

**SENATE CS FOR CS FOR SS FOR HOUSE BILL NO. 191(RES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 4/30/96  
Referred: Finance

Sponsor(s): REPRESENTATIVES THERRIAULT, James, Brice

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the management and disposal of state land and resources;  
2 relating to certain remote parcel and homestead entry land purchase contracts  
3 and patents; and providing for an effective date."

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

5 \* **Section 1.** AS 09.10.120 is amended by adding a new subsection to read:

6 (b) Notwithstanding (a) of this section or any other provision of law, the state  
7 may bring an action in the name of or for the benefit of the state to (1) quiet or  
8 confirm the state's interests in real property, or (2) protect resources held in trust for  
9 the public, at any time.

10 \* **Sec. 2.** AS 38.04.010(b) is amended to read:

11 (b) State land that is located beyond the range of existing schools and other  
12 necessary public services, or that is located where development of sources of  
13 employment is improbable, may be made available for seasonal recreational purposes  
14 or for low density settlement. The seasonal recreation use or low density settlement

1 shall have sufficient separation between residences so that public services will not be  
2 necessary or expected. The availability of timber, firewood, and water resources shall  
3 be considered in determining separation between residences. **By considering the**  
4 **availability of timber, firewood, and water under this subsection or in making any**  
5 **disposal decision, the state does not by virtue of that consideration imply any**  
6 **right of the person receiving the disposal to an exclusive or other right to the**  
7 **timber, firewood, or water, that the state will not make any other disposals in the**  
8 **area, or that any disposals made will be limited in type or any other manner.**

9 \* **Sec. 3.** AS 38.04.020(a) is amended to read:

10 (a) **State** [THE COMMISSIONER SHALL ESTABLISH A] land **disposals**  
11 **must include** [DISPOSAL BANK CONTAINING] state land **identified and** classified  
12 **under adopted regional land use plans** for disposal into private ownership.

13 \* **Sec. 4.** AS 38.04.020(b) is amended to read:

14 (b) **State** [THE] land **disposals may** [DISPOSAL BANK DOES] not include  
15 (1) land nominated for selection or selected by a municipality to satisfy  
16 a general grant land entitlement under AS 29.65 or former AS 29.18.201 - 29.18.213;  
17 (2) land retained in state ownership for multiple-use management;  
18 (3) land where less than a fee simple title has been conveyed;  
19 (4) land retained in state ownership under an enactment of the  
20 legislature or by the governor or a state agency under authority of law.

21 \* **Sec. 5.** AS 38.04.020(d) is repealed and reenacted to read:

22 (d) By January 15 of the first regular session of each legislature, the  
23 commissioner shall notify the legislature that the commissioner has available a report  
24 on the total acreage of land planned and classified as suitable under this title for  
25 (1) settlement purposes, including homestead, commercial, or industrial  
26 disposal;  
27 (2) agricultural disposal; and  
28 (3) grazing leases.

29 \* **Sec. 6.** AS 38.04.020(e) is repealed and reenacted to read:

30 (e) The commissioner may annually submit to the governor an appropriation  
31 request for the entire amount of funding estimated to be necessary for each project

1 proposal to allow survey and disposal of land proposed to be offered for (1) homestead  
2 staking under AS 38.09; (2) agricultural, commercial, industrial, or other uses under  
3 AS 38.05.055 or 38.05.057; or (3) other subdivisions. Each project proposal shall  
4 include the general location of the land and the estimated cost of preliminary feasibility  
5 studies, engineering design work, right-of-way acquisition, and construction of access  
6 roads and capital improvements required by municipal subdivision ordinance or  
7 regulation of the platting authority or otherwise necessary to develop and market the  
8 land.

9 \* **Sec. 7.** AS 38.04.020(g) is amended to read:

10 (g) **The** [AFTER JULY 1 OF EACH YEAR, THE] commissioner shall direct  
11 the expenditure of money appropriated for the disposal of land in response to requests  
12 made under (e) [AND (f)] of this section for the following:

13 (1) **land** [LAND] designated as suitable for homestead disposal shall  
14 be [CLASSIFIED AND] surveyed under this chapter and AS 38.05 and made available  
15 for **entry** [STAKING AND LEASE] under AS 38.09; [.]

16 (2) **land** [LAND] designated as suitable for subdivision and homesite  
17 disposal shall be surveyed, subdivided, [CLASSIFIED,] and disposed of under this  
18 chapter, AS 38.05, and AS 38.08; [.]

19 (3) **land** [LAND] designated agricultural, commercial, industrial, or  
20 suitable for other disposal shall be sold under AS 38.05.055 or 38.05.057.

21 \* **Sec. 8.** AS 38.04.020(h) is amended to read:

22 (h) Individual parcels disposed of in subdivisions **intended for private**  
23 **residential or recreational use** may not exceed five acres unless the commissioner  
24 determines that a larger size is necessary to comply with municipal ordinances; [.] to  
25 permit the design of a viable subdivision because of topographical features, soil  
26 conditions, on-site sewage disposal requirements, or water drainage or supply  
27 considerations that are unique to the subdivision; **to increase the return to the state**  
28 **from the sale of the parcels;** [.] to minimize adverse effect on wildlife, fishery, public  
29 recreation, timber, or other significant resources in the area; [.] or to minimize adverse  
30 effect on other residential uses in the area.

31 \* **Sec. 9.** AS 38.04.020(i) is amended to read:

1 (i) Nothing in this section prevents the disposal of other land by the  
2 commissioner in accordance with AS 38.05.055, 38.05.057, 38.05.070, the issuance of  
3 remote recreational cabin site leases or sales [PERMITS] under AS 38.05.600  
4 [AS 38.05.079], AS 38.08, AS 38.09, or other law.

5 \* **Sec. 10.** AS 38.04.021(a) is amended to read:

6 (a) A municipality may apply for financial assistance for the execution of a  
7 land disposal program of general grant land entitlements received from the state under  
8 AS 29.65 or former AS 29.18.201 - 29.18.213 by submitting a request to the  
9 commissioner for inclusion in the request submitted to the governor [LEGISLATURE]  
10 under AS 38.04.020(e). A municipality may request financial assistance for expenses  
11 of surveying land, designing subdivision plats, installing improvements required by  
12 municipal ordinance or regulation of the local platting authority, and other reasonable  
13 direct costs of land disposal.

14 \* **Sec. 11.** AS 38.04.021(b) is amended to read:

15 (b) A request by a municipality under this section must be accompanied by

16 (1) a schedule for the disposal of municipal land for the next five years;  
17 the schedule shall be based on an assessment of the demand for private land within the  
18 municipality [AND INCLUDED IN THE ASSESSMENT SUBMITTED UNDER  
19 AS 38.04.020(f)];

20 (2) an estimate of the number of acres of municipal land that the  
21 municipality plans to dispose of during each fiscal year of the five-year period;

22 (3) a description of the methods to be used for the disposal of  
23 municipal land and the terms under which it will be offered to the public; and

24 (4) a description of the municipal land that the municipality plans to  
25 dispose of each fiscal year during the five-year period.

