

1 IN THE HOUSE BY THE COMMITTEE ON RESOURCES
2 COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 119
3 IN THE LEGISLATURE OF THE TERRITORY OF ALASKA
4 TWENTY-THIRD SESSION

5 A BILL

6 For an Act entitled: "An Act relating to Alaska lands and
7 resources; establishing a Department of
8 Lands, a Land Board, and the Office of the
9 Land Director, and prescribing duties and
10 powers; providing for selection, acquisition,
11 tion, management, and disposal of Alaska
12 lands and resources; repealing Ch. 126,
13 SLA 1953 and Ch. 183, SLA 1955, and
14 declaring an emergency."

15 BE IT ENACTED BY THE LEGISLATURE OF THE TERRITORY OF ALASKA:

16 PREAMBLE

17 It is the policy of Alaska to encourage the settlement of
18 its land and the development of its resources by making them
19 available for maximum use consistent with the public interest.

20 Article I

21 TITLE AND DEFINITIONS

22 Section 1 SHORT TITLE: This Act shall be known as the
23 "Alaska Land Act."

24 Sec. 2. DEFINITIONS: For the purpose of this Act, the
25 term defined shall have the meaning provided herein unless the
26 context clearly requires otherwise:

27 (a) "Alaska" means the Territory of Alaska or, in
28 the event of statehood, the State of Alaska.

29 (b) "Alaska Lands" or "Lands" means all lands,

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1 including shore, tide and submerged lands, or resources belonging
2 to or hereafter in any manner acquired by Alaska.

3 (c) "Agricultural Lands" and "Grazing Lands" means
4 all lands chiefly valuable for agriculture, cultivation or
5 grazing purposes.

6 (d) "Board" means the members of the Alaska Land Board.

7 (e) "Director" means the Director of the Alaska
8 Department of Lands.

9 (f) "Department" means the Alaska Department of Lands.

10 (g) "Industrial and Commercial Lands" means all
11 Alaska lands chiefly valuable for industrial trade, manufacturing
12 or business use.

13 (h) "Lieu and Indemnity Lands" means lands which
14 Alaska is entitled to or has selected under the provisions of
15 33 Stat. 1214, as amended (48 U.S.C. 353) or under any other
16 similar statute to compensate for lands in lieu of surveyed
17 rectangles, which have been lost to Alaska by reason of defi-
18 cient sections, prior rights, claims, withdrawals, reservations
19 and other appropriations.

20 (i) "Mental Health Lands" means lands granted under the
21 provisions of Title III, Section 2 (2) of Public Law 830, 84th
22 Congress, 2nd Session as heretofore or hereafter amended.

23 (j) "Mineral" means those minerals, other than oil
24 or gas, subject to the provisions of the Mineral Leasing Act of
25 1920, as amended (30 U.S.C. 181; Section 47-3-2, ACLA 1949),
26 namely, coal, phosphate, sodium, potassium, oil shale and
27 sulphur.

28 (k) "Oil and Gas." "Oil" means crude petroleum oil
29 and other hydrocarbons regardless of gravity which are produced

1 at the wellhead in liquid form and the liquid hydrocarbons
2 recovered from gas, other than casinghead gas. "Gas" means all
3 natural gas and all hydrocarbons produced at the wellhead not
4 defined herein as oil.

5 (l) "Park and Recreation Lands" means lands chiefly
6 valuable for public park and recreation use.

7 (m) "School Lands" means all Sections 16 and 36 of
8 surveyed rectangles reserved to Alaska under the provisions of
9 39 Stat. 1214, as amended (48 U.S.C. 353), and any other lands
10 which may be hereafter designated solely for school revenues.

11 (n) "Shore Lands" means all lands belonging to Alaska
12 which are covered by non-tidal waters that are navigable under
13 the laws of the United States up to ordinary high water mark as
14 heretofore or hereafter modified by accretion, erosion, or re-
15 liction.

16 (o) "Submerged Lands" means those lands covered by
17 tidal waters between the line of mean low water and seaward to
18 a distance of three geographical miles.

19 (p) "Tide Lands" means those lands which are peri-
20 odically covered by tidal waters between the elevation of mean
21 high and mean low tides.

22 (q) "Timber Lands" and "Material Lands" means all
23 Alaska lands chiefly valuable for materials, including, but not
24 limited to, sand, stone, gravel, common clay, or timber and
25 other forest products.

26 (r) "University Lands" means all Sections 33 reserved
27 to the University under 39 Stat. 1214, as amended (48 U.S.C.
28 353) and all lands granted for the benefit of the University.

