

**HOUSE CS FOR CS FOR SENATE BILL NO. 250(FIN)**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**NINETEENTH LEGISLATURE - SECOND SESSION**

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 4/18/96**

**Referred: Rules**

**Sponsor(s): SENATORS FRANK, Rieger, Kelly, Miller, Sharp**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the University of Alaska and to assets of the University**  
2 **of Alaska; authorizing the University of Alaska to select additional state public**  
3 **domain land, designating that land as ‘university trust land,’ and describing the**  
4 **principles applicable to the land’s management and the development of its**  
5 **resources; and defining the net income from the University of Alaska’s**  
6 **endowment trust fund as ‘university receipts’ subject to prior legislative**  
7 **appropriation."**

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

9 **\* Section 1. FINDINGS AND PURPOSE.** The legislature finds that  
10 (1) as the beneficiary under the provisions of the Acts of August 30, 1890, and  
11 March 4, 1907, designating the Alaska Agricultural College and School of Mines as  
12 beneficiary, and of March 4, 1915, 38 Stat. 1214, transferring certain land for its location and  
13 support, the University of Alaska is a land grant university;

1 (2) under the Acts of March 4, 1915, 38 Stat. 1214, and January 21, 1929, 45  
2 Stat. 1091, the Congress of the United States granted to the Territory of Alaska certain federal  
3 land to be held in trust for the benefit of the predecessor of the University of Alaska;

4 (3) the Territory was unable to receive most of the land conveyed by the Act  
5 of March 4, 1915, before repeal of that Act by Sec. 6(k) of the Alaska Statehood Act (P.L.  
6 85-508, 72 Stat. 339);

7 (4) the Congress of the United States granted the State of Alaska the right to  
8 select 102,500,000 acres of federal land under Sec. 6(b) of the Alaska Statehood Act;

9 (5) the land selection rights embodied in the Alaska Statehood Act reflect in  
10 part congressional recognition that the state would need the land to support its government and  
11 programs, and the Congress assumed that the State of Alaska would in turn devote some of  
12 the land or the income from it for the use and benefit of the University of Alaska;

13 (6) most land grant colleges in the western United States have obtained a larger  
14 land grant from the federal government than the University of Alaska has received;

15 (7) an academically strong and financially secure state university system is a  
16 cornerstone to the long-term development of a stable population and to a healthy, diverse  
17 economy in the state;

18 (8) it is in the best interests of the state and the University of Alaska that the  
19 university take ownership of a significant and substantial portfolio of income producing land  
20 in order to provide income for the support of public higher education in the state; and

21 (9) renewable resources should be managed on a sustained yield basis, taking  
22 into account the total land grant.

23 \* **Sec. 2.** LEGISLATIVE INTENT. It is the intent of the legislature that the University  
24 of Alaska encourage the development of in-state value-added industries to the maximum extent  
25 feasible when developing land conveyed under AS 14.40.365.

26 \* **Sec. 3.** AS 14.40.170(a) is amended to read:

27 (a) The Board of Regents shall

28 (1) appoint the president of the university by a majority vote of the  
29 whole board, and the president may attend meetings of the board;

30 (2) fix the compensation of the president of the university, all heads of  
31 departments, professors, teachers, instructors, and other officers;

- 1 (3) confer such appropriate degrees as it may determine and prescribe;
- 2 (4) have the care, control, and management of
- 3 (A) all the real and personal property of the university; and
- 4 (B) land
- 5 (i) conveyed to the Board of Regents by the
- 6 commissioner of natural resources in the settlement of the claim of the
- 7 University of Alaska to land granted to the state in accordance with the
- 8 Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance
- 9 with the Act of January 21, 1929 (45 Stat. 1091), as amended; **and**
- 10 **(ii) conveyed to the Board of Regents by the**
- 11 **commissioner of natural resources under AS 14.40.365, except as**
- 12 **provided in AS 14.40.368(a)(2);**
- 13 (5) keep a correct and easily understood record of the minutes of every
- 14 meeting and all acts done by it in pursuance of its duties;
- 15 (6) under procedures to be established by the commissioner of
- 16 administration, and in accordance with existing procedures for other state agencies,
- 17 have the care, control, and management of all money of the university and keep a
- 18 complete record of all money received and disbursed;
- 19 (7) adopt reasonable rules for the prudent trust management and the
- 20 long-term financial benefit to the university of the land of the university;
- 21 (8) provide public notice of sales, leases, exchanges, and transfers of
- 22 the land of the university or of interests in land of the university;
- 23 (9) report each year within the first 10 days of the convening of a
- 24 regular session of the legislature on the expenditures made during the preceding fiscal
- 25 year from the funds of the University of Alaska that are derived from sales, leases,
- 26 exchanges, or transfers of the land of the university or of interests in land of the
- 27 university
- 28 **(A)** that were conveyed to the University of Alaska in
- 29 settlement of the claim of the University of Alaska to land granted to the state
- 30 in accordance with the Act of March 4, 1915 (38 Stat. 1214), as amended, and
- 31 in accordance with the Act of January 21, 1929 (45 Stat. 1091), as amended;

