

Original sponsors: Freeman, Gardiner,  
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Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 31 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the management, disposal, and use  
7 of state and municipal land; and providing for an  
8 effective date."

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

10 \* Section 1. AS 29.18.204(c) is amended to read:

11 (c) Land may be selected or nominated for selection by a municipi-  
12 pality to satisfy a general grant land entitlement under AS 29.18.201  
13 and 29.18.202 at any time before October 1, 1980. However, if a muni-  
14 cipal selection or nomination or a part of a municipal selection or  
15 nomination is rejected by the director, the municipality may, not later  
16 than 90 days after receipt of the director's rejection, select addi-  
17 tional state land as necessary to satisfy its entitlement.

18 \* Sec. 2. AS 29.33.150(b) is amended to read:

19 (b) The regulations adopted under (a) of this section apply to  
20 subdivision plats of undeveloped state land for disposal under AS 38.05  
21 or AS 38.08 filed with the platting board. The [, EXCEPT THAT THE]  
22 platting board may not disapprove the subdivision plat on the basis of  
23 [OR ADOPT] regulations which require [THE STATE TO CONSTRUCT ACCESS  
24 ROADS OR] capital improvements on or to state land included in the  
25 subdivision plat. Regulations adopted after the platting board is  
26 notified by the commissioner of natural resources of a proposed sale  
27 of subdivided state land under AS 38.05 or AS 38.08 do not apply to the  
28 state land in the proposed sale.

29 \* Sec. 3. AS 29.33.150 is amended by adding new subsections to read:

1 (c) The platting board must approve and sign the subdivision plat  
2 within 60 days of its receipt from the commissioner of natural resources  
3 unless the platting board

4 (1) determines that the plat does not comply with subdivision  
5 regulations other than those requiring capital improvements to state  
6 land; and

7 (2) notifies the commissioner of each determination of non-  
8 compliance within the 60-day period established in this subsection.

9 (d) The commissioner of natural resources may withdraw the sub-  
10 division plat and amend it in response to the determination of non-  
11 compliance by the platting board under (c) of this section. The  
12 platting board shall respond within 30 days to the amendment or response  
13 from the commissioner of natural resources.

14 (e) Notwithstanding any other provision of law, the provisions of  
15 (b) - (f) of this section apply to all disposals of land under AS 38.05  
16 and AS 38.08.

17 (f) Nothing in this section relieves the Department of Natural  
18 Resources of its obligation to provide legal access to the subdivision.

19 (g) As used in this section, "capital improvements" includes but  
20 is not limited to access roads, other physical improvements, and their  
21 design and engineering.

22 \* Sec. 4. AS 29.48.260 is amended by adding a new subsection to read:

23 (g) A municipality may lease municipal land for a term of not  
24 more than 55 years to a nonprofit corporation, association, club or  
25 society organized and operated exclusively for charitable, scientific,  
26 or educational purposes, or for the promotion of social welfare.  
27 Municipal land leased under this subsection may not be used for commer-  
28 cial development. Before municipal land may be leased under this  
29 subsection, the proposed lessee shall demonstrate to the satisfaction

1 of the borough assembly or city council that it is exempt from federal  
2 income taxation, that all of the land requested is to be used for an  
3 established or proposed project, and that the applicant is financially  
4 able to carry out the project. A lease may not be granted under this  
5 subsection unless the project for which the municipal land is leased is  
6 open for use by the public. The provisions of (c) of this section do  
7 not apply to a lease under this subsection.

8 \* Sec. 5. AS 38.04.020 is repealed and reenacted to read:

9 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall  
10 establish a land disposal bank containing state land classified for  
11 disposal into private ownership.

12 (b) The land disposal bank does not include

13 (1) land nominated for selection or selected by a munici-  
14 pality to satisfy a general grant land entitlement under AS 29.18.201 -  
15 29.18.213;

16 (2) land retained in state ownership for multiple-use manage-  
17 ment;

18 (3) land where less than a fee simple title has been con-  
19 veyed;

20 (4) land retained in state ownership under an enactment of  
21 the legislature or by the governor or a state agency under authority of  
22 law.

23 (c) Land to be retained in state ownership may be classified by  
24 the commissioner into multiple-use management categories under AS 38.-  
25 05.300. Land within a municipality retained in state ownership consists  
26 of land classified for retention in state ownership as of December 31,  
27 1980. Land outside a municipality to be retained in state ownership  
28 consists of land classified for retention in state ownership by the  
29 commissioner by July 1, 1983. Land conveyed to the state by the federal

government that is to be retained in state ownership consists of land classified by the commissioner within two years of receipt of tentative approval or patent, whichever occurs first. State land not classified for retention in state ownership or selected by the municipality under this section shall be classified and included in the land disposal bank. The commissioner shall ensure that the bank includes at least 500,000 acres.

(d) On January 15 of each year, the commissioner shall report to the legislature on the status of land in the land disposal bank under the following categories:

- (1) land suitable for remote parcel disposal;
- (2) land suitable for subdivision disposal;
- (3) land suitable for agricultural, commercial, or industrial disposal; and
- (4) land suitable for other purposes.