29 Article II

30 CS for HB #119 as amended
Re-expressed as amended by the Senate

1 ORGANIZATION, AUTHORITY AND DUTY

2 Section 1. DEPARTMENT OF LANDS. There is hereby created a
3 Department of Lands of Alaska. The Department shall be under the
4 control and supervision of the Board. Administrative powers and
5 other delegated duties, as prescribed by law or regulation, shall
6 be vested in the Director.

7 Sec. 2. COMPOSITION OF THE BOARD. The Alaska Land Board
8 shall be composed of the Commissioner of Agriculture, the Com-
9 missioner of Mines, the Commissioner of Education, the Highway
10 Engineer, and the Attorney General, or such persons within each
11 of these agencies as may be designated by the particular agency
12 head. The Board shall elect a chairman from among its members.

13 Sec. 3. APPOINTMENT OF DIRECTOR. The Board shall appoint
14 a Director who shall be the executive officer and secretary of
15 the Board.

16 Sec. 4. TERM OF OFFICE OF THE DIRECTOR. The Director shall
17 be appointed for a term of four years and may be removed at the
18 pleasure of the Board for cause.

19 Sec. 5. AUTHORITY AND DUTIES OF THE BOARD.

20 (1) The Land Department shall be administered under
21 the supervision of the Board.

22 (2) The Board shall, on such days and at such time
23 as they may agree, hold a regular meeting during the months of
24 January, April, July and October of each year for the conduct of
25 its official business. Special meetings may be called by the
26 chairman.

27 (3) The Board may establish reasonable procedures and
28 make and promulgate reasonable rules and regulations necessary
29 to carry on the provisions of this Act and may, whenever necessary,

1 issue directives or orders to the Director to carry out specific
2 functions and duties. All rules and regulations promulgated by
3 the Board shall be filed with the Department of Finance and the
4 Attorney General, or as may be otherwise provided by law, be-
5 fore such rules or regulations shall become effective.

6 (4) The Board may select and employ or obtain at
7 reasonable compensation cadastral, appraisal, or other profes-
8 sional personnel it deems are necessary for the proper oper-
9 ations of the Department. The Board may enter into such con-
10 tractual agreements as it deems necessary to carry out the
11 purposes of this Act, including agreements with Federal and
12 Territorial agencies.

13 (5) The Board shall be the certifying agent of Alaska
14 to select, accept and secure by any necessary action in the name
15 of Alaska by deed, sale, gift, devise, judgment, operation of
16 law, or any other means any lands, of whatever nature or inter-
17 est, available to Alaska, and shall be the certifying agent of
18 Alaska, to select, accept or secure by any necessary action in
19 the name of Alaska any lands, or any title or interest thereto,
20 available, granted, or subject to being transferred to Alaska
21 for any purpose.

22 (6) The Board shall have jurisdiction over all Alaska
23 lands, except those lands which are acquired by the Alaska World
24 War II Veterans Board and the Agricultural Loan Board through
25 foreclosure or default. To this end the Board shall possess
26 all of the power and perform all of the duties necessary to
27 protect Alaska's rights and interests therein.

28 (7) The Board is hereby charged with the selection,
29 administration and disposal of mental health lands for the

1 support of the mental health program.

2 (8) A majority of the Board shall approve all con-
3 tracts respecting the sale, lease, or other disposal of avail-
4 able lands, resources, property or any interests therein, and
5 in addition to the conditions and limitations imposed by law,
6 it may impose any additional conditions or limitations in such
7 contracts as it determines will best serve the interests of
8 Alaska. No contract respecting the sale, lease, or other dis-
9 posal of available lands shall be legally binding on Alaska
10 until a majority of the Board has formally recorded its approval
11 in the minutes of a Board meeting. This subsection shall not
12 apply to the various exceptions set forth in this Act.

13 (9) The Board may delegate any of the duties, func-
14 tions and powers to one or more of the members or to the Director
15 to be exercised on behalf of the Board during the time it is not
16 meeting.

17 (10) The Board shall have the authority to review any
18 order or action of the Director, other than the execution of
19 sale, lease or disposal contracts executed under the express or
20 delegated authority of the Board.

21 (11) The Board may exercise all those powers and do
22 all those acts necessary to carry out the provisions and object-
23 ives of this Act.

24 Sec. 6. POWERS AND DUTIES OF THE DIRECTOR. The Director
25 shall: (1) Have general charge and supervision of the Depart-
26 ment and may exercise the powers specifically delegated to him.
27 He may employ and fix the compensation of such assistants and
28 employees as are necessary for the operations of the Department.
29 He shall also be the certifying officer of the Department, and

1 may approve all lawful vouchers for disbursement of monies
2 appropriated to the Department.

