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Referred: Resources and  
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 244

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 disposal and improvement of  
7 state land; authorizing the issuance of revenue bonds  
8 to pay the costs of improvements to state land; and  
9 providing for an effective date."

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

11 \* Section 1. AS 38 is amended by adding a new chapter to read:

12 CHAPTER 60. DISPOSAL AND IMPROVEMENT OF STATE  
13 LAND; REVENUE BONDS.

14 Sec. 38.60.005. LEGISLATIVE FINDINGS. (a) The legislature finds:

15 (1) In many cases, surface access and other improvements  
16 must be provided in order to dispose of state land in compliance with  
17 applicable state or municipal laws or regulations or to protect the  
18 public interest.

19 (2) The costs of the surface access and other improvements  
20 constitute costs of disposing of state land and should be borne by the  
21 purchasers.

22 (b) The legislature further finds that it is in the best interests  
23 of the state to:

24 (1) require the construction of all surface access and  
25 other improvements required by law or regulation or the public interest  
26 in disposing of state land so as to ensure that they are actually  
27 constructed;

28 (2) authorize the department to cause the construction of  
29 the surface access and other improvements required by law or regulation,

1 by contract or otherwise, and to provide for the purchasers of the  
2 land to pay the costs of the surface access and other improvements;

3 (3) provide a means of funding the capital costs of surface  
4 access and other improvements and costs of disposal through an issue  
5 of revenue bonds to be secured by payments due from purchasers of  
6 state land for the purchase of the land and for the improvements as  
7 well as payments due under certain contracts for state land sold  
8 before or after the effective date of this Act.

9 Sec. 38.60.010. LAND IMPROVEMENTS. In addition to all other  
10 determinations required by law before the disposal of state land, the  
11 commissioner shall before January 15 of each year determine and set  
12 out in writing the amount and description of state land which will be  
13 disposed of during the year and which requires improvement either  
14 under municipal ordinance or regulation or by reason of the land's  
15 classification under AS 38.05.300 and applicable regulations or which  
16 in his best judgment he finds to be required by the public interest.  
17 The determination must also set out in general terms the extent of  
18 improvements required by law or regulation or the public interest and  
19 an estimate of their cost. The commissioner may then dispose of and  
20 improve, or, by contract or otherwise, cause the improvement of, the  
21 land specified in the determination in accordance with the provisions  
22 of this chapter. Before disposal of any land which the commissioner  
23 has determined must, by law or regulation, or the public interest, be  
24 improved before disposal, the commissioner shall take all action  
25 necessary to fix the cost of the improvements and to provide that upon  
26 the disposal of the land the improvements to be constructed will be  
27 completed.

28 Sec. 38.60.020. IMPROVEMENT SALES CONTRACTS. The commissioner  
29 shall require the purchaser of each parcel of land disposed of under

1 this chapter to enter into a contract for repayment of the cost of  
2 improvements for the parcel. An improvement sales contract must  
3 contain provisions determined by the commissioner in accordance  
4 with the terms of a trust agreement entered into with bondholders  
5 under AS 38.60.100, including, without limitation, the following:

6 (1) for a downpayment and repayment of the balance over a  
7 term of years, with interest on the unpaid balance at a rate fixed in  
8 compliance with the terms of a trust agreement entered into with bond-  
9 holders under AS 38.60.100;

10 (2) that the purchaser agree to maintain the improvements  
11 by execution of an agreement with the other purchasers of related  
12 parcels of land being sold by the commissioner as set out in the  
13 contract;

14 (3) for appropriate remedies for breach of a contract,  
15 including, but not limited to, specific performance, foreclosure,  
16 ejectment, cancellation and forfeiture of payments and re-entry, upon  
17 default, or other legal or equitable remedies in accordance with the  
18 terms of the contract and law, and a provision that a default under  
19 the improvement sales contract constitutes a default under the contract  
20 for the sale of the land, and that the contract for the sale of the  
21 land is contingent upon the purchaser's satisfactory performance of  
22 the improvement sales contract.

