

Original sponsor: Chatterton, Malone,
and Phillips

Offered: 5/4/79

1 IN THE HOUSE

BY THE FREE CONFERENCE COMMITTEE

2 FREE CONFERENCE CS FOR HOUSE BILL NO. 66

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the management and disposal of
7 public land; and providing for an effective date."

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

9 * Section 1. AS 29.13.100 is amended by adding a new paragraph to read:

10 (39) AS 29.33.150(b) (applicability of local platting regula-
11 tions to state land in a municipality).

12 * Sec. 2. AS 29.18.204 is repealed and re-enacted to read:

13 Sec. 29.18.204. STATUS OF ENTITLEMENTS. (a) After July 1, 1978,
14 general grant land entitlements provided in AS 29.18.201 and 29.18.202
15 are vested property rights which must be fulfilled as provided in
16 AS 29.18.205 or 29.18.208.

17 (b) General grant land entitlements provided by AS 29.18.203 are
18 property rights which vest on the date of incorporation of the munici-
19 pality. The entitlement must be fulfilled as provided in AS 29.18.205.

20 (c) Land may be selected by a municipality to satisfy a general
21 grant land entitlement under AS 29.18.201 and 29.18.202 at any time
22 before October 1, 1980.

23 (d) Land may be selected by a municipality to satisfy a general
24 grant land entitlement under AS 29.18.203 at any time within one year
25 after the director certifies the entitlement to the municipality.

26 (e) The time limitations imposed by (c) and (d) of this section
27 for exercising a vested general grant land entitlement do not apply to

28 (1) the portion of an entitlement which cannot be satisfied
29 by that date because of a shortage of land suitable for residential,

1 commercial and industrial purposes which is vacant, unappropriated,
2 unreserved land;

3 (2) payments for land deficiency under AS 29.18.208;

4 (3) the portion of an entitlement which cannot be satisfied
5 because the land selected by a municipality has been selected by a party
6 entitled to select land owned by the United States or the state; or

7 (4) the portion of an entitlement which cannot be satisfied
8 because the land nominated for selection by the municipality is not ten-
9 tatively approved for patent to the state.

10 * Sec. 3. AS 29.18.205(f) is amended to read:

11 (f) The director shall approve each [EACH] selection [SHALL BE
12 APPROVED OR DISAPPROVED] for patent [BY THE DIRECTOR UNDER (g) OF THIS
13 SECTION] within nine months of its selection by a municipality, and a
14 patent shall be issued to the municipality for land selected in satis-
15 faction of a general grant land entitlement vested under AS 29.18.201 -
16 29.18.203 within three months after approval by the director of a plat
17 of survey.

18 * Sec. 4. AS 29.18.208(a)(1) is amended to read:

19 (1) providing payment to the boroughs and unified municipali-
20 ties designated in AS 29.18.201 for a deficiency of land physically
21 suitable for residential, commercial or industrial purposes [THE PUR-
22 POSES DESCRIBED IN AS 29.18.205(g)(1)]; or

23 * Sec. 5. AS 29.18.208(b) is amended to read:

24 (b) A municipality shall receive payment for its land deficiency
25 from the account established in (a) of this section. A municipality is
26 eligible to receive payment for land deficiency if, after July 1, 1980,
27 the amount of land selected by a municipality which is physically suit-
28 able for residential, commercial or industrial purposes [THE PURPOSES
29 DESCRIBED IN AS 29.18.205(g)(1) FOR WHICH APPROVAL HAS BEEN GIVEN BY THE

1 DIRECTOR UNDER AS 29.18.205(g) WITHIN ONE YEAR OF SELECTION] amounts to
2 less than one-third acre per capita. Any entitlement under AS 29.18.201
3 which is less than one-third acre per capita will, for the purposes of
4 this subsection, be considered a land deficiency. An unselected remain-
5 ing entitlement will, for the purpose of deficiency payment under this
6 subsection, be considered as land physically suitable for residential,
7 commercial or industrial purposes [THE PURPOSES DESCRIBED IN AS 29.18.-
8 205(g)(1)]. A municipality eligible under this subsection is entitled
9 to receive a payment for land deficiency equal to \$1,000 per acre for a
10 number of acres equal to the difference between one-third of the popula-
11 tion of the municipality less the number of acres physically suitable
12 for residential, commercial or industrial purposes [THE PURPOSES DES-
13 CRIBED IN AS 29.18.205(g)(1) FOR] which has been selected by the munici-
14 pality [APPROVAL HAS BEEN GIVEN BY THE DIRECTOR UNDER AS 29.18.205(g)].
15 For the purpose of this subsection, the population of the municipality
16 shall be the population determined in accordance with AS 29.18.206(f).
17 No payment may be made to a municipality under this subsection in excess
18 of \$9,000,000.

19 * Sec. 6. AS 29.33.150 is amended by adding a new subsection to read:

20 (b) The regulations adopted under (a) of this section apply to
21 subdivision plats of undeveloped state land for disposal under AS 38.05
22 or AS 38.08 filed with the platting board, except that the platting
23 board may not disapprove the subdivision plat or adopt regulations which
24 require the state to construct access roads or capital improvements on
25 state land included in the subdivision plat.

