

**CS FOR HOUSE BILL NO. 130(RES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

**BY THE HOUSE RESOURCES COMMITTEE**

**Offered: 3/9/05**

**Referred: Finance**

**Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the grant of certain state land to the University of Alaska and**  
2 **establishing the university research forest; and providing for an effective date."**

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

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

6 FINDINGS. The legislature finds that

7 (1) as the beneficiary under the provisions of the Acts of August 30, 1890 (26  
8 Stat. 417), and March 4, 1907 (34 Stat. 1281), designating the Alaska Agricultural College  
9 and School of Mines as beneficiary, and of March 4, 1915 (38 Stat. 1214), transferring certain  
10 land for its location and support, the University of Alaska is a land grant university;

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

14 (3) the territory was unable to receive most of the land conveyed by the Act of

1 March 4, 1915, before repeal of that Act by sec. 6(k) of the Alaska Statehood Act (P.L. 85-  
2 508, 72 Stat. 339);

3 (4) the Congress of the United States granted the State of Alaska the right to  
4 select 103,350,000 acres of federal land under sec. 6(a) and (b) of the Alaska Statehood Act;

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

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

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

14 (8) it is in the best interests of the state and the University of Alaska that the  
15 Board of Regents of the University of Alaska take ownership of a significant and substantial  
16 portfolio of income-producing land to provide income for the support of public higher  
17 education in the state;

18 (9) it currently is in the best interests of the state and the University of Alaska  
19 to establish a university research forest on some of the land to be conveyed to the Board of  
20 Regents in trust for the university;

21 (10) in 2055, the University of Alaska should take ownership of the university  
22 research forest land;

23 (11) renewable resources retained in ownership by the Board of Regents in  
24 trust for the University of Alaska should be managed on a sustained-yield basis, taking into  
25 account the total land grant;

26 (12) ch. 136, SLA 2000, was enacted to implement many of the findings stated  
27 in this section by providing a process for the selection of land to be conveyed from the State  
28 of Alaska to the University of Alaska;

29 (13) the land selection process provided for in ch. 136, SLA 2000, presents  
30 significant difficulties, including the financial cost of the selection process and delay in the  
31 Board of Regent's acquisition of income-producing land for the University of Alaska;

1 (14) the significant administrative expense and lengthy period of time required  
 2 for completing the land selection process under the existing law can be avoided by providing  
 3 for a more expedited conveyance of income-producing land;

4 (15) the State of Alaska and University of Alaska have identified particular  
 5 land to be conveyed to the Board of Regents in trust for the University of Alaska in order to  
 6 implement the findings in this section;

7 (16) except for university research forest land, conveyance of land identified  
 8 by the State of Alaska and the University of Alaska shall be largely completed within three  
 9 years after the effective date of this Act.

10 \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
 11 read:

12 LEGISLATIVE INTENT. It is the intent of the legislature that the Board of Regents  
 13 of the University of Alaska

14 (1) receive land in trust for the University of Alaska under this Act in an  
 15 expeditious manner; and

16 (2) encourage the development of in-state value-added industries to the extent  
 17 economically feasible and practicable when developing land conveyed under AS 14.40.365,  
 18 as repealed and reenacted by sec. 5 of this Act.

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

20 (a) The Board of Regents shall

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

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

25 (3) confer such appropriate degrees as it may determine and prescribe;

26 (4) have the care, control, and management of

27 (A) all the real and personal property of the university; and

28 (B) land

29 (i) conveyed to the Board of Regents by the  
 30 commissioner of natural resources in the settlement of the claim of the  
 31 University of Alaska to land granted to the state in accordance with the

1 Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance  
2 with the Act of January 21, 1929 (45 Stat. 1091), as amended; and

3 (ii) [SELECTED BY THE UNIVERSITY OF  
4 ALASKA AND] conveyed to **the Board of Regents in trust for the**  
5 **University of Alaska** [IT] by the commissioner of natural resources  
6 under AS 14.40.365;

7 (5) keep a correct and easily understood record of the minutes of every  
8 meeting and all acts done by it in pursuance of its duties;

9 (6) under procedures to be established by the commissioner of  
10 administration, and in accordance with existing procedures for other state agencies,  
11 have the care, control, and management of all money of the university and keep a  
12 complete record of all money received and disbursed;

13 (7) adopt reasonable rules for the prudent trust management and the  
14 long-term financial benefit to the university of the land of the university;

15 (8) provide public notice of sales, leases, exchanges, and transfers of  
16 the land of the university or of interests in land of the university;

17 (9) administer, manage, market, and promote a postsecondary  
18 education savings program, including the Alaska Higher Education Savings Trust  
19 under AS 14.40.802 and the Alaska advance college tuition savings fund under  
20 AS 14.40.803 - 14.40.817.