(e) The commissioner shall annually submit to the governor an appropriation request necessary for the disposal of state land in the land disposal bank that shall be included in the budget submitted to the legislature by the governor. For each fiscal year, the request shall include an estimate of the amount necessary

- (1) for survey and disposal of land proposed to be made available for remote parcel staking, with the general location of the land;
- (2) for survey and disposal of land to be offered as agricultural, commercial, industrial, or other uses under AS 38.05.055 or 38.05.057, with the general location of the land;
- (3) for the survey and disposal of land proposed to be offered as subdivisions, with the general location of the land;
- (4) for preliminary feasibility studies, engineering design

1 work, and construction of access roads and capital improvements required  
2 by municipal subdivision ordinance or regulation of the platting board  
3 under AS 29.33.150; if an accurate determination of the amounts neces-  
4 sary for access roads or capital improvements cannot be made at the  
5 time the estimate is submitted, a schedule for obtaining the estimates,  
6 constructing the access roads or capital improvements, and disposing of  
7 the land shall be submitted;

8 (5) for identification of land that will be proposed for  
9 disposal under this subsection in future fiscal years.

10 (f) The request of the commissioner under (e) of this section  
11 shall be based on an annual written assessment by the commissioner of  
12 the market for state land in the different regions of the state. If  
13 the state land is in or adjacent to municipalities or unincorporated  
14 communities, the assessment shall be developed in consultation with the  
15 municipalities or unincorporated communities. The assessment must  
16 include a survey of the supply of privately owned land offered for  
17 sale, municipal land for which a disposal plan has been completed, and  
18 federal land available for sale, lease, or permit for specific activi-  
19 ties. The assessment of the market for state land shall be based on an  
20 analysis of the amount of private, municipal, and federal land avail-  
21 able for disposal on terms equivalent to those used in comparable state  
22 land disposal programs and shall include the length of time land remains  
23 on the market before it is sold. The assessment must include findings  
24 regarding the amount and general location of state land, in addition to  
25 land offered by private landowners or available from a municipal govern-  
26 ment or the federal government, that is necessary to meet the statewide  
27 demand for at least five fiscal years immediately after the year in  
28 which the assessment is made. The assessment must also state the  
29 general location of land proposed for disposal in the next fiscal year

1 and recommendations for the method of disposal under which the land  
2 will be offered to the public.

3 (g) After July 1 of each year, the commissioner shall direct  
4 the expenditure of money appropriated for the disposal of land in  
5 response to requests made under (f) of this section for the follow-  
6 ing:

7 (1) Land designated as suitable for remote parcel disposal  
8 shall be classified and surveyed under this chapter and AS 38.05 and  
9 made available for staking and lease under AS 38.05.077.

10 (2) Land designated as suitable for subdivision disposal  
11 shall be surveyed, subdivided, classified, and disposed of as fol-  
12 lows:

13 (A) up to 80 percent of the parcels shall be sold under  
14 the lottery sale procedures established in AS 38.05.057 and 38.05.-  
15 065;

16 (B) at least 10 percent of the parcels shall be dis-  
17 posed of as homesites under AS 38.08; and

18 (C) at least an additional 10 percent of the parcels  
19 shall be disposed of as homesites under AS 38.08 except that,  
20 notwithstanding AS 38.08.040(b), parcels offered under this sub-  
21 paragraph shall be offered by lottery under AS 38.05.057.

22 (3) Land designated agricultural, commercial, industrial, or  
23 suitable for other disposal shall be sold under AS 38.05.055 or 38.05.-  
24 057.

25 (h) Individual parcels disposed of in subdivisions may not exceed  
26 five acres unless the commissioner determines that a larger size is  
27 necessary to comply with zoning ordinances or to permit the design of a  
28 viable subdivision because of topographical features, soil conditions,  
29 on-site sewage disposal requirements, or water drainage or supply

1 considerations that are unique to the subdivision.

2 (i) Nothing in this section prevents the disposal of other land  
3 by the commissioner in accordance with AS 38.05.055, 38.05.057, 38.05.-  
4 070, the issuance of remote cabin permits under AS 38.05.079, AS 38.08,  
5 or other law.

6 (j) A person or an agency of the state may nominate land retained  
7 in state ownership for inclusion in the land disposal bank or may  
8 nominate land in the land disposal bank for retention in state owner-  
9 ship. The commissioner shall hold public hearings semiannually to take  
10 nominations under this subsection. A transfer of land from retention  
11 in state ownership to the land disposal bank or from the land disposal  
12 bank to retention in state ownership shall be accomplished through a  
13 classification order under AS 38.05.300 and notice under AS 38.05.345.  
14 The commissioner shall make a written determination within six months  
15 after receipt of a nomination if he determines that land nominated will  
16 not be classified or reclassified as requested.

17 (k) The commissioner may withdraw from the land disposal bank  
18 state land that has been offered for disposal but not conveyed within  
19 five years after inclusion in the land disposal bank. State land  
20 withdrawn from the land disposal bank under this section must be re-  
21 classified under AS 38.04.065.

22 \* Sec. 6. AS 38.04 is amended by adding a new section to read:

23 Sec. 38.04.021. DISPOSAL OF MUNICIPAL GRANT LAND ENTITLEMENTS.

24 (a) A municipality may apply for financial assistance for the execution  
25 of a land disposal program of general grant land entitlements received  
26 from the state under AS 29.18.201 - 29.18.213 by submitting a request  
27 to the commissioner for inclusion in the estimate submitted to the  
28 legislature under AS 38.04.020(e). A municipality may request financial  
29 assistance for expenses of surveying land, designing subdivision plats,

1 installing improvements required by municipal ordinance or regulation  
2 of the local platting board, and other reasonable direct costs of land  
3 disposal.

