

Original sponsors: Bradley, Freeman,
Phillips and Cotten

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1 IN THE HOUSE BY THE FREE CONFERENCE COMMITTEE
2 FREE CONFERENCE CS FOR SENATE CS FOR CS FOR HOUSE BILL NO. 720
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 disposal of state land; and
7 providing for an effective date."

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

9 * Section 1. DESIGNATION OF LAND FOR DISPOSAL. (a) The director of the
10 division of lands in the Department of Natural Resources shall, no later than
11 November 1, 1978, designate 30,000 acres of state land for disposal under the
12 homesite entry program established in AS 38.08 and the open-to-entry program
13 established in AS 38.05.077.

14 (b) Not less than 25 per cent of the former mental health land de-
15 scribed in sec. 3(a) of this Act which is located within a municipality
16 entitled to select land under AS 29.18 shall be designated for disposal in
17 fiscal year 1979 under AS 38.04.020 enacted in sec. 3 of this Act. A muni-
18 cipality may select that former mental health land to satisfy its entitlement
19 under AS 29.18 but title to the land may not be transferred to the muni-
20 cipality by the director until the governing body of the municipality certifies
21 that disposal programs will be undertaken by the municipality which will meet
22 the needs of persons residing in the municipality.

23 * Sec. 2. ASSESSMENT OF SUPPLY AND DEMAND OF LAND. (a) The director of
24 the division of lands in the Department of Natural Resources shall assess the
25 supply and demand for land under the homesite entry program established in AS
26 38.08 and the open-to-entry program established in AS 38.05.077. The assess-
27 ment shall be based on applications submitted by persons in the state who are
28 eligible to participate in those disposal programs. The applications shall
29 be made on forms supplied by the division of lands which shall be available

1 to the public at each district office of the division of lands in the state.
2 The applications shall contain provisions so that each person may indicate a
3 preference for the type of disposal program that best suits his needs. To
4 the extent possible, the director of the division of lands shall determine by
5 region of the state which disposal program or combination of programs speci-
6 fied in this subsection is suited to the differing needs of eligible persons
7 residing in that region.

8 (b) The closing date for the initial determinations of eligibility is
9 October 1, 1978. The director of the division of lands in the Department of
10 Natural Resources shall determine the eligibility of persons submitting
11 applications and before November 1, 1978, advise them whether they are
12 eligible to participate in disposals under AS 38.08 or AS 38.05.077. Persons
13 determined to be ineligible shall be advised of the reason for their dis-
14 qualification and the actions they may take to establish eligibility. The
15 director shall compile a master list of all persons found to be eligible to
16 participate in the disposals specified in (a) of this section. The master
17 list shall be revised at regular intervals after the initial determination
18 period so that it accurately reflects the eligibility of applicants.

19 (c) The director of the division of lands shall present to the legisla-
20 ture the plan for the disposal of land under the programs specified in (a) of
21 this section. The plan shall be submitted not later than the 15th day of the
22 First Session of the Eleventh Legislature. The plan shall set out the loca-
23 tion of the land for disposal and the amount of acreage to be included in
24 each program.

25 * Sec. 3. REDESIGNATION AND DISPOSAL OF MENTAL HEALTH LAND. (a) Land
26 granted to the state under the Mental Health Enabling Act of 1956, 70 Stat.
27 709, and patented to or approved for patent to the state on July 1, 1978 and
28 land designated as mental health land which was received by the state in
29 exchange for land granted under that federal land grant is redesignated as

1 general grant land and shall be managed and disposed of by the Department of
2 Natural Resources under applicable provisions of law.

3 (b) The redesignation of mental health land in (a) of this section does
4 not affect the validity of a deed, contract for sale, lease, easement, right-
5 of-way, permit, mineral lease disposal, or a reservation for public use of
6 that land by statute, in effect before July 1, 1978 or land management
7 actions including use classifications under AS 38.05.300, and interagency
8 land management assignments of that land made by the Department of Natural
9 Resources before July 1, 1978.

