

**ALASKA STATE LEGISLATURE
HOUSE RESOURCES STANDING COMMITTEE**

May 2, 2022

1:28 p.m.

MEMBERS PRESENT

Representative Josiah Patkotak, Chair
Representative Grier Hopkins, Vice Chair
Representative Zack Fields
Representative Calvin Schrage
Representative Sara Hannan
Representative George Rauscher
Representative Mike Cronk
Representative Ronald Gillham
Representative Tom McKay

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

CS FOR SENATE BILL NO. 204 (RES)

"An Act relating to auctions or raffles for hunting harvest permits and big game tags; and providing for an effective date."

- MOVED CSSB 204 (RES) OUT OF COMMITTEE

HOUSE BILL NO. 120

"An Act relating to state land; relating to the authority of the Department of Education and Early Development to dispose of state land; relating to the authority of the Department of Transportation and Public Facilities to dispose of state land; relating to the authority of the Department of Natural Resources over certain state land; relating to the state land disposal income fund; relating to the leasing and sale of state land for commercial development; repealing establishment of recreation rivers and recreation river corridors; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 204

SHORT TITLE: HUNTING PERMIT/TAG AUCTIONS/RAFFLES

SPONSOR(s) : SENATOR(s) REVAK

02/22/22 (S) READ THE FIRST TIME - REFERRALS
02/22/22 (S) RES, FIN
03/02/22 (S) RES AT 3:30 PM BUTROVICH 205
03/02/22 (S) Heard & Held
03/02/22 (S) MINUTE(RES)
03/16/22 (S) RES AT 3:30 PM BUTROVICH 205
03/16/22 (S) Moved CSSB 204(RES) Out of Committee
03/16/22 (S) MINUTE(RES)
03/18/22 (S) RES RPT CS 5DP 1NR SAME TITLE
03/18/22 (S) DP: REVAK, STEVENS, MICCICHE, VON
IMHOF, KIEHL
03/18/22 (S) NR: KAWASAKI
03/30/22 (S) FIN AT 9:00 AM SENATE FINANCE 532
03/30/22 (S) Heard & Held
03/30/22 (S) MINUTE(FIN)
04/05/22 (S) FIN AT 9:00 AM SENATE FINANCE 532
04/05/22 (S) Moved CSSB 204(RES) Out of Committee
04/05/22 (S) MINUTE(FIN)
04/06/22 (S) FIN RPT CS(RES) 5DP 2NR SAME TITLE
04/06/22 (S) DP: BISHOP, HOFFMAN, WILSON,
WIELECHOWSKI, VON IMHOF
04/06/22 (S) NR: STEDMAN, OLSON
04/11/22 (S) TRANSMITTED TO (H)
04/11/22 (S) VERSION: CSSB 204(RES)
04/13/22 (H) READ THE FIRST TIME - REFERRALS
04/13/22 (H) RES, FIN
04/25/22 (H) RES AT 1:00 PM BARNES 124
04/25/22 (H) -- MEETING CANCELED --
04/29/22 (H) RES AT 1:00 PM BARNES 124
04/29/22 (H) Heard & Held
04/29/22 (H) MINUTE(RES)
05/02/22 (H) RES AT 1:00 PM BARNES 124

BILL: HB 120

SHORT TITLE: STATE LAND SALES AND LEASES; RIVERS

SPONSOR(s) : RULES BY REQUEST OF THE GOVERNOR

03/01/21 (H) READ THE FIRST TIME - REFERRALS
03/01/21 (H) RES, FIN
04/30/21 (H) RES AT 1:00 PM BARNES 124
04/30/21 (H) Heard & Held
04/30/21 (H) MINUTE(RES)
05/12/21 (H) RES AT 1:00 PM BARNES 124
05/12/21 (H) Scheduled but Not Heard
05/13/21 (H) RES AT 1:00 PM BARNES 124

05/13/21 (H) Heard & Held
05/13/21 (H) MINUTE (RES)
05/02/22 (H) RES AT 1:00 PM BARNES 124

WITNESS REGISTER

EMMA TORKELSON, Staff
Senator Josh Revak
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: On behalf of Senator Revak, prime sponsor, provided comments on CSSB 204 (RES).

GRACE ERVINE, Staff
Representative Josiah Patkotak
Alaska State Legislature
Juneau, Alaska

POSITION STATEMENT: During the hearing on HB 120, provided a recap of the committee's 2021 discussions on the bill.

CORRIE FEIGE, Commissioner
Department of Natural Resources
Anchorage, Alaska

POSITION STATEMENT: Provided a reintroduction of HB 120 via a PowerPoint presentation, titled "HB 120 State Land Sales and Leases."

KRISTIN "KRIS" HESS, Deputy Director
Division of Mining, Land and Water
Department of Natural Resources
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HB 120, answered questions.