26 \* **Sec. 12.** AS 38.04.030 is amended to read:

27 Sec. 38.04.030. LAND AVAILABILITY PROGRAMS. Programs that may  
28 be used by the director to make the state's land surface available for private use under  
29 AS 38.04.020 - 38.04.055 include sale of whole or partial rights to the fee simple  
30 estate, including conveyance of agricultural use rights; leasing; [OPEN-TO-ENTRY;]  
31 homesiting; homesteading; permitting for construction and occupation of cabins in

1 isolated locations on land retained in state ownership; and other methods as provided  
2 by regulation or other law. Notwithstanding a contrary provision of this title, a  
3 land availability program adopted by regulation must provide for competitive  
4 disposal, based on no less than fair market value, to serve the best interests of the  
5 state.

6 \* **Sec. 13.** AS 38.04.035 is amended to read:

7 Sec. 38.04.035. CRITERIA FOR PROGRAM SELECTION. In determining  
8 which land availability program is appropriate for state land in different locations, the  
9 director shall be guided by the following criteria:

10 (1) to cover public costs associated with private land use and to provide  
11 the public with a fair return for publicly owned property, conveyance of state land to  
12 private parties **shall** [SHOULD] be at fair market value except where otherwise  
13 authorized by statute, or by an administrative regulation the adoption of which is  
14 specifically permitted by statute;

15 (2) sale or lease programs should be used where land is readily  
16 accessible to a major community center or where, because of a prime location on  
17 waterfront or a transportation route or some other location characteristic, land has  
18 relatively high real estate value;

19 (3) sale programs are preferred but lease programs **may** [SHOULD] be  
20 used

21 (A) where special land use controls are required and there is a  
22 high public interest in having certain types of land used for particular purposes;

23 (B) when the intended use is a temporary one;

24 (C) in commercial or industrial situations when a leasehold can  
25 provide cash flow advantages to the lessee;

26 (D) when a unique location with special public values is  
27 involved, as in a deep water port, hydroelectric site, or aquaculture facility;

28 (E) where current demand for private use is high, but  
29 projections suggest that, in the future, the land may be more valuable for public  
30 use, as in accessible waterfront recreation areas;

31 (4) [FOR ENABLING ISOLATED CABIN DEVELOPMENT IN

1 REMOTE LOCATIONS WHERE SURVEY AND CONVEYANCE IS  
2 IMPRACTICAL, OR WHERE DISPOSAL OF LAND WOULD CAUSE POTENTIAL  
3 CONFLICTS WITH OTHER RESOURCES AND USES, OR WHERE A LONG-  
4 RANGE INTEREST IN PUBLIC OWNERSHIP AND USE EXIST, A SYSTEM FOR  
5 CABIN PERMITS ON PUBLIC LAND MAY BE USED;

6 (5)] limited or conditional title may be granted when the state's best  
7 interest so dictates; among other things, title limitations may include grants of  
8 agricultural interest only, retention of development rights, and retention of scenic or  
9 other easements; a conditional title may be tied to a development schedule or other  
10 standards of performance.

11 \* **Sec. 14.** AS 38.04.045(b) is amended to read:

12 (b) Before the issuance of a long-term lease under AS 38.05.070 or of a patent  
13 for state land, an official cadastral survey shall be accomplished, unless a comparable,  
14 approved survey exists that has been conducted by the federal Bureau of Land  
15 Management. Before land may be offered under [AS 38.05.055, 38.05.057,] AS 38.08  
16 [,] or AS 38.09, **or before land may be offered under AS 38.05.055 or 38.05.057,**  
17 **except land that is classified for agricultural uses,** an official rectangular survey grid  
18 shall be established. The rectangular survey section corner positions shall be  
19 monumented and shown on a cadastral survey plat approved by the state. For those  
20 areas where the state may wish to convey surface estate outside of an official  
21 rectangular survey grid, the commissioner may waive monumentation of individual  
22 section corner positions and substitute an official control survey with control points  
23 being monumented and shown on control survey plats approved by the state. The  
24 commissioner may not issue more than one conveyance for each section within a  
25 township outside of an official rectangular survey grid. **Land** [NO PORTION OF  
26 LAND] to be conveyed may **not** be located more than two miles from an official  
27 survey control monument except that the commissioner may waive this requirement  
28 on a determination that a single purpose use does not justify the requirement if the  
29 existing status of the land is known with reasonable certainty. The lots and tracts in  
30 state subdivisions shall be monumented and the cadastral survey and plats for the  
31 subdivision shall be approved by the state. Where land is located within a

1 municipality with planning, platting, and zoning powers, plats for state subdivisions  
2 shall comply with local ordinances and regulations in the same manner and to the same  
3 extent as plats for subdivisions by other landowners. State subdivisions shall be filed  
4 and recorded in the district recorder's office. The requirements of this section do not  
5 apply to land made available [THROUGH A CABIN PERMIT SYSTEM,] for material  
6 sales, for short-term leases, or for parcels adjoining a surveyed right-of-way, [OR FOR  
7 LAND THAT HAS BEEN OPEN TO RANDOM STAKING UNDER THE REMOTE  
8 PARCEL PROGRAM OR HOMESTEAD PROGRAM IN THE PAST]; however, for  
9 short-term leases, the lessee shall [MUST] comply with local subdivision ordinances  
10 unless waived by the municipality under procedures specified by ordinance. In this  
11 subsection, "a single purpose use" includes a communication site, an aid to navigation,  
12 and a park site.

13 \* **Sec. 15.** AS 38.05.050 is amended to read:

14 Sec. 38.05.050. DISPOSAL OF LAND FOR PRIVATE OWNERSHIP. The  
15 commissioner shall determine the land to be disposed of for private use. The  
16 commissioner shall determine the time and place of disposal. An auction sale, a  
17 lottery sale, or a disposal of land for homesites may [SHALL] be held in a community  
18 that is near the land to be sold or disposed of.

19 \* **Sec. 16.** AS 38.05.055, as amended by sec. 1, ch. 3, SLA 1996, is amended to read:

20 Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method of  
21 sale is required under this chapter, [AS 38.07, OR] AS 38.08, or AS 38.09, the sale  
22 of state land shall be made at public auction to the highest qualified bidder as  
23 determined by the director. The director may accept bids and sell state land under this  
24 section at no less than 70 percent of the appraised fair market value of the land. To  
25 qualify to participate under this section in a public auction of state land that is other  
26 than commercial, industrial, or agricultural land, a bidder shall have been a resident  
27 of the state for at least one year immediately preceding the date of the auction and  
28 submit proof of that fact, as the commissioner requires by regulation. [A BIDDER  
29 MUST APPEAR IN PERSON AT THE AUCTION UNLESS MEDICAL REASONS,  
30 ATTENDANCE AT SCHOOL, OR MILITARY SERVICE OUTSIDE THE STATE  
31 PREVENT ATTENDANCE.] A bidder may be represented by an attorney or agent

1 at the auction [IF THE LAND OFFERED FOR DISPOSAL IS COMMERCIAL,  
2 INDUSTRIAL, OR AGRICULTURAL LAND]. An aggrieved bidder may appeal to  
3 the commissioner within five days after the sale for a review of the director's  
4 determination. The sale shall be conducted by the director and at the time of sale the  
5 successful bidder shall deposit an amount equal to five percent of the purchase price.  
6 The director shall immediately issue a receipt containing a description of the land or  
7 property purchased, the price bid, and the amount deposited. The receipt shall be  
8 acknowledged in writing by the bidder.

