

Offered: 3/13/84
Referred: Finance

Original sponsors: Fahrenkamp and Ziegler

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 375 (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 land disposal and management; and
7 providing for an effective date."

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

9 * Section 1. AS 38.04.005(b) is amended to read:

10 (b) In classifying and making state land available for private
11 use and settlement purposes, the director shall consider the natural
12 resources and conditions present on the land and shall seek to mini-
13 mize the effect of private settlement on wildlife, fishery, mineral,
14 timber, and other significant resources and scenic quality of the
15 land; the director shall also make adequate provision for public open
16 space which is accessible to communities so that natural areas are
17 easily reached from all communities and settled areas. The amount of
18 that land shall be sufficient to meet existing and projected needs for
19 accessible public recreation land. Special care shall be taken to
20 preserve public access to public water and to retain state ownership
21 of sufficient land which combine high value for recreation and other
22 public purposes with accessibility to settled areas. This classifica-
23 tion for public purposes does not constitute dedication to open space,
24 but the division's management of land so classified shall be in a
25 manner to preserve the identified values.

26 * Sec. 2. AS 38.04.005(e) is repealed and reenacted to read:

27 (e) The involvement of a proximately located municipality and of
28 local residents is essential in classifying and making state land
29 available for private use and settlement. The director shall, when

1 appropriate, hold public meetings in the communities affected by the
2 disposal to solicit the views of the residents of the communities
3 affected.

4 * Sec. 3. AS 38.04.005 is amended by adding a new subsection to read:

5 (f) Land owned by the Board of Regents of the University of
6 Alaska is not subject to the provisions of this chapter.

7 * Sec. 4. AS 38.04.010(b) is amended to read:

8 (b) State land which is located beyond the range of existing
9 schools and other necessary public services, or which is located where
10 development of sources of employment is improbable, may be made avail-
11 able for seasonal recreational purposes or for low density settlement.
12 The seasonal recreation use or low density settlement shall have [,
13 WITH] sufficient separation between residences so that public services
14 will not be necessary or expected. The availability of timber, fire-
15 wood, and water resources shall be considered in determining separa-
16 tion between residences.

17 * Sec. 5. AS 38.04.020(e) as amended by sec. 3, ch. 103, SLA 1983 is
18 amended to read:

19 (e) The commissioner shall annually submit to the governor an
20 appropriation request for funding estimated to be necessary for the
21 next two years to allow [NECESSARY FOR THE DISPOSAL OF STATE LAND IN
22 THE LAND DISPOSAL BANK THAT SHALL BE INCLUDED IN THE BUDGET SUBMITTED
23 TO THE LEGISLATURE BY THE GOVERNOR. FOR EACH FISCAL YEAR, THE REQUEST
24 SHALL INCLUDE AN ESTIMATE OF THE AMOUNT NECESSARY]

25 (1) [FOR] survey and disposal of land proposed to be made
26 available for homestead staking, with the general location of the
27 land;

28 (2) [FOR] survey and disposal of land to be offered as
29 agricultural, commercial, industrial, or other uses under AS 38.05.055

1 or 38.05.057, with the general location of the land;

2 (3) [FOR] the survey and disposal of land proposed to be
3 offered as subdivisions, with the general location of the land;

4 (4) [FOR] preliminary feasibility studies, engineering
5 design work, right-of-way acquisition, and construction of access
6 roads and capital improvements required by municipal subdivision
7 ordinance or regulation of the platting board under AS 29.33.150; [IF
8 AN ACCURATE DETERMINATION OF THE AMOUNTS NECESSARY FOR ACCESS ROADS OR
9 CAPITAL IMPROVEMENTS CANNOT BE MADE AT THE TIME THE ESTIMATE IS SUB-
10 MITTED, A SCHEDULE FOR OBTAINING THE ESTIMATES, CONSTRUCTING THE
11 ACCESS ROADS OR CAPITAL IMPROVEMENTS, AND DISPOSING OF THE LAND SHALL
12 BE SUBMITTED;]

13 (5) [FOR] identification of land that will be proposed for
14 disposal under this subsection in future fiscal years.

15 * Sec. 6. AS 38.04.020(f) is amended to read:

16 (f) The request of the commissioner under (e) of this section
17 shall include an analysis and a determination that there is a market
18 demand for the land proposed for disposal [BE BASED ON AN ANNUAL
19 WRITTEN ASSESSMENT BY THE COMMISSIONER OF THE MARKET FOR STATE LAND IN
20 THE DIFFERENT REGIONS OF THE STATE. IF THE STATE LAND IS IN OR ADJA-
21 CENT TO MUNICIPALITIES OR UNINCORPORATED COMMUNITIES, THE ASSESSMENT
22 SHALL BE DEVELOPED IN CONSULTATION WITH THE MUNICIPALITIES OR UNINCOR-
23 PORATED COMMUNITIES. THE ASSESSMENT MUST INCLUDE A SURVEY OF THE
24 SUPPLY OF PRIVATELY OWNED LAND OFFERED FOR SALE, MUNICIPAL LAND FOR
25 WHICH A DISPOSAL PLAN HAS BEEN COMPLETED, AND FEDERAL LAND AVAILABLE
26 FOR SALE, LEASE, OR PERMIT FOR SPECIFIC ACTIVITIES. THE ASSESSMENT OF
27 THE MARKET FOR STATE LAND SHALL BE BASED ON AN ANALYSIS OF THE AMOUNT
28 OF PRIVATE, MUNICIPAL, AND FEDERAL LAND AVAILABLE FOR DISPOSAL ON
29 TERMS EQUIVALENT TO THOSE USED IN COMPARABLE STATE LAND DISPOSAL

1 PROGRAMS AND SHALL INCLUDE THE LENGTH OF TIME LAND REMAINS ON THE
2 MARKET BEFORE IT IS SOLD. THE ASSESSMENT MUST INCLUDE FINDINGS RE-
3 GARDING THE AMOUNT AND GENERAL LOCATION OF STATE LAND, IN ADDITION TO
4 LAND OFFERED BY PRIVATE LANDOWNERS OR AVAILABLE FROM A MUNICIPAL
5 GOVERNMENT OR THE FEDERAL GOVERNMENT, THAT IS NECESSARY TO MEET THE
6 STATEWIDE DEMAND FOR AT LEAST FIVE FISCAL YEARS IMMEDIATELY AFTER THE
7 YEAR IN WHICH THE ASSESSMENT IS MADE. THE ASSESSMENT MUST ALSO STATE
8 THE GENERAL LOCATION OF LAND PROPOSED FOR DISPOSAL IN THE NEXT FISCAL
9 YEAR AND RECOMMENDATIONS FOR THE METHOD OF DISPOSAL UNDER WHICH THE
10 LAND WILL BE OFFERED TO THE PUBLIC].

