



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

**Department of Natural Resources**

DIVISION OF MINING, LAND & WATER  
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May 5, 2022

The Honorable Josiah Patkotak, Chair  
House Resources Committee  
Alaska State Capitol, Rm 102  
Juneau, AK 99801

Re: HB 120 Response to House Resources Committee Questions

Chair Patkotak,

Please see the Department of Natural Resources (DNR), Division of Mining, Land & Water (DMLW) response to questions posed on HB 120, heard in committee on May 2, 2022. We are responding to the primary questions identified by Ms. Grace Ervine in her email dated May 3, 2022.

1. List of types of state land and types of state land eligible for disposal under HB 120.
  - State general domain lands (excludes University, Mental Health Trust, and Special Purpose Sites) are subject to planning and classification requirements contained in AS 38.04 and AS 38.05 and corresponding regulations at 11 AAC 55.
  - DNR classifies lands into one of seventeen classifications currently identified in regulations at 11 AAC 55.<sup>1</sup>
  - Specifically, HB 120 section 13 provides that the Commissioner of DNR may identify lands that are appropriate for commercial development; while section 18 provides that the Commissioner shall identify lands that may exchange for other lands for eligible allottees that received an allotment under 43 U.S.C. 1629g-l.
  - In order to convey lands out of state ownership for commercial development or in exchange for existing Vietnam-era veterans, the lands must be classified as Settlement Land.<sup>2</sup>
  - Lands not currently classified as settlement, would need to be classified or reclassified as provided under existing statutes. That process includes public notice and an appealable decision document.

The land status maps enclosed depict the state general domain lands for three different regions. Land classified currently as Settlement Land is outlined in red with land status, including those lands that may be encumbered by a disposal both presently and previously.

<sup>1</sup> Classifications provided under 11 AAC 55.050 – 11 AAC 55.230 include: agricultural land, coal land, forest land, geothermal land, grazing land, heritage resources land, material land, mineral land, oil and gas land, public recreation land, reserved use land, resource management land, settlement land, transportation corridor land, waterfront development land, water resources land, and wildlife habitat land

<sup>2</sup> 11 AAC 55.020(d) states in pertinent part, "Land classified settlement, except tideland, submerged land, or shoreland, may be made available for sale, lease, or other disposal."

For example, the map representing the Yakutat area includes land that is classified as settlement although encumbered for municipal entitlement and Mental Health Trust.

2. Explanation of Section 3 of HB 120.

The committee asked why HB 120 repeals and readopts AS 35.20.070, but most the language has remained the same. The current version of AS 35.20.070 lacks subsections; it is one paragraph. Section 3 amends AS 35.20.070 so that it mirrors DOT&PF's direct disposal language from AS 19.05.070; including similar formatting and subsections. To include such subsections and mirror AS 19.05.070's format, a repeal and readopt was necessary

By using the same language and format as DOT&PF's highway property disposal provision under AS 19.05.070, DOT&PF may use existing regulations, forms, and guidance documents for direct disposal of properties no longer needed for public purposes to another entity. This provision significantly increases efficiency and expediency by allowing DOT&PF to convey property no longer needed for public works purposes without having to convey it back to DNR. Further, it provides that DOT&PF may convey land to DNR if requested by DNR.

3. DEED/DOT&PF process for land disposal/sale.

If HB 120 becomes law, DOT&PF would have direct disposal authority for lands that it obtained for public facilities projects, but where the lands are no longer needed for such a project. DOT&PF's current disposal regulations would apply. These actions would be conducted with DOT&PF's public notice requirements that implement Art VIII, Sec 10 of the Alaska Constitution are found at: 17 AAC 10.105(d) (public notice for negotiated sale to adjoining owner); 17 AAC 10.110(b) (public notice for competitive sale); 17 AAC 10.115(c) (public notice of disposal through broker); and 17 AAC 10.120(b)(2) (public notice for land exchange). Communication with DOT&PF is advisable for input on their agency disposal process.

DEED's disposal authority is provided under AS 14.07.030(a)(6). DEED would need to comply with Article VIII, Section 10 of the Alaska Constitution (public notice) and Article IX, Section 6 of the Alaska Constitution (public purpose) if and when it disposes of any real property. Attached is a white paper from DEED explaining their current process and proposed revisions.