21 \* **Sec. 4.** AS 14.40.291(a) is amended to read:

22 (a) Notwithstanding any other provision of law, university-grant land, state  
23 replacement land that becomes university-grant land on conveyance to the university,  
24 land [SELECTED BY AND] conveyed to the **Board of Regents in trust for the**  
25 University of Alaska under AS 14.40.365, and any other land owned by the **university**  
26 [UNIVERSITY OF ALASKA] is not and may not be treated as state public domain  
27 land. Land conveyed to the **Board of Regents in trust for the** University of Alaska  
28 under AS 14.40.365 shall be managed **as nontaxable trust land** under **AS 14.40.365 -**  
29 **14.40.367** [AS 14.40.365 - 14.40.368] and policies of the Board of Regents [OF THE  
30 UNIVERSITY OF ALASKA].

31 \* **Sec. 5.** AS 14.40.365 is repealed and reenacted to read:

1           **Sec. 14.40.365. University land grant.** (a) Except as provided in (b) of this  
2 section, before July 1, 2008, the commissioner of natural resources shall convey to the  
3 Board of Regents in trust for the University of Alaska, by quitclaim deed, the state  
4 land identified for conveyance to the university and described in the document titled  
5 "University of Alaska Land Grant List 2005," dated January 12, 2005.

6           (b) As soon as practicable after June 30, 2055, the commissioner of natural  
7 resources shall convey to the Board of Regents in trust for the University of Alaska,  
8 by quitclaim deed, the state land described as the "University Research Forest" and  
9 identified for conveyance to the university in the document titled "University of  
10 Alaska Land Grant List 2005," dated January 12, 2005.

11           (c) As soon as practicable after the receipt of patent from the United States,  
12 but not before the land is otherwise required to be conveyed under this section, the  
13 commissioner of natural resources shall convey to the Board of Regents in trust for the  
14 University of Alaska, by quitclaim deed, federal land that has been selected for  
15 conveyance to the state under the Alaska Statehood Act but is subject to a federal  
16 mining claim, and that is identified in the document titled "University of Alaska Land  
17 Grant List 2005," dated January 12, 2005, for conveyance to the university upon the  
18 state's acquisition of patent.

19           (d) Notwithstanding AS 38.05.125(a), and except as otherwise provided in this  
20 section, the transfer of ownership of land from the commissioner of natural resources  
21 to the Board of Regents in trust for the University of Alaska under this section  
22 includes the interest of the state in the coal, ores, minerals, fissionable materials,  
23 geothermal resources, and fossils, oil, and gas that may be in or on the land.

24           (e) Land conveyed under this section to the Board of Regents in trust for the  
25 University of Alaska is subject to any valid possessory interest or other valid existing  
26 right, including any lease, license, contract, prospecting site, claim, sale, permit, right-  
27 of-way, or easement held by another person, including a federal, state, or municipal  
28 agency, on the effective date of this section.

29           (f) Before conveying land under this section, the commissioner of natural  
30 resources shall reserve access under AS 38.05.127, but other provisions of AS 38.04  
31 and AS 38.05 do not apply to the commissioner's preparation for conveyance of land

1 to the Board of Regents in trust for the University of Alaska under this section. In  
 2 addition to access under AS 38.05.127, the commissioner may reserve in the  
 3 conveyance document existing trails, roads, and other access routes that provide public  
 4 access to adjacent land and public waterways.

5 (g) In addition to rights or an interest held by a person under (e) of this  
 6 section, land conveyed to the Board of Regents in trust for the University of Alaska  
 7 under this section

8 (1) is subject to

9 (A) sec. 6(i) of the Alaska Statehood Act (P.L. 85-508, 72 Stat.  
 10 339);

11 (B) AS 19.10.010;

12 (C) any easement, right-of-way, or other access under former  
 13 43 U.S.C. 932 (sec. 8, Act of July 26, 1866, 14 Stat. 253);

14 (D) the provisions of any memorandum of agreement entered  
 15 into between the University of Alaska and the commissioner of natural  
 16 resources governing shared benefits or costs associated with land to be  
 17 conveyed to the Board of Regents in trust for the University of Alaska;

18 (E) any interest transferred to the state by quitclaim deed dated  
 19 June 30, 1959, under authority of the Alaska Omnibus Act (P.L. 86-70, 73  
 20 Stat. 141); and

21 (2) excludes the mineral estate on land that is subject to a valid state  
 22 mining claim.

