

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

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 5/9/05

Referred: Today's Calendar

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

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

1 **14.40.367** [AS 14.40.365 - 14.40.368] and policies of the Board of Regents [OF THE
2 UNIVERSITY OF ALASKA].

3 * **Sec. 3.** AS 14.40.365 is repealed and reenacted to read:

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

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

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

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

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

1 (f) Before conveying land under this section, the commissioner of natural
 2 resources shall reserve access under AS 38.05.127, but other provisions of AS 38.04
 3 and AS 38.05 do not apply to the commissioner's preparation for conveyance of land
 4 to the Board of Regents in trust for the University of Alaska under this section. In
 5 addition to access under AS 38.05.127, the commissioner may reserve in the
 6 conveyance document existing offshore uses such as aquatic fish farm sites,
 7 anchorages for vessels, fish buying stations, trails, roads, and other access routes that
 8 provide public access to adjacent land and public waterways; however, an easement
 9 along tidewater reserved by the commissioner under AS 38.05.127 may not exceed 25
 10 feet.

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 CS.KI.1001, Kelp Island;
- 5 (3) Parcel Number HA.CH.1001, Haines-Chilkoot;
- 6 (4) Parcel Number KT.1004, Neets Creek;
- 7 (5) Parcel Number MA.KR.1001, Kodiak Rocket Range;
- 8 (6) Parcel Number PA.1001, Port Alexander; and
- 9 (7) Parcel Number ST.1002, Warm Springs Bay.

10 (o) Notwithstanding (a) of this section, the state land identified in this
11 subsection and described in the document entitled "University of Alaska Land Grant
12 List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska
13 under this section if the land is included in a borough formed before July 1, 2009, that
14 includes Wrangell or Petersburg. If a borough is not formed before July 1, 2009, land
15 described in this subsection shall be conveyed to the University of Alaska on July 1,
16 2009. If a borough is formed before July 1, 2009, and the borough does not select
17 land described in this subsection before January 1, 2013, the land not selected by the
18 borough shall be conveyed to the University of Alaska on June 30, 2013. The
19 following land is subject to this subsection:

- 20 (1) Parcel Number SD.1001, Beecher Pass;
- 21 (2) Parcel Number SD.1001, Favor Peak;
- 22 (3) Parcel Number CS.TL.1001, Three Lake Road;
- 23 (4) Parcel Number SD.1001, Read Island;
- 24 (5) Parcel Number SD.1001, Whitney Island;
- 25 (6) Parcel Number CS.EW.1001, Earl West Cove
- 26 (7) Parcel Number CS.OV.1001, Olive Cove; and
- 27 (8) Parcel Number SD.1001, Thoms Place.

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

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

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

3 (q) Notwithstanding (a) of this section, the state land identified in this
4 subsection and described in the document entitled "University of Alaska Land Grant
5 List 2005," dated January 12, 2005, may not be conveyed to the University of Alaska
6 under this section if the land is included in a borough formed before July 1, 2009. If a
7 borough is not formed before July 1, 2009, the land described in this subsection shall
8 be conveyed to the University of Alaska on July 1, 2009. If a borough is formed
9 before July 1, 2009, and the borough does not select land described in this subsection
10 before January 1, 2013, the land not selected by the borough shall be conveyed to the
11 University of Alaska on June 30, 2013. The following land is subject to the provisions
12 of this subsection:

13 (1) Parcel Number MF.1002, Idaho Inlet;

14 (2) Parcel Number PA.1002, Mite Cove; and

15 (3) Parcel Number ST.1002, Pelican.

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

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

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

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

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

29 (c) Before the Board of Regents of the University of Alaska offers a parcel of
30 land for sale under this section, the board shall offer first refusal to the closest
31 municipality.

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

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

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

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

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

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

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

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

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

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

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

27 **Sec. 14.40.461. University research forest.** (a) For the purpose of
 28 advancing research into forest practices, ecology, wildlife management, and
 29 recreation, a university research forest is established on land described as the
 30 "University Research Forest" and identified for conveyance to the Board of Regents in
 31 trust for the University of Alaska in the document titled "University of Alaska Land

1 Grant List 2005," dated January 12, 2005.

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

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

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

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

16 (d) After conveyance of university research forest land to the Board of
17 Regents in trust for the university under AS 14.40.365(b), the Board of Regents may
18 disestablish some or all of the university research forest established by this section,
19 and dispose of, or develop, land within the former research forest, if the Board of
20 Regents first

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

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

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

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

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

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

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

10 * **Sec. 8.** AS 14.40.368 is repealed.

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