4. Description of "Prudhoe Bay neighborhood issue" within Anchorage.

When DNR disposes of state land, it is required to retain public easements under several provision of statutes within Title 38. Examples include "to and along" easements for public and navigable waterbodies and section line easements. Decisions to require an easement are made in the agency decision process proceeding conveyance of the land.

The specific case involving the Prudhoe Neighborhood in Eagle River involves private land that was never in state ownership and was not disposed of by DNR or the Municipality of Anchorage. The gated and trespass signed area creating the access issue to Ram Valley from Prudhoe Bay Drive via Maria Drive within Chugach State Parks is on private lands originally homesteaded, and patented from the federal government, BLM, to the various homesteaders. There is a 20-foot pedestrian easement dedicated from the Conservation Fund to Ram Valley LLC within Juniper Valley Heights Subdivision, but it does not connect on either end to platted public roads or the section line easement on the east side of Section 33. There was not a state land subdivision in this area, and the state did not convey any of the lands involved in this dispute.

5. List of native allotment applicants by region.

The graphic provided by DMVA as an attachment identifies the Alaska Native Veterans eligibility by region of the state. A similar graphic dated November 2020 provides a more detailed breakdown of the 2019 Alaska Native Veteran Land Allotment Program and can be found on the BLM website at: [AK Native vets Nov-2020 Composite pie graphic.png \(1079×665\) \(blm.gov\)](#)

Sincerely,



Kris Hess  
Deputy Director, Department of Natural Resources

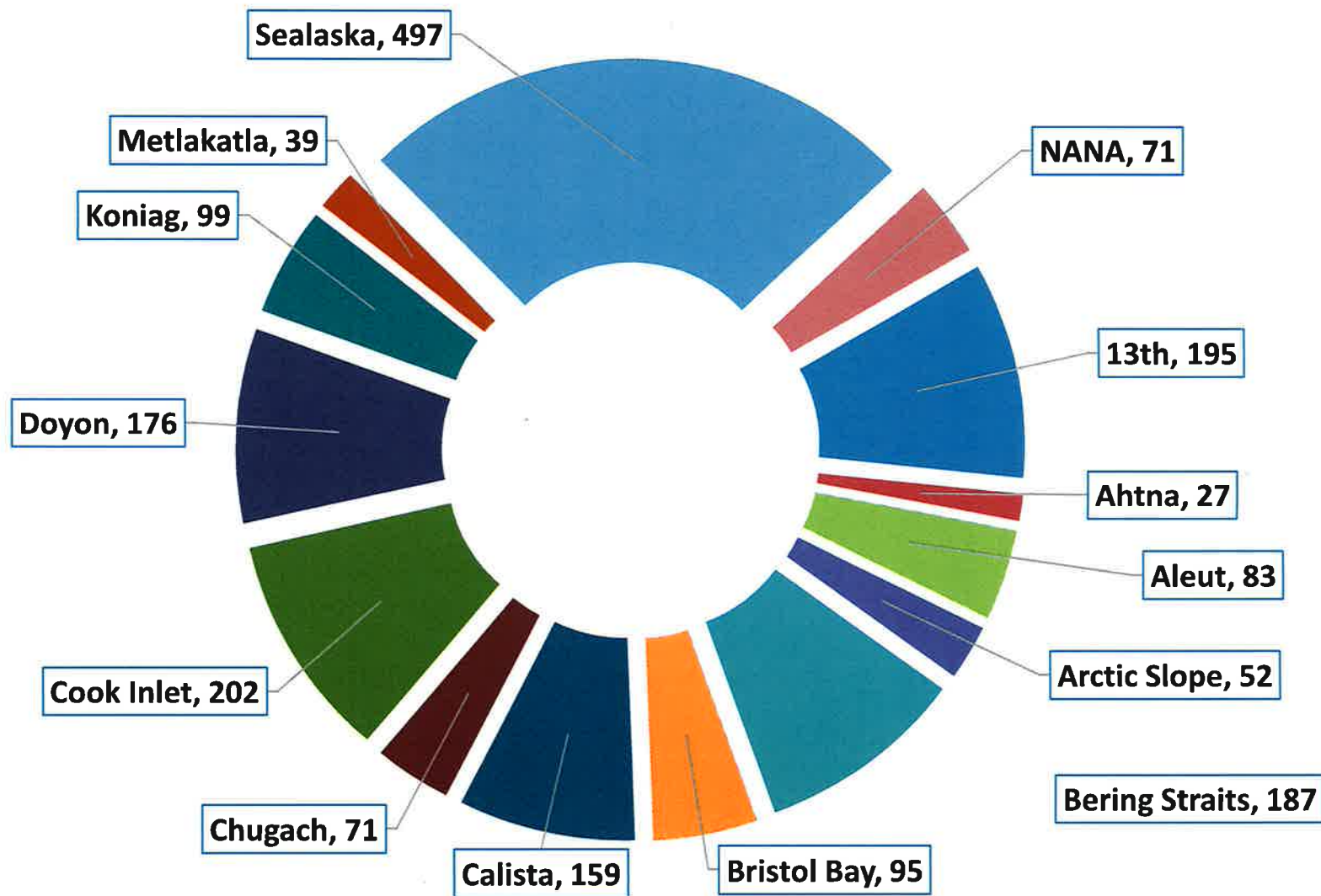
cc: Corri Feige, Commissioner, Department of Natural Resources  
Brent Goodrum, Deputy Commissioner, Department of Natural Resources  
Laura Boomersshine, Legislative Liaison