26 * Sec. 7. AS 29.33.160 is amended by adding a new subsection to read:

27 (c) If a municipality has adopted a subdivision ordinance which
28 requires the submission of a preliminary or sketch subdivision plat
29 during the platting procedure, the commissioner of natural resources

1 shall, not later than 60 days before filing a final subdivision plat
2 which contains land to be disposed of to individuals under AS 38.05 or
3 AS 38.08, file a preliminary subdivision plat with the platting author-
4 ity of the municipality.

5 * Sec. 8. AS 29.48.010(9) is amended to read:

6 (9) to acquire, manage, control, use and dispose of real and
7 personal property for a purpose authorized under this title, federal
8 law, or other law, or in accordance with such law, and irrespective of
9 whether or not the property is situated within or outside the municipal
10 boundaries; this power includes the power of a second class borough to
11 expend, for any purpose authorized by law, money received from the dis-
12 posal of land in a service area created under AS 29.63.090(f);

13 * Sec. 9. AS 29.63.090(a) is amended to read:

14 (a) Service areas to provide special services within a borough may
15 be established, operated, altered or abolished by the assembly by ordi-
16 nance. Special services include services not provided on an areawide
17 basis within the borough or the borough area outside cities or a higher
18 or different level of service than that provided on an areawide basis or
19 in the borough area outside cities. In a first class borough the
20 assembly may exercise within a service area any power granted a first
21 class city by general law. Except as provided in (f) of this section, a
22 [; IN A] second class borough may [AN] exercise [OF] the powers granted
23 a first class city by general law but the exercise of the powers must be
24 approved by a majority of the qualified voters residing within the ser-
25 vice area and voting on the question at a regular or special election.

26 * Sec. 10. AS 29.63.090 is amended by adding a new subsection to read:

27 (f) A second class borough may establish a service area by ordi-
28 nance which may include only vacant, unappropriated and unreserved land
29 owned by the municipality. A second class borough may establish a

1 service area, with the concurrence of the commissioner of natural re-
2 sources, which may include only vacant, unappropriated and unreserved
3 land owned by the state and classified for disposal to individuals. A
4 second class borough may provide those services in a service area estab-
5 lished under this subsection necessary to develop state or municipal
6 land as required by the planning and platting ordinances of the borough.
7 Exercise of the powers authorized by this subsection shall be by ordi-
8 nance.

9 * Sec. 11. AS 38.04.020 is repealed and re-enacted to read:

10 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall
11 establish a land disposal bank which contains state land that is avail-
12 able for disposal for private ownership. By July 1, 1979, the land
13 disposal bank shall contain at least 250,000 acres of state land which
14 is available for

- 15 (1) use as remote cabin sites under AS 38.05.079;
- 16 (2) disposal for recreational and residential use;
- 17 (3) disposal for commercial use; and
- 18 (4) disposal for industrial use.

19 (b) By November 1, 1979, the commissioner shall deposit in the
20 land disposal bank all state land in a municipality that is not

21 (1) identified for one or more of the purposes specified in
22 AS 38.05.047(a)(1) - (5); or

23 (2) nominated for selection or selected by a municipality to
24 satisfy a general grant land entitlement under AS 29.18.201 - 29.18.203.

25 (c) After January 1, 1981, the land disposal bank shall contain at
26 least 500,000 acres of state land which is available for the purposes
27 set out in (a) of this section and all state land in a municipality that
28 is not classified for one or more of the purposes specified in AS 38.05.-
29 047(a)(1) - (5) before September 1, 1980.

1 (d) During the fiscal year ending June 30, 1981, and during each
2 fiscal year thereafter, the commissioner shall make available for pri-
3 vate ownership at least 100,000 acres of state land contained in the
4 land disposal bank which is suitable for a variety of uses. If, after
5 January 1, 1981, the land disposal bank contains less than 500,000 acres
6 of land which is available for the purposes listed in (a)(1) - (4) of
7 this section, the commissioner shall classify state land located outside
8 municipalities until at least 500,000 acres are available for those
9 purposes.

10 (e) The commissioner shall withdraw from the land disposal bank
11 state land located outside a municipality that has been offered for
12 disposal but not conveyed within five years after inclusion in the land
13 disposal bank. State land withdrawn from the land disposal bank under
14 this section becomes state public domain land and, through classifica-
15 tion, may be made available for private use, settlement, and development
16 as well as for public uses associated with settlement and development.

17 (f) The commissioner shall annually submit to the governor three
18 alternative financing requests for the disposal of state land in the
19 land disposal bank. The alternate requests for each fiscal year shall
20 be submitted with the budget submitted to the legislature by the gover-
21 nor. The alternate requests must specify the amount of land to be
22 offered for private ownership under each alternative, the location of
23 the land, and the disposal program under which the land will be offered.
24 The alternatives submitted shall include

25 (1) an estimate of the appropriations required to finance the
26 disposal of the land identified for disposal during the fiscal year;

27 (2) an estimate of the appropriations required to finance the
28 disposal of one-half the land identified for disposal during the fiscal
29 year; and

1 (3) an estimate of the appropriations required to finance the
2 disposal of 50 per cent more land than identified for disposal during
3 the fiscal year.

4 (g) A person or a municipality may nominate state land for classi-
5 fication for private ownership or may nominate land which is contained
6 in the land disposal bank for reclassification. The commissioner shall
7 hold public hearings semiannually to take nominations of state land
8 under this subsection. The commissioner shall issue a written finding
9 if he determines that land nominated will not be classified or reclassi-
10 fied according to the nominations received during a public hearing
11 required by this subsection.

