

1 IN THE SENATE

BY THE RULES COMMITTEE
BY REQUEST OF THE GOVERNOR

2 SENATE BILL NO.162

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SECOND LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Land
7 Act, Ch. 169, SLA 1959, as amended by
8 Ch. 61, SLA 1960; adding a new sub-
9 sec. (u) to Sec. 2, Art. I; amending
10 the third paragraph of Sec. 10, Art.
11 III; amending Secs. 2, 3 and 4,
12 Art. V; and providing for an effective
13 date."

14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

15 Section 1. NEW DEFINITION. Sec. 2, Art. I, Ch. 169, SLA
16 1959, as amended by Sec. 1, Ch. 61, SLA 1960, is amended by the
17 addition of a new subsection to read as follows:

18 (u) "Preference Right Forest Lease" means a
19 lease granted to a lessee whose United States Forest
20 Service term special use permit was cancelled to
21 allow the land under permit to be selected by the
22 state.

23 Sec. 2. NOTICE REQUIREMENTS. The third paragraph of Sec.
24 10, Art. III, Ch. 169, SLA 1959, as amended by Sec. 8, Ch. 61,
25 SLA 1960, is amended to read as follows:

26 Public notice of grants of permits, rights-of-way
27 and easements under the provisions [PROVISION] of
28 Section 7, Article III and of grants of preference
29 right grazing leases and preference right forest leases

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under Section 2, Article V of this Act shall be as set forth in regulations promulgated by the Commissioner.

Sec. 3. PREFERENCE RIGHT FOREST LEASES. Sec. 2, Art. V, Ch. 169, SLA 1959, as amended by Sec. 10, Ch. 61, SLA 1960, is amended to read as follows:

Sec. 2. LEASING PROCEDURES. The leasing shall be made at public auction to the highest qualified bidder as shall be determined by the Director; provided, however, an aggrieved bidder may appeal to the Commissioner within five days for a review of the Director's determination; and further provided that when a valid existing Federal grazing lease or United States Forest Service term special use permit is cancelled to allow State selection of the [LEASED] area under lease or permit, the lessee or permittee of such lands shall have the preference right to lease such lands without competitive bidding upon terms as favorable to the lessee as those contained in the cancelled Federal [GRAZING] lease or permit. The leasing shall be conducted by the Director, or his representative, and the successful bidder shall deposit the first year's rental, or such portion thereof as the Commissioner may require, in cash or by certified check, cashier's check, or money order, in accordance with his bid, whereupon the Director or his representative shall immediately issue a receipt containing a description of the land or interest therein leased, the price bid and terms of the lease, which receipt shall be acknowledged in writing by the bidder. A lease, on a form approved by the Attorney General, shall be signed by the lessee and upon approval by the Attorney General, shall be signed by the lessee and upon

1 approval by the Commissioner, shall also be signed by the
2 Director. Provided, however, and prior to the signing of
3 the formal lease by the Director, the Commissioner may
4 reject any and all bids for leases when the best interest
5 of Alaska justifies such action.

6 Sec. 4. CONTINUITY OF FEDERAL PAYMENT SCHEDULES.

7 Sec. 3, Art. V, Ch. 169, SLA 1959, as amended by Sec. 11, Ch. 61,
8 SLA 1960, is amended to read as follows:

9 Sec. 3. LEASING PROVISIONS. The lease shall require
10 advance payment of the annual rent or such portion thereof
11 as the Director, with the approval of the Commissioner, may
12 require, as determined by the accepted bid, provided,
13 however, that preference right lessees of grazing or forest
14 lands will be allowed to follow the payment schedule estab-
15 lished in their cancelled Federal [GRAZING] lease or
16 permit if they so desire. Such conditions, limitations
17 and terms may also be imposed by the Director, with the
18 approval of the Commissioner, as he shall deem necessary
19 and proper to protect the interests of Alaska. Violations
20 of any provision of this Act or the terms of the lease shall
21 subject the purchaser to appropriate legal action, including
22 but not limited to, a forfeiture of the lease. Due notice of
23 all action by the Commissioner or Director affecting the
24 rights of the lease shall be given the lessee.

25 Sec. 5. CONTINUITY OF FEDERAL TERMINAL RIGHTS. The third
26 paragraph of Sec. 4, Art. V, Ch. 169, SLA 1959, as amended by
27 Sec. 12, Ch. 61, SLA 1960, is amended to read as follows:

28 If any improvements or chattels, or both, having an
29 appraised value of \$10,000.00 or less, as determined by

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the Director, are not removed within the time allowed, such improvements or chattels, or both, shall revert to and absolute title shall vest in Alaska; provided, however, that the preference right lessees of grazing or forest lands will be allowed to follow the provisions for removal of improvements upon termination of the lease as authorized in the cancelled Federal [GRAZING] lease or permit.

Sec. 6. EFFECTIVE DATE. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.