

Original sponsor: Rules/Governor

Offered: 5/26/80
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 223 (Resources) am H

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 the disposal and use of state land;
7 relating to the membership and duties of the Soil
8 Conservation Board; annulling 11 AAC 53.450(c); and
9 providing for an effective date."

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

11 * Section 1. During the fiscal year ending June 30, 1981, the commis-
12 sioner of natural resources shall make available for private ownership at
13 least 100,000 acres of state land contained in the land disposal bank estab-
14 lished in AS 38.04.020 which is suitable for the uses listed in AS 38.04.-
15 020(a)(1) - (4). However, the amount of disposals of land for private owner-
16 ship by municipalities under AS 29.48.260 made during the fiscal year ending
17 June 30, 1981, may be added to disposals from the land disposal bank in order
18 to meet the 100,000 acre requirement of this section.

19 * Sec. 2. AS 29.18.204(c) is amended to read:

20 (c) Land may be selected or nominated for selection by a munici-
21 pality to satisfy a general grant land entitlement under AS 29.18.201
22 and 29.18.202 at any time before October 1, 1980. However, if a muni-
23 cipal selection or nomination or a part of a municipal selection or
24 nomination is rejected by the director, the municipality may, not later
25 than 90 days after receipt of the director's rejection, select additional
26 state land of equal area to satisfy its entitlement.

27 * Sec. 3. AS 38.04.005(b) is amended to read:

28 (b) In classifying state land for private use and settlement
29 purposes, the director shall make adequate provision for public open

1 space which is accessible to communities so that natural areas are
2 easily reached from all communities and settled areas. The amount of
3 that land shall be sufficient to meet existing and projected needs for
4 accessible public recreation land. Public access to navigable or pub-
5 lic waters of the state shall be preserved as provided in AS 38.05.127.

6 Special care shall be taken to preserve public access to public water
7 and to retain state ownership of sufficient land which combine high
8 value for recreation and other public purposes with accessibility to
9 settled areas. This classification for public purposes does not consti-
10 tute dedication to open space, but the division's management of land so
11 classified shall be in a manner to preserve the identified values.

12 * Sec. 4. AS 38.04.020(a) is amended to read:

13 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall
14 establish a land disposal bank which contains state land that is avail-
15 able for disposal for private ownership. The [BY JULY 1, 1979, THE]
16 land disposal bank shall contain [AT LEAST 250,000 ACRES OF] state land
17 which is available for

- 18 (1) use as remote cabin sites under AS 38.05.079;
- 19 (2) disposal for recreational and residential use;
- 20 (3) disposal for commercial use; [AND]
- 21 (4) disposal for industrial use; and
- 22 (5) disposal for agricultural use.

23 * Sec. 5. AS 38.04.020(d) is amended to read:

24 (d) [DURING THE FISCAL YEAR ENDING JUNE 30, 1981, AND DURING EACH
25 FISCAL YEAR THEREAFTER, THE COMMISSIONER SHALL MAKE AVAILABLE FOR PRI-
26 VATE OWNERSHIP AT LEAST 100,000 ACRES OF STATE LAND CONTAINED IN THE
27 LAND DISPOSAL BANK WHICH IS SUITABLE FOR A VARIETY OF USES.] If, after
28 January 1, 1981, the land disposal bank contains less than 500,000 acres
29 of land which is available for the purposes listed in (a)(1) - (4) of

1 this section, the commissioner shall classify state land located outside
2 municipalities until at least 500,000 acres are available for those
3 purposes.

4 * Sec. 6. AS 38.04.040 is amended to read:

5 Sec. 38.04.040. AVAILABILITY OF [SCHOOL LAND AND] UNIVERSITY LAND.
6 University [SCHOOL LAND AND UNIVERSITY] land may be made available at
7 fair market value for private use under the purposes of this chapter;
8 however, any action to do so shall be in accordance with statutes per-
9 taining to these lands and the authority of [THE BOARD OF EDUCATION AND]
10 the Board of Regents of the University of Alaska.