12 * Sec. 12. AS 38.05.045 is amended to read:

13 Sec. 38.05.045. GENERALLY. All lands owned in fee by the state or
14 to which the state may become entitled, excepting tide, submerged or
15 shorelands, and timber or grazing lands, may be sold as provided in
16 AS 38.05.045 - 38.05.069 and AS 38.08. However, this section does not
17 prevent the disposition of lands as provided in AS 38.05.300 - 38.05.348

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

19 Sec. 38.05.047. CLASSIFICATION AND SALE OF STATE LAND IN MUNICI-
20 PALITIES. (a) Notwithstanding the provisions of AS 38.04, before
21 September 1, 1980, the commissioner shall classify all state land in a
22 municipality which he determines is best suited for

23 (1) designation by the legislature as a state park, a recrea-
24 tion area, a game refuge or sanctuary, or a fish and game critical
25 habitat area;

26 (2) designation by the governor as a state monument or his-
27 toric site under the authority granted by AS 41.35.030;

28 (3) designation by the commissioner of natural resources and
29 the commissioner of transportation and public facilities as wilderness

1 trails and campsites under the authority granted by AS 41.20.080 and as
2 roadside rests and recreational beaches under the authority granted in
3 AS 41.20.050;

4 (4) designation by the commissioner as trails and footpaths
5 which may be granted to a municipality or managed in cooperation with a
6 municipality as a part of the program established in AS 41.20.355 -
7 41.20.375; and

8 (5) management by the state after September 1, 1980, for the
9 following purposes:

10 (A) sale of remote parcels to individuals under AS 38.-
11 05.077;

12 (B) use by individuals as remote cabin sites under
13 AS 38.05.079;

14 (C) disposal for agricultural use;

15 (D) disposal for commercial use;

16 (E) harvest of timber in commercial quantities;

17 (F) use by individuals for livestock grazing under a
18 permit program;

19 (G) establishment of greenbelts along public roads and
20 highways;

21 (H) disposal for industrial use;

22 (I) extraction of materials;

23 (J) extraction of minerals, including oil and gas;

24 (K) retention in state ownership for public recreation
25 use;

26 (L) protection of watershed land;

27 (M) protection of wildlife habitat;

28 (N) easements for public utility facilities and pipe-
29 lines for the transportation of oil and gas; and

1 (0) construction of airstrips and transportation facili-
2 ties.

3 (b) Notwithstanding the provisions of AS 38.04, state land in a
4 municipality which has not been classified for one or more of the pur-
5 poses specified in (a)(1) - (5) of this section before September 1,
6 1980, or which has not been nominated for selection or selected by a
7 municipality to satisfy a general grant land entitlement under AS 29.-
8 18.201 - 29.18.203 before September 1, 1980, is available for disposal
9 under (f) of this section.

10 (c) Before September 1, 1979, the commissioner shall identify
11 state land in a municipality which may be suitable for classification
12 for the purposes set out in (a)(1) - (5) of this section. State land in
13 a municipality which is not identified for a purpose listed in (a)(1) -
14 (5) of this section or which has not been nominated for selection or
15 selected by a municipality to satisfy a general grant land entitlement
16 under AS 29.18.201 - 29.18.203 before September 1, 1979, is available
17 for sale to individuals as provided in (f) of this section. After
18 September 1, 1979, the commissioner shall divide all state land in a
19 municipality that is not identified for a purpose set out in (a)(1) -
20 (5) of this section into survey districts and shall make the land avail-
21 able for disposal to individuals as required by (f) of this section.

22 (d) All state land in a municipality which is selected by the
23 state under section 6(a) or (b) of the Alaska Statehood Act (P.L. 85-
24 508) and tentatively approved for patent to the state after July 1,
25 1979, shall be classified by the commissioner in accordance with (a) of
26 this section not later than two years after the land is tentatively
27 approved for patent to the state. State land in a municipality which is
28 not classified before the time required by this section is available for
29 disposal under (f) of this section.

1 (e) If the land is suitable for residential use, the department
2 shall survey and subdivide the land in a survey district established
3 under (c) of this section into parcels which may not exceed five acres.
4 The commissioner shall give priority to surveying those survey districts
5 which contain land that may be developed immediately for residential use
6 at the least cost to the state and potential purchasers. The commis-
7 sioner shall issue a written finding which describes land in a survey
8 district which he determines is not suitable for residential use. The
9 written finding shall include the reasons for the commissioner's deter-
10 mination and shall be kept on file in the office of the commissioner and
11 in the district office of the department located nearest to the munic-
12 ipality in which the land is located.

13 (f) After a subdivision plat developed under (e) of this section
14 is recorded, the commissioner shall offer

15 (1) 80 per cent of the parcels in a survey district for sale
16 under the procedures for a lottery sale specified in AS 38.05.057 and
17 38.05.065(b) (lotteries);

18 (2) 10 per cent of the parcels in a survey district for
19 homesites under AS 38.08; and

20 (3) an additional 10 per cent of the parcels in a survey
21 district for homesites under AS 38.08, except that notwithstanding
22 AS 38.08.040(b), parcels offered under this paragraph may be the subject
23 of a lottery sale under AS 38.05.057 if more than one eligible person
24 applies for the same homesite.

