

Introduced: 3/19/80
Referred: Judiciary

BY THE COMMERCE COMMITTEE
BY REQUEST

1 IN THE SENATE

2 SENATE BILL NO. 525

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 ownership of real property by
7 nonresident aliens; and providing for an effective
8 date."

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

10 * Section 1. AS 34 is amended by adding a new chapter to read:

11 CHAPTER 65. ALIEN REAL PROPERTY OWNERSHIP.

12 Sec. 34.65.010. ALIEN OWNERSHIP PROHIBITED. Aliens and corpo-
13 rations not residents of the state or of the United States are prohib-
14 ited from acquiring title to or taking or holding land or real estate or
15 leasehold interest extending for more than five years or any other
16 greater interest less than fee in land or real estate in the state by
17 descent, devise, purchase or otherwise, except as provided in AS 34.-
18 65.020 - 34.65.040. Land or an interest in real property conveyed in
19 violation of this section reverts to the state. The attorney general
20 shall enforce forfeiture of this land or other interest as provided by
21 AS 09.50.070 - 09.50.160.

22 Sec. 34.65.020. SURVIVING SPOUSES AND HEIRS OF ALIENS. The
23 surviving spouse and heirs of a nonresident alien who had acquired land
24 in the state before the effective date of this chapter may hold the land
25 by devise or descent for a period of five years after the effective date
26 of this chapter and no longer; if at the end of that time the land has
27 not been sold to a bona fide purchaser for value, the land or other
28 interest in the land reverts and escheats to the state.

29 Sec. 34.65.030. LAND ACQUIRED BY DEVISE OR DESCENT. A nonresident

1 alien may acquire title to land in this state by devise or descent but
2 is required to sell and convey that real property within five years from
3 the date of acquiring it; if he fails to dispose of it to a bona fide
4 purchaser for value within that time, the land reverts and escheats to
5 the state.

6 Sec. 34.65.040. CORPORATIONS. (a) A corporation, except as
7 provided in (c) of this section, organized under the laws of this state
8 or organized under the laws of another state and doing business in this
9 state, which was organized to hold or is holding real estate, may not
10 elect nonresident aliens as members of its board of directors or board
11 of trustees in a number sufficient to constitute a majority of the
12 board, and may not elect nonresident aliens as executive officers or
13 managers or have a majority of its capital stock owned by nonresident
14 aliens.

15 (b) A corporation violating the provisions of (a) of this section
16 is considered to be a nonresident alien and within the provisions of
17 AS 34.65.010. A domestic corporation violating the provisions of (a) of
18 this section forfeits its charter and shall be dissolved. A foreign
19 corporation violating (a) of this section forfeits its right to do
20 business in the state.

21 (c) A corporation licensed to do business in the state and prin-
22 cipally engaged in the exploration for or development of mineral or
23 other natural resources of the state is exempt from the provisions of
24 (a) and (b) of this section and of AS 34.65.010.

25 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
26 070(c).