10 * Sec. 4. AS 37 is amended by adding a new chapter to read:

11 CHAPTER 14. MENTAL HEALTH FUND.

12 Sec. 37.14.010. MENTAL HEALTH FUND ADVISORY BOARD CREATED. (a)

13 There is created in the Department of Revenue the Mental Health Fund
14 Advisory Board composed of the director of the division of mental
15 health, the chairman of the Mental Health Advisory Council, and the
16 commissioner of the Department of Revenue.

17 (b) The board shall elect a chairman from the membership of the
18 board. Members serve without compensation but are entitled to per diem
19 and travel expenses authorized by law for other boards.

20 Sec. 37.14.020. POWERS AND DUTIES OF BOARD. The board has the
21 following powers and duties:

22 (1) to hold regular meetings and special meetings considered
23 necessary;

24 (2) to have prepared an annual accounting of the total prin-
25 cipal and income of the mental health fund established in sec. 30 of
26 this chapter;

27 (3) to prepare long-range investment plans for the fund
28 established in sec. 30 of this chapter.

29 Sec. 37.14.030. MENTAL HEALTH FUND ESTABLISHED. (a) There is

1 established as a separate fund the mental health fund.

2 (b) The principal of the fund consists of sums transferred under
3 sec. 70 of this chapter.

4 (c) The income of the fund consists of the interest and dividends
5 earned from investments of the fund under sec. 60 of this chapter.

6 Sec. 37.14.040. DUTIES OF COMMISSIONER OF REVENUE. The commis-
7 sioner of revenue is the treasurer of the fund and shall

8 (1) act as official custodian of the cash and securities
9 belonging to the fund and provide adequate safe deposit facilities for
10 them;

11 (2) receive cash belonging to the fund;

12 (3) collect the principal on securities acquired for the fund
13 and deposit it in the fund;

14 (4) collect interest and dividends earned on investments of
15 the fund and credit the income account of the fund;

16 (5) invest and reinvest the principal of the fund in accor-
17 dance with sec. 60 of this chapter.

18 Sec. 37.14.050. FUND UTILIZATION. The principal of the fund shall
19 be retained in the fund for investment as specified in sec. 60 of this
20 chapter. The income of the fund may not be appropriated for a purpose
21 other than the support of the state mental health program.

22 Sec. 37.14.060. INVESTMENTS. (a) The commissioner of revenue,
23 with the approval of the board, may invest the principal of the fund in
24 the same manner specified in AS 39.35.110 for the investment of surplus
25 pension funds.

26 (b) The commissioner of revenue may

27 (1) invest and reinvest the principal of the fund;

28 (2) sell, exchange, convey, transfer, or otherwise dispose of
29 an investment of the fund by private contract or at public auction;

1 (3) vote upon a stock, bond, or other security; give a gener-
2 al or special proxy or power of attorney with or without power of sub-
3 stitution; exercise a conversion privilege, subscription right, or other
4 option and make payments incidental to it; consent to or participate in
5 a corporate reorganization or other change affecting corporate securi-
6 ties, delegate discretionary power, pay an assessment or charge in con-
7 nection with the delegation; and generally exercise any of the powers of
8 an owner with respect to stocks, bonds, securities, or other investments
9 held in the fund;

10 (4) make, execute, acknowledge, and deliver documents of
11 transfer and conveyance and instruments necessary or appropriate to
12 carry out the powers granted;

13 (5) register investments held in the fund in the name of the
14 board;

15 (6) do all acts whether or not expressly authorized which are
16 considered proper for the protection of the investments held in the
17 fund.

18 Sec. 37.14.070. CONTRIBUTIONS. During each fiscal year the com-
19 missioner of the Department of Revenue shall transfer to the fund a sum
20 equal to one and one-half per cent of the total receipts derived from
21 the management of state land, including amounts paid to the state as
22 proceeds of sale or annual rent of surface rights, mineral lease
23 rentals, royalties, royalty sale proceeds, and federal mineral revenue
24 sharing payments or bonuses.

25 Sec. 37.14.080. DEFINITIONS. In this chapter,

26 (1) "board" means the Mental Health Fund Advisory Board;

27 (2) "fund" means the mental health fund established in sec.
28 30 of this chapter.