4 (b) A request by a municipality under this section must be accom-  
5 panied by

6 (1) a schedule for the disposal of municipal land for the  
7 next five years; the schedule shall be based on an assessment of the  
8 demand for private land within the municipality and included in the  
9 assessment submitted under AS 38.04.020(f);

10 (2) an estimate of the number of acres of municipal land  
11 that the municipality plans to dispose of during each fiscal year of  
12 the five-year period;

13 (3) a description of the methods to be used for the disposal  
14 of municipal land and the terms under which it will be offered to the  
15 public; and

16 (4) a description of the municipal land that the municipal-  
17 ity plans to dispose of each fiscal year during the five-year period.

18 (c) The commissioner shall determine that a request by a munici-  
19 pality meets the requirements of this section before it is submitted to  
20 the legislature. The commissioner shall administer money appropriated  
21 by the legislature for financial assistance to a municipality under  
22 this section. Money spent under this section constitutes a grant  
23 unless otherwise provided by the legislature.

24 (d) A grant made under this section may not exceed five times the  
25 amount of money appropriated by a first class city, a borough, or a  
26 municipality unified under AS 29.68.220 - 29.68.440 for the disposal of  
27 municipal land in the current fiscal year unless the commissioner  
28 exempts the municipality from this subsection.

29 (e) A grant made under this section may not exceed seven times

1 the amount of money appropriated in the current fiscal year for disposal  
2 of municipal land by

- 3 (1) a second class city; or  
4 (2) a first class city, a borough, or a municipality unified  
5 under AS 29.68.220 - 29.68.440 which is exempted by the commissioner  
6 under (d) of this section.

7 \* Sec. 7. AS 38.04.040 is amended to read:

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

14 \* Sec. 8. AS 38.04.055 is amended to read:

15 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director  
16 shall reserve easements and rights-of-way on and across land which is  
17 made available for private use as necessary to reach or use public  
18 water and public and private land. An easement or right-of-way re-  
19 reserved under this section may include established trails traditionally  
20 used for commerce, recreation, or transportation.

21 \* Sec. 9. AS 38.04.065(d) is amended to read:

22 (d) Official regional or area plans and subsequent amendments  
23 adopted by the commissioner after public and local governmental partici-  
24 pation shall be signed and dated by the commissioner. After adoption  
25 of an official regional or area plan, land [LAND] classifications shall  
26 be made in accordance with these official plans.

27 \* Sec. 10. AS 38.05.035(a)(14) is amended to read:

28 (14) when he makes a written finding that the interests of  
29 the state will be best served, he may, with the consent of the commis-

1 sioner, approve contracts for the sale, lease, or other disposal of  
2 available lands, resources, property or interests in them, and, in ad-  
3 dition to the conditions and limitations imposed by law, he may impose  
4 additional conditions or limitations in the contracts as he, with the  
5 consent of the commissioner, determines will best serve the interests  
6 of the state; and no contract for the sale, lease, or other disposal of  
7 available lands or interests in them, is legally binding on the state  
8 until the commissioner formally records his consent to the contract;  
9 but if the appraised value is not greater than \$50,000 [\$10,000] in the  
10 case of the sale of land or an interest in land, or \$5,000 [\$1,000] in  
11 the case of the annual rental of land or interest in land, the director  
12 may approve and issue the contract without the consent or approval of  
13 the commissioner; the [. THE] written finding shall be available to  
14 the public upon request; before [. BEFORE] a public hearing, if held,  
15 or in any case no less than 21 days before the sale, lease, or other  
16 disposal of available land, property, resources, or interests in them,  
17 the director shall make available to the public a written decision in  
18 which he sets out the facts and applicable law upon which he based his  
19 determination that the sale, lease, or other disposal will best serve  
20 the interests of the state; a written finding is not required before  
21 the approval of

22 (A) a contract for a negotiated sale authorized by  
23 AS 38.05.115;

24 (B) the lease of land for a shore fishery site under  
25 AS 38.05.082;

26 (C) a permit or other authorization revocable by the  
27 department.

28 \* Sec. 11. AS 38.05.035(b)(3) is amended to read:

29 (3) grant a preference right to a claimant who shows bona

1        fide improvement of state land, or federal land subsequently acquired  
2        by the state, and who has in good faith sought to obtain title to the  
3        land but who, through error or omission of others, has been denied  
4        title to it; upon a showing satisfactory to the commissioner, the  
5        claimant may lease or purchase the land at the price set on the date of  
6        original entry on the land or, if a price was not set at that time at a  
7        price determined by the division to fairly represent the value of  
8        unimproved land at the time the claim was established, but in no event  
9        less than the cost of administration including survey; the error or  
10       omission of a predecessor in interest or an agent, administrator, or  
11       executor which has clearly prejudiced the claimant may be the basis for  
12       granting a preference right;

13       \* Sec. 12. AS 38.05.035(b)(5) is amended to read:

14                (5) when he determines it is in the best interest of the  
15       state and will avoid injustice to a person or his heirs or devisees,  
16       dispose of land, by direct negotiation to that person who presently  
17       uses and who used and made improvements to that land before January 3,  
18       1959 or his heirs or devisees; the amount paid for the land shall be  
19       its fair market value on the date that the person first entered the  
20       land [AS OF THAT DATE], as determined by the director; a parcel of land  
21       disposed of under this paragraph shall be of a size consistent with the  
22       person's prior use, but may not exceed five acres;

23       \* Sec. 13. AS 38.05.035(b) is amended by adding new paragraphs to read:

24                (7) dispose to an adjoining landowner a parcel of land  
25       created by a highway right-of-way alignment or realignment, or a parcel  
26       created by the vacation of a state-owned right-of-way if

27                        (A) he determines that it is in the best interests of  
28       the state;

29                        (B) the parcel does not exceed the minimum lot size

1 under an applicable zoning code; and

2 (C) the director and the platting authority having land  
3 use planning jurisdiction agree that conveyance of the parcel to  
4 the adjoining land owner will result in boundaries that are con-  
5 venient for the use of the land by the landowner and compatible  
6 with municipal land use plans;

7 (8) for good cause extend for up to 90 days the time for  
8 rental or installment payments by a lessee or purchaser of state land  
9 under this chapter if reasonable penalties and interest set by the  
10 director are paid.

11 \* Sec. 14. AS 38.05.035 is amended by adding new subsections to read:

12 (c) A parcel of land may be conveyed under (b) of this section  
13 without classification or reclassification under AS 38.05.300.

14 (d) A parcel described in (b)(7) of this section must be sold at  
15 its fair market value as determined by the director on the basis of an  
16 appraisal completed as provided in AS 38.05.310. Nothing in this  
17 subsection prevents the sale of land under AS 38.05.055 or 38.05.057 to  
18 a person not qualifying as an adjoining landowner if the adjoining  
19 landowner declines to purchase the land.

20 \* Sec. 15. AS 38.05.050 is repealed and reenacted to read:

21 Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR  
22 PRIVATE OWNERSHIP. The commissioner, upon the recommendation of the  
23 director, shall determine the land to be disposed of for private use.  
24 The director shall determine the time and place of disposal. An  
25 auction sale, a lottery sale, or a disposal of land for homesites under  
26 AS 38.04.020(g)(2)(C) must be held in the municipality that is closest  
27 to the land to be sold or disposed of and in which regular sessions of  
28 a court of the state are held.

29 \* Sec. 16. AS 38.05.055 is amended to read:

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

24 \* Sec. 17. AS 38.05.057(a) is amended to read:

25           (a) The commissioner may dispose of land, including land limited  
26 to use for agricultural purposes, by lottery. The purchase price of  
27 land sold by lottery shall be the fair market value of the land as  
28 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,  
29 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-

CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner may sell land by lottery for less than the fair market value of the land if he determines that scarcity of land for private use in the area of the land to be sold has resulted in unrealistic land values. Before the commissioner determines the purchase price for land which is located in a municipality and which is to be sold under this section, he shall consult with the assessor of the municipality. The lottery shall be conducted in public by the commissioner or his representative and an applicant may not be selected to purchase land unless he is present on the date and at the place that the lottery is conducted unless medical reasons, attendance at school, or military service outside the state prevent attendance. An applicant may be represented by an agent on the day of the lottery if the land offered for sale is commercial, industrial, or agricultural land. On [, AND AT] the day of the lottery [TIME OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot shall deposit an amount equal to five percent of the purchase price, or if the purchaser elects to use land discounts granted under AS 38.05.058, five percent of the [DISCOUNT] purchase price after deduction of the discount.

\* Sec. 18. AS 38.05.065(a) is amended to read:

(a) The contract of sale for land sold at public auction under AS 38.05.055 shall require the remainder of the purchase price to be paid in monthly, quarterly or annual installments over a period of 20 [10] years, with interest at the prevailing rate for real estate mortgage loans made by the federal land bank for the farm credit district for Alaska at the time the contract is signed. Installment payments plus interest shall be set on the level-payment basis.

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

(b) The contract of sale for land sold under [THE PROCEDURES

1 SPECIFIED IN] AS 38.05.057 [(LOTTERY DISPOSALS)] and under AS 38.05.078  
2 shall require the remainder of the purchase price to be paid in monthly,  
3 quarterly, or annual installments over a period of not more than 20  
4 years. Installment payments plus interest shall be set on the level-  
5 payment basis. The interest rate to be charged on installment payments  
6 is the prevailing rate for real estate mortgage loans made by the  
7 federal land bank for the farm credit district for Alaska at the time  
8 the contract is signed.

9 \* Sec. 20. AS 38.05.067(d) is repealed and reenacted to read:

10 (d) In this section "veteran" means a person with 90 days or more  
11 of active service in the armed forces of the United States who has been  
12 honorably discharged.

13 \* Sec. 21. AS 38.05.067(e) is amended to read:

14 (e) This section does not apply to the sale of state land under  
15 AS 38.04.020(g)(2) [AS 38.05.047(f)], AS 38.05.077, and 38.05.078.

