



Sectional Analysis v.D

HB 329 Aquatic Farm and Hatchery Leases

“An Act relating to state; and relating to aquatic farming or related hatchery operation site leases.”

Section 1: Amends AS 16.40.145 to allow aquatic farms to transfer geoduck seeds to the Aleutian Chain region of the state.

Section 2: Amends AS 38.05.070(e) to conform with the changes made in AS 38.05.083 (l).

Section 3: Amends AS 38.05.081(a) to include the phrase *“Except as provided in (n) of this section,”* which allows the Commissioner of the Department of Natural Resources to lease state tidelands for carbon management purposes so long as they include the necessary land use restrictions and authorizations.

Section 4: Amends AS 38.05.081 to include Paragraph (n) which will limit the Commissioner of the Department of Natural Resources from leasing out state tidelands solely for carbon sequestration purposes.

Section 5: Amends AS 38.05.083(c) to remove the requirement that an aquatic farming or related hatchery operations lease be for not *“less than the appraised fair market value of the lease”* and replaces the requirement that said negotiations would be *“subject to appraisal under AS 38.05.840 only if the commissioner determines in writing that the site is subject to appraisal under AS 38.05.840.”* AS 38.05.840(a) in part states that land *“may not be sold or leased for less than the approved, appraised market value....”* This change would remove the requirement to have the land appraised every five years.

Section 6: Amends AS 38.05.083 (f) to include new subsections (1) and (2). Section (1) maintains the current requirement that the commissioner adopt regulations that *“provide for the consideration of whether the proposed use of a site is compatible with the traditional and existing uses of the area.”* Section (2) changes the current requirement for the consideration of upland management policies when the commissioner regulates under this section into an option to consider those policies.

Section 7: Amends AS 38.05.083 by adding new subsections (j) – (n).

(j) Sets AS 38.05.073(m) as the framework for compensation paid for the tideland leases. Which, in the discretion of the commissioner, includes:

- (1) a percentage of the annual gross receipts...;
- (2) a guaranteed annual minimum rent or a percentage of gross receipts, whichever is greater;
- (3) the fair market rental value;
- (4) a fixed annual rent that is not less than the fair market rental value of the land;
- (5) a fee for each user;
- (6) other compensation acceptable to the commissioner; or
- (7) a combination of the above.

(k) Gives the commissioner some discretion to determine whether a site should be subject to a survey under AS 38.04.045.

(l) Specifies that the lessee shall be given preference to lease the site but does not give a preference to purchase the site under AS 38.05.102.

(m) Sets the requirement that a site leased under this section be used for a hatchery for aquatic plants or shellfish or the commercial production of an aquatic farm product.

(n) Allows the director, with the approval of the commissioner, to negotiate a lease for a period of up to 20 years.

Section 8: Amends AS 38.05.102 to conform with the changes made in AS 38.05.083 (l).

Section 9: Amends the uncodified law of the State of Alaska by adding a new section to make it clear that Sections 3 and 4 of this legislation only apply to a lease or renewal of state tideland for carbon management purposes entered into on or after the effective date of this Act.