

**CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 57(FIN)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SESSION

**BY THE HOUSE FINANCE COMMITTEE**

**Offered: 4/5/06**

**Referred: Rules**

**Sponsor(s): REPRESENTATIVES WEYHRAUCH, Elkins, Thomas, Foster**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the sale of certain state land to adjacent landowners."**

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

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

4 (b) The director may

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

7 (2) grant preference rights for the lease or purchase of state land  
8 without competitive bid in order to correct errors or omissions of a state or federal  
9 administrative agency when inequitable detriment would otherwise result to a diligent  
10 claimant or applicant due to situations over which the claimant or applicant had no  
11 control; the exercise of this discretionary power operates only to divest the state of its  
12 title to or interests in land and may be exercised only

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

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

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

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

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

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

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

21 (5) when the director determines it is in the best interest of the state  
22 and will avoid injustice to a person or the heirs or devisees of a person, dispose of  
23 land, by direct negotiation to that person who presently uses and who used and made  
24 improvements to that land before January 3, 1959, or to the heirs or devisees of the  
25 person; the amount paid for the land shall be its fair market value on the date that the  
26 person first entered the land, as determined by the director; a parcel of land disposed  
27 of under this paragraph shall be of a size consistent with the person's prior use, but  
28 may not exceed five acres;

29 (6) after consulting with the Board of Agriculture and Conservation  
30 (AS 03.09.010), dispose of an interest in land limited to use for agricultural purposes  
31 by lottery;

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

5                               (A) the director determines that it is in the best interests of the  
 6 state;

7                               (B) the parcel

8                                       *(i)* does not exceed the minimum lot size under an  
 9 applicable zoning code; **or**

10                                       **(ii) is smaller than 20 acres and is completely**  
 11 **enclosed by property owned by the adjacent landowner;** and

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

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

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

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