

CS FOR HOUSE BILL NO. 79(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered: 3/6/95
Referred: Rules**

Sponsor(s): REPRESENTATIVE MACKIE

SENATOR Zharoff

A BILL

FOR AN ACT ENTITLED

1 **"An Act allowing the Department of Natural Resources to quitclaim land or**
2 **interests in land, including submerged or shore land, to a municipality to correct**
3 **errors or omissions of the municipality when inequitable detriment would result**
4 **to a person due to that person's reliance upon the errors or omissions of the**
5 **municipality."**

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

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

8 (b) The director may

9 (1) delegate the administrative duties, functions or powers imposed
10 upon the director to a responsible employee in the division;

11 (2) grant preference rights for the lease or purchase of state land
12 without competitive bid in order to correct errors or omissions of a state or federal
13 administrative agency when inequitable detriment would otherwise result to a diligent
14 claimant or applicant due to situations over which the claimant or applicant had no

1 control; the exercise of this discretionary power operates only to divest the state of its
2 title to or interests in land and may be exercised only

3 (A) with the express approval of the commissioner; and

4 (B) if the application for the preference right is filed with the
5 director within three years from

6 (i) the occurrence of the error or omission;

7 (ii) the date of acquisition by the state of the land; or

8 (iii) the date of a court decision or settlement nullifying
9 a disposal of state land;

10 (3) grant a preference right to a claimant who shows bona fide
11 improvement of state land or of federal land subsequently acquired by the state and
12 who has in good faith sought to obtain title to the land but who, through error or
13 omission of others occurring within the three years before (A) the application for the
14 preference right, (B) the date of acquisition by the state of the land, or (C) the date of
15 a court decision or settlement nullifying a disposal of state land, has been denied title
16 to it; upon a showing satisfactory to the commissioner, the claimant may lease or
17 purchase the land at the price set on the date of original entry on the land or, if a price
18 was not set at that time at a price determined by the director to fairly represent the
19 value of unimproved land at the time the claim was established, but in no event less
20 than the cost of administration including survey; the error or omission of a predecessor
21 in interest or an agent, administrator, or executor which has clearly prejudiced the
22 claimant may be the basis for granting a preference right;

23 (4) sell land by lottery for less than the appraised value when, in the
24 judgment of the director, past scarcity of land suitable for private ownership in any
25 particular area has resulted in unrealistic land values;

26 (5) when the director determines it is in the best interest of the state
27 and will avoid injustice to a person or the heirs or devisees of a person, dispose of
28 land, by direct negotiation to that person who presently uses and who used and made
29 improvements to that land before January 3, 1959, or to the heirs or devisees of the
30 person; the amount paid for the land shall be its fair market value on the date that the
31 person first entered the land, as determined by the director; a parcel of land disposed

1 of under this paragraph shall be of a size consistent with the person's prior use, but
2 may not exceed five acres;

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

5 (7) convey to an adjoining landowner for its fair market value a
6 remnant of land that the director considers unmanageable or a parcel of land created
7 by a highway right-of-way alignment or realignment, or a parcel created by the
8 vacation of a state-owned right-of-way if

9 (A) the director determines that it is in the best interests of the
10 state;

11 (B) the parcel does not exceed the minimum lot size under an
12 applicable zoning code; and

13 (C) the director and the platting authority having land use
14 planning jurisdiction agree that conveyance of the parcel to the adjoining
15 landowner will result in boundaries that are convenient for the use of the land
16 by the landowner and compatible with municipal land use plans;

17 (8) for good cause extend for up to 90 days the time for rental or
18 installment payments by a lessee or purchaser of state land under this chapter if
19 reasonable penalties and interest set by the director are paid;

20 (9) quitclaim land or an interest in land to the federal government on
21 a determination that the land or the interest in land was wrongfully or erroneously
22 conveyed by the federal government to the state;

23 (10) negotiate the sale or lease of state land at fair market value to a
24 person who acquired by contract, purchase, or lease rights to improvements on the land
25 from another state agency or who leased the land from another state agency;

26 **(11) quitclaim land or an interest in land, including submerged or**
27 **shore land, to a municipality to correct errors or omissions of the municipality**
28 **when inequitable detriment would result to a person due to that person's reliance**
29 **on the errors or omissions of the municipality, the quitclaim shall be made on**
30 **such terms and conditions as the director considers appropriate except that, if the**
31 **municipality has a remaining entitlement to land under AS 29.65, the land or**

1 interest quitclaimed is counted against the municipality's remaining entitlement.

2 * **Sec. 2.** AS 38.05.035(b)(11) is repealed January 1, 1997.