

Offered: 5/22/84
Referred: Rules

Original sponsor: Resources Committee

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 222 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to the responsibilities and
7 functions of the Department of Natural Resources in
8 connection with state land; and providing for an
9 effective date."
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
11 * Section 1. AS 19.30.060 is amended to read:
12 Sec. 19.30.060. PURPOSE. It is the purpose of AS 19.30.060 -
13 19.30.100 to provide access to state lands that [WHICH] are programmed
14 for surface or forest products disposal, and to provide access roads
15 at the lowest possible cost.
16 * Sec. 2. AS 19.30.070 is amended to read:
17 Sec. 19.30.070. PLANNING AND [CONTRACTS FOR] CONSTRUCTION OF
18 ROADS. The commissioner of natural resources [DIRECTOR OF THE DIVI-
19 SION OF LANDS] may plan and construct roads or contract with private
20 persons for the construction of roads to and on state land [LANDS]
21 programmed for surface or forest products disposal [WHICH ARE NOT MORE
22 THAN SIX MILES FROM EXISTING ROADS OR HIGHWAYS].
23 * Sec. 3. AS 19.30.080 is amended to read:
24 Sec. 19.30.080. CONSTRUCTION STANDARDS AND MAINTENANCE. An
25 access road constructed under AS 19.30.060 - 19.30.100 shall be of low
26 standard, not necessarily suitable for all weather use. The state is
27 not under obligation to maintain an access road constructed under
28 AS 19.30.060 - 19.30.100. If an access road is constructed outside a
29 municipality that has zoning ordinances, the right-of-way width for

1 the road shall be determined by the Department of Natural Resources
2 [DIVISION OF LANDS] and the Department of Transportation and Public
3 Facilities. If an access road is constructed within the boundaries of
4 a municipality that has zoning ordinances, the right-of-way width
5 shall conform to the subdivision control ordinances of the municipal-
6 ity. Contracts for the work on an access road shall be awarded to the
7 lowest responsible bidder qualified to contract with the state.

8 * Sec. 4. AS 19.30.090 is amended to read:

9 Sec. 19.30.090. PAYMENT OF CONSTRUCTION COSTS [IN LAND CREDIT
10 CERTIFICATES]. The cost of constructing access roads to state land
11 [LANDS] shall be paid in appropriated funds or freely transferable
12 land credit certificates which may be applied toward the purchase or
13 lease of any state land [LANDS] under the jurisdiction of the Depart-
14 ment of Natural Resources [DIVISION OF LANDS], except tide, submerged,
15 and shoreland and land [SHORELANDS AND LANDS] belonging to the state
16 which have been obtained by escheat, purchase, or any means other than
17 by general land grant. A land credit certificate is valid for a
18 period of 20 years after issue. After the expiration of 20 years from
19 date of issue the holder may not start an action against the state or
20 any person based upon the certificate. The method of disposing of
21 land [LANDS] and resources and restrictions upon their disposal estab-
22 lished by law or regulation are in no way affected by the use of land
23 credit certificates.

24 * Sec. 5. AS 29.18.202 is amended to read:

25 Sec. 29.18.202. DETERMINATION OF ENTITLEMENT FOR CITIES. The
26 general grant land entitlement of a city formerly eligible to receive
27 general grant land under the provisions of former AS 29.18.190 and
28 29.18.200 [, AS REPEALED BY THIS ACT,] is 10 percent of the maximum
29 total acreage of vacant, unappropriated, unreserved land within the

1 boundaries of each city at any time between the initial date of eligi-
2 bility under former AS 29.18.190 and 29.18.200 and July 1, 1978.
3 Within six months of July 1, 1978, the commissioner [DIRECTOR] shall
4 determine the entitlement for each city eligible to receive general
5 grant land under this section and certify that entitlement to the
6 city.

7 * Sec. 6. AS 29.18.203(b) is amended to read:

8 (b) Within six months of the date of incorporation of a munici-
9 pality which is incorporated after July 1, 1978, the commissioner
10 [DIRECTOR] shall determine the entitlement of each municipality eli-
11 gible to receive general grant land under (a) of this section and
12 certify the entitlement to the municipality.

13 * Sec. 7. AS 29.18.204(c) is amended to read:

14 (c) Land may be selected or nominated for selection by a munic-
15 ipality to satisfy a general grant land entitlement under AS 29.18.201
16 and 29.18.202 at any time before October 1, 1980. However, if a
17 municipal selection or nomination or a part of a municipal selection
18 or nomination is rejected by the commissioner [DIRECTOR], the munic-
19 ipality may, not later than 90 days after receipt of the commission-
20 er's [DIRECTOR'S] rejection, select additional state land as necessary
21 to satisfy its entitlement.

22 * Sec. 8. AS 29.18.204(d) is amended to read:

23 (d) Land may be selected by a municipality to satisfy a general
24 grant land entitlement under AS 29.18.203 at any time within one year
25 after the commissioner [DIRECTOR] certifies the entitlement to the
26 municipality.

27 * Sec. 9. AS 29.18.205(b) is amended to read:

28 (b) All approved selections under former AS 29.18.190 and
29 29.18.200 for which patent has not been issued to a municipality on

1 July 1, 1978 shall be reviewed by the commissioner [DIRECTOR] within
2 nine months of July 1, 1978. Any approved selection of land which was
3 vacant, unappropriated or unreserved on the date of selection is valid
4 as of the date of the approval under former AS 29.18.190 and 29.18.-
5 200, and a patent shall be issued to the municipality within three
6 months after approval by the commissioner [DIRECTOR] of a plat of
7 survey. The acreage shall be credited toward fulfillment of the
8 municipality's entitlement. No municipality is entitled to receive
9 patent under AS 29.18.011 - 29.18.610 to more than its entitlement
10 determined under AS 29.18.201 - 29.18.203. Any prior approval by the
11 commissioner [DIRECTOR] of municipal selections for land which was not
12 vacant, unappropriated or unreserved on the date of selection shall be
13 rescinded, and patent may not be issued except when disposal to a
14 third party by sale or lease has occurred. Transfers of land to
15 municipalities under AS 29.18.011 - 29.18.610 are subject to AS 38.-
16 05.321. Classification actions as reflected upon the land status
17 records of the Department of Natural Resources are determinative of
18 land classification status for purposes of AS 29.18.011 - 29.18.610.

19 * Sec. 10. AS 29.18.205(f) is amended to read:

20 (f) The commissioner [DIRECTOR] shall approve each selection for
21 patent within nine months of its selection by a municipality, and a
22 patent shall be issued to the municipality for land selected in satis-
23 faction of a general grant land entitlement vested under AS 29.18.-
24 201 - 29.18.203 within three months after approval by the commissioner
25 [DIRECTOR] of a plat of survey.

26 * Sec. 11. AS 29.18.206(d) is amended to read:

27 (d) Within six months after approval of a municipal selection of
28 school, university, or mental health land, the commissioner [DIRECTOR]
29 shall identify state general grant land of approximately equal value

1 to the land requested by the municipality, and shall propose the
2 replacement land for the concurrence of the appropriate board. If a
3 proposal by the commissioner [DIRECTOR] is rejected by the board, the
4 commissioner [DIRECTOR] shall meet with the board as often as neces-
5 sary to determine the type and amount of equal value replacement land
6 that would be required to obtain the board's concurrence, and shall
7 propose the replacement land for consideration by the board. The
8 replacement land shall thereafter be managed for the purposes for
9 which the land selected by the municipality was acquired by the Terri-
10 tory and State of Alaska.

11 * Sec. 12. AS 29.18.206(e) is amended to read:

12 (e) The notice and review provisions of AS [38.05.305 AND]
13 38.05.345 are applicable to the designation of other general grant
14 land as school, university or mental health land in replacement of
15 land selected under this section. The provisions of AS 38.50 [AND
16 38.05.032] do not apply to such designations under this section. [THE
17 PROVISIONS OF AS 38.05.030(a), 38.05.030(e), AND 38.05.035(a)(13)
18 WHICH REQUIRE THE APPROVAL OF THE RESPECTIVE TRUST BOARD BEFORE DIS-
19 POSAL OF LANDS BY THE DIRECTOR DO NOT APPLY TO SELECTIONS OF SCHOOL,
20 UNIVERSITY OR MENTAL HEALTH LAND BY A MUNICIPALITY UNDER THIS SEC-
21 TION.]

22 * Sec. 13. AS 29.18.207(c) is amended to read:

23 (c) If land selected by a municipality is unsurveyed at the time
24 of approval, the commissioner [DIRECTOR] shall survey, or may approve
25 the municipality's survey of, the exterior boundaries of an approved
26 selection without interior subdivision, and shall issue patent in
27 terms of the exterior boundary survey. The cost of the survey shall
28 be borne by the municipality. If land selected by a municipality has
29 been surveyed at the time of its selection, the boundaries shall

1 conform to the public land subdivisions established by the approved
2 survey.

3 * Sec. 14. AS 29.18.207(d) is amended to read:

4 (d) The commissioner [DIRECTOR] may approve municipal selections
5 of land which have been tentatively approved or patented to the state
6 by the federal government, but the commissioner [HE] may not issue
7 patent to a municipality until the land has first been patented to the
8 state. After approval of a selection by the commissioner [DIRECTOR],
9 but before patent to a municipality, the municipality may execute
10 conditional leases and make conditional sales only with the consent of
11 the commissioner [DIRECTOR]. Conditional sales and conditional leases
12 made before July 1, 1978 do not require the consent of the commis-
13 sioner [DIRECTOR].

14 * Sec. 15. AS 29.18.209 is amended to read:

15 Sec. 29.18.209. AUTHORIZATION FOR LAND EXCHANGES. The [DIREC-
16 TOR, WITH THE CONCURRENCE OF THE] commissioner [,] and any municipal-
17 ity are authorized to exchange land or interests in land when it is in
18 the public interest. Land or interests in land exchanged under this
19 section must be of approximately equal value, including the non-
20 monetary value of public benefits. Exchange procedures shall comply
21 with applicable law and municipal ordinances. The notice and review
22 provisions of AS [38.05.305 AND] 38.05.345 are applicable to exchanges
23 of land under this section. The provisions of AS 38.50.010 - 38.50.-
24 170 do not apply to exchanges of land under this section.

25 * Sec. 16. AS 29.18.210(b) is amended to read:

26 (b) Where state land is the most logical location for demon-
27 strated municipal expansion for nonpublic settlement and development
28 purposes, and when an exchange of land under AS 29.18.209 is not
29 possible or is not in the public interest, it is the policy of the

1 state to sell or lease the land at public auction. The state may
2 contract with a municipality to act as its agent in an auction of
3 state land under applicable statutes. When a municipality acts as the
4 agent of the state in an auction, the municipality may retain from the
5 proceeds of the auction the expenses that [WHICH] the commissioner
6 [DIRECTOR] determines to be necessary and reasonable.

7 * Sec. 17. AS 29.18.210(c) is amended to read:

8 (c) Nothing in AS 29.18.011 - 29.18.610 limits or impairs the
9 authority of the commissioner [DIRECTOR] to transfer land to munic-
10 ipalities, without limit or consideration, for public purposes in
11 accordance with AS 38.05.315. If there is a remaining entitlement of
12 the municipality, land transferred under AS 38.05.315 shall be cred-
13 ited toward fulfillment of the entitlement.

14 * Sec. 18. AS 29.18.211(a) is amended to read:

15 (a) A municipality which on July 1, 1978 is engaged in litiga-
16 tion, or which becomes engaged in litigation, regarding a claim to
17 state land under former AS 29.18.190 and 29.18.200 shall elect either
18 to obtain the benefits provided in AS 29.18.201 - 29.18.213 or to
19 pursue the litigation and thereby waive any claim to entitlement under
20 AS 29.18.201 - 29.18.213. An election shall be made by filing a motion
21 for dismissal with prejudice in the court in which the litigation is
22 pending. If the claim involves a municipality identified in
23 AS 29.18.201, the municipality shall file its motion for dismissal
24 within 60 days of July 1, 1978. If the claim involves a city eligible
25 to receive an entitlement under AS 29.18.202, the city shall file its
26 motion for dismissal within 60 days after receiving the certificate of
27 entitlement provided by the commissioner [DIRECTOR] under AS 29.18.-
28 202. Failure of the municipality to file a motion for dismissal
29 during the time period provided in this subsection shall be considered

1 a waiver of entitlement under AS 29.18.201 - 29.18.213.

2 * Sec. 19. AS 29.18.213 is amended to read:

3 Sec. 29.18.213. DEFINITIONS. In AS 29.18.201 - 29.18.213,
4 unless the context otherwise requires,

5 [(1) Repealed]

6 (1) [(2)] "approved selection" means a municipal land
7 selection that [WHICH] has been approved in writing by the
8 commissioner [DIRECTOR] for transfer by patent to a municipality;

9 (2) [(3)] "commissioner" ["DIRECTOR"] means the
10 commissioner [DIRECTOR] of the [DIVISION OF LANDS,] Department of
11 Natural Resources, or the commissioner's [HIS] designee;

12 (3) [(4)] "general grant land" means land patented or
13 tentatively approved to the state from the United States under sec.
14 6(a) or (b) of the Alaska Statehood Act;

15 (4) [(5)] "mental health land" means land granted under
16 Title II, sec. 202 of P.L. 84-830, as amended before or after July 1,
17 1978;

18 (5) [(6)] "municipal land selection" means a request by a
19 municipality, filed in writing with the commissioner [DIRECTOR] under
20 authority of AS 29.18.190 and 29.18.200 repealed by this Act or under
21 AS 29.18.201 - 29.18.213 for vacant, unappropriated, unreserved
22 general grant land within its municipal boundaries in partial
23 fulfillment of its municipal entitlement;

24 (6) [(7)] "municipality" means a home rule or general law
25 city or organized borough of any class, and includes unified
26 municipalities established under AS 29.68.240 - 29.68.440;

27 (7) [(8)] "patent" means a document, issued by the
28 commissioner [DIRECTOR] to a municipality for a previously approved
29 selection, which conveys and quitclaims all the right, title and

1 interest of the state without reservation or condition except as may
2 be required by law;

3 (8) [(9)] "remaining entitlement" means the general grant
4 land entitlement determined in accordance with AS 29.18.201 -
5 29.18.213, reduced by the total acreage of approved selections,
6 including both patented and unpatented parcels;

7 (9) [(10)] "school land" means those rectangular sections
8 16 and 36 within each township surveyed on or before January 3, 1959,
9 and confirmed and transferred to the State of Alaska upon its
10 admission under sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any
11 other land designated solely for school revenues;

12 (10) [(11)] "university land" has the meaning given that
13 term in AS 38.05.365 [MEANS ALL SECTIONS 33 RESERVED TO THE UNIVERSITY
14 UNDER 38 STAT. 1214, AS AMENDED (48 U.S.C. 353) AND ALL LAND GRANTED
15 TO OR RESERVED FOR THE BENEFIT OF THE UNIVERSITY];

16 (11) [(12)] "vacant, unappropriated, unreserved land" means
17 general grant land as defined in (3) [(4)] of this section, excluding
18 minerals as required by sec. 6(i) of the Alaska Statehood Act, that
19 [WHICH]

20 (A) has not been set aside by statute for one or more
21 particular uses or purposes;

22 (B) has not been approved for patent to a municipality
23 under AS 29.18.201 - 29.18.213 or former AS 29.18.190 and
24 29.18.200 repealed by this act; or

25 (C) is unclassified or, if classified under
26 AS 38.05.300, is classified for agricultural, grazing,
27 commercial, industrial, private recreational, residential,
28 utility or open-to-entry purposes, or where classified in
29 accordance with an agreement between a municipality and the state

1 providing for state management of land of the municipality.

