

Original sponsors: Freeman, Gardiner,
and Halford

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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) am S

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 munici-
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 38.04.020 is repealed and reenacted to read:

23 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall
24 establish a land disposal bank containing state land classified for
25 disposal into private ownership.

26 (b) The land disposal bank does not include

27 (1) land nominated for selection or selected by a municipi-
28 pality to satisfy a general grant land entitlement under AS 29.18.201 -
29 29.18.213;

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

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

5 (4) land retained in state ownership under an enactment of
6 the legislature or by the governor or a state agency under authority of
7 law.

8 (c) Land to be retained in state ownership may be classified by
9 the commissioner into multiple-use management categories under AS 38.-
10 05.300. Land within a municipality retained in state ownership consists
11 of land classified for retention in state ownership as of December 31,
12 1980. Land outside a municipality to be retained in state ownership
13 consists of land classified for retention in state ownership by the
14 commissioner by July 1, 1983. Land conveyed to the state by the federal
15 government that is to be retained in state ownership consists of land
16 classified by the commissioner within two years of receipt of tentative
17 approval or patent, whichever occurs first. State land not classified
18 for retention in state ownership or selected by the municipality under
19 this section shall be classified and included in the land disposal
20 bank. The commissioner shall ensure that the bank includes at least
21 500,000 acres.

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

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

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

6 (1) for survey and disposal of land proposed to be made
7 available for remote parcel staking, with the general location of the
8 land;

9 (2) for survey and disposal of land to be offered as agri-
10 cultural, commercial, industrial, or other uses under AS 38.05.055 or
11 38.05.057, with the general location of the land;

12 (3) for the survey and disposal of land proposed to be
13 offered as subdivisions, with the general location of the land;

14 (4) for preliminary feasibility studies, engineering design
15 work, and construction of access roads and capital improvements required
16 by municipal subdivision ordinance or regulation of the platting board
17 under AS 29.33.150; if an accurate determination of the amounts neces-
18 sary for access roads or capital improvements cannot be made at the
19 time the estimate is submitted, a schedule for obtaining the estimates,
20 constructing the access roads or capital improvements, and disposing of
21 the land shall be submitted;

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

24 (f) The request of the commissioner under (e) of this section
25 shall be based on an annual written assessment by the commissioner of
26 the market for state land in the different regions of the state. If
27 the state land is in or adjacent to municipalities or unincorporated
28 communities, the assessment shall be developed in consultation with the
29 municipalities or unincorporated communities. The assessment must

1 include a survey of the supply of privately owned land offered for
2 sale, municipal land for which a disposal plan has been completed, and
3 federal land available for sale, lease, or permit for specific activi-
4 ties. The assessment of the market for state land shall be based on an
5 analysis of the amount of private, municipal, and federal land avail-
6 able for disposal on terms equivalent to those used in comparable state
7 land disposal programs and shall include the length of time land remains
8 on the market before it is sold. The assessment must include findings
9 regarding the amount and general location of state land, in addition to
10 land offered by private landowners or available from a municipal govern-
11 ment or the federal government, that is necessary to meet the statewide
12 demand for at least five fiscal years immediately after the year in
13 which the assessment is made. The assessment must also state the
14 general location of land proposed for disposal in the next fiscal year
15 and recommendations for the method of disposal under which the land
16 will be offered to the public.

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

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

24 (2) Land designated as suitable for subdivision disposal
25 shall be surveyed, subdivided, classified, and disposed of as fol-
26 lows:

27 (A) up to 80 percent of the parcels shall be sold under
28 the lottery sale procedures established in AS 38.05.057 and 38.05.-
29 065;

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

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

7 (3) Land designated agricultural, commercial, industrial, or
8 suitable for other disposal shall be sold under AS 38.05.055 or 38.05.-
9 057.

10 (h) Individual parcels disposed of in subdivisions may not exceed
11 five acres unless the commissioner determines that a larger size is
12 necessary to comply with zoning ordinances or to permit the design of a
13 viable subdivision because of topographical features, soil conditions,
14 on-site sewage disposal requirements, or water drainage or supply
15 considerations that are unique to the subdivision.