23 (h) As soon as practicable after the extinguishment, release, or expiration of a  
 24 valid state mining claim located on land to be conveyed under this section, but not  
 25 before the land is otherwise required to be conveyed under this section, the  
 26 commissioner of natural resources shall convey the mineral estate excluded from  
 27 conveyance under (g)(2) of this section.

28 (i) The responsibility for the management of land conveyed to the Board of  
 29 Regents in trust for the University of Alaska under this section vests with the Board of  
 30 Regents in trust for the University of Alaska on the date of recording of that  
 31 conveyance.

1 (j) The Board of Regents of the University of Alaska is entitled to receive any  
 2 income derived from land conveyed to the Board of Regents in trust for the University  
 3 of Alaska under this section accruing after the date of conveyance, including any  
 4 income accruing from an existing lease, license, contract, prospecting site sale, permit,  
 5 right-of-way, easement, or trespass claim.

6 (k) Notwithstanding any other provision of this section, within 10 years after  
 7 conveyance of land under this section, the Board of Regents may reconvey to the  
 8 Department of Natural Resources land

9 (1) containing hazardous waste that was present on the land before  
 10 conveyance under this section;

11 (2) on which is located a historic or archeological site that is subject to  
 12 management under AS 41.35; or

13 (3) that the Board of Regents and the commissioner of natural  
 14 resources jointly agree is in the best interests of the state and the university to  
 15 reconvey.

16 (l) After the effective date of this section and before the conveyance of a  
 17 parcel of land to the Board of Regents in trust for the University of Alaska under this  
 18 section, the commissioner of natural resources may not convey, without consent of the  
 19 university, any irrevocable interest in a parcel that is required to be conveyed to the  
 20 Board of Regents in trust for the University of Alaska under this section.

21 (m) The commissioner of natural resources may make minor adjustments to  
 22 the maps or legal descriptions of the state land identified for conveyance to the  
 23 university and described in the document titled "University of Alaska Land Grant List  
 24 2005," dated January 12, 2005, to correct omissions or errors.

25 (n) Notwithstanding (a) of this section, the following state land described in  
 26 the document entitled "University of Alaska Land Grant List 2005," dated January 12,  
 27 2005, may not be conveyed to the University of Alaska under this section:

28 (1) Parcel Number CS.DI.1001, Duke Island;

29 (2) Parcel Number CS.KI.1001, Kelp Island;

30 (3) Parcel Number JU.LM.1001, Lena Creek;

31 (4) Parcel Number KT.1004, Neets Creek;

1 (5) Parcel Number MA.KR.1001, Kodiak Rocket Range;

2 (6) Parcel Number PA.1001, Port Alexander; and

3 (7) Parcel Number ST.1002, Warm Springs Bay.

4 (o) Notwithstanding (a) of this section, each of the following parcels described  
5 in the document entitled "University of Alaska Land Grant List 2005," dated  
6 January 12, 2005, may not be conveyed to the University of Alaska under this section  
7 until all Native allotment applications applicable to that parcel have been denied:

8 (1) Parcel Number PA.1002, Biorka Island;

9 (2) Parcel Number NS.NS.1001, Lisianski Peninsula.

10 \* **Sec. 6.** AS 14.40.366 is repealed and reenacted to read:

11 **Sec. 14.40.366. Management requirements for university land.** (a) Before  
12 the conveyance or the disposal of an interest in the land to a third party, land conveyed  
13 to the Board of Regents in trust for the University of Alaska under AS 14.40.365 shall  
14 be managed in a manner that, to the extent practicable, permits reasonable activities of  
15 the public that do not interfere with the use or management of the land by the  
16 university.

17 (b) For land conveyed to the Board of Regents in trust for the University of  
18 Alaska under AS 14.40.365, the Board of Regents shall

19 (1) seek public comment on proposals for land development,  
20 exchange, or sale; and

21 (2) adopt policies that require the preparation of land development  
22 plans and land disposal plans.