11 * Sec. 7. AS 38.04.045(b) is amended to read:

12 (b) Before the conveyance of surface rights to state land, an
13 [AND] official cadastral survey shall be accomplished, unless a com-
14 parable, acceptable survey exists that has been conducted by the federal
15 Bureau of Land Management. The rectangular survey section corner posi-
16 tions shall be monumented and shown on a cadastral survey plat approved
17 by the state. However, for those areas where the state may wish to
18 convey surface estate outside of an official cadastral survey grid, the
19 director may waive monumentation of all individual section corner posi-
20 tions and substitute an official control survey with control points
21 being monumented at approximately three-mile [TWO-MILE] intervals and
22 shown on control survey plats approved by the state. No portion of land
23 to be conveyed may be located more than three [TWO] miles from such a
24 survey control monument. The lots and tracts in state subdivisions
25 shall be monumented and the cadastral survey and plats for the subdivi-
26 sion shall be approved by the state. Where land is located within a
27 municipality with planning, platting, and zoning powers, plats for state
28 subdivisions shall comply with local ordinances and regulations in the
29 same manner and to the same extent as plats for subdivisions by other

1 landowners. State subdivisions shall be filed in the district recorder's
2 office. The requirements of this section do not apply to land made
3 available through a cabin permit system, material sales, or short-term
4 leases; however, for short-term leases the lessee must comply with local
5 subdivision ordinances unless waived by the municipality under procedures
6 specified by ordinance.

7 * Sec. 8. AS 38.05.047(e) is amended to read:

8 (e) If the land is suitable for residential use, the department
9 shall survey and subdivide the land in a survey district established
10 under (c) of this section into parcels which may not exceed five acres.
11 However, a parcel may exceed five acres if a municipal ordinance or a
12 regulation adopted by the Department of Environmental Conservation re-
13 quires larger parcels to prevent water pollution. The commissioner
14 shall give priority to surveying those survey districts which contain
15 land that is in the vicinity of existing access roads and may be de-
16 veloped immediately for residential use at the least cost to the state
17 and potential purchasers. The commissioner shall issue a written finding
18 which describes land in a survey district which he determines is not
19 suitable for residential use. The written finding shall include the
20 reasons for the commissioner's determination and shall be kept on file
21 in the office of the commissioner and in the district office of the
22 department located nearest to the municipality in which the land is
23 located.

24 * Sec. 9. AS 38.05.050 is repealed and re-enacted to read:

25 Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR PRIVATE
26 OWNERSHIP. The commissioner, upon recommendation of the director, shall
27 determine the land to be disposed of for private use. The director
28 shall determine the time and place of disposal. An auction sale, a
29 lottery sale, or a disposal of land for homesites under AS 38.08 must be

1 held in the recording district in which the land is located. However,
2 the director may hold the disposal in a recording district other than
3 the recording district in which the land is located if the place of
4 disposal is more convenient for the attendance of persons living in the
5 vicinity of the land.

6 * Sec. 10. AS 38.05.055 is amended to read:

7 Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method
8 of sale is required under this chapter, under AS 38.07, or under [EXCEPT
9 AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.08, the sale of
10 state land shall be made at public auction to the highest qualified
11 bidder as determined by the director. A bidder must appear in person at
12 the auction. However, a bidder may be represented by an attorney or
13 agent at the auction if the land offered for disposal is commercial,
14 industrial, or agricultural land. An aggrieved bidder may appeal to the
15 commissioner within five days after the sale for a review of the direc-
16 tor's determination. The sale shall be conducted by the director or his
17 representative, and at the time of sale the successful bidder shall
18 deposit an amount equal to five percent [ONE-TENTH] of the purchase
19 price, or if the purchaser elects to use land discounts granted under
20 AS 38.05.058, five percent of the amount bid after deduction of the
21 discount. The director or his representative shall immediately issue a
22 receipt containing a description of the land or property purchased, the
23 price bid, the amount deposited, and the amount of any discount allowed
24 [TERMS OF SALE], which receipt shall be acknowledged in writing by the
25 bidder. [A CONTRACT OF SALE ON A FORM APPROVED BY THE ATTORNEY GENERAL
26 SHALL BE SIGNED BY THE PURCHASER AND, AFTER APPROVAL OF THE COMMIS-
27 SIONER, THE CONTRACT SHALL ALSO BE SIGNED BY THE DIRECTOR ON BEHALF OF
28 THE STATE.]

