

STATE CAPITOL  
P.O. Box 110001  
Juneau, AK 99811-0001  
907-465-3500



550 West Seventh Avenue, Suite 1700  
Anchorage, AK 99501  
907-269-7450

Governor Mike Dunleavy  
STATE OF ALASKA

February 18, 2025

The Honorable Bryce Edgmon  
Speaker of the House  
Alaska State Legislature  
Capitol Building, Room 208  
Juneau, AK 99801-1182

Dear Speaker Edgmon:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am pleased to transmit this bill concerning the lease and sale of state land for cabin sites.

Currently, only one percent of state land is in private ownership. This bill allows more Alaskans to lease and purchase state land for cabin sites, promoting settlement, fostering economic growth, and reflecting the principle that private land ownership is fundamental to personal freedom and prosperity.

This legislation refines the existing remote cabin sites program by updating eligibility requirements and establishing clear processes for nominating and staking cabin sites. The bill allows for an eligible applicant to nominate up to ten acres of available state land for a cabin site if that land is not included in the schedule of land offerings. Purchasers must complete a survey and appraisal of the site and pay its fair market value.

By expanding Alaskans' access to state land, this bill strengthens private land ownership and invests in Alaska's future.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Dunleavy".

Mike Dunleavy  
Governor

Enclosure



## Sectional Analysis

### House Bill 109 – State Land for Recreational Cabin Sites (34-GH1026\A)

**Section 1** – Amends AS 38.04.020(i) to remove the word “remote.”

**Section 2** – Amends 38.05.035(e)(6) to add a new paragraph (I) to exclude a recreational cabin site lease or sale from written finding requirements.

**Section 3** – Amends AS 38.05.045 to include repealed and re-enacted AS 38.05.600 in list of statutes under which land may be disposed.

**Section 4** – Amends AS 38.05.065(b) to include the repealed and re-enacted AS 38.05.600 in the requirements for land sale contract payments.

**Section 5** – Amends AS 38.05.125(a) to include the repealed and re-enacted AS 38.05.600(a) in existing statute providing reservations that must be included in the sale, lease, or grant of state land, and in each deed to state land, properties, or interest in state land.

**Section 6** – Amends AS 38.05.600 by repealing the existing remote recreational site statute and re-enacting it as follows:

- (a) Provides and intent statement for this section of statute that draws from the Constitution of the State of Alaska and the Alaska Land Act.
- (b) Directs the Commissioner of DNR to administer a program to lease and sell state lands for recreational cabin sites and to make sites available through both a scheduled offering program and a nomination process.
- (c) Modifies existing staking program to allow eligible applicants to apply for the lease or sale of land from the schedule of land offerings published annually by the department.
- (d) Allows an eligible applicant to nominate and apply for the lease and sale of up to 10 acres of general domain state lands not included in the schedule of land offerings and requires that all nominated lands have legal access, including access provided through generally allowed uses. The applicant has the burden on demonstrating that nominated land is eligible for lease and sale.
- (e) Prohibits the commissioner from approving the sale or lease of land under this program that is classified as mineral or oil and gas land unless the applicant has held a valid mining claim located on the parcel or contiguous to the parcel for the preceding five years. Allows an applicant holding a valid mining claim to nominate land that is within one-quarter mile of another recreational cabin site.
- (f) Requires the department to provide public notice of the intent to lease or sell land if the commissioner approves the application.
- (g) Authorizes the commissioner to issue a lease for up to 10 years to an eligible applicant. Limits use of leased land to recreational purposes only during the term of the lease,

unless the applicant also have a valid mining claim on the land. Requires leased land to be surveyed at the cost of the lessee no later than five years after commencement of the lease. Allows the commissioner to terminate a lease if the lessee fails to comply with lease terms. Allows the lessee to purchase the land at any time during the term of the lease.

- (h) Requires the commissioner to set lease fees to ensure a fair return to the state based on the use granted. Directs the department to manage improvements or remaining personal property consistent with existing statutes at AS 38.05.090 regarding removal or reversion of improvement when a lease is terminated on state land. Allows assignment of a lease.
- (i) Provides discretionary authority to sell lands to an eligible applicant and requires the sale be at fair market value. Requires the sale price to a lessee to be determined as of the time of entry and allows lease payments to be credited toward the purchase price. Requires the purchaser to pay for appraisal, survey, and platting fees.
- (j) Provides discretionary authority to the commissioner to adopt regulations necessary to implement these statutes.
- (k) Defines the terms “eligible applicant” and “resident” as they apply to this section of statute. Provides that an eligible applicant must be at least 18 years of age and has not leased or purchased a recreational cabin site in the previous 10-year period.

**Section 7** – Exempts reclassification of land under AS 38.05.600 from notice requirements under AS 38.05.945.

**Section 8** – Amends the uncodified law of the State of Alaska to add a new section that addresses the transition of personal use cabins permitted under a previous program into the new recreational cabin sites program established in Sec.6:

- (a) Allows limited exemption from provisions in existing statutes (AS 16.20 or AS 41.21) and regulations adopted by DNR under specific statutes (AS 38.04.035, AS 38.05.020, AS 41.21.020, and AS 44.37.011) that state a personal use cabin permit does not convey any interest in state land or grant any preference right, and provides discretionary authority for the commissioner to:
  - (1) Approve a nomination to purchase or lease land as a recreational cabin site by a current valid permit holder of a cabin site and surrounding land.
  - (2) Approve a nomination to lease or purchase land as a recreational cabin site by a former permit holder, or an immediate family member of a former permit holder, whose permit for a cabin site and surrounding land expired, if the personal use cabin was maintained.
- (b) Allows the department to authorize recreational cabin sites from prior permits under this section less than one-quarter mile from another recreational cabin site.
- (c) States that the eligible lands in regard to this section are those sites listed in the 2025 Personal Use Cabin Permit Master List located in the office of the director of the division of lands.
- (d) For personal use cabins previously permitted on land set aside as special purpose sites, provides that the land can be leased or sold regardless of its classification and directs the commissioner to consider whether the disposal is consistent with the use of the land, including the preservation of public access.

