

**CS FOR HOUSE BILL NO. 361(RES)**

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered: 3/19/12

Referred: Finance

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

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act relating to the Alaska Land Act, including certain lease, sale, and other  
2 disposal of state land and materials; relating to production royalties from miners;  
3 relating to rights to use state water; and providing for an effective date."

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

5 \* **Section 1.** AS 38.05.055 is amended to read:

6 **Sec. 38.05.055. Auction sale or sealed bid procedures.** Unless another  
7 method of sale is required under this chapter, AS 38.08, or AS 38.09, the sale of state  
8 land shall be made at public auction **or by sealed bid, at the discretion of the**  
9 **director,** to the highest qualified bidder as determined by the director. The director  
10 may accept bids and sell state land under this section at **not** [NO] less than 70 percent  
11 of the appraised fair market value of the land. To qualify to participate under this  
12 section in a public auction **or sale by sealed bid** of state land that is other than  
13 commercial, industrial, or agricultural land, a bidder shall have been a resident of the  
14 state for at least one year immediately preceding the date of the **sale** [AUCTION] and

1 submit proof of that fact, as the commissioner requires by regulation. A bidder may be  
2 represented by an attorney or agent at a public [THE] auction. An aggrieved bidder  
3 may appeal to the commissioner within five days after the sale for a review of the  
4 director's determination. The sale shall be conducted by the director, and, at the time  
5 of sale, the successful bidder shall deposit an amount equal to five percent of the  
6 purchase price. The director shall immediately issue a receipt containing a description  
7 of the land or property purchased, the price bid, and the amount deposited. The receipt  
8 shall be acknowledged in writing by the bidder.

9 \* **Sec. 2.** AS 38.05.065(a) is amended to read:

10 (a) The contract of sale for land sold at public auction or by sealed bid under  
11 AS 38.05.055 shall require the remainder of the purchase price to be paid in monthly,  
12 quarterly, or annual installments over a period of not more than 20 years, with interest  
13 at the rate provided in (i) of this section. Installment payments plus interest shall be set  
14 on the level-payment basis.

15 \* **Sec. 3.** AS 38.05.069(a) is amended to read:

16 (a) After consulting with the Board of Agriculture and Conservation  
17 (AS 03.09.010), on a determination that the highest and best use of unoccupied land is  
18 for agricultural purposes and that it is in the best interests of the state to sell or lease  
19 the land, the commissioner shall grant to an Alaska resident owning and using or  
20 leasing and using land for agricultural purposes a first option [AT THE AUCTION] to  
21 purchase or lease the unoccupied land situated adjacent to land presently held by the  
22 Alaska resident for the amount of the high bid received at public auction or by sealed  
23 bid. If more than one Alaska resident qualifies for a first option under this section,  
24 eligibility for the first option shall be determined by lot, and the option must be  
25 exercised on the conclusion of the public auction or opening of sealed bids. A parcel  
26 of agricultural land sold under this section may not be less than 20 acres, and a parcel  
27 of agricultural land that is acquired by exercise of the option granted in this subsection  
28 may not exceed 320 acres. Agricultural land that is acquired under this section must be  
29 used for agricultural purposes as required by law.

30 \* **Sec. 4.** AS 38.05.069(c) is amended to read:

31 (c) Under this section,

1 (1) the director may transfer state land classified for agriculture only  
2 for agricultural purposes;

3 (2) the sale or lease shall be at public auction **or by sealed bid**.

4 \* **Sec. 5.** AS 38.05.070(b) is amended to read:

5 (b) The director, with the approval of the commissioner, shall determine the  
6 land to be leased and the limitations, conditions, and terms of the lease. The director  
7 shall preserve reasonable and traditional access to state land and water. If the  
8 appraised value of the transaction is **\$10,000** [\$5,000] a year or less the director may  
9 negotiate a lease for a period not to exceed 10 years, and on the limitations,  
10 conditions, and terms that the director considers are in the best interests of the state. A  
11 lease negotiated under this subsection is not eligible for a preference under  
12 AS 38.05.102.