BRENT GOODRUM, Deputy Commissioner
Office of the Commissioner
Department of Natural Resources
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HB 120, answered questions.

DAVID SCHADE, Director
Division of Agriculture
Department of Natural Resources
Palmer, Alaska

POSITION STATEMENT: During the hearing on HB 120, answered questions.

VERDIE BOWEN, Director
Alaska State Office of Veterans Affairs
Department of Military and Veterans Affairs
Anchorage, Alaska

POSITION STATEMENT: During the hearing on HB 120, expressed support for creating the ability of [Alaska Native Vietnam] veterans to receive land closer to their territorial ground.

ACTION NARRATIVE

[1:28:55 PM](#)

CHAIR JOSIAH PATKOTAK called the House Resources Standing Committee meeting to order at 1:28 p.m. Representatives McKay, Hopkins, Gillman, Hannan, and Patkotak were present at the call to order. Representatives Cronk, Schrage, Rauscher, and Fields arrived as the meeting was in progress.

SB 204-HUNTING PERMIT/TAG AUCTIONS/RAFFLES

[1:29:36 PM](#)

CHAIR PATKOTAK announced that the first order of business would be CS FOR SENATE BILL NO. 204(RES), "An Act relating to auctions or raffles for hunting harvest permits and big game tags; and providing for an effective date."

[1:30:22 PM](#)

EMMA TORKELSON, Staff, Senator Josh Revak, Alaska State Legislature, on behalf of Senator Revak, prime sponsor, provided comments on CSSB 204(RES). She stated that the bill would moderately increase the harvest permits available for auctioning and raffling to leverage additional Pittman-Robertson funds and give the Alaska Department of Fish and Game (ADF&G) and Alaska charities more ability to contribute to wildlife protection and wildlife conservation efforts around the state.

[1:30:51 PM](#)

REPRESENTATIVE HOPKINS moved to report CSSB 204(RES) out of committee with individual recommendations and the accompanying [zero] fiscal note. There being no objection, CSSB 204(RES) was reported out of the House Resources Standing Committee.

HB 120-STATE LAND SALES AND LEASES; RIVERS

[1:31:18 PM](#)

CHAIR PATKOTAK announced that the final order of business would be HOUSE BILL 120, "An Act relating to state land; relating to the authority of the Department of Education and Early Development to dispose of state land; relating to the authority of the Department of Transportation and Public Facilities to dispose of state land; relating to the authority of the Department of Natural Resources over certain state land; relating to the state land disposal income fund; relating to the leasing and sale of state land for commercial development; repealing establishment of recreation rivers and recreation river corridors; and providing for an effective date." [Before the committee was the proposed committee substitute (CS) for HB 120, Version 32-GH1634\B, Radford, 4/23/21 ("Version B"), adopted as the working document on 4/30/21.]

[1:31:46 PM](#)

GRACE ERVINE, Staff, Representative Josiah Patkotak, Alaska State Legislature, provided a recap of the committee's 2021 discussions on HB 120, [a bill by request of the governor]. She related that HB 120 was introduced in March 2021, was heard twice by the committee in 2021, and the committee adopted a proposed CS, Version B, to match SB 97. She said the committee received amendments from members in the administration and a letter of concern from three Alaska Native Claims Settlement Act (ANCSA) regional corporations. Over the interim, she further related, the governor's office, the Department of Natural Resources (DNR), the Department of Law (DOL), the affected ANCSA regional corporations, Alaska Native Corporations (ANCs), and Chair Patkotak's office worked to address those concerns, and the product of those conversations is a new proposed committee substitute, Version G.

[1:32:55 PM](#)

REPRESENTATIVE HOPKINS moved to adopt the proposed CS for HB 120, Version 32-GH1634\G, Bullard, 4/22/22 ("Version G"), as the working document.

CHAIR PATKOTAK objected for the purpose of discussion.

[1:33:17 PM](#)

MS. ERVINE noted Version G would be the second CS adopted by the committee [Version B being the first]. She explained that the most important change made by Version B was removal of the Susitna recreational rivers provision, which remains removed in Version G. She then spoke from the document in the committee packet, titled "CS House Bill 120 (RES) Version G Summary of Changes from Version B to Version G," which read as follows [original punctuation provided with some formatting changes]:

Title:

Adds "relating to the Alaska Native Vietnam veteran land exchange" to the title of the bill.

Section 13, AS 38.05.086:

Subsection (c): Adds a requirement that the commissioner specifically notify ANCSA regional corporations and village corporations when classifying or reclassifying land for disposal.

Subsection (p): Creates a new subsection requiring the commissioner to reserve easements and rights-of-way on land after giving ANCSA regional corporations, village corporations, tribes, municipalities, and other interested parties the opportunity to review those reservations. Those reserved easements and rights-of-way should include trails with traditional uses and significance.