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

1 (a) The commissioner may dispose of land, including land limited
2 to use for agricultural purposes, by lottery. The purchase price of
3 land sold by lottery shall be the fair market value of the land as
4 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,
5 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-
6 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner shall
7 [MAY] sell land by lottery for less than the fair market value of the
8 land if he determines that scarcity of land for private use in the area
9 of the land to be sold has resulted in unrealistic land values. Before
10 the commissioner determines the purchase price for land which is located
11 in a municipality and which is to be sold under this section, he shall
12 consult with the assessor of the municipality. The lottery shall be
13 conducted in public by the commissioner or his representative. On
14 [, AND AT] the day of the lottery [TIME OF SIGNING A CONTRACT OF SALE] a
15 purchaser selected by lot shall deposit an amount equal to five percent
16 of the purchase price, or if the purchaser elects to use land discounts
17 granted under AS 38.05.058, five percent of the [DISCOUNT] purchase
18 price after deduction of the discount.

19 * Sec. 12. AS 38.05 is amended by adding a new section to read:

20 Sec. 38.05.064. SALES PREFERENCE TO HOLDERS OF MINING CLAIMS. (a)
21 An individual who has established a mining claim on state land before
22 January 1, 1980, is entitled to a preference right to acquire the surface
23 estate to a parcel of land within the boundaries of his mining claim if
24 (1) the surface estate to the land is offered for disposal to the public
25 under AS 38.05.045 - 38.05.069, 38.05.077, or AS 38.08; (2) he satisfies
26 the eligibility requirements of the land disposal program under which
27 the land is offered; and (3) he submits proof satisfactory to the com-
28 missioner that the mining claim is valid. A parcel acquired under this
29 section may only include the amount of land that the individual has

1 actually used in connection with his mining claim before January 1,
2 1980, and may not exceed 10 acres.

3 (b) After the director determines that state land will be offered
4 for disposal to the public under AS 38.05.045 - 38.05.069, 38.05.077, or
5 AS 38.08, he shall determine if there is an individual who holds a
6 preference right to that land as provided by (a) of this section by
7 notifying by certified mail each individual who holds a recorded mining
8 claim of his right to acquire the surface estate to land within the
9 boundaries of his mining claim. The notice required by this subsection
10 shall be sent not later than 60 days before public notice of a proposed
11 land disposal is given under AS 38.05.345 and must include

12 (1) a statement of the terms and conditions under which the
13 surface estate to the land will be offered for disposal to the public;

14 (2) a description of the parcels within the boundaries of the
15 mining claim that will be offered to the public; and

16 (3) the requirements imposed by (a) of this section for the
17 grant of a preference right under this section.

18 (c) An individual who claims a preference right under this section
19 shall provide the necessary proof to assert his preference right not
20 later than 90 days after the notice under (b) of this section is sent to
21 him by the department.

22 (d) Not later than 15 days before the date set for disposal of the
23 land to the public, the director shall either grant or reject a pre-
24 ference right claimed under this section. If the preference right is
25 granted, the holder of the preference right may purchase the parcel
26 for either the high bid received by the department at the public auction,
27 or under the terms and conditions to be offered to the public if the
28 land is disposed of by a method other than by public auction. If a
29 deposit is required, the claimant shall deposit five percent of the

1 appraised fair market value of the parcel, and if the holder of the
2 preference right fails to sign the contract of sale within 30 days after
3 it is sent to him by the department the deposit shall be forfeited.

4 (e) If a mining claim is held jointly by two or more individuals,
5 the individuals may not exercise the preference right provided in this
6 section unless they either jointly exercise the preference right or
7 agree in writing which of them is entitled to exercise the preference
8 right.

9 (f) An individual may only exercise the preference right provided
10 in this section one time during his lifetime.

11 (g) In this section,

12 (1) "individual" means a natural person; and

13 (2) "mining claim" means a mining property established under
14 AS 38.05.185 - 38.05.280 and does not include a mineral lease or permit
15 for the extraction of minerals or resources under AS 38.05.135 - 38.05.-
16 184.

17 * Sec. 13. AS 38.05.065(b) is amended to read:

18 (b) The contract of sale for land sold under this chapter [THE
19 PROCEDURES SPECIFIED IN AS 38.05.057 (LOTTERY DISPOSALS)] shall require
20 the remainder of the purchase price be paid in monthly, quarterly, or
21 annual installments over a period of not more than 20 years. The con-
22 tract of sale must provide that the interest on the unpaid principal
23 is calculated for payment of the installments in advance and that the
24 interest accrues beginning 30 days after the contract is mailed by the
25 department to the purchaser for his execution. Installment payments
26 plus interest shall be set on the level-payment basis. The interest
27 rate to be charged on installment payments is the prevailing rate for
28 real estate mortgage loans made by the federal land bank for the farm
29 credit district for Alaska at the time the contract is signed.