9 \* **Sec. 17.** AS 38.05.057(a) is amended to read:

10 (a) The commissioner may dispose of land, including land limited to use for  
11 agricultural purposes, by lottery. The purchase price of land sold by lottery shall be  
12 the fair market value of the land as determined by the commissioner. The  
13 commissioner may sell land by lottery for less than the fair market value of the land  
14 on a determination that scarcity of land for private use in the area of the land to be  
15 sold has resulted in unrealistic land values. [THE COMMISSIONER SHALL  
16 CONSULT WITH THE ASSESSOR OF A MUNICIPALITY BEFORE  
17 DETERMINING THE PURCHASE PRICE FOR LAND THAT IS LOCATED IN  
18 THE MUNICIPALITY AND THAT IS TO BE SOLD UNDER THIS SECTION.] The  
19 lottery shall be conducted in public by the commissioner. A [AN APPLICANT MAY  
20 NOT BE SELECTED TO PURCHASE LAND UNLESS THE APPLICANT IS  
21 PRESENT ON THE DATE AND AT THE PLACE THAT THE LOTTERY IS  
22 CONDUCTED UNLESS MEDICAL REASONS, ATTENDANCE AT SCHOOL, OR  
23 MILITARY SERVICE OUTSIDE THE STATE PREVENT ATTENDANCE. AN  
24 APPLICANT MAY BE REPRESENTED BY AN AGENT ON THE DAY OF THE  
25 LOTTERY IF THE LAND OFFERED FOR SALE IS COMMERCIAL,  
26 INDUSTRIAL, OR AGRICULTURAL LAND. ON THE DAY OF THE LOTTERY  
27 A] purchaser selected by lot shall deposit an amount equal to five percent of the  
28 purchase price **within 30 days after receiving notification of the selection.**

29 \* **Sec. 18.** AS 38.05.065(a) is amended to read:

30 (a) The contract of sale for land sold at public auction under AS 38.05.055  
31 shall require the remainder of the purchase price to be paid in monthly, quarterly, or

1 annual installments over a period of **not more than** 20 years, with interest at the  
2 [PREVAILING] rate **provided in (i) of this section** [FOR REAL ESTATE  
3 MORTGAGE LOANS MADE BY THE FEDERAL LAND BANK FOR THE FARM  
4 CREDIT DISTRICT FOR ALASKA AT THE TIME THE CONTRACT IS SIGNED].

5 Installment payments plus interest shall be set on the level-payment basis.

6 \* **Sec. 19.** AS 38.05.065(b) is amended to read:

7 (b) The contract of sale for land sold under AS 38.05.057 or under former  
8 AS 38.05.078 shall require the remainder of the purchase price to be paid in monthly,  
9 quarterly, or annual installments over a period of not more than 20 years. Installment  
10 payments plus interest shall be set on the level-payment basis. The interest rate to be  
11 charged on installment payments is the [PREVAILING] rate **provided in (i) of this**  
12 **section** [FOR REAL ESTATE MORTGAGE LOANS MADE BY THE FEDERAL  
13 LAND BANK FOR THE FARM CREDIT DISTRICT FOR ALASKA AT THE TIME  
14 THE CONTRACT IS SIGNED].

15 \* **Sec. 20.** AS 38.05.065 is amended by adding a new subsection to read:

16 (i) The interest rate for contracts under this section is the prime rate as  
17 reported in the Wall Street Journal on the first business day of the month in which the  
18 contract is sent to the purchaser for signature, plus 4 percent; however, the total rate  
19 of interest may not exceed

20 (1) 9.5 percent, in contracts for the sale of land classified under  
21 AS 38.05.020(b)(6) for agricultural uses; or

22 (2) 13.5 percent, in other contracts for the sale of land.

23 \* **Sec. 21.** AS 38.05.067(d) is amended to read:

24 (d) This section does not apply to the sale of state land under **AS 38.05.057,**  
25 **AS 38.08, or** [AS 38.04.020(g)(2) AND] AS 38.09.

26 \* **Sec. 22.** AS 38.05.069(a) is amended to read:

27 (a) On a determination that the highest and best use of unoccupied land is for  
28 agricultural purposes and that it is in the best interests of the state to sell or lease the  
29 land, the commissioner shall grant to an **Alaska** [ALASKAN] resident owning and  
30 using or leasing and using land for agricultural purposes a first option at the auction  
31 to purchase or lease the unoccupied land situated adjacent to land presently held by the

1 Alaska [ALASKAN] resident for the amount of the high bid received at public  
2 auction. If more than one Alaska [ALASKAN] resident qualifies for a first option  
3 under this section, eligibility for the first option shall be determined by lot and the  
4 option must be exercised on the conclusion of the public auction. A parcel of  
5 agricultural land sold under this section may not be less than 20 acres and a parcel of  
6 agricultural land that is acquired by exercise of the option granted in this subsection  
7 may not exceed 320 acres. Agricultural land that is acquired under this section must  
8 be used for agricultural purposes as required by law.

9 \* **Sec. 23.** AS 38.05.069(e)(2) is repealed and reenacted to read:

10 (2) "adjacent" means that a tract of land has one common boundary  
11 point with presently held land or is separated from the presently held land only by a  
12 physical barrier such as a road or stream.