Subsection (q): Adds to the list of considerations in making a best interest finding subsistence uses, fish and wildlife habitat and populations and their uses, and historical and cultural resources.

Section 17, AS 38.50.010(b):

Identifies AS 38.50.015 as an exception to the general land exchange statutes.

Section 18, AS 38.50.015:

Creates an Alaska Native Vietnam Veteran land exchange. Under this section, an Alaska Native Vietnam veteran who has received a native allotment under 43 U.S.C. 1629g-1, section 1119 of the John Dingell Jr. Conservation, Management, and Recreation Act, may apply to the department to exchange that allotment for state land. This section lays out the process by which land can be exchanged and valued.

CHAIR PATKOTAK removed his objection. There being no further objection, Version G was before the committee.

[1:36:44 PM](#)

CORRIE FEIGE, Commissioner, Department of Natural Resources (DNR), provided a reintroduction of HB 120 via a PowerPoint presentation [hard copy included in the committee packet], titled "HB 120 State Land Sales and Leases." She displayed the first slide and said the intent of HB 120 is threefold: 1) To facilitate economic growth and further utilization of Alaska's lands; 2) To expand agricultural development and food production to facilitate greater food security in Alaska; and 3) To ensure that the Alaska Native veterans who served their country during the Vietnam War are given equal opportunity to realize their promised federal land grants in areas of the state that are meaningful and connected to their home regions.

COMMISSIONER FEIGE moved to slide 2, "AUTHORITY TO DOT&PF AND DEED TO DISPOSE OF STATE LAND," and said HB 120 achieves this intent through four housekeeping measures. She said the first measure is that HB 120 would streamline land conveyance processes by the Department of Transportation and Public Facilities (DOT&PF) and the Department of Education and Early Development (DEED) by allowing these agencies to make land conveyances without DNR needing to facilitate that process once those agencies have determined that they no longer need the lands conveyed to them for a specific purpose once that specific purpose has been satisfied. She proceeded to slide 3, "CONSTRUCTION STANDARDS," and said the second measure is that HB 120 would align state and local municipal road development standards, allowing for more lands to transfer into private hands and an expansion of the local tax base more quickly. Commissioner Feige continued to slide 4, "INCREASE LAND DISPOSAL INCOME FUND CAP," and said the third measure is that HB 120 would increase the cap of the Land Disposal Income Fund from \$5 million to \$12 million to offset the impacts of inflation that have occurred since the fund's creation in 2000. The fund, she explained, is used to develop acreage for sale, including the construction of the access roads in areas of the state where that land will be offered. She displayed slide 5, "ADDITIONAL SALE AUTHORITIES," and said the fourth measure is that HB 120 would align DNR's land sale and contracting practices to mirror standard real estate contract terms more closely. She explained that this includes such things as moving the standard contract term from 20 years to 30 years and allowing modern online sale practices like online land options.

1:39:55 PM

COMMISSIONER FEIGE addressed slide 6, "COMMERCIAL USE LAND SALES." She said HB 120 seeks to encourage economic development by creating a new land sale program for land intended to be used for commercial purposes within qualified opportunity zones or areas designated for commercial development. She related that since the bill's hearings in 2021, DNR has met with Native corporations and other stakeholders who rightly have concerns about sufficient notification and public comment processes available to private landowners located in the vicinity of a proposed commercial land lease or sale. She further related that DNR has addressed the concerns regarding the ability of individuals to buy tracts of land either individually or adjacent to other private land and then subsequently effectively bar access through or around those parcels thereby creating a barrier to the access and use by the public of general state lands lying beyond.

COMMISSIONER FEIGE spoke to slide 7, "REDUCED RESTRICTIONS TO AGRICULTURAL LAND SALES." To expand agricultural production and enhance food security in Alaska, she explained, HB 120 would modernize the criteria for activities allowed on agricultural lands by allowing co-located small business activities that do not detract from the primary purpose of agricultural production. She said the bill would reduce the minimum agricultural parcel size from 40 acres to 20 acres to reflect the technical advancements in farming practice and commercial agriculture that have taken place since Alaska's original agricultural covenant was put into statute some 40 years ago. With these changes, Commissioner Feige continued, Alaska's farmers would be able to have small cottage businesses, like a family run bed and breakfast, co-located on their working farm. She said it would also allow for support businesses like feed stores or crop storage to be located within agricultural development areas.

COMMISSIONER FEIGE displayed slide 8, "ALASKA NATIVE VIETNAM VETERANS LAND EXCHANGE." She said HB 120 would create a program for Alaska Native Vietnam veterans who received an allotment under the federal Dingell Act, administered by the U.S. Department of the Interior, and who may have received allotments in parts of the state that have no connection to their home region. She explained that HB 120 proposes a new program under which these veterans could exchange their federal allotments for general state land of an equivalent acreage or value in or near to their home regions.