Attachments: Detailed map examples from several regions within Alaska  
Alaska Native Vietnam-era Veteran Eligibility by Region



# Eligibility

## Alaska Native Veteran Land Allotment Program of 2019 1,957 Known Eligible Individuals By Region - 1/7/2021



## Department of Education and Early Development (DEED)

### Property Disposal Process

May 2022

## Current Processes

### Transfer of Interest to Regional Educational Attendance Areas (REAA)

AS 14.08.151 *requires* the state to transfer title interest to an REAA when requested by a resolution of the school board. This is the most common property disposal performed by DEED, and as such has a procedure set out within the department. There is no process for this kind of property disposal in regulation; however, DEED land managers have followed the essential public notice elements identified from the Department of Natural Resources (DNR) notice processes:

- Publication of legal classified in newspaper of general and local circulation (at least twice over two weeks);
- Posting on the Alaska Online Public Notice (OPN) system; and,
- Direct notification of regional and local interested parties.

This process assists identification of potential issues relating to the land use and title.

### Disposal of Obsolete Property

The process to dispose of obsolete or excess state-owned school buildings and other facilities is set out in regulation 4 AAC 31.085. This is typically used for school properties that were operated under a 4 AAC 31.090 use permit by an REAA school district. It follows a strict hierarchy of potential transfer to a state agency, municipal government, qualified purchaser (potentially a federal agency), then to a non-profit entity. Note that, in view of the limited authority for DEED to dispose of lands, the department may dispose of the building but not the underlying land unless it is to either a state agency or municipality. Determinations and any requests for proposal, as appropriate, are issued for public notice.