23 (c) The Board of Regents shall adopt policies requiring public notice before  
24 approval of land development plans and land disposal plans. The policies must  
25 require that the notice be provided not less than 30 days before the proposed action  
26 and that the notice be

27 (1) sent to local legislators, municipalities, and legislative information  
28 offices in the vicinity of the action and at other locations as the university may  
29 designate;

30 (2) published in newspapers of general circulation in the vicinity of the  
31 proposed action at least once each week for two consecutive weeks; and

1 (3) published on state and university public notice Internet websites.

2 (d) In this section, "development, exchange, or sale" does not include the grant  
3 of an easement or right of way or the development of a campus facility.

4 \* **Sec. 7.** AS 14.40.400(a) is amended to read:

5 (a) The Board of Regents shall establish a separate endowment trust fund in  
6 which shall be held in trust in perpetuity all

7 (1) net income derived from the sale or lease of the land granted under  
8 the Act of Congress approved January 21, 1929, as amended;

9 (2) net income derived from the sale, lease, or management of the land  
10 [SELECTED BY AND] conveyed to the **Board of Regents in trust for the**  
11 **University of Alaska under AS 14.40.365; however, the amount deposited in the**  
12 **endowment trust fund under this paragraph resulting from mineral lease**  
13 **royalties and royalty sales proceeds may not be less than 25 percent of all such**  
14 **mineral lease royalties and royalty sales proceeds received by the university;** and

15 (3) monetary gifts, bequests, or endowments made to the University of  
16 Alaska for the purpose of the fund.

17 \* **Sec. 8.** AS 14.40.461 is repealed and reenacted to read:

18 **Sec. 14.40.461. University research forest.** (a) For the purpose of  
19 advancing research into forest practices, ecology, wildlife management, and  
20 recreation, a university research forest is established on land described as the  
21 "University Research Forest" and identified for conveyance to the Board of Regents in  
22 trust for the University of Alaska in the document titled "University of Alaska Land  
23 Grant List 2005," dated January 12, 2005.

24 (b) Before conveyance of university research forest land to the Board of  
25 Regents in trust for the University of Alaska under AS 14.40.365(b), the commissioner  
26 of natural resources shall manage the university research forest to accomplish the  
27 purposes of this section and in accordance with state land use plans adopted under  
28 AS 38.04.065, forest management plans adopted under AS 41.17.230, and other  
29 provisions of law applicable to state-owned land.

30 (c) Notwithstanding the limitations of AS 14.40.365(l), on or before the date a  
31 parcel is required to be conveyed to the Board of Regents of the University of Alaska

1 under AS 14.40.365(b), the commissioner of natural resources may

2 (1) convey an irrevocable interest in land located in the research forest  
3 that terminates or returns to the state on or before the date the parcel is required to be  
4 conveyed under AS 14.40.365(b);

5 (2) sell timber rights and dispose of other renewable resources located  
6 in the research forest.

7 (d) After conveyance of university research forest land to the Board of  
8 Regents in trust for the university under AS 14.40.365(b), the Board of Regents may  
9 disestablish some or all of the university research forest established by this section,  
10 and dispose of, or develop, land within the former research forest, if the Board of  
11 Regents first

12 (1) provides to the public and the commissioner of natural resources  
13 reasonable notice and an opportunity for comment on the board's proposed decision  
14 regarding disestablishment;

15 (2) considers comments received from the public and the  
16 commissioner of natural resources under (1) of this subsection;

17 (3) evaluates whether the objectives of advancing research into forest  
18 practices, ecology, wildlife management, and recreation can be accomplished without  
19 retaining some or all of the research forest;

20 (4) determines, following notice and any public comment by local  
21 timber industry representatives, that disposal of the land will not interfere with  
22 commercially viable timber harvest resource development; and

23 (5) concludes that it is in the best interest of the university to  
24 disestablish some or all of the research forest.

25 \* **Sec. 9.** AS 29.65.030 is amended by adding a new subsection to read:

26 (d) For the purpose of determining the general land grant entitlement under (a)  
27 of this section, the maximum total acreage of vacant, unappropriated, unreserved land  
28 within the boundaries of the municipality between the date of its incorporation and  
29 two years after that date shall be increased by the amount of land located within the  
30 boundaries of the municipality that is transferred to the University of Alaska under  
31 AS 14.40.365.

- 1 \* **Sec. 10.** AS 14.40.368 is repealed.
- 2 \* **Sec. 11.** This Act takes effect July 1, 2005.