3 (2) Manage, inspect and control all Alaska lands and
4 improvements thereon belonging to Alaska and under the juris-
5 diction of the Department.

6 (3) Execute all laws, rules, regulations and orders
7 as are properly promulgated by the Board and imposed upon him.

8 (4) Prescribe application procedures and practices
9 relative to the sale, leasing or other disposing of available
10 lands, resources, property, or any interests therein.

11 (5) Prescribe fees or service charges for any public
12 service rendered.

13 (6) Under the conditions and limitations imposed by
14 law and the Board, issue any deed, lease or other conveyance
15 disposing of available lands, resources, property or any in-
16 terests therein.

17 (7) Take all necessary action, legal or otherwise, to
18 protect and enforce Alaska's contractual or other property rights.

19 (8) Administer the Alaska Land Registration Acts,
20 Ch. 134, SLA 1953, and Ch. 135, SLA 1955, as amended and do all
21 acts necessary thereunder that will insure collection of all
22 registration fees and penalties that may arise.

23 (9) Maintain such records as the Board may deem neces-
24 sary, administer oaths, and do all things incidental to the
25 authority imposed.

26 (10) Account for all fees, licenses, taxes or other
27 monies received in the administration of the Act from any source
28 including the sale or leasing of any land, identify their source,
29 and promptly transmit them to the Treasurer after crediting them

1 to the proper fund.

2 (11) The Director may delegate any of the administrative
3 duties, functions or powers imposed upon him to any responsible
4 employee within the department.

5 Sec. 7. DIRECTOR SHALL BE BONDED. Prior to entering upon
6 the performance of his duties, the Director shall execute a
7 corporate surety bond to Alaska in the sum of \$10,000.00 condi-
8 tioned among other things upon the faithful performance of his
9 duties under this Act and upon the prompt and faithful accounting
10 of all monies collected by him or his deputies, assistants,
11 employees or agents. The said bond, together with any additional
12 conditions or limitations as may be deemed necessary, shall be
13 approved by the Attorney General and filed in the office of the
14 Department of Finance. The premium upon said bond shall be pay-
15 able from such monies as may be appropriated for operation of
16 the Department.

17

Article III

18

GENERAL

19 Section 1. CLASSIFICATION. The Director shall make a
20 preliminary classification for surface use of all lands, in areas
21 where it is deemed necessary and proper for future development.
22 Such classification, together with a land use plan, shall be trans-
23 mitted to the Board for its approval, modification or rejection.
24 Nothing herein shall prevent reclassification of any lands
25 where the public interest warrants such action, nor preclude
26 multiple purpose use of all lands whenever the different uses
27 are compatible.

28 Sec. 2 REVIEW. No land within or adjacent to an in-
29 corporated municipality or other organized community may be

1 leased, or a renewal lease issued, without public notice as
2 provided hereafter, unless the same, except in the case of an
3 oil or gas or mineral lease, has been appraised within ninety
4 days prior to the date fixed for the sale or leasing, provided
5 that when lands have been offered at public sale but were not
6 sold and are available at private sale, no reappraisal is re-
7 quired unless the Director deems that a change in value of the
8 lands may have occurred. No such lands shall be sold or leased
9 for less than the approved, appraised market value, except as
10 provided in Section 4 of this Article.

11 Sec. 4. PUBLIC USE: PREFERENCE TO OCCUPANTS: RECOGNIZING
12 VALUE OF IMPROVEMENTS IN COMPUTING PURCHASE PRICE.

13 (1) The lease, sale, or other disposal of any Alaska
14 lands or resources may be made to any Alaska or Federal agency,
15 political subdivision or non-profit organization for less than
16 the appraised value, as may be determined by the Board to be fair
17 and proper and in the best interests of the public, with due
18 consideration being given to the nature (a) of the public services
19 or function rendered by the said agency, subdivision or non-
20 profit organization making application therefor, and (b) of the
21 terms of the grant under which the land was acquired by Alaska.

22 (2) In the disposition in any manner of any tidelands
23 acquired pursuant to any Federal statute hereafter enacted, which
24 are occupied by or developed for a municipal corporation or any
25 other political subdivision, organized under the laws of Alaska,
26 or are occupied by or developed for any residential, industrial
27 and commercial or other beneficial purposes, on the effective date
28 of this Act, the Board, notwithstanding any other provisions of
29 this Act, shall afford a preference right to the lawful occupant

1 thereof or such occupant's successor in interest.

2 In the event the said land is occupied by a person other than
3 the owner of the improvements thereon, the owner of the improve-
4 ments shall, for the purpose of this subsection, be considered the
5 occupant of said lands.