## DRAFT Process

### Disposal of Excess REAA Property

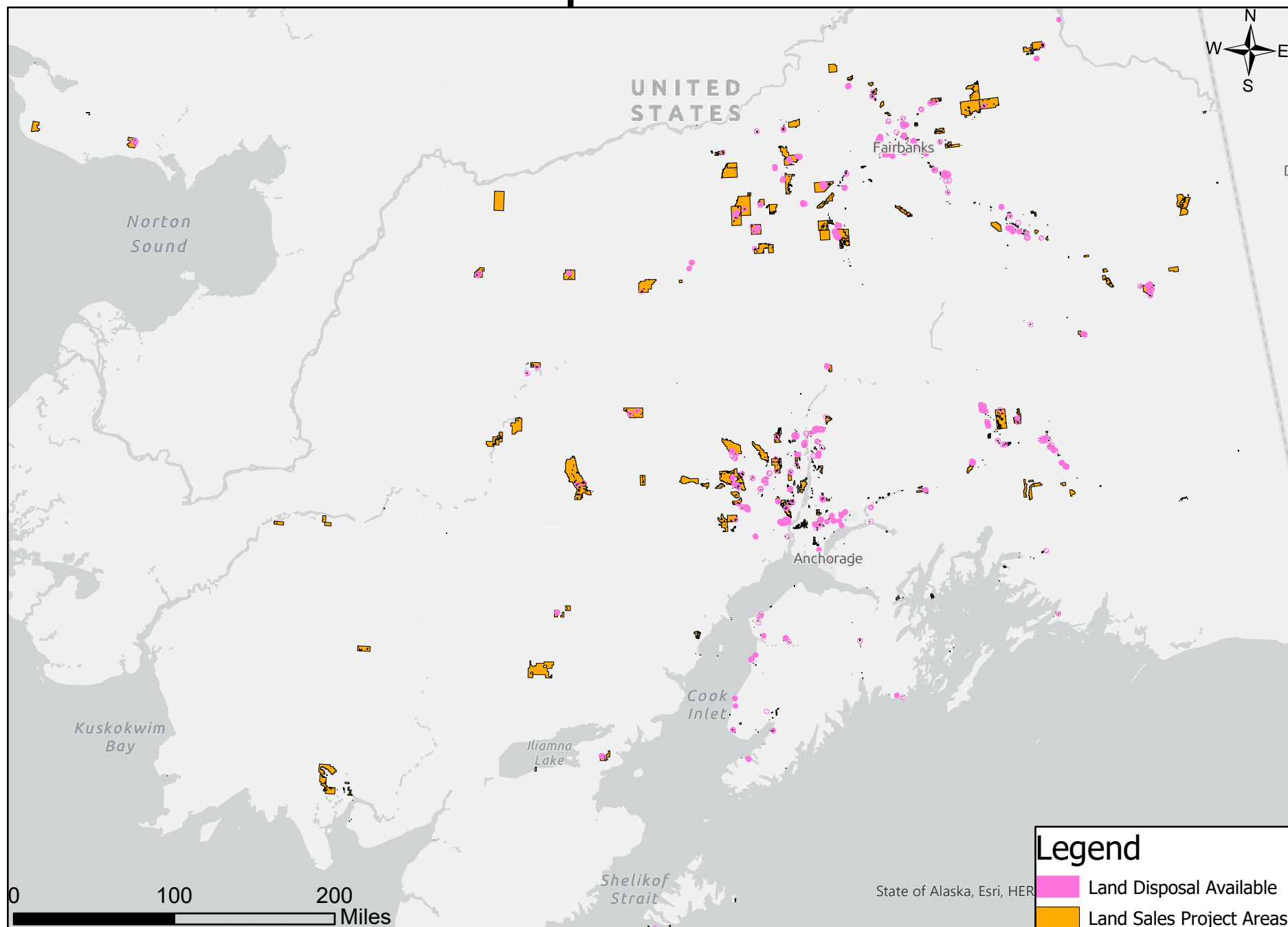
Likely to follow current 'Disposal of Obsolete Property', with expansion of entities eligible and not having to require removal of buildings from land.

### Disposal of Other Mt. Edgecumbe High School (MEHS) and Libraries, Archives and Museums (LAM) Property

1. All requests for DEED property must be submitting in writing; no verbal proposals will be considered.
2. Proposals are reviewed by the School Finance Specialist who oversees DEED land in conjunction with appropriate division personnel (i.e. for MEHS, this would be the Superintendent and MEHS Advisory Board; for LAM this would be the Director and Division Operations Manager).
  - a. The review addresses anticipated/potential department use of property.
    - i. If applicable, review prior land use plan and whether land use plan is still relevant or if an update is needed.
    - ii. Review/determine title restrictions, reversions, etc.
  - b. Weigh advantages and disadvantages of disposing of property.
    - i. Review general conditions and those in relation to any specific request.
    - ii. Evaluate disposal options: deed vs. lease.
    - iii. Seek input from stakeholders within department.

