

Introduced: 2/19/81
Referred: Community & Regional
Affairs

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 193

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 disposal and use of state and
7 municipal land; and providing for an effective date."

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

9 * Section 1. AS 38.04 is amended by adding a new section to read:

10 Sec. 38.04.017. CONSIDERATION BEFORE DISPOSAL OF LAND FOR PRIVATE
11 USE. When considering the classification of state land for disposal
12 for private use under AS 38.04.020(f), the director shall consider the
13 existing and potential opportunities for other uses of the land which
14 will be lost as a result of its disposal.

15 * Sec. 2. AS 38.04.020(a) is amended to read:

16 (a) The commissioner shall establish a land disposal bank which
17 contains state land that is available for disposal for private owner-
18 ship. The [BY JULY 1, 1979, THE] land disposal bank shall contain [AT
19 LEAST 250,000 ACRES OF] state land which is available for

- 20 (1) use as remote cabin sites under AS 38.05.079;
21 (2) disposal for recreational and residential use;
22 (3) disposal for commercial use; [AND]
23 (4) disposal for industrial use; and
24 (5) disposal for agricultural use.

25 * Sec. 3. AS 38.04.020(b) is amended to read:

26 (b) By November 1, 1983 [1979], the commissioner shall classify
27 and deposit in the land disposal bank all state land [IN A MUNICIPALITY]
28 that is not

- 29 (1) identified for one or more of the purposes specified

1 in AS 38.05.047(a)(1) - (4) or 38.05.047(a)(5)(E) - (G) and (I) -- (P)
2 [(5)]; or

3 (2) nominated for selection or selected by a municipality to
4 satisfy a general grant land entitlement under AS 29.18.201 -- 29.18.203

5 * Sec. 4. AS 38.04.020(c) is amended to read:

6 (c) The [AFTER JANUARY 1, 1981, THE] land disposal bank shall
7 contain at least 500,000 acres of state land which is available for the
8 purposes set out in (a) of this section [AND ALL STATE LAND IN A MUNICI-
9 PALITY THAT IS NOT CLASSIFIED FOR ONE OR MORE OF THE PURPOSES SPECIFIED
10 IN AS 38.05.047(a)(1) -- (5) BEFORE SEPTEMBER 1, 1980].

11 * Sec. 5. AS 38.04.020(d) is repealed and reenacted to read:

12 (d) Disposal of land in the land disposal bank during each fiscal
13 year must be based upon an assessment by the commissioner of the cur-
14 rent needs and anticipated uses of state land in the different regions
15 of the state. The assessment must be completed each year, in writing,
16 and must include a survey of the supply of land in private ownership
17 currently on the market, plans for the disposal of municipal land which
18 have been submitted under AS 38.05.048, and the amount of federal land
19 available for disposal through sales, leases, or permits for specific
20 activities. The demand for state land must be evaluated in the assess-
21 ment on the basis of a purchase price equivalent to that of comparable
22 lands in private ownership. The assessment must include findings
23 regarding the amount of state land which is necessary to meet the
24 statewide demand for three fiscal years immediately after the year in
25 which the assessment is made. The assessment must also include the
26 location of land to be disposed of and recommendations for the methods
27 of disposal and terms under which the land will be offered to the
28 public. The assessment must be provided annually to municipalities
29 within which disposals of state land are recommended, at least 60 days

1 before the assessment is transmitted to the governor with the financing
2 request required by (f) of this section.

3 * Sec. 6. AS 38.04.020(e) is amended to read:

4 (e) The commissioner shall withdraw from the land disposal bank
5 state land [LOCATED OUTSIDE A MUNICIPALITY] that has been offered for
6 disposal but not conveyed within five years after inclusion in the land
7 disposal bank. State land withdrawn from the land disposal bank under
8 this section must be reclassified in compliance with AS 38.04.065
9 [BECOMES STATE PUBLIC DOMAIN LAND AND, THROUGH CLASSIFICATION, MAY BE
10 MADE AVAILABLE FOR PRIVATE USE, SETTLEMENT, AND DEVELOPMENT AS WELL AS
11 FOR PUBLIC USES ASSOCIATED WITH SETTLEMENT AND DEVELOPMENT].

