

Original sponsors: Hayes, Akers,
Bennett, et al

Offered: 6/17/78

1 IN THE HOUSE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR 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 limited to use for agri-
16 cultural purposes 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
22 after the sale for a review of the director's determination. The sale
23 shall be conducted by the director or his representative, and at the
24 time of sale the successful bidder shall deposit an amount, equal to one-
25 tenth of the purchase price. The director or his representative shall
26 immediately issue a receipt containing a description of the land or
27 property purchased, the price bid, and the terms of sale, which receipt
28 shall be acknowledged in writing by the bidder. A contract of sale on a
29 form approved by the attorney general shall be signed by the purchaser

1 and, after approval of the commissioner, the contract shall also be
2 signed by 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 in public by the director or his representative, and at the time
10 of sale a purchaser selected by lot shall deposit with the person con-
11 ducting the lottery an amount equal to five per cent of the purchase
12 price.

13 (b) To purchase land by lottery under (a) of this section, a
14 potential purchaser shall

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

16 (2) submit proof, as required by regulation, that he has been
17 a resident of the state for not less than three years immediately pre-
18 ceding the date his application was submitted; and

19 (3) certify that he has not purchased land at a sale by lot-
20 tery in the state within eight years immediately preceding the sale
21 date.

22 (c) The commissioner may adopt regulations under the Administra-
23 tive Procedure Act (AS 44.62) which specify qualifications for potential
24 purchasers different from those specified in (b) of this section if

25 (1) an interest in land limited to agricultural purposes is
26 to be sold under (a) of this section;

27 (2) the sale is a part of a program to develop agricultural
28 land as a renewable resource of the state; and

29 (3) the regulations include residency, skill, experience, and

1 financial requirements necessary to qualify persons who are competent
2 and financially able to develop the land as a successful agricultural
3 enterprise.

4 (d) To apply for participation in a lottery under this section an
5 applicant shall

6 (1) certify that he is qualified under the applicable provi-
7 sions of this section; and

8 (2) pay a nonrefundable application fee of not more than \$10
9 for each application.

10 (e) The director shall accept applications to purchase particular
11 parcels under the following procedures and conditions:

12 (1) the application period may not be less than 30 days;

13 (2) no application may be accepted less than 15 days before
14 each lottery;

15 (3) notice of the application period and the date of the
16 lottery shall be given in accordance with sec. 345(b) of this chapter;
17 and

18 (4) the application shall be made on a form provided by the
19 department.

20 (f) Parcels of land available for sale by lottery under this sec-
21 tion shall be awarded by lot. The commissioner shall adopt regulations
22 under the Administrative Procedure Act (AS 44.62) which permit appli-
23 cants to designate the parcel or alternative parcels they wish to pur-
24 chase if they are selected by lottery.

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

1 cuted in the same form and manner as required under sec. 55 of this
2 chapter.

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

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

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

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

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

14 Sec. 38.05.065. TERMS OF CONTRACT OF SALE. (a) The contract of
15 sale for land sold at public auction shall require the remainder of the
16 purchase price to be paid in monthly, quarterly or annual installments
17 over a period of 10 years, with interest at the rate of not less than
18 five per cent a year. Installment payments plus interest shall be set
19 on the level-payment basis.

20 (b) The contract of sale for land sold by lottery shall require
21 the remainder of the purchase price to be paid in monthly, quarterly or
22 annual installments over a period of not more than 20 years. Install-
23 ment payments plus interest shall be set on the level-payment basis.
24 The interest rate to be charged on installment payments is the prevail-
25 ing rate on similar land transactions at the time the contract is
26 signed, as determined by the director, but in no case may it be below
27 five per cent a year or above the current usury rate as set by AS 45.-
28 45.010(b) and (d).

29 (c) The director shall, for contracts under (a) or (b) of this

1 section, set for each sale the period for the payment of installments
2 and the total purchase price plus interest. The director, with the
3 consent of the commissioner, may also include in contracts under this
4 section conditions, limitations and terms which he considers necessary
5 and proper to protect the interest of the state. Violations of any
6 provision of this chapter or the terms of the contract of sale subject
7 the purchaser to appropriate administrative and legal action, including
8 but not limited to specific performance, foreclosure, ejectment, or
9 other legal remedies in accordance with applicable state law.

10 * Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-
11 070(c).

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

#