29 * Sec. 5. AS 38 is amended by adding a new chapter to read:

1 CHAPTER 4. POLICY FOR USE AND CLASSIFICATION
2 OF STATE LAND SURFACE.

3 ARTICLE 1. PUBLIC AND PRIVATE LAND USE.

4 Sec. 38.04.005. POLICY. (a) In order to provide for maximum use
5 of state land consistent with the public interest, it is the policy of
6 the State of Alaska to plan and manage state-owned land to establish a
7 balanced combination of land available for both public and private
8 purposes. The choice of land best suited for public and private use
9 shall be determined through the inventory, planning, and classification
10 processes set out in secs. 60 - 70 of this chapter.

11 (b) In classifying state land for private use and settlement
12 purposes, the director shall make adequate provision for public open
13 space which is accessible to communities so that natural areas are
14 easily reached from all communities and settled areas. The amount of
15 that land shall be sufficient to meet existing and projected needs for
16 accessible public recreation land. Special care shall be taken to
17 preserve public access to public water and to retain state ownership of
18 sufficient land which combine high value for recreation and other public
19 purposes with accessibility to settled areas. This classification for
20 public purposes does not constitute dedication to open space, but the
21 division's management of land so classified shall be in a manner to
22 preserve the identified values.

23 (c) In allocating land for private use and public retention, the
24 requirements of future generations shall be considered. To this end, a
25 supply of state land of a variety of types and locations shall be re-
26 served to provide an opportunity for future decisions.

27 (d) Private land use rights are integral to the material well-
28 being of the people of Alaska and our society.

29 (e) Involvement of municipalities and local residents is essential

1 in the decision-making process which leads to making state land avail-
2 able for private use.

3 Sec. 38.04.010. PUBLIC INTEREST IN MAKING LAND AVAILABLE FOR
4 PRIVATE USE. (a) The primary public interest in conveying rights to
5 state land surface to private parties is to make them available to
6 individuals and other persons for direct use in areas classified as
7 suitable for these purposes. In making state land available for private
8 use, the director shall seek to guide year-round settlement to areas
9 where public services already exist, or can be extended with reasonable
10 economy, or where development of a viable economic base is probable.

11 (b) State land which is located beyond the range of existing
12 schools and other necessary public services, or which is located where
13 development of sources of employment is improbable, may be made avail-
14 able for seasonal recreational purposes or for low density settlement,
15 with sufficient separation between residences so that public services
16 will not be necessary or expected.

17 Sec. 38.04.015. PUBLIC INTEREST IN RETAINING STATE LAND IN PUBLIC
18 OWNERSHIP. The primary public interests in retaining areas of state
19 land surface in public ownership are:

20 (1) to make them available on a sustained-yield basis for a
21 variety of beneficial uses including subsistence, energy development,
22 aquaculture, forestry, grazing, sport hunting and fishing, hiking,
23 snowmobiling, skiing, and other activities of a type which can generally
24 be made available to more people and conducted more successfully if the
25 land is in public rather than private ownership;

26 (2) to facilitate mining and mineral leasing by managing
27 appropriate public land for surface uses which are compatible with
28 subsurface uses;

29 (3) to protect critical wildlife habitat and areas of special

1 scenic, recreational, scientific, or other environmental concern;

2 (4) to restrict development in hazardous locations such as
3 floodplains and avalanche zones; and

4 (5) to guide the location of settlement and development to
5 minimize public costs and maximize social and economic benefits.

6 ARTICLE 2. LAND AVAILABILITY FOR PRIVATE USE.

7 Sec. 38.04.020. TIMING AND AMOUNT. On a continuing or annual
8 basis, the director shall make available for private use an array of
9 state land suitable for a variety of uses. During fiscal year 1979, the
10 director shall make available a minimum of 50,000 acres, not more than
11 10 per cent of which may be made available for leasing and 30,000 acres
12 of which shall be for disposal under the homesite entry program estab-
13 lished under AS 38.08 and the open-to-entry program established under AS
14 38.05.077 based upon a statewide assessment of supply and demand for
15 land conducted under sec. 2 of this Act. Annually thereafter, the
16 following three options for the state land availability program shall be
17 submitted to the legislature along with the administration's budget: an
18 increased-level program, a current-level program, and a reduced-level
19 program. At least one option shall include at least 50,000 acres.