13 \* **Sec. 6.** AS 38.05.070 is amended by adding new subsections to read:

14 (d) If, after notice under AS 38.05.945 soliciting interest for a competitive  
15 auction, the department determines that only one potential bidder has expressed  
16 interest in bidding, the director may cancel the competitive auction and negotiate a  
17 lease and its conditions and terms that the director determines to be in the best  
18 interests of the state.

19 (e) The director may renew a lease issued under this section, AS 38.05.075, or  
20 38.05.810 upon its expiration if the lease is in good standing and the lease renewal is  
21 determined to be in the best interests of the state. A renewal issued under this  
22 subsection is not subject to AS 38.05.035(e). A lease may be renewed only once for a  
23 term not longer than the initial term of the lease.

24 \* **Sec. 7.** AS 38.05.073(g) is amended to read:

25 (g) After soliciting proposals under (e) of this section, if the commissioner  
26 determines that two or more potential lessees are acceptable, the commissioner may  
27 select the potential lessee who submits the highest bid during **a public** [AN] auction or  
28 by sealed bids, whichever method the commissioner chooses. The minimum bid must  
29 equal the amount established by the commissioner plus the administrative fee  
30 established under (k) of this section. The commissioner shall also require the potential  
31 lessee to make an earnest money deposit under AS 38.05.860(b). After the

1 commissioner selects a potential lessee, the commissioner may begin negotiations with  
2 the potential lessee to develop the terms and conditions for the lease.

3 \* **Sec. 8.** AS 38.05.075(a) is amended to read:

4 (a) Except as provided in AS 38.05.035, 38.05.070, 38.05.073, 38.05.082,  
5 38.05.083, 38.05.087, 38.05.102, 38.05.600, 38.05.810, and this section, **when**  
6 **competitive interest has been demonstrated or the commissioner determines that**  
7 **it is in the state's best interests,** leasing shall be made at public auction **or by sealed**  
8 **bid, at the discretion of the director,** to the highest qualified bidder as determined by  
9 the commissioner. **A bidder may be represented by an attorney or agent at a**  
10 **public auction.** In the public notice of a lease to be offered at public auction **or by**  
11 **sealed bid,** the commissioner shall specify a minimum acceptable bid and the lease  
12 compensation method. The lease compensation method shall be designed to maximize  
13 the return on the lease to the state and shall be a form of compensation set out in  
14 AS 38.05.073(m). An aggrieved bidder may appeal to the commissioner within five  
15 days for a review of the determination. The leasing shall be conducted by the  
16 commissioner, and the successful bidder shall deposit at the **public** auction **or with**  
17 **the sealed bid** the first year's rental or other lease compensation as specified by the  
18 commissioner, or that portion of it that the commissioner requires in accordance with  
19 the bid. The commissioner shall require, under AS 38.05.860, qualified bidders to  
20 deposit a sum equal to any survey or appraisal costs reasonably incurred by another  
21 qualified bidder acting in accordance with the regulations of the commissioner or  
22 incurred by the department under AS 38.04.045 and AS 38.05.840. If a bidder making  
23 a deposit of survey or appraisal costs is determined by the commissioner to be the  
24 highest qualified bidder under this subsection, the deposit shall be paid to the  
25 unsuccessful bidder who incurred those costs or to the department if the department  
26 incurred the costs. All costs for survey and appraisal shall be approved in advance in  
27 writing by the commissioner. The commissioner shall immediately issue a receipt  
28 containing a description of the land or interest leased, the price bid, and the terms of  
29 the lease to the successful qualified bidder. If the receipt is not accepted in writing by  
30 the bidder under this subsection, the commissioner may offer the land for lease again  
31 under this subsection. A lease, on a form approved by the attorney general, shall be

1 signed by the successful bidder and by the commissioner [WITHIN THE PERIOD  
2 SPECIFIED IN THE AUCTION NOTICE].

3 \* **Sec. 9.** AS 38.05.083(a) is amended to read:

4 (a) The commissioner may offer to the public for lease at public auction or by  
5 sealed bid under AS 38.05.075 or by negotiation under AS 38.05.070 a site for  
6 aquatic farming or related hatchery operations. Before a final decision to issue or  
7 renew a lease under this section, the commissioner shall give notice and allow  
8 opportunity for comment in accordance with AS 38.05.945 and may hold a hearing to  
9 take testimony. Before a final decision to issue or renew a lease under this section, the  
10 commissioner shall consider all relevant comment or testimony submitted under this  
11 section, AS 38.05.945, or 38.05.946.