11 * Sec. 7. AS 38.04.020(g)(2) is amended to read:

12 (2) Land designated as suitable for subdivision and home-
13 site disposal shall be surveyed, subdivided, classified, and disposed
14 of under this chapter, AS 38.05, and AS 38.08 [AS FOLLOWS:

15 (A) UP TO 80 PERCENT OF THE PARCELS SHALL BE SOLD
16 UNDER THE LOTTERY SALE PROCEDURES ESTABLISHED IN AS 38.05.057 AND
17 38.05.065;

18 (B) AT LEAST 10 PERCENT OF THE PARCELS SHALL BE DIS-
19 POSED OF AS HOMESITES UNDER AS 38.08.010 - 38.08.120; AND

20 (C) AT LEAST AN ADDITIONAL 10 PERCENT OF THE PARCELS
21 SHALL BE DISPOSED OF AS HOMESITES UNDER AS 38.08.010 - 38.08.120
22 EXCEPT THAT, NOTWITHSTANDING AS 38.08.040(b), PARCELS OFFERED
23 UNDER THIS SUBPARAGRAPH SHALL BE OFFERED BY LOTTERY UNDER AS 38.-
24 05.057].

25 * Sec. 8. AS 38.04.020(h) is amended to read:

26 (h) Individual parcels disposed of in subdivisions may not
27 exceed five acres unless the commissioner determines that a larger
28 size is necessary to comply with local [ZONING] ordinances, [OR] to
29 permit the design of a viable subdivision because of topographical

1 features, soil conditions, on-site sewage disposal requirements, or
2 water drainage or supply considerations that are unique to the sub-
3 division, to minimize adverse effect on wildlife, fishery, timber, or
4 other significant resources in the area, or to minimize adverse effect
5 on other residential uses in the area.

6 * Sec. 9. AS 38.04 is amended by adding a new section to read:

7 Sec. 38.04.022. FUNDS FOR LAND DISPOSAL. (a) The revenue from
8 the sale of state land shall be deposited in a special state land
9 disposal income account in the state general fund. The legislature
10 may appropriate money from the special state land disposal income
11 account for expenditure by the Department of Natural Resources for
12 necessary costs incurred by the commissioner in the implementation of
13 state land disposal programs authorized under this title and for
14 implementation of AS 38.04.021.

15 (b) Within 30 days after the legislature convenes in regular
16 session the Department of Natural Resources shall submit a report
17 reflecting all money deposited in the fund established under (a) of
18 this section during the prior fiscal year.

19 * Sec. 10. AS 38.04.035(4) is amended to read:

20 (4) For enabling isolated cabin development in remote
21 locations where survey and conveyance is impractical, or where poten-
22 tial conflicts with other resources and uses require additional con-
23 ditions, or where a long-range interest in public ownership and use
24 exist, a system for cabin permits on public land may be used.

25 * Sec. 11. AS 38.04.045(b) is amended to read:

26 (b) Before the conveyance of surface rights to state land, an
27 official cadastral survey shall be accomplished, unless a comparable,
28 acceptable survey exists that has been conducted by the federal Bureau
29 of Land Management. The rectangular survey section corner positions

1 shall be monumented and shown on a cadastral survey plat approved by
2 the state. However, for those areas where the state may wish to
3 convey surface estate outside of an official cadastral survey grid,
4 the director may waive monumentation of all individual section corner
5 positions and substitute an official control survey with control
6 points being monumented [AT APPROXIMATELY TWO-MILE INTERVALS] and
7 shown on control survey plats approved by the state. No portion of
8 land to be conveyed may be located more than two miles from such a
9 survey control monument. The lots and tracts in state subdivisions
10 shall be monumented and the cadastral survey and plats for the sub-
11 division shall be approved by the state. Where land is located within
12 a municipality with planning, platting, and zoning powers, plats for
13 state subdivisions shall comply with local ordinances and regulations
14 in the same manner and to the same extent as plats for subdivisions by
15 other landowners. State subdivisions shall be filed in the district
16 recorder's office. The requirements of this section do not apply to
17 land made available through a cabin permit system, material sales, or
18 short-term leases; however, for short-term leases the lessee must
19 comply with local subdivision ordinances unless waived by the munic-
20 ipality under procedures specified by ordinance.

21 * Sec. 12. AS 38.04.050 is amended to read:

22 Sec. 38.04.050. ACCESS TO PRIVATE USE AREAS. Wherever state
23 land is surveyed for purposes of private use, legal [ADEQUATE] rights-
24 of-way and easements shall be reserved [AS NECESSARY] for access and,
25 where appropriate, for utility services [POWER AND TELEPHONE SERVICE]
26 to each parcel of land. A right-of-way or easement shall be located
27 to assure adequate and feasible access for the purposes for which the
28 right-of-way or easement was intended. Where necessary and appropri-
29 ate for the use intended or where required by local subdivision

1 ordinances, the director shall arrange for the development of surface
2 access as part of the land availability program. The direct cost of
3 local access development shall be borne by the recipient of the land
4 unless otherwise provided by state statutes or regulations.

5 * Sec. 13. AS 38.04.055 is amended to read:

6 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director
7 shall reserve easements and rights-of-way on and across land which is
8 made available for private use as necessary to reach or use public
9 water and public and private land. An easement or right-of-way re-
10 served under this section may include established trails traditionally
11 used for commerce, recreation, or transportation. The commissioner
12 may retain state land in public ownership to maintain present and
13 future public access.

14 * Sec. 14. AS 38.04 is amended by adding a new section to Article 2 to
15 read:

16 Sec. 38.04.058. RESTRICTIONS ON EASEMENT OR RIGHT-OF-WAY USE. A
17 grantee, lessee, or interest holder of state land may, under terms
18 agreed to by the director in writing, restrict the use of an easement
19 or right-of-way reserved under AS 38.04.050 - 38.04.055 or other law
20 in order to protect public safety or property.

21 * Sec. 15. AS 38.05.030(c) is amended to read:

22 (c) In addition to the requirements specified in AS 38.50.090,
23 the agencies referred to in [(a) AND] (b) of this section and other
24 state agencies with authority to acquire or dispose of land shall give
25 written notification of the fact of acquisition, lease, disposal, or
26 exchange to the commissioner [DIVISION OF LANDS] within three months
27 after the date that they make the acquisition, lease, disposal, or
28 exchange.

