

Introduced: 2/14/80  
Referred: Resources

BY THE SPECIAL  
AGRICULTURE COMMITTEE

1 IN THE HOUSE

2 HOUSE BILL NO. 736

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to land use; and providing for an  
7 effective date."

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

9 \* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that  
10 (1) there are deficiencies in the present law for the leasing of  
11 state land for grazing;  
12 (2) those affected by the grazing lease laws desire a more com-  
13 prehensive and consistent policy for leasing of state grazing land; and  
14 (3) it is in the best interests of the state to encourage the  
15 development of local livestock populations.

16 (b) In enacting this legislation the purpose of the legislature is to  
17 (1) develop a consistent policy for the leasing of state land for  
18 grazing;  
19 (2) promote sound conservation practices in the use of grazing  
20 land; and  
21 (3) coordinate the efforts of landholders and government agencies  
22 in the use and administration of grazing land.

23 \* Sec. 2. AS 38.05.069(e)(1) is amended to read:

24 (1) "agricultural purposes" includes farming [, RANCHING,  
25 GRAZING,] and storage [OR CONTROL] of agricultural crops [OR LIVESTOCK];

26 \* Sec. 3. AS 38.05.070(c) is amended to read:

27 (c) A lease may be issued for a period up to 55 years, if it  
28 appears to be in the best interests of the state and if the commissioner  
29 approves. [IF THE COMMISSIONER DETERMINES THAT THE LAND OR A PART OF IT

1 WHICH IS THE SUBJECT OF A GRAZING LEASE IS NOT BEING USED FOR THE PUR-  
2 POSE ISSUED, THE LEASE MAY BE DECLARED VOID.] However, a nonrenewable  
3 lease for school lands may be issued for a period not to exceed 99  
4 years.

5 \* Sec. 4. AS 38.05.102 is amended to read:

6 Sec. 38.05.102. LESSEE PREFERENCE. (a) If land within a lease-  
7 hold created under AS 38.05.070 - 38.05.100 is offered for sale or  
8 long-term lease at the termination of the existing leasehold, the direc-  
9 tor shall [MAY, IF HE FINDS THAT IT IS IN THE BEST INTERESTS OF THE  
10 STATE,] allow the holder in good standing of that leasehold to purchase  
11 or lease the land for the amount of the high bid received at public  
12 auction.

13 (b) If state land is offered for sale or long-term lease and the  
14 holder of the leasehold does not exercise his preference under (a) of  
15 this section, or if there is no lessee, a qualified applicant who is the  
16 owner or lessee of contiguous land has the preference described in (a)  
17 of this section. If no qualified applicant owns or leases contiguous  
18 land, the qualified applicant whose land is closest to the land to be  
19 sold or leased has the preference under (a) of this section.

20 \* Sec. 5. AS 38.05 is amended by adding new sections to read:

21 Sec. 38.05.083. LEASES FOR GRAZING PURPOSES. (a) The director  
22 may classify land as subject to lease for grazing purposes and may  
23 publicly invite applications for lease of the land so classified.  
24 Request for applications shall be made at the time of the land classifi-  
25 cation notice.

26 (b) Each application for a lease for grazing purposes must be  
27 accompanied by a development plan, prepared in cooperation with the  
28 United States Soil Conservation Service. The development plan must be  
29 approved by the director.

1 (c) In determining the qualifications of an applicant for a lease  
2 for grazing purposes, the director shall consider, in addition to the  
3 development plan and the preferences under AS 38.05.102,

4 (1) the prior experience of the applicant with grazing;

5 (2) the proximity of other grazing sites used by the appli-  
6 cant to the land to be leased;

7 (3) the proximity of the applicant's residence to the land to  
8 be leased;

9 (4) the applicant's present ability to use the land to its  
10 maximum potential; and

11 (5) other factors relevant to the equitable leasing of the  
12 land.

13 (d) If two or more applications are received for the same lease of  
14 land for grazing purposes and the director cannot determine a preference  
15 between conflicting applicants on the basis of qualifications, the  
16 director shall select between the applicants by lot.

17 (e) A lease for grazing purposes may be issued for any period not  
18 exceeding 55 years. If the commissioner determines that the land is not  
19 being used for the purpose for which the lease was issued, the lease  
20 issued under this section may be cancelled by the director.

