

Original sponsor: Resources Committee

Offered: 4/29/79  
Referred: Rules

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 437

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 sale of certain state land sub-  
7 ject to competitive leases; and providing for an effec-  
8 tive date."

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

10 \* Section 1. SALE OF LEASED LAND. (a) The commissioner of natural  
11 resources shall offer to sell to a lessee land leased to the lessee under a  
12 lease for which an application was made for conversion to an amended lease  
13 under sec. 12, ch. 138 SLA 1977, as amended by sec. 21, ch. 182, SLA 1978.  
14 An offer to sell under this section may be made if the leased land has been  
15 used for a continuous period, or prepared for continuous use after the lease  
16 was originally issued for the five-year period immediately before July 1,  
17 1979, whichever is less. The purchase price of land offered for sale under  
18 this section is the cost incurred by the Department of Natural Resources for  
19 administering the sale of the land plus an amount equal to the fair market  
20 value of the land.

21 (b) If a lessee accepts the commissioner of natural resources' offer to  
22 sell, the lessee shall send to the commissioner of natural resources an  
23 appraisal of the leased land made by a qualified M.A.I. appraiser. If the  
24 commissioner of natural resources agrees with the appraisal, he shall send to  
25 the lessee an installment contract including the terms specified in (c) of  
26 this section. If the commissioner of natural resources disagrees with the  
27 appraisal furnished by the lessee, the fair market value of the leased land  
28 shall be determined in the following manner:

29 (1) the lessee shall appoint a qualified M.A.I. appraiser to

1 appraise the leased land and shall forward the appraisal to the commissioner  
2 of natural resources;

3 (2) if the commissioner of natural resources disagrees with the  
4 appraisal obtained by the lessee under (1) of this subsection, the commis-  
5 sioner shall appoint a second appraiser to make an appraisal which shall be  
6 completed not later than 90 days after receipt of the appraisal required by  
7 (1) of this subsection;

8 (3) if the commissioner of natural resources and the lessee dis-  
9 agree on the fair market value of the leased land as determined by the  
10 appraisals required under (1) and (2) of this subsection, the two appraisers  
11 shall appoint a third qualified M.A.I. appraiser who shall make a third  
12 appraisal of the land which shall be completed not later than 180 days after  
13 receipt of the appraisal required by (1) of this subsection; the cost of the  
14 third appraisal shall be paid by the state and the lessee equally;

15 (4) after the third appraisal is completed, the two of the three  
16 appraisals which are nearest each other in their determination of the fair  
17 market value shall be averaged and the result shall be the fair market value  
18 of the leased land and shall be binding on the commissioner of natural re-  
19 sources and the lessee.

20 (c) After the fair market value is established in accordance with (b)  
21 of this section, a lessee may purchase land leased by him under an install-  
22 ment contract. The terms of an installment contract offered to a lessee  
23 shall be as follows:

24 (1) the lessee shall pay to the commissioner of natural resources  
25 an amount equal to five per cent of the purchase price at the time he signs  
26 the installment contract;

27 (2) the lessee shall pay equal installment payments monthly,  
28 quarterly or annually for a term not to exceed 20 years;

29 (3) the lessee shall pay interest at eight per cent a year on the

1 unpaid principal balance; and

2 (4) the lessee may accelerate payment of the indebtedness without  
3 penalty.

4 (d) If leased land subject to this section is nominated and selected by  
5 a municipality to satisfy a general grant land entitlement granted under  
6 AS 29.18.201 - 29.18.203, the municipality shall honor the lease or, at the  
7 lessee's request, sell the land to the lessee under the same terms and condi-  
8 tions as prescribed in this section.

9 (e) Nothing in this section may be construed to preclude judicial  
10 review of a final action taken by the Department of Natural Resources to  
11 implement this section.

12 (f) This section does not apply to leased state land which is tideland,  
13 submerged land or grazing land or state land leased under AS 38.05.315 or  
14 AS 38.35.

15 \* Sec. 2. This Act takes effect July 1, 1979.

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