16 \* Sec. 22. AS 38.05.070(b) is amended to read:

17 (b) The director, with the approval of the commissioner, shall  
18 determine the land to be leased and the limitations, conditions and  
19 terms of the lease. If the appraised value of the transaction is \$250  
20 a year or less the director may negotiate a lease without advertisement  
21 for a period not to exceed five years, and on the limitations, con-  
22 ditions and terms which he considered are in the best interests of the  
23 state. A lease negotiated under this subsection is not eligible for a  
24 preference under AS 38.05.102.

25 \* Sec. 23. AS 38.05.077(a) is repealed and reenacted to read:

26 (a) The commissioner shall designate remote parcel selection  
27 areas and shall dispose of remote parcels in accordance with AS 38.04.-  
28 020. The commissioner may set the number of remote parcels that may be  
29 selected in each remote parcel selection area. A remote parcel may not

1 exceed 40 acres.

2 \* Sec. 24. AS 38.05.077(c) is amended to read:

3 (c) A person who qualifies under (g) of this section may apply  
4 [UNDER THE PROCEDURES SET OUT IN AS 38.05.057] to lease a remote parcel  
5 in a parcel selection area designated by the commissioner under (a) of  
6 this section if he has staked the exterior boundaries of the remote  
7 parcel in accordance with the parcel selection procedures established  
8 under (b) of this section during an entry period established by the  
9 commissioner. A [EACH] person [WHO IS ENTITLED TO SELECT A REMOTE  
10 PARCEL] may enter a remote parcel selection [THE] area [FOR WHICH HE  
11 APPLIED] to stake the boundaries of a remote parcel. A person shall  
12 stake a remote parcel in person and may not be represented by an  
13 attorney or agent.

14 \* Sec. 25. AS 38.05.077(d) is amended to read:

15 (d) Not later than 15 days after [SELECTION AND] staking the  
16 exterior boundaries of a remote parcel, the person who staked [SELECTED]  
17 the parcel shall file a sketch plat with the department which shows the  
18 location of the remote parcel [AND THE LOCATION OF THE LAND IN THE  
19 PARCEL THAT HE INTENDS TO USE FOR RESIDENTIAL PURPOSES]. At the time  
20 of filing the sketch plat, the person who staked [SELECTED] the parcel  
21 shall apply to lease the land. An application to lease the land shall  
22 be on a standard form prepared by the department. The annual rental  
23 payment for the first year of the lease shall be submitted to the  
24 department with the application. After the application to lease a  
25 remote parcel is approved, the commissioner shall offer to lease the  
26 land to the person who staked [SELECTED] the remote parcel. A lease  
27 granted under this section shall contain the following terms:

- 28 (1) a remote parcel may be leased for five years;  
29 (2) a remote parcel lease may be renewed at the option of

1 the lessee for a second five-year period under the same terms as pro-  
2 vided for the first five-year period of the remote parcel lease; [AND]

3 (3) a rental payment shall be paid annually and shall be  
4 \$10 for each acre; [\$150 A YEAR FOR FIVE ACRES OR LESS PLUS \$50 FOR  
5 EACH ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES.]

6 (4) unless the land is surveyed, the lessee shall, within  
7 one year of approval of the lease application and continuously for the  
8 lease period, physically delineate the boundaries of the parcel by  
9 brushing a line so that they are readily visible from the ground.

10 \* Sec. 26. AS 38.05.077 is amended by adding a new subsection to read:

11 (g) To qualify to lease a remote parcel under this section, a  
12 person shall

13 (1) at the time of application be 18 years of age or older;

14 (2) submit proof as required by regulation that he has been  
15 a resident of the state for not less than one year immediately preced-  
16 ing the date his application was submitted; and

17 (3) certify that he has not previously leased a remote  
18 parcel from the state within eight years immediately preceding the date  
19 of staking a remote parcel.

20 \* Sec. 27. AS 38.05.078(a) is repealed and reenacted to read:

21 (a) A lessee of a remote parcel may purchase the land if, before  
22 expiration of the lease or a renewal of the lease, he surveys the land.

23 \* Sec. 28. AS 38.05.078(c) is repealed and reenacted to read:

24 (c) Upon payment to the commissioner of an amount equal to five  
25 percent of the fair market value, a lessee of a remote parcel may  
26 purchase land in a remote parcel area under the terms specified in  
27 AS 38.05.065. The purchase price shall be the fair market value of the  
28 remote parcel as determined by the commissioner at the time of lease.

29 \* Sec. 29. AS 38.05.078 is amended by adding new subsections to read:

1 (g) If a person stakes a remote parcel in good faith but includes  
2 land in his parcel that was previously claimed by another person eli-  
3 gible to stake a remote parcel, the director shall approve that part of  
4 the later staking that does not conflict with the earlier staking and  
5 allow the person to stake additional land in the remote parcel staking  
6 area.

7 (h) If a person stakes a remote parcel in good faith but includes  
8 land in his parcel that is outside the remote parcel staking area, the  
9 director shall either disapprove the staking of land outside the remote  
10 parcel staking area and allow the person to stake additional land in  
11 the remote parcel staking area or he may approve the staking of the  
12 land outside the remote parcel staking area.

13 \* Sec. 30. AS 38.05.095(b) is amended to read:

14 (b) A nonprofit organization that is exempted from paying rent on  
15 state land under AS 38.05.315 [AS 38.05.097] may not sublease or assign  
16 the land or a portion of it on which it has a lease.