12 * Sec. 7. AS 38.04.020(f) is amended to read:

13 (f) The commissioner shall annually submit to the governor a fi-
14 ancing request [THREE ALTERNATIVE FINANCING REQUESTS] for the disposal
15 of state land in the land disposal bank including maps showing the areas
16 in which disposals are located. The request [ALTERNATE REQUESTS] for
17 each fiscal year must [SHALL] be submitted with the budget submitted to
18 the legislature by the governor. [THE ALTERNATE REQUESTS MUST SPECIFY
19 THE AMOUNT OF LAND TO BE OFFERED FOR PRIVATE OWNERSHIP UNDER EACH
20 ALTERNATIVE, THE LOCATION OF THE LAND, AND THE DISPOSAL PROGRAM UNDER
21 WHICH THE LAND WILL BE OFFERED.] The financing request must [ALTERNA-
22 TIVES SUBMITTED SHALL] include

23 (1) an estimate of the appropriations required to finance
24 the disposal of the land identified for disposal during that [THE]
25 fiscal year;

26 (2) an estimate of the appropriations required to finance
27 the survey [DISPOSAL] of [ONE-HALF] the amount of land recommended
28 [IDENTIFIED] for disposal during the first succeeding fiscal year;
29 [AND]

1 (3) an estimate of the appropriations required to finance
2 the identification and classification of the amount of [DISPOSAL OF 50
3 PER CENT MORE] land recommended [THAN IDENTIFIED] for disposal during
4 the second succeeding fiscal year;

5 (4) if state land is recommended for disposal as subdivisions
6 inside a municipality, an estimate for each subdivision of the appro-
7 priations required to pay the expenses of construction of access roads
8 or capital improvements required by municipal subdivision ordinance or
9 regulation of the local platting board under AS 29.33.150; and

10 (5) if a municipality has submitted a loan request to the
11 commissioner for financial assistance to carry out a municipal land
12 disposal program under AS 38.05.048, an estimate of the appropriations
13 required to pay the expenses of identification, classification, survey
14 and disposal of municipal land during the fiscal year.

15 * Sec. 8. AS 38.04.020(g) is amended to read:

16 (g) A person, state agency, or [A] municipality may nominate
17 state land for classification or reclassification for either private
18 ownership or state retention as public use lands under AS 38.05.047 [OR
19 MAY NOMINATE LAND WHICH IS CONTAINED IN THE LAND DISPOSAL BANK FOR
20 RECLASSIFICATION]. In addition, the [THE] commissioner shall hold
21 public hearings semiannually to take nominations of state land under
22 this subsection. The commissioner shall issue a written finding if he
23 determines that land nominated under this subsection will not be class-
24 ified or reclassified according to the nominations received, or that
25 classification or reclassification will be delayed until a determination
26 under AS 38.04.065 or AS 38.05.300 - 38.05.305 is made [DURING A PUBLIC
27 HEARING REQUIRED BY THIS SUBSECTION].

28 * Sec. 9. AS 38.04.020 is amended by adding a new subsection to read:

29 (h) In the estimates of the cost of the land disposal program

1 required in the financing request by (f) of this section, the commis-
2 sioner shall include the expenses for administration of the land dis-
3 posals, including overhead, the expenses of providing financing terms
4 for land sale contracts, and the costs incurred to administer the land
5 disposals and maintain capital improvements, if applicable.

6 * Sec. 10. AS 38.04 is amended by adding a new section to read:

7 Sec. 38.04.037. LAKEFRONT DEVELOPMENT STANDARDS. The commissioner
8 shall by regulation establish lakefront development standards on a
9 statewide or regional basis. These regulations must provide for the
10 continued public use and enjoyment of public land and water resources.
11 Before adopting these regulations the commissioner shall consult with
12 other state agencies and municipalities. The commissioner may not
13 dispose of lakefront land unless the disposal complies with the regula-
14 tions adopted under this section.

