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Referred: Resources

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1 IN THE HOUSE

2 *FCS CS CS* HOUSE BILL NO. 477 *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 sale of state land; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 38.05.035(a)(9)(A) and (B) are amended to read:

10 (A) the name of the person nominating or applying for  
11 the sale, lease, or other disposal of lands by lottery or competi-  
12 tive bidding;

13 (B) before the announced time of opening, the names of  
14 the proposed purchasers or bidders and the amounts of the bids;

15 \* Sec. 2. AS 38.05.035(b)(2) and (4) are amended to read:

16 (2) grant preference rights for the lease or purchase of  
17 state land without competitive bid or lottery in order to correct the  
18 past or future errors or omissions of a state or federal administrative  
19 agency when inequitable detriment would otherwise result to a diligent  
20 claimant or applicant due to situations over which the claimant or  
21 applicant had no control; the exercise of this discretionary power  
22 operates only to divest the state of its title to or interests in land  
23 and may be exercised only with the express approval of the commissioner;

24 (4) dispose of lands by lottery or competitive bid for less  
25 than their appraised value when, in his judgment, past scarcity of land  
26 in any particular area has resulted in unrealistic land values;

27 \* Sec. 3. AS 38.05.055 is amended to read:

28 Sec. 38.05.055. SALE PROCEDURES. (a) Except as provided in sec.  
29 315(d) of this chapter and at the discretion of the director, the sale

1 shall be made by lottery or at public auction to the highest qualified  
2 bidder as determined by the director. If a lottery is used, the land  
3 shall be sold at its fair market value. An aggrieved potential pur-  
4 chaser or bidder may appeal to the commissioner within five days after  
5 the sale for a review of the director's determination. The sale shall  
6 be conducted by the director or his representative, and at the time of  
7 sale the purchaser [SUCCESSFUL BIDDER] shall deposit an amount equal to  
8 five per cent [ONE-TENTH] of the purchase price. The director or his  
9 representative shall immediately issue a receipt containing a description  
10 of the land or property purchased, the price of the land [BID,] and the  
11 terms of sale, which receipt shall be acknowledged in writing by the  
12 purchaser [BIDDER]. A contract of sale on a form approved by the attor-  
13 ney general shall be signed by the purchaser and, after approval of the  
14 commissioner, the contract shall also be signed by the director on  
15 behalf of the state.

16 (b) To qualify for participation in a sale of land by lottery  
17 under (a) of this section, a potential purchaser shall

18 (1) at the time of application have attained the age of 18;

19 (2) submit proof acceptable to the commissioner that he has  
20 been a resident of the state for not less than three years immediately  
21 preceding the date his application was submitted;

22 (3) be the only member of his household to apply for the pur-  
23 chase of land by lottery.

24 \* Sec. 4. AS 38.05.065 is amended to read:

25 Sec. 38.05.065. TERMS OF CONTRACT OF SALE. The contract of sale  
26 shall require the remainder of the purchase price to be paid over a  
27 period of not more than 20 years, to be set for each sale by the direc-  
28 tor. Installment payments plus interest must be set on the level-  
29 payment basis. The interest rate to be charged on installment payments

1 is the prevailing rate on similar land transactions at the time the  
2 contract is signed, as determined by the director, but in no case may it  
3 be below five per cent per year or above the current usury rate as set  
4 by AS 45.45.010(b) and (d) [IN ANNUAL INSTALLMENTS OF NOT LESS THAN 10  
5 PER CENT OF THE PURCHASE PRICE, WITH INTEREST AT THE RATE OF NOT LESS  
6 THAN FIVE PER CENT A YEAR]. The director, with the consent of the  
7 commissioner, may also impose conditions, limitations and terms which he  
8 considers necessary and proper to protect the interest of the state.  
9 Violations of any provision of this chapter or the terms of the contract  
10 of sale subject the purchaser to appropriate administrative and legal  
11 action, including but not limited to specific performance, foreclosure,  
12 ejectment, or other legal remedies in accordance with applicable state  
13 law [LEGAL ACTION, INCLUDING A FORECLOSURE ACTION IN ACCORDANCE WITH  
14 APPLICABLE STATE LAW].

15 \* Sec. 5. This Act takes effect immediately in accordance with AS 01.10.-  
16 070(c).