[1:42:56 PM](#)

REPRESENTATIVE FIELDS asked whether the Arctic Slope Regional Corporation (ASRC), Doyon Limited, and NANA now endorse HB 120.

COMMISSIONER FEIGE replied yes. She said [DNR] has received word from the ANCs that they do not have concerns about either the lands access provisions that were discussed last year or other portions of the bill.

REPRESENTATIVE FIELDS inquired whether these ANCs have written a letter saying they now support HB 120.

COMMISSIONER FEIGE responded that she doesn't believe so.

REPRESENTATIVE FIELDS stated that he would like to see clarity on where those stakeholders are now.

CHAIR PATKOTAK related that there was concern with the bill in its original form, but those concerns were dealt with over the interim, and now the ANCs are "kind of neutral" on the matter.

[1:44:03 PM](#)

REPRESENTATIVE HANNAN asked whether these veterans must have a federal allotment to be able to select state land under this provision. She further asked whether Native veterans whose federal allotments are not satisfactory to them must select state lands that are close to their traditional homelands and what constitutes "close" by Alaska standards. She also asked whether the exchange must be for the entirety of the federal parcel or whether a veteran could retain, say, 80 acres of a 160-acre federal allotment and exchange the remaining 80 acres for state land. Representative Hannan also asked whether DNR has an estimate of the number of Native veterans who may ask to exercise this provision as well as the volume of land that they would be owed. Last, she inquired about timeframes from over the past and into the future for exercising this provision.

COMMISSIONER FEIGE replied that a Native veteran must hold title to that federal allotment prior to participating in the program, which means to come to the program with that title in hand. She deferred to Kristin Hess to answer the other questions.

[1:47:21 PM](#)

KRISTIN "KRIS" HESS, Deputy Director, Division of Mining, Land and Water (DMLW), Department of Natural Resources (DNR), responded that HB 120 is only for those Native allottees who receive it under the Veterans Act. So, she stated, the Dingell Act is what qualifies an individual to exchange land with the state. Regarding the location, she explained, the state would be required to identify land that would be made available for exchange with a veteran allottee. Regarding whether a portion of a federal allotment could be exchanged, she said an allottee could exchange from 2.5 acres up to the entirety of their federal allotment and retain ownership of any remaining portion of their federal allotment. Regarding the veteran program, Ms. Hess advised that it would be available only for veterans. Individuals who have received an allotment under the 1906 Act, she said, would not be eligible to do an exchange under this section. However, she continued, they could come to the department to do an exchange under DNR's regular statutes. Regarding time limits, she explained that under the Dingell Act the federal government has until 2025 to act and DNR would hold land available for exchange after that. So, she said, there wouldn't be a cutoff date, there would be land available that these veterans could exchange with the state if they so choose.

[1:49:45 PM](#)

CHAIR PATKOTAK inquired about the number of Alaska Native Vietnam veterans owed their allotment as well as DNR's expectation on the volume of acreage.

MS. HESS, regarding the [volume of] land, replied that DNR would have to identify the land that would be available. Regarding the number of veterans, she said DNR has identified about 3,000 individuals who would be eligible under the Dingell Act to potentially come and exchange land with the state.

CHAIR PATKOTAK requested Ms. Hess to address the acreage of land per claimant.

MS. HESS answered that under [Version G] the acreage can be anywhere from 2.5 acres up to the whole 160 acres.

[1:50:59 PM](#)

REPRESENTATIVE HANNAN, regarding proximity to Indigenous traditional land, posed an example of a Vietnam veteran from the Pribilof Islands where not much land is available for allotment and whose family members were, at various points in time,

relocated to Southeast Alaska where some of these family members are now buried. She asked whether this veteran could exchange a partial amount of their [federal] allotment for land on which such a gravesite is located. She further asked whether the state land must be close to the veteran's traditional lands, or where the veteran lived when the [federal] allotment was received, or where the veteran is a tribal citizen.

MS. HESS replied that [DNR] would identify lands and it would have to be state lands that would be utilized. The location of available state lands will guide and determine where lands are available for exchange, she said. [The department] would do its best to identify as many available state acres [as possible] but cannot guarantee it's going to be identical or in the same proximity, but would offer additional lands in areas that these veterans might be interested in.

[1:53:16 PM](#)

REPRESENTATIVE HANNAN asked whether those identified lands for veterans will have to comply with their current land management plans, for example, state park, recreation river, and so forth.

MS. HESS replied that some lands with a higher potential or a state interest, such as mineral or oil and gas, would not be appropriate to be offered for this type of an exchange. She said the department would evaluate the lands that would be made available under the current bill, would look at all those issues, and would look at potentially reclassifying if necessary.

[1:54:33 PM](#)

REPRESENTATIVE FIELDS asked whether the commissioner or staff had reviewed the letter from former DNR employee, Dick Mylius.

