

Introduced: 1/18/80
Referred: Resources and
Finance

1 IN THE SENATE

BY SUMNER BY REQUEST

2 SENATE BILL NO. 347

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 purchase of state land."

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

8 * Section 1. AS 38.05.055 is amended to read:

9 Sec. 38.05.055. SALE PROCEDURES. Except as provided in AS 38.05.-
10 057, 38.05.315(d), and AS 38.08, the sale of state land shall be made at
11 public auction to the highest qualified bidder as determined by the
12 director. An aggrieved bidder may appeal to the commissioner within
13 five days after the sale for a review of the director's determination.
14 The sale shall be conducted by the director or his representative, and
15 at the time of sale the successful bidder shall deposit an amount equal
16 to one-tenth of the amount bid less any discount to which the bidder
17 is entitled [PURCHASE PRICE]. The director or his representative shall
18 immediately issue a receipt containing a description of the land or
19 property purchased, the price bid, the amount deposited, the amount
20 of any discount allowed, and the terms of sale, which receipt shall be
21 acknowledged in writing by the bidder. A contract of sale on a form
22 approved by the attorney general shall be signed by the purchaser and [,
23 AFTER APPROVAL OF THE COMMISSIONER, THE CONTRACT SHALL ALSO BE SIGNED]
24 by the director on behalf of the state. If the purchaser fails to sign
25 a contract of sale containing the terms and conditions recited in the
26 receipt, the deposit made by the purchaser shall be retained by the di-
27 rector as liquidated damages to repay the state for the cost of selling
28 the land to another purchaser. If all of the deposit is not needed
29 for repayment, the balance shall be refunded to the purchaser. The

1 director shall sign the contract of sale not later than 30 days after
2 the deposit is received from the purchaser. If the director does not
3 sign within the 30-day period, the deposit accrues interest at the pre-
4 vailing rate for state land sale contracts. Interest accrued on the
5 deposit may be deducted from the first payment due under the contract
6 of sale.

7 * Sec. 2. AS 38.05.065(a) is amended to read:

8 (a) The contract of sale for land sold at public auction shall
9 require payment of an amount equal to [THE REMAINDER OF] the purchase
10 price less the amount deposited at the time of auction to be paid in 120
11 monthly, 40 quarterly, or 10 annual installments over a period of 10
12 years, with interest at the prevailing rate for real estate mortgage
13 loans made by the federal land bank for the farm credit district for
14 Alaska at the time the contract is signed. The contract of sale must
15 provide that the interest on the unpaid principal is calculated for pay-
16 ment of the installments in advance and that the interest accrues from
17 the date that the director signs the contract of sale. Installment
18 payments plus interest shall be set on the level-payment basis.

19 * Sec. 3. AS 38.05.065(b) is amended to read:

20 (b) The contract of sale for land sold under the procedures speci-
21 fied in AS 38.05.057 (lottery disposals) shall require payment of an
22 amount equal to [THE REMAINDER OF] the purchase price less the amount
23 deposited at the time the contract of sale is signed by the purchaser to
24 be paid in 240 monthly, 80 quarterly, or 20 annual installments over a
25 period of not more than 20 years. The contract of sale must provide
26 that the interest on the unpaid principal is calculated for payment of
27 the installments in advance and that the interest accrues from the date
28 that the director signs the contract of sale. Installment payments plus
29 interest shall be set on the level-payment basis. The interest rate to

1 be charged on installment payments is the prevailing rate for real
2 estate mortgage loans made by the federal land bank for the farm credit
3 district for Alaska at the time the contract is signed.
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