25 * Sec. 14. AS 38.05.055 is amended to read:

26 Sec. 38.05.055. SALE PROCEDURES. Except as provided in AS 38.05.-
27 057, [AND] 38.05.315(d), and AS 38.08, the sale of state land shall be
28 made at public auction to the highest qualified bidder as determined by
29 the director. An aggrieved bidder may appeal to the commissioner within

1 five days after the sale for a review of the director's determination.
2 The sale shall be conducted by the director or his representative, and
3 at the time of sale the successful bidder shall deposit an amount equal
4 to one-tenth of the purchase price. The director or his representative
5 shall immediately issue a receipt containing a description of the land
6 or property purchased, the price bid, and the terms of sale, which
7 receipt shall be acknowledged in writing by the bidder. A contract of
8 sale on a form approved by the attorney general shall be signed by the
9 purchaser and, after approval of the commissioner, the contract shall
10 also be signed by the director on behalf of the state.

11 * Sec. 15. AS 38.05.057(a) is amended to read:

12 Sec. 38.05.057. DISPOSAL OF LAND [SALE] BY LOTTERY. (a) The
13 commissioner [DIRECTOR] may dispose of [SELL] land, including land
14 limited to use for agricultural purposes, by lottery. The purchase
15 price of land sold by lottery shall be the fair market value of the
16 land as determined by the commissioner but may not be less than \$400
17 per acre, or, if the land is limited to use for agricultural purposes,
18 the purchase price may not be less than \$100 per acre. The commissioner
19 may sell land by lottery for less than the fair market value of the land
20 if he determines that scarcity of land for private use in the area of
21 the land to be sold has resulted in unrealistic land values. Before the
22 commissioner determines the purchase price for land which is located in
23 a municipality and which is to be sold under this section, he shall
24 consult with the assessor of the municipality [MAY NOT BE LESS THAN THE
25 FAIR MARKET VALUE OF THAT LAND UNLESS THE SALE IS CONDUCTED UNDER THE
26 PROVISIONS OF AS 38.05.035(b)(4)]. The lottery shall be conducted in
27 public by the commissioner [DIRECTOR] or his representative, and at the
28 time of signing a contract of sale a purchaser selected by lot shall
29 deposit [WITH THE PERSON CONDUCTING THE LOTTERY] an amount equal to five

1 per cent of the purchase price, or if the purchaser elects to use land
2 discounts granted under AS 38.05.058, five per cent of the discount pur-
3 chase price.

4 * Sec. 16. AS 38.05.057(b) is amended to read:

5 (b) To qualify to participate in a [PURCHASE LAND BY] lottery
6 under (a) of this section, a potential purchaser shall

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

8 (2) submit proof, as required by regulation, that he has been
9 a resident of the state for not less than one year [THREE YEARS] immedi-
10 ately preceding the date his application was submitted; and

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

13 * Sec. 17. AS 38.05.057(c) is amended to read:

14 (c) The commissioner may adopt regulations under the Administra-
15 tive Procedure Act (AS 44.62) which specify qualifications for lottery
16 participants [POTENTIAL PURCHASERS] different from those specified in
17 (b) of this section if

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

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

22 (3) the regulations include residency, skill, experience, and
23 financial requirements necessary to qualify persons who are competent
24 and financially able to develop the land as a successful agricultural
25 enterprise.

26 * Sec. 18. AS 38.05.057(d)(2) is amended to read:

27 (2) pay a nonrefundable application fee of not more than \$25
28 [\$10] for each application.

29 * Sec. 19. AS 38.05.057(e)(1) is amended to read:

1 (1) the application period may not be less than 45 [30] days;

2 * Sec. 20. AS 38.05.057(e)(3) is amended to read:

3 (3) notice of the application period and the date of the
4 lottery shall be given in accordance with AS 38.05.345(e) [AS 38.05.-
5 345(b)]; and

6 * Sec. 21. AS 38.05.057(f) is repealed and re-enacted to read:

7 (f) If only one application for a parcel is received, the commis-
8 sioner shall offer the parcel to the applicant who applied for the
9 parcel if the applicant is qualified to participate in the lottery. If
10 more than one application is received for a parcel, or if more applica-
11 tions are received for the right to select a remote parcel offered under
12 AS 38.05.077 than the number of remote parcels authorized, the commis-
13 sioner shall select the applicant who is entitled to receive a convey-
14 ance of the land by lottery. If the commissioner does not receive an
15 application for a parcel of state land or if a purchaser fails to sign a
16 lease agreement or contract of sale, the parcel shall be offered to the
17 first eligible person to apply for the parcel. If the parcel was desig-
18 nated as a homesite and offered to the public under AS 38.05.047(f), the
19 parcel shall be disposed of under the terms required by AS 38.08.

20 * Sec. 22. AS 38.05.057(g) is amended to read:

21 (g) After receiving the deposit required under (a) of this sec-
22 tion, the director or his representative shall immediately issue a
23 receipt containing a description of the land or property to be conveyed
24 [PURCHASED], the price of the land, and the terms of disposal [SALE].
25 The receipt shall be acknowledged in writing by the purchaser. A con-
26 tract of sale shall be executed in the same form and manner as required
27 under AS 38.05.055.