COMMISSIONER FEIGE indicated yes.

REPRESENTATIVE FIELDS noted that Mr. Mylius [previously] worked at DNR, including as deputy director and director of the Division of Mining, Land and Water. He related that in the letter Mr. Mylius expresses concerns that the state could sell by sole source. He asked whether the department could sell land sole source after it is nominated. He further related that Mr. Mylius's critique is that the department could sell land to someone who could then use it in contravention to some existing management plans or potentially in contravention to what a local

government has set out as intended use for land. He asked whether Mr. Mylius's critiques are still accurate under the [proposed CS, Version G].

[1:55:38 PM](#)

BRENT GOODRUM, Deputy Commissioner, Office of the Commissioner, Department of Natural Resources (DNR), responded that some plans have been out for 15-30 years, so public process was done some time ago; therefore, the plans are not as current as the department would like them to be. He stated that it would give DNR the opportunity through a public notice to engage on appropriate uses of those lands going forward. Most of this conversation under Section 13, Version G, is dealing with the commercial aspect, he continued, so there will be opportunities to re-engage with the public and receive that feedback to determine if it is in the state's interest to consider reclassifying land.

REPRESENTATIVE FIELDS said he thinks Section 3 of the bill outlines public notice and he interprets that section as saying that if someone nominated land for commercial use, DNR would post something on the online public notice system for a month and the department would contact any applicable regional and village corporation. There is no notice requirement for adjacent landowners or a local government, he continued, so the problem with this section is that there could be 100 adjacent landowners who don't know. He posed a scenario in which land that had been used historically for recreation suddenly is purchased and access is then blocked to other users. He said it seems that with the paucity of public notice DNR might sell land to someone without even knowing that another use had been designated through an appropriate public process.

MR. GOODRUM answered that under AS 38.04.065 DNR does take local area plans into consideration. When doing planning, he said, DNR needs to be as consistent as possible with local area plans, so the department does take those important factors into consideration when making determinations about future land use.

[1:58:32 PM](#)

REPRESENTATIVE FIELDS asked whether HB 120 would allow sole source distribution of land and DNR would not have to put out a bid.

MR. GOODRUM responded that under Section 13 a process would be created in which DNR would have to make a public best interest finding that says it's appropriate for the state to do a commercial development. That information and that decision are appealable, he said, and DNR would also give public comment on that before advancing to any sort of request for proposal for anticipated commercial use. If more than one party were to express interest in commercial development, he continued, DNR would then have a competitive bid process that would be contemplated as laid out in Section 13.

REPRESENTATIVE FIELDS surmised that if only one person expressed interest, then that person potentially could buy the land.

MR. GOODRUM replied, "Either lease it or buy it."

[1:59:43 PM](#)

COMMISSIONER FEIGE added that the process envisioned here is like what DNR does for, say, an oil and gas exploration license where a very large area is identified. A best interest finding is undertaken for that area, she said, and that addresses the public notice ensuring private landowners in the area are made aware of what the state is contemplating. The department reviews its existing area plans, she explained, and then once that large area is identified, DNR holds the sensitive commercial information as confidential and notifies the public that an application for a commercial land sale has been received and opens it up to other takers. If other people in the area nominate a parcel, and it doesn't necessarily overlap or have to overlap, then the department achieves the competitive aspect, Commissioner Feige stated. If there is only one taker, then, yes, the land sale would go to the individual who made the original application. So, she said, it's a process familiar to the department from having applied that similar type of approach for the exploration license as just one example.

REPRESENTATIVE FIELDS stated he doesn't see notification requirements in the bill for adjacent landowners and local governments.

MS. HESS answered that another statute, AS 38.05.945, requires notification and that would notify affected individuals, so potentially landowners would receive that notification under that statute.

[2:02:17 PM](#)

REPRESENTATIVE HANNAN offered her understanding that the state still has some obligations to all local governments for land transfers, but that there are constraints on which lands a local government can request for transfer. She expressed her concern over the possibility of the state distributing lands before its obligations to all local governments have been fulfilled, especially state lands adjacent to communities that have yet to organize as first-class municipal governments. She noted that HB 120 is targeted at an individual commercial development, but asked whether local governments can participate under this provision.

MR. GOODRUM replied that Representative Hannan is talking about the municipal land program and as per municipalities come into existence, they are granted a certain amount of land entitlement. He said it is correct that DNR does not convey out of state ownership certain types of classified lands, such as highly mineralized areas, oil and gas, or locatable minerals, and that some types of classification are solely retained in the state government. He said he believes that if municipalities engage with DNR about identifying lands that they would like to own, the department will have some ability to look at whether reclassification is appropriate as well in those situations.

[2:05:25 PM](#)

REPRESENTATIVE HANNAN inquired whether a local government's allocation is currently limited to requesting only state land adjacent to the local government's existing boundaries.