2 * Sec. 20. AS 30.15.040 is amended to read:

3 Sec. 30.15.040. DISPOSITION OF STATE LAND FOR PORT FACILITIES
4 DEVELOPMENT PROJECTS. The [DIVISION OF LANDS IN THE] Department of
5 Natural Resources, subject to the applicable provisions of AS 38.05
6 and AS 38.10, may convey title or other interests in state land,
7 provide for the exchange of state land, or make other arrangements
8 with respect to state land that may be necessary to complete a project
9 for which a state grant is approved under this chapter.

10 * Sec. 21. AS 38.04.005(b) is amended to read:

11 (b) In classifying state land for private use and settlement
12 purposes, the commissioner [DIRECTOR] shall make adequate provision
13 for public open space which is accessible to communities so that
14 natural areas are easily reached from all communities and settled
15 areas. The amount of that land shall be sufficient to meet existing
16 and projected needs for accessible public recreation land. Special
17 care shall be taken to preserve public access to public water and to
18 retain state ownership of sufficient land which combine high value for
19 recreation and other public purposes with accessibility to settled
20 areas. This classification for public purposes does not constitute
21 dedication to open space, but the department's [DIVISION'S] management
22 of land so classified shall be in a manner to preserve the identified
23 values.

24 * Sec. 22. AS 38.04.010(a) is amended to read:

25 (a) The primary public interest in conveying rights to state
26 land surface to private parties is to make them available to individ-
27 uals and other persons for direct use in areas classified as suitable
28 for these purposes. In making state land available for private use,
29 the commissioner [DIRECTOR] shall seek to guide year-round settlement

1 to areas where public services already exist, or can be extended with
2 reasonable economy, or where development of a viable economic base is
3 probable.

4 * Sec. 23. AS 38.04.025 is amended to read:

5 Sec. 38.04.025. VARIETY OF USES. In making state land available
6 for private use, the commissioner [DIRECTOR] shall endeavor to accom-
7 modate persons with a current need and anticipated use for the land.
8 To this end, the commissioner [DIRECTOR] shall assess the nature of
9 the supply and demand for state land in different regions and loca-
10 tions of the state, taking into account the supply of available land
11 under other ownership, and shall make land available in locations and
12 under programs suited to the differing needs of prospective users
13 throughout the state.

14 * Sec. 24. AS 38.04.030 is amended to read:

15 Sec. 38.04.030. LAND AVAILABILITY PROGRAMS. Programs which may
16 be used by the commissioner [DIRECTOR] to make the state's land sur-
17 face available for private use under this section include sale of
18 whole or partial rights to the fee simple estate, including conveyance
19 of agricultural use rights; leasing; [OPEN-TO-ENTRY;] homesiting;
20 homesteading; permitting for construction and occupation of cabins in
21 isolated locations on land retained in state ownership; and other
22 methods as provided by law.

23 * Sec. 25. AS 38.04.035 is amended to read:

24 Sec. 38.04.035. CRITERIA FOR PROGRAM SELECTION. In determining
25 which land availability program is appropriate for state land [LANDS]
26 in different locations, the commissioner [DIRECTOR] shall be guided by
27 the following criteria:

28 (1) To cover public costs associated with private land use
29 and to provide the public with a fair return for publicly owned

1 property, conveyance of state land to private parties should be at
2 fair market value except where otherwise authorized by statute, or by
3 an administrative regulation the adoption of which is specifically
4 permitted by statute.

5 (2) Sale or lease programs should be used where land is
6 readily accessible to a major community center or where, because of a
7 prime location on waterfront or a transportation route or some other
8 location characteristic, land has relatively high real estate value.

9 (3) Sale programs are preferred but lease programs should
10 be used

11 (A) where special land use controls are required and
12 there is a high public interest in having certain types of land
13 used for particular purposes;

14 (B) when the intended use is a temporary one;

15 (C) in commercial or industrial situations when a
16 leasehold can provide cash flow advantages to the lessee;

17 (D) when a unique location with special public values
18 is involved, as in a deep water port, hydroelectric site, or
19 aquaculture facility;

20 (E) where current demand for private use is high, but
21 projections suggest that, in the future, the land may be more
22 valuable for public use, as in accessible waterfront recreation
23 areas.

24 (4) For enabling isolated cabin development in remote
25 locations where survey and conveyance is impractical, a system for
26 cabin permits on public land may be used.

27 (5) Limited or conditional title may be granted when the
28 state's best interest so dictates. Among other things, title limita-
29 tions may include grants of agricultural interest only, retention of

1 development rights, and retention of scenic or other easements. A
2 conditional title may be tied to a development schedule or other
3 standards of performance.

4 * Sec. 26. AS 38.04.045(b) is amended to read:

5 (b) Before the conveyance of surface rights to state land, an
6 official cadastral survey shall be accomplished, unless a comparable,
7 acceptable survey exists that has been conducted by the federal Bureau
8 of Land Management. The rectangular survey section corner positions
9 shall be monumented and shown on a cadastral survey plat approved by
10 the state. However, for those areas where the state may wish to
11 convey surface estate outside of an official cadastral survey grid,
12 the commissioner [DIRECTOR] may waive monumentation of all individual
13 section corner positions and substitute an official control survey
14 with control points being monumented at approximately two-mile inter-
15 vals and shown on control survey plats approved by the state. No
16 portion of land to be conveyed may be located more than two miles from
17 such a survey control monument. The lots and tracts in state subdivi-
18 sions shall be monumented and the cadastral survey and plats for the
19 subdivision shall be approved by the state. Where land is located
20 within a municipality with planning, platting, and zoning powers,
21 plats for state subdivisions shall comply with local ordinances and
22 regulations in the same manner and to the same extent as plats for
23 subdivisions by other landowners. State subdivisions shall be filed
24 in the district recorder's office. The requirements of this section
25 do not apply to land made available through a cabin permit system,
26 material sales, or short-term leases; however, for short-term leases
27 the lessee must comply with local subdivision ordinances unless waived
28 by the municipality under procedures specified by ordinance.

29 * Sec. 27. AS 38.04.050 is amended to read:

1 Sec. 38.04.050. ACCESS TO PRIVATE USE AREAS. Wherever state
2 land is surveyed for purposes of private use, adequate rights-of-way
3 and easements shall be reserved as necessary for access and, where
4 appropriate, for power and telephone service to each parcel of land.
5 Where necessary and appropriate for the use intended, the commissioner
6 [DIRECTOR] shall arrange for the development of surface access as part
7 of the land availability program. The direct cost of local access
8 development shall be borne by the recipient of the land unless other-
9 wise provided by state statutes or regulations.

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

11 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The commis-
12 sioner [DIRECTOR] shall reserve easements and rights-of-way on and
13 across land which is made available for private use as necessary to
14 reach or use public water and public and private land. An easement or
15 right-of-way reserved under this section may include established
16 trails traditionally used for commerce, recreation, or transportation.

17 * Sec. 29. AS 38.04.910(2) is amended to read:

18 (2) "department" means ["DIRECTOR" MEANS THE DIRECTOR OF
19 THE DIVISION OF LANDS OF] the Department of Natural Resources;

20 * Sec. 30. AS 38.04.910(5) is amended to read:

21 (5) "official cadastral survey" means a United States
22 public land survey or a survey executed under survey instructions
23 issued by the department [DIVISION] for the purpose of preparing a
24 cadastral survey plat, and approved and accepted by the department
25 [DIVISION] for the state's official records;

26 * Sec. 31. AS 38.04.910(6) is amended to read:

27 (6) "official control survey" means a position marked on
28 the ground [BY TRIANGULATION OR TRAVERSE STATIONS] established in con-
29 formity with standards adopted by United States Coastal and Geodetic

1 Survey for first, second and third order work, whose geodetic posi-
2 tions have been rigidly adjusted on the North American datum of 1927
3 or the North American datum of 1983 and approved by the department
4 [DIVISION];

5 * Sec. 32. AS 38.05.020(b) is amended to read:

6 (b) The commissioner may

7 (1) establish reasonable procedures and adopt reasonable
8 [RULES AND] regulations necessary to carry out this chapter [AND MAY,
9 WHENEVER NECESSARY, ISSUE DIRECTIVES OR ORDERS TO THE DIRECTOR TO
10 CARRY OUT SPECIFIC FUNCTIONS AND DUTIES]; all [RULES AND] regulations
11 adopted by the commissioner shall be adopted under the Administrative
12 Procedure Act (AS 44.62); orders classifying land by the commissioner
13 [CLASSIFYING LANDS] issued after January 3, 1959, are not required to
14 be adopted under the Administrative Procedure Act (AS 44.62);

15 (2) enter into agreements that the commissioner [WHICH HE]
16 considers necessary to carry out the purposes of this chapter,
17 including agreements with federal and state agencies;

18 [(3) REVIEW ANY ORDER OR ACTION OF THE DIRECTOR;]

19 (3) [(4)] exercise the powers and do the acts necessary to
20 carry out the provisions and objectives of this chapter;

21 (4) [(5)] notwithstanding the provisions of any other
22 section of this chapter, grant an extension of the time within which
23 payments due on any lease or sale of state land, minerals, or
24 materials may be made, including payment of rental and royalties, if
25 the commissioner [HE] finds that compliance with the requirements is
26 or was prevented by reason of war, riots, or acts of God; [.]

27 (5) [(6)] classify tracts for agricultural uses and require
28 the prequalification, including the submission of conservation plans,
29 development plans, or other plans, schedules, or programs, of persons

1 who apply to participate in an agricultural development project under
2 AS 44.33.475.

3 * Sec. 33. AS 38.05.030(b) is amended to read:

4 (b) The provisions of this chapter do not apply to any power,
5 duty or authority now or in the future granted to the Department of
6 Transportation and Public Facilities [PUBLIC WORKS AND THE DEPARTMENT
7 OF HIGHWAYS] in the name of the state, to acquire, use, lease, dispose
8 of, or exchange real property, or any interest in real property.
9 Lands assigned by the department [DIVISION OF LANDS] to the Department
10 of Transportation and Public Facilities [PUBLIC WORKS AND THE DEPART-
11 MENT OF HIGHWAYS] shall be returned to the management of the depart-
12 ment [DIVISION OF LANDS] when they are no longer needed for the pur-
13 poses assigned.

14 * Sec. 34. AS 38.05.030(c) is amended to read:

15 (c) In addition to the requirements specified in AS 38.50.090,
16 the agencies referred to in (a) and (b) of this section and other
17 state agencies with authority to acquire or dispose of land shall give
18 written notification of the fact of acquisition, lease or exchange to
19 the department [DIVISION OF LANDS] within three months after the date
20 that they make the acquisition, lease or exchange.

21 * Sec. 35. AS 38.05.030(d) is amended to read:

22 (d) Real property acquired by, and under the management of, the
23 agencies referred to in (a) and (b) of this section, which is no
24 longer needed for its intended use, shall be returned to the jurisdic-
25 tion of the department [DIVISION OF LANDS], except that the Department
26 of Transportation and Public Facilities [HIGHWAYS] may dispose of real
27 property acquired by it under AS 19.05.040(2) and AS 19.05.080 -
28 19.05.120.

29 * Sec. 36. AS 38.05.035 is repealed and reenacted to read:

1 Sec. 38.05.035. POWERS AND DUTIES OF THE COMMISSIONER. (a) The
2 commissioner shall
3 (1) manage, inspect and control state land and improvements
4 on it belonging to the state and under the jurisdiction of the depart-
5 ment;
6 (2) prescribe application procedures and practices for the
7 sale, lease or other disposition of available land, resources, prop-
8 erty, or an interest in them;
9 (3) prescribe fees or service charges for any public ser-
10 vice rendered;
11 (4) under the conditions and limitations imposed by law,
12 issue deeds, leases or other conveyances disposing of available land,
13 resources, property or an interest in them;
14 (5) have jurisdiction over state land, except that land
15 acquired by the Alaska World War II Veterans Board and the Agricul-
16 tural Loan Board or the departments or agencies succeeding to their
17 respective functions through foreclosure or default; to this end the
18 commissioner has the power and shall perform the duties necessary to
19 protect the state's rights and interest in state land, including the
20 taking of all necessary action to protect and enforce the state's
21 contractual or other property rights;
22 (6) maintain necessary records, administer oaths, and do
23 all things incidental to the authority imposed; the following records
24 and files shall be kept confidential upon request of the person sup-
25 plying the information;
26 (A) the name of the person nominating or applying for
27 the sale, lease, or other disposal of land by competitive bid-
28 ding;
29 (B) before the announced time of opening, the names of

1 the bidders and the amounts of the bids;

2 (C) all geological, geophysical and engineering data
3 supplied, whether or not concerned with the extraction or devel-
4 opment of natural resources;

5 (D) except as provided in AS 38.05.036, cost data and
6 financial information submitted in support of applications,
7 bonds, leases and similar items;

8 (E) applications for rights-of-way or easements;

9 (F) requests for information or applications by public
10 agencies for land which is being considered for use for a public
11 purpose;

12 (7) account for the fees, licenses, taxes or other money
13 received in the administration of this chapter including the sale or
14 leasing of land, identify their source, and promptly transmit them to
15 the proper fiscal department after crediting them to the proper fund;
16 receipts from land application filing fees and charges for copies of
17 maps and records shall be deposited immediately in the general fund of
18 the state;

19 (8) be the certifying agent of the state to select, accept
20 and secure by whatever action is necessary in the name of the state,
21 by deed, sale, gift, devise, judgment, operation of law, or other
22 means any land, of whatever nature or interest, available to the
23 state; and

24 (9) be the certifying agent of the state, to select, accept
25 or secure by whatever action is necessary in the name of the state any
26 land, or title or interest to land available, granted, or subject to
27 being transferred to the state for any purpose.

28 (b) The commissioner may

29 (1) grant preference rights for the lease or purchase of

1 state land without competitive bid in order to correct the errors or
2 omissions of a state or federal administrative agency when inequitable
3 detriment would otherwise result to a diligent claimant or applicant
4 due to situations over which the claimant or applicant had no control;
5 the exercise of this discretionary power operates only to divest the
6 state of its title to or interests in land;

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

20 (3) sell land by lottery for less than the appraised value
21 when, in the judgment of the commissioner, past scarcity of land
22 suitable for private ownership in any particular area has resulted in
23 unrealistic land values;

24 (4) when the commissioner determines it is in the best
25 interest of the state and will avoid injustice to a person or the
26 heirs or devisees of a person, dispose of land, by direct negotiation
27 to the person who presently uses and who used and made improvements to
28 the land before January 3, 1959, or to the heirs or devisees of the
29 person; the amount paid for the land shall be its fair market value on

1 the date that the person first entered the land, as determined by the
2 commissioner; a parcel of land disposed of under this paragraph shall
3 be of a size consistent with the person's prior use, but may not
4 exceed five acres;

5 (5) dispose of an interest in land limited to use for
6 agricultural purposes by lottery;

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

10 (A) the commissioner determines that it is in the best
11 interests of the state;

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

14 (C) the commissioner and the platting authority having
15 land use planning jurisdiction agree that conveyance of the
16 parcel to the adjoining landowner will result in boundaries that
17 are convenient for the use of the land by the landowner and
18 compatible with municipal land use plans;

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

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

25 (d) A parcel of land described in (b)(6) of this section must be
26 sold at its fair market value as determined by the commissioner on the
27 basis of an appraisal completed as provided in AS 38.05.310. Nothing
28 in this subsection prevents the sale of land under AS 38.05.055 or
29 38.05.057 to a person not qualifying as an adjoining landowner if the

1 adjoining landowner declines to purchase the land.