28 * Sec. 23. AS 38.05.058(a) is amended to read:

29 (a) The commissioner [DIRECTOR] shall grant to eligible persons a

1 discount on the purchase price of land sold which is classified for any
2 use other than commercial or industrial [FOR RESIDENTIAL USE] under this
3 chapter at the rate of five per cent of the purchase price of the land
4 purchased for each full year that the purchaser is a resident of the
5 state. A discount granted under this section may not exceed 50 per cent
6 of the total purchase price of the land or a value of \$25,000, whichever
7 amount is less, except that an eligible veteran is entitled to receive
8 a discount under this section which may not exceed 75 per cent of the
9 total purchase price of the land or \$37,500, whichever amount is less.

10 A discount may be used by an eligible veteran to purchase land offered
11 at a restricted sale under AS 38.05.067.

12 * Sec. 24. AS 38.05.058(d) is amended to read:

13 (d) A person is entitled to not more than one discount on the
14 purchase 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 discounted purchase price of the land shall be made at the time of
21 sale [ACQUISITION].

22 * Sec. 25. AS 38.05.058 is amended by adding a new subsection to read:

23 (f) In this section "veteran" means a person who satisfies the
24 eligibility requirements of (b) of this section and the eligibility
25 requirements set out in AS 38.05.067(d) (veterans' preference).

26 * Sec. 26. AS 38.05.065(a) is amended to read:

27 (a) The contract of sale for land sold at public auction shall
28 require the remainder of the purchase price to be paid in monthly,
29 quarterly or annual installments over a period of 10 years, with inter-

1 est at the prevailing rate for real estate mortgage loans made by the
2 federal land bank for the farm credit district for Alaska at the time
3 the contract is signed [OF NOT LESS THAN FIVE PER CENT A YEAR].

4 Installment payments plus interest shall be set on the level-payment
5 basis.

6 * Sec. 27. AS 38.05.065(b) is amended to read:

7 (b) The contract of sale for land sold under the procedures speci-
8 fied in AS 38.05.057 (lottery disposals) [BY LOTTERY] shall require the
9 remainder of the purchase price to be paid in monthly, quarterly, or
10 annual installments over a period of not more than 20 years. Install-
11 ment payments plus interest shall be set on the level-payment basis.
12 The interest rate to be charged on installment payments is the pre-
13 vailing rate for real estate mortgage loans made by the federal land
14 bank for the farm credit district for Alaska [ON SIMILAR LAND TRANSAC-
15 TIONS,] at the time the contract is signed [, AS DETERMINED BY THE
16 DIRECTOR, BUT IN NO CASE MAY IT BE BELOW FIVE PER CENT A YEAR OR ABOVE
17 THE CURRENT USURY RATE AS SET BY AS 45.45.101(b) AND (d)].

18 * Sec. 28. AS 38.05.067(a) is amended to read:

19 (a) Except as provided in (e) of this section, before [BEFORE]
20 offering to the general public any unoccupied residential lands, the
21 director shall offer the land at a restricted sale at which only
22 veterans may buy.

23 * Sec. 29. AS 38.05.067 is amended by adding a new subsection to read:

24 (e) This section does not apply to the sale of state land under
25 AS 38.05.047(f), 38.05.077, and 38.05.078.

26 * Sec. 30. AS 38.05.069(a) is amended to read:

27 (a) If the director determines that the highest and best use of
28 unoccupied land is for agricultural purposes, and if he determines that
29 it is in the best interests of the state to sell or lease the land, he

1 shall grant to an Alaskan resident owning and using or leasing and using
2 land for agricultural purposes a 60-day first option after the date of
3 the auction to purchase or lease the unoccupied land situated adjacent
4 to or in the approximate vicinity of his presently held land for the
5 amount of the high bid received at public auction. A parcel of agricul-
6 tural land sold under this section may not be less than 20 acres and a
7 parcel of agricultural land which is acquired by exercise of the option
8 granted in this subsection may not exceed 320 acres. Agricultural land
9 which is acquired under this section must be used for agricultural pur-
10 poses as required by law [; PROVIDED THE AGGREGATE NUMBER OF ACRES OWNED
11 AND ACQUIRED UNDER THE OPTION SHALL NOT EXCEED 320 ACRES; AND FURTHER
12 PROVIDED THAT THE LAND ACQUIRED UNDER THIS SECTION IS USED FOR AGRICUL-
13 TURAL PURPOSES AS REQUIRED BY LAW].

14 * Sec. 31. AS 38.05.077 is repealed and re-enacted to read:

15 Sec. 38.05.077. CLASSIFICATION AND DISPOSAL OF REMOTE PARCELS.

16 (a) The commissioner shall, under the procedures required by AS 38.05.-
17 300 and 38.05.305, classify state land which is suitable for disposal
18 as remote parcels. The commissioner shall designate remote parcel
19 selection areas consisting of land classified under this section. The
20 commissioner shall set the number of remote parcels that may be selected
21 in each remote parcel selection area. A remote parcel may not exceed 40
22 acres. The commissioner shall determine for each remote parcel selec-
23 tion area, the amount of land in each remote parcel that may be used for
24 residential purposes. Land which may be used for residential purposes
25 in a remote parcel may not be less than two acres and may not exceed
26 five acres.