MR. GOODRUM responded that a local government's allocation of land is based upon the boundaries of the borough. He said he doesn't believe they are able to extend outside their existing limits. He advised that if they were contemplating expanding their borough they probably could and should engage with DNR about that and what that might mean, but to be conveyed land it would need to be within their existing borough or municipality, as appropriate.

[2:06:18 PM](#)

REPRESENTATIVE FIELDS said he doesn't see a requirement in AS 38.05.945 to notify adjacent landowners by mail or other direct means. He recognized that those requirements are old school, but said he is asking these questions while thinking about the area around Hatcher Pass which has an amalgam of multiple

different types of state land. He related that local government has been very involved in developing the area for recreational use that has driven a lot of local economic opportunity, and he doesn't want to vote for a bill that unwittingly undoes a lot of local planning. He maintained that the underlying public notice requirements in [AS 38.05.945] are not adequate for this kind of expedited land disposal process and he has a big problem with landowners not knowing that land immediately adjacent to them has been sold.

COMMISSIONER FEIGE answered that the concerns of Representative Fields are legitimate. She advised that part of the public notice requirements under AS 38.05.945 remain intentionally broad because DNR has all of Alaska to accommodate under those. Interwoven into that, she continued, is that primary land use documents like the comprehensive plan under the Matanuska-Susitna Borough must be considered as part of DNR's best interest finding. She further advised that through the reservation of easements DNR is making sure that the public cannot be barred from access through areas that have been disposed into private hands.

MS. HESS added that it doesn't say specifically adjacent landowners, but it does say notification of parties known or likely to be affected by the action. She said DNR would consider the neighbors around the area and would endeavor to make sure they are notified and aware of the proposal.

[2:10:39 PM](#)

REPRESENTATIVE HOPKINS asked whether there are any types of state lands that would not be available for nominating for these commercial purposes. He requested a list of all the types of state lands, and which would be available for nomination under HB 120.

MS. HESS replied yes, there are some lands that DNR probably would not make available for commercial lease or sale, such as oil and gas or highly mineralized areas. But, she continued, in going through this process of identifying lands to make available for commercial use, DNR would look to see whether the current classification is still appropriate or should be reclassified.

COMMISSIONER FEIGE added that DNR will screen out areas with sensitive habitat, as well as cultural or archeological considerations, since in this program DNR would be looking for

areas that could be deemed appropriate specifically for commercial development.

[2:12:46 PM](#)

REPRESENTATIVE HOPKINS inquired whether these commercial nominations would have subsurface rights, including geothermal.

COMMISSIONER FEIGE responded no, the subsurface mineral estate and geothermal would be retained in state ownership for use and maximum benefit to all Alaskans. She qualified, however, that near surface geothermal that local homeowners could use for things like heat pumps would be excluded.

REPRESENTATIVE HOPKINS noted that he shares the concerns of Representative Fields about notice for neighboring landowners.

[2:13:51 PM](#)

REPRESENTATIVE FIELDS requested an explanation of the language change proposed in Version G, beginning on page 4, line 1, relating to AS 35.20.070, that states vacating and disposing of land is repealed and reenacted.

MR. GOODRUM answered that he believes 35.20.070 is statute that deals with DOT&PF, not [Title] 38. He said it has to do with the provisions that allow DOT&PF to dispose of land just like there is another section that allows DEED to dispose of lands.

REPRESENTATIVE FIELDS said the current language in 35.20.070 and the proposed new language are very similar. He asked what the new language would do that the old language does not.

COMMISSIONER FEIGE replied that DNR will get back to the committee with a definitive answer from the Department of Law. She said it is one of the housekeeping measures she mentioned earlier, which is that for any lands conveyed to DOT&PF or DEED that did not come through DNR, then those agencies could dispose of those lands once the use for which they were conveyed is satisfied. She explained that presently there is vagary in the language which leads to DOT&PF and DEED needing to come to DNR as the agency which disposes of or manages state land. The [proposed] language restatement would take out DNR as the middleman and allow for DOT&PF and DEED to dispose of those parcels.

[2:17:01 PM](#)

REPRESENTATIVE FIELDS surmised DOT&PF and DEED are currently disallowed from conveying lands, so DNR is doing that. He asked whether DOT&PF and DEED are required to follow the same statutes in Title 39 about public notice. He further inquired about the amount of land that DOT&PF and DEED could dispose of and requested to see a map. Last, he asked whether it would make more sense to route the land through DNR if there is lots of land for disposal and if DOT&PF and DEED must follow the same process for disposal that DNR already follows.

MS. HESS responded that currently DEED and DOT&PF can sell land to federal, state, or municipal agencies but not to third-party individuals. The language in Version G would allow DEED and DOT&PF, if they desire, to sell to third parties if the land isn't being used for the purpose of which it was acquired.