23 Sec. 38.60.030. DISPOSAL OF LAND. (a) Except as provided  
24 otherwise in this chapter, land must be disposed of under this chapter  
25 as provided by the Alaska Land Act (AS 38.05).

26 (b) Notwithstanding the provisions of the Alaska Land Act (AS  
27 38.05), the commissioner shall set for each disposal under this chapter  
28 the period for the payment of installments and the interest on the  
29 purchase price in accordance with the provisions of a trust agreement

1 entered into under AS 38.60.100. The commissioner may also include in  
2 contracts under this section conditions, limitations, and terms which  
3 he considers necessary to protect the interest of the state and in  
4 compliance with the terms of a trust agreement entered into with  
5 bondholders under AS 38.60.100. Violations of any provision of this  
6 chapter or the terms of the contract of sale subject the purchaser to  
7 appropriate administrative and legal action, including but not limited  
8 to specific performance, foreclosure, ejectment, or other legal or  
9 equitable remedies as may be provided by the contract of sale in  
10 accordance with applicable law.

11 Sec. 38.60.040. BOND AUTHORIZATION. The issuance and sale of  
12 revenue bonds of the state in the total principal sum not to exceed  
13 \$50,000,000 is authorized to pay the costs of acquiring, equipping,  
14 constructing, and installing improvements to state land to be improved  
15 and sold under this chapter, and to provide amounts for fund reserves,  
16 costs of issuance and capitalized interest, all as determined necessary  
17 by the committee. The bonds do not constitute a general obligation of  
18 the state. The committee may not pledge the faith or credit of the  
19 state to the payment of a bond. The principal of and interest on  
20 these bonds must be paid out of and secured by the revenues derived by  
21 the state from pledged contracts and from amounts in the Land Improve-  
22 ment Fund created by AS 38.60.050 and in any accounts created within  
23 the fund, and out of any other revenues or money which may be provided  
24 by law exclusive of any state tax or license.

25 Sec. 38.60.050. LAND IMPROVEMENT FUND. (a) There is a special  
26 fund of the state, known as the "Alaska Land Improvement Fund," which  
27 must be completely segregated from all other funds of the state, which  
28 is a trust fund for the uses and purposes provided in this section and  
29 into which must be paid all payments received by the state from pledged

1 contracts. The commissioner shall assign improvement sales contracts,  
2 land sales contracts, and such other contracts for the sale of land as  
3 may be required in compliance with the terms of an agreement between  
4 the commissioner, the committee, and a trustee acting under AS 38.60.-  
5 100, to the trustee at the times and in the number as may be required  
6 under the agreement. The committee, on behalf of the state, may  
7 create within the fund one or more improvement sales contract accounts,  
8 land sale contract accounts, revenue accounts, development accounts,  
9 bond accounts, debt service reserve accounts, and any other accounts  
10 or sub-accounts it determines to be necessary in connection with the  
11 issuance of any bonds under this chapter. The money in the fund and  
12 in any account created in it may only be used as determined by the  
13 committee for the purpose of paying or securing the payment of the  
14 principal of and interest and redemption premium, if any, on the  
15 bonds, to pay operating and administrative costs incurred in connection  
16 with the disposal of state land, to pay the costs of acquiring, equip-  
17 ping, constructing and installing improvements, or the purchase of  
18 bonds before maturity. To the extent permitted under the terms of an  
19 agreement entered into to secure an issue of bonds, all amounts in the  
20 fund at the end of any fiscal year which the committee determines are  
21 surplus must be deposited in the general fund. Upon the effective  
22 date of a constitutional amendment to provide for it, the amount the  
23 committee determines to be surplus must be deposited in the Alaska  
24 Permanent Fund.

25 (b) Money in the fund may be invested in accordance with the  
26 terms of AS 37.10.070 or as the committee determines in accordance  
27 with the terms of an agreement entered into to secure an issue of  
28 bonds. The interest earned upon or any profits derived from the sale  
29 of this investment must be deposited in and become a part of the fund.