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(B) that were conveyed to the University of Alaska under AS 14.40.365.

\* Sec. 4. AS 14.40.190 is amended to read:

Sec. 14.40.190. REPORT. (a) The Board of Regents shall prepare a written report at the beginning of each first regular session of the legislature of

(1) the condition of [THE] university property;

(2) [, OF] all receipts and expenditures, including the administration and disposition of appropriated and restricted funds;

(3) the management of university trust land under AS 14.40.366(a)(1) and (2); and

(4) [, AND OF] the educational and other work performed during the preceding two fiscal years.

(b) The board shall notify the legislature that the report is available.

\* Sec. 5. AS 14.40.280 is amended to read:

Sec. 14.40.280. ENDOWMENTS AND DONATIONS. All monetary gifts, bequests, or endowments that are made to the University of Alaska for the purpose of the separate trust fund created under AS 14.40.400 shall be held by the university.

The university [TRANSFERRED TO THE DEPARTMENT OF REVENUE. THE DEPARTMENT OF REVENUE] shall manage that money in accordance with AS 14.40.400. Title to and control or possession of land, personal property, and all money [OTHER THAN] that [TRANSFERRED TO THE DEPARTMENT OF REVENUE, WHICH] is devised, bequeathed, or given to the university for the purpose of the endowment trust fund established by AS 14.40.400(a) shall be taken by the university in its corporate capacity acting by and through the regents or an authorized agent, and shall be entered in the perpetual inventory of the university.

\* Sec. 6. AS 14.40.291 is amended to read:

Sec. 14.40.291. LAND OF THE UNIVERSITY OF ALASKA [NOT PUBLIC DOMAIN] LAND SALE CONTRACTS; CONFIDENTIAL INFORMATION. (a) Notwithstanding any other provision of law, university-grant land, state replacement land that becomes university-grant land on conveyance to the university, land

1 **conveyed to the University of Alaska under AS 14.40.365**, and any other land owned  
2 by the University of Alaska is not and may not be treated as state public domain land.

3 (b) **Land conveyed to the University of Alaska under AS 14.40.365 is**  
4 **designated as university trust land.**

5 (c) Title **to** or interest **in** [TO] land described in **(a) of** this section may not  
6 be acquired by adverse possession, prescription, or in any other manner except by  
7 conveyance from the university.

8 (d) The land **described in (a) of this section** is subject to condemnation for  
9 public purpose in accordance with law.

10 \* **Sec. 7.** AS 14.40.291 is amended by adding new subsections to read:

11 (e) If a contract for a sale of land of the university is breached, the president  
12 of the university or the president's designee, in addition to other remedies available  
13 under the law, may issue a decision to foreclose and terminate the contract at any time  
14 31 days after delivering by certified mail a written notice of the breach to the address  
15 of record of the purchaser. The purchaser may cure a breach caused by the failure to  
16 make payments required by the contract within 30 days after the notice of the breach  
17 has been received by the purchaser by payment of the sum in default together with the  
18 larger of a fee of \$50 or five percent of the sum in default. If there are material facts  
19 in dispute between the university and the purchaser, the purchaser may submit a  
20 written request to the president or the president's designee for the review of the facts  
21 within 30 days after the notice of the breach has been received.

22 (f) On a determination that there has been a breach of the contract based on  
23 the administrative record, the president of the university or the president's designee  
24 shall issue a decision foreclosing the interest of the purchaser and terminating the  
25 contract. The obligation to make payments under the contract continues through the  
26 date of the decision to foreclose.

