

HOUSE BILL NO. 219

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SESSION

BY THE HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/27/20

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to forest land use plans; relating to forest land use plan appeals;**
2 **relating to negotiated timber sales; and providing for an effective date."**

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

4 *** Section 1.** AS 38.05.035(e) is amended to read:

5 (e) Upon a written finding that the interests of the state will be best served, the
6 director may, with the consent of the commissioner, approve contracts for the sale,
7 lease, or other disposal of available land, resources, property, or interests in them. In
8 approving a contract under this subsection, the director need only prepare a single
9 written finding. In addition to the conditions and limitations imposed by law, the
10 director may impose additional conditions or limitations in the contracts as the director
11 determines, with the consent of the commissioner, will best serve the interests of the
12 state. The preparation and issuance of the written finding by the director are subject to
13 the following:

14 (1) with the consent of the commissioner and subject to the director's

1 discretion, for a specific proposed disposal of available land, resources, or property, or
2 of an interest in them, the director, in the written finding,

3 (A) shall establish the scope of the administrative review on
4 which the director's determination is based, and the scope of the written
5 finding supporting that determination; the scope of the administrative review
6 and finding may address only reasonably foreseeable, significant effects of the
7 uses proposed to be authorized by the disposal;

8 (B) may limit the scope of an administrative review and finding
9 for a proposed disposal to

10 (i) applicable statutes and regulations;

11 (ii) the facts pertaining to the land, resources, or
12 property, or interest in them, that the director finds are material to the
13 determination and that are known to the director or knowledge of which
14 is made available to the director during the administrative review; and

15 (iii) issues that, based on the statutes and regulations
16 referred to in (i) of this subparagraph, on the facts as described in (ii) of
17 this subparagraph, and on the nature of the uses sought to be authorized
18 by the disposal, the director finds are material to the determination of
19 whether the proposed disposal will best serve the interests of the state;
20 and

21 (C) may, if the project for which the proposed disposal is
22 sought is a multiphased development, limit the scope of an administrative
23 review and finding for the proposed disposal to the applicable statutes and
24 regulations, facts, and issues identified in (B)(i) - (iii) of this paragraph that
25 pertain solely to the disposal phase of the project when

26 (i) the only uses to be authorized by the proposed
27 disposal are part of that phase;

28 (ii) the disposal is a disposal of oil and gas, or of gas
29 only, and, before the next phase of the project may proceed, public
30 notice and the opportunity to comment are provided under regulations
31 adopted by the department;

1 (iii) the department's approval is required before the
2 next phase of the project may proceed; and

3 (iv) the department describes its reasons for a decision
4 to phase;

5 (2) the director shall discuss in the written finding prepared and issued
6 under this subsection the reasons that each of the following was not material to the
7 director's determination that the interests of the state will be best served:

8 (A) facts pertaining to the land, resources, or property, or an
9 interest in them other than those that the director finds material under (1)(B)(ii)
10 of this subsection; and

11 (B) issues based on the statutes and regulations referred to in
12 (1)(B)(i) of this subsection and on the facts described in (1)(B)(ii) of this
13 subsection;

14 (3) a written finding for an oil and gas lease sale or gas only lease sale
15 under AS 38.05.180 is subject to (g) of this section;

16 (4) a contract for the sale, lease, or other disposal of available land or
17 an interest in land is not legally binding on the state until the commissioner approves
18 the contract, but if the appraised value is not greater than \$50,000 in the case of the
19 sale of land or an interest in land, or \$5,000 in the case of the annual rental of land or
20 interest in land, the director may execute the contract without the approval of the
21 commissioner;

22 (5) public notice requirements relating to the sale, lease, or other
23 disposal of available land or an interest in land for oil and gas, or for gas only,
24 proposed to be scheduled in the five-year oil and gas leasing program under
25 AS 38.05.180(b), except for a sale under (6)(F) of this subsection, are as follows:

26 (A) before a public hearing, if held, or in any case not less than
27 180 days before the sale, lease, or other disposal of available land or an interest
28 in land, the director shall make available to the public a preliminary written
29 finding that states the scope of the review established under (1)(A) of this
30 subsection and includes the applicable statutes and regulations, the material
31 facts and issues in accordance with (1)(B) of this subsection, and information

1 required by (g) of this section, upon which the determination that the sale,
 2 lease, or other disposal will serve the best interests of the state will be based;
 3 the director shall provide opportunity for public comment on the preliminary
 4 written finding for a period of not less than 60 days;