2 (e) Upon a written finding that the interests of the state will
3 be best served, the commissioner may approve contracts for the sale,
4 lease, or other disposal of available land, resources, property or
5 interests in them, and, in addition to the conditions and limitations
6 imposed by law, may impose additional conditions or limitations in the
7 contracts as the commissioner determines will best serve the interests
8 of the state. Before a public hearing, if held, or in any case no
9 less than 21 days before the sale, lease, or other disposal of
10 available land, property, resources, or interests in them, the
11 commissioner shall make available to the public a written finding
12 which sets out the facts and applicable law upon which the
13 commissioner based the determination that the sale, lease, or other
14 disposal will best serve the interests of the state. A written
15 finding is not required before the approval of

16 (1) a contract for a negotiated sale authorized by AS 38.-
17 05.115;

18 (2) the lease of land for a shore fishery site under
19 AS 38.05.082;

20 (3) a permit or other authorization revocable by the
21 commissioner.

22 * Sec. 37. AS 38.05.040 is amended to read:

23 Sec. 38.05.040. COMMISSIONER [DIRECTOR] SHALL BE BONDED. Before
24 performing any [HIS] duties, the commissioner [DIRECTOR] shall execute
25 a corporate surety bond to the state in the sum of \$150,000, condi-
26 tioned upon the faithful performance of all [HIS] duties under this
27 chapter and upon the prompt and faithful accounting of all money
28 collected by the commissioner [HIM] or [HIS] deputies, assistants,
29 employees or agents of the commissioner. The bond, together with

1 additional conditions or limitations considered necessary, shall be
2 approved by the attorney general and filed in the office of the gover-
3 nor. The premium upon the bond is payable from money appropriated for
4 operation of the department [DIVISION].

5 * Sec. 38. AS 38.05.050 is amended to read:

6 Sec. 38.05.050. DISPOSAL OF LAND FOR PRIVATE OWNERSHIP. The
7 commissioner [, UPON THE RECOMMENDATION OF THE DIRECTOR,] shall deter-
8 mine the land to be disposed of for private use. The commissioner
9 [DIRECTOR] shall determine the time and place of disposal. An auction
10 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. 39. 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 AS 38.08, the sale of state land shall be made at public auction to
18 the highest qualified bidder as determined by the commissioner
19 [DIRECTOR]. A bidder must appear in person at the auction unless
20 medical reasons, attendance at school, or military service outside the
21 state prevent attendance. A bidder may be represented by an attorney
22 or agent at the auction if the land offered for disposal is
23 commercial, industrial, or agricultural land. An aggrieved bidder may
24 appeal to the commissioner within five days after the sale for a
25 review of the commissioner's [DIRECTOR'S] determination. The sale
26 shall be conducted by the commissioner [DIRECTOR OR HIS
27 REPRESENTATIVE], and at the time of sale the successful bidder shall
28 deposit an amount equal to five percent of the purchase price, or if
29 the purchaser elects to use land discounts granted under AS 38.05.058,

1 five percent of the amount bid after deduction of the discount. The
2 commissioner [DIRECTOR OR HIS REPRESENTATIVE] shall immediately issue
3 a receipt containing a description of the land or property purchased,
4 the price bid, the amount deposited, and the amount of any discount
5 allowed. The receipt shall be acknowledged in writing by the bidder.

6 * Sec. 40. AS 38.05.057(e) is amended to read:

7 (e) The commissioner [DIRECTOR] shall accept applications to
8 purchase particular parcels under the following procedures and condi-
9 tions:

10 (1) the application period may not be less than 45 days;

11 (2) no application may be accepted less than 15 days before
12 each lottery;

13 (3) notice of the application period and the date of the
14 lottery shall be given in accordance with AS 38.05.345; and

15 (4) the application shall be made on a form provided by the
16 department.

17 * Sec. 41. AS 38.05.057(g) is amended to read:

18 (g) After receiving the deposit required under (a) of this
19 section, the commissioner [DIRECTOR] shall immediately issue a receipt
20 containing a description of the land or property to be conveyed, the
21 price of the land, and the terms of disposal. The receipt shall be
22 acknowledged in writing by the purchaser.

23 * Sec. 42. AS 38.05.057(i) is amended to read:

24 (i) The commissioner [DIRECTOR] may include in contracts for
25 sale of land under this section terms which

26 (1) require purchasers to use or occupy, or both, the land
27 purchased for a reasonable period of time after a sale;

28 (2) prohibit the resale of land purchased by the initial
29 purchaser until the requirements imposed under (1) of this subsection,

1 if any, are satisfied.

2 * Sec. 43. AS 38.05.060 is amended to read:

3 Sec. 38.05.060. REJECTION OF BIDS. Before the signing of the
4 formal conveyance [BY THE DIRECTOR], the commissioner may reject all
5 bids when the best interests of the state justify this action. Land
6 [LANDS] offered at public sale but not sold may be made available at
7 private sale for not less than the [THEIR] appraised value.

8 * Sec. 44. AS 38.05.065(c) is amended to read:

9 (c) The commissioner [DIRECTOR] shall, for contracts under (a)
10 or (b) of this section, set for each sale the period for the payment
11 of installments and the total purchase price plus interest. The
12 [DIRECTOR, WITH THE CONSENT OF THE] commissioner [,] may also include
13 in contracts under this section conditions, limitations and terms
14 considered [WHICH HE CONSIDERS] necessary and proper to protect the
15 interest of the state. Violations of any provision of this chapter or
16 the terms of the contract of sale subject the purchaser to appropriate
17 administrative and legal action, including but not limited to specific
18 performance, foreclosure, ejectment, or other legal remedies in accor-
19 dance with applicable state law.

20 * Sec. 45. AS 38.05.067(a) is amended to read:

21 (a) Except as provided in (e) of this section, before offering
22 to the general public any unoccupied residential land [LANDS], the
23 commissioner [DIRECTOR] shall offer the land at a restricted sale at
24 which only veterans may buy.

25 * Sec. 46. AS 38.05.067(b) is amended to read:

26 (b) The commissioner [DIRECTOR] shall not sell the land [LANDS]
27 under this section at less than the [THEIR] fair appraised market
28 value. The commissioner [DIRECTOR] shall adopt [MAKE] regulations
29 necessary to ensure that land [LANDS] sold under this section is [ARE]

1 for bona fide residential use and not for speculation.

2 * Sec. 47. AS 38.05.068(a) is amended to read:

3 (a) Before offering to the public any land which is subject to a
4 valid existing United States Forest Service permit in effect on the
5 day before that land is tentatively approved for patent to the state,
6 or which is subject to a lease issued under AS 38.05.087, the commis-
7 sioner [DIRECTOR] shall offer the land for sale to the permittee or a
8 [HIS] successor in title, if the permittee or a successor in title of
9 the permittee [HE] can be found.

10 * Sec. 48. AS 38.05.069 is amended to read:

11 Sec. 38.05.069. PREFERENCE TO PERSONS FOR AGRICULTURAL PURPOSES.

12 (a) On a determination [IF THE DIRECTOR DETERMINES] that the highest
13 and best use of unoccupied land is for agricultural purposes [,] and
14 [IF HE DETERMINES] that it is in the best interests of the state to
15 sell or lease the land, the commissioner [HE] shall grant to an
16 Alaskan resident owning and using or leasing and using land for
17 agricultural purposes a 60-day first option after the date of the
18 auction to purchase or lease the unoccupied land situated adjacent to
19 or in the approximate vicinity of land presently held by the Alaska
20 resident [HIS PRESENTLY HELD LAND] for the amount of the high bid
21 received at public auction. A parcel of agricultural land sold under
22 this section may not be less than 20 acres and a parcel of
23 agricultural land that [WHICH] is acquired by exercise of the option
24 granted in this subsection may not exceed 320 acres. Agricultural
25 land that [WHICH] is acquired under this section must be used for
26 agricultural purposes as required by law.

27 (b) If more than one person is eligible for a first option under
28 (a) of this section, the commissioner [DIRECTOR] shall determine
29 priority by granting precedence first to the person who demonstrates

1 the greatest need for the unoccupied land in order to establish an
2 economic unit and, secondly, to the eligible person who occupies land
3 that is most readily accessible to unoccupied land to be sold or
4 leased. In the event that two or more persons have approximately
5 equal qualifications for priority under this section, the commissioner
6 [DIRECTOR] shall grant priority to that person who is a veteran. If
7 more than one person is approximately equally well qualified under
8 this section, the commissioner [DIRECTOR] shall determine priority by
9 lot.

10 (c) Under this section

11 (1) the commissioner [DIRECTOR] may convey or lease an
12 interest in the land only for agricultural purposes, and all other
13 interests in the land remain in the state;

14 (2) the sale or lease shall be at public auction;

15 (3) [(2)] the remaining interests may subsequently be
16 conveyed or leased by the commissioner [DIRECTOR] only upon the
17 request of the grantee or lessee or the [HIS] assigns of the grantee
18 or lessee and the determination of [THE DIRECTOR, WITH THE WRITTEN
19 CONCURRENCE OF] the commissioner [,] that the conveyance or lease is
20 in the public interest;

21 (4) [(3)] the conveyance or lease of the remaining
22 interests shall be at public auction;

23 (5) the original grantee or lessee or their [HIS] assigns
24 have a preference right to meet the high bid within 30 days after the
25 day of the auction;

26 (6) if the preference right is exercised, the value of
27 improvements owned by the holder of the preference right, included
28 with the remaining interests sold, shall be deducted from the purchase
29 price;

1 (7) [(4)] by requesting the conveyance or lease of the
2 remaining interest, the original grantee or lessee or the [HIS]
3 assigns of the grantee or lessee

4 (A) consents to the sale or lease, and

5 (B) if the preference right provided by (5) [(3)] of
6 this subsection is not exercised, consents to sell at fair market
7 value the improvements related to the remaining interest, as
8 appraised by the commissioner [DIRECTOR];

9 (8) [(5)] the remaining interests in the land may not be
10 conveyed or leased for less than their appraised value together with
11 improvements except for the deduction allowed by (6) [(3)] of this
12 subsection.

13 (d) When not in conflict with this section, the [OTHER] provi-
14 sions of AS 38.05.045 - 38.05.105 apply to disposals under this sec-
15 tion.

16 (e) In [FOR THE PURPOSES OF] this section,

17 (1) "agricultural purposes" includes farming, ranching,
18 grazing, and storage or control of agricultural crops or livestock;

19 (2) "approximate vicinity" includes an area in which the
20 land does not have a common boundary to presently held land or in
21 which the land is physically separated from presently held land by any
22 type of barrier.

23 (f) Nothing in (c) of this section affects the disposal of
24 minerals under AS 38.05.135 - 38.05.183.

25 * Sec. 49. AS 38.05.070(b) is amended to read:

26 (b) The [DIRECTOR, WITH THE APPROVAL OF THE] commissioner [,]
27 shall determine the land to be leased and the limitations, conditions
28 and terms of the lease. If the appraised value of the transaction is
29 \$250 a year or less the commissioner [DIRECTOR] may negotiate a lease

1 without advertisement for a period not to exceed five years, and on
2 the limitations, conditions and terms that the commissioner [WHICH HE]
3 considers are in the best interests of the state. A lease negotiated
4 under this subsection is not eligible for a preference under
5 AS 38.05.102.

6 * Sec. 50. AS 38.05.070(c) is amended to read:

7 (c) A lease may be issued for a period up to 55 years, if it
8 appears to be in the best interests of the state [AND IF THE COMMIS-
9 SIONER APPROVES]. If the commissioner determines that the land or a
10 part of it which is the subject of a grazing lease is not being used
11 for the purpose issued, the lease may be declared void. [HOWEVER, A
12 NONRENEWABLE LEASE FOR SCHOOL LANDS MAY BE ISSUED FOR A PERIOD NOT TO
13 EXCEED 99 YEARS.]

14 * Sec. 51. AS 38.05.075 is amended to read:

15 Sec. 38.05.075. LEASING PROCEDURES. The leasing shall be made
16 at public auction to the highest qualified bidder as determined by the
17 commissioner [DIRECTOR]. An aggrieved bidder may appeal to the com-
18 missioner within five days for a review of the [DIRECTOR'S] determina-
19 tion. When a valid existing federal grazing lease is cancelled to
20 allow state selection of the area under lease, the lessee of the land
21 [LANDS] has the preference right to lease the land [LANDS] without
22 competitive bidding for a term equal to that originally granted in the
23 cancelled federal lease and upon terms as favorable to the lessee as
24 those contained in the cancelled federal lease. The leasing shall be
25 conducted by the commissioner [DIRECTOR, OR HIS REPRESENTATIVE,] and
26 the successful bidder shall deposit the first year's rental, or that
27 portion of it which the commissioner requires, in accordance with the
28 [HIS] bid. The commissioner [DIRECTOR OR HIS REPRESENTATIVE] shall
29 immediately issue a receipt containing a description of the land or

1 interest leased, the price bid, and terms of the lease. The receipt
2 shall be acknowledged in writing by the bidder. A lease, on a form
3 approved by the attorney general, shall be signed by the lessee and [,
4 UPON APPROVAL BY] the commissioner [, SHALL BE SIGNED BY THE DIREC-
5 TOR].

6 * Sec. 52. AS 38.05.080 is amended to read:

7 Sec. 38.05.080. REJECTION OF BIDS. Before signing [THE DIRECTOR
8 SIGNS] the lease, the commissioner may reject all bids for leases when
9 the best interest of the state justifies this action.

10 * Sec. 53. AS 38.05.082 is amended to read:

11 Sec. 38.05.082. LEASES FOR SHORE FISHERIES DEVELOPMENT. (a)
12 The [DIRECTOR. WITH THE APPROVAL OF THE] commissioner [,] may lease
13 tide and submerged land [LANDS] for fisheries development. Fisheries
14 development includes the utilization of shore gill nets or set nets
15 for the taking of fish. Every lease issued under this section shall
16 reserve to the public a right-of-way for access to navigable waters
17 and other tide and submerged land [LANDS].

18 (b) The commissioner [DIRECTOR] may classify land [LANDS] as
19 subject to leases for fisheries development, and publicly invite
20 applications for lease of the selected areas. Each application shall
21 be accompanied by an affidavit to the effect that the applicant pres-
22 ently intends to personally utilize the leased area for fishing pur-
23 poses the following season. If two or more applications are received
24 for the same shore area, the commissioner [DIRECTOR] shall award the
25 lease to the most qualified applicant. In determining the qualifica-
26 tions of applicants, the commissioner [DIRECTOR] shall consider the
27 length of time during which the applicant has been engaged in set
28 netting, the proximity of the [HIS] past fishing sites of the appli-
29 cant to the land to be leased, the [HIS] present ability of the appli-

1 cant to utilize the location to its maximum potential, and other
2 factors relevant to the equitable assignment of the disputed area. If
3 the commissioner [DIRECTOR] cannot determine a preference between
4 conflicting applicants for the same lease site on the basis of quali-
5 fications, the commissioner [HE] shall select between the applicants
6 by lot. An aggrieved applicant may appeal to the commissioner within
7 five days for a review of the [DIRECTOR'S] determination.