29 * Sec. 16. AS 38.05.030(d) is amended to read:

1 (d) Real property acquired by [,] and under the management of
2 [,] the agencies referred to in [(a) AND] (b) of this section that [,
3 WHICH] is no longer needed for its intended use [,] shall be trans-
4 ferred [RETURNED] to the commissioner [JURISDICTION OF THE DIVISION OF
5 LANDS], except that the Department of Transportation and Public Facil-
6 ities [HIGHWAYS] may dispose of real property acquired by it under
7 AS 19.05.040(2) and AS 19.05.080 - 19.05.120.

8 * Sec. 17. AS 38.05.030 is amended by adding a new subsection to read:

9 (f) Land owned by the Board of Regents of the University of
10 Alaska is not subject to this chapter.

11 * Sec. 18. AS 38.05.035(b) is amended to read:

12 (b) The director may

13 (1) delegate the administrative duties, functions or powers
14 imposed upon the director [HIM] to a responsible employee in the
15 division;

16 (2) grant preference rights for the lease or purchase of
17 state land without competitive bid in order to correct [THE PAST OR
18 FUTURE] errors or omissions of a state or federal administrative
19 agency when inequitable detriment would otherwise result to a diligent
20 claimant or applicant due to situations over which the claimant or
21 applicant had no control; the exercise of this discretionary power
22 operates only to divest the state of its title to or interests in land
23 and may be exercised only

24 (A) with the express approval of the commissioner; and

25 (B) if the application for the preference right is
26 filed with the director within three years from the occurrence of
27 the error or omission;

28 (3) grant a preference right to a claimant who shows bona
29 fide improvement of state land [,] or of federal land subsequently

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

13 (4) sell land [LANDS] by lottery for less than the [THEIR]
14 appraised value when, in the [HIS] judgment of the director, past
15 scarcity of land suitable for private ownership in any particular area
16 has resulted in unrealistic land values;

17 (5) when the director [HE] determines it is in the best
18 interest of the state and will avoid injustice to a person or the
19 [HIS] heirs or devisees of a person, dispose of land, by direct nego-
20 tiation to that person who presently uses and who used and made im-
21 provements to that land before January 3, 1959 or to the [HIS] heirs
22 or devisees of the person; the amount paid for the land shall be its
23 fair market value on the date that the person first entered the land,
24 as determined by the director; a parcel of land disposed of under this
25 paragraph shall be of a size consistent with the person's prior use,
26 but may not exceed five acres;

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

29 (7) convey to an adjoining landowner a remnant of land that

1 the director considers unmanageable or a parcel of land created by a
2 highway right-of-way alignment or realignment, or a parcel created by
3 the vacation of a state-owned right-of-way if

4 (A) the director [HE] determines that it is in the
5 best interests of the state;

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

8 (C) the director and the platting authority having
9 land use planning jurisdiction agree that conveyance of the
10 parcel to the adjoining landowner will result in boundaries that
11 are convenient for the use of the land by the landowner and
12 compatible with municipal land use plans;

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

17 (9) quitclaim land or an interest in land to the federal
18 government on a determination that the land or the interest in land
19 was wrongfully or erroneously conveyed by the federal government to
20 the state.

21 * Sec. 19. AS 38.05.035 is amended by adding a new subsection to read:

22 (e) Upon a written finding that the interests of the state will
23 be best served, the director may, with the consent of the commis-
24 sioner, approve contracts for the sale, lease, or other disposal of
25 available land, resources, property or interests in them, and, in
26 addition to the conditions and limitations imposed by law, may impose
27 additional conditions or limitations in the contracts as the director
28 determines, with the consent of the commissioner, will best serve the
29 interests of the state. A contract for the sale, lease, or other

1 disposal of available land or an interest in land is not legally
2 binding on the state until the commissioner approves the contract but
3 if the appraised value is not greater than \$50,000 in the case of the
4 sale of land or an interest in land, or \$5,000 in the case of the
5 annual rental of land or interest in land, the director may execute
6 the contract without the approval of the commissioner. Before a
7 public hearing, if held, or in any case no less than 21 days before
8 the sale, lease, or other disposal of available land, property, re-
9 sources, or interests in them, the director shall make available to
10 the public a written finding that sets out the facts and applicable
11 law upon which the determination that the sale, lease, or other dis-
12 posal will best serve the interests of the state was based. A written
13 finding is not required before the approval of

14 (1) a contract for a negotiated sale authorized under
15 AS 38.05.115;

16 (2) a lease of land for a shore fishery site under AS 38.-
17 05.052; or

18 (3) a permit or other authorization revocable by the com-
19 missioner.

20 * Sec. 20. AS 38.05.050 is amended to read:

21 Sec. 38.05.050. DISPOSAL OF LAND FOR PRIVATE OWNERSHIP. The
22 commissioner [, UPON THE RECOMMENDATION OF THE DIRECTOR,] shall deter-
23 mine the land to be disposed of for private use. The commissioner
24 [DIRECTOR] shall determine the time and place of disposal. An auction
25 sale, a lottery sale, or a disposal of land for homesites [UNDER
26 AS 38.04.020(g)(2)(C)] must be held in a community [THE MUNICIPALITY]
27 that is near [CLOSEST TO] the land to be sold or disposed of [AND IN
28 WHICH REGULAR SESSIONS OF A COURT OF THE STATE ARE HELD].

29 * Sec. 21. AS 38.05.055 is amended to read:

1 Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method
2 of sale is required under this chapter, [UNDER] AS 38.07, or [UNDER]
3 AS 38.08, the sale of state land shall be made at public auction to
4 the highest qualified bidder as determined by the director. The
5 director may accept bids and sell state land under this section at no
6 less than 85 percent of the appraised fair market value of the land.

7 A bidder must appear in person at the auction unless medical reasons,
8 attendance at school, or military service outside the state prevent
9 attendance. A bidder may be represented by an attorney or agent at
10 the auction if the land offered for disposal is commercial, indus-
11 trial, or agricultural land. An aggrieved bidder may appeal to the
12 commissioner within five days after the sale for a review of the
13 director's determination. The sale shall be conducted by the director
14 [OR HIS REPRESENTATIVE,] and at the time of sale the successful bidder
15 shall deposit an amount equal to five percent of the purchase price [,
16 OR IF THE PURCHASER ELECTS TO USE LAND DISCOUNTS GRANTED UNDER AS 38.-
17 05.058, FIVE PERCENT OF THE AMOUNT BID AFTER DEDUCTION OF THE DIS-
18 COUNT]. The director [OR HIS REPRESENTATIVE] shall immediately issue
19 a receipt containing a description of the land or property purchased,
20 the price bid, and the amount deposited [, AND THE AMOUNT OF ANY
21 DISCOUNT ALLOWED]. The receipt shall be acknowledged in writing by
22 the bidder.