1 (c) The commissioner of revenue may loan surplus money in the  
2 general fund to the Alaska Land Improvement Fund as an advance with  
3 which to begin operations. The loans must be made on the terms agreed  
4 upon by the commissioner of revenue and the committee.

5 Sec. 38.60.060. REVENUE AND BOND ACCOUNTS. To the extent deter-  
6 mined by the committee in an agreement entered into to secure an issue  
7 of bonds, a revenue account and a bond account are established within  
8 the land improvement fund are trust funds for paying and securing the  
9 principal of and interest and redemption premium, if any, on the bonds  
10 for which they are established and must at all times be completely  
11 segregated from all other funds of the state. The committee, on  
12 behalf of the state, may obligate the state to set aside and pay into  
13 the accounts any part, or all of the money in the land improvement  
14 fund sufficient to pay the principal of and interest and redemption  
15 premium, if any, on the bonds as the payment becomes due and, if it  
16 considers it necessary, to set aside and maintain reserves for this  
17 purpose. To the extent determined by the committee, the accounts must  
18 be drawn upon for the purpose of paying the principal of and interest  
19 and redemption premium, if any, on the bonds.

20 Sec. 38.60.070. DEBT SERVICE RESERVE ACCOUNT. (a) The committee  
21 may pay into a debt service reserve account established within the  
22 land improvement fund the proceeds of the sale of its bonds and any  
23 other money which may be made available for the purposes of those  
24 funds from any other source. All money held in a debt service reserve  
25 account, except as provided in this section, must be used as required  
26 solely for the payment of the principal of and interest on bonds or of  
27 the sinking fund payments with respect to those bonds, the purchase or  
28 redemption of bonds, or the payment of a redemption premium required  
29 to be paid when those bonds are redeemed before maturity. However,

1 money in the fund may not be withdrawn from it at any time in an  
2 amount which would reduce the amount of that fund to less than the  
3 debt service reserve requirement set out in (b) of this section,  
4 except for the purpose of making, with respect to those bonds, payment  
5 when due of principal, interest, redemption premiums, and the sinking  
6 fund payments for the payment of which other money is not available.  
7 Income or interest earned by, or increment to, a debt service reserve  
8 account, due to the investment of the account or any other amounts in  
9 it, may be transferred by the committee to other funds or accounts to  
10 the extent the transfer does not reduce the amount of the debt service  
11 reserve account below the debt service reserve requirement.

12 (b) If the committee decides to issue bonds secured by a debt  
13 service reserve account, the bonds may not be issued if the amount in  
14 the debt service reserve account is less than the debt service reserve  
15 account requirement as may be established by resolution of the commit-  
16 tee, unless the committee, at the time of the issuance of the bonds,  
17 deposits in the debt service reserve account from the proceeds of the  
18 bonds to be issued or from other sources, an amount which, together  
19 with the amount in the account, will not be less than the debt service  
20 reserve account requirement.

21 (c) In computing the amount of a debt service reserve account  
22 for the purposes of this section, securities in which all or a portion  
23 of the funds are invested must be valued by some reasonable method  
24 established by the committee by resolution. Evaluation on a particular  
25 date shall include the amount of any interest earned or accrued to  
26 that date.

27 (d) The commissioner of revenue shall, no later than 15 days  
28 after the start of a regular session of the legislature, make and  
29 deliver to the governor and to the legislature his certificate stating

1 the amount, if any, required to restore any debt service reserve  
2 account to the debt service reserve account requirement. The legis-  
3 lature may appropriate such an amount, and all amounts appropriated  
4 during the then current fiscal year by the legislature for this purpose  
5 must be deposited by the committee in the proper debt service reserve  
6 account. Nothing in this section creates a debt or liability of the  
7 state.