8 (c) A lease for set net fishing may be issued for any period not
9 exceeding 10 years. If the commissioner determines that the land is
10 not being utilized for the purpose for which the lease is issued, the
11 lease may be declared void. The commissioner [DIRECTOR] shall estab-
12 lish a reasonable rental for the lease, equal to the administrative
13 costs involved in processing the leasehold applications.

14 (d) Subleasing and renewals of leases are governed by AS 38.05.-
15 095 and AS 38.05.102.

16 (e) The lease of submerged land [LANDS] conveys no interest in
17 the water above the land or in the fish in the water.

18 * Sec. 54. AS 38.05.085(b) is amended to read:

19 (b) When it becomes necessary to determine the fair market value
20 of property as required by (a) of this section, the commissioner
21 [DIRECTOR] shall have the property appraised by a qualified appraiser.
22 If the lessee disagrees with the appraisal obtained by the commis-
23 sioner, the lessee [DIRECTOR, HE] may appoint a qualified appraiser to
24 make an appraisal of the property in question. If the two appraisers
25 agree upon the fair market value, the determination is binding on the
26 parties. In the event the two appraisers are unable to agree, they
27 shall appoint a third qualified appraiser who shall then make an [HIS]
28 appraisal of the property in question. When the third appraisal is
29 completed, the two of the three appraisals which are nearest each

1 other in their determination of the fair market value shall be av-
2 eraged and the resultant sum shall be the fair market value of the
3 property in question and absolutely binding on the parties. All costs
4 incurred in making the appraisals provided for in this subsection
5 shall be borne by the state and the lessee equally.

6 * Sec. 55. AS 38.05.085(c) is amended to read:

7 (c) The lessee shall make advance payments of the annual rent or
8 portion of it as the [DIRECTOR, WITH THE APPROVAL OF THE] commissioner
9 [,] may require.

10 * Sec. 56. AS 38.05.087(a) is amended to read:

11 (a) Before offering to the public any land for lease which is
12 subject to a valid existing United States Forest Service permit in
13 effect in a state-selected area on the day before the area was tenta-
14 tively approved for patent to the state, the commissioner [DIRECTOR]
15 shall offer the land for leasing to the permittee at not less than its
16 fair appraised market value before offering it to the general public.

17 * Sec. 57. AS 38.05.090 is amended to read:

18 Sec. 38.05.090. REMOVAL OR REVERSION OF IMPROVEMENTS UPON TER-
19 MINATION OF LEASES. (a) Improvements owned by a lessee on state land
20 shall, within 60 days after the termination of the lease, be removed
21 by the lessee [HIM] if removal will not cause injury or damage to the
22 land. The commissioner [DIRECTOR] may extend the time for removing
23 improvements in cases where hardship is proven. The retiring lessee
24 or permittee may, with the consent of the commissioner [DIRECTOR],
25 sell [HIS] improvements to the succeeding lessee or permittee.

26 (b) If improvements or chattels, or both, having an appraised
27 value exceeding \$10,000 as determined by the commissioner [DIRECTOR]
28 are not removed within the time allowed, the improvements or chattels
29 or both shall, upon notice to the lessee, be sold at public sale under

1 the direction of the commissioner [DIRECTOR]. The proceeds of sale
2 inure to the lessee who placed the improvements or chattels on the
3 land after paying to the state all rents due and expenses incurred in
4 making the sale. If there are no other bidders at the sale, the
5 commissioner [DIRECTOR] may bid in the name of the state. The bid
6 money shall be taken from the fund to which the land belongs and the
7 fund shall receive all money or other value subsequently derived from
8 the sale or leasing of the improvements or chattels. The state ac-
9 quires all the rights that any other purchaser could acquire by reason
10 of the purchase.

11 (c) If improvements or chattels, or both, having an appraised
12 value of \$10,000 or less, as determined by the commissioner
13 [DIRECTOR], are not removed within the time allowed, they revert to
14 the state and absolute title vests in the state. The preference right
15 lessees of grazing or forest land [LANDS] may follow the provisions
16 for removal of improvements upon termination of the lease as autho-
17 rized in the cancelled federal lease or permit.

18 (d) Improvements of the lessee which have become fixtures of the
19 land shall be purchased by the subsequent purchaser or lessee of the
20 land if the improvements were authorized in the former lease or by
21 permit from the commissioner [DIRECTOR]. Upon the termination of a
22 lease, and at additional times which may be necessary, the value of
23 the authorized fixtures remaining on the land shall be set by agree-
24 ment between the former lessee and the commissioner [DIRECTOR] or, if
25 agreement cannot be reached, by an independent appraisal made at cost
26 to the former lessee.

27 (e) A notice or offer by the state to sell or lease formerly
28 leased land shall state

29 (1) the value of the authorized fixtures remaining on the

1 land;

2 (2) that the purchaser or lessee will be required, as a
3 condition of the sale or lease, to purchase the fixtures from the
4 former lessee for an amount equal to the value specified.

5 * Sec. 58. AS 38.05.095(a) is amended to read:

6 (a) Except as provided in (b) of this section, a lessee may
7 sublease or assign the land or a portion of it [UPON WHICH HE HAS A
8 LEASE] if, after application to the commissioner, the commissioner
9 [DIRECTOR, THE DIRECTOR] issues a permit. The commissioner [DIRECTOR]
10 may issue a permit upon a finding [IF HE FINDS] that it is in the best
11 interests of the state to do so.

12 * Sec. 59. AS 38.05.097(c) is amended to read:

13 (c) A nonprofit organization which satisfies the requirements of
14 this section that is using land under a lease in effect before July 1,
15 1978 may convert its lease to a new lease with terms exempting it from
16 the payment of rent by submitting a written request to the commis-
17 sioner [DIRECTOR].

18 * Sec. 60. AS 38.05.102 is amended to read:

19 Sec. 38.05.102. LESSEE PREFERENCE. If land within a leasehold
20 created under AS 38.05.070 - 38.05.105 is offered for sale or
21 long-term lease at the termination of the existing leasehold, the
22 commissioner [DIRECTOR] may, upon a finding that it is in the best
23 interest of the state, allow the holder in good standing of that
24 leasehold to purchase or lease the land for its appraised fair market
25 value at the time of the sale or long-term lease.

26 * Sec. 61. AS 38.05.103 is amended to read:

27 Sec. 38.05.103. RIGHTS OF HOLDER OF SECURITY INTEREST. (a) If
28 there is a breach or default of a term of a lease or of the provisions
29 of this chapter relating to a lease, the department [DIVISION] shall

1 provide written notice of the breach or default by personal service or
2 by registered or certified mail to the lessee and to any holder of
3 record having a security interest in the leased property. The notice
4 shall also make demand upon the lessee to cure or remedy the breach or
5 default within 60 days from the date of receipt of the notice and
6 demand. If a lessee fails to cure or remedy the breach or default
7 within 60 days, or within the additional time which the department
8 [DIVISION] may allow for good cause, the state may, subject to (b) of
9 this section, exercise any right which it may have at law or as set
10 out in the lease.

11 (b) If a lessee fails to cure or remedy a breach or default
12 within the time allowed in (a) of this section, a holder of a security
13 interest who has received notice under (a) of this section may cure or
14 remedy the breach or default if the breach or default can be cured by
15 the payment of money or, if this cannot be done, by performing or
16 undertaking in writing to perform the terms, covenants, restrictions
17 and conditions of the lease capable of performance by the holder. The
18 holder shall act within 60 days from the date of receipt of notice
19 under (a) of this section, or within an additional period as the
20 commissioner [DIRECTOR] may allow for good cause.

21 * Sec. 62. AS 38.05.105(a) is amended to read:

22 (a) Each lease shall stipulate that at the conclusion of the
23 initial 25-year period of the lease and at intervals of 10 years
24 thereafter the annual rent payment is subject to adjustment. Charges
25 or adjustments shall be based primarily on an adjusted fair market
26 value. However, if the commissioner [DIRECTOR OF THE DIVISION OF
27 LANDS] determines that single-family residential development is the
28 best use of the land, the reappraisal period may be lengthened or the
29 readjustment waived in accordance with regulations adopted by the

1 department. Before a waiver of rent adjustment is issued, the land
2 shall have a current reappraisal. A waiver is valid only if single-
3 family residential development actually occurs. The regulations
4 adopted under this section shall ensure that the state receives a fair
5 return from the land.

6 * Sec. 63. AS 38.05.110 is amended to read:

7 Sec. 38.05.110. SALE OF TIMBER AND MATERIALS. The commissioner
8 [DIRECTOR] shall provide for cruises of timber and appraisals of other
9 materials in or upon state land to determine [LANDS AND TRANSMIT THIS
10 DATA TO THE COMMISSIONER, TOGETHER WITH HIS RECOMMENDATIONS WITH
11 RESPECT TO] (1) the timber and other materials which should be offered
12 for sale, and (2) the terms of sale of the timber or other materials.

13 * Sec. 64. AS 38.05.115(a) is amended to read:

14 (a) The commissioner [, UPON RECOMMENDATION OF THE DIRECTOR,]
15 shall determine the timber and other materials to be sold, and the
16 limitations, conditions and terms of sale. The limitations, condi-
17 tions and terms shall include the utilization, development and mainte-
18 nance of the sustained yield principle, subject to preference among
19 other beneficial uses. The commissioner [DIRECTOR] may negotiate
20 sales of timber or materials without advertisement and on the limita-
21 tions, conditions, and terms that are considered to be [WHICH HE
22 CONSIDERS ARE] in the best interests of the state [, SUBJECT TO THE
23 APPROVAL OF THE COMMISSIONER]. However, not more than 500 M.B.M. or
24 equivalent other measure of timber or more than 25,000 cubic yards of
25 materials may be sold by nonadvertised, negotiated sale to the same
26 purchaser within a one-year period.

27 * Sec. 65. AS 38.05.118 is amended to read:

28 Sec. 38.05.118. NEGOTIATED TIMBER SALES IN AREAS OF HIGH UNEM-
29 PLOYMENT. (a) Notwithstanding any other provision of AS 38.05.110 -

1 38.05.120, the [DIRECTOR, WITH THE APPROVAL OF THE] commissioner [,]
2 may negotiate a sale of timber to a local manufacturer at appraised
3 value. The period of a contract for a sale of timber negotiated under
4 this section may not exceed 25 years. The contract shall provide that
5 the appraised value of timber remaining to be harvested under the
6 provisions of the contract shall be redetermined at least once every
7 five years.

8 (b) Notice of intent to negotiate a contract authorized by (a)
9 of this section shall be given in accordance with AS 38.05.345.

10 (c) No sale of timber may be negotiated by the commissioner
11 [DIRECTOR] under this section except on a finding [UNLESS HE FIRST
12 FINDS] that, within an area proximate to the business site which the
13 manufacturer may economically serve, there exists

- 14 (1) a high level of local unemployment;
15 (2) an underutilized timber manufacturing capacity; and
16 (3) an underutilized allowable cut of state timber.

17 * Sec. 66. AS 38.05.120 is amended to read:

18 Sec. 38.05.120. DISPOSAL PROCEDURE. Timber and other materials
19 shall be sold either by sealed bids or public auction, depending on
20 which method is determined by the commissioner to be in the best
21 interests of the state, to the highest qualified bidder as determined
22 by the commissioner [DIRECTOR]. An aggrieved bidder may appeal to the
23 commissioner within five days after the sale for a review of the
24 [DIRECTOR'S] determination. The sale shall be conducted by the com-
25 missioner [DIRECTOR OR HIS REPRESENTATIVE], and at the time of sale
26 the successful bidder shall deposit the amount specified in the terms
27 of sale. The means by which the amount of deposit is determined shall
28 be prescribed by appropriate regulation. The commissioner [DIRECTOR
29 OR HIS REPRESENTATIVE] shall immediately issue a receipt containing a

1 description of the timber or materials purchased, the price bid, and
2 the terms of sale. The receipt shall be acknowledged in writing by
3 the bidder. A contract of sale, on a form approved by the attorney
4 general, shall be signed by the purchaser and [, FOLLOWING THE AP-
5 PROVAL OF THE COMMISSIONER,] the contract shall be signed by the
6 commissioner [DIRECTOR] on behalf of the state. The [DIRECTOR, WITH
7 THE APPROVAL OF THE] commissioner [,] may impose conditions, limita-
8 tions, and terms considered [WHICH HE CONSIDERS] necessary and proper
9 to protect the interests of the state. Violation of any provision of
10 this chapter or the terms of the contract of sale subjects the pur-
11 chaser to appropriate legal action.

12 * Sec. 67. AS 38.05.130 is amended to read:

13 Sec. 38.05.130. DAMAGES AND POSTING OF BOND. No rights shall be
14 exercised by the state, its lessees, successors or assigns under the
15 reservation as set out in AS 38.05.125 until the state, its lessees,
16 successors, or assigns make provision to pay the owner of the land
17 full payment for all damages sustained by the owner, by reason of
18 entering upon the land. If the owner for any cause refuses or ne-
19 glects to settle the damages, the state, its lessees, successors,
20 assigns, or an applicant for a lease or contract from the state for
21 the purpose of prospecting for valuable minerals, or option, contract
22 or lease for mining coal or lease for extracting geothermal resources,
23 petroleum or natural gas, may enter upon the land in the exercise of
24 the reserved rights after posting a surety bond determined by the
25 commissioner [DIRECTOR], after notice and an opportunity to be heard,
26 to be sufficient as to form, amount, and security to secure to the
27 owner payment for damages, and may institute legal proceedings in a
28 court where the land is located, as may be necessary to determine the
29 damages which the owner may suffer.

1 * Sec. 68. AS 38.05.140(e) is amended to read:

2 (e) The provisions of (d) of this section that apply to waiver,
3 suspension, refund or reduction of rental of minimum royalty apply to
4 rental or minimum royalty paid before or after June 19, 1970 on any
5 lease covering land beneath navigable waters which, according to the
6 records of the department [DIVISION OF LANDS], is in effect on
7 June 19, 1970.

8 * Sec. 69. AS 38.05.145(a) is amended to read:

9 (a) Deposits of coal, phosphates, oil shale, sodium, potassium,
10 oil, gas, geothermal resources and state land [LANDS] containing these
11 deposits are subject to disposition under [RULES AND] regulations [,
12 RECOMMENDED BY THE DIRECTOR AND] adopted by the commissioner, and the
13 provision of AS 38.05.145 - 38.05.181. In applying the acreage limi-
14 tations the commissioner may apply the rule of approximation. The
15 uses of the rule of approximation made before March 31, 1960, by the
16 commissioner are ratified.

17 * Sec. 70. AS 38.05.185(a) is amended to read:

18 (a) The acquisition and continuance of rights in and to deposits
19 on state land [LANDS] of minerals which on January 3, 1959, were
20 subject to location under the mining laws of the United States shall
21 be governed by AS 38.05.185 - 38.05.280. Nothing in AS 38.05.185 -
22 38.05.280 affects the law pertaining to the acquisition of rights to
23 mineral deposits owned by any other person or government. The [DIREC-
24 TOR, WITH THE APPROVAL OF THE] commissioner [,] shall determine that
25 land [THOSE LANDS] from which mineral deposits may be mined only under
26 lease, and, subject to the limitations of AS 38.05.300, that land
27 [THOSE LANDS] which shall be closed to mining. State land may not be
28 closed to mining or mineral location unless the commissioner makes a
29 finding that mining would be incompatible with significant surface

1 uses on the state land. State land may not be restricted to mining
2 under lease unless the commissioner determines that potential use
3 conflicts on the state land require that mining be allowed only under
4 written leases issued under AS 38.05.205 or the commissioner has
5 determined that the land was mineral in character at the time of state
6 selection. The determinations required under this subsection shall be
7 made in compliance with land classification orders and land use plans
8 developed under AS 38.05.300.