27 (g) The president of the university or the president's designee shall deliver the  
28 decision to foreclose and terminate, either by personal delivery to the purchaser or by  
29 certified mail, return receipt requested, to the address of record of the purchaser. If  
30 the breach is a failure to make payments required by the contract, the decision must  
31 include a notice to the purchaser that, if within 30 days the purchaser pays to the

1 university the full amount of the unpaid contract price, including all accrued interest  
2 and any fees assessed under (e) of this section, the university shall issue to the  
3 purchaser a deed to the land. If full payment is not made within 30 days or the breach  
4 is for other than failure to make payment, the decision forecloses and terminates all  
5 legal and equitable rights the purchaser has in the land.

6 (h) Notwithstanding AS 09.25.100 - 09.25.220, on a determination that it is  
7 in the best interest of the university or on the request of the person who has provided  
8 the information, the president may keep the following confidential:

9 (1) the names of a person applying for the sale, lease, or other disposal  
10 of university land or an interest in university land;

11 (2) before the announced time of opening of an offer to purchase, lease,  
12 or obtain a disposal of university land, the names of the participants and the terms of  
13 their offers;

14 (3) all geological, geophysical, engineering, architectural, sales,  
15 appraisal, gross receipts, net receipts, or other financial information relating to  
16 university land or an interest in university land considered for or offered for disposal  
17 or currently subject to a contract;

18 (4) cost data and financial information submitted by an applicant in  
19 support of applications for bonds, leases, or other information in offerings and ongoing  
20 operations relating to management of university land;

21 (5) applications for rights-of-way or easements across university land;  
22 and

23 (6) requests for information about or applications by public agencies  
24 for university land that is being considered for use for a public purpose.

25 \* **Sec. 8.** AS 14.40 is amended by adding a new section to read:

26 Sec. 14.40.365. SELECTION AND CONVEYANCE OF STATE LAND TO  
27 THE UNIVERSITY OF ALASKA. (a) For the purposes of providing support to the  
28 state's public higher education system and for the purpose of generating responsible  
29 and appropriate development of the state's land and resources, the University of Alaska  
30 is authorized to receive the conveyance of 350,000 acres of land that, on the effective  
31 date of this section, is owned by the state, or has been tentatively approved or selected

1 by the state under the Alaska Statehood Act and that has not been reserved by law  
2 from the state public domain land and designated as part of a state park, state forest,  
3 state game refuge, state wildlife refuge, state game sanctuary, state recreational area,  
4 state recreational river, state wilderness park, state marine park, state special  
5 management area, state public use area, critical habitat area, bald eagle preserve, bison  
6 range, or moose range.

7 (b) For purposes of making the selection and conveyance of state land to the  
8 university under (a) of this section, the director of the division of land, Department of  
9 Natural Resources, and the director of the University of Alaska's land management  
10 office shall compile and maintain and may revise a list of the land to be conveyed to  
11 the university under this section. The list shall be maintained at the Anchorage office  
12 of the director of the division of land. The list may not include the valid existing  
13 selections of a municipality to which the municipality is entitled under AS 29.65.010 -  
14 29.65.140, may not include the valid existing selections of the Alaska Mental Health  
15 Trust Authority made for the purpose of reconstituting the mental health trust  
16 established under the Alaska Mental Health Enabling Act, P.L. 84-830, 70 Stat. 709  
17 (1956) that become subject to management under AS 38.05.801, and may not include  
18 land whose management by the University of Alaska would be inconsistent with the  
19 provisions of law providing for reconstitution of that mental health trust. If there is  
20 a disagreement between the university and the Department of Natural Resources about  
21 the land to be placed on the list, the disagreement must be submitted to the governor,  
22 who shall make the final decision. The governor, upon the recommendation of the  
23 director of the division of land and the director of the university's land management  
24 office, shall periodically submit to the legislature, within 30 days of the beginning of  
25 a regular legislative session, a list of land proposed to be conveyed by the state to the  
26 University of Alaska under this section. Each list must contain not less than 25,000  
27 acres of land, or the remaining entitlement under (a) of this section, whichever is less.  
28 A list may identify land in excess of the amount of acreage set out in (a) of this  
29 section, but the amount of land identified on the list may not exceed by more than 25  
30 percent in total acreage the amount of acreage to which, on the date of submission of  
31 the list to the legislature, the university has not received title under this section. If, on

