

**SENATE BILL NO. 108**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - FIRST SESSION

BY SENATOR TAYLOR

Introduced: 2/27/97

Referred: Resources, Finance

**A BILL****FOR AN ACT ENTITLED**

1 "An Act relating to the disposal of state land by lottery."

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

3 \* **Section 1.** FINDINGS. The State of Alaska, through the Alaska Statehood Act, is  
4 entitled to over 105,000,000 acres of land. Alaska is one of the smallest states by population.  
5 Because of its small population, the state has been overly influenced by ephemeral riches from  
6 nonrenewable oil wealth. The state should envision its future without the presence of  
7 petroleum as the principal source of revenue. Land is the state's most secure and permanent  
8 resource. In recent years, federal and state government agencies have acquired private land  
9 to place into parks and preserves in a state that already has an abundance of acreage in similar  
10 land classifications. The legislature desires to reverse this trend and resuscitate the  
11 entrepreneurial spirit that was achieved before and at the beginning of statehood. Alaska is  
12 made up of major land holdings owned by federal, state, and local governments with relatively  
13 minor portions held privately by ANCSA corporations and individuals. There is little that can  
14 be done to foster a private economy without sufficient privately held land capital. Private  
15 ownership of land has historically benefited people and assisted in promoting the economic

1 development of our country. The legislature therefore finds that the distribution of 1,000,000  
 2 acres to citizens annually will stimulate economic development and benefit residents today and  
 3 in the future. This gradual distribution will allow a slow, steady conversion to private land  
 4 ownership over a period of more than 100 years.

5 \* **Sec. 2.** AS 38 is amended by adding a new chapter to read:

6 **Chapter 14. Alaska Land Lottery Act.**

7 **Sec. 38.14.010. Land lottery.** (a) The department shall annually conduct a  
 8 lottery of all applicants for the permanent fund dividend under AS 43.23. The total  
 9 number of winners of the lottery shall be equal to the number of parcels of land  
 10 selected for disposal that year under AS 38.14.040. The department shall randomly  
 11 assign each winner of the lottery to a parcel of land and shall notify each winner by  
 12 (1) a notice on the permanent fund dividend stub or direct deposit advice as provided  
 13 under AS 43.23.028(a)(8), or (2) first-class mail at the mailing address supplied on the  
 14 permanent fund dividend application, that the person is eligible to receive an interest  
 15 in land under this chapter and of the location and description of the parcel assigned.

16 (b) If a winner of the lottery under (a) of this section receives a permanent  
 17 fund dividend for that dividend year and supplies proof of that receipt to the  
 18 department within three years of the date of the lottery, the department shall issue to  
 19 the person an interest in the land. The interest in the land entitles the person to fee  
 20 simple title to the land, subject to the reservations to the state under AS 38.14.020, if  
 21 the person completes the survey and location marking required under AS 38.14.100.

22 (c) An interest received under (b) of this section is freely transferable to  
 23 another person.

24 (d) A person who is selected under (a) of this section is not eligible for  
 25 another lottery under this section until six years have elapsed since the person was  
 26 selected.

27 (e) If a person selected under this section is a minor, the interest in the land  
 28 shall be awarded to the parents of the minor in trust for the minor.

29 **Sec. 38.14.020. Commissioner may not convey mineral or resource rights.**  
 30 In a disposal under this chapter, the commissioner may not convey a mineral or  
 31 resource right that the state is required to maintain under a law of this state or of the

1 United States; a disposal under this chapter must provide for reasonable access to these  
2 minerals or resources by the state or a lessee or other designee of the state.

3 **Sec. 38.14.030. Eligibility to receive an interest in land.** A person may not  
4 be awarded an interest in land under this chapter unless the person has received a  
5 permanent fund dividend under AS 43.23 for the year in which the interest is awarded.

6 **Sec. 38.14.040. Selection of land for lottery.** (a) Annually, not later than  
7 January 31 of each year, the department shall select 1,000,000 acres more or less of  
8 state land to be awarded by lottery to applicants for the permanent fund dividend in  
9 that calendar year. In selecting the 1,000,000 acres, at least one percent of the lands  
10 selected must be parcels of at least 80 acres in size suitable for agriculture. The  
11 remaining 99 percent of the land selected must consist of parcels not less than five  
12 acres in size with the median parcel size being 40 acres.

13 (b) The selection of land under this section and the disposal of it by lottery  
14 under this chapter are exempt from the requirements of AS 38.04 and AS 38.05. The  
15 department shall provide prior public notice as required under the state constitution for  
16 disposal of land.