20 Sec. 38.04.025. VARIETY OF USES. In making state land available
21 for private use, the director shall endeavor to accommodate persons with
22 a current need and anticipated use for the land. To this end, the
23 director shall assess the nature of the supply and demand for state land
24 in different regions and locations of the state, taking into account the
25 supply of available land under other ownership, and shall make land
26 available in locations and under programs suited to the differing needs
27 of prospective users throughout the state.

28 Sec. 38.04.030. LAND AVAILABILITY PROGRAMS. Programs which may be
29 used by the director to make the state's land surface available for

1 private use under this section include sale of whole or partial rights
2 ~~to the fee simple estate, including conveyance of agricultural use~~
3 rights; leasing; open-to-entry; homesiting; homesteading; permitting for
4 construction and occupation of cabins in isolated locations on land
5 retained in state ownership; and other methods as provided by law.

6 Sec. 38.04.035. CRITERIA FOR PROGRAM SELECTION. In determining
7 which land availability program is appropriate for state lands in dif-
8 ferent locations, the director shall be guided by the following cri-
9 teria:

10 (1) To cover public costs associated with private land use
11 and to provide the public with a fair return for publicly owned pro-
12 perty, conveyance of state land to private parties should be at fair
13 market value except where otherwise authorized by statute, or by an
14 administrative regulation the adoption of which is specifically per-
15 mitted by statute.

16 (2) Sale or lease programs should be used where land is
17 readily accessible to a major community center or where, because of a
18 prime location on waterfront or a transportation route or some other
19 location characteristic, land has relatively high real estate value.

20 (3) Sale programs are preferred but lease programs should be
21 used

22 (A) where special land use controls are required and
23 there is a high public interest in having certain types of land
24 used for particular purposes;

25 (B) when the intended use is a temporary one;

26 (C) in commercial or industrial situations when a lease-
27 hold can provide cash flow advantages to the lessee;

28 (D) when a unique location with special public values is
29 involved, as in a deep water port, hydroelectric site, or aqua-

1 culture facility;

2 (E) where current demand for private use is high, but
3 projections suggest that, in the future, the land may be more
4 valuable for public use, as in accessible waterfront recreation
5 areas.

6 (4) For enabling isolated cabin development in remote loca-
7 tions where survey and conveyance is impractical, a system for cabin
8 permits on public land may be used.

9 (5) Limited or conditional title may be granted when the
10 state's best interest so dictates. Among other things, title limita-
11 tions may include grants of agricultural interest only, retention of
12 development rights, and retention of scenic or other easements. A
13 conditional title may be tied to a development schedule or other stan-
14 dards of performance.

15 Sec. 38.04.040. AVAILABILITY OF SCHOOL LAND AND UNIVERSITY LAND.
16 School land and university land may be made available at fair market
17 value for private use under the purposes of this chapter; however, any
18 action to do so shall be in accordance with statutes pertaining to these
19 lands and the authority of the Board of Education and the Board of
20 Regents of the University of Alaska.

21 Sec. 38.04.045. SURVEY AND SUBDIVISION. (a) State land to be
22 conveyed in fee simple or less than fee simple estate shall be sub-
23 divided so that lots and tracts are of a size which fits the require-
24 ments of individual users and reflects the physical characteristics of
25 the land, except that in locations where there is an inadequate margin
26 between the demand for and the supply of vacant land, the state may make
27 land available for private acquisition in parcels that are larger than
28 required for individual use.

29 (b) Before the conveyance of surface rights to state land, an

1 official cadastral survey shall be accomplished, unless a comparable,
2 acceptable survey exists that has been conducted by the Federal Bureau
3 of Land Management. The rectangular survey section corner positions
4 shall be monumented and shown on a cadastral survey plat approved by the
5 state. However, for those areas where the state may wish to convey
6 surface estate outside of an Official Cadastral Survey grid, the direc-
7 tor may waive monumentation of all individual section corner positions
8 and substitute an official control survey with control points being
9 monumented at approximately two-mile intervals and shown on control
10 survey plats approved by the state. No portion of land to be conveyed
11 may be located more than two miles from such a survey control monument.
12 The lots and tracts in state subdivisions shall be monumented and the
13 cadastral survey and plats for the subdivision shall be approved by the
14 state. Where land is located within a municipality with planning,
15 platting, and zoning powers, plats for state subdivisions shall comply
16 with local ordinances and regulations in the same manner and to the same
17 extent as plats for subdivisions by other landowners. State subdivi-
18 sions shall be filed in the district recorder's office. The require-
19 ments of this section do not apply to land made available through a
20 cabin permit system, material sales, or short-term leases; however, for
21 short-term leases the lessee must comply with local subdivision ordi-
22 nances unless waived by the municipality under procedures specified by
23 ordinance.