8 (e) When the committee has established and created a debt service  
9 reserve account, the commissioner of revenue may loan surplus money in  
10 the general fund to the committee for deposit in a debt service reserve  
11 account in an amount equal to the debt service reserve account require-  
12 ment. The loans must be made on the terms and conditions as may be  
13 agreed upon by the commissioner of revenue and the committee, including  
14 without limitation, terms and conditions providing that the loans need  
15 not be repaid until the obligations secured and to be secured by the  
16 debt service reserve account are no longer outstanding.

17 Sec. 38.60.080. LAND CONTRACT INSURANCE. (a) There is another  
18 special fund of the state to be known as the "state land contract  
19 insurance fund" or the "insurance fund" which must be completely  
20 segregated from all other funds of the state and which is a trust fund  
21 for the uses and purposes of this section and into and from which  
22 money must be paid as provided in this section. The fund shall be  
23 held by the commissioner of revenue, subject to the power of the  
24 commissioner of natural resources to enter into and perform agreements  
25 with respect to the use of money in the fund and to pledge, assign, or  
26 grant interests in the fund as provided in this section. The commis-  
27 sioner may enter into agreements with the state bond committee and  
28 with the trustee acting under AS 38.60.100 with respect to the exercise  
29 of any power or approval relating to the fund under this section,

1 including without limitation, agreements as to the use of money in the  
2 fund, agreements with respect to the terms and conditions upon which  
3 payments from the fund are to be made to the committee or the trustee  
4 with respect to pledged contracts insured under this section, and  
5 agreements regarding the payment of and security for bonds. In con-  
6 nection with these agreements the commissioner of natural resources  
7 may pledge, assign, or grant other interests in the fund to the com-  
8 mittee or the trustee as may be necessary or appropriate in connection  
9 with the insurance of pledged loans and to provide for the payment of  
10 and security for bonds. Any such agreement or any of the rights of  
11 the committee or the trustee under the agreement and payments received  
12 or to be received under the agreement may be pledged or assigned by  
13 the committee for the benefit of the holders of bonds.

14 (b) In addition to any other fees and charges which the commis-  
15 sioner may charge on pledged contracts, he may collect or cause to be  
16 collected on all pledged contracts a land contract loan insurance  
17 commitment fee or a land contract insurance premium or both. The land  
18 contract loan insurance commitment fees and land contract loan insur-  
19 ance premiums must be deposited in the fund and must be held, invested,  
20 and, together with all investment income derived from them, reinvested  
21 by the commissioner of revenue in investments authorized under AS  
22 37.10.070(a), subject to any agreement with the committee under (a) of  
23 this section.

24 (c) If, at any time after receipt by the trustee or committee of  
25 a payment from the land contract insurance fund with respect to a  
26 pledged contract or any portion of the principal and interest and  
27 other amounts payable on a pledged contract, the trustee or committee  
28 recovers an amount on the pledged contract or portion of it from any  
29 source other than the fund, it shall apply the amount recovered in the

1 following order: first to repay the general fund of the state to the  
2 extent of appropriations made in response to requests made under (e)  
3 of this section, and, second, to repay the fund.

4 (d) Pledged contracts may only be insured when the amount in the  
5 fund is a percentage of the sum of all pledged contracts to be insured  
6 and all unpaid principal on pledged contracts insured under this  
7 section equals or exceeds the fund requirement. The endorsement on  
8 the pledged contract at the time of purchase or acquisition of the  
9 pledged contract is conclusive evidence that the pledged contract is  
10 insured under the provisions of this section. The insurance is payable  
11 solely from the fund. As used in this section, the fund requirement  
12 is calculated as follows as to the following pledged contracts insured  
13 under this section:

14 (1) in the case of pledged contracts insured by a qualified  
15 mortgage insurance company, the greater of (A) two per cent of the  
16 unpaid principal amount of those pledged contracts, or (B) a percentage  
17 which the committee with the approval of the commissioner determines  
18 is actuarially sound for operation of the fund;

19 (2) in the case of pledged contracts not insured by a  
20 qualified mortgage insurance company, the greater of (A) four per cent  
21 of the unpaid principal amount of the pledged contracts, or (B) a  
22 percentage which the committee with the approval of the commissioner  
23 determines is actuarially sound for the operation of the fund.