5 (B) after the public comment period for the preliminary written
 6 finding and not less than 90 days before the sale, lease, or other disposal of
 7 available land or an interest in land for oil and gas or for gas only, the director
 8 shall make available to the public a final written finding that states the scope of
 9 the review established under (1)(A) of this subsection and includes the
 10 applicable statutes and regulations, the material facts and issues in accordance
 11 with (1) of this subsection, and information required by (g) of this section,
 12 upon which the determination that the sale, lease, or other disposal will serve
 13 the best interests of the state is based;

14 (6) before a public hearing, if held, or in any case not less than 21 days
 15 before the sale, lease, or other disposal of available land, property, resources, or
 16 interests in them other than a sale, lease, or other disposal of available land or an
 17 interest in land for oil and gas or for gas only under (5) of this subsection, the director
 18 shall make available to the public a written finding that, in accordance with (1) of this
 19 subsection, sets out the material facts and applicable statutes and regulations and any
 20 other information required by statute or regulation to be considered upon which the
 21 determination that the sale, lease, or other disposal will best serve the interests of the
 22 state was based; however, a written finding is not required before the approval of

23 (A) a contract for a negotiated sale **of 500,000 or less board**
 24 **feet or equivalent other measure of timber** [AUTHORIZED] under
 25 **AS 38.05.118** [AS 38.05.115];

26 (B) a lease of land for a shore fishery site under AS 38.05.082;

27 (C) a permit or other authorization revocable by the
 28 commissioner;

29 (D) a mineral claim located under AS 38.05.195;

30 (E) a mineral lease issued under AS 38.05.205;

31 (F) an exempt oil and gas lease sale or gas only lease sale under

1 AS 38.05.180(d) of acreage subject to a best interest finding issued within the
 2 previous 10 years or a reoffer oil and gas lease sale or gas only lease sale under
 3 AS 38.05.180(w) of acreage subject to a best interest finding issued within the
 4 previous 10 years, unless the commissioner determines that substantial new
 5 information has become available that justifies a supplement to the most recent
 6 best interest finding for the exempt oil and gas lease sale or gas only lease sale
 7 acreage and for the reoffer oil and gas lease sale or gas only lease sale acreage;
 8 however, for each oil and gas lease sale or gas only lease sale described in this
 9 subparagraph, the director shall call for comments from the public; the
 10 director's call for public comments must provide opportunity for public
 11 comment for a period of not less than 30 days; if the director determines that a
 12 supplement to the most recent best interest finding for the acreage is required
 13 under this subparagraph,

14 (i) the director shall issue the supplement to the best
 15 interest finding not later than 90 days before the sale;

16 (ii) not later than 45 days before the sale, the director
 17 shall issue a notice describing the interests to be offered, the location
 18 and time of the sale, and the terms and conditions of the sale; and

19 (iii) the supplement has the status of a final written best
 20 interest finding for purposes of (i) and (l) of this section;

21 (G) a surface use lease under AS 38.05.255;

22 (H) a permit, right-of-way, or easement under AS 38.05.850;

23 (7) the director shall include in

24 (A) a preliminary written finding, if required, a summary of
 25 agency and public comments, if any, obtained as a result of contacts with other
 26 agencies concerning a proposed disposal or as a result of informal efforts
 27 undertaken by the department to solicit public response to a proposed disposal,
 28 and the department's preliminary responses to those comments; and

29 (B) the final written finding a summary of agency and public
 30 comments received and the department's responses to those comments.

31 * **Sec. 2.** AS 38.05.110(c) is amended to read:

1 (c) If a sale of timber may be offered under multiple provisions of
 2 AS 38.05.110 – 38.05.120 [AS 38.05.110 - 38.05.123], the commissioner shall
 3 determine the applicable provisions under which to offer the timber.

4 * **Sec. 3.** AS 38.05.112(a) is amended to read:

5 (a) **Except** [THE DEPARTMENT MAY NOT AUTHORIZE THE
 6 HARVEST OF TIMBER, EXCEPT] for harvests of 10 acres or less or timber
 7 salvaged from land cleared for a nonforest use, **the department may not authorize**
 8 **the harvest of timber in a harvest unit** until a site-specific forest land use plan has
 9 been adopted. **A forest land use plan may authorize timber harvests for multiple**
 10 **harvest units included in a timber sale contract. The department is not required**
 11 **to adopt any forest land use plans prior to awarding a timber sale contract** [A
 12 FOREST LAND USE PLAN IS REQUIRED WHETHER OR NOT A REGIONAL
 13 OR AREA LAND USE PLAN UNDER AS 38.04.065(a) OR A FOREST
 14 MANAGEMENT PLAN UNDER AS 41.17.230 HAS BEEN ADOPTED. THE
 15 REQUIREMENTS OF AS 38.04.065(b) SHALL APPLY TO A LAND USE PLAN
 16 ADOPTED UNDER THIS SECTION ONLY IF A REGIONAL OR AREA LAND
 17 USE PLAN UNDER AS 38.04.065(a) OR A FOREST MANAGEMENT PLAN
 18 UNDER AS 41.17.230 HAS NOT BEEN ADOPTED].

19 * **Sec. 4.** AS 38.05.112 is amended by adding new subsections to read:

20 (d) A forest land use plan is required whether or not a regional or area land use
 21 plan under AS 38.04.065(a) or a forest management plan under AS 41.17.230 has been
 22 adopted. The requirements of AS 38.04.065(b) apply to a land use plan adopted under
 23 this section only if a regional or area land use plan under AS 38.04.065(a) or a forest
 24 management plan under AS 41.17.230 has not been adopted.

25 (e) Notwithstanding AS 44.37.011, a person may not seek reconsideration of
 26 or appeal to the commissioner a decision to adopt a forest land use plan.

27 * **Sec. 5.** AS 38.05.115(a) is amended to read:

28 (a) The commissioner shall determine the timber to be sold and the
 29 limitations, conditions, and terms of sale. The limitations, conditions, and terms shall
 30 include the utilization, development, and maintenance of the sustained yield principle,
 31 subject to preference among other beneficial uses [. THE COMMISSIONER MAY

1 NEGOTIATE SALES OF TIMBER WITHOUT ADVERTISEMENT AND ON THE
 2 LIMITATIONS, CONDITIONS, AND TERMS THAT ARE CONSIDERED TO BE
 3 IN THE BEST INTERESTS OF THE STATE. WITHIN A ONE-YEAR PERIOD,
 4 THE COMMISSIONER MAY NOT NEGOTIATE A SALE WITHOUT
 5 ADVERTISEMENT TO THE SAME PURCHASER OF MORE THAN 500 M.B.M.
 6 OR EQUIVALENT OTHER MEASURE OF TIMBER].

7 * **Sec. 6.** AS 38.05.118(a) is amended to read:

8 (a) **Upon** [NOTWITHSTANDING AS 38.05.115 AND 38.05.120, AND
 9 UPON] a finding that **a** [THE] sale is in the best interest of the state, the commissioner
 10 may negotiate a sale of timber [TO A LOCAL MANUFACTURER OF WOOD
 11 PRODUCTS OR A USER OF WOOD FIBER] at appraised value. The period of a
 12 contract for a sale of timber negotiated under this section may not exceed 25 years.
 13 The contract shall provide that the appraised value of timber remaining to be harvested
 14 under the provisions of the contract shall be redetermined at least once every five
 15 years.

16 * **Sec. 7.** AS 38.05.118(b) is amended to read:

17 (b) Notice of intent to negotiate a contract authorized by (a) of this section **for**
 18 **more than 500,000 board feet or equivalent other measure of timber** shall be
 19 given in accordance with AS 38.05.945.

20 * **Sec. 8.** AS 38.05.118 is amended by adding new subsections to read:

21 (d) In making a best interest finding required by AS 38.05.035(e) and this
 22 section, the commissioner shall consider the following factors:

- 23 (1) the local timber market;
- 24 (2) specialized or developing foreign or domestic markets;
- 25 (3) the presence of underutilized timber;
- 26 (4) the economic constraints of the intended market for the timber; and
- 27 (5) any other reasonably foreseeable benefits to the state and local
 28 economies from the sale.

29 (e) Within a one-year period, the commissioner may not negotiate additional
 30 timber sales to the same purchaser for more than 500,000 board feet or equivalent
 31 other measure of timber. The requirements of AS 34.15.150 do not apply to timber

1 sales negotiated under this subsection.

2 * **Sec. 9.** AS 41.23.470(b) is amended to read:

3 (b) The commissioner may conduct only a negotiated timber sale under
4 **AS 38.05.118** [AS 38.05.115] to provide for personal use, including house logs and
5 firewood, or for a use incidental to the construction of access, or for habitat
6 enhancement.

7 * **Sec. 10.** AS 38.05.115(b), 38.05.115(c), and 38.05.123 are repealed.

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