23 * Sec. 22. AS 38.05.065 is amended by adding new subsections to read:

24 (d) If a contract for a sale of state land has been breached,
25 the director may issue a decision to foreclose the contract at any
26 time 31 days after delivering by certified mail a written notice of
27 the breach to the address of record of the purchaser. A breach caused
28 by the failure to make payments required by the contract may be cured
29 within 30 days after the notice of the breach has been received by the

1 purchaser by payment of the sum in default together with the larger of
2 a fee of \$50 or five percent of the sum in default. If there are
3 material facts in dispute between the state and the purchaser, the
4 purchaser may submit a written request for a public hearing for the
5 review of the facts within 30 days after the notice of the breach has
6 been received.

7 (e) On a determination that there has been a breach of the
8 contract based on the administrative record and the evidence presented
9 at a hearing, the director shall issue a decision foreclosing the
10 interest of the purchaser. The obligation to make payments under the
11 contract continues through the date of the decision to foreclose by
12 the director.

13 (f) The decision to foreclose by the director under this subsec-
14 tion terminates the legal and equitable rights of the purchaser in the
15 land and all payments made under the contract are forfeited to the
16 state.

17 * Sec. 23. AS 38.05.069(a) is amended to read:

18 (a) On a determination [IF THE DIRECTOR DETERMINES] that the
19 highest and best use of unoccupied land is for agricultural purposes
20 [,] and [IF HE DETERMINES] that it is in the best interests of the
21 state to sell or lease the land, the commissioner [HE] shall grant to
22 an Alaskan resident owning and using or leasing and using land for
23 agricultural purposes a [60-DAY] first option at [AFTER THE DATE OF]
24 the auction to purchase or lease the unoccupied land situated adjacent
25 to land presently held by the Alaskan resident [OR IN THE APPROXIMATE
26 VICINITY OF HIS PRESENTLY HELD LAND] for the amount of the high bid
27 received at public auction. If more than one Alaskan resident qual-
28 ifies for a first option under this section, eligibility for the first
29 option shall be determined by lot and the option must be exercised on

1 the conclusion of the public auction. A parcel of agricultural land
2 sold under this section may not be less than 20 acres and a parcel of
3 agricultural land that [WHICH] is acquired by exercise of the option
4 granted in this subsection may not exceed 320 acres. Agricultural
5 land that [WHICH] is acquired under this section must be used for
6 agricultural purposes as required by law.

7 * Sec. 24. AS 38.05.069(c) is amended to read:

8 (c) Under this section

9 (1) the director may convey or lease an interest in the
10 land only for agricultural purposes, and all other interests in the
11 land remain in the state;

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

13 (3) [(2)] the remaining interests may subsequently be
14 conveyed or leased by the director only upon the request of the gran-
15 tee or lessee or the [HIS] assigns of the grantee or lessee and the
16 determination of the director, with the written concurrence of the
17 commissioner, that the conveyance or lease is in the public interest;

18 (4) [(3)] the conveyance or lease of the remaining inter-
19 ests shall be at public auction;

20 (5) the original grantee or lessee or the [HIS] assigns of
21 the grantee or lessee have a preference right to meet the high bid at
22 the time of [WITHIN 30 DAYS AFTER THE DAY OF] the auction;

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

27 (7) [(4)] by requesting the conveyance or lease of the
28 remaining interest, the original grantee or lessee or the [HIS] as-
29 signs of the grantee or lessee

1 (A) consents to the sale or lease, and
2 (B) if the preference right provided by (5) [(3)] of
3 this subsection is not exercised, consents to sell at fair
4 market value the improvements related to the remaining
5 interest, as appraised by the director;
6 (8) [(5)] the remaining interests in the land may not be
7 conveyed or leased for less than their appraised value together with
8 improvements except for the deduction allowed by (6) [(3)] of this
9 subsection.

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

11 (b) The director, with the approval of the commissioner, shall
12 determine the land to be leased and the limitations, conditions and
13 terms of the lease. If the appraised value of the transaction is
14 \$5,000 [\$250] a year or less the director may negotiate a lease with-
15 out advertisement for a period not to exceed 10 [FIVE] years, and on
16 the limitations, conditions and terms that the director [WHICH HE]
17 considers are in the best interests of the state. A lease negotiated
18 under this subsection is not eligible for a preference under AS 38.-
19 05.102.

20 * Sec. 26. AS 38.05.070(c) is amended to read:

21 (c) A lease may be issued for a period up to 55 years, if it
22 appears to be in the best interests of the state. The commissioner
23 shall consider the useful life of any improvements proposed and ap-
24 proved under AS 38.05.075 in determining the term of the lease [AND IF
25 THE COMMISSIONER APPROVES]. If the commissioner determines that the
26 land or a part of it which is the subject of a grazing lease is not
27 being used for the purpose issued, the lease may be declared void.
28 [HOWEVER, A NONRENEWABLE LEASE FOR SCHOOL LANDS MAY BE ISSUED FOR A
29 PERIOD NOT TO EXCEED 99 YEARS.]

1 * Sec. 27. AS 38.05.075 is amended to read:

2 Sec. 38.05.075. LEASING PROCEDURES. Except as provided in
3 AS 38.05.087 and this section, leasing [THE LEASING] shall be made at
4 public auction to the highest qualified bidder as determined by the
5 commissioner [DIRECTOR]. An aggrieved bidder may appeal to the
6 commissioner within five days for a review of the [DIRECTOR'S]
7 determination. [WHEN A VALID EXISTING FEDERAL GRAZING LEASE IS CAN-
8 CALLED TO ALLOW STATE SELECTION OF THE AREA UNDER LEASE, THE LESSEE OF
9 THE LANDS HAS THE PREFERENCE RIGHT TO LEASE THE LANDS WITHOUT COMPETI-
10 TIVE BIDDING FOR A TERM EQUAL TO THAT ORIGINALLY GRANTED IN THE CAN-
11 CALLED FEDERAL LEASE AND UPON TERMS AS FAVORABLE TO THE LESSEE AS
12 THOSE CONTAINED IN THE CANCELLED FEDERAL LEASE.] The leasing shall
13 be conducted by the commissioner [DIRECTOR, OR HIS REPRESENTATIVE,]
14 and the successful bidder shall deposit at the auction the first
15 year's rental [,] or that portion of it that [WHICH] the commissioner
16 requires [,] in accordance with the [HIS] bid. The commissioner shall
17 require qualified bidders to deposit a sum equal to any survey or
18 appraisal costs reasonably incurred by another qualified bidder acting
19 in accordance with the regulations of the commissioner. If a bidder
20 making a deposit of survey or appraisal costs is determined by the
21 commissioner to be the highest qualified bidder under this subsection,
22 the deposit shall be paid to the unsuccessful bidder who incurred
23 those costs. Any survey or appraisal costs reasonably incurred by a
24 qualified bidder under the regulations of the commissioner or de-
25 posited under this subsection must be credited under the first and
26 then subsequent years' rentals. The commissioner [DIRECTOR OR HIS
27 REPRESENTATIVE] shall immediately issue a receipt containing a de-
28 scription of the land or interest leased, the price bid, [AND] terms
29 of the lease, and the amount of any credit for survey and appraisal