12 \* **Sec. 10.** AS 38.05.110(a) is amended to read:

13 (a) The commissioner shall provide for cruises of timber on [AND  
14 APPRAISALS OF OTHER MATERIALS IN OR UPON] state land and shall assess  
15 the supply of and current markets for timber on [AND OTHER MATERIALS IN]  
16 privately owned land in close proximity to state land to determine

17 (1) the timber [AND OTHER MATERIALS] that should be offered for  
18 sale; and

19 (2) the terms of sale of the timber [OR OTHER MATERIALS].

20 \* **Sec. 11.** AS 38.05.115 is amended to read:

21 **Sec. 38.05.115. Limitations and conditions of sale.** (a) The commissioner  
22 shall determine the timber [AND OTHER MATERIALS] to be sold [,] and the  
23 limitations, conditions, and terms of sale. The limitations, conditions, and terms shall  
24 include the utilization, development, and maintenance of the sustained yield principle,  
25 subject to preference among other beneficial uses. The commissioner may negotiate  
26 sales of timber [OR MATERIALS] without advertisement and on the limitations,  
27 conditions, and terms that are considered to be in the best interests of the state. Within  
28 a one-year period, the commissioner may not negotiate a sale without advertisement to  
29 the same purchaser of

30 [(1)] more than 500 M.B.M. or equivalent other measure of timber [;

31 (2) EXCEPT AS PROVIDED IN (3) OF THIS SUBSECTION,

1 MORE THAN 25,000 CUBIC YARDS OF MATERIALS; OR

2 (3) MORE THAN 100,000 CUBIC YARDS OF MATERIALS TO A  
3 COMMON CARRIER HOLDING A LEASE UNDER AS 38.35].

4 (b) Negotiated sales not exceeding 50 M.B.M. or the equivalent other measure  
5 of timber [OR 2,500 CUBIC YARDS OF MATERIALS] are exempt from the  
6 provisions of AS 34.15.150.

7 (c) The limitations of this section are not applicable to timber that [WHICH]  
8 becomes state property under the provisions of AS 45.50.210 - 45.50.235.

9 \* **Sec. 12.** AS 38.05.120 is amended to read:

10 **Sec. 38.05.120. Disposal procedure.** Timber [AND OTHER MATERIALS]  
11 shall be sold either by sealed bids or public auction, depending on which method is  
12 determined by the commissioner to be in the best interests of the state, to the highest  
13 qualified bidder as determined by the commissioner. An aggrieved bidder may appeal  
14 to the commissioner within five days after the sale for a review of the determination.  
15 The sale shall be conducted by the commissioner, and, at the time of sale, the  
16 successful bidder shall deposit the amount specified in the terms of sale. The means by  
17 which the amount of deposit is determined shall be prescribed by appropriate  
18 regulation. The commissioner shall immediately issue a receipt containing a  
19 description of the timber [OR MATERIALS] purchased, the price bid, and the terms  
20 of sale. The receipt shall be accepted in writing by the bidder. A contract of sale, on a  
21 form approved by the attorney general, shall be signed by the purchaser and the  
22 contract shall be signed by the commissioner on behalf of the state. The commissioner  
23 may impose conditions, limitations, and terms considered necessary and proper to  
24 protect the interests of the state. Violation of any provision of this chapter or the terms  
25 of the contract of sale subjects the purchaser to appropriate legal action.