15 * Sec. 11. AS 38.04.065 is amended by adding a new subsection to read:

16 (h) Official regional or area land use plans and amendments to
17 those plans adopted by the commissioner must be consistent with the
18 lakeshore development standards established under AS 38.04.037.

19 * Sec. 12. AS 38.05.047(a) is amended to read:

20 (a) The [NOTWITHSTANDING THE PROVISIONS OF AS 38.04, BEFORE
21 SEPTEMBER 1, 1980, THE] commissioner shall classify all state land [IN
22 A MUNICIPALITY] which he determines is best suited for

23 (1) designation by the legislature as a state park, a recrea-
24 tion area, a game refuge or sanctuary, or a fish and game critical
25 habitat area;

26 (2) designation by the governor as a state monument or his-
27 toric site under the authority granted by AS 41.35.030;

28 (3) after consultation with the Department of Fish and Game,
29 designation by the commissioner of natural resources and the commissioner

1 of transportation and public facilities as wilderness trails and camp-
2 sites under the authority granted by AS 41.20.080 and as roadside rests
3 and recreational beaches under the authority granted in AS 41.20.050;

4 (4) designation by the commissioner as trails and footpaths
5 which may be granted to a municipality or managed in cooperation with a
6 municipality as a part of the program established in AS 41.20.355 --
7 41.20.375; and

8 (5) management by the state [AFTER SEPTEMBER 1, 1980,] for
9 the following purposes:

10 (A) sale of remote parcels to individuals under AS 38.-
11 05.077;

12 (B) use by individuals as remote cabin sites under
13 AS 38.05.079;

14 (C) disposal for agricultural use;

15 (D) disposal for commercial use;

16 (E) harvest of timber in commercial quantities;

17 (F) use by individuals for livestock grazing under a
18 permit program;

19 (G) establishment of greenbelts along public roads and
20 highways;

21 (H) disposal for industrial use;

22 (I) extraction of materials;

23 (J) extraction of minerals, including oil and gas;

24 (K) retention in state ownership for public recreation
25 use;

26 (L) protection of watershed land;

27 (M) protection of wildlife habitat;

28 (N) easements for public utility facilities and pipe-
29 lines for the transportation of oil and gas; [AND]

1 (O) construction of air strips and transportation
2 facilities;

3 (P) protection from geophysical hazards; and

4 (Q) disposal for residential use.

5 * Sec. 13. AS 38.05.047(b) is repealed and reenacted to read:

6 (b) State land which is classified and deposited in the land bank
7 for the purposes specified in (a)(5)(A) -- (D), (H), and (Q) of this
8 section and which is not nominated for selection or selected by a
9 municipality to satisfy a general grant land entitlement under AS
10 29.19.201 -- 29.18.203 is available for disposal.

11 * Sec. 14. AS 38.05.047(c) is repealed and reenacted to read:

12 (c) The department shall include a municipality in its planning
13 for state lands located within the boundaries of the municipality which
14 are available for identification and classification for disposal under
15 (a) and (b) of this section. At least 60 days before submission to the
16 governor of the financing request required under AS 38.04.020(f), the
17 department shall provide to each municipality information regarding the
18 amounts and location of state land within that municipality proposed
19 for identification, classification, or survey under AS 38.04.020(f)
20 during the next fiscal year and the details of subdivision design of
21 state land recommended for disposal during the next year under AS 38.-
22 04.020(f). The information required by this subsection may be provided
23 in the findings of the assessment required by AS 38.04.020(d). The
24 municipality may, within 30 days after receipt from the department of
25 the information on proposed state land disposals, recommend alternative
26 locations, terms, and subdivision designs for the disposal of state or
27 municipal lands to meet the assessed needs and anticipated uses for
28 private land within the municipality. If municipal land is recommended
29 for disposal under AS 38.05.048 to satisfy all or a part of the assessed

1 need for land within the municipality, the department's financing
2 request under AS 38.04.020(f) must identify the state lands for which
3 disposal is not recommended if loans for disposal of the municipal land
4 are approved by the legislature.