1 costs to the successful qualified bidder. If the [THE] receipt is not
2 [SHALL BE] acknowledged in writing by the bidder under this subsec-
3 tion, the commissioner may offer the land for lease again under this
4 subsection. A lease, on a form approved by the attorney general,
5 shall be signed by the successful bidder and [LESSEE AND, UPON AP-
6 PROVAL] by the commissioner within 30 days after the auction [, SHALL
7 BE SIGNED BY THE DIRECTOR].

8 * Sec. 28. AS 38.05.075 is amended by adding new subsections to read:

9 (b) When a valid existing federal grazing lease is cancelled to
10 allow state selection of the area under lease, the lessee of the land
11 has the preference right to lease the land without competitive bidding
12 for a term equal to that originally granted in the cancelled federal
13 lease and upon terms as favorable to the lessee as those contained in
14 the cancelled federal lease.

15 (c) The owner or lessee of land that fronts on tide or submerged
16 land of the state is entitled to acquire a lease for the tide and
17 submerged land without competitive bidding if the director determines
18 that

19 (1) the lease of the tide or submerged land is necessary to
20 facilitate water transportation of goods, services, or resources to or
21 from the owned or leased upland or for another water-dependent pur-
22 pose;

23 (2) the proposed use of the tide or submerged land is
24 compatible with the classification of the land and with any applicable
25 land use plan adopted under AS 38.04.065; and

26 (3) issuance of the lease to the tide or submerged land
27 will not interfere with prior existing rights to the leased land.

28 (d) If the commissioner issues a lease under (c) of this sec-
29 tion, the right of access to the tide and submerged land shall be

1 nonexclusive in the lessee unless the commissioner grants the lessee
2 the exclusive right to use the tide and submerged land.

3 (e) The commissioner may require prequalification of bidders for
4 a lease to be issued under AS 38.05.070. If the commissioner deter-
5 mines to require prequalification, the procedures established by this
6 section and the notice required to be given under AS 38.05.345 shall
7 be completed within 75 days of the receipt of the first lease applica-
8 tion unless the commissioner grants additional time for the completion
9 of the procedures. Within the 75-day period or the additional time
10 granted by the commissioner, the commissioner shall complete

11 (1) classification under AS 38.05.300;

12 (2) the procedures required by AS 38.05.035(e);

13 (3) any other action required by law for the disposal of
14 the lease to a bidder except survey, appraisal, and the auction.

15 (f) The commissioner may issue a lease without competitive
16 bidding at the approved, appraised market value of the land determined
17 under AS 38.05.310 if, after completion of the procedures required by
18 (e) of this section, the commissioner determines that there is only
19 one qualified bidder. The commissioner may establish terms and con-
20 ditions for entry to the land pending survey and appraisal of the
21 land. The commissioner shall issue the lease as soon as is practi-
22 cable following the survey and appraisal of the land subject to the
23 provisions of AS 38.05.035(e).

24 (g) Notice of an auction required under this section shall be
25 made by certified mail to all prequalified bidders.

26 (h) A person aggrieved by a decision of the commissioner under
27 this section may appeal to the commissioner within five days of the
28 prequalification decision. The decision of the commissioner under
29 this subsection or under AS 38.05.035(e) may be appealed to the

1 superior court.

2 * Sec. 29. AS 38.05.110 is amended to read:

3 Sec. 38.05.110. SALE OF TIMBER AND MATERIALS. The commissioner
4 [DIRECTOR] shall provide for cruises of timber and appraisals of other
5 materials in or upon state land and shall assess the supply of and
6 current markets for timber on and other materials in privately owned
7 land in close proximity to state land to determine [LANDS AND TRANSMIT
8 THIS DATA TO THE COMMISSIONER, TOGETHER WITH HIS RECOMMENDATIONS WITH
9 RESPECT TO]

10 (1) the timber and other materials that [WHICH] should be
11 offered for sale, and

12 (2) the terms of sale of the timber or other materials.

13 * Sec. 30. 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. 31. AS 38.05.118(a) is amended to read:

28 (a) Notwithstanding any other provision of AS 38.05.110 - 38.-
29 05.120, the commissioner [DIRECTOR, WITH THE APPROVAL OF THE

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

7 * Sec. 32. AS 38.05.118(c) is amended to read:

8 (c) A [NO] sale of timber may not be negotiated by the commis-
9 sioner [DIRECTOR] under this section except on a finding [UNLESS HE
10 FIRST FINDS] that, within an area proximate to the business site which
11 the manufacturer may economically serve, there exists

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

15 * Sec. 33. AS 38.05.120 is amended to read:

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

1 the bidder. A contract of sale, on a form approved by the attorney
2 general, shall be signed by the purchaser and [, FOLLOWING THE AP-
3 PROVAL OF THE COMMISSIONER,] the contract shall be signed by the
4 commissioner [DIRECTOR] on behalf of the state. The commissioner
5 [DIRECTOR, WITH THE APPROVAL OF THE COMMISSIONER,] may impose condi-
6 tions, limitations, and terms considered [WHICH HE CONSIDERS] neces-
7 sary and proper to protect the interests of the state. Violation of
8 any provision of this chapter or the terms of the contract of sale
9 subjects the purchaser to appropriate legal action.

10 * Sec. 34. AS 38.05.125 is amended by adding new subsections to read:

11 (b) The provisions of (a) of this section do not apply to a
12 quitclaim of land or an interest in land made under AS 38.05.035-
13 (b)(9).

14 (c) Notwithstanding (a) of this section, the transfer of owner-
15 ship and management of University of Alaska trust land from the
16 Department of Natural Resources to the Board of Regents of the
17 University of Alaska under ch. 22, SLA 1983 includes the mineral
18 estate of the state in the land.

