

HOUSE BILL NO. 183

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES TALERICO, Stutes, Reinbold, Chenault, Johnson

Introduced: 3/17/17

Referred: State Affairs, Resources

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the state land disposal bank; relating to the state land disposal
2 program; providing for a state program that sells state land to an individual eligible for
3 a permanent fund dividend; allowing an individual to use permanent fund dividends to
4 purchase certain land from the state; requiring the Department of Revenue to confirm
5 the eligibility of an individual to receive a dividend for the purposes of a state land sale
6 program; and providing for an effective date."

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

8 * **Section 1.** AS 38.04.020(d) is amended to read:

9 (d) By January 15 of the first session of each legislature, the commissioner
10 shall notify the legislature that the commissioner has available a report on the status of
11 land in the land disposal bank under the following categories:

- 12 (1) land suitable for homestead disposal;
13 (2) land suitable for subdivision disposal;

1 (3) land suitable for agricultural, commercial, or industrial disposal;
 2 [AND]

3 (4) land suitable for **sale under AS 38.05.062; and**

4 **(5) land suitable for** other purposes.

5 * **Sec. 2.** AS 38.04.020(e) is amended to read:

6 (e) The commissioner shall annually submit to the governor an appropriation
 7 request for funding estimated to be necessary for the next two years to allow

8 (1) survey and disposal of land proposed to be made available for
 9 homestead staking, with the general location of the land;

10 (2) survey and disposal of land to be offered as agricultural,
 11 commercial, industrial, or other uses under AS 38.05.055 or 38.05.057, with the
 12 general location of the land;

13 (3) the survey and disposal of land proposed to be offered as
 14 subdivisions, with the general location of the land;

15 (4) preliminary feasibility studies, engineering design work, right-of-
 16 way acquisition, and construction of access roads and capital improvements required
 17 by municipal subdivision ordinance or regulation of the platting authority;

18 (5) identification of land that will be proposed for disposal under this
 19 subsection in future fiscal years;

20 **(6) survey and disposal of land offered under AS 38.05.062.**

21 * **Sec. 3.** AS 38.04.022(a) is amended to read:

22 (a) The revenue from the state land disposal program, **including revenue**
 23 **from land disposed under AS 38.05.062,** shall be deposited in the state land disposal
 24 income fund in the state treasury. On June 30 of each fiscal year, the portion of that
 25 fund that exceeds \$5,000,000 shall be deposited in the state general fund. The
 26 legislature may appropriate money from the state land disposal income fund for
 27 expenditure by the Department of Natural Resources for necessary costs incurred by
 28 the commissioner in the implementation of state land disposal programs authorized
 29 under this title or for any other public purpose.

30 * **Sec. 4.** AS 38.05 is amended by adding a new section to read:

31 **Sec. 38.05.062. Permanent fund dividend sale land.** (a) The commissioner

1 shall select at least 200,000 acres of land from the land disposal bank established
2 under AS 38.04.020 for sale under this section. Land selected for sale under this
3 section must be categorized under AS 38.04.065(c)(1) and classified under
4 AS 38.05.300 as appropriate for year-round settlement near areas where public
5 services already exist or can be extended with reasonable economy or where
6 development of a viable economic base is probable.

7 (b) Notwithstanding AS 38.04.045(b), the land the commissioner selects for
8 sale under (a) of this section shall be divided by the director into platted parcels using
9 coordinates provided by Global Positioning System technology that do not exceed 10
10 acres in reasonably compact form, with boundaries conforming as nearly as
11 practicable to natural geologic and topographic features. The director shall reserve
12 easements and rights-of-way included in surveys under AS 38.04.050 - 38.04.058. The
13 director shall adopt procedures for appraisals of land subdivided under this section. A
14 buyer shall be responsible for surveying costs incurred by the department so that the
15 purchaser may obtain title to a parcel. A parcel may exceed 10 acres only if the
16 director, in a written finding, determines that the larger parcel is necessary to

17 (1) comply with local zoning ordinances; or

18 (2) permit the design of a subdivision because of topographical
19 features, soil conditions, on-site sewage disposal requirements, or water drainage or
20 supply considerations unique to the subdivision.

21 (c) A parcel of land described in (b) of this section shall be sold at its fair
22 market value as determined by the director based on an appraisal completed as
23 provided in AS 38.05.840, except that the director shall provide a 10 percent discount
24 on the fair market value of a parcel to a veteran who is eligible for a discount under
25 AS 38.05.940.

26 (d) On the third Thursday of October each year, the commissioner shall hold a
27 lottery to sell parcels of land under this section. Not later than September 1, an
28 individual qualified under (g) of this section may assign the individual's permanent
29 fund dividend to the department, or deposit with the department the amount required
30 under (i)(1) of this section, in anticipation of the lottery and future lotteries held under
31 this section. The director shall notify a person who has assigned a dividend or made a

1 cash deposit under this subsection that the person may apply to purchase land in the
2 lottery. The director shall accept lottery applications to purchase particular parcels
3 received by the third Thursday in October. Notice of the application period and the
4 date of the lottery must comply with AS 38.05.945.

