

CS FOR SENATE BILL NO. 6(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIRST LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 3/15/00

Referred: Rules

Sponsor(s): SENATOR TAYLOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the state land disposal bank; relating to the disposal of state
2 land; providing that at least 75,000 acres of state land shall be offered for
3 disposal annually; and relating to appraisal and survey of state land being sold."

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

5 * **Section 1.** The uncodified law of the State of Alaska is amended by adding a new
6 section to read:

7 FINDINGS AND INTENT. (a) The legislature finds that Alaska is rich in natural
8 resources, of which only a few have been developed. Over the past 20 years, the state has
9 become almost solely dependent on oil revenues, which fluctuate drastically depending on
10 world events. It is imperative for the future well-being of our state and its citizens that we
11 develop a more stable source of revenue.

12 (b) It is the intent of the legislature

13 (1) that the Department of Natural Resources immediately embark on a
14 systematic process of identifying land to be sold to the public to promote the development and

1 use of our resources;

2 (2) that the Department of Natural Resources make available for sale not less
3 than 75,000 acres a year from the land disposal bank, commencing as soon as practicable after
4 the effective date of this Act; and

5 (3) to reevaluate this disposal program at the end of five years to determine
6 market conditions and make any appropriate changes consistent with market conditions.

7 * **Sec. 2.** AS 38.04 is amended by adding a new section to article 2 to read:

8 **Sec. 38.04.016. Land Disposal Advisory Committee.** (a) The Land Disposal
9 Advisory Committee is established in the Department of Natural Resources. The
10 committee is composed of 11 members. The governor shall appoint five members of
11 the committee. The president of the senate shall appoint three members of the
12 committee. The speaker of the house of representatives shall appoint three members
13 of the committee. Each member serves at the pleasure of the appointing authority.
14 Members of the committee serve without compensation but are entitled to per diem
15 and travel expenses authorized for members of boards and commissions under
16 AS 39.20.180.

17 (b) The committee shall nominate land for inclusion in the land disposal bank
18 under AS 38.04.020(j) in quantities sufficient to satisfy the annual land disposal
19 requirement under AS 38.04.020(a).

20 (c) The committee shall review nominations under AS 38.04.020(j) and the
21 inventory of land in the land disposal bank and shall create a list of parcels in the land
22 disposal bank recommended for disposal. The committee shall submit its list of
23 parcels recommended for disposal to the governor and commissioner in time for the
24 parcels to be considered in the preparation of the commissioner's five-year schedule
25 of planned disposals of land under AS 38.04.020(d).

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

27 (a) The commissioner shall establish a land disposal bank containing state land
28 classified for disposal into private ownership. **From this land disposal bank, a**
29 **minimum of 75,000 acres each year shall be offered for disposal.**

30 * **Sec. 4.** AS 38.04.020(d) is repealed and reenacted to read:

31 (d) At the beginning of each regular legislative session, the commissioner shall

1 submit to the legislature the list of parcels in the land disposal bank recommended for
 2 disposal by the land disposal advisory committee under AS 38.04.016(c), and a five-
 3 year schedule of planned disposals of land under this section. The schedule shall
 4 identify at least 75,000 acres of land to be offered for disposal under (a) of this section
 5 each year. In identifying land to be offered for disposal, the commissioner shall
 6 consider nominations under (j) of this section and the recommendations of the Land
 7 Disposal Advisory Committee. The five-year schedule must include a list of parcels
 8 to be offered for disposal each year, categorized by potential use, and the list must
 9 include parcels suitable for homesteading, parcels suitable for subdivision, parcels
 10 suitable for agricultural, commercial, or industrial use, and parcels suitable for other
 11 purposes. The legislature may change the classification or categorization of parcels
 12 identified for disposal or remove parcels from the list. The remaining land on the list
 13 submitted to the legislature shall be offered for disposal according to the five-year
 14 schedule. Land may not be disposed of under this section for less than 70 percent of
 15 its appraised fair market value.

16 * **Sec. 5.** AS 38.04.020(j) is amended to read:

17 (j) A person, **the Land Disposal Advisory Committee**, or an agency of the
 18 state may nominate land retained in state ownership for inclusion in the land disposal
 19 bank or may nominate land in the land disposal bank for retention in state ownership.
 20 The commissioner shall hold public hearings semiannually to take nominations under
 21 this subsection. A transfer of land from retention in state ownership to the land
 22 disposal bank or from the land disposal bank to retention in state ownership shall be
 23 accomplished through a classification order under AS 38.05.300 and with notice under
 24 AS 38.05.945. The commissioner shall make a written determination within six
 25 months after receipt of a nomination if the commissioner determines that the land
 26 nominated will not be classified or reclassified as requested.