19 * Sec. 35. AS 38.05.127(a) is amended to read:

20 (a) Before the sale, lease, grant, or other disposal of any
21 interest in state land adjacent to a body of water or waterway, the
22 commissioner [DEPARTMENT OF NATURAL RESOURCES] shall,

23 (1) under regulations, determine if the body of water or
24 waterway is navigable water, public water, or neither;

25 (2) upon finding that the body of water or waterway is
26 navigable or public water, provide for the specific easements, [OR]
27 rights-of-way, or retention of land in state ownership [BOTH], rea-
28 sonably necessary to ensure [INSURE] free access to and along the body
29 of water, unless the commissioner [DEPARTMENT] finds that regulating

1 or limiting access is necessary for other beneficial uses or public
2 purposes.

3 * Sec. 36. AS 38.05.127 is amended by adding a new subsection to read:

4 (e) The establishment of easements or rights-of-way for oil and
5 gas and mineral leases under (a) of this section need not be made
6 until the leases are ready to be developed.

7 * Sec. 37. AS 38.05.205(c) is amended to read:

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

18 * Sec. 38. AS 38.05.300(a) is amended to read:

19 (a) The commissioner shall classify for surface use land [LANDS]
20 in areas considered [WHERE HE CONSIDERS IT] necessary and proper.
21 This section does not prevent reclassification of land [LANDS] where
22 the public interest warrants reclassification, nor does it preclude
23 multiple purpose use of land [LANDS] whenever different uses are
24 compatible. State [NO STATE] land, water, or land and water area may
25 not, [SHALL] except by act of the state legislature, be closed to
26 multiple purpose use [,] if the area involved contains more than 640
27 acres.

28 * Sec. 39. AS 38.05.310(a) is amended to read:

29 (a) No land may be sold or leased, or a renewal lease issued,

1 except in the case of an oil or gas or mineral lease, unless it has
2 been appraised within one year [120 DAYS] before the date fixed for
3 the sale or lease. When land is offered at public sale but is not
4 sold and is available at private sale, no reappraisal is required
5 unless the director considers that a change in value of the land
6 [LANDS] may have occurred. A grazing lease may be granted to a lessee
7 of federal grazing land [LANDS] without prior appraisal, if the [HIS]
8 federal lease was cancelled to allow the state to select the land
9 [LANDS] under lease. No land may be sold or leased for less than the
10 approved, appraised market value, except as provided in AS 38.05.055,
11 38.05.057, 38.05.075 - 38.05.085, 38.05.097, 38.05.315, and 38.05.320.

12 * Sec. 40. AS 38.05.315(d) is amended to read:

13 (d) The director may lease the land to an eligible applicant at
14 a reasonable annual rental, taking into consideration the purposes for
15 which the land is to be used and the financial resources of the appli-
16 cant. The rental may not be less than one percent of the fair market
17 value on land [LANDS] acquired primarily for development, or less than
18 five percent of the fair market value on [UNIVERSITY OR] acquired land
19 [LANDS]. Rent may not be charged for state land leased for a youth
20 encampment. For the purposes of this subsection, "youth encampment"
21 shall be defined by the commissioner by regulation. Renewal leases
22 may be issued at the discretion of the director upon the expiration of
23 a primary or renewal term. Each lease shall contain a provision for
24 its termination as to all or part of the land [LANDS] upon a finding
25 by the director that the land or a part of it has not been used by the
26 lessee for the purpose specified in the lease for a period of two
27 years. No lease may be assigned or subleased except with the consent
28 of the director, and in any case may only be transferred to an appli-
29 cant eligible under (b) - (d) of this section. A lessee may not

1 change the use specified in the lease to another or additional use
2 except with the consent of the director. If, at any time after the
3 land is leased, the lessee attempts to assign the lease or transfer
4 control over the land to another, or if the land is devoted to a use
5 other than that for which the land was leased without the consent of
6 the director, the lease automatically terminates.

7 * Sec. 41. AS 38.05.321(c) is amended to read:

8 (c) The provisions of this section do not apply

9 (1) to state land classified as agricultural land that
10 [WHICH] has been selected by a municipality under the provisions of
11 AS 29.18.190 - 29.18.200 if the selection is an approved selection
12 before April 1, 1978 and is otherwise valid under AS 29.18.205(b); or

13 (2) a quitclaim of the interest of the state to the federal
14 government under AS 38.05.035(b)(9).

15 * Sec. 42. AS 38.05.345(a) is amended to read:

16 (a) This section establishes the requirements for notice given
17 by the department for the following actions:

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

21 (2) zoning of land under applicable law;

22 (3) a decision under AS 38.05.035(e) [AS 38.05.035(a)(14)]
23 regarding the sale, lease, or disposal of an interest in state land or
24 resources; and

25 (4) a competitive disposal of an interest in state land or
26 resources after final decision under AS 38.05.035(e) [AS 38.05.035-
27 (a)(14)].

28 * Sec. 43. AS 38.05.345(b) is amended to read:

29 (b) Notice of one or more actions described in (a) of this

1 section shall be given by more than one of the following methods at
2 least 30 days before the action: [BY] (1) publication in newspapers of
3 statewide circulation and in a newspaper of general circulation in the
4 vicinity of the proposed action, (2) publication through public ser-
5 vice announcements on the electronic media serving the area affected
6 by the action, (3) posting in a conspicuous location in the vicinity
7 of the action, (4) notification of parties known or likely to be
8 affected by the action, or (5) another method calculated to reach
9 affected persons. A notice shall contain sufficient information in
10 commonly understood terms to inform the public of the nature of the
11 action and the opportunity of the public to comment on the action.

12 * Sec. 44. AS 38.05.345(d) is amended to read:

13 (d) Notice is not required under this section for [FOR PURPOSES
14 OF THIS SECTION AN "INTEREST IN STATE LAND OR RESOURCES" DOES NOT
15 INCLUDE]

16 (1) a permit or other authorization revocable by the de-
17 partment; or

18 (2) negotiated sales of timber not exceeding 500,000 board
19 feet or materials not exceeding 25,000 cubic yards under AS 38.05.115.

20 * Sec. 45. AS 38.05.365 is amended to read:

21 Sec. 38.05.365. DEFINITIONS. In this chapter, unless the con-
22 text otherwise requires,

23 (1) "acquired land [LANDS]" means land [LANDS] belonging to
24 the state including tide, submerged and shoreland [SHORELANDS] which
25 has [HAVE] been obtained by escheat, purchase, or any means other than
26 by general land grant;

27 (2) "agricultural land [LANDS]" means land [LANDS] chiefly
28 valuable for agricultural purposes;

29 (3) "commissioner" means the commissioner [OF THE

1 DEPARTMENT] of natural resources;

2 (4) "department" means the Department of Natural Resources;

3 (5) "director" means the director of the division of lands
4 of the Department of Natural Resources;

5 (6) "industrial and commercial land [LANDS]" means land
6 [LANDS] chiefly valuable for industrial trade, manufacturing or busi-
7 ness use;

8 (7) "lieu and indemnity land [LANDS]" means land [LANDS]
9 which the state is entitled to select under the provisions of 38 Stat.
10 1214, as amended (48 USC 353) or a similar statute to compensate for
11 land [LANDS] in place of surveyed rectangulars, which have been lost
12 to the state by reason of deficient sections, prior rights, claims,
13 withdrawals, reservations and other appropriations;

14 [(8) repealed.]

