



LAWS OF ALASKA

1966

Source:

Chapter No.:

CSHB 384 (Judiciary)

145

AN ACT

Relating to bid deposits in the competitive leasing or sale of state lands, minerals, timber, and materials.

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

* Section 1. AS 38.05.335 is amended to read:

Sec. 38.05.335. DEPOSITS. (a) The director may require an applicant seeking the sale, lease or other disposal of lands, other than under an oil and gas or mineral lease, to deposit an amount covering the estimated cost of an appraisal, survey and necessary advertising. All deposited funds not expended shall be refunded to the applicant. If lands are sold or leased to other than the applicant making the deposit, the party awarded the lands shall pay the total actual cost of appraising and surveying the lands, together with the total actual cost of advertising, and the deposit shall be returned to the original applicant.

(b) Except as provided in (c) of this section, if a competitive sale or lease of state land, minerals, timber or materials is to be made by sealed bid, the director may require each bidder to submit an earnest money deposit with

his bid. If the sale or lease is by public auction, the director may require each person desiring to bid to make an earnest money deposit before bidding. The earnest money deposit of the highest qualified bidder shall be applied toward the sale or lease price. If the successful bidder defaults in the payment of his bid, his deposit shall be forfeited to the state. All other earnest money deposits shall be returned unless the commissioner decides to award the contract to the second highest qualified bidder upon default by the highest bidder rather than call for new bids, in which case the commissioner may retain the deposit of the second highest qualified bidder until final disposition of the land is made. A successful bidder for a mineral lease may withdraw his bid and have his earnest money deposit returned if, within 45 days after notification of the lease award, he can prove to the satisfaction of the commissioner that there is a reasonable doubt as to the state's ability to grant a valid lease to the land.

(c) The commissioner shall require each bidder for the competitive leasing of oil and gas lands to submit with his bid a deposit of money equal to 20 per cent of the amount bid.