17 \* Sec. 31. AS 38.05.097(a) is amended to read:

18 (a) A nonprofit organization using state land leased by it under  
19 AS 38.05.070 - 38.05.105 and 38.05.315 for a youth encampment or similar  
20 recreational purpose is exempt from lease rental payments on that land.  
21 The nonprofit organization shall meet all other terms and conditions of  
22 the lease specified under AS 38.05.070 - 38.05.105 and 38.05.315.

23 \* Sec. 32. AS 38.05.102 is amended to read:

24 Sec. 38.05.102. LESSEE PREFERENCE. If land within a leasehold  
25 created under AS 38.05.070 - 38.05.100 is offered for sale or long-term  
26 lease at the termination of the existing leasehold, the director may,  
27 if he finds that it is in the best interest of the state, allow the  
28 holder in good standing of that leasehold to purchase or lease the land  
29 for its appraised fair market value at the time of the sale or long-term

1        lease [THE AMOUNT OF THE HIGH BID RECEIVED AT PUBLIC AUCTION].

2        \* Sec. 33. AS 38.05.127 is amended by adding a new subsection to read:

3            (d) Upon application by a municipality or an affected owner of  
4        land, the department may vacate, release, modify, or relocate an ease-  
5        ment and right-of-way for public access to or along navigable or public  
6        waters reserved by the department in a patent issued under AS 29.18 if  
7        the commissioner determines the action is consistent with the public  
8        interest.

9        \* Sec. 34. AS 38.05.305 is repealed and reenacted to read:

10            Sec. 38.05.305. LAND DISPOSAL IN THE UNORGANIZED BOROUGH. Before  
11        a sale, lease under AS 38.05.070 - 38.05.105, or other disposal of  
12        state land in the unorganized borough, the commissioner shall consider  
13        the effect that the sale, lease, or other disposal may be expected to  
14        have on the density of the population in the vicinity of the land, and  
15        any potential for conflicts with the traditional uses of the land that  
16        could result from the sale, lease or disposal. If he finds it neces-  
17        sary, the commissioner shall develop a plan to resolve or mitigate the  
18        conflicts in a manner consistent with the public interest and the  
19        provisions of this chapter.

20        \* Sec. 35. AS 38.05.315(b) is amended to read:

21            (b) Notwithstanding AS 38.05.070 - 38.05.080 and [,] 38.05.095,  
22        [AND AS 38.05.100] the director, upon application filed by an applicant  
23        eligible under (b) - (d) of this section, may, by negotiation and  
24        without public auction in the manner prescribed in (b) - (d) of this  
25        section, lease state land for a term of not more than 55 years. Before  
26        leasing, the director shall prepare a land use plan and a land classi-  
27        fication to insure that the proposed use is compatible with area utili-  
28        zation. Before the land may be leased under (b) - (d) of this section,  
29        it must be shown to the satisfaction of the director that the land is

1 lease [THE AMOUNT OF THE HIGH BID RECEIVED AT PUBLIC AUCTION].

2 \* Sec. 33. AS 38.05.127 is amended by adding a new subsection to read:

3 (d) Upon application by a municipality or an affected owner of  
4 land, the department may vacate, release, modify, or relocate an ease-  
5 ment and right-of-way for public access to or along navigable or public  
6 waters reserved by the department in a patent issued under AS 29.18 if  
7 the commissioner determines the action is consistent with the public  
8 interest.

9 \* Sec. 34. AS 38.05.305 is repealed and reenacted to read:

10 Sec. 38.05.305. LAND DISPOSAL IN THE UNORGANIZED BOROUGH. Before  
11 a sale, lease under AS 38.05.070 - 38.05.105, or other disposal of  
12 state land in the unorganized borough, the commissioner shall consider  
13 the effect that the sale, lease, or other disposal may be expected to  
14 have on the density of the population in the vicinity of the land, and  
15 any potential for conflicts with the traditional uses of the land that  
16 could result from the sale, lease or disposal. If he finds it neces-  
17 sary, the commissioner shall develop a plan to resolve or mitigate the  
18 conflicts in a manner consistent with the public interest and the  
19 provisions of this chapter.

20 \* Sec. 35. AS 38.05.315(b) is amended to read:

21 (b) Notwithstanding AS 38.05.070 - 38.05.080 and [,] 38.05.095,  
22 [AND AS 38.05.100] the director, upon application filed by an applicant  
23 eligible under (b) - (d) of this section, may, by negotiation and  
24 without public auction in the manner prescribed in (b) - (d) of this  
25 section, lease state land for a term of not more than 55 years. Before  
26 leasing, the director shall prepare a land use plan and a land classi-  
27 fication to insure that the proposed use is compatible with area utili-  
28 zation. Before the land may be leased under (b) - (d) of this section,  
29 it must be shown to the satisfaction of the director that the land is

1 to be used for an established or definitely proposed project, and that  
2 the eligible applicant has the financial ability to carry out the  
3 project. The commissioner may establish limitations on the acreage  
4 which may be leased under (b) - (d) of this section to an applicant.