REPRESENTATIVE FIELDS asked whether, under Version G, DOT&PF and DEED would follow the same or different notice and bidding competition requirements as those for DNR.

MS. HESS answered that she isn't positive about DOT&PF's and DEED's land disposal sale requirements under either Title 35 or Title 14. She said she assumes they still would have some public notification requirements, but they wouldn't be following Title 38, which includes the public notice requirements for DNR.

[2:19:36 PM](#)

REPRESENTATIVE FIELDS remarked that this deserves further examination. He said it seems odd because there could be DNR land near DOT&PF land and there would be one set of procedures for one area of land and potentially not nearly as rigorous of procedures [for the adjacent area]. Some DOT&PF land offered for sale could be very valuable, he continued, and [the state] should get the best value out of it.

CHAIR PATKOTAK stated that the committee looks forward to the follow-up from DNR on the line of questioning by Representative Fields as well as detailed maps per Representative Hopkins for what land is available for disposal through the commercial process.

[2:20:19 PM](#)

REPRESENTATIVE HOPKINS, regarding agricultural land covenants, offered his understanding that the minimum parcel size for someone subdividing their agricultural tract would be 20 acres.

COMMISSIONER FEIGE responded that is correct.

REPRESENTATIVE HOPKINS asked whether there is a reason for not going smaller than 20 acres, given the recent interest in one-acre to five-acre parcels for modern types of agriculture.

COMMISSIONER FEIGE replied that two specific and different types of lands are being looked at. She said agricultural land is specific in its classification and the purchaser receives a requisite reduction in purchase price because the land will, in theory, be put into active large scale agricultural production. Whereas, she continued, the smaller farms being talked about by Representative Hopkins can be undertaken on general state land and do not need the specific agricultural covenant to facilitate agricultural production. [This proposal] looks at the initial agricultural covenant, she stated, which is focused on very large agricultural crop production, and reduces that from 40 acres to 20 [as an incentive for] families and that today's farming methods are much more productive than 40-50 years ago. Micro-farms, such as peony farms on two-five acres, are good commercially, she added, but do not feed people except for the money the person makes from them. She deferred to Mr. Schade to answer further.

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DAVID SCHADE, Director, Division of Agriculture, Department of Natural Resources (DNR), explained that the idea for agricultural covenant land is to get the land's purchase price down to the level that people can afford and to do both crop and animal agriculture. He said the balance of keeping traditional agriculture and the abilities is for the state to go to parcels that are 20 acres. He noted that under [Sec.14(a)(1)(B)] the state "can" provide for agricultural parcels less than 20 acres, but only the state. So, he continued, if an area of land is found where the economic availability would be for flowers, which is an average of five acres, then the department might do that. Mr. Schade said another reason for keeping 20 acres as the general minimum for agricultural covenant land is that when there is a disease or a problem the farmer must rotate among different crops or fallow the land, which requires a minimum area of land.

[2:24:45 PM](#)

REPRESENTATIVE HOPKINS recalled that bed and breakfast and farm to table dining have been brought up as allowable uses that would be agricultural specific. He asked whether a cell tower would be an allowable use of agricultural land and what would need to be done to the land to make that allowable.

MR. SCHADE answered that decisions have been made in the past that allowed a cell tower and that disallowed a cell tower. He said the change proposed in Version G would allow such de minimis uses given modern communications are a positive thing. He stated that with the passage of HB 120 DNR likely would develop regulations specifying what things are absolutely allowed and what things are absolutely disallowed. For things in the middle, he continued, a person could come to the department and get an answer. He related that the key question is: "Is this in support of your farm?" If the use in question does not impede the agriculture use then it will likely be allowed.

[2:26:34 PM](#)

REPRESENTATIVE HANNAN requested verification that [under the proposed provisions] of Sec. 3, Sec. 35.20.070(a), DOT&PF could vacate an easement that it acquired for public works once the purpose is fulfilled or no longer needed. She also requested affirmation that DOT&PF could not sell off an easement on someone's private property, i.e., if DOT&PF vacated an easement the deed would remain with the adjacent property owner so that there would not be any selling of easements of DOT&PF land.

MS. HESS responded that is correct, an easement that DOT&PF had obtained would go to the underlying landowner; it would not be up for sale to somebody else. She noted DOT&PF currently does have authority under 38.05.030 to dispose of lands, but 35.20.070 was not included under that current statute. The repeal and reenactment of this section, she explained, is to allow DOT&PF to sell land directly under Title 35. Regarding Representative Fields' question about the authority, she specified that if DOT&PF or DEED had the ability to sell its own land, it would be required under Article 8, Section 10, of the Alaska State Constitution to give public notice of any type of sale even though that is not under its statutes of Title 35 or Title 14.

