

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

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/13/05

Referred: Rules

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; relating to**  
2 **the duties of the Board of Regents; establishing the university research forest; and**  
3 **providing for an effective date."**

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

5 **\* Section 1.** AS 14.40.170(a) is amended to read:

6 (a) The Board of Regents shall

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

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

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

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

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

14 (B) land

1 (i) conveyed to the Board of Regents by the  
 2 commissioner of natural resources in the settlement of the claim of the  
 3 University of Alaska to land granted to the state in accordance with the  
 4 Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance  
 5 with the Act of January 21, 1929 (45 Stat. 1091), as amended; and

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

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

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

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

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

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

24 **(10) ensure that the University of Alaska's Cooperative Extension**  
 25 **Service is adequately staffed to meet the needs of the public.**

26 \* **Sec. 2.** AS 14.40.291(a) is amended to read:

27 (a) Notwithstanding any other provision of law, university-grant land, state  
 28 replacement land that becomes university-grant land on conveyance to the university,  
 29 land [SELECTED BY AND] conveyed to the **Board of Regents in trust for the**  
 30 University of Alaska under AS 14.40.365, and any other land owned by the **university**  
 31 [UNIVERSITY OF ALASKA] is not and may not be treated as state public domain

1 land. Land conveyed to the **Board of Regents in trust for the** University of Alaska  
 2 under AS 14.40.365 shall be managed **as nontaxable trust land** under **AS 14.40.365 -**  
 3 **14.40.367** [AS 14.40.365 - 14.40.368] and policies of the Board of Regents [OF THE  
 4 UNIVERSITY OF ALASKA].

5 \* **Sec. 3.** AS 14.40.365 is repealed and reenacted to read:

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

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

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

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

29 (e) Land conveyed under this section to the Board of Regents in trust for the  
 30 University of Alaska is subject to any valid possessory interest or other valid existing  
 31 right, including any lease, license, contract, prospecting site, claim, sale, permit, right-

1 of-way, Native allotment, or easement held by another person, including a federal,  
2 state, or municipal agency, on the effective date of this section.

3 (f) Before conveying land under this section, the commissioner of natural  
4 resources shall reserve access under AS 38.05.127, but other provisions of AS 38.04  
5 and AS 38.05 do not apply to the commissioner's preparation for conveyance of land  
6 to the Board of Regents in trust for the University of Alaska under this section. In  
7 addition to access under AS 38.05.127, the commissioner may reserve in the  
8 conveyance document existing offshore uses such as aquatic fish farm sites,  
9 anchorages for vessels, fish buying stations, trails, roads, and other access routes that  
10 provide public access to adjacent land and public waterways.

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

14 (1) is subject to

15 (A) sec. 6(i) of the Alaska Statehood Act (P.L. 85-508, 72 Stat.  
16 339);

17 (B) AS 19.10.010;

18 (C) any easement, right-of-way, or other access under former  
19 43 U.S.C. 932 (sec. 8, Act of July 26, 1866, 14 Stat. 253);

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

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

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

29 (h) As soon as practicable after the extinguishment, release, or expiration of a  
30 valid state mining claim located on land to be conveyed under this section, but not  
31 before the land is otherwise required to be conveyed under this section, the

1 commissioner of natural resources shall convey the mineral estate excluded from  
2 conveyance under (g)(2) of this section.

3 (i) The responsibility for the management of land conveyed to the Board of  
4 Regents in trust for the University of Alaska under this section vests with the Board of  
5 Regents in trust for the University of Alaska on the date of recording of that  
6 conveyance.

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

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

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

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

19 (3) that the Board of Regents and the commissioner of natural  
20 resources jointly agree is in the best interests of the state and the university to  
21 reconvey.

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

27 (m) The commissioner of natural resources may make minor adjustments to  
28 the maps or legal descriptions of the state land identified for conveyance to the  
29 university and described in the document titled "University of Alaska Land Grant List  
30 2005," dated January 12, 2005, to correct omissions or errors.