24 (e) On December 1 of each year the commissioner of revenue shall  
25 determine the amount on deposit in the fund. If the amount in the  
26 fund is less than the fund requirement, the commissioner shall, no  
27 later than January 15 of the following year, make and deliver to the  
28 governor and to the chairmen of the house and senate finance committees  
29 his certificate stating the sum required to restore the fund to the

1 fund requirement and the sum so certified may be appropriated and paid  
2 to the fund during the then current state fiscal year. Nothing in  
3 this subsection creates a debt or liability of the state.

4 (f) As used in this section, unless the context otherwise  
5 requires:

6 (1) "qualified mortgage insurance company" means a mortgage  
7 insurance company satisfactory to the committee;

8 (2) "special land contract insurance commitment fee" and  
9 "special land contract insurance premium" mean, respectively, a fee of  
10 a per cent of the principal amount of a pledged contract to be insured  
11 under this section, and an annual insurance premium of a per cent of  
12 the portion of the unpaid principal amount of a pledged contract  
13 insured under this section which is not insured by a private mortgage  
14 insurance company, which the committee with the approval of the commis-  
15 sioner determines is actuarially sound for the operation of the fund;

16 (3) the determination of what is "actuarially sound" with  
17 respect to the operation of the fund must be based on a consideration  
18 of the factors which will provide sufficient revenues for the opera-  
19 tion of the fund, without regard to amounts which may have been or  
20 may, after the date of determination of actuarial soundness, be appro-  
21 priated under (e) of this section, including, without limitation,  
22 estimates of future defaults and losses on pledged contracts insured  
23 under this section based on actual default and loss experience on  
24 those pledged contracts or on similar pledged contracts in Alaska or  
25 elsewhere, estimates of recoveries on defaulted or foreclosed pledged  
26 contracts based on that experience, the terms and conditions of the  
27 pledged contracts insured under this section, estimates of earnings  
28 and income of amounts on deposit in the fund, and any other appropriate  
29 factors.

1           Sec. 38.60.090. BOND TERMS. (a) Bonds must be authorized by  
2 resolution of the committee, and must be dated and must mature as the  
3 resolution provides, except that no bond may mature more than 50 years  
4 from the date of its issue. Bonds must bear interest at the rates, be  
5 in the denominations, be in the form, either coupon or registered,  
6 carry the registration privileges, be executed in the manner, be  
7 payable in the medium of payment, at the places, and be subject to the  
8 terms of redemption, which the resolution or a subsequent resolution  
9 provides.

10           (b) All bonds, regardless of form or character, are negotiable  
11 instruments for all purposes of the Uniform Commercial Code.

12           (c) All bonds must be sold at public or private sale in the  
13 manner, for the price or prices, and at the time or times which the  
14 committee determines.

15           Sec. 38.60.100. TRUST INDENTURES AND TRUST AGREEMENTS. In the  
16 discretion of the committee, an issue of bonds may be secured by a  
17 trust indenture or trust agreement between the committee and a cor-  
18 porate trustee (which may be a trust company, bank, or national  
19 banking association, with corporate trust powers, located inside or  
20 outside the state) or by a secured loan agreement or other instrument  
21 or under a resolution giving corporate powers to a corporate trustee  
22 by means of which the committee may:

23           (1) make and enter into any and all of the covenants and  
24 agreements of the trustee or the holders of the bonds which the com-  
25 mittee may determine to be necessary or desirable including, without  
26 limitation, provisions as to:

27           (A) the application, investment, deposit, use, and  
28 disposition of the proceeds of the bonds or of the money or other  
29 property held in any fund or account created by or under this

chapter;

(B) the terms and conditions of pledged contracts and the collection of amounts due under them, and enforcement of the pledged contracts;

(C) the assignment of right, title, and interest in pledged contracts to a trustee for the benefit of bondholders;

(D) the terms and conditions upon which additional bonds may be issued;

(E) the vesting in a trustee of rights, powers, duties, funds, or property in trust for the benefit of bondholders, including, without limitation, the right to enforce payment and performance and all other rights of the committee or of the bondholders under pledged contracts by appropriate proceeding;

(2) pledge, mortgage or assign money, pledged contracts, property or other rights or assets either presently in hand or to be received in the future, or both; and

(3) provide for any other matters of like or different character which in any way affect the security or protection of the bonds.