27 (b) The commissioner shall prescribe parcel selection procedures
28 for each remote parcel selection area designated under (a) of this
29 section. The parcel selection procedures shall include

1 (1) the maximum size of a remote parcel that may be selected
2 in the parcel selection area;

3 (2) the maximum amount of land in a remote parcel that may be
4 used for residential purposes;

5 (3) the minimum distance between remote parcels in the parcel
6 selection area;

7 (4) parcel dimensions, configuration, orientation and other
8 parcel design requirements;

9 (5) a description of land within the area that may not be
10 included in a parcel;

11 (6) a requirement that landmarks, monuments or other points
12 be used as points of reference for the measurement of distances within
13 an area; and

14 (7) specification for the type of stakes to use to mark the
15 corners of a parcel.

16 (c) A person may apply under the procedures set out in AS 38.05.-
17 057 to lease a remote parcel in a parcel selection area designated by
18 the commissioner under (a) of this section. Each person who is entitled
19 to select a remote parcel may enter the area for which he applied to
20 stake the boundaries of a remote parcel.

21 (d) Not later than 15 days after selection and staking the ex-
22 terior boundaries of a remote parcel, the person who selected the parcel
23 shall file a sketch plat with the department which shows the location of
24 the remote parcel and the location of the land in the parcel that he
25 intends to use for residential purposes. At the time of filing the
26 sketch plat, the person who selected the parcel shall apply to lease the
27 land. An application to lease the land shall be on a standard form
28 prepared by the department. The annual rental payment for the first
29 year of the lease shall be submitted to the department with the

1 application. After the application to lease a remote parcel is
2 approved, the commissioner shall offer to lease the land to the person
3 who selected the remote parcel. A lease granted under this section
4 shall contain the following terms:

5 (1) a remote parcel may be leased for five years;

6 (2) a remote parcel lease may be renewed at the option of the
7 lessee for a second five-year period under the same terms as provided
8 for the first five-year period of the remote parcel lease; and

9 (3) a rental payment shall be paid annually and shall be \$150
10 a year for five acres or less plus \$50 for each acre by which the remote
11 parcel exceeds five acres.

12 (e) A remote parcel lease may not be assigned, conveyed or other-
13 wise transferred, but rights under the lease may devolve by testate or
14 intestate succession. An attempt to assign, convey or to otherwise
15 transfer the lease is void and terminates the lease.

16 (f) After revocation and termination of a remote parcel lease,
17 improvements or personal property remaining on the land shall be managed
18 in the same manner as provided in AS 38.05.090 for removal or reversion
19 of improvements upon termination of leases of state land.

20 * Sec. 32. AS 38.05 is amended by adding new sections to read:

21 Sec. 38.05.078. PURCHASE OF LAND IN A REMOTE PARCEL. (a) A
22 lessee of a remote parcel may purchase the land used for residential
23 purposes in a remote parcel if, before the expiration of the lease or a
24 renewal of the lease, he surveys the residential land and erects a
25 habitable dwelling on the land.

26 (b) A lessee of a remote parcel may purchase land in a remote
27 parcel which is not used for residential purposes if, before the expir-
28 ation of the lease or a renewal of the lease, he complies with (a) of
29 this section, surveys the land, and constructs permanent improvements on

1 the land. The commissioner shall adopt regulations under the Adminis-
2 trative Procedure Act (AS 44.62) which specify the type of permanent
3 improvements that must be constructed by a lessee of a remote parcel
4 before he may purchase the land. The improvements specified in regula-
5 tions adopted by the commissioner shall be those which are compatible
6 with the remote character of the land and may include, but are not
7 limited to, airstrips and buildings.

8 (c) A lessee of a remote parcel may purchase land in a remote
9 parcel under the terms specified in AS 38.05.065(b). The purchase price
10 of land sold under this section shall be its fair market value as deter-
11 mined by the commissioner. The valuation date for determining the fair
12 market value of land sold under this section is the date that the plat
13 of survey is approved by the commissioner.

14 (d) In addition to the terms specified in AS 38.05.065(b), a
15 contract of sale for land in a remote parcel shall contain the following
16 conditions:

17 (1) the land may not be sold, leased, or otherwise conveyed
18 before 10 years after the date that the contract of sale is signed by
19 the purchaser, but title to the land may devolve by testate or intestate
20 succession; and

21 (2) the land may not be subdivided before 10 years after the
22 date that the contract of sale is signed.

23 (e) If a purchaser of land described in (a) and (b) of this sec-
24 tion fails to comply with the conditions in the contract of sale
25 required by (d) of this section, the contract of sale is void and the
26 purchaser forfeits all rights in and title to the land. The commis-
27 sioner shall request the attorney general to bring an action to eject
28 the purchaser from the land and to declare the right of reentry of the
29 state.

1 (f) In this section, "habitable dwelling" means a single-family
2 dwelling, together with fixtures and facilities, including sanitary
3 facilities required or customary in the vicinity of the land, and does
4 not include a mobile home unless it is placed on a permanent foundation.

5 Sec. 38.05.079. REMOTE CABIN PERMIT. (a) After September 1, 1980,
6 the commissioner may issue a permit for the use of remote state land in
7 a municipality for a cabin site if the land is classified for that pur-
8 pose under AS 38.05.047(a)(5)(B). After September 1, 1981, the commis-
9 sioner may issue a permit for the use of remote state land outside a
10 municipality for a cabin site if the land is classified for that purpose
11 under the procedures required by AS 38.05.300 and 38.05.305.

12 (b) The fee for a remote cabin permit is \$100 a year. The commis-
13 sioner shall establish regulations which specify the application proce-
14 dures for and the terms and conditions of a remote cabin permit. A
15 permit must be for a term of not less than 25 years, and may be assigned
16 by the original permittee during the term of the permit.