13 \* **Sec. 24.** AS 38.05.075(a) is amended to read:

14 (a) Except as provided in AS 38.05.035, 38.05.070, 38.05.073, [38.05.079,]  
15 38.05.082, 38.05.083, 38.05.087, 38.05.102, 38.05.600, 38.05.810, and this section,  
16 leasing shall be made at public auction to the highest qualified bidder as determined  
17 by the commissioner. In the public notice of a lease to be offered at public auction,  
18 the commissioner shall specify a minimum acceptable bid and the lease compensation  
19 method. The lease compensation method shall be designed to maximize the return on  
20 the lease to the state and shall be a form of compensation set out in AS 38.05.073(m).  
21 An aggrieved bidder may appeal to the commissioner within five days for a review of  
22 the determination. The leasing shall be conducted by the commissioner and the  
23 successful bidder shall deposit at the auction the first year's rental or other lease  
24 compensation as specified by the commissioner, or that portion of it that the  
25 commissioner requires in accordance with the bid. The commissioner shall require,  
26 under AS 38.05.860, qualified bidders to deposit a sum equal to any survey or  
27 appraisal costs reasonably incurred by another qualified bidder acting in accordance  
28 with the regulations of the commissioner or incurred by the department under  
29 AS 38.04.045 and AS 38.05.840. If a bidder making a deposit of survey or appraisal  
30 costs is determined by the commissioner to be the highest qualified bidder under this  
31 subsection, the deposit shall be paid to the unsuccessful bidder who incurred those

1 costs or to the department if the department incurred the costs. All costs for survey  
2 and appraisal shall be approved in advance in writing by the commissioner. The  
3 commissioner shall immediately issue a receipt containing a description of the land or  
4 interest leased, the price bid, and the terms of the lease to the successful qualified  
5 bidder. If the receipt is not accepted in writing by the bidder under this subsection,  
6 the commissioner may offer the land for lease again under this subsection. A lease,  
7 on a form approved by the attorney general, shall be signed by the successful bidder  
8 and by the commissioner within the period specified in the auction notice.

9 \* **Sec. 25.** AS 38.05.082(b) is amended to read:

10 (b) The director may classify land as subject to leases for fisheries  
11 development. In an area or region of the state for which a land use plan has not been  
12 adopted under AS 38.04.065, the director may classify land for lease under this section  
13 after notice under AS 38.05.945. The director may [SHALL] publicly invite  
14 applications for lease of the selected areas. Each application shall be accompanied by  
15 an affidavit to the effect that the applicant presently intends to personally utilize the  
16 leased area for fishing purposes **throughout the term of the lease. If only one**  
17 **application is received, the commissioner may issue a lease at the rental rate**  
18 **established under (c) of this section** [THE FOLLOWING SEASON]. If two or more  
19 applications are received for the same shore area, the director may offer [SHALL  
20 AWARD] the lease to the most qualified applicant. In determining the qualifications  
21 of applicants, the director shall consider the length of time during which the applicant  
22 has been engaged in set netting, the proximity of the past fishing sites of the applicant  
23 to the land to be leased, the present ability of the applicant to utilize the location to  
24 its maximum potential, and other factors relevant to the equitable assignment of the  
25 disputed area. If the director cannot determine a preference between conflicting  
26 applicants for the same lease site on the basis of qualifications, the director shall select  
27 between the applicants by lot. An aggrieved applicant may appeal to the commissioner  
28 within 30 days for a review of the director's determination.

29 \* **Sec. 26.** AS 38.05.082(c) is amended to read:

30 (c) A lease for set net fishing may be issued for any period not exceeding 10  
31 years. If the commissioner determines that the land is not being utilized for the

1 purpose for which the lease is issued, the lease may be declared void. The **annual**  
2 [DIRECTOR SHALL ESTABLISH A REASONABLE] rental **rate** for the lease **is**  
3 **\$300** [, EQUAL TO THE ADMINISTRATIVE COSTS INVOLVED IN  
4 PROCESSING THE LEASEHOLD APPLICATIONS].

5 \* **Sec. 27.** AS 38.05.082(d) is amended to read:

6 (d) Subleasing and renewals of leases are governed by AS 38.05.095 and  
7 38.05.102. **Notwithstanding (b) of this section, a lease held under this section on**  
8 **the effective date of this bill section may be renewed by the lessee if the lessee is**  
9 **not in default under the lease and is not in violation of the terms and conditions**  
10 **of the lease.**

11 \* **Sec. 28.** AS 38.05.083 is repealed and reenacted to read:

12 Sec. 38.05.083. AQUATIC FARMING AND HATCHERY SITE LEASES.

13 (a) The commissioner may offer to the public for lease at public auction under  
14 AS 38.05.075 or by negotiation under AS 38.05.070 a site for aquatic farming or  
15 related hatchery operations. Before a final decision to issue or renew a lease under  
16 this section, the commissioner shall give notice and allow opportunity for comment in  
17 accordance with AS 38.05.945, and may hold a hearing to take testimony. Before a  
18 final decision to issue or renew a lease under this section, the commissioner shall  
19 consider all relevant comment or testimony submitted under this section, AS 38.05.945,  
20 or 38.05.946.

21 (b) The commissioner, for good cause, may deny an application for issuance  
22 or renewal of a lease under this section, but shall provide the applicant with written  
23 findings that explain the reasons for the denial.

24 (c) A site may be leased under this section for not less than the appraised fair  
25 market value of the lease. The value of the lease shall be reappraised every five years.

26 (d) A lease under this section may be assigned, but if the assignee changes the  
27 use of the site the lease reverts to the state.

28 (e) Before entering into a lease under this section, the commissioner shall  
29 require the lessee to post a performance bond or provide other security to cover the  
30 costs to the department of restoring the leased site in the event the lessee abandons the  
31 site.

1 (f) The commissioner shall adopt regulations establishing criteria for the  
2 approval or denial of leases under this section and for limiting the number of sites for  
3 which leases may be issued in an area in order to protect the environment and natural  
4 resources of the area. The regulations must provide for the consideration of upland  
5 management policies and whether the proposed use of a site is compatible with the  
6 traditional and existing uses of the area in which the site is located.

7 \* **Sec. 29.** AS 38.05.090 is repealed and reenacted to read:

8 Sec. 38.05.090. REMOVAL OR REVERSION OF IMPROVEMENTS UPON  
9 TERMINATION OF LEASES. (a) Unless otherwise agreed to in writing by the  
10 commissioner, a lessee shall remove from a former leasehold all personal property,  
11 including above-ground and below-ground tanks, transportable buildings, equipment,  
12 machinery, tools, and other goods, not belonging to the state, within 30 days after  
13 termination of the lease.

14 (b) Unless otherwise agreed to in writing by the commissioner, the lessee shall  
15 restore the leasehold to a good and marketable condition, acceptable to the  
16 commissioner, within 120 days after termination of the lease.

17 (c) If the lessee does not remove personal property as required within the time  
18 specified under (a) of this section, title to the personal property that remains  
19 automatically vests in the state unless the commissioner elects to remove and dispose  
20 of the remaining personal property of the lessee. The commissioner may assess upon  
21 the lessee the cost of removing and disposing of personal property remaining upon the  
22 land.

23 (d) If the lessee does not restore the land within the time period specified  
24 under (b) of this section, the commissioner may have the land restored and assess the  
25 costs upon the lessee.

26 (e) As part of a lease agreement, and in order to protect the public interest, the  
27 commissioner may require terms for removal or reversion of improvements additional  
28 to those specified in (a) - (d) of this section.

