

Original sponsors: Hayes, Akers,
Bennett, et al

Offered: 4/20/78
Referred: Rules

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 477

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND 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(b)(4) is amended to read:

10 (4) sell [DISPOSE OF] lands by lottery [COMPETITIVE BID] for
11 less than their appraised value when, in his judgment, past scarcity of
12 land suitable for private ownership in any particular area has resulted
13 in unrealistic land values;

14 * Sec. 2. AS 38.05.035(b) is amended by adding a new paragraph to read:

15 (6) dispose of an interest in land only for agricultural pur-
16 poses by lottery.

17 * Sec. 3. AS 38.05.055 is amended to read:

18 Sec. 38.05.055. SALE PROCEDURES. Except as provided in secs. 57
19 and [SEC.] 315(d) of this chapter, the sale shall be made at public
20 auction to the highest qualified bidder as determined by the director.
21 An aggrieved bidder may appeal to the commissioner within five days after
22 the sale for a review of the director's determination. The sale shall
23 be conducted by the director or his representative, and at the time of
24 sale the successful bidder shall deposit an amount equal to one-tenth of
25 the purchase price. The director or his representative shall immedi-
26 ately issue a receipt containing a description of the land or property
27 purchased, the price bid, and the terms of sale, which receipt shall be
28 acknowledged in writing by the bidder. A contract of sale on a form
29 approved by the attorney general shall be signed by the purchaser and,

1 after approval of the commissioner, the contract shall also be signed by
2 the director on behalf of the state.

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

4 Sec. 38.05.057. SALE BY LOTTERY. (a) The director may sell land,
5 including land limited to use for agricultural purposes, by lottery.
6 The purchase price of land sold by lottery may not be less than the fair
7 market value of that land unless the sale is conducted under the pro-
8 visions of sec. 35(b)(4) of this chapter. The lottery shall be con-
9 ducted by the director or his representative, and at the time of sale a
10 purchaser selected by lot shall deposit with the person conducting the
11 lottery an amount equal to five per cent of the purchase price.

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

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

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

18 (3) satisfy all requirements imposed by regulations adopted
19 by the commissioner when land limited to use for agricultural purposes
20 is to be sold; and

21 (4) certify that he has not purchased land at a sale by
22 lottery in the state within 10 years immediately preceding the sale
23 date.

24 (c) After receiving the deposit required under (a) of this sec-
25 tion, the director or his representative shall immediately issue a
26 receipt containing a description of the land or property purchased, the
27 price of the land and the terms of sale, which receipt shall be acknow-
28 ledged in writing by the purchaser. A contract of sale shall be exe-
29 cuted in the same form and manner as required under sec. 55 of this

1 chapter.

2 (d) An aggrieved lottery participant may appeal to the commis-
3 sioner within five days after the lottery is conducted for a review of
4 the lottery procedures.

5 (e) The director may include in contracts for sale of land under
6 this section terms which

7 (1) require purchasers to use or occupy, or both, the land
8 purchased for a reasonable period of time after a sale;

9 (2) prohibit the resale of land purchased by the initial
10 purchaser until the requirements imposed under (1) of this subsection,
11 if any, are satisfied.

12 * Sec. 5. AS 38.05.065 is repealed and re-enacted to read:

13 Sec. 38.05.065. TERMS OF CONTRACT OF SALE. (a) The contract of
14 sale for land sold at public auction shall require the remainder of the
15 purchase price to be paid in annual installments of not less than 10 per
16 cent of the purchase price, with interest at the rate of not less than
17 five per cent a year.

18 (b) The contract of sale for land sold by lottery shall require
19 the remainder of the purchase price to be paid over a period of not more
20 than 20 years, to be set for each sale by the director. Installment
21 payments plus interest shall be set on the level-payment basis. The
22 interest rate to be charged on installment payments is the prevailing
23 rate on similar land transactions at the time the contract is signed, as
24 determined by the director, but in no case may it be below five per cent
25 a year or above the current usury rate as set by AS 45.45.010(b) and
26 (d).

27 (c) The director, with the consent of the commissioner, may also
28 include in contracts under this section conditions, limitations and
29 terms which he considers necessary and proper to protect the interest of

1 the state. Violations of any provision of this chapter or the terms of
2 the contract of sale subject the purchaser to appropriate administrative
3 and legal action, including but not limited to specific performance,
4 foreclosure, ejectment, or other legal remedies in accordance with
5 applicable state law.

6 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-
7 070(c).