5 (e) If the department receives only one application for a certain parcel in a
6 lottery under this section, the director shall offer the parcel to that applicant if the
7 applicant qualifies under (g) of this section. If more than one application is received
8 for a parcel, the director shall select a qualified buyer by lottery. If the director does
9 not receive an application for a parcel of state land or if a buyer fails to sign a contract
10 of sale, the parcel shall be reoffered and sold to the first qualified buyer to apply for
11 the parcel.

12 (f) The department shall employ a weighted lottery for certain applications
13 made under this section. The department shall provide all first-time lottery applicants
14 one standard chance to be eligible to purchase property in a lottery. The department
15 shall provide an applicant who assigned money to the department under (d) of this
16 section, has unsuccessfully participated in a previous annual lottery or lotteries under
17 this section, and has not applied for any refunds under (j) of this section an additional
18 chance for each of the previous annual lotteries in which the applicant participated but
19 was not awarded a parcel. An application may list up to five alternative parcels of
20 land. As soon as an application is drawn in the weighted lottery, the department shall
21 consider the award of each of the parcels in the order requested in the application. If
22 the applicant whose application is drawn has complied with (i)(1) of this section, the
23 department shall award the applicant the first available parcel on the applicant's list,
24 and any other listed parcels may be made available to other applicants. If none of the
25 applicant's listed parcels are available, the next application drawn shall be considered.
26 If a parcel remains available after the department has considered all applications, or
27 later becomes available because an applicant fails to complete the sale, the department
28 shall make the parcel available for sale over the counter and in future lotteries under
29 this section.

30 (g) To qualify as a buyer under this section, an applicant shall be 18 years of
31 age or older and be eligible for a permanent fund dividend under AS 43.23.005. In this

1 subsection, an applicant is eligible for a permanent fund dividend if the applicant

2 (1) received a permanent fund dividend for that year;

3 (2) applied for a permanent fund dividend for that year, and the
4 Department of Revenue has determined that the individual is eligible to receive a
5 permanent fund dividend for that year; or

6 (3) has a pending application for a permanent fund dividend for that
7 year and received a permanent fund dividend for the immediately preceding year.

8 (h) The commissioner shall confirm with the Department of Revenue an
9 individual's

10 (1) receipt of a permanent fund dividend; or

11 (2) eligibility to receive a permanent fund dividend.

12 (i) The department shall adopt regulations that establish a procedure for
13 purchase of state land under this section that is consistent with the following:

14 (1) a bidder or offeror in an annual lottery or sale held under this
15 section shall provide to the department a minimum deposit or assignment of \$800; if a
16 bidder or offeror has assigned a dividend in an amount less than \$800 to the
17 department, the bidder or offeror shall deposit the amount necessary for the
18 individual's deposit to equal \$800;

19 (2) as soon as possible after a sale is made, the director shall issue a
20 contract of sale that describes the land purchased, the price, the amount deposited, and
21 any balance due to the state;

22 (3) to the extent practicable, the department shall use the contracting
23 procedures under AS 38.05.065 for a contract issued under this section;

24 (4) a buyer may assign the buyer's future permanent fund dividends to
25 satisfy any balance due to the state, but assignment does not release the buyer from the
26 obligation to pay the remainder of the purchase price if the buyer becomes ineligible
27 for a permanent fund dividend or has claims or assignments on the buyer's dividend
28 under AS 43.23.065 - 43.23.068, 43.23.072, or 43.23.085;

29 (5) a buyer may pay the remainder of the purchase price at any time
30 after the sale, but the buyer shall pay the entire balance of the purchase price by
31 assignment of dividends or in installment payments within a period of 20 years;

1 (6) in a year in which the amount of the permanent fund dividend
 2 under AS 43.23.025 is less than the sum of \$800 and the administrative fee assessed
 3 under AS 43.23.071, a buyer who has assigned the buyer's dividend to the department
 4 shall pay the department the difference between \$800 and the dividend amount;

5 (7) the department may not charge a buyer interest on the balance due
 6 to the state on a parcel purchased under this section.

7 (j) The department shall adopt a procedure for an individual to apply for a
 8 refund of money that the individual deposited with or assigned to the department
 9 under AS 43.23.061 less

10 (1) any administrative fees assessed under AS 43.23.071; and

11 (2) a withdrawal fee of \$100.

12 * **Sec. 5.** AS 38.05.067(d) is amended to read:

13 (d) This section does not apply to the sale of state land under AS 38.05.057,
 14 **38.05.062**, AS 38.08, or AS 38.09.

15 * **Sec. 6.** AS 38.05.840(a) is amended to read:

16 (a) Land may not be sold or leased, or a renewal lease issued, except in the
 17 case of an oil or gas or mineral lease, unless it has been appraised within two years
 18 before the date fixed for the sale or lease. When land is offered at public sale but is not
 19 sold and is available at private sale, a reappraisal is not required unless the director
 20 considers that a change in value of the land may have occurred. A grazing lease may
 21 be granted to a lessee of federal grazing land without prior appraisal if the federal
 22 lease was cancelled to allow the state to select the land under lease. Land may not be
 23 sold or leased for less than the approved, appraised market value, except as provided
 24 in AS 38.05.055, 38.05.057, **38.05.062**, 38.05.075 - 38.05.085, 38.05.097, 38.05.810,
 25 and 38.05.820.