9 * Sec. 71. AS 38.05.205(a) is amended to read:

10 (a) Prior discovery, location and filing shall initiate prior
11 rights to mineral deposits subject to AS 38.05.185 - 38.05.280 in or
12 on state land [LANDS], other than submerged land [LANDS], which is
13 [ARE] open to mining leasing. Locations shall be made and certifi-
14 cates of location recorded in accordance with AS 38.05.195. If the
15 located land is [LANDS ARE] available only for leasing, the commis-
16 sioner [DIRECTOR] shall publish in a paper of general circulation in
17 the area of the location, notice of the filing of the location and
18 notice that a mineral lease will be issued. The notice may be com-
19 bined with notices of locations either in the same general area or
20 statewide. Unless a conflicting location exists, no later than two
21 weeks after publication of the notice, an application form for a
22 mining lease shall be mailed to the locator by the commissioner [DI-
23 RECTOR]. A lease application shall be filed with the commissioner
24 [DIRECTOR] by the locator within 90 days after receipt of the form.
25 If the located land is [LANDS ARE] not available for leasing, notice
26 shall be given the locator by the commissioner [DIRECTOR] and the
27 locator's prior rights shall terminate. A mining lessee has the
28 exclusive rights of possession and extraction of all minerals subject
29 to AS 38.05.185 - 38.05.280 lying within the boundaries of the [HIS]

1 lease or location. Mining leases may be issued for one location or
2 for a group of contiguous locations held in common. Minerals may not
3 be mined and marketed or used until a lease is issued, except for
4 limited amounts necessary for sampling or testing.

5 * Sec. 72. AS 38.05.205(c) is amended to read:

6 (c) A mining lease shall be for any period up to 55 years, and
7 the lessee has a right to a new lease at the end of each lease period.
8 The commissioner may make reasonable adjustments of the rental rate at
9 the end of each 20 year period, based upon changed conditions in
10 production costs and markets. A valid mining claim located and held
11 under AS 38.05.195 may be converted to a lease at any time upon appli-
12 cation by the owner, and issuance by the commissioner [DIRECTOR]. No
13 rights granted by a mining lease may be exercised until the lease has
14 been filed for record in the recording district where the land is
15 located.

16 * Sec. 73. AS 38.05.245(a) is amended to read:

17 (a) Before the discovery of valuable minerals, an exclusive
18 right to prospect by geophysical, geochemical and similar methods may
19 be acquired by marking boundaries and posting a notice of location of
20 a prospecting site in a manner and containing such information as the
21 commissioner requires. A prospecting site may not exceed 2,640 feet
22 in its longest dimension and its boundaries shall run in the four
23 cardinal directions. A certificate of location shall be filed for
24 record in the recording district where the prospecting site is located
25 within 90 days after posting the notice of location, and a copy of the
26 certificate shall also be mailed to the commissioner [DIRECTOR] within
27 the 90 day period. The locator of a prospecting site has the exclu-
28 sive right to stake mining claims or leasehold locations within the
29 boundaries of the prospecting [HIS] site.

1 * Sec. 74. AS 38.05.245(c) is amended to read:

2 (c) No person may locate more than six prospecting sites in one
3 calendar year in one recording district. A prospecting site remains
4 in effect for one year after the notice of location is posted and may,
5 at the discretion of the commissioner [DIRECTOR], be extended for one
6 year periods. During each year, work of a type compatible with the
7 purpose of this section and acceptable to the commissioner [DIRECTOR]
8 shall be done. The minimum expenditure for the work shall be estab-
9 lished by the commissioner uniformly for all prospecting sites. Where
10 adjacent prospecting sites are held in common the expenditure may be
11 made on any one or more locations. If a prospecting site expires,
12 neither the locator nor a [HIS] successor in interest of the locator
13 may again locate the same prospecting site or any portion of it, as a
14 prospecting site, for a period of two years following the date of
15 expiration or abandonment; nor may the locator [HE], during the two
16 years, either directly or indirectly, obtain a beneficial interest in
17 the same prospecting site or a portion of it.

18 * Sec. 75. AS 38.05.250(a) is amended to read:

19 (a) The exclusive right to prospect for deposits of minerals
20 subject to AS 38.05.185 - 38.05.275 in or on tide and submerged state
21 land [LANDS] may be granted by a permit issued by the commissioner
22 [DIRECTOR]. Permits shall be granted to the first qualified appli-
23 cant. No permit may include an area larger than 2,560 acres, subject
24 to the rule of approximation. Land [LANDS] subject to a prospecting
25 permit shall be as compact in form as possible taking into considera-
26 tion the area involved. The term of the permit shall be seven years.
27 Prospecting permits shall be conditioned upon payment of rental
28 against which credit shall be given for useful expenditures on land
29 covered by the permit or group of contiguous permits under common

1 ownership or assignment. Excess expenditures may be applied against
2 rentals due for the following two years. The rental shall be \$3 per
3 acre for each year, payable at the end of each year. No minerals from
4 land [LANDS] under a prospecting permit may be mined and marketed or
5 used, except for limited amounts necessary for sampling or testing.
6 No person may take or hold prospecting permits for minerals on state
7 land under this section exceeding in the aggregate 100,000 acres. No
8 person may take or hold leases for minerals on state land under this
9 section exceeding in the aggregate 46,080 acres.

10 * Sec. 76. AS 38.05.250(b) is amended to read:

11 (b) Upon discovery, the right to possess and extract the min-
12 erals may be acquired by noncompetitive lease. A noncompetitive lease
13 shall be granted to a holder of a prospecting permit for so much of
14 the land subject to the permit as is shown to the satisfaction of the
15 commissioner [DIRECTOR] to contain workable mineral deposits. Sub-
16 merged land [LANDS] containing known deposits of minerals subject to
17 AS 38.05.185 - 38.05.275 may, in the discretion of the commissioner
18 [DIRECTOR], be offered by competitive bid. The land [THESE LANDS]
19 shall be leased to the responsible qualified person offering the
20 highest amount of cash bonus.

21 * Sec. 77. AS 38.05.255 is amended to read:

22 Sec. 38.05.255. SURFACE USE OF LAND OR WATER. Surface uses of
23 land or water included within mining properties by owners of those
24 properties shall be limited to those necessary for the prospecting
25 for, extraction of, or basic processing of mineral deposits and shall
26 be subject to reasonable concurrent uses. Permits for millsites and
27 tailings disposal may be granted by the commissioner [DIRECTOR]. The
28 permits shall be conditioned upon payment of a reasonable charge for
29 the use and continuance of the limited use. Timber from land open to

1 mining without lease, except timberland, may be used by a mining
2 claimant or prospecting site locator for the mining or development of
3 the location or adjacent claims under common ownership. On other
4 land, timber may be acquired as provided in this chapter. Use of
5 water shall be made in accordance with AS 46.15.

6 * Sec. 78. AS 38.05.265 is amended to read:

7 Sec. 38.05.265. ABANDONMENT. Failure to (1) properly file for
8 record a certificate of location or a statement of annual labor, or
9 (2) file with the commissioner [DIRECTOR] within the time prescribed a
10 lease application or a copy of a prospecting site location certifi-
11 cate, or (3) pay rental or receive credit for rental, or (4) keep
12 location boundaries clearly marked, all as required by AS 38.05.185 -
13 38.05.280 [SECS. 185 - 280 OF THIS CHAPTER] and by regulations adopted
14 under these sections, constitutes abandonment of all rights acquired
15 under the mining lease, location, or site involved, and it is subject
16 to relocation by others. If a location is not relocated by another
17 person with one year after such failure, or, in the case of a pros-
18 pecting site, two years, the locator or claimant of the abandoned
19 location, or the [HIS] successor in interest of the locator or claim-
20 ant, may return to relocate it as though it had never been located. A
21 statement of annual labor which does not accurately set out the essen-
22 tial facts is void and of no effect.

23 * Sec. 79. AS 38.05.270 is amended to read:

24 Sec. 38.05.270. TRANSFERS. The sale, lease or other transfer of
25 mining property or interest in mining property shall be recorded or
26 shall be approved by the commissioner under adopted regulations [DI-
27 RECTOR IN COMPLIANCE WITH SUCH REGULATIONS AS THE COMMISSIONER MAY
28 ADOPT]. The heirs and assigns of mining property or interest in
29 mining property have the same rights and duties as their predecessors.

1 * Sec. 80. AS 38.05.275 is amended to read:

2 Sec. 38.05.275. RECOGNITION OF LOCATIONS. Mining locations made
3 on state land [LANDS], including shoreland, tideland [SHORELANDS,
4 TIDELANDS], or submerged land [LANDS], or state selected land [LANDS],
5 under AS 38.05.185 - 38.05.280 [SECS. 185 - 280 OF THIS CHAPTER], or
6 in the manner described in AS 27.10.010 - 27.10.240 acquire for the
7 locator mining rights under AS 38.05.185 - 38.05.280 [SECS. 185 - 280
8 OF THIS CHAPTER], subject to existing claims and to any denial of or
9 restriction in the tentative approval of state selection of the patent
10 of the land [LANDS] to the state. If shoreland, tideland [SHORELANDS,
11 TIDELANDS] or submerged land is [LANDS ARE] included in a mining
12 location or within the projected boundaries of a mining location made
13 in accordance with this section, the locator is required to file a
14 certificate of location with the department [DIVISION OF LANDS] within
15 90 days following the date of posting the notice of location, in
16 addition to filing a certificate of location as required by AS 38.-
17 05.195 [SEC. 195 OF THIS CHAPTER]. The certificate of location must
18 identify the position of the mining location in the system of rec-
19 tangular or protracted surveys.

20 * Sec. 81. AS 38.05.310(a) is amended to read:

21 (a) No land may be sold or leased, or a renewal lease issued,
22 except in the case of an oil or gas or mineral lease, unless it has
23 been appraised within 120 days before the date fixed for the sale or
24 lease. When land is offered at public sale but is not sold and is
25 available at private sale, no reappraisal is required unless the
26 commissioner [DIRECTOR] considers that a change in value of the land
27 [LANDS] may have occurred. A grazing lease may be granted to a lessee
28 of federal grazing land [LANDS] without prior appraisal, if the [HIS]
29 federal lease was cancelled to allow the state to select the land

1 [LANDS] under lease. No land may be sold or leased for less than the
2 approved, appraised market value, except as provided in AS 38.05.315,
3 38.05.320, 38.05.057, 38.05.075 - 38.05.085 and 38.05.097.

4 * Sec. 82. AS 38.05.315 is amended to read:

5 Sec. 38.05.315. PUBLIC AND CHARITABLE USE. (a) The lease,
6 sale, or other disposal of state land or resources may be made to a
7 state or federal agency or political subdivision, or the lease, sale,
8 or disposal of coal deposits suitable for mining may be made to a
9 utility owned and operated by a government agency or nonprofit cooper-
10 ative association organized to participate under the Federal Rural
11 Electrification Act for the purpose of generating electric power and
12 energy or the production of process steam, or both, for less than the
13 appraised value as determined by [THE DIRECTOR AND APPROVED BY] the
14 commissioner to be fair and proper and in the best interests of the
15 public, with due consideration given to the nature of the public
16 services or function rendered by the agency, subdivision, or utility
17 making application, and of the terms of the grant under which the land
18 was acquired by the state.

19 (b) Notwithstanding AS 38.05.070 - 38.05.080 and 38.05.095, the
20 commissioner [DIRECTOR], upon application filed by an applicant eli-
21 gible under (b) - (d) of this section, may, by negotiation and without
22 public auction in the manner prescribed in (b) - (d) of this section,
23 lease state land for a term of not more than 55 years. Before leas-
24 ing, the commissioner [DIRECTOR] shall prepare a land use plan and a
25 land classification to insure that the proposed use is compatible with
26 area utilization. Before the land may be leased under (b) - (d) of
27 this section, it must be shown to the satisfaction of the commissioner
28 [DIRECTOR] that the land is to be used for an established or def-
29 initely proposed project, and that the eligible applicant has the

1 financial ability to carry out the project. The commissioner may
2 establish limitations on the acreage which may be leased under (b) -
3 (d) of this section to an applicant.

4 (c) Eligible applicants under (b) - (d) of this section are
5 limited to nonprofit corporations, associations, clubs, or societies
6 organized and operated exclusively for charitable, religious, scien-
7 tific, or educational purposes, or for the promotion of social wel-
8 fare, if the project for which the land is desired conforms to those
9 objectives and not commercial development. No lease of land may be
10 granted under this section for a project closed to the use and enjoy-
11 ment of the general public. In every case the applicant shall submit
12 evidence that it is exempt from payment of federal income tax. As a
13 condition of and in consideration of the rights acquired under a lease
14 granted under (b) - (d) of this section, each eligible organization
15 and its parent or subsidiary organizations shall (1) maintain and
16 preserve books, accounts, and records that the commissioner [DIRECTOR]
17 prescribes by regulation as necessary and appropriate; and (2) accord
18 at all reasonable times to the state and its authorized agents and
19 auditors the right of access to those books, accounts and records for
20 the purpose of inspecting, examining and copying them. Any informa-
21 tion provided the state in the course of an audit becomes a matter of
22 public record.

23 (d) The commissioner [DIRECTOR] may lease the land to an eli-
24 gible applicant at a reasonable annual rental, taking into considera-
25 tion the purposes for which the land is to be used and the financial
26 resources of the applicant. The rental may not be less than one
27 percent of the fair market value on land [LANDS] acquired primarily
28 for development, or less than five percent of the fair market value on
29 university or acquired land [LANDS]. Rent may not be charged for

1 state land leased for a youth encampment. For the purposes of this
2 subsection, "youth encampment" shall be defined by the commissioner by
3 regulation. Renewal leases may be issued at the discretion of the
4 commissioner [DIRECTOR] upon the expiration of a primary or renewal
5 term. Each lease shall contain a provision for its termination as to
6 all or part of the land [LANDS] upon a finding by the commissioner
7 [DIRECTOR] that the land or a part of it has not been used by the
8 lessee for the purpose specified in the lease for a period of two
9 years. No lease may be assigned or subleased except with the consent
10 of the commissioner [DIRECTOR], and in any case may only be trans-
11 ferred to an applicant eligible under (b) - (d) of this section. A
12 lessee may not change the use specified in the lease to another or
13 additional use except with the consent of the commissioner [DIRECTOR].
14 If, at any time after the land is leased, the lessee attempts to
15 assign the lease or transfer control over the land to another, or if
16 the land is devoted to a use other than that for which the land was
17 leased without the consent of the commissioner [DIRECTOR], the lease
18 automatically terminates.

19 (e) The lease, sale, or other disposal of state land at ap-
20 praised fair market value may be negotiated with a licensed public
21 utility or a licensed common carrier by [THE DIRECTOR WITH THE AP-
22 PROVAL OF] the commissioner if the utility or carrier reasonably
23 requires the land for the conduct of its business under its license.