6 The preference rights granted herein shall apply only to the
7 lawful occupant of tideland who, as of February 1, 1957, held a
8 valid permit from the United States of America, through an author-
9 ized agency thereof either for the use of such tideland or certify-
10 ing that the occupant's use did not interfere with navigation or
11 who, by themselves or together with their predecessors in interest,
12 have occupied such tideland for a continuous period of five years
13 prior to February 1, 1957. Such preference rights shall be trans-
14 ferable. Such preference rights shall be forfeited and lost un-
15 less application in writing is made for acquisition of said land
16 within one year from the date determined by regulation or ordinance
17 as being the first date upon which applications will be accepted by
18 the Board, municipal corporation, or other political subdivision.
19 The Board and the governing body of any municipal corporation or
20 other political subdivision having control of such tidelands shall
21 honor such preference rights herein granted with reasonable dilig-
22 ence.

23 It shall be mandatory for the Board to convey all tidelands
24 situated within or adjacent to a municipal corporation or other
25 political subdivisions, to such corporation or political subdivi-
26 sions. The governing bodies shall thereafter convey such lands to
27 the lawful occupant or such occupant's successor in interest, who
28 shall be afforded a preference right of purchase granted herein,
29 provided, however, and unless required otherwise by Federal Law,

1 the purchase price of any tideland tract conveyed by the governing
2 body of any municipal corporation or other political subdivision
3 shall not exceed the actual cost of surveying, transferring, and
4 conveying the lands to the lawful occupants or the successors in
5 interest.

6 The Board shall convey such tidelands, not within or adjacent
7 to a municipal corporation or any political subdivision, to the
8 lawful occupant or such occupant's successor in interest, who shall
9 be afforded a preference right of purchase granted herein; pro-
10 vided, however, and unless required otherwise by Federal Law,
11 the purchase price of any tideland tract conveyed by the Board
12 shall not exceed the actual cost of surveying, transferring and
13 conveying the lands to the lawful occupant or such occupant's
14 successor in interest.

15 For the purpose of this Section, the following definitions
16 shall apply:

17 (1) "Tidelands" shall mean those lands periodically
18 or continuously covered by tidal waters lying seaward of surveyed
19 towns between the elevation of mean high tide and the pierhead line.

20 (2) "Pierhead Line" shall mean a pierhead line estab-
21 lished now or in the future, by the Corps of Engineers of the De-
22 partment of the Army as the outer limit to which man-made facilities
23 may be permitted to extend over and in navigable waters within or
24 adjacent to a surveyed townsite.

25 Sec. 5. HOMESTEAD ENTRY. The Board may authorize homestead
26 entry on unappropriated agricultural lands, if they are not school
27 lands, mental health lands or lands conveyed to Alaska by the
28 Federal Government for the specific purpose of producing revenue.

29 Sec. 6. PERMITS. The Director, without the prior approval

1 of the Board, may issue permits, rights-of-way or easements on
2 Alaska lands for secondary roads, trails, ditches, pipelines,
3 telephone and transmission lines and other similar improvements
4 The Board shall establish a reasonable rate or fee schedule to
5 be charged for all such use.

6 Sec. 7. DEPOSITS. The Director may require any applicant
7 seeking the sale, lease or other disposal of lands, other than
8 under an oil and gas or mineral lease, to deposit an amount
9 covering the estimated cost of an appraisal, survey and necessary
10 advertising. All deposited funds not expended shall be refunded
11 to the applicant. In the event lands are sold or leased to other
12 than the applicant making the deposit, the party awarded the
13 lands shall pay the total actual cost of appraising and surveying
14 the said lands, together with the total actual cost of advertis-
15 ing, and the deposit shall be returned to the original applicant.

16 Sec. 8. ASSIGNMENT. All contracts of purchase or lease of
17 lands or interests therein shall, on the affirmative approval of
18 the Director, be assignable in whole or in part in writing by the
19 contract holder or lessee, and the assignee shall be subject to
20 and governed by the provisions of laws and regulations applicable
21 to such contract or lease.

22 Sec. 9. NOTICES. All public notice of any sale, lease or
23 disposal of lands or any interest therein, when required, shall
24 be substantially as follows:

25 Notice shall be published once a week for three consecutive
26 weeks next preceding the time of sale stated in the notice, in
27 at least one newspaper of general circulation published in the
28 vicinity in which the land, property or interest therein is to
29 be sold, leased or otherwise disposed of. Notice shall set

1 forth a description of the land, and interest therein to be sold,
2 leased or otherwise disposed of and the time, place and general
3 terms of the sale, lease or disposal.