26 \* **Sec. 13.** AS 38.05.212(a) is amended to read:

27 (a) In exchange for and to preserve the right to extract and possess the  
28 minerals produced, the holder of a mining claim, leasehold location, or mining lease,  
29 including a mining lease under AS 38.05.250, shall pay a royalty on all minerals  
30 produced from land subject to the claim, leasehold location, or mining lease during  
31 each calendar year, or each fiscal year if the miner does not file the mining license

1 **tax on a calendar year basis. The department may exempt, by regulation, small**  
 2 **operations from the production royalty otherwise required by this section.**

3 \* **Sec. 14.** AS 38.05.250(c) is amended to read:

4 (c) Each submerged land mining lease shall be for a period of up to 20 years  
 5 and for so long as there is production in paying quantities from the leased area. **A**  
 6 **submerged land mining lease may be renewed for a period of up to 20 years at**  
 7 **the discretion of the director if the director determines that the renewal is in the**  
 8 **best interests of the state.**

9 \* **Sec. 15.** AS 38.05 is amended by adding new sections to read:

10 **Article 13A. Material Sales.**

11 **Sec. 38.05.550. Disposal of materials.** (a) All materials owned by the state  
 12 may be sold or conveyed as provided in AS 38.05.550 - 38.05.565.

13 (b) Materials may only be sold or removed from sources or sites designated by  
 14 the department. The department shall issue a decision under AS 38.05.035(e) that the  
 15 sale and extraction of materials from that location is in the best interests of the state at  
 16 the time each source or site is designated. The department shall give notice, in  
 17 accordance with AS 38.05.945, of the department's decision to designate a source or  
 18 site for the sale and extraction of materials. After decision and notice, the department  
 19 may sell materials continuously, without further finding or notice, from that  
 20 designated source or site under this section until the source or site is closed by the  
 21 department.

22 (c) Each sale of materials must be made through a materials sales contract on a  
 23 form that has been approved by the attorney general. At the time of each sale, the  
 24 department shall determine

25 (1) the location of the source or site from which materials are to be  
 26 removed;

27 (2) the method of disposal as provided in AS 38.05.555 - 38.05.565;  
 28 and

29 (3) the limitations, conditions, and terms of sale, which shall address  
 30 the utilization, development, and maintenance of the source of the materials.

31 (d) The commissioner shall provide for valuation of materials in or upon state

1 land. Materials sold or conveyed under AS 38.05.550 - 38.05.565 may, at the  
2 director's discretion, be sold at

3 (1) representative regional sales prices periodically determined by the  
4 commissioner for each type of material and for defined geographic regions, under  
5 procedures established by regulation; public notice under AS 38.05.945 must be made  
6 whenever the commissioner revises the representative regional sales prices;

7 (2) fair market value determined by appraisal completed and approved  
8 within two years of the date of sale; or

9 (3) a price less than appraised value, determined under  
10 AS 38.05.810(a).

11 **Sec. 38.05.555. Negotiated sales and personal use of materials.** (a)  
12 Notwithstanding any other provision of AS 38.05.550 - 38.05.565, the director may  
13 negotiate the sale of any amount of materials from a source or site designated under  
14 AS 38.05.550(b). The period of a contract for a sale of materials negotiated under this  
15 section may not exceed five years.

16 (b) Sales of materials under this section must be made at a representative  
17 regional sales price set by the commissioner under AS 38.05.550(d)(1) unless

18 (1) the director determines that it is in the best interests of the state to  
19 sell the materials at fair market value determined by an appraisal provided by the  
20 department;

21 (2) the applicant, at its own cost, elects to provide an appraisal,  
22 acceptable to the department, determining the fair market value of the materials to be  
23 sold; or

24 (3) the sale is to a state or federal agency or political subdivision under  
25 AS 38.05.810(a) and the material to be extracted and removed is used for public  
26 purposes; sales under this paragraph may be at a price less than appraised value as  
27 determined by the director.

28 (c) Subsequent sales of similar materials from the same source or site may be  
29 made by the department at the price established by an appraisal provided under (b) of  
30 this section.

31 (d) Individual negotiated contracts for the sale of materials authorized by (a)

1 of this section are not subject to AS 38.05.035(e) or 38.05.945.

2 (e) Materials from a source or site designated under AS 38.05.550(b) may be  
3 extracted and removed for personal use without cost up to a limit of two cubic yards a  
4 person within a one-calendar-year period. Extraction and removal of materials under  
5 this subsection must be approved by the department before extraction operations.