24 (f) The commissioner shall lease state land for telephone or
25 electric transmission and distribution lines for less than the ap-
26 praised value of the land if the lessee is a nonprofit cooperative
27 association organized under AS 10.25.010 - 10.25.650. Before deter-
28 mining [HE DETERMINES] the annual rental, the commissioner shall
29 consider the nature of the public service rendered by the nonprofit

1 cooperative association and the terms of the grant under which the
2 land was acquired by the state. A nonprofit cooperative association
3 may not construct improvements other than transmission or distribution
4 lines and substations on land leased under this subsection.

5 * Sec. 83. AS 38.05.320(b) is amended to read:

6 (b) Home rule cities and cities of the first class incorporated
7 on or before April 1, 1964, may apply, in the manner prescribed by the
8 commissioner [DIRECTOR], and in accordance with [SUCH] regulations
9 [AS] the commissioner [DIRECTOR] may adopt, for a conveyance to them
10 of all land [LANDS] seaward of the home rule cities and cities of the
11 first class which is [ARE] between the mean high tide line in, or
12 forming the boundary of, the home rule cities and cities of the first
13 class, and a line to be shown on a plat made a part of the application
14 which shall be the pierhead line established under the Act of Septem-
15 ber 7, 1957, or the harbor line established under the Act of March 3,
16 1899, or if no pierhead line or harbor line is established then a line
17 subject to approval by [THE DIRECTOR, WITH THE CONCURRENCE OF] the
18 commissioner [,] which shall be seaward of all tideland [TIDELANDS]
19 and submerged land [LANDS] occupied or suitable for occupation and
20 development without unreasonable interference with navigation. The
21 commissioner [DIRECTOR] shall convey that [THESE] tide and submerged
22 land [LANDS] to home rule cities and cities of the first class.
23 Applications by preference right claimants filed with the commissioner
24 [DIRECTOR] before June 30, 1964, shall continue to be processed to a
25 final determination and conveyance, if any by the commissioner [DIREC-
26 TOR], if such preference right claimants are entitled to a conveyance
27 from the commissioner [DIRECTOR] under the existing previous to
28 July 22, 1964.

29 (1) Each home rule city and city of the first class granted

1 a conveyance shall prepare an official subdivision plat of the area
2 conveyed showing all structures and improvements and the boundaries of
3 each tract occupied or developed, together with the name of the owner
4 or claimant. The subdivisional plat shall include within the bound-
5 aries of each tract occupied or developed such surrounding tide and
6 submerged land as is [LANDS AS ARE] reasonably necessary in the opin-
7 ion of the governing body of the home rule cities and cities of the
8 first class for the use and enjoyment of the structures and improve-
9 ments by the owner or claimant, but shall not include tide or sub-
10 merged land [LANDS] which if granted to the occupant would unjustly
11 deprive an occupant of adjoining land [LANDS] from [HIS] reasonable
12 use and enjoyment of it [THEM].

13 (2) An occupant of land included in the conveyance to home
14 rule cities and cities of the first class, who occupied or developed
15 the land on and before September 7, 1957, has a class I preference
16 right to the land [LANDS] from the home rule cities and cities of the
17 first class upon the execution of a waiver to the state and the home
18 rule cities and cities of the first class of all rights the occupant
19 may have acquired under Public Law 85-303 (71 Stat. 623).

20 (3) An occupant of land included in the conveyance to home
21 rule cities and cities of the first class, who has a class II prefer-
22 ence right by reason of the conveyance to home rule cities and cities
23 of the first class, and is unwilling to waive the right has a prefer-
24 ence right to the land [LANDS] which it is mandatory for the home rule
25 cities and cities of the first class to expeditiously honor upon
26 application from the occupant after the Secretary of the Army has
27 submitted to the Secretary of the Interior and the governor [OF THE
28 STATE] maps showing the pierhead line established by the corps of
29 engineers with respect to the tract so granted.

1 (4) An occupant of land included in the conveyance to home
2 rule cities and cities of the first class, who occupied or developed
3 the land after September 7, 1957, and before January 3, 1959, and who
4 continued to occupy it on January 3, 1959, has a class III preference
5 right to the land [LANDS] from the home rule cities and cities of the
6 first class.

7 (5) In making a conveyance to an occupant, the home rule
8 cities and cities of the first class shall include as a part of the
9 tract conveyed and in addition to the occupied or developed land
10 [LANDS], such additional tide and submerged land as is [LANDS AS ARE]
11 reasonably necessary in the opinion of the governing body of the home
12 rule cities and cities of the first class for the occupant's use and
13 enjoyment of the occupied or developed land, but the conveyance shall
14 not include any area which would unjustly deprive an occupant of
15 adjoining land [LANDS] from reasonable use and enjoyment of it [THOSE
16 LANDS] or which, if developed, will interfere with navigation.

17 (6) Each home rule city and city of the first class receiv-
18 ing conveyances shall by ordinance provide for reasonable regulations
19 governing the filing and processing of applications, publication of
20 notices, and the adjudication of disputes between claimants by the
21 governing body of the home rule cities and cities of the first class.
22 A party aggrieved by its determination may appeal to the superior
23 court.

24 (7) When no preference right has been granted to purchase
25 or lease tideland [TIDELANDS], the home rule cities and cities of the
26 first class may sell or lease the tideland [TIDELANDS] conveyed to
27 them, and may impose terms or conditions for the sale or lease. The
28 [SUCH] terms and conditions shall include such reservation of rights-
29 of-way as are necessary to provide reasonable access to public waters.

1 * Sec. 84. AS 38.05.320(c) is amended to read:

2 (c) An occupant of tide or submerged land which is not seaward
3 of a municipal corporation, who occupied or developed it on and before
4 [PRIOR TO] September 7, 1957, has a class I preference right to the
5 land [LANDS] from the state. However, if the land is seaward of a
6 surveyed townsite, the occupant shall execute a waiver to the state of
7 all rights which the occupant [HE] may have acquired under Public Law
8 85-303 (71 Stat. 623), before the preference right may be exercised.

9 (1) A person who has a class II preference right in the
10 disposition of land by the state not provided for under paragraph
11 (b)(3), and who is unwilling to waive that right, has a preference
12 right to the land [LANDS] which it is mandatory for the commissioner
13 [DIRECTOR] to expeditiously honor upon application from the occupant
14 after the Secretary of the Army has submitted to the Secretary of the
15 Interior and the governor [OF THE STATE] maps showing the pierhead
16 line established by the corps of engineers with respect to the tract
17 so granted.

18 (2) An occupant of tide or submerged land which is not
19 seaward of a municipal corporation, who occupied or developed it after
20 September 7, 1957, and before January 3, 1959, and who continued to
21 occupy it on January 3, 1959, has a class III preference right to the
22 land [LANDS] from the state.

23 (3) The preference right [RIGHTS HEREINABOVE] granted any
24 occupant in (c) of this section is lost unless the occupant of tide or
25 submerged land not seaward of a home rule or first class city makes
26 application to the commissioner [DIRECTOR] to exercise the preference
27 right by July 1, 1967.

28 (4) Each occupant shall [AT HIS COST] furnish at the cost
29 of the occupant a plat showing the exterior boundaries of the tideland

1 [TIDELANDS] and submerged land [LANDS] covered by the application, in
2 form and with proof of accuracy as set out in regulations of the
3 commissioner [DIRECTOR], and shall show the location and nature of all
4 fill material, buildings, structures and improvements, which form the
5 basis of the application and which are situated upon the tract applied
6 for. The applicant may include within the boundaries of the tract
7 applied for the [SUCH] surrounding tide and submerged land as is
8 [LANDS AS ARE] reasonably necessary in the opinion of the applicant
9 for the use and enjoyment of the structures and improvements by the
10 occupant, but may not include any tide or submerged land [LANDS] which
11 if granted to the occupant would unjustly deprive an occupant of
12 adjoining land [LANDS] from [HIS] reasonable use and enjoyment of it
13 [THEM].

14 (5) In making a conveyance to an occupant, the commissioner
15 [DIRECTOR] shall include as a part of the tract conveyed, and in
16 addition to the occupied or developed land [LANDS], such additional
17 tide and submerged land as is [LANDS AS ARE] reasonably necessary in
18 the opinion of the commissioner [DIRECTOR] for the occupant's use and
19 enjoyment of the occupied or developed land, but the conveyance shall
20 not include any area which would unjustly deprive an occupant of
21 adjoining land [LANDS] from reasonable use and enjoyment of it [THEM]
22 or which, if developed, will interfere with navigation.

23 (6) The commissioner [DIRECTOR] shall by regulation provide
24 for reasonable procedures [REGULATIONS] governing the filing and
25 processing of applications, the publication of notices and the adju-
26 dication of disputes between claimants. A party aggrieved by an
27 adjudication may appeal to the superior court.

28 (7) The holder of a valid corps of engineers permit issued
29 before November 15, 1959, may be given a preference to a lease or

1 permit by the state if justified in accordance with the policy of this
2 chapter and if in the best interests of the state. This preference is
3 subordinate to all other preferences recognized under this chapter.

4 * Sec. 85. AS 38.05.321(b) is amended to read:

5 (b) State land classified as agricultural land which has been
6 selected by a municipality under former AS 29.18.190 - 29.18.200 or
7 29.18.205(e) may be approved by the commissioner [DIRECTOR] for patent
8 under AS 29.18.205(f); however, only rights in the land for
9 agricultural purposes may be transferred and all other interests in
10 the land will remain with the state. Agricultural land approved for
11 patent to a municipality under AS 29.18.205(f) shall be credited, acre
12 for acre, toward fulfillment of that municipality's entitlement under
13 AS 29.18.201 - 29.18.203. If the commissioner [DIRECTOR] later deter-
14 mines it to be in the best interests of the state to transfer some or
15 all of the additional rights in that approved or patented agricultural
16 land, those rights shall pass without consideration to the municipal-
17 ity in which the land is located. The notice and review provisions of
18 AS [38.05.305 AND] 38.05.345 are applicable to conveyance of rights
19 under this section.

20 * Sec. 86. AS 38.05.323(a) is amended to read:

21 (a) Notwithstanding any other provision of law, a home rule or
22 general law municipality which accepts by conveyance or other disposi-
23 tion from the state a public recreation area facility developed under
24 the terms of P.L. 507 (70 Stat. 130), upon application, shall receive
25 by conveyance from the commissioner [DIRECTOR] all land owned by the
26 state seaward of the public recreation area facility which is between
27 the mean high tide line and the mean low tide line. The commissioner
28 may adopt [DIRECTOR MAY PROMULGATE] necessary regulations providing
29 for the conveyance of land under this section.

1 * Sec. 87. AS 38.05.330(a) is amended to read:

2 (a) The [DIRECTOR, WITHOUT THE PRIOR APPROVAL OF THE] commis-
3 sioner [,] may issue permits, rights-of-way or easements on state land
4 for roads, trails, ditches, field gathering lines or transmission and
5 distribution pipelines not subject to AS 38.35.010 - 38.35.260, tele-
6 phone or electric transmission and distribution lines, log storage,
7 oil well drilling sites and production facilities for the purposes of
8 recovering minerals from adjacent land [LANDS] under valid lease, and
9 other similar uses or improvements, or for the limited personal use of
10 timber or materials. The commissioner [, UPON RECOMMENDATION OF THE
11 DIRECTOR,] shall establish a reasonable rate or fee schedule to be
12 charged for these uses, subject to the exception for nonprofit
13 cooperative associations specified in (b) of this section. In the
14 granting, suspension or revocation of a permit or easement of land
15 [LANDS], the commissioner [DIRECTOR] shall give preference to that use
16 of the land which will be of greatest economic benefit to the state
17 and the development of its resources. However, first preference shall
18 be granted to the upland owner for the use of a tract of tideland, or
19 tideland and contiguous submerged land, which is seaward of the upland
20 property of the upland owner and which is needed by the upland owner
21 for any of the purposes for which the use may be granted.

22 * Sec. 88. AS 38.05.335 is amended to read:

23 Sec. 38.05.335. DEPOSITS. (a) The commissioner [DIRECTOR] may
24 require an applicant seeking the sale, lease or other disposal of land
25 [LANDS], other than under an oil and gas or mineral lease, to deposit
26 an amount covering the estimated cost of an appraisal, survey and
27 necessary advertising. All deposited funds not expended shall be
28 refunded to the applicant. If land is [LANDS ARE] sold or leased to
29 other than the applicant making the deposit, the party awarded the

1 land [LANDS] shall pay the total actual cost of appraising and survey-
2 ing the land [LANDS], together with the total actual cost of advertis-
3 ing, and the deposit shall be returned to the original applicant.

4 (b) Except as provided in (c) of this section, if a competitive
5 sale or lease of state land, minerals, timber or materials is to be
6 made by sealed bid, the commissioner [DIRECTOR] may require each
7 bidder to submit an earnest money deposit with each [HIS] bid. If the
8 sale or lease is by public auction, the commissioner [DIRECTOR] may
9 require each person desiring to bid to make an earnest money deposit
10 before bidding. The earnest money deposit of the highest qualified
11 bidder shall be applied toward the sale or lease price. If the suc-
12 cessful bidder defaults in the payment of the amount [HIS] bid, the
13 [HIS] deposit shall be forfeited to the state. All other earnest
14 money deposits shall be returned unless the commissioner decides to
15 award the contract to the second highest qualified bidder upon default
16 by the highest bidder rather than call for new bids, in which case the
17 commissioner may retain the deposit of the second highest qualified
18 bidder until final disposition of the land is made. A successful
19 bidder for a mineral lease who can prove to the satisfaction of the
20 commissioner within 45 days after notification of the lease award that
21 there is a reasonable doubt as to the ability of the state to grant a
22 valid lease to the land may withdraw the amount bid and have the
23 earnest money deposit returned [MAY WITHDRAW HIS BID AND HAVE HIS
24 EARNEST MONEY DEPOSIT RETURNED IF, WITHIN 45 DAYS AFTER NOTIFICATION
25 OF THE LEASE AWARD, HE CAN PROVE TO THE SATISFACTION OF THE COMMIS-
26 SIONER THAT THERE IS A REASONABLE DOUBT AS TO THE STATE'S ABILITY TO
27 GRANT A VALID LEASE TO THE LAND].

28 (c) The commissioner shall require each bidder for the competi-
29 tive leasing of oil and gas land [LANDS] to submit with each [HIS] bid

1 a deposit of money equal to 20 percent of the bonus.

2 * Sec. 89. AS 38.05.340(a) is amended to read:

3 (a) Except as provided in (b) of this section, all contracts of
4 purchase or lease of land [LANDS] or interest in land [LANDS] may be,
5 on the affirmative approval of the commissioner [DIRECTOR], assigned
6 or subleased in whole or in part in writing by the contract holder or
7 lessee, and the assignee or sublessee is subject to the provisions of
8 laws and regulations applicable to the contract or lease.

9 * Sec. 90. AS 38.05.348(a) is amended to read:

10 (a) The commissioner [DIRECTOR OF THE DIVISION OF LANDS] may
11 make grants of state land to persons and municipal corporations to
12 replace land which is rendered unusable by a natural disaster for the
13 purposes for which it was used before the natural disaster. The
14 commissioner [DIRECTOR] shall designate state land which is available
15 to replace land rendered unusable.

16 * Sec. 91. AS 38.05.348(c) is amended to read:

17 (c) An application for a grant of state land shall be filed with
18 the commissioner [DIRECTOR], and shall contain

- 19 (1) the name and address of the applicant;
20 (2) a legal description of the land rendered unusable;
21 (3) proof of ownership of the land; and
22 (4) a statement of the purpose for which the land was used
23 before the natural disaster rendered it unusable.