29 (f) Improvements of a lessee that have become fixtures of the land and that  
30 are not removed by that lessee upon termination of the lease shall be leased or  
31 purchased by the subsequent lessee or purchaser of the land if the improvements were

1 authorized in the former lease or by permit from the director and if they have a net  
2 value of more than \$10,000. The net value is the value of the improvements as  
3 determined by an appraisal approved by the commissioner, less all rents due the  
4 department, all costs of restoration under (d) of this section, and all department  
5 expenses estimated to be incurred in making the lease or sale. After termination of the  
6 former lessee's lease, and at additional times as determined necessary by the  
7 commissioner, the value of the authorized fixtures shall be determined by an  
8 independent appraisal made at the cost of the former lessee. A notice or offer by the  
9 state to lease or sell formerly leased land under this subsection must state (1) the  
10 appraised value of authorized fixtures remaining on the land that must be purchased,  
11 and (2) that that cost is included in the lease or purchase price. Out of the proceeds  
12 of the lease or sale, the department shall pay to the former lessee the appraised value  
13 of the improvements, less all rents due the department, all costs of restoration due the  
14 department under (d) of this section, and all department expenses incurred in making  
15 the lease or sale.

16 (g) Personal property described in (c) of this section is not subject to AS 34.45  
17 (Uniform Unclaimed Property Act).

18 \* **Sec. 30.** AS 38.05.130 is amended to read:

19 Sec. 38.05.130. DAMAGES AND POSTING OF BOND. **Except for entry**  
20 **to post mining location corners under AS 38.05.195, 38.05.205, or 38.05.245 upon**  
21 **state or municipal land, rights** [RIGHTS] may not be exercised by the state, its  
22 lessees, successors, or assigns under the reservation as set out in AS 38.05.125 until  
23 the state, its lessees, successors, or assigns make provision to pay the owner of the  
24 land full payment for all damages sustained by the owner [,] by reason of entering  
25 upon the land. If the owner for any cause refuses or neglects to settle the damages,  
26 the state, its lessees, successors, assigns, or an applicant for a lease or contract from  
27 the state for the purpose of prospecting for valuable minerals, or option, contract, or  
28 lease for mining coal or lease for extracting geothermal resources, petroleum, or  
29 natural gas, may enter upon the land in the exercise of the reserved rights after posting  
30 a surety bond determined by the director, after notice and an opportunity to be heard,  
31 to be sufficient as to form, amount, and security to secure to the owner payment for

1 damages, and may institute legal proceedings in a court where the land is located, as  
2 may be necessary to determine the damages **that** [WHICH] the owner may suffer.

3 \* **Sec. 31.** AS 38.05.131(a) is amended to read:

4 (a) Unless specifically provided otherwise in AS 38.05.132 - 38.05.134, the  
5 provisions of **AS 38.05.005 - 38.05.037** [AS 38.05.005 - 38.05.040], 38.05.140(f),  
6 38.05.180, 38.05.182 - 38.05.184, and 38.05.920 - 38.05.990 apply to the issuance of  
7 oil and gas exploration licenses and leases under AS 38.05.132 - 38.05.134.

8 \* **Sec. 32.** AS 38.05.185(a) is amended to read:

9 (a) The acquisition and continuance of rights in and to deposits on state land  
10 of minerals, which on January 3, 1959, were subject to location under the mining laws  
11 of the United States, shall be governed by AS 38.05.185 - 38.05.275. Nothing in  
12 AS 38.05.185 - 38.05.275 affects the law pertaining to the acquisition of rights to  
13 mineral deposits owned by any other person or government. The director, with the  
14 approval of the commissioner, shall determine that land from which mineral deposits  
15 may be mined only under lease, and, subject to the limitations of AS 38.05.300, that  
16 land that shall be closed to **location under AS 38.05.185 - 38.05.275** [MINING].

17 State land may not be closed to [MINING OR MINERAL] location **under**  
18 **AS 38.05.185 - 38.05.275** except as provided in AS 38.05.300 and unless the  
19 commissioner makes a finding that mining would be incompatible with significant  
20 surface uses on the state land. State land may not be restricted to mining under lease  
21 unless the commissioner determines that potential use conflicts on the state land  
22 require that mining be allowed only under written leases issued under AS 38.05.205  
23 or the commissioner has determined that the land was mineral in character at the time  
24 of state selection. The determinations required under this subsection shall be made in  
25 compliance with land classification orders and land use plans developed under  
26 AS 38.05.300.

27 \* **Sec. 33.** AS 38.05.190(a) is amended to read:

28 (a) The right to acquire exploration and mining rights under AS 38.05.185 -  
29 38.05.275 may be acquired or held only by

- 30 (1) citizens of the United States at least 18 years of age;  
31 (2) legal guardians or trustees of citizens of the United States under 18

1 years of age on behalf of the citizens;

2 (3) persons at least 18 years of age who have declared their intention  
3 to become citizens of the United States;

4 (4) [ALIENS AT LEAST 18 YEARS OF AGE IF THE LAWS OF  
5 THEIR COUNTRY GRANT LIKE PRIVILEGES TO CITIZENS OF THE UNITED  
6 STATES;

7 (5)] corporations organized under the laws of the United States or of  
8 any state or territory of the United States and qualified to do business in this state [,  
9 EXCEPT THAT IF MORE THAN 50 PERCENT OF THE STOCK OF A  
10 CORPORATION IS OWNED OR CONTROLLED BY ALIENS WHO ARE NOT  
11 QUALIFIED, THE CORPORATION IS NOT QUALIFIED TO ACQUIRE OR HOLD  
12 THE RIGHTS];

13 (5) [(6)] associations of persons described in (1) - (4) [(1) - (5)] of this  
14 subsection.

15 \* **Sec. 34.** AS 38.05.211(d) is repealed and reenacted to read:

16 (d) The rental amount established under this section shall be revised by the  
17 commissioner as provided in this section based on changes in the Consumer Price  
18 Index for all urban consumers, Anchorage Metropolitan Area (Semi-Annual Average)  
19 compiled by the Bureau of Labor Statistics, United States Department of Labor, as  
20 revised, rebased or replaced by that bureau. The reference base index is the index for  
21 January - June, 1989, as revised or rebased by that bureau. The rental amount shall  
22 be revised by the commissioner if the change between the index for the first six  
23 months of the current year and the most recent index used to revise the rental, or the  
24 reference base index if the rental amount has never been revised, equals or exceeds \$5.  
25 The rental amount shall be increased or decreased, as appropriate, by an amount equal  
26 to the change in the index described in this subsection rounded to the nearest whole  
27 \$5 unit. The commissioner shall calculate the change in the index annually and, if the  
28 rental amount must be revised, shall adopt a regulation establishing the revised rental  
29 amount. A revised rental amount applies to a rental payment if the regulation  
30 establishing the revised rental amount took effect at least 90 days before the date the  
31 rental payment is due.