17 (c) A remote cabin permit may be terminated by the commissioner
18 before the expiration of the term of the permit if a permittee fails to
19 use the land under permit in the manner required by the terms of the
20 permit. After termination of a remote cabin permit, improvements or
21 personal property on the land subject to the permit shall be managed in
22 the same manner as required by AS 38.05.090.

23 (d) If land subject to a remote cabin permit is offered for sale
24 or long-term lease, the commissioner shall first offer to sell or lease
25 the land to the permittee or his assigns. The land shall be sold for
26 its fair market value.

27 Sec. 38.05.098. SENIOR CITIZENS EXEMPTION. (a) The real property
28 occupied as a permanent place of abode by a resident 65 years of age or
29 over and leased by that resident from the state in accordance with

1 AS 38.05.070 - 38.05.105 is exempt from the payment of an annual lease
2 rent. Only one exemption may be granted for the same property, and, if
3 two or more persons are eligible for an exemption for the same property,
4 the parties shall decide between or among themselves which shall receive
5 the benefit of the exemption. An exemption may not be granted for a
6 portion of the lease which is used by the leaseholder for a purpose
7 other than his permanent place of abode.

8 (b) An exemption may not be granted under this section unless a
9 written application for the exemption on a form provided by the commis-
10 sioner is submitted. The leaseholder must submit the application not
11 later than 60 days before the anniversary date of the lease, and shall
12 file a separate application for each lease year for which the exemption
13 is sought. If an application is submitted within the required time and
14 is approved by the commissioner, he shall allow a rental exemption for
15 the lease year commencing on the anniversary date. The commissioner may
16 at any time require proof in the form he considers necessary of the
17 right to an exemption claimed under this section.

18 * Sec. 33. AS 38.05.300 is amended to read:

19 Sec. 38.05.300. CLASSIFICATION OF LANDS. (a) The commissioner
20 [DIRECTOR] shall classify [MAKE A PRELIMINARY CLASSIFICATION] for sur-
21 face use [OF ALL] lands in areas where he considers it necessary and
22 proper [FOR FUTURE DEVELOPMENT. THE CLASSIFICATION, TOGETHER WITH A
23 LAND USE PLAN, SHALL BE TRANSMITTED TO THE COMMISSIONER FOR HIS
24 APPROVAL, MODIFICATION, OR REJECTION]. This section does not prevent
25 reclassification of lands where the public interest warrants reclassifi-
26 cation, nor does it preclude multiple purpose use of lands whenever
27 different uses are compatible. No state land, water, or land and water
28 area shall, except by act of the state legislature, be closed to
29 multiple purpose use, if the area involved contains more than 640 acres.

1 * Sec. 34. AS 38.05.300 is amended by adding a new subsection to read:

2 (b) Not later than February 1 of each year, the commissioner shall
3 submit a written report to each house of the legislature which describes
4 and shows the location of all classifications of state land made under
5 (a) of this section during the preceding year.

6 * Sec. 35. AS 38.05.305(b) is amended to read:

7 (b) No land or interest in land outside the boundaries of a
8 general law, home rule, or unified municipality, as defined under AS 29,
9 may be classified, reclassified, sold or leased, or otherwise disposed
10 of, including the renewal of a lease entered into after September 22,
11 1976, unless a notice of the proposed action as required by (a)(3) of
12 this section is (1) given to [MADE UPON] the regional corporation
13 organized under the Alaska Native Claims Settlement Act (85 Stat. 688,
14 43 U.S.C. secs. 1601-1626), within the boundaries of which the land is
15 located; (2) given to the village corporation organized under the Alaska
16 Native Claims Settlement Act which owns land or has selected federal land
17 which is in the vicinity of the state land to be disposed of; and (3)
18 posted in three public places in a community with 25 or more permanent
19 residents located in the vicinity of the state land to be disposed of.

20 The president of the affected regional corporation or his designee has
21 the same rights of notice, consultation, hearing and appeal as those
22 provided for in (a)(2) - (5) of this section.

23 * Sec. 36. AS 38.05.305 is amended by adding new subsections to read:

24 (d) Before any sale, lease under AS 38.05.070 - 38.05.105, or
25 other disposal of state land in the unorganized borough, the commis-
26 sioner shall consider the effect of the disposal and the effect of the
27 estimated population density that would result from the disposal upon
28 existing traditional uses by residents in the vicinity of the land to be
29 disposed of.

1 (e) The commissioner shall consider any potential conflicts with
2 the traditional uses of the land which could result from the sale, lease
3 or disposal and, if he finds it necessary, he shall develop a plan to
4 resolve or mitigate the conflicts in a manner consistent with the public
5 interest and the provisions of this chapter.

6 * Sec. 37. AS 38.05.310 is amended to read:

7 Sec. 38.05.310. APPRAISAL. (a) No land may be sold or leased, or
8 a renewal lease issued, except in the case of an oil or gas or mineral
9 lease, unless it has been appraised within 120 days before the date
10 fixed for the sale or lease. When land is offered at public sale but is
11 not sold and is available at private sale, no reappraisal is required
12 unless the director considers that a change in value of the lands may
13 have occurred. A grazing lease may be granted to a lessee of federal
14 grazing lands without prior appraisal, if his federal lease was can-
15 celled to allow the state to select the lands under lease. No land may
16 be sold or leased for less than the approved, appraised market value,
17 except as provided in AS 38.05.315, [AND] 38.05.320, 38.05.057, 38.05.-
18 075 - 38.05.085 and 38.05.097.