5 * Sec. 15. AS 38.05.047(d) is amended to read:

6 (d) All state land [IN A MUNICIPALITY] which is selected by the
7 state under section 6(a) or (b) of the Alaska Statehood Act (P.L.
8 85-508) and tentatively approved for patent to the state [AFTER JULY 1,
9 1979], shall be classified by the commissioner in accordance with (a)
10 of this section not later than November 1, 1983, or two years after the
11 land is tentatively approved for patent to the state, whichever occurs
12 later. [STATE LAND IN A MUNICIPALITY WHICH IS NOT CLASSIFIED BEFORE
13 THE TIME REQUIRED BY THIS SECTION IS AVAILABLE FOR DISPOSAL UNDER (f)
14 OF THIS SECTION.]

15 * Sec. 16. AS 38.05.047(f) is amended to read:

16 (f) Parcels of state land for disposal in subdivisions may not
17 exceed five acres. However, if the commissioner determines that larger
18 parcels are necessary to permit the full use and enjoyment of the land,
19 the parcels in a subdivision may not exceed 40 acres. The [AFTER A
20 SUBDIVISION PLAT DEVELOPED UNDER (e) OF THIS SECTION IS RECORDED, THE]
21 commissioner shall each fiscal year offer

22 (1) 80 percent of the subdivision parcels offered in the
23 state [IN A SURVEY DISTRICT] for sale under the procedures for a lot-
24 tery sale specified in AS 38.05.057 and 38.05.065(b) (lotteries);

25 (2) 10 percent of the subdivision parcels offered in the
26 state [IN A SURVEY DISTRICT] for homesites under AS 38.08; and

27 (3) an additional 10 percent of the subdivision parcels
28 offered in the state [IN A SURVEY DISTRICT] for homesites under AS
29 38.08, except that notwithstanding AS 38.08.040(b), parcels offered

1 under this paragraph may be the subject of a lottery sale under AS
2 38.05.057 if more than one eligible person applies for the same home-
3 site.

4 * Sec. 17. AS 38.05 is amended by adding a new section to read:

5 Sec. 38.05.048. FINANCIAL ASSISTANCE FOR DISPOSAL OF MUNICIPAL
6 LAND. (a) Each fiscal year a municipality may apply for a loan to
7 implement a land disposal program of municipal land. The loan request
8 must be submitted to the commissioner on forms prepared by the depart-
9 ment. The department shall include in the financing request submitted
10 to the governor under AS 38.04.020(f) a request for enough money to
11 make the loans for the loan requests approved by the commissioner. The
12 municipality's request may include amounts to finance the expenses of
13 identifying and classifying land for disposal, surveying land for
14 subdivisions, designing subdivision plats, and installing improvements.
15 In this subsection "improvements" include access roads, street paving,
16 sewer and water lines, and other public facilities and improvements
17 which are required by municipal subdivision ordinance or regulation of
18 the local platting board adopted under AS 29.33.150.

19 (b) The municipality's first loan request under this section must
20 be accompanied by a plan for the disposal of municipal land over at
21 least five consecutive years. The plan must be based on an assessment
22 of the need for private land within the municipality and other relevant
23 factors. The plan must contain:

24 (1) an estimate of the acres of municipal land to be dis-
25 posed of by the municipality during each fiscal year of the five-year
26 period;

27 (2) a description of the methods to be used for the disposal
28 of municipal land;

29 (3) a description of the municipal land to be disposed of

1 each fiscal year during the five-year period; and

2 (4) a statement of the terms under which the municipal land
3 will be offered to the public.