1 a list presented to the legislature under this section, the amount of land to be conveyed  
2 exceeds the balance due the university under this section, the university shall set out  
3 the land to be conveyed in priority order, and thereafter, when the university receives  
4 conveyance of title to land, the commissioner shall reduce the excess acreage by  
5 striking from the list the land that has the lowest priority, and shall continue to strike  
6 acreage from the list until the list of land to be conveyed does not exceed by more  
7 than 25 percent in total acreage the amount of acreage to which the university has not  
8 received title under this section. The legislature must approve or disapprove a list of  
9 land to be conveyed by the end of the regular legislative session following the  
10 submission of the list. The legislature may approve some, or all, of the land proposed  
11 for conveyance.

12 (c) Notwithstanding any other provision of law, on land approved by the  
13 legislature for conveyance under (b) of this section but not yet conveyed by quitclaim  
14 deed to the University of Alaska or for which a document of interim conveyance has  
15 not been issued to the University of Alaska under this section,

16 (1) the state is authorized to enter into contracts and grant leases,  
17 licenses, claims, prospecting sites, sales, permits, rights-of-way, or easements, and any  
18 interim conveyance or quitclaim deed shall be subject to the contract, lease, license,  
19 claim, prospecting site, sale, permit, right-of-way, or easement, except that the  
20 authority granted the state by this subsection

21 (A) is the authority that the state otherwise would have had  
22 under existing laws and regulations had the land not been approved by the  
23 legislature for conveyance under (b) of this section; and

24 (B) may be exercised only if the University of Alaska has  
25 concurred before the action is taken by the state;

26 (2) after approval of a list by the legislature under (b) of this section,  
27 and until the land has been conveyed by quitclaim deed or by a document of interim  
28 conveyance, 90 percent of the proceeds derived from contracts, leases, licenses, claims,  
29 prospecting sites, sales, permits, rights-of-way, or easements, or from trespasses,  
30 originating after the date of submission of the list to the legislature under (b) of this  
31 section shall be held by the state; upon the issuance of a document of interim

1 conveyance or a quitclaim deed, the state shall pay to the University of Alaska the  
2 proceeds held by the state under this paragraph, and subsequent to the issuance of a  
3 document of interim conveyance or a quitclaim deed, the University of Alaska shall  
4 receive all of the proceeds derived from the contracts, leases, licenses, claims,  
5 prospecting sites, sales, permits, rights-of-way, or easements, or from trespasses;

6 (3) responsibility for management of contracts, leases, licenses, claims,  
7 prospecting sites, sales, permits, rights-of-way, or easements, vests with the University  
8 of Alaska upon issuance of a quitclaim deed or a document of interim conveyance.

9 (d) When land is conveyed to the University of Alaska under this section, it  
10 shall be conveyed in fee simple. The state may convey to the university any tideland  
11 or submerged land adjacent to the land conveyed under this section. The University  
12 of Alaska takes the land subject to any possessory interest held by another person on  
13 the effective date of the conveyance and subject to the terms and conditions of  
14 conveyance and the provisions of AS 14.40.365 - 14.40.400. Except as provided in  
15 AS 14.40.368(a)(1), the University of Alaska is entitled to receive the consideration  
16 due under that possessory interest for the duration of the possessory interest.

17 (e) In conveying land to the University of Alaska under this section, the  
18 commissioner of natural resources shall give public notice under AS 38.05.945(b) and  
19 (c) and provide for access under AS 38.05.127, but other provisions of AS 38.04 and  
20 AS 38.05 do not apply.

21 (f) Land transferred or conveyed to the University of Alaska under this section

22 (1) is subject to

23 (A) Sec. 6(i) of the Alaska Statehood Act (P.L. 85-508, 72 Stat.  
24 339);

25 (B) art. IX of the state constitution;

26 (C) AS 19.10.010;

27 (D) payment to the Alaska permanent fund of the amounts  
28 required by AS 37.13.010(a) and (b); and

29 (E) the rights of the state under former 43 U.S.C. 932 (sec. 8,  
30 Act of July 26, 1866, 14 Stat. 253);

31 (2) excludes any interest transferred to the state by quitclaim deed dated

1 June 30, 1959, under authority of the Alaska Omnibus Act, P.L. 86-70, 73 Stat. 141.

2 (g) The University of Alaska shall bear all costs of selection, platting,  
3 surveying, and, except for a cost specified in (i) of this section, conveyance of the land  
4 that it selects under this section and, subject to appropriation, shall reimburse the  
5 Department of Natural Resources for the reasonable costs incurred by that department  
6 relating to that selection, platting, surveying, and conveyance. Under this subsection,

