

SENATE BILL NO. 96

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 2/7/05

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act granting certain state land to the University of Alaska and establishing the**
2 **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

1 of 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 Sec. 6(b) of the Alaska Statehood
5 Act;

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

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

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

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

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

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

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

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

30 (13) the land selection process provided for in ch. 136, SLA 2000 presents
31 significant difficulties, including the financial cost of the selection process and delay in the

1 Board of Regent's acquisition of income-producing land for the University of Alaska;

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

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

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

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

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

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

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

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

21 (a) The Board of Regents shall

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

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

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

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

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

29 (B) land

30 (i) conveyed to the Board of Regents by the
31 commissioner of natural resources in the settlement of the claim of the

1 University of Alaska to land granted to the state in accordance with the
 2 Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance
 3 with the Act of January 21, 1929 (45 Stat. 1091), as amended; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (1) is subject to

6 (A) Sec. 6(i) of the Alaska Statehood Act (P.L. 85-508, 72 Stat.
7 339);

8 (B) AS 19.10.010;

9 (C) any easement, right-of-way, or other access under former
10 43 U.S.C. 932 (sec. 8, Act of July 26, 1866, 14 Stat. 253);

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

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

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

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

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

29 (j) The Board of Regents of the University of Alaska is entitled to receive any
30 income derived from land conveyed to the Board of Regents in trust for the University
31 of Alaska under this section accruing after the date of conveyance, including any

1 income accruing from an existing lease, license, contract, prospecting site sale, permit,
2 right-of-way, easement, or trespass claim.

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

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

8 (2) on which is located an historic or archeological site that is subject
9 to management under AS 41.35; or

10 (3) that the Board of Regents and the commissioner of natural
11 resources jointly agree is in the best interests of the state and the university to
12 reconvey.

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

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

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

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

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

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

30 (2) net income derived from the sale, lease, or management of the land
31 [SELECTED BY AND] conveyed to the **Board of Regents in trust for the**

1 University of Alaska under AS 14.40.365; however, the amount deposited in the
 2 endowment trust fund under this paragraph resulting from mineral lease
 3 royalties and royalty sales proceeds may not be less than 25 percent of all such
 4 mineral lease royalties and royalty sales proceeds received by the university; and

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

7 * **Sec. 8.** AS 14.40.461 is repealed and reenacted to read

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

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

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

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

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

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

1 Regents first

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

5 (2) considers comments received from the public and the
6 commissioner under (1) of this subsection;

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

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

12 * **Sec. 9.** AS 14.40.368 is repealed.

13 * **Sec. 10.** This Act takes effect July 1, 2005.