16 (i) Nothing in this section prevents the disposal of other land
17 by the commissioner in accordance with AS 38.05.055, 38.05.057, 38.05.-
18 070, the issuance of remote cabin permits under AS 38.05.079, AS 38.08,
19 or other law.

20 (j) A person or an agency of the state may nominate land retained
21 in state ownership for inclusion in the land disposal bank or may
22 nominate land in the land disposal bank for retention in state owner-
23 ship. The commissioner shall hold public hearings semiannually to take
24 nominations under this subsection. A transfer of land from retention
25 in state ownership to the land disposal bank or from the land disposal
26 bank to retention in state ownership shall be accomplished through a
27 classification order under AS 38.05.300 and notice under AS 38.05.345.
28 The commissioner shall make a written determination within six months
29 after receipt of a nomination if he determines that land nominated will

1 not be classified or reclassified as requested.

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

7 * Sec. 5. AS 38.04 is amended by adding a new section to read:

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

9 (a) A municipality may apply for financial assistance for the execution
10 of a land disposal program of general grant land entitlements received
11 from the state under AS 29.18.201 - 29.18.213 by submitting a request
12 to the commissioner for inclusion in the estimate submitted to the
13 legislature under AS 38.04.020(e). A municipality may request financial
14 assistance for expenses of surveying land, designing subdivision plats,
15 installing improvements required by municipal ordinance or regulation
16 of the local platting board, and other reasonable direct costs of land
17 disposal.

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

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

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

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

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

3 (c) The commissioner shall determine that a request by a municipi-
4 pality meets the requirements of this section before it is submitted to
5 the legislature. The commissioner shall administer money appropriated
6 by the legislature for financial assistance to a municipality under
7 this section. Money spent under this section constitutes a grant
8 unless otherwise provided by the legislature.

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

14 (e) A grant made under this section may not exceed seven times
15 the amount of money appropriated in the current fiscal year for disposal
16 of municipal land by

17 (1) a second class city; or

18 (2) a first class city, a borough, or a municipality unified
19 under AS 29.68.220 - 29.68.440 which is exempted by the commissioner
20 under (d) of this section.

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

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

28 * Sec. 7. AS 38.04.055 is amended to read:

29 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director

1 shall reserve easements and rights-of-way on and across land which is
2 made available for private use as necessary to reach or use public
3 water and public and private land. An easement or right-of-way re-
4 served under this section may include established trails traditionally
5 used for commerce, recreation, or transportation.

6 * Sec. 8. AS 38.04.065(d) is amended to read:

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

12 * Sec. 9. AS 38.05.035(a)(14) is amended to read:

13 (14) when he makes a written finding that the interests of
14 the state will be best served, he may, with the consent of the commis-
15 sioner, approve contracts for the sale, lease, or other disposal of
16 available lands, resources, property or interests in them, and, in ad-
17 dition to the conditions and limitations imposed by law, he may impose
18 additional conditions or limitations in the contracts as he, with the
19 consent of the commissioner, determines will best serve the interests
20 of the state; and no contract for the sale, lease, or other disposal of
21 available lands or interests in them, is legally binding on the state
22 until the commissioner formally records his consent to the contract;
23 but if the appraised value is not greater than \$50,000 [\$10,000] in the
24 case of the sale of land or an interest in land, or \$5,000 [\$1,000] in
25 the case of the annual rental of land or interest in land, the director
26 may approve and issue the contract without the consent or approval of
27 the commissioner; the [. THE] written finding shall be available to
28 the public upon request; before [. BEFORE] a public hearing, if held,
29 or in any case no less than 21 days before the sale, lease, or other

1 disposal of available land, property, resources, or interests in them,
2 the director shall make available to the public a written decision in
3 which he sets out the facts and applicable law upon which he based his
4 determination that the sale, lease, or other disposal will best serve
5 the interests of the state; a written finding is not required before
6 the approval of

7 (A) a contract for a negotiated sale authorized by
8 AS 38.05.115;

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

11 (C) a permit or other authorization revocable by the
12 department.