15 (8) [(9)] "mineral land [LANDS]" means land [LANDS] pro-
16 spectively valuable for mineral deposits;

17 (9) "multiple use" has the meaning given in AS 38.04.910;

18 (10) "park and recreation land [LANDS]" means land [LANDS]
19 chiefly valuable for public park and recreation use;

20 (11) "preference right forest lease" means a lease granted
21 to a lessee whose United States Forest Service term special use permit
22 was cancelled to allow the land under permit to be selected by the
23 state;

24 (12) "preference right grazing lease" means a grazing lease
25 granted to a lessee whose federal grazing lease was cancelled to allow
26 the land under lease to be selected by the state;

27 (13) "rule of approximation" is the rule which is applied in
28 determining whether or not a lease complies with the area limits set
29 forth in this chapter and regulations adopted under it and in keeping

1 the boundaries of leased land [LANDS] coincidental with legal subdivi-
2 sions; under the rule, if the area covered by a lease in excess of the
3 permitted maximum is smaller than the area of any deficiency that
4 would result by eliminating from the lease the smallest legal subdivi-
5 sion covered by the lease or application for lease, the excess area
6 will be permitted to remain in the lease; if the excess area is
7 greater than the deficient area would be, then the smallest legal
8 subdivision will be eliminated from the lease;

9 [(14) repealed.]

10 (14) "shoreland" [(15) "SHORELANDS"] means land [LANDS]
11 belonging to the state which is [ARE] covered by nontidal water
12 [WATERS] that is [ARE] navigable under the laws of the United States
13 up to ordinary high water mark as modified by accretion, erosion, or
14 reliction;

15 (15) [(16)] "state land [LANDS]" or "land" ["LANDS"] means
16 all land [LANDS], including shore, tide and submerged land [LANDS], or
17 resources belonging to or acquired by the state;

18 (16) [(17)] "submerged land [LANDS]" means land [LANDS]
19 covered by tidal water [WATERS] between the line of mean low water and
20 seaward to a distance of three geographical miles or further as may
21 hereafter be properly claimed by the state;

22 (17) "tideland" [(18) "TIDELANDS"] means land [THOSE LANDS]
23 which is [ARE] periodically covered by tidal water [WATERS] between
24 the elevation of mean high and mean low tides;

25 (18) [(19)] "timber land [LANDS]" and "material land
26 [LANDS]" mean state land [LANDS] chiefly valuable for materials,
27 including, but not limited to, sand, stone, gravel, pumice, common
28 clay, or timber and other forest products;

29 (19) [(20)] "university land [LANDS]"

1 (A) means

2 (i) all sections 33 reserved to the university
3 under 38 Stat. 1214, as amended; [(48 USC 353) AND]

4 (ii) all land [LANDS] granted to or reserved for
5 the benefit of the university that retains its designation as
6 university land;

7 (iii) all other land owned in fee by the University
8 of Alaska including land transferred in fee to the Board of
9 Regents of the University of Alaska to replace land formerly
10 designated as university land;

11 (B) does not include former university land that has
12 been conveyed to the Department of Natural Resources under the
13 settlement approved by the legislature in ch. 41, SLA 1983;

14 (20) [(21)] "grazing land [LANDS]" means land [LANDS] chief-
15 ly valuable for grazing purposes; [.]

16 (21) [(22)] "navigable water [WATERS]" means any water of
17 the state forming a river, stream, lake, pond, slough, creek, bay,
18 sound, estuary, inlet, strait, passage, canal, sea or ocean, or any
19 other body of water or waterway within the territorial limits of the
20 state or subject to its jurisdiction, that is navigable in fact for
21 any useful public purpose, including but not limited to water suitable
22 for commercial navigation, floating of logs, landing and takeoff of
23 aircraft, and public boating, trapping, hunting waterfowl and aquatic
24 animals, fishing, or other public recreational purposes;

25 (22) [(23)] "public water [WATERS]" means navigable water
26 and all other water, whether inland or coastal, fresh or salt, that is
27 reasonably suitable for public use and utility, habitat for fish and
28 wildlife in which there is a public interest, or migration and spawn-
29 ing of fish in which there is a public interest; [.]

1 (23) [(24)] "geothermal resources" means the natural heat of
2 the earth at temperatures greater than 120 degrees Celsius, measured
3 at the point where the highest-temperature resources encountered enter
4 or contact a well or other resource extraction device, and includes

5 (A) the energy, including pressure, in whatever form
6 present in, resulting from, created by, or that may be extracted
7 from that natural heat;

8 (B) the material medium, including the geothermal
9 fluid naturally present, as well as substances artificially
10 introduced to serve as a heat transfer medium; and

11 (C) all dissolved or entrained minerals and gases that
12 may be obtained from the material medium, but excluding hydrocar-
13 bon substances and helium.

14 * Sec. 46. AS 38.05 is amended by adding a new section to read:

15 Sec. 38.05.940. VETERANS' LAND DISCOUNT. (a) An eligible
16 veteran is entitled to a discount of 25 percent on the purchase price
17 of state land sold under this title and classified under AS 38.05.-
18 005 - 38.05.270 for settlement purposes.

19 (b) To be eligible for a discount under this section, a veteran
20 shall submit proof, as required by regulation, that the veteran

21 (1) is 18 years of age or older on the date of sale;

22 (2) has been a state resident for a period of not less than
23 one year immediately preceding the date of sale;

24 (3) has performed not less than 90 days of active service
25 in the armed forces of the United States; and

26 (4) has received an honorable discharge or a general dis-
27 charge under honorable conditions.

28 (c) A veteran is entitled to only one discount under this sec-
29 tion during the veteran's lifetime.

1 (d) A discount under this section may be applied only to the
2 acquisition of surface rights to state land. A discount under this
3 section may not be applied to survey costs, road development costs,
4 utility assessments, or other costs that the commissioner determines
5 are reimbursable to the state.

6 (e) A discount under this section may be used toward the pur-
7 chase of land offered at a restricted sale under AS 38.05.067.

8 * Sec. 47. AS 38.07.030(c) is amended to read:

9 (c) The cost of clearing land leased from the state, including
10 but not limited to school [, UNIVERSITY,] and mental health land,
11 shall be borne by the state. The lessee shall repay the cost over a
12 10-year period at five percent interest.