REPRESENTATIVE FIELDS commented that it would benefit the public to have public notice consistent across departments, whether it is done completely through DNR or done through the different departments. He said he questions whether DEED would find it in its best interest to separately dispose of land rather than just transferring it to [DNR] and letting [DNR] do it.

[2:30:36 PM](#)

REPRESENTATIVE FIELDS asked whether the bill repeals the recreational river designation for rivers in the Susitna River Valley and, if so, where in the bill it does that.

MR. GOODRUM responded that that language was in the original bill when it first was submitted but is no longer a provision in the current bill version. Responding further to Representative Fields, he confirmed there is nothing in [Version G] that would affect river designations.

[2:31:25 PM](#)

REPRESENTATIVE HOPKINS posed a scenario in which a parcel of nominated land has a designated Revised Statute (RS) 2477 going through it. He asked what would happen to that designated RS 2477 if the parcel is purchased.

MR. GOODRUM replied that prior existing rights are always going to be incorporated in whatever the state does. So, he said, an RS 2477 would be identified as a prior existing right; it would be listed and referenced in any type of future action, and those rights would be maintained.

MS. HESS added that DNR is required by statute to retain access to additional public lands or private lands before DNR would convey it out of state ownership.

[2:33:00 PM](#)

REPRESENTATIVE FIELDS recounted that several years ago the Municipality of Anchorage surrendered public access from the Prudhoe Bay Neighborhood adjacent Chugach State Park, which created all kinds of problems. He asked how the municipality was able to do that if it is in violation of the underlying state law. He further requested a greater explanation of how the existing statute protects what Mr. Goodrum described as inviolate public access across these lands.

MR. GOODRUM responded that the department will bring that back to the committee in its homework.

REPRESENTATIVE FIELDS inquired about the intended pace for potentially amending HB 120.

CHAIR PATKOTAK responded that public testimony will be held on 5/6/22 if the joint session cancels the committee's 5/4/22 meeting, and an amendment deadline will be set on 5/6/22.

[2:34:39 PM](#)

VERDIE BOWEN, Director, Alaska State Office of Veterans Affairs, Department of Military and Veterans Affairs, expressed support for creating the ability of [Alaska Native Vietnam] veterans to receive land closer to their territorial ground. He advised that, in the new portion, 1,957 veterans are applying for land under the Dingell Act. He said 497 of them live in Southeast Alaska but all the lands that are going to be offered to them will be from Seward up through the Interior. Therefore, he continued, this would give them an option or an opportunity to select lands closer to their home or in their region. He stated that the next largest group is the Cook Inlet, and this would also help those veterans get land conveyed to them that is closer to their home. Even though they are trading land from one location to another, Mr. Bowen continued, this would be a huge boost to help those veterans feel like their service is more directly honored.

CHAIR PATKOTAK asked Mr. Bowen to provide the committee with a list of potential applicants based on region, if such a list is available.

[2:36:10 PM](#)

REPRESENTATIVE HANNAN inquired whether the number of [1,957] veterans is in addition to the 3,000 veterans stated by [Ms. Hess of DNR], such that it would be [4,957] potential parcels for Vietnam veterans, or the [1,957] is a subset of the 3,000.

MR. BOWEN answered that the 1,957 are the new additions but they are not above the 3,000; the overall total amount is 3,000.

REPRESENTATIVE HANNAN asked whether the term "closer" means into a veteran's region of traditional use or whether the term "closer" could mean a veteran whose traditional homeland was the North Slope but who is now living in the Matanuska-Susitna

Valley could choose a parcel closer to the Matanuska-Susitna Valley.

COMMISSIONER FEIGE replied that the intent of HB 120 is to allow these veterans to have an allotment that is in an area where it is useable to them, where they have access to it, or where they can fish, hunt, gather, and enjoy the traditional activities. She said there could be some veterans who are so displaced from where the land they received under the Dingell Act is located that they have no way to get there, or it is too expensive to get there, or they have no connection to the goods and services at that location. Commissioner Feige pointed out that the program under which the veterans holding allotments can apply is voluntary, so it would be up to the veterans to determine [where they would like to select their allotments for exchange].

[2:39:39 PM](#)

COMMISSIONER FEIGE concluded her presentation by stating that Alaska has a vast wealth of land that can be placed into the hands of Alaskans for building businesses, creating jobs and economy, and helping to feed local communities. She said HB 120 aims to put land into use while also recognizing and respecting the private landowners who already own land in the areas where new lands may be disposed of and placed into commercial use. Alaska has not yet reached the point where private landownership is pervasive, she stated, and where a local tax base and economy is being generated from that land. She urged the committee to support HB 120.

[2:41:31 PM](#)

REPRESENTATIVE FIELDS suggested the committee consider including a provision in the bill that the purchasing parties be required to improve and maintain existing trails to ensure that public access is preserved.

[HB 120 was held over.]

[2:43:05 PM](#)

ADJOURNMENT

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 2:43 p.m.