5 \* Sec. 36. AS 38.05.315(d) is amended to read:

6 (d) The director may lease the land to an eligible applicant at a  
7 reasonable annual rental, taking into consideration the purposes for  
8 which the land is to be used and the financial resources of the appli-  
9 cant. The [, BUT IN NO CASE MAY THE] rental may not be less than one  
10 percent of the fair market value on lands acquired primarily for devel-  
11 opment, or less than five percent of the fair market value on [SCHOOL,]  
12 university [, MENTAL HEALTH,] or acquired lands. Rent may not be  
13 charged for state land leased for a youth encampment. For the purposes  
14 of this subsection, "youth encampment" shall be defined by the commis-  
15 sioner by regulation. Renewal leases may be issued at the discretion  
16 of the director upon the expiration of a primary or renewal term. Each  
17 lease shall contain a provision for its termination as to all or part  
18 of the lands upon a finding by the director that the land or a part of  
19 it has not been used by the lessee for the purpose specified in the  
20 lease for a period of two years. No lease may be assigned or subleased  
21 except with the consent of the director, and in any case may only be  
22 transferred to an applicant eligible under (b) - (d) of this section.  
23 A lessee may not change the use specified in the lease to another or  
24 additional use except with the consent of the director. If, at any  
25 time after the land is leased, the lessee attempts to assign the lease  
26 or transfer control over the land to another, or if the land is devoted  
27 to a use other than that for which the land was leased without the  
28 consent of the director, the lease automatically terminates.

29 \* Sec. 37. AS 38.05.345 is repealed and reenacted to read:

1           Sec. 38.05.345. NOTICE. (a) This section establishes the re-  
2 requirements for notice given by the department for the following actions:

3           (1) classification or reclassification of state land under  
4 AS 38.05.300 and the closing of land to mineral leasing or entry under  
5 AS 38.05.185;

6           (2) zoning of land under applicable law;

7           (3) a decision under AS 38.05.035(a)(14) regarding the sale,  
8 lease, or other disposal of an interest in state land or resources; and

9           (4) a competitive disposal of an interest in state land or  
10 resources after final decision under AS 38.05.035(a)(14).

11           (b) Notice of one or more actions described in (a) of this section  
12 shall be given at least 30 days before the action by (1) publication in  
13 newspapers of statewide circulation and in a newspaper of general  
14 circulation in the vicinity of the proposed action, (2) publication  
15 through public service announcements on the electronic media serving  
16 the area affected by the action, (3) posting in a conspicuous location  
17 in the vicinity of the action, (4) notification of parties known or  
18 likely to be affected by the action, or (5) another method calculated  
19 to reach affected persons. A notice shall contain sufficient informa-  
20 tion to inform the public of the nature of the action and the opportu-  
21 nity of the public to comment on the action.

22           (c) Notice at least 30 days before action under (a) of this  
23 section shall also be given to the following:

24           (1) to a municipality if the land is within the boundaries  
25 of the municipality;

26           (2) to a regional corporation if the boundaries of the  
27 corporation as established by sec. 7(a) of the Alaska Native Claims  
28 Settlement Act encompass the land and the land is outside a municipal-  
29 ity;

1 (3) to a village corporation organized under sec. 8(a) of  
2 the Alaska Native Claims Settlement Act if the land is within six miles  
3 of the village for which the corporation was established and the land  
4 is located outside a municipality;

5 (4) to the postmaster of a permanent settlement of more than  
6 25 persons located within six miles of the land if the land is located  
7 outside a municipality, with a request that the notice be posted in a  
8 conspicuous location.

9 (d) A municipality or a corporation entitled to receive notice  
10 under (c) of this section may hold a hearing within 30 days after  
11 receipt of the notice. If a hearing is held, the commissioner shall  
12 attend the hearing. The commissioner may hold a public hearing at his  
13 own discretion.

14 (e) For purposes of this section an "interest in state land or  
15 resources" does not include

16 (1) a permit or other authorization revocable by the depart-  
17 ment; or

18 (2) negotiated sales under AS 38.05.115.

19 \* Sec. 38. 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  
22 boundaries conforming as nearly as practicable to natural geologic and  
23 topographic features. A parcel may exceed five acres if the director  
24 determines that a larger parcel is necessary to

25 (1) comply with local zoning ordinances; or

26 (2) permit the design of a subdivision because of topographi-  
27 cal features, soil conditions, on-site sewage disposal requirements, or  
28 water drainage or supply considerations unique to the subdivision.

29 \* Sec. 39. AS 38.08.040(b) is amended to read:

1 (b) If the number of applicants qualified for homesite entry  
2 exceeds the number of available homesites offered, or if several appli-  
3 cants apply and qualify for the same homesite, priority in award of an  
4 entry permit shall be accorded to that applicant showing proof of the  
5 longest residency in the state. An applicant shall present his proof  
6 of residency to the department in a manner designated by the director.

7 \* Sec. 40. AS 38.95.080(c)(1) is amended to read:

8 (1) permits shall be issued for a period of not more than 10  
9 [FIVE] years, with succeeding 10-year [FIVE-YEAR] renewal options, if  
10 continued use and occupancy is established, and the qualifications of  
11 (a) of this section continue to be met;

12 \* Sec. 41. AS 40.15.190(2) is amended to read:

13 (2) "subdivision"

14 (A) means the division of a tract or parcel of land  
15 into two or more lots, sites, or other divisions for the purpose,  
16 whether immediate or future, of sale or building development, and  
17 includes resubdivision and, when appropriate to the context,  
18 relates to the process of subdividing or to the land or areas  
19 subdivided;

20 (B) does not include cadastral plats, cadastral control  
21 plats, open-to-entry plats, or remote parcel plats created by or  
22 on behalf of the state regardless of whether these plats include  
23 easements or other public dedications.