13 * Sec. 10. AS 38.05.035(b)(3) is amended to read:

14 (3) grant a preference right to a claimant who shows bona
15 fide improvement of state land, or federal land subsequently acquired
16 by the state, and who has in good faith sought to obtain title to the
17 land but who, through error or omission of others, has been denied
18 title to it; upon a showing satisfactory to the commissioner, the
19 claimant may lease or purchase the land at the price set on the date of
20 original entry on the land or, if a price was not set at that time at a
21 price determined by the division to fairly represent the value of
22 unimproved land at the time the claim was established, but in no event
23 less than the cost of administration including survey; the error or
24 omission of a predecessor in interest or an agent, administrator, or
25 executor which has clearly prejudiced the claimant may be the basis for
26 granting a preference right;

27 * Sec. 11. AS 38.05.035(b)(5) is amended to read:

28 (5) when he determines it is in the best interest of the
29 state and will avoid injustice to a person or his heirs or devisees,

1 dispose of land, by direct negotiation to that person who presently
2 uses and who used and made improvements to that land before January 3,
3 1959 or his heirs or devisees; the amount paid for the land shall be
4 its fair market value on the date that the person first entered the
5 land [AS OF THAT DATE], as determined by the director; a parcel of land
6 disposed of under this paragraph shall be of a size consistent with the
7 person's prior use, but may not exceed five acres;

8 * Sec. 12. AS 38.05.035(b) is amended by adding new paragraphs to read:

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

12 (A) he determines that it is in the best interests of
13 the state;

14 (B) the parcel does not exceed the minimum lot size
15 under an applicable zoning code; and

16 (C) the director and the platting authority having land
17 use planning jurisdiction agree that conveyance of the parcel to
18 the adjoining land owner will result in boundaries that are con-
19 venient for the use of the land by the landowner and compatible
20 with municipal land use plans;

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

25 * Sec. 13. AS 38.05.035 is amended by adding new subsections to read:

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

28 (d) A parcel described in (b)(7) of this section must be sold at
29 its fair market value as determined by the director on the basis of an

1 appraisal completed as provided in AS 38.05.310. Nothing in this
2 subsection prevents the sale of land under AS 38.05.055 or 38.05.057 to
3 a person not qualifying as an adjoining landowner if the adjoining
4 landowner declines to purchase the land.

5 * Sec. 14. AS 38.05.050 is repealed and reenacted to read:

6 Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR
7 PRIVATE OWNERSHIP. The commissioner, upon the recommendation of the
8 director, shall determine the land to be disposed of for private use.
9 The director shall determine the time and place of disposal. An
10 auction sale, a lottery sale, or a disposal of land for homesites under
11 AS 38.04.020(g)(2)(C) must be held in the municipality that is closest
12 to the land to be sold or disposed of and in which regular sessions of
13 a court of the state are held.

14 * Sec. 15. AS 38.05.055 is amended to read:

15 Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method
16 of sale is required under this chapter, under AS 38.07, or under
17 [EXCEPT AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.08, the
18 sale of state land shall be made at public auction to the highest
19 qualified bidder as determined by the director. A bidder must appear
20 in person at the auction unless medical reasons, attendance at school,
21 or military service outside the state prevent attendance. A bidder
22 may be represented by an attorney or agent at the auction if the land
23 offered for disposal is commercial, industrial, or agricultural land.
24 An aggrieved bidder may appeal to the commissioner within five days
25 after the sale for a review of the director's determination. The sale
26 shall be conducted by the director or his representative, and at the
27 time of sale the successful bidder shall deposit an amount equal to
28 five percent [ONE-TENTH] of the purchase price, or if the purchaser
29 elects to use land discounts granted under AS 38.05.058, five percent

1 of the amount bid after deduction of the discount. The director or his
2 representative shall immediately issue a receipt containing a descrip-
3 tion of the land or property purchased, the price bid, the amount
4 deposited, and the amount of any discount allowed [TERMS OF SALE],
5 which receipt shall be acknowledged in writing by the bidder. [A
6 CONTRACT OF SALE ON A FORM APPROVED BY THE ATTORNEY GENERAL SHALL BE
7 SIGNED BY THE PURCHASER AND, AFTER APPROVAL OF THE COMMISSIONER, THE
8 CONTRACT SHALL ALSO BE SIGNED BY THE DIRECTOR ON BEHALF OF THE STATE.]