24 * Sec. 92. AS 38.05.348(d) is amended to read:

25 (d) The commissioner [DIRECTOR] shall, within 30 days of receipt
26 of the application, approve or disapprove the application. The com-
27 missioner's [DIRECTOR'S] determination of eligibility for a grant of
28 state land is final. Upon approval of [AT THE TIME HE APPROVES] the
29 application or as soon thereafter as possible, the commissioner [DI-

1 RECTOR] shall specify the land which shall be granted to an eligible
2 applicant. In making the [HIS] designation the commissioner [HE]
3 shall consider the value, size and use of the land rendered unusable
4 as a result of the natural disaster, and shall as nearly as possible
5 grant land of equal size or value or of equal utility.

6 * Sec. 93. AS 38.05.349 is amended to read:

7 Sec. 38.05.349. DISPOSITION OF STATE LAND FOR FLOOD CONTROL
8 PROJECTS. The department [DIVISION OF LANDS] may make conveyances of
9 title or other interests in state land, provide for exchange of land,
10 or make other arrangements with respect to state land, as necessary to
11 meet federally established requirements of flood control projects
12 authorized inside the state by the United States before or after
13 June 6, 1971.

14 * Sec. 94. AS 38.05.351 is amended to read:

15 Sec. 38.05.351. BONA FIDE PURCHASERS. No right, title, or
16 interest of a bona fide purchaser of any lease, interest in a lease,
17 option to acquire a lease or an interest in it, acquired after the
18 effective date of issuance of the lease and held by a qualified per-
19 son, association, or corporation in conformity with this chapter shall
20 be canceled or forfeited or otherwise adversely affected by reason of
21 the fact that the holding of the person, association, or corporation
22 from which the lease, interest, or option was acquired, or of a [HIS]
23 predecessor in title (including the original lessee of the state) may
24 have been canceled or forfeited, or may be or have been subject to
25 cancellation or forfeiture. If, in any proceeding for cancellation or
26 forfeiture, an underlying lease, interest, or option is canceled or
27 forfeited to the state and there are valid interests therein or valid
28 options to acquire the lease or an interest therein which are not
29 subject to cancellation or forfeiture, the underlying lease, interest,

1 or option shall be sold by the commissioner [DIRECTOR] to the highest
2 responsible qualified bidder by competitive bidding under general
3 competitive leasing regulations subject to all outstanding valid
4 interests therein and valid options pertaining thereto. Likewise if,
5 in any such proceeding, less than the whole interest in a lease,
6 interest, or option is canceled or forfeited to the state, the partial
7 interests so canceled or forfeited shall be sold by the commissioner
8 [DIRECTOR] to the highest responsible qualified bidder under general
9 competitive leasing regulations.

10 * Sec. 95. AS 38.05.362(a) is amended to read:

11 (a) Notwithstanding any other provision of law, [THE DIRECTOR,
12 WITH THE APPROVAL OF] the commissioner, in consultation with other
13 appropriate agencies and entities, shall classify for agricultural
14 purposes

15 (1) no less than 650,000 acres of state patented or tenta-
16 tively approved land which is appropriate for agricultural purposes
17 but in no event less than 50 percent of the state patented or tenta-
18 tively approved land which on September 22, 1976 [THE EFFECTIVE DATE
19 OF THIS ACT] has been classified as Class II or Class III in detailed
20 soil surveys of the National Cooperative Soil Survey;

21 (2) classification under (1) shall be completed within
22 three years of September 22, 1976.

23 * Sec. 96. AS 38.07.030(a) is amended to read:

24 (a) An owner of agricultural land, or a lessee from the state of
25 agricultural land, in the general vicinity of the land to be cleared
26 or drained under AS 38.07.010(a) may apply to the commissioner to have
27 the [HIS] land cleared or drained or both along with the state land.
28 The applicant's land shall be included in the contract of land to be
29 cleared or drained if, in the discretion of the commissioner, the

1 inclusion is feasible and furthers the agricultural policies of the
2 Department of Natural Resources [DIVISION].

3 * Sec. 97. AS 38.08.010 is amended to read:

4 Sec. 38.08.010. CLASSIFICATION OF LAND FOR HOMESITE ENTRY. (a)
5 The commissioner [DIRECTOR] shall designate, classify and make avail-
6 able for homesite entry state land in amounts and at times as required
7 in AS 38.04.020 or as may otherwise be required by law.

8 (b) Land classified as homesite entry land shall be divided into
9 parcels not exceeding five acres in reasonably compact form, with
10 boundaries conforming as nearly as practicable to natural geologic and
11 topographic features. However a parcel may exceed five acres if the
12 commissioner [DIRECTOR] determines that the larger parcel is necessary
13 to

14 (1) comply with local zoning ordinances; or

15 (2) permit the design of a subdivision because of topo-
16 graphical features, soil conditions, on-site sewage disposal require-
17 ments, or water drainage or supply considerations unique to the sub-
18 division.

19 (c) Repealed.

20 (d) The commissioner [DIRECTOR] shall, to as great an extent as
21 possible, classify land for homesite entry based upon the distribution
22 of population in the state.

23 * Sec. 98. AS 38.08.020 is amended to read:

24 Sec. 38.08.020. PUBLIC NOTICE. The commissioner [DIRECTOR]
25 shall publish notice of the availability of the land in the same
26 manner as provided in AS 38.05.345.

27 * Sec. 99. AS 38.08.060(a) is amended to read:

28 (a) A person who enters upon homesite entry land under a permit
29 issued by the commissioner [DIRECTOR] shall be issued a patent to the

1 land conveying an unencumbered title if that person

2 (1) occupies the land for a cumulative total of 35 months
3 within the seven-year period following issuance of the homesite entry
4 permit;

5 (2) erects a habitable, permanent, single-family dwelling
6 on the homesite, which meets all applicable state and local regula-
7 tions, within five years of the date of issuance of the homesite entry
8 permit; for the purposes of this paragraph, mobile homes are not
9 considered to be permanent dwellings unless they are placed on a
10 permanent foundation;

11 (3) reimburses the state for the survey and platting under-
12 taken in accordance with this chapter; the commissioner [DIRECTOR]
13 shall provide by regulation for installment payments of this
14 requirement.

15 * Sec. 100. AS 38.08.100 is amended to read:

16 Sec. 38.08.100. SUBSTANTIAL COMPLETION OF DWELLING. An entry
17 permit may not be revoked for failure to erect a dwelling in the time
18 required under AS 38.08.060(a)(2) if the commissioner [DIRECTOR] finds
19 that erection of the dwelling has been substantially completed and
20 progress toward completion is being made at the expiration of the time
21 required.

22 * Sec. 101. AS 38.10.010 is amended to read:

23 Sec. 38.10.010. APPLICATION FOR TRANSFER. Upon application by a
24 municipal corporation with a population of less than 5,000 persons
25 according to the latest United States census entitled to a conveyance
26 of tide and submerged land [LANDS] under AS 38.05.320(b), the commis-
27 sioner of natural resources [DIRECTOR OF THE DIVISION OF LANDS OF THE
28 DEPARTMENT OF NATURAL RESOURCES] may make or provide for the making of
29 surveys that may be required for the transfer of tide and submerged

1 land [LANDS] to the municipal corporation, and as may be required for
2 subsequent conveyance of the tide and submerged land [LANDS] by the
3 municipal corporations to occupants of the land [THOSE LANDS] who hold
4 preference rights. When the application by the municipal corporation
5 is accepted, the governing body of the municipal corporation shall
6 execute a contract on a form approved by the attorney general provid-
7 ing for the survey under the sole management and supervision of the
8 commissioner [DIRECTOR] and for repayment according to the provisions
9 of this chapter.

10 * Sec. 102. AS 38.10.020 is amended to read:

11 Sec. 38.10.020. SURVEYS. The survey provided for in AS 38.10.-
12 010 shall define the outside boundary of the land [LANDS] to be
13 conveyed to the municipal corporation and shall, on the same or
14 separate plats, show all structures and improvements and the
15 boundaries of each tract occupied or developed, together with the name
16 of the owner or claimant, and shall contain sufficient data to permit
17 preparation of adequate legal descriptions of the tracts to be
18 conveyed. The plats shall provide the same information as to all
19 tracts adjoining the outside boundary of the land [LANDS] to be con-
20 veyed to the municipal corporation. A sketch plat, sufficient for its
21 purpose in the opinion of the commissioner of natural resources [DI-
22 RECTOR], shall indicate the boundaries of each occupied or developed
23 tract as determined by the governing body of the municipal corporation
24 and the sketch plat shall be prepared and submitted to the commis-
25 sioner [DIRECTOR] before actual surveying shall begin. Nothing in
26 this chapter and nothing in a plat or sketch showing interior subdivi-
27 sion of the land [LANDS] to be conveyed to the municipal corporation
28 shall be construed as a determination of any preference right, nor
29 shall it prohibit adjustment and resurvey [RE-SURVEY] of the interior

1 subdivision.

2 * Sec. 103. AS 38.10.030 is amended to read:

3 Sec. 38.10.030. COSTS AND EXPENSES OF SURVEYS. Money shall be
4 appropriated from the general fund in an amount to be determined from
5 time to time by the legislature to facilitate the [SUCH] work. Ac-
6 counting of all costs and expenses of the surveys shall be made to the
7 municipal corporation by the commissioner of natural resources [DIREC-
8 TOR] periodically and a final accounting shall be made upon patent of
9 the land [LANDS] to the municipal corporation. Costs and expenses
10 chargeable to the city shall include the actual amount expended for
11 the survey and a reasonable allocation of overhead, travel and equip-
12 ment expense. The total amount of costs and expenses shall be repaid
13 to the fund through the commissioner [DIRECTOR] by the municipal
14 corporation for whom the survey was made, with interest at six percent
15 a year from the date of patent. The actual cost of survey of each
16 interior subdivision shall be determined by the commissioner [DIREC-
17 TOR]. For tracts conveyed to a preference right holder, the state
18 shall be reimbursed by the municipal corporation in the amount of the
19 survey costs of that tract as determined by the commissioner [DIREC-
20 TOR] within 30 days after the transfer of each tract. For tracts
21 conveyed, leased or otherwise disposed of by the municipal corpora-
22 tion, the fund shall be reimbursed by the municipal corporation in an
23 amount equal to 90 percent of the gross proceeds of the sale, lease or
24 other disposal of each tract until the total amount of the costs and
25 expenses of the survey, with interest, due the state is paid. The
26 total amount, with interest, shall be reimbursed to the state within
27 five years from the date of patent.

28 * Sec. 104. AS 38.10.050 is amended to read:

29 Sec. 38.10.050. REGULATIONS [RULES, REGULATIONS] AND PROCEDURES.

1 The commissioner of natural resources [, UPON RECOMMENDATION OF THE
2 DIRECTOR,] may establish reasonable procedures and adopt reasonable
3 [RULES AND] regulations necessary to carry out this chapter.

4 * Sec. 105. AS 38.35.220(c) is amended to read:

5 (c) Applications for pipeline permits which have been filed with
6 the Department of Natural Resources [DIVISION OF LANDS] before May 20,
7 1972 shall be considered as filed under this chapter but this does not
8 otherwise restrict the authority of the commissioner in acting on
9 these applications under this chapter; however, if the department
10 [DIVISION OF LANDS] has, before May 20, 1972, granted right-of-entry
11 to an applicant or issued a letter of no-objection to an applicant,
12 and the applicant thereafter fully complies with all of the terms and
13 conditions originally specified by the department [DIVISION OF LANDS]
14 or other agency, these applications are existing valid permits or
15 easements on May 20, 1972.

16 * Sec. 106. AS 38.50.010 is amended to read:

17 Sec. 38.50.010. AUTHORIZATION. Subject to the requirements of
18 this chapter, [THE DIRECTOR, WITH THE CONCURRENCE OF] the commissioner
19 [,] is authorized to dispose of state land or interest in land by
20 exchanging it for land, interest in land, or other consideration.
21 Exchanges shall be for the purpose of consolidating state land hold-
22 ings, creating land ownership and use patterns which will permit more
23 effective administration of the state public domain, facilitating the
24 objectives of state programs, or other public purposes.

25 * Sec. 107. AS 38.50.020 is amended to read:

26 Sec. 38.50.020. VALUE OF PROPERTIES EXCHANGED. (a) The land,
27 interest in land, and other consideration which the state receives in
28 an exchange made under this chapter shall be equal to or exceed the
29 appraised fair market value of the land, interest in land or property

1 exchanged by the state; however, the commissioner [DIRECTOR] may
2 accept cash from, or pay cash to, any other party to an exchange in
3 order to equalize the value of the property or other consideration
4 conveyed and received by the state. If the commissioner [DIRECTOR]
5 determines that the property to be exchanged is not equal in appraised
6 fair market value or if the value cannot be ascertained with reason-
7 able certainty, the commissioner [DIRECTOR] may enter into an exchange
8 upon a finding [IF HE FINDS] that the appraised fair market value of
9 the property to be received, together with the value of other public
10 benefits, equals or exceeds the value of the property which the state
11 will relinquish. An exchange for other than equal appraised fair
12 market value is subject to legislative review as provided in
13 AS 38.50.140.

14 (b) An appraisal required by this section is presumed accurate
15 and valid for a period of six months from the time the appraisal is
16 completed. After that time, or if the commissioner [DIRECTOR] has
17 reason to believe that the value of the appraised property has changed
18 significantly during the original six-month period, a reappraisal of
19 the property is required.

20 * Sec. 108. AS 38.50.030 is amended to read:

21 Sec. 38.50.030. PARTIES. (a) The commissioner [DIRECTOR] may
22 exchange land and interests [INTEREST] in land with a government
23 agency, organization, corporation, individual, or other person. At
24 the beginning of discussions concerning a proposed exchange, the
25 commissioner [DIRECTOR] shall require proof that each party to the
26 negotiations is the owner of, or is legally entitled to, the property
27 which the party desires to exchange and proof that a person acting as
28 an agent for a principal [THE PARTY] has the authority to negotiate an
29 exchange in behalf of the [HIS] principal.

1 (b) The commissioner [DIRECTOR] may negotiate an exchange in-
2 volving more than one party; however, in order to ascertain whether
3 the equal value requirements of this chapter have been met, the com-
4 missioner [DIRECTOR] shall consider only the land and other considera-
5 tion which the state would convey and receive if the exchange were
6 executed.

7 * Sec. 109. AS 38.50.040 is amended to read:

8 Sec. 38.50.040. LAND SUBJECT TO EXCHANGE. Except as otherwise
9 provided in this chapter, the commissioner [DIRECTOR] is authorized to
10 convey for purposes of exchange any state land or interest in land
11 regardless of the authority under which the land or interest was
12 obtained by the state. The conveyance of university land shall be
13 approved in the manner prescribed in AS 38.05.030.

14 * Sec. 110. AS 38.50.050 is amended to read:

15 Sec. 38.50.050. CONVEYANCE OF MINERAL RIGHTS. Subject to the
16 requirements of this chapter, the commissioner [DIRECTOR] is autho-
17 rized to exchange mineral rights in state land to the extent that the
18 conveyance is authorized by the state constitution and applicable
19 federal law. The commissioner [DIRECTOR] may not exchange or receive
20 the surface estate of land or the mineral rights in it, one without
21 the other, unless the separation of estate is necessitated by a prior
22 separation of ownership or by restrictions in applicable law, or the
23 commissioner [DIRECTOR] otherwise finds that the conveyance or receipt
24 of the surface or mineral estates, one without the other, is necessary
25 to achieve a significant public purpose.