1 * Sec. 14. AS 38.05.065(c) is amended to read:

2 (c) The commissioner [DIRECTOR] shall, for contracts under [(a)
3 OR] (b) of this section, set for each sale the period for the payment of
4 installments and the total purchase price plus interest. The [DIRECTOR,
5 WITH THE CONSENT OF THE] commissioner [,] may also include in contracts
6 under this section conditions, limitations and terms which he considers
7 necessary and proper to protect the interest of the state. The con-
8 tract of sale shall be on a form approved by the attorney general and
9 shall be signed by the purchaser and the commissioner on behalf of the
10 state. The purchaser shall sign and return the contract of sale not
11 later than 30 days after the contract is mailed to him by the department.
12 The commissioner shall sign the contract within 30 days after receiving
13 the contract from the purchaser. If the purchaser fails to sign a con-
14 tract of sale containing the terms and conditions recited in the receipt
15 the deposit made by the purchaser shall be retained by the department as
16 liquidated damages to repay the state for the cost of selling the land
17 to another purchaser. Violations of any provision of this chapter or
18 the terms of the contract of sale subject the purchaser to appropriate
19 administrative and legal action, including but not limited to specific
20 performance, foreclosure, ejectment, or other legal remedies in accord-
21 ance with applicable state law.

22 * Sec. 15. AS 38.05.069(c) is amended by adding a new paragraph to read:

23 (6) the holder of a grazing lease on state land has a prefer-
24 ence to purchase an interest in that land for agricultural purposes
25 offered under this subsection for the amount of the high bid received at
26 public auction; the preference allowed under this paragraph extends only
27 to an amount of the land leased for grazing purposes that is no larger
28 than the largest parcel offered for disposal by the director within the
29 boundaries of the grazing lease.

1 * Sec. 16. AS 38.05.070 is amended by adding a new subsection to read:

2 (d) A grazing lease other than a negotiated grazing lease may not
3 be issued for a period of less than 10 years.

4 * Sec. 17. AS 38.05.077(a) is amended to read:

5 (a) The commissioner shall, under the procedures required by
6 AS 38.05.300 and 38.05.305, classify state land which is suitable for
7 disposal as remote parcels. The commissioner shall designate remote
8 parcel selection areas consisting of land classified under this section.
9 [THE COMMISSIONER SHALL SET THE NUMBER OF REMOTE PARCELS THAT MAY BE
10 SELECTED IN EACH REMOTE PARCEL SELECTION AREA.] A remote parcel may not
11 exceed 40 acres. [THE COMMISSIONER SHALL DETERMINE FOR EACH REMOTE
12 PARCEL SELECTION AREA, THE AMOUNT OF LAND IN EACH REMOTE PARCEL THAT MAY
13 BE USED FOR RESIDENTIAL PURPOSES. LAND WHICH MAY BE USED FOR RESIDEN-
14 TIAL PURPOSES IN A REMOTE PARCEL MAY NOT BE LESS THAN TWO ACRES AND MAY
15 NOT EXCEED FIVE ACRES.]

16 * Sec. 18. AS 38.05.077(c) is amended to read:

17 (c) A person who is qualified under (g) of this section may apply
18 [UNDER THE PROCEDURES SET OUT IN AS 38.05.057] to lease a remote parcel
19 in a parcel selection area designated by the commissioner under (a) of
20 this section if he has staked the exterior boundaries of the remote par-
21 cel in accordance with the parcel selection procedures established under
22 (b) of this section during an entry period established by the commis-
23 sioner. A [EACH] person [WHO IS ENTITLED TO SELECT A REMOTE PARCEL] may
24 enter a remote parcel selection [THE] area [FOR WHICH HE APPLIED] to
25 stake the boundaries of a remote parcel. A person shall select a remote
26 parcel in person and may not be represented by an attorney or agent.

27 * Sec. 19. AS 38.05.077(d)(3) is amended to read:

28 (3) a rental payment shall be paid annually and shall be \$10
29 for each acre in the remote parcel [\$150 A YEAR FOR FIVE ACRES OR LESS

1 PLUS \$50 FOR EACH ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES].

2 * Sec. 20. AS 38.05.077 is amended by adding a new subsection to read:

3 (g) To qualify to select a remote parcel under this section, a
4 person shall

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

6 (2) submit proof, as required by regulation, that he has been
7 a resident of the state for not less than one year immediately preceding
8 the date his application was submitted; and

9 (3) certify that he has not leased a remote parcel in the
10 state within eight years immediately preceding the date of selection of
11 a remote parcel.