31 (n) Notwithstanding (a) of this section, the following state land described in

1 the document entitled "University of Alaska Land Grant List 2005," dated January 12,  
2 2005, may not be conveyed to the University of Alaska under this section:

- 3 (1) Parcel Number CS.DI.1001, Duke Island;
- 4 (2) Parcel Number MF.1002, Idaho Inlet;
- 5 (3) Parcel Number CS.KI.1001, Kelp Island;
- 6 (4) Parcel Number PA.1002 Mite Cove;
- 7 (5) Parcel Number KT.1004, Neets Creek;
- 8 (6) Parcel Number MA.KR.1001, Kodiak Rocket Range;
- 9 (7) Parcel Number ST.1002, Pelican;
- 10 (8) Parcel Number PA.1001, Port Alexander; and
- 11 (9) Parcel Number ST.1002, Warm Springs Bay.

12 (o) Notwithstanding (a) of this section, the state land identified in this  
13 subsection and described in the document entitled "University of Alaska Land Grant  
14 List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska  
15 under this section if the land is included in a borough formed before July 1, 2009, that  
16 includes Wrangell or Petersburg. If such a borough is not formed before July 1, 2009,  
17 the following land shall be conveyed to the University of Alaska on July 1, 2009:

- 18 (1) Parcel Number SD.1001, Favor Peak;
- 19 (2) Parcel Number CS.OV.1001, Olive Cove;
- 20 (3) Parcel Number SD.1001, Read Island; and
- 21 (4) Parcel Number SD.1001, Whitney Island.

22 \* **Sec. 4.** AS 14.40.366 is repealed and reenacted to read:

23 **Sec. 14.40.366. Management requirements for university land.** (a) Before  
24 the conveyance or the disposal of an interest in the land to a third party, land conveyed  
25 to the Board of Regents in trust for the University of Alaska under AS 14.40.365 shall  
26 be managed in a manner that, to the extent practicable, permits reasonable activities of  
27 the public, including historic recent public uses, that do not interfere with the use or  
28 management of the land by the university.

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

- 31 (1) seek public comment on proposals for land development,

1 exchange, or sale; and

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

4 (c) Before the Board of Regents of the University of Alaska offers a parcel of  
5 land for sale under this section, the board

6 (1) shall offer first refusal to the closest municipality; and

7 (2) may offer second refusal to a nonprofit organization established  
8 under the laws of the state that is located in the same region as the land that is offered  
9 for sale and that has been established for the purposes of managing, developing,  
10 selling, or using land consistent with historic uses.

11 (d) The Board of Regents shall adopt policies requiring public notice before  
12 approval of land development plans and land disposal plans. The policies must  
13 require that the notice be provided not less than 30 days before the proposed action  
14 and that the notice be

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

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

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

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

23 \* **Sec. 5.** AS 14.40.400(a) is amended to read:

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

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

28 (2) net income derived from the sale, lease, or management of the land  
29 [SELECTED BY AND] conveyed to the **Board of Regents in trust for the**  
30 **University of Alaska under AS 14.40.365; however, the amount deposited in the**  
31 **endowment trust fund under this paragraph resulting from mineral lease**

1 **royalties and royalty sales proceeds may not be less than 25 percent of all such**  
 2 **mineral lease royalties and royalty sales proceeds received by the university**; and

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

5 \* **Sec. 6.** AS 14.40.461 is repealed and reenacted to read:

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

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

18 (c) Notwithstanding the limitations of AS 14.40.365(l), on or before the date a  
 19 parcel is required to be conveyed to the Board of Regents of the University of Alaska  
 20 under AS 14.40.365(b), the commissioner of natural resources may

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

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

26 (d) After conveyance of university research forest land to the Board of  
 27 Regents in trust for the university under AS 14.40.365(b), the Board of Regents may  
 28 disestablish some or all of the university research forest established by this section,  
 29 and dispose of, or develop, land within the former research forest, if the Board of  
 30 Regents first

31 (1) provides to the public and the commissioner of natural resources

1 reasonable notice and an opportunity for comment on the board's proposed decision  
2 regarding disestablishment;

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

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

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

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

13 \* **Sec. 7.** AS 29.65.030 is amended by adding a new subsection to read:

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

20 \* **Sec. 8.** AS 14.40.368 is repealed.

21 \* **Sec. 9.** This Act takes effect July 1, 2005.