24 Sec. 38.04.050. ACCESS TO PRIVATE USE AREAS. Wherever state land
25 is surveyed for purposes of private use, adequate rights-of-way and
26 easements shall be reserved as necessary for access and, where appro-
27 priate, for power and telephone service to each parcel of land. Where
28 necessary and appropriate for the use intended, the director shall
29 arrange for the development of surface access as part of the land avail-

1 ability program. The direct cost of local access development shall be
2 borne by the recipient of the land unless otherwise provided by state
3 statutes or regulations.

4 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director
5 shall reserve easements and rights-of-way on and across land which is
6 made available for private use as necessary to reach or use public water
7 and public and private land.

8 ARTICLE 3. INVENTORY, PLANNING, AND CLASSIFICATION.

9 Sec. 38.04.060. INVENTORY. (a) The commissioner shall prepare
10 and maintain on a continuing basis an inventory of all state land and
11 water and their resource and other values, giving priority to areas of
12 potential settlement, economic development, and critical environmental
13 concern. This inventory shall be kept current so as to reflect changes
14 in conditions and to identify new and emerging resource and other
15 values.

16 (b) The commissioner's inventory shall include land and water
17 under interagency assignment of land management authority and land and
18 water proposed for such an assignment. That land and water must be
19 reviewed at regular intervals to analyze current and proposed uses as
20 these uses relate to alternative uses for all or part of the land and to
21 determine the uses which best provide for the public interest.

22 (c) As funds and manpower are made available, the commissioner
23 shall provide local and federal governments and major private landowners
24 with data from the inventory for the purpose of planning and managing
25 the uses of land in proximity to state land.

26 Sec. 38.04.065. LAND USE PLANNING AND CLASSIFICATION. (a) The
27 commissioner shall, with local governmental and public involvement in
28 accordance with AS 38.05.305, develop, maintain and, when appropriate,
29 revise land use plans which provide, by regions or areas, for the use of

1 the state-owned land.

2 (b) In the development and revision of land use plans, the commis-
3 sioner shall

4 (1) use and observe the principles of multiple use and sus-
5 tained yield;

6 (2) consider physical, economic, and social factors affecting
7 the region or area and involve other agencies and the public in achiev-
8 ing a systematic interdisciplinary approach;

9 (3) give priority to planning and classification in areas of
10 potential settlement and critical environmental concern;

11 (4) rely, to the extent that it is available, on the inven-
12 tory of the state land, its resources, and other values;

13 (5) consider present and potential uses of state land;

14 (6) consider the supply, resources, and present and potential
15 use of land under other ownership within the area or region of concern;

16 (7) plan for compatible surface and mineral land use classi-
17 fications; and

18 (8) provide for meaningful participation in the planning
19 process by affected local governments, state and federal agencies,
20 adjacent landowners, and the general public.

21 (c) As a basis for more detailed land use planning and classifi-
22 cation, the commissioner shall develop regional land use plans for the
23 use of all state land. These regional plans shall identify and de-
24 lineate

25 (1) areas of settlement and settlement impact, where land
26 must be classified for various private uses and for public recreation,
27 open space, and other public uses desirable in and around settlement;
28 and

29 (2) areas which must be retained in state ownership and

1 planned and classified for various uses and purposes in accordance with
2 sec. 15 of this chapter.

3 (d) Official regional or area plans and subsequent amendments
4 adopted by the commissioner after public and local governmental parti-
5 cipation shall be signed and dated by the commissioner. Land classifi-
6 cations shall be made in accordance with these official plans.

7 (e) Land shall be classified as provided in AS 38.05.300.