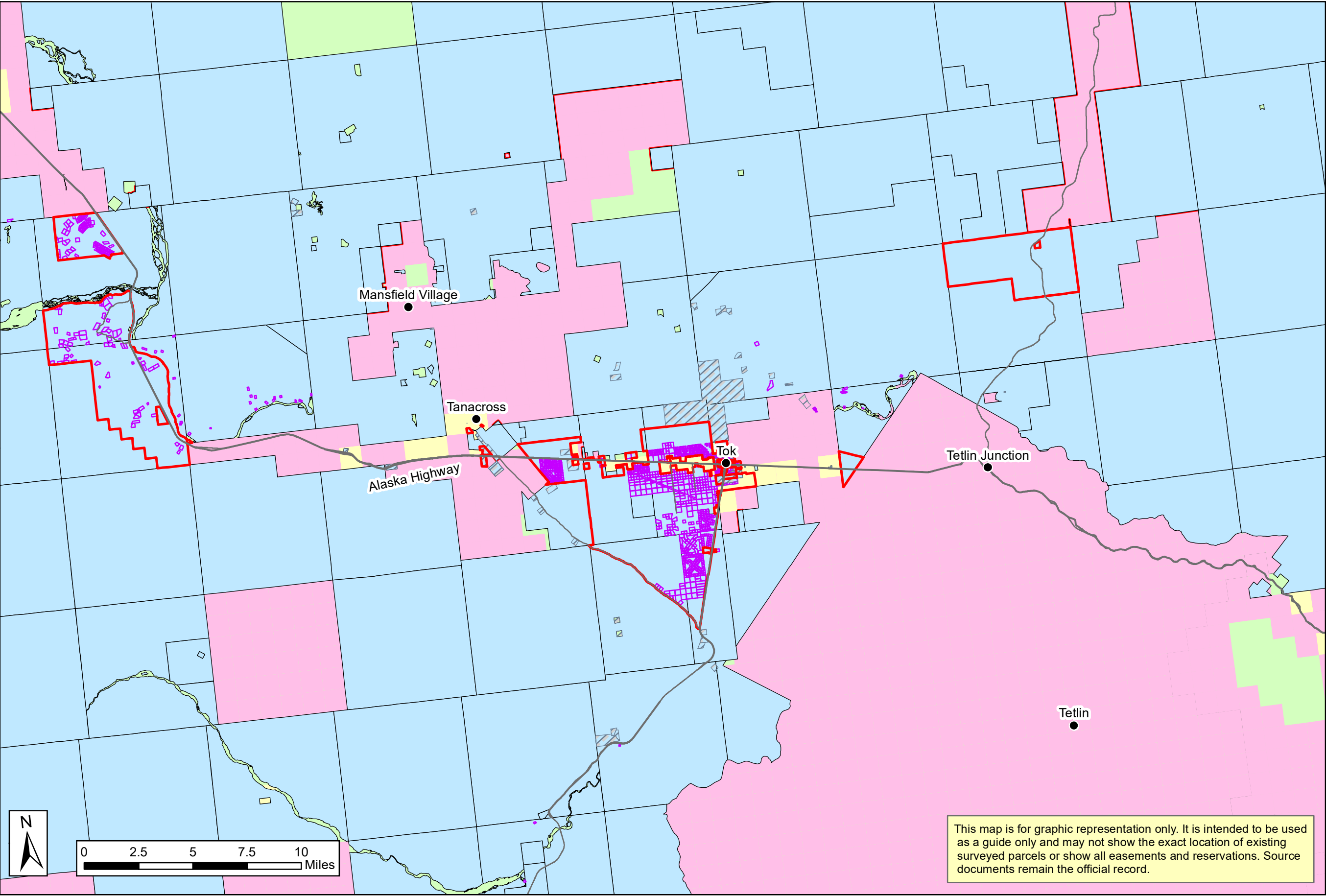
- iv. Evaluate impacts of potential third party use; solicit studies, reports, as needed.
- 3. Written recommendations and findings are attached to the proposal and sent to DEED's Commissioner.
- 4. DEED Commissioner will include the proposals and recommendations to the State Board of Education and Early Development (SBOE) along with input from other state agencies, including the Attorney General's Office.
- 5. The SBOE will vote to recommend or deny the proposal.
- 6. If disposal is warranted and approved by the SBOE, proceed with following steps.
  - a. Obtain a fair market appraisal. Price should meet or exceed fair market value, or any other department identified valuation.
- 7. Solicit request for proposals to purchase the property.
  - a. Outline any specific conditions of sale or title transfer
  - b. Provide public notice by OPN and newspaper or direct notification
- 8. Determine most advantageous offer, present to Commissioner and SBOE for final approval.

# Land Disposal Available



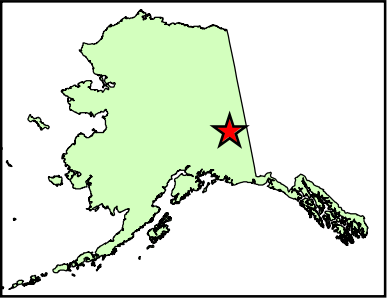
KF 5/4/21





**Legend**

- Surface Classification - Settlement
- DNR Land Disposal Program - Conveyed Parcels
- Agreements, Settlements, and Reconveyances on State Land
- State Land
- Private Land
- Native Land
- Federal Land