4 Sec. 10. WASTE OR INJURY TO LAND -- PENALTY. If any person
5 shall commit waste, or trespass or other injury upon Alaska land,
6 the person so offending shall, in addition to being civilly
7 liable for any damages caused, upon conviction thereof be fined
8 in any sum not exceeding one thousand dollars (\$1,000.00).

9 Article IV

10 SALE OF LANDS

11 Section 1. GENERAL. All lands, to which Alaska may hold
12 fee title or to which Alaska may become entitled, excepting
13 shorelands, timber or grazing lands, may be sold in the manner
14 provided hereafter.

15 (1) The Board shall determine those lands which shall
16 be sold, the limitations and conditions which shall attach to
17 the lands sold, and the terms that shall accompany the sale.

18 (2) The date of sale and notice thereof shall be
19 made by the Director.

20 (3) The sale shall take place at the time and location
21 specified in the notice of sale and within the recording precinct
22 where the designated property is located.

23 Sec. 2. SALE PROCEDURES. The sale shall be made at public
24 auction to the highest qualified bidder as shall be determined
25 by the Director; provided, however, an aggrieved bidder may appeal
26 to the Board within five days after such sale for a review of the
27 Director's determination. The sale shall be conducted by the
28 Director or his representative, and at the time of sale the success-
29 ful bidder shall deposit, in cash, or by certified check, an amount

1 equal to one-tenth of the purchase price, whereupon the Director or
2 his representative shall immediately issue a receipt containing a
3 description of the land or property purchased, the price bid and
4 the terms of sale, which receipt shall be acknowledged in writing
5 by the bidder. A contract of sale on a form approved by the Attorne
6 General shall be signed by the purchaser and following the approval
7 of a majority of the Board, the contract shall also be signed by
8 the Director on behalf of Alaska. Provided, however, and prior to
9 the signing of the formal conveyance by the Director, the Board may
10 reject any and all bids when the best interests of Alaska justify
11 such action. Lands that have been offered at public sale but were
12 not sold may be made available at private sale for not less than
13 the appraised value of such lands.

14 Sec. 3. CONTRACT PROVISIONS. The contract of sale shall re-
15 quire the remainder of the purchase price to be paid in annual in-
16 stallments of not less than ten percent of the purchase price, with
17 interest at the rate of not less than five percent per annum. The
18 Board may also impose such conditions, limitations and terms as it
19 deems necessary and proper to protect the interest of the Terri-
20 tory. Violations of any provisions of this Act or the terms of the
21 contract of sale shall subject the purchaser to appropriate legal
22 action, including, but not limited to, a foreclosure action in
23 accordance with applicable Alaska law.

24

Article V

25

LEASING OF LANDS OTHER THAN FOR

26

THE EXTRACTION OF NATURAL RESOURCES

27

Section 1. GENERAL. All lands, including any tide, submerg-
28 ed or shore lands, to which Alaska holds title or to which Alaska
29 may become entitled, may be leased, except for the extraction of

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1 natural resources, in the manner provided in this Article.

2 (a) The Board shall determine those lands which shall
3 be leased and the limitations and conditions that shall attach to
4 the lands and the terms that shall accompany the lease; provided,
5 however, if the total appraised value of the transaction is
6 \$250.00 per annum or less the Director may negotiate a lease with-
7 out advertisement for a period not to exceed five years, and, on
8 such limitations, conditions and terms as he deems are in the
9 best interests of Alaska.

10 (b) Leases may be issued for a period up to fifty-
11 five years, if it appears to be in the best interests of Alaska
12 and if approved by a majority of the Board, except that grazing
13 leases shall not be issued for any period in excess of twenty
14 years. Grazing leases may be subject to review as to classified
15 use every five years and may be declared null and void if the
16 Board determines that the land or any interest therein should be
17 sold, leased or otherwise disposed of for any reclassified use, or
18 it is determined that the lease is not being used for the purpose
19 issued.

20 Sec. 2. LEASING PROCEDURES. The leasing shall be made at
21 public auction to the highest qualified bidder as shall be deter-
22 mined by the Director; provided, however, an aggrieved bidder may
23 appeal to the Board within five days for a review of the Director's
24 determination. The leasing shall be conducted by the Director, or
25 his representative, and the successful bidder shall deposit the
26 first year's rental, or such portion thereof as the Board may re-
27 quire, in cash or by certified check, in accordance with his bid,
28 whereupon the Director or his representative shall immediately
29 issue a receipt containing a description of the land or interest

1 therein leased, the price bid and terms of the lease, which re-
2 ceipt shall be acknowledged in writing by the bidder. A lease,
3 on a form approved by the Attorney General, shall be signed by
4 the lessee and, upon a majority of the Board approving the lease,
5 shall also be signed by the Director. Provided, however, and
6 prior to the signing of the formal lease by the Director, the
7 Board may reject any and all bids for leases when the best inter-
8 ests of Alaska justifies such action.