8 (f) Decisions about the location of easements and rights-of-way,
9 other than for minor access, shall be integrated with land use planning
10 and classification for the appropriate area or region.

11 (g) Land use plans adopted by the commissioner under this section
12 shall be consistent with local governmental land use plans to the maxi-
13 mum extent he determines to be consistent with the state interests and
14 the purposes of this chapter.

15 Sec. 38.04.070. MANAGEMENT CATEGORIES. State land classified for
16 uses and purposes involving retention in public ownership may be in-
17 cluded in the following management categories:

18 (1) State Public Reserve Lands: areas of public land to be
19 managed for a wide variety of compatible uses and purposes in accordance
20 with the principles of multiple use and sustained yield; land designated
21 to this category may include, but need not be limited to, state forest
22 reserves and state wildlife reserves as well as land classified for
23 public purposes within settlement impact areas;

24 (2) State Parks: areas with special recreational, scenic,
25 cultural, historical, wilderness, or similar values, to be managed
26 primarily for the public use and enjoyment of these values;

27 (3) State Trails: a system of public historic or recre-
28 ational trails;

29 (4) Wild and Scenic Rivers: a system of rivers and adjacent

1 state land with special natural, scenic, and recreational values located
2 within or adjacent to a wild and scenic river area managed as part of
3 the national system of wild and scenic rivers in accordance with the
4 federal Wild and Scenic Rivers Act (82 Stat. 906; 16 U.S.C. 1271 et
5 seq.);

6 (5) State Public Domain: land within areas designated on
7 regional plans as settlement and settlement impact which are not part of
8 the management categories listed in (1) - (4) of this subsection;
9 through classification, this land may be made available for private use,
10 settlement, and development as well as for public uses associated with
11 settlement and development.

12 ARTICLE 4. GENERAL PROVISIONS.

13 Sec. 38.04.900. REGULATIONS. (a) The commissioner shall adopt
14 under the Administrative Procedure Act (AS 44.62) regulations he be-
15 lieves are necessary to carry out the purposes of this chapter. Within
16 120 days after the effective date of this Act, the director shall submit
17 to the commissioner draft regulations implementing this chapter and
18 revising regulations in effect on the effective date of this Act per-
19 taining to planning, classification, management, and disposal of the
20 state's surface estate in land. New and revised regulations shall be
21 integrated in a single comprehensive draft compatible with the structure
22 of the Alaska Administrative Code. In preparing this draft, the direc-
23 tor shall seek to simplify and clarify regulations governing land plan-
24 ning, classification, management, and disposal.

25 (b) A municipality has standing to petition the commissioner for
26 the adoption of a regulation, or for the amendment or repeal of an
27 existing regulation, or to appeal a decision of the commissioner with
28 respect to classification, management, or disposal of land made under
29 authority of a regulation adopted under (a) of this section with respect

1 to state land outside the corporate boundaries of the municipality to
2 protect any interest which the municipality is authorized to regulate
3 outside its boundaries under AS 29.48.037.

4 (c) If the regulations adopted by the commissioner under (a) of
5 this section fail to provide for a process by which decisions of the
6 commissioner may be appealed, an interested person may petition for re-
7 consideration of a decision. The petition shall contain the information
8 required to be submitted by AS 44.62.220 and shall be acted upon by the
9 commissioner in the manner provided in AS 44.62.230. For purposes of
10 this section, a municipality is an interested person with respect to its
11 interests in land defined in (b) of this section.

12 Sec. 38.04.910. DEFINITIONS. In this chapter, unless the context
13 otherwise requires,

14 (1) "commissioner" means the commissioner of the Department
15 of Natural Resources;

16 (2) "director" means the director of the division of lands of
17 the Department of Natural Resources;

18 (3) "fair market value" means the price at which a willing
19 seller and a willing buyer will trade;

20 (4) "multiple use" means the management of state land and its
21 various resource values so that it is used in the combination that will
22 best meet the present and future needs of the people of Alaska, making
23 the most judicious use of the land for some or all of these resources or
24 related services over areas large enough to provide sufficient latitude
25 for periodic adjustments in use to conform to changing needs and condi-
26 tions; it includes