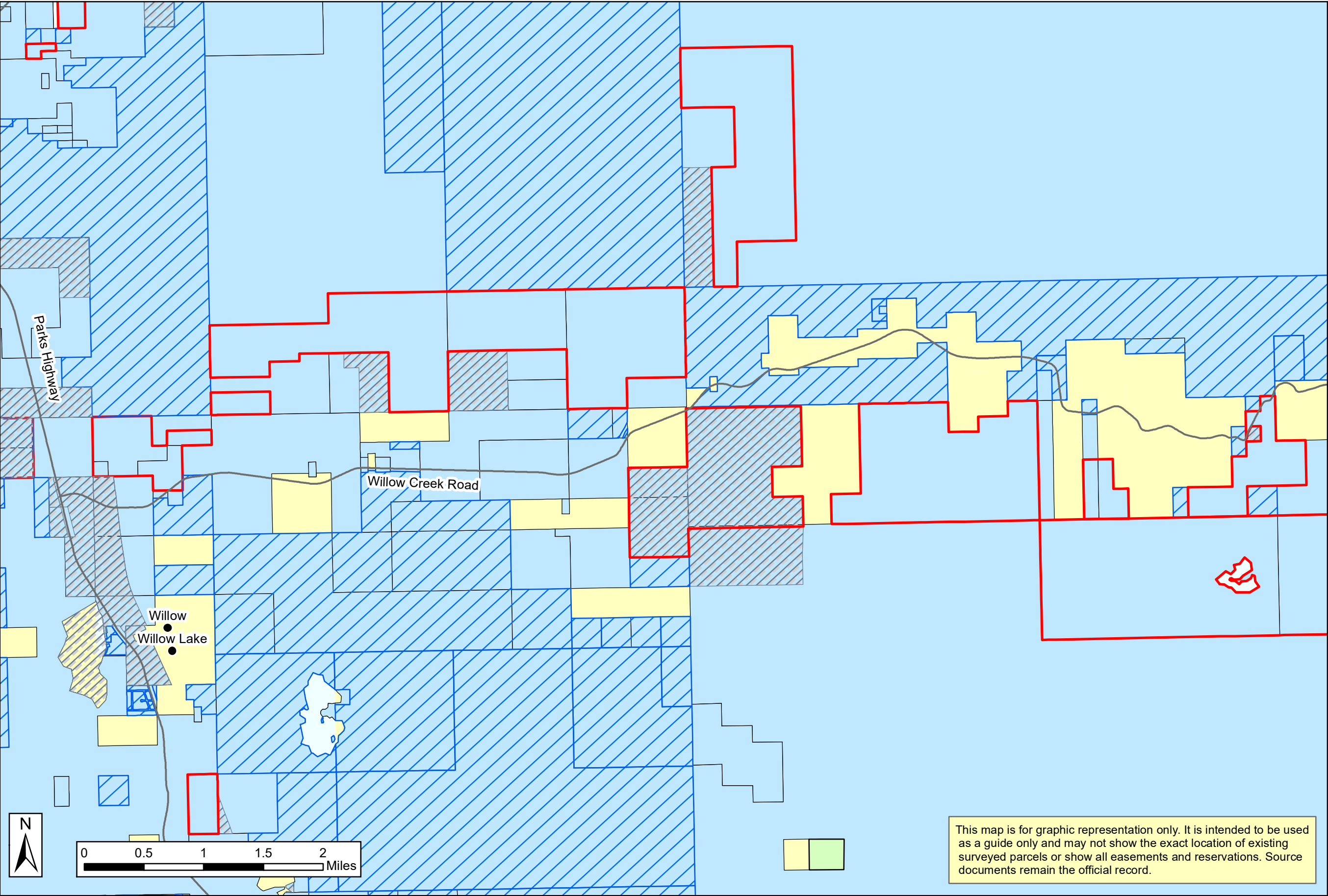


This map is for graphic representation only. It is intended to be used as a guide only and may not show the exact location of existing surveyed parcels or show all easements and reservations. Source documents remain the official record.