26 * Sec. 111. AS 38.50.060 is amended to read:

27 Sec. 38.50.060. RESERVATIONS AND COVENANTS. The commissioner
28 [DIRECTOR] may include in any patent or other instrument issued under
29 this chapter any reservations and covenants relating to the land which

1 the commissioner [HE] considers necessary to protect or promote the
2 public interest. Reservations and covenants may include, but are not
3 limited to, those relating to access, environmental protection, and
4 use or development rights. The commissioner [DIRECTOR] may receive
5 land which is subject to reservations and covenants if the commis-
6 sioner [HE] finds that the reservations and covenants are consistent
7 with the public interest.

8 * Sec. 112. AS 38.50.080 is amended to read:

9 Sec. 38.50.080. PROHIBITION AGAINST FUTURE CONSIDERATIONS AND
10 ALIENATION OF SELECTION RIGHTS. (a) The commissioner [DIRECTOR] may
11 not negotiate or enter into a land exchange agreement which requires
12 the identification of land, interest in land, or other consideration,
13 except for the performance of necessary survey work, at any time after
14 the agreement is initially executed.

15 (b) The commissioner [DIRECTOR], in implementing the provisions
16 of this chapter, may not alienate or agree not to exercise selection
17 rights granted to the state in the Alaska Statehood Act or other
18 applicable law authorizing the state to select land or interest in
19 land.

20 * Sec. 113. AS 38.50.090 is amended to read:

21 Sec. 38.50.090. COORDINATION WITH OTHER STATE AGENCIES. (a)
22 During the negotiation of a land exchange, the commissioner [DIRECTOR]
23 shall consult with other departments [AND OTHER DIVISIONS OF THE
24 DEPARTMENT OF NATURAL RESOURCES] relative to matters which are within
25 their jurisdiction. If land under the jurisdiction of a state agency
26 other than the Department of Natural Resources may be involved in a
27 proposed exchange, the commissioner [DIRECTOR] shall afford the head
28 of that agency an opportunity to participate in the discussions re-
29 specting the land.

1 (b) The commissioner [DIRECTOR] shall be afforded an opportunity
2 to review and comment on any land exchange proposed by a state agency
3 other than the Department of Natural Resources.

4 * Sec. 114. AS 38.50.100 is amended to read:

5 Sec. 38.50.100. FINDING REQUIREMENT AS TO ALTERNATIVES. Before
6 circulating notice under AS 38.50.110, the commissioner [DIRECTOR]
7 shall consider other alternatives to achieve the objectives of the
8 proposed exchange in an effort to determine whether the proposed
9 exchange will best serve the public interest. In making this
10 determination, the commissioner [DIRECTOR] shall consider, among other
11 things, the advantages and disadvantages of acquiring the land or
12 interest in land for the state by means of purchase, lease, or
13 selection under the Alaska Statehood Act, or condemnation. In addi-
14 tion, the commissioner [HE] shall consider alternatives to the dis-
15 posal through exchange of the state land or interest in land, includ-
16 ing, but not limited to, lease or sale.

17 * Sec. 115. AS 38.50.110(a) is amended to read:

18 (a) Not more than 60 days nor less than 30 days before a public
19 hearing is scheduled under AS 38.50.120 the commissioner [DIRECTOR]
20 shall circulate a notice containing the information specified in (b)
21 of this section. The commissioner [DIRECTOR] shall

22 (1) publish or post the notice as provided in AS 38.05.345,
23 except as otherwise specified in this section; the commissioner [
24 THE DIRECTOR] shall publish the notice in a newspaper of general
25 circulation in the vicinity of the land which the state will receive
26 and in the three most populated cities of the state;

27 (2) mail the notice to any person who has filed a request
28 for notice of proposed exchanges;

29 (3) mail the notice to each member of the legislature;

1 (4) mail the notice to each municipality the boundaries of
2 which encompass or are located within six linear miles of land in-
3 volved in the proposed exchange;

4 (5) circulate the notice to the Office of the Governor and
5 to all state departments;

6 [(6) Repealed]

7 (6) [(7)] mail the notice to any corporation organized
8 under the Alaska Native Claims Settlement Act, which corporation owns
9 or has selected land located within a radius of 15 linear miles from
10 land or property involved in the proposed exchange; and

11 (7) [(8)] mail the notice to any other party, including an
12 organization of land users, that the commissioner [HE] considers
13 appropriate.

14 * Sec. 116. AS 38.50.120 is amended to read:

15 Sec. 38.50.120. PUBLIC HEARINGS. (a) The commissioner [DIREC-
16 TOR] may hold as many public hearings as is considered appropriate.
17 There shall be at least one public hearing.

18 (b) A person who desires to testify at a hearing shall be pro-
19 vided an opportunity to do so, subject to reasonable time limits. In
20 addition, the commissioner [DIRECTOR] shall hold the hearing record
21 open for at least two weeks following the conclusion of a hearing in
22 order to receive supplemental or additional statements.

23 * Sec. 117. AS 38.50.130 is amended to read:

24 Sec. 38.50.130. REPORT ON PROPOSED EXCHANGE. (a) In conjunc-
25 tion with the public notice required by AS 38.50.110, the commissioner
26 [DIRECTOR] shall prepare and distribute the report required by this
27 section to the parties listed in AS 38.50.110(a)(2) - (7) [(8)] and to
28 any other party who requests it. The report shall contain, among
29 other things, a copy of the notice required by AS 38.50.110 and a

1 discussion in a concise format designed to facilitate public
2 understanding of the issues of

3 (1) the physical characteristics of the land involved,
4 including the surface and mineral resources associated with the land;

5 (2) the appraised fair market value of each tract involved
6 in the exchange or, if the exchange is for other than equal appraised
7 fair market value, the nonmonetary values which are involved;

8 (3) the benefits and detriments which can be expected to
9 accrue, including possible social, economic, and environmental im-
10 pacts; and

11 (4) alternatives to the proposed exchange.

12 (b) Upon termination of the period provided for agency and
13 public comment, the report and the proposed land exchange may be
14 revised, if appropriate, to reflect comments or other information
15 which has come to the commissioner's [DIRECTOR'S] attention. A brief
16 summary of all comments and information received shall be appended to
17 the report.

18 * Sec. 118. AS 38.50.140 is amended to read:

19 Sec. 38.50.140. LEGISLATIVE REVIEW. Within 10 days of the
20 convening of a regular legislative session, the governor shall trans-
21 mit to the president of the senate and the speaker of the house of
22 representatives any proposal for a land exchange for other than equal
23 appraised fair market value which is scheduled to occur before the
24 next legislative session. If [, IN HIS VIEW,] exigent circumstances
25 seriously affecting state interests so require, the governor may
26 submit the proposed exchange to the legislature at some other time. A
27 finding of exigent circumstances shall be carefully documented in the
28 letter of transmittal. The commissioner [DIRECTOR] is authorized to
29 conclude a proposed exchange agreement unless either house of the

1 legislature by simple resolution disapproves of the exchange within 60
2 legislative days of transmittal by the governor. A decision by the
3 legislature to disapprove a proposed exchange shall be accompanied by
4 a recommendation to the governor with respect to future actions which
5 the commissioner [DIRECTOR] should take concerning the exchange.

6 * Sec. 119. AS 38.50.150 is amended to read:

7 Sec. 38.50.150. EXECUTION OF EXCHANGE. If a deed, contract of
8 exchange, or other instrument of conveyance which the commissioner
9 [DIRECTOR] receives to effectuate an exchange is properly executed,
10 acknowledged, and authorized by the appropriate party, the commis-
11 sioner [DIRECTOR] shall accept conveyance of title to the land and
12 other property which the state is to receive as consideration, and
13 [HE] shall issue a patent, contract of exchange or other instrument of
14 conveyance to the appropriate party for the property which the commis-
15 sioner [HE] is then obligated to convey. Before acceptance by the
16 commissioner [DIRECTOR] of a deed, contract of exchange or other
17 instrument, no action taken by the commissioner [HIM] or by any other
18 state official creates a right against the state with respect to state
19 land.

20 * Sec. 120. AS 38.95.080(a) is amended to read:

21 (a) The commissioner of natural resources [DIRECTOR OF THE
22 DIVISION OF LANDS] shall issue a nontransferable permit for the con-
23 struction of a trapping cabin on state land to a person who meets the
24 following qualifications:

25 (1) the person must have an established trapline with proof
26 of regular use;

27 (2) the person must have a trapline of sufficient length to
28 justify the need for cabin construction.

29 * Sec. 121. AS 38.95.080(b) is amended to read:

1 (b) Nothing in (a) of this section prevents the commissioner
2 [DIRECTOR] from issuing a permit to more than one qualified person for
3 the construction and use of the same trapping cabin.

4 * Sec. 122. AS 38.95.080(c) is amended to read:

5 (c) The commissioner [DIRECTOR] shall establish, by regulation,
6 conditions attaching to the permit issued under (a) and (b) of this
7 section. These conditions shall include the following:

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

12 (2) a cabin shall be constructed and maintained according
13 to reasonable specifications established by the commissioner [DIREC-
14 TOR]; one cabin constructed under a permit may contain not more than
15 400 square feet; however, in no case may another cabin constructed
16 under the same permit exceed 192 square feet;

17 (3) a permit shall specify the number of cabins allowed to
18 be constructed and indicate their specific geographical location; the
19 commissioner [DIRECTOR] may establish a maximum number of cabins per
20 person or otherwise limit their number because of the probability of
21 adverse consequences;

22 (4) adequate provision must be made for waste and garbage
23 disposal, as determined by the commissioner [DIRECTOR];

24 (5) the payment of a trapping cabin permit fee of \$10.

25 * Sec. 123. AS 40.15.070 is amended to read:

26 Sec. 40.15.070. PLATTING AUTHORITY. If land proposed to be
27 subdivided or dedicated is situated within a first or second class
28 borough the proposed subdivision or dedication shall be submitted to
29 the borough planning commission for approval. If the land is situated

1 within a city in the unorganized borough or the third class borough
2 the proposed subdivision or dedication shall be submitted to the city
3 planning commission for approval. The borough planning commission is
4 the platting authority for the first or second class borough, the city
5 planning commission is the platting authority for the city, and the
6 Department of Natural Resources [DIVISION OF LANDS] is the platting
7 authority in the remaining areas of the state and third class borough
8 for the change or vacation of existing plats or a portion of such
9 plats, as provided in AS 40.15.075. If the borough or the city does
10 not have a planning commission, the borough assembly or the city
11 governing body, respectively, is the platting authority and the
12 proposed subdivision or dedication shall be submitted to it. No
13 subdivision may be filed for record until it is approved by the
14 platting authority.

15 * Sec. 124. AS 40.15.075 is amended to read:

16 Sec. 40.15.075. AUTHORITY IN THE UNORGANIZED BOROUGH AND THIRD
17 CLASS BOROUGHES. The Department of Natural Resources [DIVISION OF
18 LANDS] is the platting authority in the area outside organized bor-
19 oughs and outside cities in the unorganized borough and in the third
20 class borough for only the purposes of hearing and acting on petitions
21 for the change or vacation of plats and shall execute this function
22 substantially in conformity with the provisions of AS 29.33.210 -
23 29.33.240. Costs of publication and mailing as well as other costs
24 authorized in AS 29.33.210 shall be paid to the department [DIVISION]
25 by the petitioner. The commissioner of natural resources [DEPARTMENT
26 OF NATURAL RESOURCES] shall adopt reasonable regulations governing the
27 exercise of the authority conferred by this section upon the depart-
28 ment [DIVISION OF LANDS].

29 * Sec. 125. AS 41.15.040 is amended to read:

1 Sec. 41.15.040. RIGHT OF ENTRY TO CONTROL AND SUPPRESS FIRES.
2 Upon approval by the commissioner or an authorized agent, employees of
3 the Department of Natural Resources [DIVISION OF LANDS], or of any
4 organization authorized to prevent, control or suppress fires or
5 destructive agents, and others assisting in the control or suppression
6 of fires upon request of an officer or employee of the United States
7 or the state may at any time enter upon any land, whether publicly or
8 privately owned, for the purpose of preventing, suppressing or
9 controlling forest fires and destructive agents.

10 * Sec. 126. AS 41.17.030(a) is amended to read:

11 (a) The division shall manage state forests and, as directed by
12 the commissioner, provide technical advice to the department [DIVISION
13 OF LANDS] on sound forest practices necessary to ensure the continuous
14 growing and harvesting of commercial forest species on other state
15 land.

16 * Sec. 127. AS 44.19.056 is amended to read:

17 Sec. 44.19.056. COMPOSITION. The State Geographic Board con-
18 sists of the commissioner of the Department of Community and Regional
19 Affairs, the curator of the state museum, the state historical
20 librarian, the commissioner of the Department of Transportation and
21 Public Facilities, the commissioner of the Department of Natural
22 Resources, the commissioner of the Department of Education, [THE
23 DIRECTOR OF THE DIVISION OF LANDS,] and two [ONE] other persons
24 [PERSON] appointed by the governor.

25 * Sec. 128. AS 44.62.330(a)(9) is amended to read:

26 (9) Department of Natural Resources [DIVISION OF LANDS]
27 under the Alaska Land Act where applicable

28 * Sec. 129. AS 45.50.235(b) is amended to read:

29 (b) Timber property which becomes state property under the

1 provisions of this section may be sold under terms and conditions
2 established by the commissioner [DIRECTOR OF THE DIVISION OF LANDS].

3 * Sec. 130. AS 46.15.133(a) is amended to read:

4 (a) Upon receipt of an application, the commissioner shall
5 prepare a notice containing the location and extent of the proposed
6 appropriation, the name and address of the applicant and other infor-
7 mation the commissioner [HE] considers pertinent. The notice shall
8 state that within 15 days of publication or service of notice, persons
9 may file with the commissioner [DIRECTOR] written objections, stating
10 the name and address of the objector, and any facts tending to show
11 that rights of the objector or the public interest would be adversely
12 affected by the proposed appropriation.

13 * Sec. 131. AS 46.15.133(b) is amended to read:

14 (b) The commissioner shall publish the notice at the applicant's
15 expense in one issue of a newspaper of general distribution in the
16 area of the state in which the water is to be appropriated. The
17 commissioner shall also have notice served personally or by certified
18 mail upon an appropriator of water or applicant for or holder of a
19 permit who, according to the records of the Department of Natural
20 Resources [DIVISION OF LANDS], may be affected by the proposed appro-
21 priation and may serve notice upon any governmental agency, political
22 subdivision or person; notice shall also be served upon the Department
23 of Fish and Game and the Department of Environmental Conservation.

24 * Sec. 132. AS 38.05.005 - 38.05.015, 38.05.020(a), 38.05.037,
25 38.05.365(5); AS 38.50.170(2); and AS 46.15.260(7) are repealed.

26 * Sec. 133. To be consistent with the changes made in this Act,
27 wherever the phrases "division of lands" or the "director of the division
28 of lands" appear in the Alaska Statutes, the revisor of statutes shall
29 substitute the phrases "Department of Natural Resources" or "commissioner of

1 natural resources."

2 * Sec. 134. This Act takes effect July 1, 1984.