12 * Sec. 21. AS 38.05.078(a) is amended to read:

13 (a) A lessee of a remote parcel may purchase [THE LAND USED FOR
14 RESIDENTIAL PURPOSES IN] a remote parcel if, before the expiration of
15 the lease or a renewal of the lease, he surveys the [RESIDENTIAL] land
16 and erects a habitable dwelling on the land.

17 * Sec. 22. AS 38.05.078(c) is amended to read:

18 (c) A lessee of a remote parcel may purchase land in a remote
19 parcel under the terms specified in AS 38.05.065(b). The purchase price
20 of land sold under this section shall be its fair market value as deter-
21 mined by the commissioner. The valuation date for determining the fair
22 market value of land sold under this section is the date that the remote
23 parcel lease was first executed by the lessee who purchases the land
24 [PLAT OF SURVEY IS APPROVED BY THE COMMISSIONER].

25 * Sec. 23. AS 38.05 is amended by adding new sections to read:

26 Sec. 38.05.083. CLASSIFICATION AND USE OF GRAZING LEASE LAND. (a)
27 The commissioner shall classify as grazing land all state land leased
28 for grazing and all state land which has been inventoried under AS 38.-
29 04.060 and found suitable for grazing.

1 (b) A lessee of state grazing land shall prepare a range con-
2 servation and development plan and submit the plan to the department for
3 approval.

4 (c) A lessee of state grazing land may grow and harvest crops on
5 the leased land for his own needs. The commissioner may issue regu-
6 lations authorizing the sale of crops grown on land in a grazing lease
7 if the sale of the crops is incidental to the use of the land for grazing
8 livestock.

9 Sec. 38.05.101. RENEWAL OF GRAZING LEASE. At the expiration of a
10 grazing lease under AS 38.05.070 - 38.05.100 the commissioner shall
11 review the classification of the land in the leasehold. If the com-
12 missioner determines that the land should remain available for lease for
13 grazing, the lessee has an option to renew the lease for at least 10
14 years if he has complied with the terms of the original lease.

15 * Sec. 24. AS 38.05.095(a) is amended to read:

16 (a) A [EXCEPT AS PROVIDED IN (b) OF THIS SECTION, A] lessee may
17 sublease or assign the land or portion of it upon which he has a lease
18 if, after application to the director, the director issues a permit.
19 The director may issue a permit if he finds that it is in the best
20 interest of the state to do so.

21 * Sec. 25. AS 38.05.127 is amended by adding new subsections to read:

22 (d) Notwithstanding the requirements of (a) and (b) of this sec-
23 tion, the director may, at the request of a municipality having platting
24 powers, patent land to the municipality to satisfy a general grant land
25 entitlement under AS 29.18 without reserving public access to navigable
26 or public waters if, before the municipality sells, leases, grants,
27 or otherwise disposes of an interest in the land, the municipality

28 (1) determines whether the land to be offered for disposal
29 contains navigable or public waters; and

1 (2) provides for reservation of easements or rights-of-way,
2 or both, reasonably necessary to insure free access to and along a body
3 of water determined to be navigable or public.

4 (e) A municipality may limit, vacate, or modify an easement for
5 public access to navigable or public waters contained in municipal land
6 conveyed to the municipality by the department under AS 29.18 if the
7 municipality determines that the limitation, vacation, or modification
8 of the easement for public access is necessary for the protection of
9 other beneficial uses or public purposes.

10 (f) A determination or reservation under (d)(1) and (2) of this
11 section or a limitation, vacation, or modification of an easement for
12 public access under (e) of this section shall be made by the borough
13 assembly, city council, or other municipal agency or officer designated
14 by the assembly or council to act on its behalf. Before the assembly,
15 council, municipal agency, or officer takes an action under (d)(1), (2),
16 or (e) of this section, a public hearing shall be held. Notice of the
17 hearing shall be delivered to the commissioner not less than two weeks
18 before the hearing. The commissioner may overrule an action taken by a
19 municipality under (d)(1), (2), or (e) of this section by notifying the
20 municipality of his decision within 30 days after the assembly, council,
21 municipal agency, or officer makes a determination to reserve a right-of-
22 way or limit or restrict public access to municipal land. If the commis-
23 sioner fails to overrule the action of the municipality within the
24 30-day period, the action of the municipality is approved by the com-
25 missioner.

