

Original Sponsor: Rules Committee  
by request of the Legislative Council

Offered: 4/11/66  
Referred: Rules

1 IN THE HOUSE BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 384

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to bid deposits in the  
7 competitive leasing or sale of state lands,  
8 minerals, timber, and materials."

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

10 \* Section 1. AS 38.05.335 is amended to read:

11 Sec. 38.05.335. DEPOSITS. (a) The director may re-  
12 quire an applicant seeking the sale, lease or other disposal  
13 of lands, other than under an oil and gas or mineral lease,  
14 to deposit an amount covering the estimated cost of an ap-  
15 praisal, survey and necessary advertising. All deposited  
16 funds not expended shall be refunded to the applicant. If  
17 lands are sold or leased to other than the applicant making  
18 the deposit, the party awarded the lands shall pay the total  
19 actual cost of appraising and surveying the lands, together  
20 with the total actual cost of advertising, and the deposit  
21 shall be returned to the original applicant.

22 (b) Except as provided in (c) of this section, if a  
23 competitive sale or lease of state land, minerals, timber or  
24 materials is to be made by sealed bid, the director may re-  
25 quire each bidder to submit an earnest money deposit with  
26 his bid. If the sale or lease is by public auction, the  
27 director may require each person desiring to bid to make an  
28 earnest money deposit before bidding. The earnest money  
29 deposit of the highest qualified bidder shall be applied

1        toward the sale or lease price. If the successful bidder  
2        defaults in the payment of his bid, his deposit shall be  
3        forfeited to the state. All other earnest money deposits  
4        shall be returned unless the commissioner decides to award  
5        the contract to the second highest qualified bidder upon  
6        default by the highest bidder rather than call for new bids,  
7        in which case the commissioner may retain the deposit of the  
8        second highest qualified bidder until final disposition of  
9        the land is made. A successful bidder for a mineral lease  
10       may withdraw his bid and have his earnest money deposit re-  
11       turned if, within 45 days after notification of the lease  
12       award, he can prove to the satisfaction of the commissioner  
13       that there is a reasonable doubt as to the state's ability  
14       to grant a valid lease to the land.

15                (c) The commissioner shall require each bidder for the  
16        competitive leasing of oil and gas lands to submit with his  
17        bid a deposit of money equal to 20 per cent of the amount  
18        bid.

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