6 (f) Notwithstanding (a) - (e) of this section, for the purpose of creating  
7 incentives for the development of peat as a source of heat or power, the director may  
8 negotiate the sale of peat to individuals, organized or unorganized communities, tribal  
9 governments, or private profit or nonprofit organizations. Under this subsection, the  
10 director may provide

11 (1) for personal use by an individual, not more than 200 cubic yards of  
12 peat a year at no cost;

13 (2) for commercial use, not more than 30,000 cubic yards of peat  
14 during a single 10-year period at no cost; or

15 (3) for commercial use requiring more than 30,000 cubic yards of peat,  
16 the amount required by the user during a 10-year period beginning when the user uses  
17 more than 30,000 yards of peat at the price of

18 (A) 20 percent of the representative regional sales price  
19 determined by the director under AS 38.05.550(d)(1); or

20 (B) 20 percent of the fair market value determined by an  
21 appraisal completed under AS 38.05.550(d)(2), if the applicant provides the  
22 appraisal at the applicant's expense and the appraisal is approved by the  
23 commissioner.

24 **Sec. 38.05.560. Competitive sales of materials.** (a) The department shall offer  
25 materials from a source or site designated under AS 38.05.550(b) for competitive sale  
26 if the department determines that

27 (1) the sale would result in an exclusive use by the purchaser of a  
28 designated source or site;

29 (2) materials available at a designated source or site are insufficient to  
30 supply all anticipated buyers;

31 (3) the size of the designated source or site is too small to

1 accommodate the extraction operations of all anticipated buyers; or

2 (4) it is in the best interests of the state.

3 (b) Notice of a competitive sale of materials from a source or site designated  
4 under AS 38.05.550(b) shall be given under AS 38.05.945(a)(4) and shall

5 (1) describe the location of the designated source or site, and the type  
6 and quantity of the materials to be sold;

7 (2) solicit potential bidders to register with the department to  
8 participate in the proposed sale; only persons registered to bid at a proposed sale of  
9 materials may bid; and

10 (3) include the minimum bid for materials to be sold.

11 (c) A notice of competitive sale required under (b) of this section may be  
12 combined with a notice required under AS 38.05.550.

13 (d) If, after notice under (b) of this section, only one potential bidder has  
14 registered to bid at a proposed competitive sale, the competitive sale may be cancelled  
15 and the materials sold by negotiation under AS 38.05.555.

16 (e) Materials sold under this section may be sold either by sealed bid or by  
17 public outcry or online auction, in the discretion of the department, to the highest  
18 qualified bidder as determined by the department. An aggrieved bidder may appeal to  
19 the commissioner under AS 44.37.011 within five days after the sale for a review of  
20 the determination. The sale shall be conducted by the director or the director's  
21 designee, and, at the time of sale, the successful bidder shall deposit the amount  
22 specified in the terms of sale. The means by which the amount of deposit is  
23 determined shall be prescribed by regulation. The director shall immediately issue a  
24 receipt containing a description of the materials purchased, the price bid, and the terms  
25 of sale. The receipt shall be accepted in writing by the bidder. A contract of sale, on a  
26 form approved by the attorney general, shall be signed by the purchaser, and the  
27 contract shall be signed by the director on behalf of the state. The director may impose  
28 conditions, limitations, and terms considered necessary and proper to protect the  
29 interests of the state.

30 **Sec. 38.05.562. Violations.** Violation of any provision of AS 38.05.550 -  
31 38.05.565 or the terms of the contract of sale subjects the purchaser to appropriate

1 legal action.

2 **Sec. 38.05.565. Sale or disposal of materials for special purposes.** (a) The  
3 department may negotiate the sale or otherwise dispose of materials from sources or  
4 sites other than those designated under AS 38.05.550(b) to

5 (1) municipalities, other state and federal agencies, or other entities  
6 under AS 38.05.872; sales under this paragraph may be at less than fair market value,  
7 and materials may be disposed of free of charge if the director determines that the  
8 disposal is in the public interest;

9 (2) a licensed public utility or a licensed common carrier under  
10 AS 38.05.810(e); sales under this paragraph shall be at representative regional sales  
11 prices determined under AS 38.05.550(d)(1); or