26 (g) Management authority over navigable waters, public waters,
27 easements and rights-of-way reserved or designated by the department in
28 a conveyance to a municipality, including the power to vacate or other-
29 wise modify those easements or rights-of-way, remains with the depart-

1 ment unless exercise of all or a part of that authority has been offered
2 to and accepted by the municipality to which the land is conveyed.

3 (h) Management authority over easements and rights-of-way reserved
4 by a municipality under this section remains with the municipality.

5 (i) Upon application by a municipality, the department may vacate
6 or release, under the procedures specified in (d) and (f) of this sec-
7 tion, easements and rights-of-ways for public access to or along navi-
8 gable or public waters reserved by the department in any patent issued
9 under AS 29.18 before the effective date of this section or for which
10 the first public notice of the proposed conveyance was given before the
11 effective date of this section.

12 * Sec. 26. AS 38.05.305(c) is repealed and re-enacted to read:

13 (c) A public notice of an action for which notice or review is
14 required under this section shall be published as provided in AS 38.05.-
15 345. The notice shall include the date and time of a public hearing if
16 scheduled, or a closing date for the receipt of comments in writing from
17 the public and the address to which the comments may be directed.

18 * Sec. 27. AS 38.05.315(b) is amended to read:

19 (b) Notwithstanding AS 38.05.070 - 38.05.080 and [,] 38.05.095,
20 [AND AS 38.05.100 OF THIS CHAPTER] the director, upon application filed
21 by an applicant eligible under (b) - (d) of this section, may, by nego-
22 tiation and without public auction in the manner prescribed in (b) - (d)
23 of this section, lease state land for a term of not more than 55 years.
24 Before leasing, the director shall prepare a land use plan and a land
25 classification to insure that the proposed use is compatible with area
26 utilization. Before the land may be leased under (b) - (d) of this
27 section, it must be shown to the satisfaction of the director that the
28 land is to be used for an established or definitely proposed project,
29 and that the eligible applicant has the financial ability to carry out

1 the project. The commissioner may establish limitations on the acreage
2 which may be leased under (b) - (d) of this section to an applicant.

3 * Sec. 28. AS 38.05.315(d) is amended to read:

4 (d) The director may lease the land to an eligible applicant at a
5 reasonable annual rental, taking into consideration the purposes for
6 which the land is to be used and the financial resources of the appli-
7 cant. The [, BUT IN NO CASE MAY THE] rental may not be less than one
8 percent of the fair market value on lands acquired primarily for develop-
9 ment, or less than five percent of the fair market value on [SCHOOL,]
10 university [, MENTAL HEALTH,] or acquired lands, except that an eligible
11 applicant is exempt from the payment of annual rent on state land leased
12 for a youth encampment as defined by the commissioner by regulation.

13 Renewal leases may be issued at the discretion of the director upon the
14 expiration of a primary or renewal term. Each lease shall contain a
15 provision for its termination as to all or part of the lands upon a
16 finding by the director that the land or a part of it has not been used
17 by the lessee for the purpose specified in the lease for a period of two
18 years. No lease may be assigned or subleased except with the consent of
19 the director, and in any case may only be transferred to an applicant
20 eligible under (b) - (d) of this section. A lessee may not change the
21 use specified in the lease to another or additional use except with the
22 consent of the director. If, at any time after the land is leased, the
23 lessee attempts to assign the lease or transfer control over the land to
24 another, or if the land is devoted to a use other than that for which
25 the land was leased without the consent of the director, the lease
26 automatically terminates.

27 * Sec. 29. AS 38.05.345(a) is amended to read:

28 Sec. 38.05.345. PUBLICATION OF NOTICES. (a) Publication of public
29 [PUBLIC] notice of a sale, lease or other disposal of land or interest

1 in it when required by statute shall be substantially as follows.

2 * Sec. 30. AS 38.05.345(b) is amended to read:

3 (b) Notice of a public auction shall be published once a week for
4 four consecutive weeks preceding the time of sale stated in the notice,
5 in newspapers of general circulation in the state and by the electronic
6 media covering the region of the state in which the land is located. If
7 there is no newspaper of general circulation in the vicinity of the land
8 offered for sale, notices shall be posted not later than four weeks
9 before the public auction is to be held in three public places near the
10 land to be sold or leased. The public auction shall be held not less
11 than 45 days after publication of the first notice and not more than
12 five weeks following the last appearance of the published notice.