27 * **Sec. 6.** AS 38.04.045 is amended by adding a new subsection to read:

28 (c) Sales of land from the land disposal bank are subject to AS 38.05.064.

29 * **Sec. 7.** AS 38.04.060(a) is amended to read:

30 (a) The commissioner shall prepare and maintain on a continuing basis an
 31 inventory of all state land and water and their resource and other values, giving

1 priority to areas of potential settlement, economic development, and critical
 2 environmental concern. **The inventory must identify the land that is in the land**
 3 **disposal bank established under AS 38.04.020.** This inventory shall be kept current
 4 so as to reflect changes in conditions and to identify new and emerging resource and
 5 other values.

6 * **Sec. 8.** AS 38.05.055 is amended to read:

7 **Sec. 38.05.055. Auction sale procedures.** Unless another method of sale is
 8 required under this chapter, AS 38.08, or AS 38.09, the sale of state land shall be
 9 made at public auction to the highest qualified bidder as determined by the director.
 10 The director may accept bids and sell state land under this section at no less than 70
 11 percent of the appraised fair market value of the land. To qualify to participate under
 12 this section in a public auction of state land that is other than commercial, industrial,
 13 or agricultural land, a bidder shall have been a resident of the state for at least one
 14 year immediately preceding the date of the auction and submit proof of that fact, as
 15 the commissioner requires by regulation. A bidder may be represented by an attorney
 16 or agent at the auction. An aggrieved bidder may appeal to the commissioner within
 17 five days after the sale for a review of the director's determination. The sale shall be
 18 conducted by the director, and, at the time of sale, the successful bidder shall deposit
 19 an amount **specified by the director** equal to **at least** five percent **and no more than**
 20 **25 percent** of the purchase price. The director shall immediately issue a receipt
 21 containing a description of the land or property purchased, the price bid, and the
 22 amount deposited. The receipt shall be acknowledged in writing by the bidder.

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

24 (a) The commissioner may dispose of land, including land limited to use for
 25 agricultural purposes, by lottery. The purchase price of land sold by lottery shall be
 26 the fair market value of the land as determined by the commissioner. The
 27 commissioner may sell land by lottery for less than the fair market value of the land
 28 on a determination that scarcity of land for private use in the area of the land to be
 29 sold has resulted in unrealistic land values. The lottery shall be conducted in public
 30 by the commissioner. A purchaser selected by lot shall deposit an amount **specified**
 31 **by the director** equal to **at least** five percent **and no more than 25 percent** of the

1 purchase price within 30 days after receiving notification of the selection.

2 * **Sec. 10.** AS 38.05.057(f) is amended to read:

3 (f) If only one application for a parcel is received, the commissioner shall offer
 4 the parcel to the applicant who applied for the parcel if the applicant is qualified to
 5 participate in the lottery. If more than one application is received for a parcel, the
 6 commissioner shall select the applicant who is entitled to receive a conveyance of the
 7 land by lottery. If the commissioner does not receive an application for a parcel of
 8 state land, [OR] if a purchaser fails to sign a [LEASE AGREEMENT OR] contract of
 9 sale, **or if a parcel previously disposed of under this section has been reacquired**
 10 **by the state through foreclosure**, the parcel shall be offered to the first eligible
 11 person to apply for the parcel. [IF THE PARCEL WAS DESIGNATED AS A
 12 HOMESITE AND OFFERED TO THE PUBLIC UNDER FORMER AS 38.05.047(f),
 13 THE PARCEL SHALL BE DISPOSED OF UNDER THE TERMS REQUIRED BY
 14 AS 38.08.]

15 * **Sec. 11.** AS 38.05.060 is amended to read:

16 **Sec. 38.05.060. Rejection of bids.** Before the signing of the formal
 17 conveyance by the director, the commissioner may reject all bids when the best
 18 interests of the state justify this action. Land offered at public sale but not sold, **land**
 19 **for which a purchaser fails to sign a contract of sale, or land previously disposed**
 20 **of but reacquired by the state through foreclosure** may be made available at private
 21 sale for not less than its appraised value.

22 * **Sec. 12.** AS 38.05 is amended by adding a new section to read:

23 **Sec. 38.05.064. Appraisal and survey.** The commissioner shall require a
 24 purchaser of land, whether the purchase is by auction, lottery, or other means, to
 25 provide, at the purchaser's expense, an appraisal and survey of the land, completed in
 26 the manner directed by the commissioner or, if an appraisal or survey has already been
 27 completed by the state, to reimburse the state for the cost of the survey, the appraisal,
 28 or both.