7 (1) if the land has been surveyed,

8 (A) the boundaries of the land conveyed must conform to the  
9 public land subdivisions established by the approved survey; and

10 (B) the commissioner shall issue a quitclaim deed to the land  
11 within one year of receiving a request for the land's conveyance from the  
12 university;

13 (2) if the land is unsurveyed, the commissioner shall

14 (A) survey the exterior boundaries of the land to be conveyed  
15 without interior subdivision; and

16 (B) issue a quitclaim deed to the land in terms of the exterior  
17 boundary survey within one year of receiving a request for the land's  
18 conveyance by the university.

19 (h) For land due the University of Alaska under this section that is unsurveyed,  
20 pending the survey of exterior boundaries and issuance of a quitclaim deed, the  
21 commissioner of natural resources shall, within one year of request by the university,  
22 prepare and provide to the University of Alaska a document of interim conveyance for  
23 the land to be conveyed.

24 (i) Except as provided in AS 14.40.368(a)(2), management of land conveyed  
25 to the University of Alaska by a quitclaim deed or by a document of interim  
26 conveyance vests with the University of Alaska from the date of recording of the  
27 quitclaim deed or document of interim conveyance. The state shall pay the cost of  
28 recording all quitclaim deeds and documents of interim conveyance.

29 (j) The University of Alaska may not make a land selection under this section  
30 after December 31, 2016.

31 \* **Sec. 9.** AS 14.40 is amended by adding new sections to read:

1           Sec. 14.40.366. MANAGEMENT AND DISPOSITION OF UNIVERSITY  
2 TRUST LAND. (a) University trust land conveyed under AS 14.40.365 shall be  
3 conveyed to the Board of Regents and held by the Board of Regents in trust for the  
4 University of Alaska. The University of Alaska

5                   (1) shall manage university trust land in accordance with applicable  
6 trust management principles subject to the terms and conditions of conveyance and the  
7 provisions of AS 14.40.365 - 14.40.400;

8                   (2) shall manage university trust land under provisions of law  
9 applicable to other university land; and

10                  (3) may exchange other state land for university trust land under the  
11 procedures set out in AS 38.50.

12           (b) The University of Alaska shall establish

13                   (1) policies to provide for public notice and comment on proposals for  
14 development, exchange, or sale of university trust land conveyed under AS 14.40.365;

15                   (2) procedures for mineral entry or location and mineral leasing, and  
16 shall adopt rent and royalty schedules, on university trust land conveyed under  
17 AS 14.40.365 that are substantially similar to mineral entry, location, and leasing  
18 procedures, and rent and royalty schedules, for state land under AS 38.05.185 -  
19 38.05.275.

20           (c) The Board of Regents shall adopt policies that provide that the university  
21 shall every second year prepare a plan for management and disposition of university  
22 trust land conveyed under AS 14.40.365 and shall, not less than 60 days before  
23 scheduled approval by the Board of Regents of the plan,

24                   (1) make copies of the plan available at all legislative information  
25 offices and at such other locations as the university may designate;

26                   (2) publish a notice in newspapers of general circulation in the state  
27 that provides the public with information on the locations where the plan is available  
28 for public inspection;

29                   (3) give notice to all legislators and to local governments with  
30 jurisdiction over the land affected by the plan; and

31                   (4) seek public comment on the plan prior to action by the Board of

1 Regents approving the plan.

2 (d) The policy set out in AS 44.99.100(b)(5) applies to management of the  
3 resources of university trust land conveyed under AS 14.40.365. In carrying out this  
4 policy, the Board of Regents shall ensure that the provisions of AS 44.99.100(b)(5)  
5 apply to the development of the resources of university trust land.

6 (e) To the extent consistent with law, in contracts for the harvest or removal  
7 of timber from university trust land conveyed under AS 14.40.365, the Board of  
8 Regents shall require the primary manufacture of the timber before the timber is  
9 exported from the state.