13 * Sec. 31. AS 38.05.345 is amended by adding a new subsection to read:

14 (h) Notice of a disposal of land other than a public auction under
15 (b) of this section or a disposal under (e) of this section shall be by
16 publication for three consecutive weeks in a newspaper of general circu-
17 lation in the state or a newspaper circulated in the vicinity of the
18 proposed land disposal.

19 * Sec. 32. AS 38.08.010(b) is amended to read:

20 (b) Land classified as homesite entry land shall be divided into
21 parcels not exceeding five acres in reasonably compact form, with bound-
22 aries conforming as nearly as practicable to natural geologic and topo-
23 graphic features. However, a parcel may exceed five acres if a municipi-
24 pal ordinance or a regulation adopted by the Department of Environmental
25 Conservation requires larger parcels to prevent water pollution.

26 * Sec. 33. AS 38.08.040(b) is amended to read:

27 (b) If the number of applicants qualified for homesite entry
28 exceeds the number of available homesites offered, or if several appli-
29 cants apply and qualify for the same homesite, priority in award of an

1 e entry permit shall be accorded to that applicant showing proof of the
2 longest residency in the state. An applicant shall present his proof of
3 residency to the department in person at the time and place designated by
4 the director.

5 * Sec. 34. AS 41.10.040 is amended to read:

6 Sec. 41.10.040. SOIL CONSERVATION BOARD. The district is governed
7 by the Alaska Soil Conservation Board composed of five [THREE] members.

8 * Sec. 35. AS 41.10 is amended by adding a new section to read:

9 Sec. 41.10.115. DUTIES OF BOARD. The board shall

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

12 (2) hold public hearings and meetings to determine if land in
13 the state is being used in a manner consistent with sound soil conserva-
14 tion practice;

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

19 (4) meet at the request of the commissioner of natural re-
20 sources to advise him in the exercise of his powers, duties and func-
21 tions.

22 * Sec. 36. AS 38.05.065(a), 38.05.077(b)(2), 38.05.078(b) and (d)(1); and
23 AS 41.10.100 are repealed.

24 * Sec. 37. AS 38.05.095(b) and 38.05.097 are repealed.

25 * Sec. 38. 11 AAC.53.450(c) is annulled.

26 * Sec. 39. A person who selected a remote parcel or acquired a right to
27 select a remote parcel before July 1, 1980, is entitled to convert his remote
28 parcel lease agreement to a new lease agreement which contains terms and
29 conditions consistent with AS 38.05.077(a) and (d)(3), 38.05.078(a) and (c)

1 and the repeal of AS 38.05.078(b) and (d)(1) enacted in secs. 17, 19, 21, 22
2 and 36 of this Act. The director of the division of lands, Department of
3 Natural Resources, shall prepare and distribute new lease forms to persons
4 described in this section.

5 * Sec. 40. The governor is requested to appoint two additional members to
6 the Alaska Soil Conservation Board by October 1, 1980. The initial terms of
7 the additional members shall be two and three years respectively.

8 * Sec. 41. Notwithstanding other provisions of this title, the Department
9 of Natural Resources may not offer before July 1, 1981, any land for dis-
10 posal which is currently occupied by a person who occupies a permanent dwell-
11 ing on state land without the right to own or possess the land if the dwell-
12 ing has been the person's permanent and principal place of abode continuously
13 since January 1, 1978. The department shall prepare a report for submission
14 to the legislature before January 15, 1981, detailing all known instances of
15 persons occupying state land without the right to own or possess the land.
16 Nothing in this section is intended to extend or establish any claim to
17 vested rights by a person who has entered upon state land without the right
18 to own or possess.

19 * Sec. 42. Sections 24, 27, 28, and 37 of this Act are retroactive to
20 July 1, 1978.

21 * Sec. 43. Section 22 of this Act is retroactive to July 1, 1979.

22 * Sec. 44. Sections 1, 2, 4 - 11, 13 - 21, 23, 26, 29 - 36, 39, and 40 of
23 this Act take effect July 1, 1980.

24 * Sec. 45. Sections 3, 12, 22, 24, 25, 27, 28, 37, 38, and 41 - 45 of
25 this Act take effect immediately in accordance with AS 01.10.070(c).

26
27
28
29