

Introduced: 4/16/75
Referred: Resources and
Finance

1 IN THE HOUSE

BY GARDINER

2 *CS* HOUSE BILL NO. 438 *ams*
3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the leasing of state lands."

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

8 * Section 1. AS 38.05.075 is amended to read:

9 Sec. 38.05.075. LEASING PROCEDURES. Leasing of land other than
10 for the extraction of natural resources [THE LEASING] shall be made at
11 public auction to the highest qualified bidder as determined by the
12 director, except that, other than leases for public or charitable
13 purposes under sec. 315 of this chapter, or for agricultural or
14 grazing purposes, no lease may be issued which is for an amount of money
15 less than nine per cent of the appraised fair market value of the land.

16 An aggrieved bidder may appeal to the commissioner within five days for
17 a review of the director's determination. When a valid existing federal
18 grazing lease is cancelled to allow state selection of the area under
19 lease, the lessee of the lands has the preference right to lease the
20 lands without competitive bidding for a term equal to that originally
21 granted in the cancelled federal lease and upon terms as favorable to
22 the lessee as those contained in the cancelled federal lease. The
23 leasing shall be conducted by the director, or his representative, and
24 the successful bidder shall deposit the first year's rental, or that
25 portion of it which the commissioner requires, in accordance with his
26 bid. The director or his representative shall immediately issue a
27 receipt containing a description of the land or interest leased, the
28 price bid, and terms of the lease. The receipt shall be acknowledged in
29 writing by the bidder. A lease, on a form approved by the attorney

1 general, shall be signed by the lessee and, upon approval by the commis-
2 sioner, shall be signed by the director.

3 * Sec. 2. AS 38.05.315(c) is amended to read:

4 (c) Eligible applicants under (b) - (d) of this section are limited
5 to nonprofit corporations, associations, clubs, or societies organized
6 and operated exclusively for charitable, religious, scientific, or
7 educational purposes, or for the promotion of social welfare, if the
8 project for which the land is desired conforms to those objectives and
9 not commercial development. No lease of land may be granted under this
10 section for a project closed to the use and enjoyment of the general
11 public. In every case the applicant shall submit evidence that it is
12 exempt from payment of federal income tax.

13 * Sec. 3. AS 38.05.107(b) is amended to read:

14 (b) Values shall be determined as provided by applicable eminent
15 domain statutes, except that in no case shall the amount of compensation
16 exceed one half of the total rent a leaseholder has paid on a lease,
17 other than reasonable compensation for any improvements made to the
18 leasehold in cases where their value is reduced from the granting of the
19 easement or exercise of the right-of-way.

20 * Sec. 4. AS 38.05.095 is amended to read:

21 Sec. 38.05.095. SUBLEASES. A lessee may sublease or assign the
22 land or portion of it upon which he has a lease if, after application to
23 the director, the director issues a permit. No permit may be issued
24 under this section unless the person desiring to sublease or receive the
25 land by assignment shows that the land will be used or developed
26 according to a plan approved by the director. Any land under lease which
27 has not been used or developed within five years according to a plan
28 approved by the director shall be forfeited to the state. [THE DIRECTOR
29 MAY ISSUE A PERMIT IF HE FINDS THAT IT IS IN THE BEST INTERESTS OF THE

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STATE TO DO SO.]

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