Sec. 38.60.110. VALIDITY OF PLEDGE. It is the intention of the legislature that a pledge made in respect to bonds is valid and binding from the time the pledge is made; that the money or property so pledged and thereafter received is immediately subject to the lien of the pledge without physical delivery or further act; and that the lien of the pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise, irrespective of whether the parties have notice. Neither the resolution, trust agreement, nor any other instrument by which a pledge is created need be recorded or filed under the provisions of the Uniform Commercial Code

1 (AS 45.05) to be valid, effective, or binding against the parties.  
2 The state pledges to and agrees with the holders of bonds issued under  
3 this chapter that the state will not limit or alter the rights and  
4 powers vested in the committee, the commissioner of revenue, or the  
5 commissioner of natural resources by this chapter to fulfill the terms  
6 of the contract made by any of them with the holders, or in any way  
7 impair the rights and remedies of the holders until the bonds, to-  
8 gether with the interest on them with interest on unpaid installments  
9 of interest, and all costs and expenses in connection with an action  
10 or proceeding by or on behalf of the holders, are fully met and dis-  
11 charged. The committee may include this pledge and agreement of the  
12 state in a contract with the holders of the bonds.

13 Sec. 38.60.120. TAX EXEMPTION. All bonds issued under this  
14 chapter are issued for an essential public and governmental purpose,  
15 and the bonds and the interest on and income from the bonds are exempt  
16 from taxation by or under the authority of the State of Alaska or any  
17 political subdivision of the state except for transfer, inheritance,  
18 and estate taxes.

19 Sec. 38.60.130. REFUNDING. (a) The bonds or any part of them  
20 may be refunded at or before their maturity by the issuance of refund-  
21 ing revenue bonds of the state if, in the opinion of the committee,  
22 refunding is advantageous to and in the best interests of the state  
23 and its inhabitants.

24 (b) The issuance of refunding bonds by the committee requires no  
25 further authorization by statute, and the committee shall adopt the  
26 resolution or resolutions and prepare all other documents and proceed-  
27 ings necessary for the issuance, exchange or sale, and delivery of  
28 such bonds. All provisions of this chapter applicable to revenue  
29 bonds are applicable to the refunding bonds and to the issuance, sale,

1 or exchange of them, except as otherwise provided in this section.

2 (c) Refunding bonds may be issued in a principal amount suffi-  
3 cient to provide funds for the payment of all bonds to be refunded by  
4 them, and, in addition, for the payment of all expenses incident to  
5 the calling, retiring, or paying of the outstanding bonds and the  
6 issuance of the refunding bonds. These expenses include

7 (1) the difference in amount between the par value of the  
8 refunding bonds and any amount less than par for which the refunding  
9 bonds are sold,

10 (2) any amount necessary to be made available for the  
11 payment of interest upon the refunding bonds from the date of sale of  
12 them to the date of payment of the bonds to be refunded or to the date  
13 upon which the bonds to be refunded will be paid pursuant to the call  
14 of them or agreement with the holders of them, and

15 (3) the premium, if any, necessary to be paid in order to  
16 call or retire the outstanding bonds and the interest accruing on them  
17 to the date of the call or retirement.