9 * Sec. 16. AS 38.05.057(a) is amended to read:

10 (a) The commissioner may dispose of land, including land limited
11 to use for agricultural purposes, by lottery. The purchase price of
12 land sold by lottery shall be the fair market value of the land as
13 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,
14 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-
15 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner may
16 sell land by lottery for less than the fair market value of the land if
17 he determines that scarcity of land for private use in the area of the
18 land to be sold has resulted in unrealistic land values. Before the
19 commissioner determines the purchase price for land which is located in
20 a municipality and which is to be sold under this section, he shall
21 consult with the assessor of the municipality. The lottery shall be
22 conducted in public by the commissioner or his representative and an
23 applicant may not be selected to purchase land unless he is present on
24 the date and at the place that the lottery is conducted unless medical
25 reasons, attendance at school, or military service outside the state
26 prevent attendance. An applicant may be represented by an agent on the
27 day of the lottery if the land offered for sale is commercial, in-
28 dustrial, or agricultural land. On [, AND AT] the day of the lottery
29 [TIME OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot shall

1 deposit an amount equal to five percent of the purchase price, or if
2 the purchaser elects to use land discounts granted under AS 38.05.058,
3 five percent of the [DISCOUNT] purchase price after deduction of the
4 discount.

5 * Sec. 17. AS 38.05.065(a) is amended to read:

6 (a) The contract of sale for land sold at public auction under
7 AS 38.05.055 shall require the remainder of the purchase price to be
8 paid in monthly, quarterly or annual installments over a period of 20
9 [10] years, with interest at the prevailing rate for real estate
10 mortgage loans made by the federal land bank for the farm credit
11 district for Alaska at the time the contract is signed. Installment
12 payments plus interest shall be set on the level-payment basis.

13 * Sec. 18. AS 38.05.065(b) is amended to read:

14 (b) The contract of sale for land sold under [THE PROCEDURES
15 SPECIFIED IN] AS 38.05.057 [(LOTTERY DISPOSALS)] and under AS 38.05.078
16 shall require the remainder of the purchase price to be paid in monthly,
17 quarterly, or annual installments over a period of not more than 20
18 years. Installment payments plus interest shall be set on the level-
19 payment basis. The interest rate to be charged on installment payments
20 is the prevailing rate for real estate mortgage loans made by the
21 federal land bank for the farm credit district for Alaska at the time
22 the contract is signed.

23 * Sec. 19. AS 38.05.067(d) is repealed and reenacted to read:

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

27 * Sec. 20. AS 38.05.067(e) is amended to read:

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

1 * Sec. 21. AS 38.05.070(b) is amended to read:

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

10 * Sec. 22. AS 38.05.077(a) is repealed and reenacted to read:

11 (a) The commissioner shall designate remote parcel selection
12 areas and shall dispose of remote parcels in accordance with AS 38.04.-
13 020. The commissioner may set the number of remote parcels that may be
14 selected in each remote parcel selection area. A remote parcel may not
15 exceed 40 acres.

16 * Sec. 23. AS 38.05.077(c) is amended to read:

17 (c) A person who qualifies 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 (e) of
20 this section if he has staked the exterior boundaries of the remote
21 parcel in accordance with the parcel selection procedures established
22 under (b) of this section during an entry period established by the
23 commissioner. A [EACH] person [WHO IS ENTITLED TO SELECT A REMOTE
24 PARCEL] may enter a remote parcel selection [THE] area [FOR WHICH HE
25 APPLIED] to stake the boundaries of a remote parcel. A person shall
26 stake a remote parcel in person and may not be represented by an
27 attorney or agent.

