

Original sponsor: Rules Committee by request  
of the Governor

Offered: 3/1/77  
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

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CS FOR HOUSE BILL NO. 67 am

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the Uniform Land Sales Practices

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Act."

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

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\*Section 1. AS 34.55 is amended by adding a new section to read:

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Sec. 34.55.006. FRAUDULENT AND PROHIBITED PRACTICES. It is

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unlawful for a person, in connection with the offer, sale or purchase of  
subdivided land directly or indirectly, to knowingly

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(1) employ a device, scheme, or artifice to defraud;

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(2) make an untrue statement of a material fact or omit a

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statement of a material fact necessary in order to make the statements  
made, in the light of the circumstances under which they are made, not  
misleading; or

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(3) engage in an act, practice, or course of business which

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operates or would operate as a fraud or deceit upon a person.

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\* Sec. 2. AS 34.55.008 is amended to read:

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Sec. 34.55.008. PROHIBITIONS ON DISPOSITIONS OF INTERESTS IN

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SUBDIVISIONS. Unless the subdivided land or the transaction is exempt  
by sec. 42 of this chapter

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(1) no person may offer or dispose of in this state an  
interest in subdivided land [LOCATED OUTSIDE THIS STATE] before the time  
the subdivided land is registered in accordance with this chapter;

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(2) no person may dispose of an interest in subdivided land  
[LOCATED OUTSIDE THIS STATE] unless a current public offering statement  
is delivered to the purchaser and the purchaser is afforded a reasonable

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1 opportunity to examine the public offering statement before the dis-  
2 position.

3 \* Sec. 3. AS 34.55.022(b) is amended to read:

4 (b) For the purpose of an investigation or proceeding under this  
5 chapter, the department or an officer designated by the department  
6 [REGULATION] may administer oaths or affirmations, and upon its own  
7 motion or upon request of any party shall subpoena witnesses, compel  
8 their attendance, take evidence, and require the production of any  
9 matter which is relevant to the investigation, including the existence,  
10 description, nature, custody, condition, and location of books, docu-  
11 ments, or other tangible things and the identity and location of persons  
12 having knowledge of relevant facts or any other matter reasonably cal-  
13 culated to lead to the discovery of material evidence.

14 \* Sec. 4. AS 34.55.028 is repealed and re-enacted to read:

15 Sec. 34.55.028. PENALTIES. (a) A person who wilfully violates  
16 secs. 6 or 8 of this chapter is, upon conviction, punishable by a fine  
17 of not more than \$50,000, or by imprisonment for not less than one year  
18 nor more than five years, or by both fine and imprisonment.

19 (b) Any violation of this chapter other than as provided in (a) of  
20 this section or of a regulation adopted under this chapter is a mis-  
21 demeanor and is punishable by a fine of not less than \$1,000 or double  
22 the amount of gain from the transaction, whichever is larger but not  
23 more than \$50,000, or by imprisonment for not more than six months, or  
24 by both fine and imprisonment.

25 \* Sec. 5. AS 34.55.030(a) is amended to read:

26 (a) A person who disposes of subdivided land in violation of  
27 sec. 6 or sec. 8 of this chapter [OR WHO, IN DISPOSING OF SUBDIVIDED  
28 LAND, MAKES AN UNTRUE STATEMENT OF A MATERIAL FACT REQUIRED TO BE  
29 STATED IN A REGISTRATION STATEMENT OR PUBLIC OFFERING STATEMENT OR

1 NECESSARY TO MAKE THE STATEMENTS MADE NOT MISLEADING,] is liable as  
2 provided in this section to the purchaser unless in the case of an  
3 untruth or omission it is proved that the purchaser knew of the untruth  
4 or omission or that the person offering or disposing of subdivided land  
5 did not know and in the exercise of reasonable care could not have known  
6 of the untruth or omission.

7 \* Sec. 6. AS 34.55.032 is amended to read:

8 Sec. 34.55.032. JURISDICTION. A disposition of subdivided land is  
9 subject to this chapter and the superior court of this state has juris-  
10 diction in claims or causes of action arising under this chapter if

11 (1) the subdivider's principal office is located in this  
12 state; [OR]

13 (2) an offer or disposition of subdivided land is made in  
14 this state, whether or not the offeror or offeree is then present in  
15 this state, if the offer originates in this state or is directed by the  
16 offeror to a person or place in this state and received by the person or  
17 at the place to which it is directed; or

18 (3) The subdivided land is located in this state.

19 \* Sec. 7. AS 34.55.042(a) is amended to read:

20 (a) Unless the method of disposition is adopted for the purpose of  
21 evasion of this chapter, the registration provisions of this chapter do  
22 not apply to offers or dispositions of an interest in land

23 (1) by a purchaser of subdivided land for his own account in  
24 a single or isolated transaction;

25 (2) if fewer than 10 separate lots, parcels, units or inter-  
26 ests in subdivided land located outside this state are offered by a  
27 subdivider [PERSON] in a period of 12 months, or if fewer than 50 sepa-  
28 rate lots, parcels, units or interests in subdivided land located in  
29 this state are offered by a subdivider in a period of 12 months;

1 (3) on which there is a residential, commercial, or indus-  
2 trial building, or as to which there is a legal obligation on the part  
3 of the seller to construct such a building within one year from date of  
4 disposition;

5 (4) to persons who are engaged in the business of construc-  
6 tion of buildings for resale, or to persons who acquire an interest in  
7 subdivided land for the purpose of engaging, and do engage in the  
8 business of construction of buildings for resale;

9 (5) under court order;

10 (6) by a government or government agency;

11 (7) as cemetery lots or interests;

12 (8) if the land is located in this state and is registered or  
13 exempt from registration under the provisions of the federal Interstate  
14 Land Sales Full Disclosure Act (15 U.S.C. 1701 et seq.).

15 \* Sec. 8. AS 34.55.044(6) is amended to read:

16 (6) "subdivision" and "subdivided land" mean land [LOCATED  
17 OUTSIDE THIS STATE] which is divided or is proposed to be divided for  
18 the purpose of disposition into two [10] or more lots, parcels, units or  
19 interests and also includes any land whether contiguous or not if two  
20 [10] or more lots, parcels, units or interests are offered as a part of  
21 a common promotional plan of advertising and sale; if the land is con-  
22 tiguous or is known, designated, or advertised as a common unit or by a  
23 common name, the land shall be presumed, without regard to the number of  
24 lots covered by each individual offering, as being offered for dis-  
25 position as part of a common promotional plan;