27 (A) the use of some land for less than all of the re-
28 sources, and

29 (B) a combination of balanced and diverse resource uses

1 that takes into account the short-term and long-term needs of
2 present and future generations for renewable and nonrenewable
3 resources, including, but not limited to, recreation, range, tim-
4 ber, minerals, watershed, wildlife and fish, and natural scenic,
5 scientific, and historic values;

6 (5) "official cadastral survey" means a United States public
7 land survey or a survey executed under survey instructions issued by the
8 division for the purpose of preparing a cadastral survey plat, and
9 approved and accepted by the division for the state's official records;

10 (6) "official control survey" means a position marked on the
11 ground by triangulation or traverse stations established in conformity
12 with standards adopted by United States Coastal and Geodetic Survey for
13 first, second and third order work, whose geodetic positions have been
14 rigidly adjusted on the North American datum of 1927 and approved by the
15 division;

16 (7) "short-term lease" means a lease for a term of five years
17 or less;

18 (8) "state park" means an area of state land designated by
19 law to be managed for public use and enjoyment of recreational, scenic,
20 cultural, historical, wilderness, and similar values, including but not
21 limited to areas designated under

22 (A) AS 41.20.050 - 41.20.060, roadside rests and recrea-
23 tional beaches;

24 (B) AS 41.20.130 - 41.20.160, 41.20.330 - 41.20.345, ch.
25 61 SLA 1966, and ch. 26 SLA 1967, state recreation areas;

26 (C) AS 41.20.170 - 41.20.320, state parks; and

27 (D) AS 41.35.030, state monuments and historic sites;

28 (9) "state trail" means an area designated by law to be
29 managed as a public historic or recreational trail including but not

1 limited to

2 (A) trails designated under AS 41.20.070 - 41.20.120,
3 wilderness trails and campsites; and

4 (B) trails and footpaths designated under AS 41.20.355 -
5 41.20.375;

6 (10) "sustained yield" means the achievement and maintenance
7 in perpetuity of a high level annual or regular periodic output of the
8 various renewable resources of the state lands consistent with multiple
9 use.

10 (11) "wild and scenic river" means a free-flowing river or
11 stream designated as provided in the Federal Wild and Scenic Rivers Act
12 (82 Stat. 906; 16 U.S.C, 1271-1287);

13 * Sec. 6. AS 38.05 is amended by adding a new section to read:

14 Sec. 38.05.057. LAND DISCOUNT PROGRAM. (a) The director shall
15 grant to eligible persons a discount on the purchase price of land sold
16 for residential use under this chapter at the rate of five per cent of
17 the purchase price of the land purchased for each full year that the
18 purchaser is a resident of the state. A discount granted under this
19 section may not exceed 50 per cent of the total purchase price of the
20 land or a value of \$25,000, whichever amount is less. A discount may be
21 used by an eligible veteran to purchase land offered at a restricted
22 sale under sec. 67 of this chapter.

23 (b) To be eligible for a discounted purchase price under (a) of
24 this section, a person shall

25 (1) have been physically present in the state for the 12-
26 month period before the sale, except for brief intervals, military
27 service, attendance at an educational or training institution or for
28 absence for good cause;

29 (2) maintain a place of residence in the state;

1 (3) be registered to vote in the state;

2 (4) not have claimed residence in any other state for any
3 purpose during the 12-month period immediately before the sale;

4 (5) show by all attending circumstance that his intent is to
5 make Alaska his continuous residence; and

6 (6) have attained the age of 18 at the date of sale.

7 (c) A person seeking to establish eligibility for a discount under
8 this section shall present proof meeting the criteria set out in (b) of
9 this section to the director. A person who submits information to the
10 director under this section knowing it to be false is guilty of a felony
11 and, upon conviction, is punishable by imprisonment for not more than
12 five years, or by a fine of not more than \$50,000, or by both.

13 (d) A person is entitled to not more than one discount on the pur-
14 chase price of land under this section in his lifetime. A discount
15 granted under this section may be applied only to the acquisition of
16 surface rights to state land. A discount may not be applied to costs
17 such as survey costs, road development costs, utility assessments, or
18 other costs as determined by the director which are reimbursable to the
19 state. In all cases, a cash down payment of at least five per cent of
20 the price of the land shall be made at the time of acquisition.

