



LAWS OF ALASKA

1978

Source

FCCS SCS CSHB 477

Chapter No.

176

AN ACT

Relating to the sale of state land; and providing for an effective date.

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

* Section 1. AS 38.05.035(b)(4) is amended to read:

(4) sell lands by lottery for less than their appraised value when, in his judgment, past scarcity of land suitable for private ownership in any particular area has resulted in unrealistic land values;

* Sec. 2. AS 38.05.035(b) is amended by adding a new paragraph to read:

(6) dispose of an interest in land limited to use for agricultural purposes by lottery.

* Sec. 3. AS 38.05.055 is amended to read:

Sec. 38.05.055. SALE PROCEDURES. Except as provided in secs. 57 and 315(d) of this chapter, the sale shall be made at public auction to the highest qualified bidder as determined by the director. An aggrieved bidder may appeal to the commissioner within five days after the sale for a review of the director's determination. The sale shall be conducted by the director or his representative, and at the time of sale the successful bidder shall deposit an amount equal to one-tenth of the purchase price. The director or his representative shall immediately issue a receipt containing a description of the land or property purchased, the price bid, and the terms of sale, which receipt shall be acknowledged in writing by the bidder. A contract of sale on a form approved by the attorney general shall be signed by the purchaser and, after approval of the commissioner, the contract shall also be signed by the director on behalf of the state.

* Sec. 4. AS 38.05 is amended by adding a new section to read:

Sec. 38.05.057. SALE BY LOTTERY. (a) The director may sell land, including land limited to use for agricultural purposes, by lottery. The purchase price of land sold by lottery may not be less than the fair market value of that land unless the sale is conducted under the provisions of sec. 35(b)(4) of this chapter. The lottery shall be conducted in public by the director or his representative, and at the time of sale a purchaser selected by lot shall deposit with the person conducting the lottery an amount equal to five per cent of the purchase price.

(b) To purchase land by lottery under (a) of this section, a potential purchaser shall

(1) at the time of application have attained the age of 18;

(2) submit proof, as required by regulation, that he has been a resident of the state for not less than three years immediately preceding the date his application was submitted; and

(3) certify that he has not purchased land at a sale by lottery in the state within eight years immediately preceding the sale date.

(c) The commissioner may adopt regulations under the Administrative Procedure Act (AS 44.62) which specify qualifications for potential purchasers different from those specified in (b) of this section if

(1) an interest in land limited to agricultural purposes is to be sold under (a) of this section;

(2) the sale is a part of a program to develop agricultural land as a renewable resource of the state; and

(3) the regulations include residency, skill, experience, and financial requirements necessary to qualify persons who are competent and financially able to develop the land as a successful agricultural enterprise.

(d) To apply for participation in a lottery under this section an applicant shall

(1) certify that he is qualified under the applicable provisions of this section; and

(2) pay a nonrefundable application fee of not more than \$10 for each application.

(e) The director shall accept applications to purchase particular parcels under the following procedures and conditions:

(1) the application period may not be less than 30 days;

(2) no application may be accepted less than 15 days before each lottery;

(3) notice of the application period and the date of the lottery shall be given in accordance with sec. 345(b) of this chapter; and

(4) the application shall be made on a form provided by the department.

(f) Parcels of land available for sale by lottery under this section shall be awarded by lot. The commissioner shall adopt regulations under the Administrative Procedure Act (AS 44.62) which permit applicants to designate the parcel or alternative parcels they wish to purchase if they are selected by lottery.

(g) After receiving the deposit required under (a) of this section, the director or his representative shall immediately issue a receipt containing a description of the land or property purchased, the price of the land and the terms of sale. The receipt shall be acknowledged in writing by the purchaser. A contract of sale shall be executed in the same form and manner as required under sec. 55 of this chapter.

(h) An aggrieved lottery participant may appeal to the commissioner within five days after the lottery is conducted for a review of the lottery procedures.

(i) The director may include in contracts for sale of land under this section terms which

(1) require purchasers to use or occupy, or both, the land purchased for a reasonable period of time after a sale;

(2) prohibit the resale of land purchased by the initial purchaser until the requirements imposed under (1) of this subsection, if any, are satisfied.

* Sec. 5. AS 38.05.065 is repealed and re-enacted to read:

Sec. 38.05.065. TERMS OF CONTRACT OF SALE. (a) The contract of sale for land sold at public auction shall require the remainder of the purchase price to be paid in monthly, quarterly or annual installments over a period of 10 years, with interest at the rate of not less than five per cent a year. Installment payments plus interest shall be set on the level-payment basis.

(b) The contract of sale for land sold by lottery shall require the remainder of the purchase price to be paid in monthly, quarterly, or annual installments over a period of not more than 20 years. Installment payments plus interest shall be set on the level-payment basis. The interest rate to be charged on installment payments is the prevailing rate on similar land transactions at the time the contract is signed, as determined by the director, but in no case may it be below five per cent a year or above the current usury rate as set by AS 45.45.010(b) and (d).

(c) The director shall, for contracts under (a) or (b) of this section, set for each sale the period for the payment of installments and the total purchase price plus

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interest. The director, with the consent of the commissioner, may also include in contracts under this section conditions, limitations and terms which he considers necessary and proper to protect the interest of the state. Violations of any provision of this chapter or the terms of the contract of sale subject the purchaser to appropriate administrative and legal action, including but not limited to specific performance, foreclosure, ejection, or other legal remedies in accordance with applicable state law.

* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.070(c).