12 (3) a holder of a permit, land lease, or right-of-way issued by the  
13 department, if the materials to be extracted and removed during the construction, use,  
14 or maintenance of a facility authorized by a permit, land lease, or right-of-way, are  
15 necessary and incidental to the primary purpose of the permit, land lease, or right-of-  
16 way, and the materials are put to beneficial use in a way that alters the character,  
17 usefulness, or availability of the materials in their native forms; the department may  
18 authorize the sale of materials under terms of the permit, land lease, or right-of-way;  
19 sales of materials under this paragraph must be at

20 (A) the representative regional sales price established under  
21 AS 38.05.550(d)(1) unless the sale is to a state or federal agency, political  
22 subdivision, or other entity under AS 38.05.810(a); or

23 (B) a price less than appraised value as determined by the  
24 director if the sale is to a state or federal agency, political subdivision, or other  
25 entity under AS 38.05.810(a) and the materials to be extracted and removed  
26 are used for public purposes.

27 (b) If materials are moved within and not removed from the boundaries of a  
28 permit, land lease, or right-of-way issued by the department without altering the  
29 character, usefulness, or availability of the materials in their native forms, the  
30 applicant may not be required to purchase the materials.

31 (c) In this section, "land lease"

1 (1) means a lease issued under AS 38.05.070 - 38.05.105;

2 (2) does not include a lease issued under AS 38.05.131 - 38.05.275.

3 \* **Sec. 16.** AS 38.05.810(b) is amended to read:

4 (b) Notwithstanding AS 38.05.070 - 38.05.080 and 38.05.095, the director,  
5 upon application filed by an applicant eligible under (b) - (d) of this section, may, by  
6 negotiation and without **competitive bid** [PUBLIC AUCTION] in the manner  
7 prescribed in (b) - (d) of this section, lease state land for a term of not more than 55  
8 years. Before leasing, the director shall prepare a land use plan and a land  
9 classification to **ensure** [INSURE] that the proposed use is compatible with area  
10 utilization. Before the land may be leased under (b) - (d) of this section, it must be  
11 shown to the satisfaction of the director that the land is to be used for an established or  
12 definitely proposed project, and that the eligible applicant has the financial ability to  
13 carry out the project. The commissioner may establish limitations on the acreage **that**  
14 [WHICH] may be leased under (b) - (d) of this section to an applicant.

15 \* **Sec. 17.** AS 38.05.810(e) is amended to read:

16 (e) The lease, sale, or other disposal of state land at appraised fair market  
17 value may be negotiated with a licensed public utility or a licensed common carrier by  
18 the director with the approval of the commissioner if the utility or carrier reasonably  
19 requires the land for the conduct of its business under its license. **Notwithstanding**  
20 **AS 38.05.550 - 38.05.565, the sale of materials necessary for construction, use, or**  
21 **maintenance of property leased, sold, or disposed of under this section may be**  
22 **negotiated by the director.** A lease with a licensed public utility that is an electric  
23 utility entered into under this subsection may not include, as part of the rent or other  
24 fee that is negotiated or charged, an amount that is based on or determined by a  
25 percentage of gross revenue for renewable energy produced by the electric utility.

26 \* **Sec. 18.** AS 38.05.872 is repealed and reenacted to read:

27 **Sec. 38.05.872. Disposition of state land and resources for flood control**  
28 **projects.** (a) The department may make conveyances of title or other interests in state  
29 land, provide for exchange of land, or make other arrangements with respect to state  
30 land, as necessary to meet federally established requirements of flood control projects  
31 authorized inside the state by the United States.

1 (b) The commissioner may convey materials at less than fair market value to  
 2 municipalities, other state and federal agencies, or other entities, and make other  
 3 arrangements for land and materials as mitigation of a flooding area where excess  
 4 material deposition significantly contributes to the flooding, consistent with a site-  
 5 specific flood mitigation plan approved by the commissioner and determined to be in  
 6 the best interests of the public.