28 * Sec. 24. AS 38.05.077(d) is amended to read:

29 (d) Not later than 15 days after [SELECTION AND] staking the

1 exterior boundaries of a remote parcel, the person who staked [SELECTED]
2 the parcel shall file a sketch plat with the department which shows the
3 location of the remote parcel [AND THE LOCATION OF THE LAND IN THE
4 PARCEL THAT HE INTENDS TO USE FOR RESIDENTIAL PURPOSES]. At the time
5 of filing the sketch plat, the person who staked [SELECTED] the parcel
6 shall apply to lease the land. An application to lease the land shall
7 be on a standard form prepared by the department. The annual rental
8 payment for the first year of the lease shall be submitted to the
9 department with the application. After the application to lease a
10 remote parcel is approved, the commissioner shall offer to lease the
11 land to the person who staked [SELECTED] the remote parcel. A lease
12 granted under this section shall contain the following terms:

13 (1) a remote parcel may be leased for five years;

14 (2) a remote parcel lease may be renewed at the option of
15 the lessee for a second five-year period under the same terms as pro-
16 vided for the first five-year period of the remote parcel lease; [AND]

17 (3) a rental payment shall be paid annually and shall be
18 \$10 for each acre; [\$150 A YEAR FOR FIVE ACRES OR LESS PLUS \$50 FOR
19 EACH ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES.]

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

24 * Sec. 25. AS 38.05.077 is amended by adding a new subsection to read:

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

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

28 (2) submit proof as required by regulation that he has been
29 a resident of the state for not less than one year immediately preced-

1 ing the date his application was submitted; and

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

5 * Sec. 26. AS 38.05.078(a) is repealed and reenacted to read:

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

8 * Sec. 27. AS 38.05.078(c) is repealed and reenacted to read:

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

14 * Sec. 28. AS 38.05.078 is amended by adding new subsections to read:

15 (g) If a person stakes a remote parcel in good faith but includes
16 land in his parcel that was previously claimed by another person eli-
17 gible to stake a remote parcel, the director shall approve that part of
18 the later staking that does not conflict with the earlier staking and
19 allow the person to stake additional land in the remote parcel staking
20 area.

21 (h) If a person stakes a remote parcel in good faith but includes
22 land in his parcel that is outside the remote parcel staking area, the
23 director shall either disapprove the staking of land outside the remote
24 parcel staking area and allow the person to stake additional land in
25 the remote parcel staking area or he may approve the staking of the
26 land outside the remote parcel staking area.

27 * Sec. 29. AS 38.05.095(b) is amended to read:

28 (b) A nonprofit organization that is exempted from paying rent on
29 state land under AS 38.05.315 [AS 38.05.097] may not sublease or assign

1 the land or a portion of it on which it has a lease.

2 * Sec. 30. AS 38.05.097(a) is amended to read:

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

8 * Sec. 31. AS 38.05.102 is amended to read:

9 Sec. 38.05.102. LESSEE PREFERENCE. If land within a leasehold
10 created under AS 38.05.070 - 38.05.100 is offered for sale or long-term
11 lease at the termination of the existing leasehold, the director may,
12 if he finds that it is in the best interest of the state, allow the
13 holder in good standing of that leasehold to purchase or lease the land
14 for its appraised fair market value at the time of the sale or long-term
15 lease [THE AMOUNT OF THE HIGH BID RECEIVED AT PUBLIC AUCTION].

16 * Sec. 32. AS 38.05.127 is amended by adding a new subsection to read:

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

23 * Sec. 33. AS 38.05.305 is repealed and reenacted to read:

24 Sec. 38.05.305. LAND DISPOSAL IN THE UNORGANIZED BOROUGH. Before
25 a sale, lease under AS 38.05.070 - 38.05.105, or other disposal of
26 state land in the unorganized borough, the commissioner shall consider
27 the effect that the sale, lease, or other disposal may be expected to
28 have on the density of the population in the vicinity of the land, and
29 any potential for conflicts with the traditional uses of the land that

1 could result from the sale, lease or disposal. If he finds it neces-
2 sary, the commissioner shall develop a plan to resolve or mitigate the
3 conflicts in a manner consistent with the public interest and the
4 provisions of this chapter.