24 \* Sec. 42. AS 41.17.020(a) is amended to read:

25 (a) The governor may [SHALL] establish, within the Department of  
26 Natural Resources, a division of forestry [FOREST, LAND, AND WATER  
27 MANAGEMENT] to carry out this chapter and other appropriate duties  
28 designated by the governor. The division shall be headed by a director  
29 who shall be the state forester, appointed to the partially exempt

1 service in accordance with law by the commissioner, from a list of two  
2 or more candidates submitted by the board. The commissioner may reject  
3 all candidates, in which case the board shall submit a new list. The  
4 state forester shall be a natural resources land manager with generally  
5 accepted educational credentials, familiar and experienced with the  
6 renewable and nonrenewable resources and values of forest land and the  
7 products, benefits, and services obtained from them.

8 \* Sec. 43. Section 26, ch. 182, SLA 1978, is amended to read:

9 Sec. 26. A right of repurchase created by former AS 34.10.220 and  
10 existing on the effective date of this section may be exercised only if  
11 it is exercised under that statute before July 19, 1983 [WITHIN THREE  
12 YEARS FOLLOWING THE EFFECTIVE DATE OF THIS SECTION]. The Department  
13 of Natural Resources [DIVISION OF LANDS] shall publish notice of the  
14 expiration of [ALL] such repurchase rights in the manner provided by  
15 AS 38.05.345 before [JANUARY 1, 1979 AND AGAIN BEFORE JANUARY 1, 1980  
16 AND BEFORE JANUARY 1, 1981] January 1, 1982 and before January 1, 1983  
17 for repurchase rights on properties that were foreclosed upon and  
18 deeded to the Territory or State of Alaska under former AS 34.10.010 -  
19 34.10.240 or predecessor territorial acts.

20 \* Sec. 44. Section 12, ch. 138, SLA 1977, as amended by sec. 21, ch. 182,  
21 SLA 1978, is amended to read:

22 Sec. 12. CONVERSION OF LEASES. The provisions of secs. 9 - 11 of  
23 this Act are applicable to state leases which are in existence on or  
24 before the effective date of this Act if a lessee under a lease elects,  
25 in writing, to be bound by this Act. When a lessee elects to be bound  
26 by the provisions of this Act, the state shall enter into an amended  
27 lease with the lessee for a term equal to the remaining period of the  
28 original lease which is being converted, and that amended lease shall  
29 be consistent with the provisions of this Act but shall not otherwise

1 alter the terms of the original lease. However, for purposes of deter-  
2 mining the annual rent by the state, the fair market value of the  
3 property which is used to establish the fixed base annual rent for the  
4 initial period of the lease may not exceed the fair market value as it  
5 was last appraised on or before July 1, 1974 [JANUARY 1, 1975], brought  
6 forward to the date of the first day of the quarter following the date  
7 of a request for conversion at the rate of 10 percent a year, or, if  
8 the lease was entered into after July 1, 1974 [JANUARY 1, 1975], the  
9 fair market value used to establish the annual rent for the initial  
10 period of the new lease is the fair market value of the last appraisal  
11 brought forward to the date of conversion at the rate of 10 percent per  
12 year.

13 \* Sec. 45. AS 38.05.047, 38.05.077(b)(2), and 38.05.078(b) are repealed.

14 \* Sec. 46. A person who selected a remote parcel or acquired a right to  
15 select a remote parcel before July 1, 1981, is entitled to convert his  
16 remote parcel lease agreement to a new lease agreement that contains terms  
17 and conditions consistent with AS 38.05.077(a) and (d), 38.05.078(a) and (c)  
18 and the repeal of AS 38.05.078(b) enacted in secs. 23, 25, 27, 28, and 45 of  
19 this Act. The director of the division of lands, Department of Natural  
20 Resources, shall prepare and distribute new lease forms to persons described  
21 in this section. The director shall apply rent paid in excess of the rental  
22 established in AS 38.05.077(d)(3) enacted in sec. 25 of this Act to rental  
23 payments coming due after July 1, 1981, or to the purchase of a remote  
24 parcel after July 1, 1981.

25 \* Sec. 47. A person who was granted a homesite entry permit before  
26 July 1, 1979, is entitled to a patent to the land if the person satisfies  
27 the conditions imposed

28 (1) in the homesite entry permit; or

29 (2) by AS 38.08.060(a).

\* Sec. 48. Land disposals conducted by the commissioner of natural resources for fiscal year 1982 shall be accomplished within appropriations to the Department of Natural Resources for that purpose.

\* Sec. 49. The commissioner of natural resources may disallow a municipal selection of mental health lands allowed under sec. 1(b), ch. 181, SLA 1978 if the commissioner determines that the municipality is not complying with land disposal requirements in ch. 181, SLA 1978.

\* Sec. 50. Section 44 of this Act is retroactive to July 18, 1978.

\* Sec. 51. Section 43 of this Act is retroactive to July 19, 1978.

\* Sec. 52. This Act takes effect July 1, 1981.