21 (f) A development plan may provide for the growing and harvesting  
22 of crops beyond those needed for use by the lessee. Surplus crops may  
23 be sold by the lessee.

24 (g) The director shall establish a reasonable rental for a lease  
25 for grazing purposes as follows:

26 (1) a fixed base fee based on the fair market value of the  
27 land in its natural state; and

28 (2) an additional use fee based on the number of animals  
29 grazing on the land per month.

1 (h) Subleasing and renewals of land for grazing purposes are  
2 governed by AS 38.05.095 - 38.05.102.

3 Sec. 38.05.086. LEASE RENTAL CREDIT. The lessee of land within a  
4 leasehold created under AS 38.05.070 - 38.05.100 shall be granted credit  
5 against current or future rent if he accomplishes work on or off the  
6 leased land which results in increased value to state land. A credit  
7 may not be allowed under this section unless authorized by the director  
8 before the lessee begins the work. The authorization shall stipulate  
9 the type of work, the standards of construction, and the maximum allow-  
10 able credit for the specific work project.

11 Sec. 38.05.101. RENEWAL OF LEASE. (a) At the expiration of a  
12 lease under AS 38.05.070 - 38.05.100, the lessee has the option to renew  
13 the lease if he has complied with the terms of the original lease.

14 (b) The term of a renewal lease under this section, when added to  
15 the term of the original lease, may not exceed the time limit contained  
16 in AS 38.05.070.

17 \* Sec. 6. AS 38.05.355 is amended to read:

18 Sec. 38.05.355. PROHIBITION AND PENALTIES. A person who bargains,  
19 contracts, or agrees, or attempts to bargain, contract, or agree with  
20 another that the other shall not bid freely upon or purchase any parcel  
21 of land of the state offered at public sale; or by intimidation, com-  
22 bination, or unfair management, hinders, prevents, or attempts to hinder  
23 or prevent, a person from bidding upon or purchasing a tract of land  
24 offered for sale; or intentionally makes a false statement in an appli-  
25 cation to lease or purchase state land, is punishable by a fine of not  
26 more than \$1,000 or by imprisonment for not more than one year, or by  
27 both.

28 \* Sec. 7. AS 41.10.040 is amended to read:

29 Sec. 41.10.040. SOIL CONSERVATION BOARD. The district is governed

1 by the Alaska Soil Conservation Board composed of five [THREE] members.

2 \* Sec. 8. AS 41.10.060 is amended to read:

3 Sec. 41.10.060. QUALIFICATIONS OF BOARD MEMBERS. (a) Members of  
4 the board shall be resident bona fide farmers or ranchers selected from  
5 the major farming and grazing areas of the state under (b) of this sec-  
6 tion. There shall be at least two farmers and two ranchers on the  
7 board.

8 (b) One board member shall be selected from each of the following  
9 five areas composed of senate districts whose boundaries are those  
10 established by decision of the Alaska supreme court on June 26, 1974:

11 (1) senate districts A, B, and C;

12 (2) senate districts D, E, F, G, H, I, and J;

13 (3) senate districts K, L, and M;

14 (4) senate districts N and O; and

15 (5) senate district P.

16 \* Sec. 9. AS 41.10 is amended by adding a new section to read:

17 Sec. 41.10.095. DUTIES OF BOARD. The board shall

18 (1) receive and review reports concerning the use of soil  
19 resources in the state;

20 (2) hold public hearings and meetings to determine whether  
21 land in the state is being used in a manner consistent with sound soil  
22 conservation practice;

23 (3) furnish the commissioner of natural resources with re-  
24 ports of findings and make recommendations for specific action necessary  
25 to provide for the effective and orderly development of farming and  
26 grazing land in the state; and

27 (4) review an appeal by an applicant or lessee from a deci-  
28 sion of the director or commissioner concerning the leasing of state  
29 agricultural or grazing land and submit its recommendations to the

1 commissioner or hearing officer.

2 \* Sec. 10. The governor shall appoint two additional members to the  
3 Alaska Soil Conservation Board within 90 days after the effective date of  
4 this Act. The initial terms of the additional members shall be two and three  
5 years respectively. The present members of the board shall complete their  
6 terms of office. All appointments, whether to fill vacancies or the new  
7 positions, shall be made so as to bring about the composition of the board  
8 provided in AS 41.10.060.

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

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