7 \* **Sec. 19.** AS 38.05.945(b) is amended to read:

8 (b) When notice is required to be given under this section,

9 (1) the notice must contain sufficient information in commonly  
 10 understood terms to inform the public of the nature of the action and the opportunity  
 11 of the public to comment on it;

12 (2) if the notice is of a preliminary written finding described in  
 13 (a)(3)(A) of this section, the department shall give notice at the beginning of the public  
 14 comment period for the preliminary written finding, notifying the public of the right to  
 15 submit comments; the department shall give notice by

16 (A) **posting notice on the Alaska Online Public Notice**  
 17 **System for at least 30 consecutive days** [PUBLICATION OF A LEGAL  
 18 NOTICE IN NEWSPAPERS OF STATEWIDE CIRCULATION AND IN  
 19 NEWSPAPERS OF GENERAL CIRCULATION IN THE VICINITY OF  
 20 THE PROPOSED ACTION AT LEAST ONCE A WEEK FOR TWO  
 21 CONSECUTIVE WEEKS];

22 (B) publication of a notice in display advertising form  
 23 **describing the proposed action and referencing the online notice required**  
 24 **in (A) of this paragraph in newspapers of statewide circulation and in**  
 25 **newspapers of general circulation in the vicinity of the proposed action, if**  
 26 **available,** [IN THE NEWSPAPERS DESCRIBED IN (A) OF THIS  
 27 PARAGRAPH] at least once a week for two consecutive weeks;

28 (C) public service announcements on the electronic media  
 29 serving the area to be affected by the proposed action; and

30 (D) one or more of the following methods:

31 (i) **publication of a legal notice in newspapers of**

1                    **statewide circulation or in newspapers of general circulation in the**  
 2                    **vicinity of the proposed action, if available, at least once a week for**  
 3                    **two consecutive weeks;**

4                    **(ii)** posting in a conspicuous location in the vicinity of  
 5                    the action;

6                    **(iii)** [(ii)] notification of parties known or likely to be  
 7                    affected by the action; or

8                    **(iv)** [(iii)] another method calculated to reach affected  
 9                    parties;

10                    (3) if the notice is of an action described in (a) of this section, other  
 11                    than notice of an action under (a)(3)(A) of this section, the department shall give  
 12                    notice at least 30 days before the action by **posting notice on the Alaska Online**  
 13                    **Public Notice System for at least 30 consecutive days** [PUBLICATION IN  
 14                    NEWSPAPERS OF STATEWIDE CIRCULATION AND IN NEWSPAPERS OF  
 15                    GENERAL CIRCULATION IN THE VICINITY OF THE PROPOSED ACTION]  
 16                    and **by** one or more of the following methods:

17                    (A) **publication of a notice in display advertising form**  
 18                    **describing the proposed action and referencing the online notice required**  
 19                    **in this paragraph in newspapers of statewide circulation and in**  
 20                    **newspapers of general circulation in the vicinity of the proposed action, if**  
 21                    **available, at least once a week for two consecutive weeks;**

22                    (B) publication through public service announcements on the  
 23                    electronic media serving the area affected by the action;

24                    (C) [(B)] posting in a conspicuous location in the vicinity of  
 25                    the action;

26                    (D) [(C)] notification of parties known or likely to be affected  
 27                    by the action;

28                    (E) **publication of a legal notice, at least 30 days before the**  
 29                    **action, briefly describing the proposed action and referencing the online**  
 30                    **notice required in this paragraph in newspapers of statewide circulation**  
 31                    **and in newspapers of general circulation in the vicinity of the proposed**

1 action, if available; or

2 ~~(F)~~ [(D)] another method calculated to reach affected persons.

3 \* **Sec. 20.** AS 38.05.945(b), as amended by sec. 19 of this Act, is amended to read:

4 (b) When notice is required to be given under this section,

5 (1) the notice must contain sufficient information in commonly  
6 understood terms to inform the public of the nature of the action and the opportunity  
7 of the public to comment on it;

8 (2) if the notice is of a preliminary written finding described in  
9 (a)(3)(A) of this section, the department shall give notice at the beginning of the public  
10 comment period for the preliminary written finding, notifying the public of the right to  
11 submit comments; the department shall give notice by

12 (A) posting notice on the Alaska Online Public Notice System  
13 for at least 30 consecutive days;