18 Sec. 38.60.140. BONDS AS LEGAL INVESTMENTS. The bonds are legal  
19 investments for all banks, trust companies, savings banks, savings and  
20 loan associations, other persons carrying on a banking business, all  
21 insurance companies and other persons carrying on an insurance business,  
22 and all executors, administrators, trustees and other fiduciaries,  
23 and for all other persons or entities who are or, after the effective  
24 date of this Act, may be authorized to invest in bonds or other obliga-  
25 tions of the state. The bonds may be accepted as security for deposits  
26 of all funds of the state and its political subdivisions.

27 Sec. 38.60.150. AGREEMENTS WITH MUNICIPALITIES. When he deter-  
28 mines it to be in the state's interest, the commissioner may enter  
29 into an agreement mutually acceptable to him and the municipality, in

1 accordance with the terms and provisions of a trust agreement entered  
2 into under AS 38.60.100, to include the municipality's land in dis-  
3 posing of land under this chapter.

4 Sec. 38.60.160. DEFINITIONS. In this chapter, unless the context  
5 requires otherwise:

6 (1) "bonds" means bonds, notes, or other evidence of indebt-  
7 edness issued under this chapter;

8 (2) "committee" means the state bond committee, established  
9 under AS 37.15.110;

10 (3) "commissioner" means the commissioner of natural  
11 resources;

12 (4) "contract for the sale of land" and "contract for the  
13 repayment of costs of improvements" includes a deed and deed of trust  
14 transaction or other form of secured land conveyance transaction as  
15 may be required in compliance with the terms of a trust agreement  
16 entered into with bondholders under AS 38.60.100;

17 (5) "cost of improvements" includes the cost of surveying  
18 and planning, cost of preparation of plats for subdivisions, cost of  
19 surface access, cost of sewer and water systems, financing costs, and  
20 the cost of servicing the contract for repayment;

21 (6) "disposal" includes any conveyance of an interest in  
22 property;

23 (7) "improvements required by law or regulation or the  
24 public interest" and similar terms mean surface access, surveys,  
25 platting, water systems, sewer systems, and other improvements which  
26 are required under a municipal ordinance, regulation, order, or  
27 decision relating to the subdivision and disposal of land; required by  
28 a classification order adopted under AS 38.05.300 and the regulations  
29 adopted under it; or are, in the personal judgment and discretion of

1 the commissioner required in the public interest;

2 (8) "improvement sales contract" means a contract entered  
3 into under AS 38.60.020 for repayment of the cost of improvements;

4 (9) "land sales contract" means all contracts in effect as  
5 of the effective date of this Act or entered into in the future for  
6 the disposition of state land under this chapter, except contracts or  
7 leases in effect as of the effective date of this Act or entered into  
8 in the future for the sale of university land;

9 (10) "land sales revenue" means all revenue received from  
10 land sales contracts;

11 (11) "pledged contract" means an improvement sales contract,  
12 a land sales contract for land sold under this chapter, and any other  
13 land sales contracts in effect as of the effective date of this Act or  
14 entered into in the future, the title to which has or must subsequently  
15 be transferred and assigned to a trustee under AS 38.60.050;

16 (12) "trust agreement" means a trust indenture, trust  
17 agreement, secured loan agreement, or other instrument or other resolu-  
18 tion referred to in AS 38.60.100.

19 \* Sec. 2. AS 38.05.345(b) is amended to read:

20 (b) Notice shall be published once a week for three consecutive  
21 weeks preceding the time of sale stated in the notice, in at least one  
22 newspaper of general circulation in the vicinity in which the land,  
23 property or interest in it is to be sold, leased or disposed of.  
24 Where there is no newspaper of general circulation in the vicinity,  
25 notices shall be posted in three public places near the land to be  
26 sold, leased or otherwise disposed of. The sale, lease or disposal of  
27 land shall be held not less than 30 days after publication of the  
28 first notice and, except for land disposed of under AS 38.60, not  
29 more than five weeks following the last appearance of the published

1 notice. The notice shall contain a description of the land and  
2 interest to be sold, leased or disposed of and the time, place, and  
3 general terms of the sale, lease or disposal.

4 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
5 10.070(c).  
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