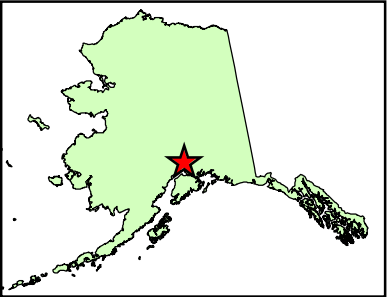


Land Status - Vicinity of Willow



**Legend**

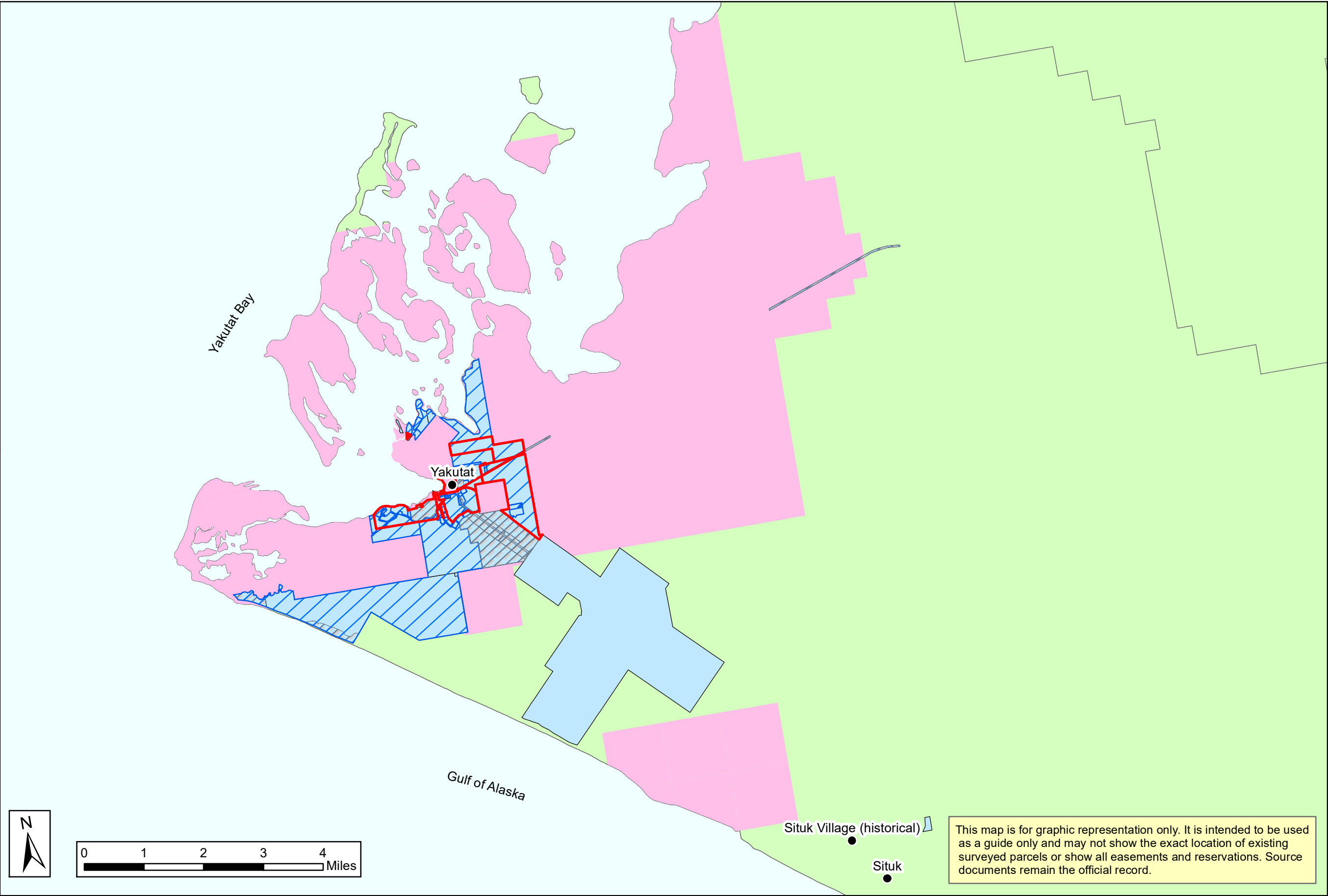
- Surface Classification - Settlement
- Municipal Entitlement
- Agreements, Settlements, and Reconveyances on State Land
- State Land
- Private Land
- Federal Land



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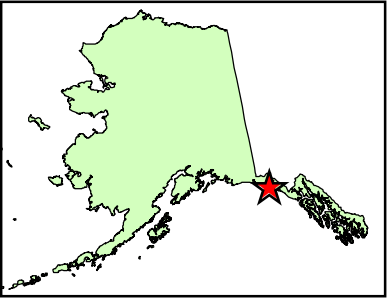


Land Status - Vicinity of Yakutat



**Legend**

- Surface Classification - Settlement
- Municipal Entitlement
- Agreements, Settlements, and Reconveyances on State Land
- State Land
- Native Land
- Federal Land



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