10 Sec. 14.40.368. MANAGEMENT AND DISPOSITION OF INCOME FROM  
11 EXISTING ENCUMBRANCES ON UNIVERSITY TRUST LAND. (a) For the land  
12 conveyed to the University of Alaska under AS 14.40.365 that is, as of the effective  
13 date of the conveyance, subject to a lease, license, contract, claim, prospecting site,  
14 sale, permit, or right-of-way

15 (1) the state is entitled to receive 50 percent of the income obtained  
16 from the lease, license, contract, claim, prospecting site, sale, permit, or right-of-way  
17 for the duration of the term of the lease, contract, claim, prospecting site, sale, permit,  
18 or right-of-way, and during any renewal of it that is authorized by the lease, license,  
19 contract, claim, prospecting site, sale, permit, or right-of-way, or by law;

20 (2) the responsibility for the management of the land vests with the  
21 University of Alaska only upon conclusion of the term, including any renewals, of the  
22 lease, license, contract, claim, prospecting site, sale, permit, or right-of-way that is  
23 authorized by law.

24 (b) If the state and the university mutually agree that the responsibility for the  
25 management of land may be transferred to the university at a date earlier than the date  
26 described in (a)(2) of this section, then, notwithstanding (a)(1) of this section, the  
27 university is entitled to receive all income described in (a)(1) of this section on or after  
28 the effective date of the transfer of the management responsibility.

29 Sec. 14.40.369. CUSTOMARY AND TRADITIONAL USES TO BE  
30 CONTINUED. (a) For land conveyed to the University of Alaska under  
31 AS 14.40.365, the University of Alaska shall, before conveying or disposing of an

1 interest in the land to a third party, manage the land in a manner that permits  
2 customary and traditional uses of the resources, including hunting, fishing, and  
3 recreational opportunities, of that land to the maximum extent possible.

4 (b) The provisions of (a) of this section do not apply to authorize the  
5 commercial harvest of timber from the land conveyed to the university.

6 \* **Sec. 10.** AS 14.40 is amended by adding a new section to read:

7 Sec. 14.40.375. TORT IMMUNITY FOR PERSONAL INJURIES, DEATH,  
8 OR PROPERTY DAMAGE OCCURRING ON UNIVERSITY LAND. (a)  
9 Notwithstanding AS 09.65.200 and except as provided in (b) of this section, the  
10 University of Alaska is not liable in tort, except for an affirmative act that constitutes  
11 gross negligence or reckless or intentional misconduct, for damages for the injury to  
12 or death of a person, or for property damage to the property of a person, who enters  
13 onto or remains on land owned by the University of Alaska.

14 (b) The provisions of (a) of this section do not apply to damages for injury to  
15 or death of a person, or for property damage to the property of a person, that occurs  
16 on land of the University of Alaska that, after receipt of title to the land by the  
17 University of Alaska, has been improved and is actively maintained by the University  
18 of Alaska.

19 \* **Sec. 11.** AS 14.40.400(a) is amended to read:

20 (a) The **University of Alaska** [DEPARTMENT OF REVENUE] shall establish  
21 a separate endowment trust fund in which all net income derived from the sale or lease  
22 of the land granted under the Act of Congress approved January 21, 1929, **and the**  
23 **land conveyed to the University of Alaska under AS 14.40.365 that under**  
24 **AS 14.40.291(b) is designated university trust land**, and in which all monetary gifts,  
25 bequests, or endowments made to the University of Alaska for the purpose of the fund  
26 [,] shall be held in trust.

27 \* **Sec. 12.** AS 14.40.400(b) is amended to read:

28 (b) The **president of the University of Alaska** [COMMISSIONER OF  
29 REVENUE] is the fiduciary of the trust fund and shall account for and invest the fund  
30 as set out **for the commissioner of revenue** in AS 37.14.110(c), 37.14.160, and  
31 37.14.170, except that the **president of the university** [COMMISSIONER] shall report

1 the condition and investment performance of the fund to the Board of Regents **and to**  
2 **the legislature.**

3 \* **Sec. 13.** AS 14.40.491 is amended to read:

4 Sec. 14.40.491. DEFINITION OF UNIVERSITY RECEIPTS. In  
5 AS 14.40.120 - 14.40.491, "university receipts" includes

- 6 (1) student fees, including tuition;
- 7 (2) receipts from university auxiliary services;
- 8 (3) recovery of indirect costs of university activities;
- 9 (4) **the net income of the trust fund established in AS 14.40.400 and**

10 receipts from sales and rentals of university property;

- 11 (5) federal receipts;
- 12 (6) gifts, grants, and contracts; and
- 13 (7) receipts from sales, rentals, and the provision of services of  
14 educational activities.