21 (e) The commissioner may adopt regulations to implement the pro-
22 visions of this section.

23 * Sec. 7. AS 38.08.010(a) is repealed and re-enacted to read:

24 (a) The director shall designate, classify and make available for
25 homesite entry state land in amounts and at times as required in AS
26 38.04.020 or as may otherwise be required by law.

27 * Sec. 8. AS 38.08.010 is amended by adding a new subsection to read:

28 (d) The director shall, to as great an extent as possible, classi-
29 fy land for homesite entry based upon the distribution of population in

1 the state.

2 * Sec. 9. AS 38.08.020 is amended to read:

3 Sec. 38.08.020. OFFERING OF LAND FOR HOMESITE ENTRY. [FOLLOWING
4 CLASSIFICATION OF LAND FOR HOMESITE ENTRY, OFFERINGS OF HOMESITE ENTRY
5 LAND SHALL BE MADE ON A ROTATING BASIS FROM AMONG THE FOUR JUDICIAL DIS-
6 TRICTS OF THE STATE.] The director shall publish notice of the avail-
7 ability of the land for at least three consecutive weeks through the
8 electronic media and in at least three newspapers of general circulation
9 in the state, at least one of which, if possible, shall be a newspaper
10 of general circulation in the vicinity of the available land.

11 * Sec. 10. AS 38.08.030(a)(2) is amended to read:

12 (2) submit proof acceptable to the commissioner that he is a
13 resident of the state at the time of application, and that he has been a
14 resident of the state for not less than three [SIX] years immediately
15 preceding the date his application was submitted, or that he has been a
16 resident for 20 years cumulatively;

17 * Sec. 11. AS 38.08.060(a)(2) is amended to read:

18 (2) erects a habitable, permanent, single-family dwelling on
19 the homesite, which meets all applicable state and local regulations,
20 within five [THREE] years of the date of issuance of the homesite entry
21 permit; for the purposes of this paragraph, mobile homes are not con-
22 sidered to be permanent dwellings unless they are placed on a permanent
23 foundation;

24 * Sec. 12. AS 38.08.110 is amended to read:

25 Sec. 38.08.110. REGULATIONS. The commissioner shall adopt regu-
26 lations in accordance with AS 44.62.180 - 44.62.290 to carry out the
27 purposes of this chapter, including, but not limited to, regulations
28 relating to easements and access routes.

29 * Sec. 13. AS 38.50.040 is amended to read:

1 Sec. 38.50.040. LAND SUBJECT TO EXCHANGE. Except as otherwise
2 provided in this chapter, the director is authorized to convey for
3 purposes of exchange any state land or interest in land regardless of
4 the authority under which the land or interest was obtained by the
5 state. The conveyance of university land and school land shall be
6 approved in the manner prescribed in AS 38.05.030 [, AND THE CONVEYANCE
7 OF MENTAL HEALTH LAND SHALL BE APPROVED BY A BOARD COMPOSED OF THE
8 DIRECTOR OF THE DIVISION OF MENTAL HEALTH, THE CHAIRMAN OF THE MENTAL
9 HEALTH ADVISORY COUNCIL, AND THE COMMISSIONER OF REVENUE].

10 * Sec. 14. AS 38.50.110(a)(6) is amended to read:

11 (6) mail the notice to the appropriate board or other entity or
12 person with approval authority as indicated in sec. 40 of this chapter
13 and AS 38.05.030, when university land or [,] school land [, OR MENTAL
14 HEALTH LAND] is involved in the proposed exchange;

15 * Sec. 15. AS 38.05.035(a)(13), 38.05.365(8), and AS 38.08.010(b)(1),
16 (2), (3) and (5) are repealed.

17 * Sec. 16. Sections 3, 4, 13 and 14 of this Act and the repeal of AS
18 38.05.035(a)(13) and 38.05.365(8) contained in sec. 15 of this Act take
19 effect July 1, 1978.

20 * Sec. 17. Sections 1, 2, 5, and 6 - 13 of this Act and the repeal of AS
21 38.08.010(b)(1) - (3) and (5) contained in sec. 15 of this Act take effect
22 immediately in accordance with AS 01.10.070(c).

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