17 (c) The land selected under (a) of this section shall be offered based upon an  
18 aliquot parts description. The state is not required to provide a survey by a licensed  
19 surveyor.

20 **Sec. 38.14.050. Schools.** The state, a municipality, or a rural educational  
21 attendance area does not have a duty to provide on-site schools for a parcel of land  
22 purchased by a person under this chapter.

23 **Sec. 38.14.060. Rights-of-way and easements.** The state shall retain not less  
24 than a 100-foot right-of-way along each section line of land disposed under this  
25 chapter and shall reserve other rights-of-way and easements as are necessary to reach  
26 and use public water and public and private land. The state shall identify the  
27 reservations under this section at the time of a disposal under this chapter.

28 **Sec. 38.14.070. Roads; acquisition by state.** (a) The state does not have a  
29 duty to construct or maintain roads to a parcel of land disposed of under this chapter.  
30 A person acquiring land disposed of under this chapter may construct a road from an  
31 existing state or municipal road to the land if the proposed route is approved by the

1 department or a municipality and the road is constructed to standards set by the  
2 Department of Transportation and Public Facilities.

3 (b) A road constructed by a person who receives land under this chapter that  
4 is built on the state's section line right-of-way is open to the public, and the owner of  
5 the land may not exclude the public from its use.

6 (c) A road constructed by a person who receives land under this chapter  
7 becomes a public road, without compensation to the builder of the road, if the person  
8 offers the road to the state or a municipality and the state or the municipality agrees  
9 to accept the road and undertake responsibility for the maintenance of the road.

10 **Sec. 38.14.080. Nonapplicability of the Alaska coastal management**  
11 **program.** Notwithstanding any other provision of law, land disposed of under this  
12 chapter is not subject to AS 46.40 (Alaska coastal management program).

13 **Sec. 38.14.090. Land not subject to disposal.** Land identified under  
14 AS 16.20, AS 41.15.300 - 41.15.330, AS 41.17, AS 41.21, and AS 41.23 is not subject  
15 to disposal under this chapter.

16 **Sec. 38.14.100. Surveys.** A person who acquires an interest in land under this  
17 chapter shall, within three years of acquiring the interest,

18 (1) have the land surveyed at the person's expense; the survey shall  
19 be conducted as provided in regulations adopted by the department by a surveyor  
20 licensed by the state; the person shall provide a copy of the survey to the state without  
21 charge; the state may not issue a deed to the land until the survey has been completed  
22 and supplied to the state; and

23 (2) mark the location of the parcel on the ground by

24 (A) posting at the northeast corner of the parcel of land a plain  
25 sign or notice containing the name of the person; and

26 (B) erecting at each corner or angle of the parcel substantial  
27 monuments of stone or setting posts, not less than three feet in height nor less  
28 than three inches in diameter hewn and marked with the name of the person,  
29 the position or number of the monument, and the direction of the boundary  
30 lines, and by cutting out, blazing, or marking the boundary lines so that they  
31 can be readily traced; where it is impracticable to place a monument at its true

1 position, a witness monument shall be erected and marked to indicate the true  
2 position of the corner or angle.

3 **Sec. 38.14.110. Land subject to existing leases and claims may not be**  
4 **offered.** Land that is subject to an existing surface estate lease, subsurface or mining  
5 lease, or mining claim may not be offered for disposal under this chapter.

6 **Sec. 38.14.120. No liability for contamination of soil or water before**  
7 **acquisition.** Notwithstanding any other provision of law, a person who acquires an  
8 interest in land under this chapter is not liable under state law for contamination of soil  
9 or water occurring before the person's acquisition of the interest.

10 **Sec. 38.14.130. Additional terms and conditions.** The department may not  
11 impose terms and conditions in excess of those provided in this chapter or by the state  
12 constitution.

13 **Sec. 38.14.200. Definitions.** In this chapter,

14 (1) "commissioner" means the commissioner of natural resources;

15 (2) "department" means the Department of Natural Resources.

16 \* **Sec. 3.** AS 43.23.028(a) is amended by adding a new paragraph to read:

17 (8) disclose if that individual is a winner in the land lottery conducted  
18 under AS 38.14.

19 \* **Sec. 4.** AS 43.23.055 is amended by adding a new paragraph to read:

20 (9) cooperate with the Department of Natural Resources and supply all  
21 resources and information necessary for the implementation of the land lottery under  
22 AS 38.14.