5 * Sec. 34. AS 38.05.315(b) is amended to read:

6 (b) Notwithstanding AS 38.05.070 - 38.05.080 and [,] 38.05.095,
7 [AND AS 38.05.100] the director, upon application filed by an applicant
8 eligible under (b) - (d) of this section, may, by negotiation and
9 without public auction in the manner prescribed in (b) - (d) of this
10 section, lease state land for a term of not more than 55 years. Before
11 leasing, the director shall prepare a land use plan and a land classi-
12 fication to insure that the proposed use is compatible with area utili-
13 zation. Before the land may be leased under (b) - (d) of this section,
14 it must be shown to the satisfaction of the director that the land is
15 to be used for an established or definitely proposed project, and that
16 the eligible applicant has the financial ability to carry out the
17 project. The commissioner may establish limitations on the acreage
18 which may be leased under (b) - (d) of this section to an applicant.

19 * Sec. 35. AS 38.05.315(d) is amended to read:

20 (d) The director may lease the land to an eligible applicant at a
21 reasonable annual rental, taking into consideration the purposes for
22 which the land is to be used and the financial resources of the appli-
23 cant. The [, BUT IN NO CASE MAY THE] rental may not be less than one
24 percent of the fair market value on lands acquired primarily for devel-
25 opment, or less than five percent of the fair market value on [SCHOOL,]
26 university [, MENTAL HEALTH,] or acquired lands. Rent may not be
27 charged for state land leased for a youth encampment. For the purposes
28 of this subsection, "youth encampment" shall be defined by the commis-
29 sioner by regulation. Renewal leases may be issued at the discretion

1 of the director upon the expiration of a primary or renewal term. Each
2 lease shall contain a provision for its termination as to all or part
3 of the lands upon a finding by the director that the land or a part of
4 it has not been used by the lessee for the purpose specified in the
5 lease for a period of two years. No lease may be assigned or subleased
6 except with the consent of the director, and in any case may only be
7 transferred to an applicant eligible under (b) - (d) of this section.
8 A lessee may not change the use specified in the lease to another or
9 additional use except with the consent of the director. If, at any
10 time after the land is leased, the lessee attempts to assign the lease
11 or transfer control over the land to another, or if the land is devoted
12 to a use other than that for which the land was leased without the
13 consent of the director, the lease automatically terminates.

14 * Sec. 36. AS 38.05.345 is repealed and reenacted to read:

15 Sec. 38.05.345. NOTICE. (a) This section establishes the re-
16 quirements for notice given by the department for the following actions:

17 (1) classification or reclassification of state land under
18 AS 38.05.300 and the closing of land to mineral leasing or entry under
19 AS 38.05.185;

20 (2) zoning of land under applicable law;

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

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

25 (b) Notice of one or more actions described in (a) of this section
26 shall be given at least 30 days before the action by (1) publication in
27 newspapers of statewide circulation and in a newspaper of general
28 circulation in the vicinity of the proposed action, (2) publication
29 through public service announcements on the electronic media serving

1 the area affected by the action, (3) posting in a conspicuous location
2 in the vicinity of the action, (4) notification of parties known or
3 likely to be affected by the action, or (5) another method calculated
4 to reach affected persons. A notice shall contain sufficient informa-
5 tion to inform the public of the nature of the action and the opportu-
6 nity of the public to comment on the action.

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

9 (1) to a municipality if the land is within the boundaries
10 of the municipality;

11 (2) to a regional corporation if the boundaries of the
12 corporation as established by sec. 7(a) of the Alaska Native Claims
13 Settlement Act encompass the land and the land is outside a municipal-
14 ity;

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

19 (4) to the postmaster of a permanent settlement of more than
20 25 persons located within six miles of the land if the land is located
21 outside a municipality, with a request that the notice be posted in a
22 conspicuous location.

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

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

1 (1) a permit or other authorisation revocable by the depart-
2 ment; or

3 (2) negotiated sales under AS 38.05.115.