26 * **Sec. 7.** AS 38.05.940(a) is amended to read:

27 (a) An eligible veteran is entitled to a discount of

28 **(1) 10 percent on the purchase price of a parcel of land sold under**
 29 **AS 38.05.062; or**

30 **(2) except for land sold under AS 38.05.062**, 25 percent on the
 31 purchase price of state land sold under this title and classified under AS 38.05.005 -

1 38.05.270 for a use other than commercial or industrial use.

2 * **Sec. 8.** AS 43.23.055 is amended to read:

3 **Sec. 43.23.055. Duties of the department.** The department shall

4 (1) annually pay permanent fund dividends from the dividend fund;

5 (2) subject to AS 43.23.011 and paragraph (8) of this section, adopt
6 regulations under AS 44.62 (Administrative Procedure Act) that establish procedures
7 and time limits for claiming a permanent fund dividend; the department shall
8 determine the number of eligible applicants by October 1 of the year for which the
9 dividend is declared and pay the dividends by December 31 of that year;

10 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)
11 that establish procedures and time limits for an individual upon emancipation or upon
12 reaching majority to apply for permanent fund dividends not received during minority
13 because the parent, guardian, or other authorized representative did not apply on
14 behalf of the individual;

15 (4) assist residents of the state, particularly in rural areas, who because
16 of language, disability, or inaccessibility to public transportation need assistance to
17 establish eligibility and to apply for permanent fund dividends;

18 (5) use a list of individuals ineligible for a dividend under
19 AS 43.23.005(d) provided annually by the Department of Corrections and the
20 Department of Public Safety to determine the number and identity of those
21 individuals;

22 (6) adopt regulations that are necessary to implement AS 43.23.005(d);

23 (7) adopt regulations that establish procedures for the parent, guardian,
24 or other authorized representative of a disabled individual to apply for prior year
25 permanent fund dividends not received by the disabled individual because no
26 application was submitted on behalf of the individual;

27 (8) adopt regulations that establish procedures for an individual to
28 apply to have a dividend disbursement under AS 37.25.050(a)(2) reissued if it is not
29 collected within two years after the date of its issuance; however, the department may
30 not establish a time limit within which an application to have a disbursement reissued
31 must be filed;

1 (9) provide any information, upon request, contained in permanent
 2 fund dividend records to the child support services agency created in AS 25.27.010, or
 3 the child support enforcement agency of another state, for child support purposes
 4 authorized under law; if the information is contained in an electronic data base, the
 5 department shall provide the requesting agency with either

6 (A) access to the data base; or

7 (B) a copy of the information in the data base and a statement
 8 certifying its contents;

9 (10) establish a fraud investigation unit for the purpose of assisting the

10 (A) Department of Law in the prosecution of individuals who
 11 apply for or obtain a permanent fund dividend in violation of a provision in
 12 AS 11, by detecting and investigating those crimes; and

13 (B) commissioner to detect and investigate the claiming or
 14 paying of permanent fund dividends that should not have been claimed by or
 15 paid to an individual and to impose the penalties and enforcement provisions
 16 under AS 43.23.035;

17 **(11) upon request of the commissioner of natural resources,**
 18 **confirm under AS 38.05.062(h) that an individual has received, or is eligible to**
 19 **receive, a permanent fund dividend.**

20 * **Sec. 9.** AS 43.23 is amended by adding a new section to read:

21 **Sec. 43.23.061. Assignment of dividend to purchase state land.**

22 Notwithstanding AS 43.23.069, the department shall prepare the electronic permanent
 23 fund dividend application to allow an applicant who files electronically to direct that
 24 all or part of the applicant's dividend payment, less an administrative fee assessed
 25 under AS 43.23.071, be assigned to the Department of Natural Resources to be used
 26 toward the purchase of state land by the applicant under AS 38.05.062. The electronic
 27 dividend application form must include notice that

28 (1) an administrative fee will be deducted from the applicant's
 29 dividend payment if the applicant directs that the person's dividend payment be used
 30 toward the purchase of state land under AS 38.05.062; and

31 (2) if the applicant directs that the person's dividend payment be used

1 toward the purchase of state land under AS 38.05.062 and requests a refund of money
2 assigned under this section, an administrative fee of \$100 will also be deducted from
3 the refund.

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

6 FIRST LOTTERY SALE OF PERMANENT FUND DIVIDEND LAND.
7 Notwithstanding AS 38.05.062(d), added by sec. 4 of this Act, the first lottery held by the
8 Department of Natural Resources to sell parcels of land under AS 38.05.062, added by sec. 4
9 of this Act, shall be conducted on the third Thursday in October of 2018.

10 * **Sec. 11.** This Act takes effect immediately under AS 01.10.070(c).