15 \* **Sec. 14.** AS 29.45.030(a) is amended to read:

16 (a) The following property is exempt from general taxation:

17 (1) municipal property, including property held by a public corporation  
18 of a municipality, [OR] state property, **or property of the University of Alaska,**  
19 except that

20 (A) a private leasehold, contract, or other interest in the  
21 property is taxable to the extent of the interest;

22 (B) notwithstanding any other provision of law, property  
23 acquired by an agency, corporation, or other entity of the state through  
24 foreclosure or deed in lieu of foreclosure and retained as an investment of a  
25 state entity is taxable; this subparagraph does not apply to federal land granted  
26 to the University of Alaska under AS 14.40.380 or 14.40.390, [OR] to other  
27 land granted to the university by the state to replace land that had been granted  
28 under AS 14.40.380 or 14.40.390, **or to land conveyed by the state to the**  
29 **University of Alaska under AS 14.40.365;**

30 (C) an ownership interest of a municipality in real property  
31 located outside the municipality acquired after December 31, 1990, is taxable

1 by another municipality; however, a borough may not tax an interest in real  
2 property located in the borough and owned by a city in that borough;

3 (2) household furniture and personal effects of members of a  
4 household;

5 (3) property used exclusively for nonprofit religious, charitable,  
6 cemetery, hospital, or educational purposes;

7 (4) property of a nonbusiness organization composed entirely of persons  
8 with 90 days or more of active service in the armed forces of the United States whose  
9 conditions of service and separation were other than dishonorable, or the property of  
10 an auxiliary of that organization;

11 (5) money on deposit;

12 (6) the real property of certain residents of the state to the extent and  
13 subject to the conditions provided in (e) of this section;

14 (7) real property or an interest in real property that is exempt from  
15 taxation under 43 U.S.C. 1620(d), as amended;

16 (8) property of a political subdivision, agency, corporation, or other  
17 entity of the United States to the extent required by federal law; except that a private  
18 leasehold, contract, or other interest in the property is taxable to the extent of that  
19 interest;

20 (9) natural resources in place including coal, ore bodies, mineral  
21 deposits, and other proven and unproven deposits of valuable materials laid down by  
22 natural processes, unharvested aquatic plants and animals, and timber.

23 \* **Sec. 15.** AS 36.30.850(b)(15) is amended to read:

24 (15) a contract that is a delegation, in whole or in part, of investment  
25 powers held by the commissioner of revenue under [AS 14.40.400,] AS 14.42.200,  
26 14.42.210, AS 18.56.095, AS 37.10.070, 37.10.071, or AS 37.14;

27 \* **Sec. 16.** AS 14.40.400(e) is repealed.

28 \* **Sec. 17.** UNIVERSITY OF ALASKA ENDOWMENT TRUST FUND: TRANSITION.

29 A contract, right, liability, or obligation in effect on the effective date of this Act remains in  
30 effect notwithstanding the amendments to AS 14.40.280 or 14.40.400 made in secs. 5, 11,  
31 12, and 16 of this Act. Assets and liabilities of the University of Alaska endowment trust

1 fund held by the Department of Revenue on the effective date of this Act shall be transferred  
2 by the Department of Revenue to the University of Alaska to implement this Act.

3 \* **Sec. 18.** APPLICABILITY OF LAND SALE CONTRACT REMEDY PROVISIONS.  
4 AS 14.40.291(e) - (g), added by sec. 7 of this Act, apply to land sale contracts entered into  
5 by the University of Alaska on or after the effective date of this Act.

6 \* **Sec. 19.** APPLICABILITY OF PROVISION AUTHORIZING SELECTION BY AND  
7 CONVEYANCE TO UNIVERSITY OF ALASKA OF TRUST LAND TO MEMORANDUM  
8 OF AGREEMENT OF DECEMBER 2, 1994, SETTling CERTAIN LITIGATION. Nothing  
9 in AS 14.40.365, added by sec. 8 of this Act, shall operate contrary to the purposes of the  
10 Memorandum of Agreement entered into on December 2, 1994, between the university, the  
11 state, and various other parties in settlement of litigation in Consolidated Case No. 1JU-88-271  
12 Civil.