

1 IN THE SENATE

BY RESOURCES COMMITTEE

2 SENATE BILL NO. 217

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SECOND LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska Lands Act;
7 and providing for an effective date."

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

9 Section 1. Art. III, Sec. 4, Ch. 169, SLA 1959 as amended
10 by Section 1, Ch. 155, SLA 1960, is amended to read:

11 Sec. 4. PUBLIC AND CHARITABLE USE. (a) The lease, sale,
12 or other disposal of any Alaska lands or resources may be
13 made to any Alaska or Federal agency or political subdivision,
14 or the lease, sale or other disposal of coal deposits suitable
15 for mining may be made to any utility owned and operated
16 by a government agency or non-profit cooperative association
17 organized to participate under the Federal Rural Electrifica-
18 tion Act for the purpose of generating electric power and
19 energy, or the production of process steam, or both, for
20 less than the appraised value, as may be determined by the
21 Director and approved by the Commissioner, to be fair and
22 proper and in the best interests of the public, with due
23 consideration being given to the nature of the public
24 services or function rendered by the said agency, subdivi-
25 sion, or utility making application therefore, and of the
26 terms of the grant under which the land was acquired by
27 Alaska.

28 (b) Notwithstanding the provisions of Secs. 1, 5 and
29 6, Art. V, Ch. 169, SLA 1959, and Sec. 2, Art. V, Ch. 169,

1 N as amended by Sec. 1, Ch. 74, SLA 1961, the Director upon
2 E application filed by an applicant eligible under this sub-
3 W section may, by negotiation and without public auction in
4 the manner prescribed in this subsection, lease any lands
5 of the state for a term not in excess of 55 years. Before
6 leasing, the Director shall prepare a land use plan and a
7 land classification to insure that the proposed use is
8 compatible with area utilization. Before the land may be
9 leased under this subsection, it must be shown to the satis-
10 faction of the Director that the land is to be used for an
11 established or definitely proposed project, and that the
12 eligible applicant, as hereinafter described, has the finan-
13 cial ability to carry out the project. The Commissioner may
14 establish limitations on the acreage which may be leased
15 pursuant to this subsection to any applicant.

16 (c) Eligible applicants under this subsection shall
17 be limited to non-profit corporations, associations, clubs,
18 or societies organized and operated exclusively for chari-
19 table, scientific, or educational purposes, or for the
20 promotion of social welfare, if the project for which the
21 land is desired conforms to those objectives. In every
22 case the applicant shall submit evidence that it is exempt
23 from payment of federal income tax.

24 M (d) The Director may lease such land to an eligible
25 A applicant at a reasonable annual rental, taking into con-
26 T sideration the purposes for which the lands are to be used
27 T and the financial resources of the applicant, but in no case
28 E may such rental be less than one per cent of the fair market
29 R value on lands acquired primarily for development or less

1 N than five per cent of the fair market value on school,
2 E university, mental health, or acquired lands. Renewal
3 W leases may be issued at the discretion of the Director upon
4 the expiration of any primary or renewal term. Each lease
5 shall contain a provision for its termination as to all or
6 part of the lands upon a finding by the Director that the
7 land or any part of it has not been used by the lessee for
8 the purpose specified in the lease for a period of two
9 years. No lease may be assigned or subleased except with the
10 consent of the Director, and in any case may only be trans-
11 ferred to an applicant eligible under this subsection. A
12 lessee may not change the use specified in the lease to
13 M another or additional use except with the consent of the
14 A Director. If at any time after the lands are leased the
15 T lessee attempts to assign the lease or transfer control over
16 T these lands to another or if the lands are devoted to a use
17 E other than that for which the lands were leased without the
18 R consent of the Director, the lease automatically terminates.
19 Sec. 2. Sec. 2, Art. IV, Ch. 169, SLA 1959, as amended by
20 Sec. 9, Ch. 61, SLA 1960, is amended to read:

21 Sec. 2. SALE PROCEDURES. Except as provided in Sub-
22 sec. 2, Sec. 4, Art. III of this chapter, the [THE] sale
23 shall be made at public auction to the highest qualified bid-
24 der as shall be determined by the Director; provided, how-
25 ever, an aggrieved bidder may appeal to the Commissioner with-
26 in five days after such sale for a review of the Director's
27 determination. The sale shall be conducted by the Director
28 or his representative, and at the time of sale the success-
29 ful bidder shall deposit [, IN CASH, OR BY CERTIFIED CHECK,

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

16 Sec. 3. Sec. 3, Art. VI, Ch. 169, SLA 1959, as amended by
17 Sec. 13, Ch. 61, SLA 1960, is amended to read:

18 Sec. 3. DISPOSAL PROCEDURE. Timber and other
19 materials shall be sold at public auction to the highest,
20 qualified bidder as shall be determined by the Director;
21 provided, however, an aggrieved bidder may appeal to the
22 Commissioner within five days after such sale for a review
23 of the Director's determination. The sale shall be con-
24 ducted by the Director or his representative, and at the
25 time of sale the successful bidder shall deposit [, IN CASH
26 OR BY CERTIFIED CHECK, CASHIER'S CHECK, OR MONEY ORDER,]
27 an amount equal to one-tenth of the purchase price, where-
28 upon the Director or his representative shall immediately
29 issue a receipt containing a description of the timber or

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materials purchased, the price bid, and the terms of sale, which receipt shall be acknowledged in writing by the bidder. A contract of sale, on a form approved by the Attorney General, shall be signed by the purchaser, and following the approval of the Commissioner, the contract shall also be signed by the Director on behalf of Alaska. The Director, with the approval of the Commissioner, may impose such conditions, limitations and terms as he shall deem necessary and proper to protect the interests of Alaska. Violations of any provisions of this Act or the terms of the contract of sale shall subject the purchaser to appropriate legal action.

Sec. 4. This Act takes effect the day after its passage or approval or on the day it becomes law without such approval.