

Introduced: 1/16/80  
Referred: Resources and  
Finance

1 IN THE SENATE

BY SUMNER BY REQUEST

2 SENATE BILL NO. 335

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 lease of state land by non-  
7 profit organizations; and providing for an effective  
8 date."

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

10 \* Section 1. AS 38.05.095(a) is amended to read:

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

16 \* Sec. 2. AS 38.05.315(b) is amended to read:

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

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

(d) The director may lease the land to an eligible applicant at a reasonable annual rental, taking into consideration the purposes for which the land is to be used and the financial resources of the applicant. The [, BUT IN NO CASE MAY THE] rental may not be less than one percent of the fair market value on lands acquired primarily for development, or less than five percent of the fair market value on [SCHOOL,] university [, MENTAL HEALTH,] or acquired lands, except that an eligible applicant is exempt from the payment of annual rent on state land used for a youth encampment. Renewal leases may be issued at the discretion of the director upon the expiration of a primary or renewal term. Each lease shall contain a provision for its termination as to all or part of the lands upon a finding by the director that the land or a part of it has not been used by the lessee for the purpose specified in the lease for a period of two years. No lease may be assigned or subleased except with the consent of the director, and in any case may only be transferred to an applicant eligible under (b) - (d) of this section. A lessee may not change the use specified in the lease to another or additional use except with the consent of the director. If, at any time after the land is leased, the lessee attempts to assign the lease or transfer control over the land to another, or if the land is devoted to a use other than that for which the land was leased without the consent of the director, the lease automatically terminates.

\* Sec. 4. AS 38.05.095(b) and 38.05.097 are repealed.

\* Sec. 5. This Act is retroactive to July 1, 1978.

\* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-070(c).