9 Sec. 3. LEASING PROVISIONS. The lease shall require ad-
10 vance payment of the annual rent or such portion thereof as the
11 Board may require, as determined by the accepted bid. Such condi-
12 tions, limitations and terms may also be imposed by the Board as
13 it shall deem necessary and proper to protect the interests of
14 Alaska. Violations of any provision of this Act or the terms of
15 the lease shall subject the purchaser to appropriate legal action,
16 including, but not limited to, a forfeiture of the lease. Due
17 notice of all action by the Board or Director affecting the rights
18 of the lessee shall be given the lessee.

19 Sec. 4. REMOVAL OR REVERSION OF IMPROVEMENTS UPON TERMINA-
20 TION OF LEASES. Improvements owned by a lessee on Alaska lands
21 shall, within 60 days after the termination of the lease, be re-
22 moved by him; provided, such removal will not cause injury or
23 damage to the lands; and further provided, that the Board may ex-
24 tend the time for removing such improvements in cases where hard-
25 ship is proven. The retiring lessee or permittee may, with the
26 consent of the Board, sell his improvements to the succeeding
27 lessee or permittee.

28 If any improvements having an appraised value in excess of
29 \$10,000.00 as determined by the Director are not removed within

1 the time allowed, such improvements shall upon due notice to the
2 lessee, be sold at public sale under the direction of the Board.
3 The proceeds of sale shall inure to the lessee who placed such im-
4 provements on the lands after paying to Alaska all rents due and
5 owing and expenses incurred in making such sale. In case there
6 are no other bidders at any such sales, the Board is authorized to
7 bid, in the name of Alaska, on such improvements. The bid money
8 shall be taken from the fund to which said lands belong and the
9 said fund shall receive all monies or other value subsequently de-
10 rived from the sale or leasing of such improvements. Alaska shall
11 acquire all the rights, both legal and equitable, that any other
12 purchaser could acquire by reason of said purchase.

13 If any improvements having an appraised value of \$10,000.00
14 or less, as determined by the Director, are not removed within the
15 time allowed, such improvements shall revert to and absolute title
16 shall vest in Alaska.

17 Sec. 5. SUBLEASES. Any lessee may sublease or assign the
18 lands or portion thereof upon which he has a lease; provided, that
19 before any lessee shall be permitted to sublet or assign any of
20 such lands or portion thereof, he shall make application to the
21 Director for a permit and the Director may issue such permit if he
22 finds it in the best interest of Alaska.

23 Sec. 6. RENEWAL OF LEASE. If, at the expiration of any lease
24 of any lands, the lessee desires a renewal lease on the lands,
25 properties, or interests covered thereby, he shall within 30 days
26 before the expiration of his lease make application in writing for
27 a renewal lease, certifying under oath as to the character and value
28 of all improvements existing on the land, properties, or interests
29 therein, the purpose for which he desires a renewal lease and such

1 shall contain the following reservations: "The party of the first
2 part, Alaska, hereby expressly saves, excepts and reserves out of
3 the grant hereby made, unto itself, its lessees, successors, and
4 assigns forever, all oils, gases, coal, ores, minerals, fissionable
5 materials, and fossils of every name, kind or description, and which
6 may be in or upon said lands above described, or any part thereof,
7 and the right to explore the same for such oils, gases, coal, ores,
8 minerals, fissionable materials and fossils, and it also hereby ex-
9 pressly saves and reserves out of the grant hereby made, unto it-
10 self, its lessees, successors, and assigns forever, the right to enter
11 by itself, its or their agents, attorneys, and servants upon said lands,
12 for any part or parts thereof, at any and all times, for the purpose
13 of opening, developing and working mines thereon, and taking out and
14 removing therefrom all such oils, gases, coal, ores, minerals, fissiona-
15 ble materials and fossils, and to that end it further expressly re-
16 serves out of the grant hereby made, unto itself, its lessees, suc-
17 cessors, and assigns forever, the right by its or their agents, serv-
18 ants and attorneys at any and all times to erect, construct, maintain,
19 and use all such buildings, machinery, roads, pipelines, powerlines, and
20 railroads, sink such shafts, remove such soil, and to remain on said
21 lands or any part thereof for the foregoing purposes and to occupy
22 as much of said lands as may be necessary or convenient for such pur-
23 poses hereby expressly reserving to itself, its lessees, successors,
24 and assigns, as aforesaid, generally all rights and powers in, to,
25 and over said land, whether herein expressed or not, reasonably nec-
26 essary or convenient to render beneficial and efficient the complete
27 enjoyment of the property and rights hereby expressly reserved."