4 (c) A loan request submitted under this section must meet the
5 requirements of (a) and (b) of this section before being submitted by
6 the commissioner to the governor for inclusion in the budget submitted
7 to the legislature. Loan requests submitted under this section must
8 set out the amounts necessary to accomplish the objectives for each
9 fiscal year of the municipality's plan for land disposal. If amounts
10 for capital improvements are included in the request, a loan under this
11 section may not exceed the amount necessary to finance improvements
12 required by municipal ordinance or regulation of the platting board of
13 the municipality.

14 (d) Unless designated a grant by the legislature, amounts appro-
15 priated under this section to finance loan requests of a municipality
16 must be repaid to the state. Loans under this section may be made sub-
17 ject to a disbursement schedule established by the department. Repay-
18 ment must begin after disposal of the land or within 18 months after
19 the date of disbursement, whichever is earlier. The loan must be re-
20 paid in monthly, quarterly, or annual installments over a period of not
21 more than 20 years, with interest at the prevailing rate for real es-
22 tate mortgage loans made by the federal land bank for the farm credit
23 district for Alaska at the time the loan is approved.

24 (e) The commissioner may adopt regulations under the Administra-
25 tive Procedure Act (AS 44.62) necessary to administer the loan program
26 established by this section.

27 * Sec. 18. AS 38.05.057(a) is amended to read:

28 (a) The commissioner may dispose of land, including land limited
29 to use for agricultural purposes, by lottery. The purchase price of

1 land sold by lottery shall be the fair market value of the land as de-
2 termined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,
3 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-
4 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner may
5 sell land by lottery for less than the fair market value of the land if
6 he determines that scarcity of land for private use in the area of the
7 land to be sold has resulted in unrealistic land values. Before the
8 commissioner determines the purchase price for land which is located in
9 a municipality and which is to be sold under this section, he shall
10 consult with the assessor of the municipality. The lottery shall be
11 conducted in public by the commissioner or his representative, and be-
12 fore [AT THE TIME OF] signing a contract of sale a purchaser selected
13 by lot shall deposit an amount equal to five percent of the purchase
14 price, or if the purchaser elects to use land discounts granted under
15 AS 38.05.058, five percent of the [DISCOUNT] purchase price after de-
16 duction of the discount.

17 * Sec. 19. AS 38.05.077(a) is amended to read:

18 (a) The commissioner shall, under the procedures required by AS
19 38.05.047, 38.05.300, [AND] 38.05.305, and 38.05.345, classify state
20 land which is suitable for disposal as remote parcels. The commission-
21 er shall designate remote parcel selection areas consisting of land
22 classified under this section. The commissioner shall set the number
23 of remote parcels that may be selected in each remote parcel selection
24 area. A remote parcel may not exceed 40 acres. [THE COMMISSIONER
25 SHALL DETERMINE FOR EACH REMOTE PARCEL SELECTION AREA, THE AMOUNT OF
26 LAND IN EACH REMOTE PARCEL THAT MAY BE USED FOR RESIDENTIAL PURPOSES.
27 LAND WHICH MAY BE USED FOR RESIDENTIAL PURPOSES IN A REMOTE PARCEL MAY
28 NOT BE LESS THAN TWO ACRES AND MAY NOT EXCEED FIVE ACRES.]

29 * Sec. 20. AS 38.05.077(c) is amended to read:

1 (c) A person meeting the requirements of (g) of this section may
2 apply [UNDER THE PROCEDURES SET OUT IN AS 38.05.057] to lease a remote
3 parcel in a parcel selection area designated by the commissioner under
4 (a) of this section after he has staked the exterior boundaries of the
5 remote parcel in accordance with parcel selection procedures estab-
6 lished by the commissioner by regulation. A [EACH] person [WHO IS EN-
7 TITLED TO SELECT A REMOTE PARCEL] may enter a remote parcel selection
8 [THE] area designated by the commissioner [FOR WHICH HE APPLIED] to
9 stake the boundaries of a remote parcel.

