

Original sponsor: Gardiner

Offered: 5/7/75
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 438

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 grazing
14 purposes, no lease may be issued which is for an amount of money less
15 than nine per cent annually of the appraised fair market value of the
16 land. An aggrieved bidder may appeal to the commissioner within five
17 days for a review of the director's determination. When a valid exist-
18 ing federal grazing lease is cancelled to allow state selection of the
19 area under lease, the lessee of the lands has the preference right to
20 lease the lands without competitive bidding for a term equal to that
21 originally granted in the cancelled federal lease and upon terms as
22 favorable to the lessee as those contained in the cancelled federal
23 lease. The leasing shall be conducted by the director, or his repre-
24 sentative, and the successful bidder shall deposit the first year's
25 rental, or that portion of it which the commissioner requires, in
26 accordance with his bid. The director or his representative shall
27 immediately issue a receipt containing a description of the land or
28 interest leased, the price bid, and terms of the lease. The receipt
29 shall be acknowledged in writing by the bidder. A lease, on a form

1 approved by the attorney general, shall be signed by the lessee and,
2 upon approval by the commissioner, 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
5 limited to nonprofit corporations, associations, clubs, or societies
6 organized and operated exclusively for charitable, religious, scientific,
7 or 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. As a condition of and in
13 consideration of the rights acquired under a lease granted under (b) - (d)
14 of this section, each eligible organization and its parent or subsidiary
15 organizations shall (1) maintain and preserve books, accounts and records
16 that the director prescribes by regulation as necessary and appropriate;
17 and (2) accord at all reasonable times to the state and its authorized
18 agents and auditors the right of access to those books, accounts and
19 records for the purpose of inspecting, examining and copying them. Any
20 information provided the state in the course of an audit becomes a matter
21 of public record.

22 * Sec. 3. AS 38.05.095 is amended to read:

23 Sec. 38.05.095. SUBLEASES. A lessee may sublease improved lands
24 [OR ASSIGN THE LAND] or a portion of it upon which he has a lease if,
25 after application to the director, the director issues a permit. The
26 director may issue a permit if he finds that it is in the interests of
27 the state to do so. Improved lands in this section means those lands
28 that have been increased in value by making them suitable for husbandry,
29 warehousing, or human occupancy, such as a home, office or business

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structure in a degree commensurable with surrounding modes. Land improvements involving only land survey or road construction are not considered as improved.

* Sec. 4. AS 38.05 is amended by adding a new section to read:

Sec. 38.05.102. LEASE PREFERENCE RIGHT. The director shall grant to the holder of a valid lease as provided in secs. 70 - 105 of this chapter a preference right to meet the high bid to purchase or lease the leasehold at public auction.

* Sec. 5. AS 38.05.100 and 38.05.107 are repealed.