19 * Sec. 38. AS 38.05.310 is amended by adding a new subsection to read:

20 (b) Appraisals required by this section may be made by employees
21 of the department who are qualified to determine the value of land under
22 standards set by the commissioner.

23 * Sec. 39. AS 38.05.345(b) is amended to read:

24 (b) Notice shall be published once a week for four [THREE] con-
25 secutive weeks preceding the time of sale stated in the notice, in
26 newspapers [AT LEAST ONE NEWSPAPER] of general circulation in the state
27 and by the electronic media covering the region of the state in which
28 the land is located [VICINITY IN WHICH THE LAND, PROPERTY OR INTEREST IN
29 IT IS TO BE SOLD, LEASED OR DISPOSED OF]. If [WHERE] there is no news-

1 paper of general circulation in the vicinity of the land offered for
2 sale, notices shall be posted not later than four weeks before the
3 public auction is to be held in three public places near the land to be
4 sold or [,] leased [OR OTHERWISE DISPOSED OF]. The public auction
5 [SALE, LEASE OR DISPOSAL OF LANDS] shall be held not less than 45 [30]
6 days after publication of the first notice and not more than five weeks
7 following the last appearance of the published notice. [THE NOTICE
8 SHALL CONTAIN A DESCRIPTION OF THE LAND AND INTEREST TO BE SOLD, LEASED
9 OR DISPOSED OF AND THE TIME, PLACE, AND GENERAL TERMS OF THE SALE, LEASE
10 OR DISPOSAL.]

11 * Sec. 40. AS 38.05.345 is amended by adding new subsections to read:

12 (e) The director shall publish a public notice of each disposal of
13 state land under the procedures specified in AS 38.05.057 and AS 38.08
14 in newspapers of general circulation in the state and by the electronic
15 media covering the region of the state in which the land is located.
16 The notice shall be published once each week for four consecutive weeks
17 before the beginning date of an application period.

18 (f) If there is no newspaper of general circulation in the general
19 vicinity of land offered for disposal, notices required by (e) of this
20 section shall be posted not later than four weeks before the land is
21 offered in three public places near the land.

22 (g) A notice under this section shall contain

23 (1) a description of the land sufficient for identification
24 by the public;

25 (2) the date of the auction or the beginning of the applica-
26 tion period;

27 (3) a statement that a purchaser of state land offered is
28 responsible for the construction of access roads and capital improve-
29 ments that may be required by an authority having platting authority;

1 and

2 (4) the location and address of places where the public may
3 obtain information concerning the land offered for disposal.

4 * Sec. 41. AS 38.08.020 is amended to read:

5 Sec. 38.08.020. PUBLIC NOTICE [OFFERING OF LAND FOR HOMESITE
6 ENTRY]. The director shall publish notice of the availability of the
7 land in the same manner as provided in AS 38.05.345(e) [FOR AT LEAST
8 THREE CONSECUTIVE WEEKS THROUGH THE ELECTRONIC MEDIA AND IN AT LEAST
9 THREE NEWSPAPERS OF GENERAL CIRCULATION IN THE STATE, AT LEAST ONE OF
10 WHICH, IF POSSIBLE, SHALL BE A NEWSPAPER OF GENERAL CIRCULATION IN THE
11 VICINITY OF THE AVAILABLE LAND].

12 * Sec. 42. AS 38.08.060(a)(1) is amended to read:

13 (1) occupies the land for a cumulative total of 35 [21]
14 months within the five-year [THREE-YEAR] period following issuance of
15 the homesite entry permit [, OR FIVE MONTHS WITH 20 YEARS ALASKAN CUMU-
16 LATIVE RESIDENCE];

17 * Sec. 43. State land which is leased under a lease for which an applica-
18 tion was made for conversion to an amended lease under sec. 12, ch. 138, SLA
19 1977, as amended by sec. 21, ch. 182, SLA 1978, may not be selected by a
20 unified municipality to satisfy a general grant land entitlement granted
21 under AS 29.18.201 until the expiration of the lease or until January 1,
22 1981, whichever is earlier.

23 * Sec. 44. A person who is using a recreational cabin or shelter on
24 remote state land in or outside a municipality is entitled to receive a
25 remote cabin permit under AS 38.05.079, enacted in sec. 32 of this Act, for
26 the use of the cabin or shelter if

27 (1) the person applies for a remote cabin permit in writing before
28 September 1, 1980;

29 (2) the cabin or shelter was constructed before January 1, 1979,

1 by the applicant or an ancestor of the applicant; and
2 (3) the applicant submits proof to the commissioner that he is the
3 primary user of the cabin or shelter.

4 * Sec. 45. AS 29.18.205(c) - (e) and (g) - (i), 29.18.207(a) and (b),
5 29.18.213(1); AS 29.33.090(d); AS 38.05.325; AS 38.08.010(c), 38.08.070, and
6 38.08.080 are repealed.

7 * Sec. 46. Sections 4 and 5 of this Act take effect July 1, 1980.

8 * Sec. 47. Sections 1 - 3, and 6 - 45 of this Act take effect July 1,
9 1979.

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