1 \* **Sec. 35.** AS 38.05.255 is amended to read:

2           Sec. 38.05.255. SURFACE USE OF LAND OR WATER. Surface uses of  
3 land or water included within mining properties by owners of those properties shall be  
4 limited to those necessary for the prospecting for, extraction of, or basic processing of  
5 mineral deposits and shall be subject to reasonable concurrent uses. **Leases**  
6 [PERMITS] for millsites and tailings disposal may be **issued** [GRANTED] by the  
7 director. The **leases** [PERMITS] shall be conditioned upon payment of a reasonable  
8 **annual rent** [CHARGE] for the **lease** [USE] and **restriction to** [CONTINUANCE OF]  
9 the limited use. Timber from land open to mining without lease, except timberland,  
10 may be used by a mining claimant or prospecting site locator for the mining or  
11 development of the location or adjacent claims under common ownership. On other  
12 land, timber may be acquired as provided in this chapter. Use of water shall be made  
13 in accordance with AS 46.15.

14 \* **Sec. 36.** AS 38.05.255 is amended by adding a new subsection to read:

15           (b) A lease issued under this section is exempt from the provisions of  
16 AS 38.05.075 - 38.05.080. The commissioner, by regulation, shall establish  
17 appropriate leasing procedures and annual rent amounts for leases under this section.

18 \* **Sec. 37.** AS 38.05.265 is amended to read:

19           Sec. 38.05.265. ABANDONMENT. Failure to properly record a certificate of  
20 location or a statement of annual labor, [FILE WITH THE DIRECTOR WITHIN THE  
21 TIME PRESCRIBED A LEASE APPLICATION,] pay any required annual rental, pay  
22 any required production royalty, or keep location boundaries clearly marked as  
23 required by **AS 38.05.185 - 38.05.200, 38.05.207 - 38.05.245, 38.05.252 - 38.05.275,**  
24 [AS 38.05.185 - 38.05.275] and by regulations adopted under these sections constitutes  
25 abandonment of all rights acquired under the mining claim, leasehold location,  
26 [LEASE,] or site involved, and the claim, location, [LEASE,] or site is subject to  
27 relocation by others. A locator or claimant of an abandoned location or a successor  
28 in interest may not relocate the location until one year after abandonment. A statement  
29 of annual labor that does not accurately set out the essential facts is void and of no  
30 effect. If an annual rental or a royalty payment is deficient but is otherwise timely  
31 paid, abandonment does not result if full payment is made within

- 1 (1) the period prescribed by a deficiency notice from the commissioner;  
2 or  
3 (2) 30 days after a final judgment establishing the amount due if the  
4 deficiency amount due was contested.

5 \* **Sec. 38.** AS 38.05 is amended by adding a new section to read:

6 **ARTICLE 12A. REMOTE RECREATIONAL CABIN SITE SALES AND LEASES.**

7 Sec. 38.05.600. **REMOTE RECREATIONAL CABIN SITES.** (a) The  
8 commissioner may provide for the sale or lease of state land for remote recreational  
9 cabin sites in areas of the state with dispersed populations if the land is classified for  
10 that purpose under the procedures required by AS 38.05.300 and 38.05.945. Sales  
11 under this section shall be at fair market value and the purchaser shall reimburse the  
12 state for the appraisal, survey, and platting costs for the recreational cabin site.

13 (b) The annual fee for a remote recreational cabin site lease shall be set by the  
14 commissioner so as to ensure that the state receives a fair return for the use granted  
15 by the lease for the term of the lease. The commissioner shall establish regulations  
16 that specify the application procedures for and the terms and conditions of a remote  
17 recreational cabin site lease. A lease must be for a term of not more than five years,  
18 and may be renewed for one additional five-year period. At any time during the lease,  
19 the lessee may purchase the remote recreational cabin site by having the site appraised  
20 and surveyed in a manner acceptable to the department and by paying to the state the  
21 fair market value for the site. The lease may not be assigned by the original lessee  
22 during the term of the lease.

23 (c) A remote recreational cabin site lease may be terminated by the  
24 commissioner before the expiration of the term of the lease if a permittee fails to use  
25 the land under lease in the manner required by the terms of the lease. After  
26 termination of a remote recreational cabin site lease, improvements or personal  
27 property on the land subject to the lease shall be managed in the same manner as  
28 required by AS 38.05.090.

29 \* **Sec. 39.** AS 38.05.810(a) is amended to read:

30 (a) Except as otherwise provided in AS 38.05.183(h), the (1) lease, sale, or  
31 other disposal of state land or resources may be made to a state or federal agency or

1 political subdivision, **(2)** [THE] lease, sale, or disposal of coal deposits suitable for  
2 mining may be made to a utility owned and operated by a government agency or  
3 nonprofit cooperative association organized to participate under the Federal Rural  
4 Electrification Act for the purpose of generating electric power and energy or the  
5 production of process steam, or both, **(3)** [OR THE] sale or other disposal of state land  
6 may be made to a tax-exempt, nonprofit corporation, association, club, or society  
7 organized and operated [EXCLUSIVELY] for the management of a cemetery or a solid  
8 waste **or other public** facility, **or (4) sale or other disposal of land within a state**  
9 **subdivision may be made to that subdivision's nonprofit, tax-exempt homeowners'**  
10 **association,** for less than the appraised value as determined by the director and  
11 approved by the commissioner to be fair and proper and in the best interests of the  
12 public, with due consideration given to the nature of the public services or function  
13 rendered by the **applicant** [AGENCY, SUBDIVISION, TAX-EXEMPT, NONPROFIT  
14 CORPORATION, ASSOCIATION, CLUB, OR SOCIETY, OR UTILITY MAKING  
15 APPLICATION], and of the terms of the grant under which the land was acquired by  
16 the state. **The commissioner shall ensure, by regulation, deed restriction, covenant,**  
17 **or otherwise, that disposals of land under this subsection serve a public purpose**  
18 **and are in the public interest.**

19 \* **Sec. 40.** AS 38.05.850(a) is amended to read:

20 (a) The director, without the prior approval of the commissioner, may issue  
21 permits, rights-of-way or easements on state land for roads, trails, ditches, field  
22 gathering lines or transmission and distribution pipelines not subject to AS 38.35,  
23 telephone or electric transmission and distribution lines, log storage, oil well drilling  
24 sites and production facilities for the purposes of recovering minerals from adjacent  
25 land under valid lease, and other similar uses or improvements, or **revocable,**  
26 **nonexclusive permits** for the [LIMITED] personal **or commercial** use **or removal of**  
27 **resources that the director has determined to be of limited value** [OF TIMBER OR  
28 MATERIALS]. The commissioner, upon recommendation of the director, shall  
29 establish a reasonable rate or fee schedule to be charged for these uses, subject to the  
30 exception for nonprofit cooperative associations specified in (b) of this section. In the  
31 granting, suspension or revocation of a permit or easement of land, the director shall

1 give preference to that use of the land which will be of greatest economic benefit to  
2 the state and the development of its resources. However, first preference shall be  
3 granted to the upland owner for the use of a tract of tideland, or tideland and  
4 contiguous submerged land, which is seaward of the upland property of the upland  
5 owner and which is needed by the upland owner for any of the purposes for which the  
6 use may be granted.