4 * Sec. 37. AS 38.08.010(b) is amended to read:

5 (b) Land classified as homesite entry land shall be divided into
6 parcels not exceeding five acres in reasonably compact form, with
7 boundaries conforming as nearly as practicable to natural geologic and
8 topographic features. A parcel may exceed five acres if the director
9 determines that a larger parcel is necessary to

10 (1) comply with local zoning ordinances; or

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

14 * Sec. 38. AS 38.08.060(a)(1) is amended to read:

15 (1) occupies the land for a cumulative total of 35 months
16 within the seven-year [FIVE-YEAR] period following issuance of the
17 homesite entry permit;

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

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

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

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

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

2 (2) "subdivision"

3 (A) means the division of a tract or parcel of land
4 into two or more lots, sites, or other divisions for the purpose,
5 whether immediate or future, of sale or building development, and
6 includes resubdivision and, when appropriate to the context,
7 relates to the process of subdividing or to the land or areas
8 subdivided;

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

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

14 (a) The governor may [SHALL] establish, within the Department of
15 Natural Resources, a division of forestry [FOREST, LAND, AND WATER
16 MANAGEMENT] to carry out this chapter and other appropriate duties
17 designated by the governor. The division shall be headed by a director
18 who shall be the state forester, appointed to the partially exempt
19 service in accordance with law by the commissioner, from a list of two
20 or more candidates submitted by the board. The commissioner may reject
21 all candidates, in which case the board shall submit a new list. The
22 state forester shall be a natural resources land manager with generally
23 accepted educational credentials, familiar and experienced with the
24 renewable and nonrenewable resources and values of forest land and the
25 products, benefits, and services obtained from them.

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

27 Sec. 26. A right of repurchase created by former AS 34.10.220 and
28 existing on the effective date of this section may be exercised only if
29 it is exercised under that statute before July 19, 1983 [WITHIN THREE

1 YEARS FOLLOWING THE EFFECTIVE DATE OF THIS SECTION]. The Department
2 of Natural Resources [DIVISION OF LANDS] shall publish notice of the
3 expiration of [ALL] such repurchase rights in the manner provided by
4 AS 38.05.345 before [JANUARY 1, 1979 AND AGAIN BEFORE JANUARY 1, 1980
5 AND BEFORE JANUARY 1, 1981] January 1, 1982 and before January 1, 1983
6 for repurchase rights on properties that were foreclosed upon and
7 deeded to the Territory or State of Alaska under former AS 34.10.010 -
8 34.10.240 or predecessor territorial acts.

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

11 Sec. 12. CONVERSION OF LEASES. The provisions of secs. 9 - 11 of
12 this Act are applicable to state leases which are in existence on or
13 before the effective date of this Act if a lessee under a lease elects,
14 in writing, to be bound by this Act. When a lessee elects to be bound
15 by the provisions of this Act, the state shall enter into an amended
16 lease with the lessee for a term equal to the remaining period of the
17 original lease which is being converted, and that amended lease shall
18 be consistent with the provisions of this Act but shall not otherwise
19 alter the terms of the original lease. However, for purposes of deter-
20 mining the annual rent by the state, the fair market value of the
21 property which is used to establish the fixed base annual rent for the
22 initial period of the lease may not exceed the fair market value as it
23 was last appraised on or before July 1, 1974 [JANUARY 1, 1975], brought
24 forward to the date of the first day of the quarter following the date
25 of a request for conversion at the rate of 10 percent a year, or, if
26 the lease was entered into after July 1, 1974 [JANUARY 1, 1975], the
27 fair market value used to establish the annual rent for the initial
28 period of the new lease is the fair market value of the last appraisal
29 brought forward to the date of conversion at the rate of 10 percent per

1 year.

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

3 * Sec. 46. A person who selected a remote parcel or acquired a right to
4 select a remote parcel before July 1, 1981, is entitled to convert his
5 remote parcel lease agreement to a new lease agreement that contains terms
6 and conditions consistent with AS 38.05.077(a) and (d), 38.05.078(a) and (c)
7 and the repeal of AS 38.05.078(b) enacted in secs. 23, 25, 27, 28, and 45 of
8 this Act. The director of the division of lands, Department of Natural
9 Resources, shall prepare and distribute new lease forms to persons described
10 in this section. The director shall apply rent paid in excess of the rental
11 established in AS 38.05.077(d)(3) enacted in sec. 25 of this Act to rental
12 payments coming due after July 1, 1981, or to the purchase of a remote
13 parcel after July 1, 1981.

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

17 (1) in the homesite entry permit; or

18 (2) by AS 38.08.060(a).

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

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

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

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

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