes the qualifications for applicants.

Subsection (c) establishes that an eligible applicant may nominate up to 10 acres for a remote recreational site.

**Subsection (d)** requires the commissioner to maintain and publish a schedule of land offerings available for a remote recreation site, provide public notice of the schedule of land

offerings, and accept an application from an eligible applicant to stake a recreational site from within the schedule of land offerings.

**Subsection (e)** provides that an eligible applicant can nominate 10 acres of unencumbered vacant, unappropriated, or unreserved state land (as defined in AS 29.65.130) for a remote recreational site that is not included in the schedule of offerings from (d) above. Provides that the commissioner shall review all site nominations and may classify or reclassify the land to allow a remote recreational site through a decision under AS 38.04.065 and AS 38.05.300, and requires applicant to pay all associated fees associated with reclassification. Requires public notice of a remote recreational site nomination and intent to lease the lands to an eligible applicant. Provides that the commissioner may include nominated lands in the annual schedule of land offerings if the eligible applicant fails to stake the land within 90 days of the department approving the nomination.

**Subsection (f)** clarifies that an eligible applicant may stake land listed in the commissioner's schedule of land offerings or land the applicant nominated and the commissioner approved for a remote recreational site. Requires remote recreational sites to be staked in accordance with procedures prescribed by the commissioner.

**Subsection (g)** requires an eligible applicant to file a sketch plat of the staked site that includes a detailed description of the site's location, and an application to lease the land, within 15 days after staking the exterior boundaries of the remote recreational site.

**Subsection (h)** allows the commissioner to approve a portion of a remote parcel staked in good faith, where that person staked land that was included in an earlier staking by an eligible person. The commissioner may approve that portion of the later staking where it does not conflict with the earlier staking. It allows the later eligible applicant to stake additional land and requires they comply with requirements under subsection (g) and submit an amended lease application.

**Subsection (i)** provides that the commissioner shall not approve and will not include land staked that is not included in land offered in the schedule of land offerings or is outside the land nominated for a remote recreational site.

Section 7 – Amends AS 38.05 to add new sections AS 38.05.610, AS .8.05.620, AS 38.05.630, AS 38.05.640, and AS 38.05.690.

## Section 38.05.610 Lease of remote recreation sites,

**Subsection (a)** provides that an eligible applicant may apply to lease their staked remote recreational site and the commissioner may enter into a lease consistent with the terms of this section.

**Subsection (b)** limits the initial lease or a renewal to a period of not more than 10 years. Allows up to two lease renewals for a time period not to exceed the initial term.

**Subsection (c)** provides an annual fee for a remote recreational site consistent with AS 38.05.073(m).

**Subsection (d)** requires the commissioner to include restrictions in a lease issued under this section of statutes. The first restriction prohibits the lessee from assigning, conveying, or transferring the lease with the exception of rights that result through death of the original lessee. The second restriction requires the lessee to survey and appraise their remote recreational site within 24 months of entering the lease and provide the same to the department at no charge. It also allows the department to grant an extension to complete these requirements, and prohibits the department from unreasonably withholding such extensions. Finally, this subsection allows the commissioner to include any other restriction determined necessary to protect the state's long-term interest in the land.

**Subsection (e)** provides that a lease issued under these statues may be terminated for noncompliance with terms of the lease, unless such non-compliance is cured under AS 38.05.065. Upon termination of a lease, improvements or personal property remaining on the land shall be managed consistent with AS 38.05.090.

**Subsection (f)** requires the lessee to annually ensure the boundaries of the remote recreational site are readily visible from the ground until a survey is completed. It also requires the commissioner to adopt standards to ensure visibility of the leased remote recreational site.

Subsection (g) provides that a lessee may purchase their remote recreational site at any time during the lease as provided in AS 38.05.620.

**Subsection (h)** requires that any appraisal or survey under this section of statutes must comply with AS 38.04.045, the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation, and any standards the commissioner deems appropriate to ensure compliance with state appraisal and survey standards. It also provides that the applicant of a remote recreational site is responsible for all costs associated with the surveying, appraising, and platting of a site.

## Section 38.05.620 Sale of remote recreational sites,

**Subsection (a)** requires a survey and appraisal of a remote recreational site to be included in an application to purchase the site. Also requires the eligible applicant to agree to pay the fair market value for the site.

**Subsection (b)** allows the commissioner to reject an application to purchase a site for survey or appraisal deficiencies.

**Subsection (c)** establishes the fair market value of the remote recreational site listed in the application is the value listed in the application, unless the department determines the applicant's appraisal does not meet the standards included in this section. Establishes that the final purchase prices for a remote recreational site includes the fair market value, platting costs, and administrative costs related to the sale.

**Subsection (d)** requires the commissioner to enter into a contract of sale with the eligible applicant if the remote recreational site has been appraised, surveys, and platted. Requires the applicant to deposit at least five percent of the final purchase price and enter into a contract to pay the remaining balance of the final purchase price under the terms specified in AS 38.05.065(b).

**Subsection (e)** provides that a sale of contact is voided, and all rights of a purchaser are forfeit if the purchaser fails to comply with the conditions of a contract for sale, unless such failure to comply is cured under AS 38.05.065.

**Subsection (f)** provides that a survey or appraisal required under this section must comply with AS 38.05.610(h). Establishes that the appraised value of a leased or permitted site is from the time of entry and that the appraisal must have been completed within 24 months before the date an application is submitted to the department. Reiterates that the eligible applicant is responsible for all surveying, appraising, and platting costs.

## Section 38.05.630 Permit for a remote recreation site,

**Subsection (a)** provides that the commissioner may issue a permit for a remote recreational site with a term up to 25 years. These permits cannot be assigned by the original permittee and the permit may not be renewed.

**Subsection (b)** provides that a permit for a remote recreational site is revocable at will and may be terminated for any reason including failure to use the permitted land as required by the terms of the permit. Upon termination of a site permit, improvements or personal property will be managed as provided under AS 38.05.090.

**Subsection (c)** provides that unless specified in a permit, a permittee may apply to lease or purchase their permitted remote recreational site under AS 38.05.610 and AS 38.05.620 respectively.

**Subsection (d)** requires the commissioner to offer the lease or sale of an existing remote recreational site to the permittee if the land subject to the permit is offered for sale or lease. Leases and sales remain subject to requirements under AS 38.05.610 and AS 38.05.620 respectively.

**Subsection (e)** requires the commissioner to adopt regulations to specify lands eligible for remote recreational sites, to establish procedures for staking a remote recreational site, establish the permit fee, and to identify the terms and conditions of a permit.

<u>Section 38.05.640 Regulations</u>, allows the commissioner to adopt regulations consistent with AS 44.62 to implement these statutes.

**<u>38.05.690 Definitions</u>**, defines "eligible applicant" and "resident" for the purposes of these statutes.

Section 8 – Provides for an immediate effective date under AS 01.10.070(c).