7 \* **Sec. 41.** AS 38.05.945(a) is amended to read:

8 (a) This section establishes the requirements for notice given by the department  
9 for the following actions:

10 (1) classification or reclassification of state land under AS 38.05.300  
11 and the closing of land to mineral leasing or entry under AS 38.05.185;

12 (2) zoning of land under applicable law;

13 (3) issuance of a

14 (A) preliminary written finding under AS 38.05.035(e)(5)(A)  
15 regarding the sale, lease, or disposal of an interest in state land or resources for  
16 oil and gas subject to AS 38.05.180(b);

17 (B) final written finding under AS 38.05.035(e)(5)(B) regarding  
18 the sale, lease, or disposal of an interest in state land or resources for oil and  
19 gas subject to AS 38.05.180(b);

20 (C) written finding for the sale, lease, or disposal of an interest  
21 in state land or resources under AS 38.05.035(e)(6);

22 (4) a competitive disposal of an interest in state land or resources after  
23 final decision under AS 38.05.035(e);

24 (5) [A PUBLIC HEARING UNDER AS 38.05.856(b);

25 (6)] a preliminary finding under AS 38.05.035(e) [AND 38.05.855(c)]  
26 concerning sites for aquatic farms and related hatcheries;

27 ~~(6)~~ [(7)] a decision under AS 38.05.132 - 38.05.134 regarding the sale,  
28 lease, or disposal of an interest in state land or resources.

29 \* **Sec. 42.** AS 38.08.030(b) is amended to read:

30 (b) Fees for filing an application may not exceed \$25 [\$10].

31 \* **Sec. 43.** AS 38.08.040(a) is amended to read:

1 (a) An applicant meeting the qualifications for homesite entry under  
2 AS 38.08.030 **and selected under (f) of this section** shall be issued a revocable permit  
3 to occupy and improve the homesite in order to qualify for issuance of patent as  
4 provided in this chapter. **The holder of a homesite entry permit shall pay, in**  
5 **advance, an annual rental fee of \$100.** [THE APPLICATION FEE IS THE SOLE  
6 RENT CHARGEABLE ON THE PERMIT FOR ITS DURATION.]

7 \* **Sec. 44.** AS 38.08.040 is amended by adding a new subsection to read:

8 (f) If only one application for a homesite parcel is received, the commissioner  
9 shall offer an entry permit for the parcel to the applicant provided the applicant is  
10 otherwise qualified. If more than one application is received for a parcel, the  
11 commissioner shall select by lottery the applicant who is entitled to receive the permit  
12 for the parcel. The lottery shall be conducted under regulations adopted by the  
13 commissioner that are to the maximum extent practicable consistent with the provisions  
14 of AS 38.05.057 and the regulations adopted under that section.

15 \* **Sec. 45.** AS 38.09.010(g) is amended to read:

16 (g) The commissioner may limit the number of persons permitted to **obtain**  
17 [STAKE] homestead entries within an area designated under (a) of this section by a  
18 lottery of qualified applicants. [THE COMMISSIONER MAY CONDUCT A  
19 LOTTERY HELD UNDER THIS SUBSECTION IN THE COMMUNITY THAT IS  
20 CLOSEST TO THE AREA DESIGNATED FOR HOMESTEAD ENTRY. THE  
21 COMMISSIONER MAY REQUIRE THAT EACH PARTICIPANT IN THE  
22 LOTTERY BE PRESENT UNLESS ATTENDANCE AT THE LOTTERY IS  
23 PREVENTED BY

24 (1) MEDICAL REASONS, ATTENDANCE AT SCHOOL, OR  
25 MILITARY SERVICE OUTSIDE THE STATE; OR

26 (2) A MANDATORY, UNAVOIDABLE EMPLOYMENT  
27 COMMITMENT DETERMINED VALID BY THE COMMISSIONER BEFORE THE  
28 SALE.]

29 \* **Sec. 46.** AS 38.09.030(a) is amended to read:

30 (a) An applicant for a homestead entry permit shall

31 (1) submit proof acceptable to the commissioner that the applicant is

1 at least 18 years of age and has been a resident of the state for not less than one year  
2 immediately before the date of application;

3 (2) pay a fee of \$5 per acre according to the description provided by  
4 the applicant **if the entry is on land classified agricultural, or \$20 per acre if the**  
5 **entry is on land not classified agricultural; and**

6 (3) agree to comply with the requirements of AS 38.09.050 [;

7 (4) CERTIFY THAT THE CORNERS OF THE LAND ENTERED  
8 HAVE BEEN STAKED AND THE BOUNDARIES HAVE BEEN FLAGGED; OR

9 (5) ASSUME FULL RESPONSIBILITY FOR THE ACCURACY OF  
10 THE DESCRIPTION OF THE LAND FILED WITH THE COMMISSIONER UNDER  
11 AS 38.09.020(b)].

12 \* **Sec. 47.** AS 38.09.050(a) is amended to read:

13 (a) The commissioner shall issue a patent to homestead entry land if the permit  
14 holder

15 (1) **either**

16 (A) resides and lives on the homestead entry land for not less  
17 than 25 months within five years after the issuance of the homestead entry  
18 permit **and reimburses the state for the survey and platting of the**  
19 **homestead parcel;**

20 (B) **within five years pays the state the fair market value of**  
21 **the homestead parcel at the time of patent and reimburses the state for the**  
22 **survey and platting of the homestead parcel; or**

23 (C) **pays to the state the fair market value of the homestead**  
24 **parcel under the terms of a contract under AS 38.05.065 to purchase the**  
25 **parcel, entered into within five years of the issuance of the permit, and**  
26 **reimburses the state for the survey and platting of the parcel; under this**  
27 **subparagraph, the fair market value of the homestead parcel shall be**  
28 **determined as of the date of the contract; and**

29 (2) [SUBMITS AN ALIQUOT PARTS DESCRIPTION OR  
30 COMPLETES AN APPROVED SURVEY OF THE LAND IN AN AREA WHERE  
31 THE COMMISSIONER WAIVES THE RECTANGULAR SURVEY GRID WITHIN

1 FIVE YEARS AFTER THE ISSUANCE OF THE PERMIT;

2 (3) ERECTS A HABITABLE, PERMANENT DWELLING ON THE  
3 HOMESTEAD WITHIN THREE YEARS AFTER THE ISSUANCE OF THE  
4 HOMESTEAD ENTRY PERMIT;

5 (4) BRUSHES THE BOUNDARIES OF THE LAND NOT  
6 DESCRIBED BY ALIQUOT PARTS OR AS A LOT OF RECORD WITHIN 90  
7 DAYS AFTER THE ISSUANCE OF THE PERMIT;

8 (5)] clears and either puts into production or prepares for cultivation  
9 either 25 percent of the land classified for agricultural use or 50 percent of the  
10 cropland soils, whichever is less, within five years after issuance of the permit.