**Section 9** – Amends the uncodified law of the State of Alaska to add a new section relating to transition as follows:

- (a) Provides that existing leases under AS 38.05.600 before the effective date of this act are not subject to AS 38.05.600 as repealed and reenacted and will continue pursuant to the lease terms.
- (b) Provides that land leased or sold before the effective date of this act will be considered a recreational cabin site for the purpose of establishing future program eligibility.

**Section 10** – Repeals section 9 on June 30, 2030.

**Section 11** – Provides for an immediate effective date under AS 01.10.070(c).

# Fiscal Note

State of Alaska  
2025 Legislative Session

Bill Version: HB 109  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB109-DNR-DMLW-02-25-2025  
Title: STATE LAND FOR RECREATIONAL CABIN SITES  
Sponsor: RLS BY REQUEST OF THE GOVERNOR  
Requester: (H) RES

Department: Department of Natural Resources  
Appropriation: Fire Suppression, Land & Water Resources  
Allocation: Mining, Land & Water  
OMB Component Number: 3002

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates				
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>OPERATING EXPENDITURES</b>	<b>FY 2026</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>
Personal Services	124.7	124.7	397.7	397.7	397.7	397.7	397.7
Travel			35.0	35.0	35.0	35.0	35.0
Services	15.0	15.0	45.0	45.0	45.0	45.0	45.0
Commodities	5.0	5.0	10.0				
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>144.7</b>	<b>144.7</b>	<b>487.7</b>	<b>477.7</b>	<b>477.7</b>	<b>477.7</b>	<b>477.7</b>

**Fund Source (Operating Only)**

1004 Gen Fund (UGF)	144.7	144.7	487.7	477.7	477.7	477.7	477.7
<b>Total</b>	<b>144.7</b>	<b>144.7</b>	<b>487.7</b>	<b>477.7</b>	<b>477.7</b>	<b>477.7</b>	<b>477.7</b>

**Positions**

Full-time	1.0	1.0	3.0	3.0	3.0	3.0	3.0
Part-time							
Temporary							

**Change in Revenues**

None	***		***	***	***	***	***
<b>Total</b>	***	<b>0.0</b>	***	***	***	***	***

**Estimated SUPPLEMENTAL (FY2025) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2026) cost:** 0.0 *(separate capital appropriation required)*

**Does the bill create or modify a new fund or account?** No  
*(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 01/30/27

**Why this fiscal note differs from previous version/comments:**

Updated based on additional information

Prepared By: <u>Christy Colles, Director</u>	Phone: <u>(907)269-8625</u>
Division: <u>Mining, Land and Water</u>	Date: <u>02/25/2025 12:00 PM</u>
Approved By: <u>Shannon Miller, Administrative Services Director</u>	Date: <u>02/25/25</u>
Agency: <u>Natural Resources</u>	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2025 LEGISLATIVE SESSION

BILL NO. HB109

### Analysis

This bill broadens the Department of Natural Resources' (DNR) authority to make land available to Alaskans. This bill would enable more Alaskans to obtain state land as recreational cabin sites, either by lease and purchase, and provides a more streamlined process to do so.

Under this bill, recreational cabin sites will be made available through either a schedule of land offerings by DNR listing areas available for staking (already possible in statute) or through a new nomination process. The nomination process allows an eligible applicant to stake up to 10 acres of general domain state land that could be either leased for up to 10 years and then purchase, or purchased outright.

The bill excludes recreational cabin site leases or sales from the requirement for a written finding under AS 38.05.035. Land that is nominated and is not classified in a manner that allows for a recreational cabin site may be reclassified by the commissioner at the applicant's expense. Leases for recreational cabin sites would be limited to 10 years and lessees could purchase the site at fair market value at any time during the lease. Eligible applicants would be able to nominate and purchase, or purchase a parcel from a State land offering, once every 10 years.

The Division of Mining, Land, and Water anticipates high interest in this program from former and current Personal Use Cabin Permit (PUCP) holders and other Alaskans. The division estimates that up to 400 PUCPs may be eligible under this program. Similarly, the division anticipates quite a few Alaskans will nominate lands under this bill.

The division anticipates a substantial number of nominations from other Alaskans. A total of three positions will be needed to fully implement the program. If demand exceeds the division's ability to adjudicate sites in a timely fashion, additional PCNs may be requested. The travel cost estimate is based on the number of trips per year that a surveyor would need to take. Many trips will require either chartered airplane or helicopter service, assuming the average trip will require two hours of flight time and some time on standby for aircraft.

The program will generate some revenue to the state; however, the timing and amount of that revenue is dependent on program use by Alaskans and as such is indeterminate at this time.

#### **DMLW Costs:**

##### **Personal Services \$397.7**

One permanent Full-Time Natural Resource Specialist 3, range 18, Anchorage \$124.7 - beginning in FY2026

One permanent Full-Time Natural Resource Specialist 3, range 18, Anchorage \$124.7 - beginning in FY2027

One permanent Full-Time Land Surveyor 1, range 21, Anchorage - \$148.3 - beginning in FY2027

##### **Travel \$35.0**

Estimating 20 trips per year for the Land Surveyor 1. Many trips will require either chartered fixed-wing aircraft or helicopter services to reach remote parcels

##### **Contractual \$45.0**

Core Costs by PCN (\$15.0 each annually)

##### **Supplies \$15.0**

Initial position setup, e.g. computer, office furniture, etc. (\$5.0 each one time cost)