28 Sec. 2. DAMAGES. No rights shall be exercised under the
29 foregoing reservation, by Alaska, its lessees, successors or assigns,

1 until provision has been made by Alaska, its lessees, successors or
2 assigns, to pay to the owner of the land, upon which the rights,
3 herein reserved to Alaska, its lessees, successors, or assigns, are
4 sought to be exercised, full payment for all damages sustained by
5 said owner, by reason of entering upon said land: Provided that if
6 said owner for any cause whatever refuses or neglects to settle said
7 damages, Alaska, its lessees, successors, assigns, or any applicant
8 for a lease or contract from Alaska for the purpose of prospecting
9 for valuable minerals, or option contract or lease for min-
10 ing coal or lease for extracting petroleum or natural gas, shall
11 have the right to institute such legal proceedings in a court of
12 competent jurisdiction wherein the land is situated, as may be
13 necessary to determine the damages which the owner of such lands
14 may suffer.

15 Article VIII

16 MINERAL LEASING

17 Section 1. GENERAL. All Alaska lands are subject to explor-
18 ation, prospecting, geological survey, and the location of minerals.

19 Sec. 2. LEASING PROCEDURE. All lands, together with any tide,
20 submerged or shore lands, to which Alaska holds title or to which
21 Alaska may become entitled, may be obtained by permit or lease under
22 procedures and terms and requirements recommended by the Commis-
23 sioner of Mines and promulgated by the Board, for the purposes of
24 exploration, development and extracting of minerals. Such permits
25 or leases shall be in substantial conformity with the provisions of
26 the Mineral Leasing Act of 1920, as amended (30 U.S.C. Sections
27 181-190, 193, 194, 201-214, 229, 241, 261-263) in order that, when
28 necessary, Alaska lands and adjacent United States lands may be
29 uniformly administered. Any lands may be withheld from lease ap-

1 plication on a first-come, first-served basis, and offered only on
2 a competitive bid basis when determined by the Board to be in the
3 best interests of Alaska. In unproven areas the Board may offer
4 additional incentive and other terms in granting permits for ex-
5 ploration and development whenever it appears to be in the best in-
6 terests of Alaska to do so.

7 Article IX

8 OIL AND GAS LEASING

9 Section 1. GENERAL. All Alaska lands are subject to lease
10 for prospecting and exploration for, and development and production
11 of, oil and gas.

12 Sec. 2. LEASING PROCEDURE. All lands, together with any tide
13 submerged or shore lands, to which Alaska holds title or to which
14 Alaska may become entitled may be leased under rules and regulations
15 recommended by the Commissioner of Mines and promulgated by the
16 Board in the following manner:

17 (a) If the land to be leased is on a known or producing
18 geologic structure, or one reasonably believed to contain such a
19 structure, it will be offered only on a competitive bonus bid basis.
20 The bidding shall be by sealed bids on the basis of the highest
21 cash bonuses, with a royalty fixed by the Director with the approval
22 of the Board at not less than twelve and one-half percentum
23 (12-1/2%) each year, in an amount or value of the production saved,
24 removed or sold; provided that a royalty of not less than five per-
25 centum (5%) for the first ten years will be allowed the first pro-
26 ducer in a new area.

27 (b) If the land is considered non-competitive, a lease
28 may be issued; (1) for a period of five years and as long thereaf-
29 ter as such oil and gas may be produced from the area in paying

1 quantities; (2) require the payment of a royalty of not less than
2 twelve and one-half percentum (12-1/2%) each year, in the amount or
3 value of the production saved, removed or sold from the leased prop-
4 erty; provided that a royalty of not less than five percentum (5%)
5 for the first ten years will be allowed the first producer in a new
6 area; (3) charge an annual rent, payable in advance, of twenty-five
7 cents for each acre or fraction for the first year; no
8 rental is required for the second or third years unless a discovery
9 of a valuable deposit of oil or gas is made within the limits of
10 the geological structure on which all or part of the leased lands
11 are situated, in which case the rental will be one dollar for each
12 acre or fraction thereof, beginning with the first anniversary of
13 the lease following the discovery. In the absence of any discov-
14 ery, an annual rental of twenty-five cents for each acre or fraction
15 thereof must be paid for the fourth and fifth lease years; one
16 dollar shall be paid thereafter for each acre or fraction of an
17 acre, the rental paid for any one lease year to be credited on the
18 royalty for that year; and (4) contain such other terms and provi-
19 sions as the Director may prescribe at the time of offering the
20 area for lease.