11 \* **Sec. 48.** AS 38.09.050(b) is amended to read:

12 (b) Nothing in this chapter prohibits a homestead entry permit holder from  
13 residing in a temporary dwelling on the homestead [BEFORE ERECTION OF THE  
14 PERMANENT DWELLING].

15 \* **Sec. 49.** AS 38.09 is amended by adding a new section to read:

16 Sec. 38.09.105. REMOVAL OF CONDITIONS ON REMOTE PARCEL AND  
17 HOMESTEAD ENTRY LAND. (a) The commissioner may not include the  
18 conditions of former AS 38.05.078(d) in a remote parcel purchase contract issued on  
19 or after the effective date of this section.

20 (b) The commissioner shall amend a remote parcel or homestead entry land  
21 purchase contract or patent issued before the effective date of this section to remove  
22 the conditions of former AS 38.05.078(d) or former AS 38.09.050(e) if the holder of  
23 the purchase contract or patent

24 (1) requests the amendment;

25 (2) pays the reasonable administrative costs of the amendment as  
26 determined by the commissioner; and

27 (3) pays the difference, as established by the commissioner, between  
28 the land's fair market value before the amendment and the estimated fair market value  
29 after the amendment.

30 \* **Sec. 50.** AS 38.95 is amended by adding a new section to read:

31 ARTICLE 7. NO OBLIGATION TO PROVIDE SERVICES TO DISPOSALS

1 OF STATE LAND; NO LIMITATION ON FURTHER DISPOSALS.

2 Sec. 38.95.300. DISCLAIMER APPLICABLE TO STATE DISPOSALS.

3 Except as otherwise specifically provided, nothing in this title

4 (1) obligates the state to provide services to land that is disposed of by  
5 the state, or any grantee of the state, or is the subject of any disposal program;

6 (2) limits the authority of the state to dispose of land or any interest  
7 in land or resources in the area of the current disposal, provides any exclusive right  
8 or interest in the area of the disposal, or implies or requires that any disposals made  
9 will be limited in type or any other manner.

10 \* **Sec. 51.** AS 38.04.020(c), 38.04.020(f), 38.04.020(j), 38.04.020(k);  
11 AS 38.05.035(e)(6)(F), 38.05.040, 38.05.057(g), 38.05.057(j), 38.05.079, 38.05.207, 38.05.855,  
12 38.05.856, 38.05.945(g), 38.05.946(b); AS 38.08.090; AS 38.09.010(e), 38.09.020,  
13 38.09.040(a)(2), 38.09.040(a)(3), 38.09.040(a)(4), 38.09.050(d), 38.09.050(e), 38.09.060,  
14 38.09.070, 38.09.090, 38.09.900(1), 38.09.900(3), and 38.09.900(4) are repealed.

15 \* **Sec. 52.** Notwithstanding AS 41.21.120 - 41.21.125, within Township 10 North, Range  
16 1 East, Seward Meridian, the commissioner of natural resources may

17 (1) convey a property interest in land to the Alaska Railroad Corporation for  
18 the purpose of realigning the railroad in conjunction with the relocation of the Seward  
19 Highway, provided that the property interest conveyed must be equivalent to that conveyed  
20 to the state-owned railroad under 45 U.S.C. 1201 - 1214 (Alaska Railroad Transfer Act of  
21 1982) and shall be held and managed by the Alaska Railroad Corporation under AS 42.40;

22 (2) grant a 300 foot wide highway easement to the Department of  
23 Transportation and Public Facilities for the relocated Seward Highway;

24 (3) grant a 100 foot wide utility easement to Chugach Electric Association,  
25 Inc., for the relocation of the 115 kilovolt electric transmission line (Federal Power  
26 Commission project no. 2170, AA-39417, and ADL 32417) and the electric distribution line  
27 (A-029885) located within the Chugach State Park.

28 \* **Sec. 53.** A disposal by the Department of Natural Resources of a homesite under  
29 AS 38.08 by lottery, on or after July 6, 1984, and before the effective date of this section, is  
30 valid and effective, notwithstanding the fact that the disposal was by lottery, if the disposal  
31 otherwise complied with the requirements of AS 38.08.

1     \* **Sec. 54.** APPLICABILITY. The change to the interest rate to be charged on contracts  
2 for the sale of land under AS 38.05.065, made by secs. 18 - 20 of this Act, applies to all  
3 contracts under AS 38.05.065 sent by the Department of Natural Resources to purchasers for  
4 signature on or after the effective date of secs. 18 - 20 of this Act.

5     \* **Sec. 55.** REVISOR'S INSTRUCTION. The amendments to AS 38.05.082(b), made by  
6 sec. 25 of this Act, do not affect the amendments made to that subsection by sec. 3, ch. 27,  
7 SLA 1991, effective January 1, 1997. Unless amended or repealed by Act of the legislature  
8 after the effective date of this section, the amendments to AS 38.05.082(b), made by sec. 25  
9 of this Act, continue in effect after the amendments made by sec. 3, ch. 27, SLA 1991, take  
10 effect January 1, 1997.

11     \* **Sec. 56.** TRANSITIONAL PROVISIONS: REGULATIONS. (a) Notwithstanding  
12 sec. 58 of this Act, the Department of Natural Resources may proceed to adopt regulations  
13 necessary to implement the changes made by this Act. The regulations take effect under  
14 AS 44.62 (Administrative Procedure Act), but not before July 1, 1996.

15             (b) To the extent they are consistent with AS 38.08, regulations governing the  
16 selection of applicants for homesite parcels under AS 38.08 in effect on the effective date of  
17 secs. 43 and 44 of this Act remain in effect notwithstanding the amendment to AS 38.08.040,  
18 made by secs. 43 and 44 of this Act, until the regulations are amended, repealed, or  
19 superseded.

20     \* **Sec. 57.** RETROACTIVE EFFECT. (a) To the maximum extent constitutionally  
21 permissible, sec. 1 of this Act is retroactive to January 3, 1959.

22             (b) The amendment made by sec. 30 of this Act is retroactive to May 2, 1959, the  
23 effective date of ch. 169, SLA 1959, and applies to exempt the state, its lessees, successors,  
24 and assigns, including but not limited to an applicant for a lease or contract from the state for  
25 the purpose of prospecting for valuable minerals, or an applicant for an option, contract, or  
26 lease for mining coal or lease for extracting geothermal resources, petroleum, or natural gas,  
27 from liability for damages sustained by the state or a municipality by reason of an entry upon  
28 the land under AS 38.05.130 to post mining location corners when the entry on the land is  
29 authorized by AS 38.05.195, 38.05.205, or 38.05.245 and the entry on the land was made on  
30 or after May 2, 1959.

31     \* **Sec. 58.** Except for secs. 1, 30, 56, and 57 of this Act, this Act takes effect July 1, 1996.

1     \* **Sec. 59.** Sections 1, 30, 56, and 57 of this Act take effect immediately under  
2 AS 01.10.070(c).