10 * Sec. 21. AS 38.05.077(d) is amended to read:

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

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

25 (2) a remote parcel lease may be renewed at the option of
26 the lessee for a second five-year period under the same terms as pro-
27 vided for the first five-year period of the remote parcel lease; and

28 (3) a rental payment shall be paid annually and shall be \$10
29 an acre [\$150 A YEAR FOR FIVE ACRES OR LESS PLUS \$50 FOR EACH ACRE BY

1 WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES].

2 * Sec. 22. AS 38.05.077 is amended by adding a new subsection to read:

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

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

6 (2) submit proof, as required by regulation, that he has
7 been a resident of the state for not less than one year immediately
8 preceding the date his application was submitted; and

9 (3) certify that he has not previously leased a remote par-
10 cel from the state.

11 * Sec. 23. AS 38.05.078(a) is amended to read:

12 (a) A lessee of a remote parcel may purchase the land leased
13 [USED FOR RESIDENTIAL PURPOSES IN A REMOTE PARCEL] if, before the ex-
14 piration of the lease or [A RENEWAL OF THE] lease renewal, he

15 (1) pays a deposit to the department equal to five percent
16 of the fair market value of the land under (c) of this section; and

17 (2) surveys the [RESIDENTIAL] land [AND ERECTS A HABITABLE
18 DWELLING ON THE LAND].

19 * Sec. 24. AS 38.05.078(c) is amended to read:

20 (c) A lessee of a remote parcel may purchase land in the [A] re-
21 remote parcel under the terms specified in AS 38.05.065(b). The purchase
22 price of land sold under this section shall be its fair market value as
23 determined by the commissioner, less the total amount paid to the de-
24 partment in annual rental fees under AS 38.05.077(d)(3). The valuation
25 date for determining the fair market value of land sold under this sec-
26 tion is the date that the remote parcel lease to the purchaser of the
27 land [PLAT OF SURVEY] is approved by the commissioner.

28 * Sec. 25. AS 38.08.010(b) is amended to read:

29 (b) Land classified as homesite entry land shall be divided into

1 parcels not exceeding five acres in reasonably compact form, with
2 boundaries conforming as nearly as practicable to natural geologic and
3 topographic features. However, a parcel may exceed five acres if ne-
4 cessary to conform to a municipal ordinance, if a regulation adopted by
5 the Department of Environmental Conservation requires larger parcels in
6 the area to prevent water pollution, or if the commissioner determines
7 that a larger size is necessary to permit the full use and enjoyment of
8 the land.

9 * Sec. 26. AS 40.15.010 is amended by adding a new subsection to read:

10 (b) If a platting board or other local subdivision authority hav-
11 ing jurisdiction fails to take action on a subdivision plat of state
12 land classified for disposal under AS 38.05 or AS 38.08 within 60 days
13 after the final plat is submitted by the department for approval, or
14 places conditions upon the approval of a state subdivision plat which
15 are not acceptable to the department, the department may deduct the
16 number of acres in that subdivision from the total amount of state land
17 for which the legislature has made an appropriation for disposal during
18 that fiscal year. Before the 10th day of the next regular session of
19 the legislature, the department shall submit a report to the legisla-
20 ture which lists all state subdivisions scheduled for disposal during
21 the preceding fiscal year which were not disposed of under this subsec-
22 tion. The report must contain an explanation of the department's
23 determination not to dispose of the land.

24 * Sec. 27. AS 38.05.047(e), 38.05.077(b)(2), 38.05.078(b), 38.05.078(d)-
25 (1) and (f) are repealed.

26 * Sec. 28. A person who selected a remote parcel or acquired a right to
27 select a remote parcel before July 1, 1981, is entitled to convert his re-
28 mote parcel lease agreement to a new lease agreement which contains terms
29 and conditions consistent with AS 38.05.077(d) and 38.05.078(a) and (c) en-

1 acted in secs. 21, 23, and 24 of this Act. The commissioner shall prepare
2 and distribute new lease forms to persons described in this section.

3 * Sec. 29. This Act takes effect July 1, 1981.
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