21 Sec. 3. CONFORMITY WITH FEDERAL ACTS. Such leases issued
22 shall be in substantial conformity with the provisions of the
23 Mineral Leasing Act of 1920, as amended (30 U.S.C. Sections 181,
24 185-190, 192-194, 209, 223-229, 251) in order that Alaska lands
25 adjacent to United States lands may be operated as a unit,

26 Sec. 4. ACREAGE LIMITATIONS. In compliance with the acreage
27 limitations as prescribed in the Mineral Leasing Act of 1920, as
28 amended, the Board has authority on such conditions as it may pre-
29 scribe to approve operating, drilling, or development contracts made

CS-for HB #119 as amended
Re--engrossed as amended by the Senate

1 by one or more lessees, whenever the public interest may require.
2 The Board, may, however, offer additional incentive and other terms
3 in granting lease applications on unproven areas for exploration and
4 development whenever it appears to be in the best interests of Alas

5 Article X

6 MINING RIGHTS

7 Section 1. DISCOVERY AND APPROPRIATION RIGHTS. Discovery
8 and appropriation shall be the basis for establishing a right
9 to those minerals reserved to Alaska which are subject to location
10 under the Federal Mining Laws. Appropriation of such minerals
11 will be in conformance with Section 47-3-1 through and including
12 Section 47-3-92, ACLA 1949, as amended.

13 Article XI

14 MULTIPLE MINERAL DEVELOPMENT OF THE SAME TRACTS

15 Section 1. MULTIPLE USE. Disposal and use of Alaska lands
16 as provided for in this Act shall at all times be in conformity
17 with the provisions of Public Law 585, 84th Congress (30 U.S.C.
18 Sections 525, 526, 527, 528 and 530).

19 Article XII

20 LAND SELECTION

21 Section 1. SELECTION PRACTICE. The selection of all grant,
22 lieu and indemnity lands shall conform to the provisions of this
23 Act and to the policy, orders, rules and regulations adopted by
24 the Board. Preference of selection by the Board shall be given
25 to the land which will provide the maximum benefits to the people
26 of Alaska.

27 Article XIII

28 PARKS AND RECREATION AREAS

29 Section 1. PARK AND RECREATION AREAS. The Board shall

1 establish a policy and prescribe rules and regulations whereby
2 parks and recreation areas, including public scenic overlooks and
3 cultural sites, shall be developed in a manner that will best
4 serve the interests of the people of Alaska. The Board may
5 classify certain public lands as parks, scenic overlooks, cultural
6 sites and recreation areas; provided that the general intent of
7 this Act is maintained.

8 Article XIV

9 MISCELLANEOUS

10 Section 1. TRANSFER, APPROPRIATIONS, RECORDS, ETC. All
11 appropriations, records, reports, papers, documents, equipment,
12 forms, supplies, memoranda and other public property of whatever
13 kind held by the Department of Public Lands, created under Chapter
14 126, SLA 1953, as amended by Chapter 183, SLA 1955, shall be
15 turned over to the Director when and as requested.

16 Sec. 2. CONTINUING RULES, REGULATIONS, AGREEMENTS, ETC.
17 All rules, regulations, procedures, funds, contracts and agree-
18 ments which have been established or entered into by the Depart-
19 ment of Lands prior to the effective date of this Act under the
20 authority of Chapter 126, SLA 1953, as amended, are hereby con-
21 tinued, and subject to any further amendments by the Board,
22 except where inconsistent with the provisions of this Act.

23 Sec. 3. UNIVERSITY LAND. The Board shall have no juris-
24 diction over University lands except when such jurisdiction has
25 been conferred on the Board by the Board of Regents of the
26 University of Alaska.

27 Sec. 4. TRANSITION. Until such time as a Director is
28 appointed hereunder, the acting Land Commissioner under Chapter
29 126, SLA 1953, as amended by Chapter 183, SLA 1955, shall perform

1 the duties herein delegated to the Director.

2 Sec. 5. REPEALER. Chapter 126, SIA 1953, as amended by
3 Chapter 183, SIA 1955, is hereby repealed.

4 Sec. 6. SEVERABILITY CLAUSE. If any provisions of this Act,
5 or application thereof to any person or circumstance is held
6 invalid, the remainder of the Act and such application to other
7 persons or circumstances shall not be affected thereby.

8 Sec. 7. An emergency is hereby declared to exist and this
9 Act shall be in full force and effect from and after the date of
10 its passage and approval.

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