14 (B) publication of a notice in display advertising form  
15 describing the proposed action and referencing the online notice required in  
16 (A) of this paragraph in newspapers of statewide circulation and in newspapers  
17 of general circulation in the vicinity of the proposed action, if available, at least  
18 once a week for two consecutive weeks;

19 (C) public service announcements on the electronic media  
20 serving the area to be affected by the proposed action; and

21 (D) one or more of the following methods:

22 (i) publication of a legal notice in newspapers of  
23 statewide circulation or in newspapers of general circulation in the  
24 vicinity of the proposed action, if available, at least once a week for  
25 two consecutive weeks;

26 (ii) posting in a conspicuous location in the vicinity of  
27 the action;

28 (iii) notification of parties known or likely to be  
29 affected by the action; or

30 (iv) another method calculated to reach affected parties;

31 (3) if the notice is of an action described in (a) of this section, other

1 than notice of an action under (a)(3)(A) of this section, the department shall give  
 2 notice at least 30 days before the action by posting notice on the Alaska Online Public  
 3 Notice System for at least 30 consecutive days and by one or more of the following  
 4 methods:

5 (A) publication of a notice in display advertising form  
 6 describing the proposed action and referencing the online notice required in  
 7 this paragraph in newspapers of statewide circulation and in newspapers of  
 8 general circulation in the vicinity of the proposed action, if available, at least  
 9 once a week for two consecutive weeks;

10 (B) publication through public service announcements on the  
 11 electronic media serving the area affected by the action;

12 (C) posting in a conspicuous location in the vicinity of the  
 13 action;

14 (D) notification of parties known or likely to be affected by the  
 15 action; **or**

16 (E) [PUBLICATION OF A LEGAL NOTICE, AT LEAST 30  
 17 DAYS BEFORE THE ACTION, BRIEFLY DESCRIBING THE PROPOSED  
 18 ACTION AND REFERENCING THE ONLINE NOTICE REQUIRED IN  
 19 THIS PARAGRAPH IN NEWSPAPERS OF STATEWIDE CIRCULATION  
 20 AND IN NEWSPAPERS OF GENERAL CIRCULATION IN THE  
 21 VICINITY OF THE PROPOSED ACTION, IF AVAILABLE; OR

22 (F)] another method calculated to reach affected persons.

23 \* **Sec. 21.** AS 38.05.965(10) is repealed and reenacted to read:

24 (10) "materials"

25 (A) means all common variety rock and minerals of any  
 26 quality, that are saleable and not subject to location under state or federal  
 27 mining laws;

28 (B) includes aggregate, riprap, railroad ballast, road ballast,  
 29 road metal, peat, silt, loam, sand, gravel, stone, pumice, and common clay;

30 \* **Sec. 22.** AS 41.23.470(b) is amended to read:

31 (b) The commissioner may conduct only a negotiated timber [OR

1 MATERIAL] sale under AS 38.05.115 to provide for personal use, including house  
2 logs and firewood, or for a use incidental to the construction of access, or for habitat  
3 enhancement.

4 \* **Sec. 23.** AS 46.15.155(a) is amended to read:

5 (a) Notwithstanding any contrary provision of this chapter, the commissioner  
6 may authorize the temporary use of a significant amount of water, as determined by  
7 the department by regulation, for a period of time not to exceed five consecutive years  
8 **for each authorization**, if the water applied for has not been appropriated in  
9 accordance with this chapter. **In the commissioner's discretion, a new authorization**  
10 **for the temporary use of a significant amount of water may be issued for a**  
11 **project at or before the expiration of the existing authorization issued for the**  
12 **same project.**

13 \* **Sec. 24.** The uncodified law of the State of Alaska is amended by adding a new section to  
14 read:

15 REVISOR'S INSTRUCTION. The revisor of statutes is instructed to change

16 (1) the heading of art. 4 of AS 38.05 from "Disposal of Timber and Materials"  
17 to "Disposal of Timber";

18 (2) the catch line of AS 38.05.110 from "Sale of timber and materials;  
19 account" to "Sale of timber."

20 \* **Sec. 25.** Section 20 of this Act takes effect July 1, 2017.

21 \* **Sec. 26.** Except as provided in sec. 25 of this Act, this Act takes effect July 1, 2012.