13 * Sec. 48. AS 38.08.060 is amended by adding a new subsection to read:

14 (e) A permit holder who meets each of the provisions of (a) of
15 this section except for (a)(1) and who tenders the commissioner an
16 amount equal to five percent of the purchase price of the land within
17 seven years of the issuance of the permit may purchase the land under
18 AS 38.05.065. The purchase price of the land is the fair market value
19 of the land at the time of purchase.

20 * Sec. 49. AS 38.09.010(b) is amended to read:

21 (b) The commissioner shall complete a cadastral survey of home-
22 stead entry state land under AS 38.04.045 before designating the state
23 land for homestead entry but the commissioner may waive the cadastral
24 survey on a determination that topographic features, diffuse settle-
25 ment, or the public interest do not justify or require the cadastral
26 survey. [NO PORTION OF LAND MADE AVAILABLE FOR HOMESTEAD ENTRY MAY BE
27 LOCATED MORE THAN A MILE FROM A SURVEY CONTROL MONUMENT.]

28 * Sec. 50. AS 38.09.090 is amended by adding a new subsection to read:

29 (b) An applicant who complies with AS 38.09.050(a)(2) - (5) and

1 who tenders the commissioner an amount equal to five percent of the
2 present fair market value of the land within five years of the issu-
3 ance of the permit may purchase the land under AS 38.05.065 [IF THE
4 COMMISSIONER DETERMINES THAT THE APPLICANT HAS MADE A GOOD FAITH
5 EFFORT TO MEET THE OCCUPANCY REQUIREMENTS]. The purchase price is the
6 fair market value of the land at the time of the purchase.

7 * Sec. 51. AS 38.20.010 is amended to read:

8 Sec. 38.20.010. ADOPTION. The systems [SYSTEM] of rectangular
9 plane coordinates established by the National Geodetic Survey, Nation-
10 al Ocean Service [UNITED STATES COAST AND GEODETIC SURVEY] for defin-
11 ing and stating the positions or locations of points on the surface of
12 the earth in this state are [IS] adopted. The systems are [IT IS] to
13 be known as the "Alaska Coordinate System of 1927" and the "Alaska
14 Coordinate System of 1983."

15 * Sec. 52. AS 38.20.030 is amended to read:

16 Sec. 38.20.030. DESIGNATION OF ZONES. In any land description
17 in which a coordinate system [IT] is used a zone of the coordinate
18 system is designated the "Alaska Coordinate System of 1927, Zone
19" or the "Alaska Coordinate System of 1983, Zone"

20 * Sec. 53. AS 38.20.040 is amended to read:

21 Sec. 38.20.040. USE OF COORDINATE SYSTEM. The plane coordinates
22 of a point on the earth's surface, to be used in expressing the posi-
23 tion or location of the point in the appropriate zone of this system,
24 consist of two distances, expressed in feet and decimals of a foot
25 when using the Alaska Coordinate System of 1927 and expressed in
26 meters and decimals of a meter when using the Alaska Coordinate System
27 of 1983. One of these distances, known as the "x-coordinate," gives
28 the position in an east-and-west direction; the other known as the
29 "y-coordinate" gives the position in a north-and-south direction.

1 These coordinates shall be made to depend upon and conform to the
2 coordinates of the North American Horizontal Geodetic Control Network
3 as determined by the National Geodetic Survey, National Ocean Service
4 [, ON THE ALASKA COORDINATE SYSTEM, OF THE TRIANGULATION AND TRAVERSE
5 STATIONS OF THE UNITED STATES COAST AND GEODETIC SURVEY IN THE STATE,
6 AS THOSE COORDINATES HAVE BEEN DETERMINED BY THE SURVEY].

7 * Sec. 54. AS 38.20.060 is amended to read:

8 Sec. 38.20.060. CHARACTERISTICS OF ZONES. The zones of the
9 Alaska Coordinate System of 1927 have the following characteristics:

10 (1) Zone 1 is an oblique Mercator projection of the Clarke
11 spheroid of 1866, having an origin at the intersection of parallel 57°
12 00 minutes [MINUTE] north latitude and meridian 133° 40 minutes [MI-
13 NUTE] west of Greenwich, at which the scale is set one part in 10,000
14 too small, and through which the axis of symmetry is in geodetic
15 azimuth arc tangent-3/4, reckoned clockwise from south. The origin is
16 assigned values such that all final coordinates will be positive.

17 (2) Zone 2 is a transverse Mercator projection of the
18 Clarke spheroid of 1866, having a central meridian 142° 00 minutes
19 [MINUTE] west of Greenwich, on which meridian the scale is set one
20 part in 10,000 too small. The origin of coordinates is at the inter-
21 section of the meridian 142° 00 minutes [MINUTE] west of Greenwich and
22 the parallel of 54° 00 minutes [MINUTE] north latitude. This origin
23 is given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

24 (3) Zone 3 is a transverse Mercator projection of the
25 Clarke spheroid of 1866, having a central meridian 146° 00 minutes
26 [MINUTE] west of Greenwich, on which meridian the scale is set at one
27 part in 10,000 too small. The origin of coordinates is at the inter-
28 section of the meridian 146° 00 minutes [MINUTE] west of Greenwich and
29 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is

1 given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

2 (4) Zone 4 is a transverse Mercator projection of the
3 Clarke spheroid of 1866, having a central meridian $150^{\circ} 00$ minutes
4 [MINUTE] west of Greenwich, on which meridian the scale is set at one
5 part in 10,000 too small. The origin of coordinates is at the inter-
6 section of the meridian $150^{\circ} 00$ minutes [MINUTE] west of Greenwich and
7 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
8 given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

9 (5) Zone 5 is a transverse Mercator projection of the
10 Clarke spheroid of 1866, having a central meridian $154^{\circ} 00$ minutes
11 [MINUTE] west of Greenwich, on which meridian the scale is set at one
12 part in 10,000 too small. The origin of coordinates is at the inter-
13 section of the meridian $154^{\circ} 00$ minutes [MINUTE] west of Greenwich and
14 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
15 given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

16 (6) Zone 6 is a transverse Mercator projection of the
17 Clarke spheroid of 1866, having a central meridian $158^{\circ} 00$ minutes
18 [MINUTE] west of Greenwich, on which meridian the scale is set at one
19 part in 10,000 too small. The origin of coordinates is at the inter-
20 section of the meridian $158^{\circ} 00$ minutes [MINUTE] west of Greenwich and
21 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
22 given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

23 (7) Zone 7 is a transverse Mercator projection of the
24 Clarke spheroid of 1866, having a central meridian $162^{\circ} 00$ minutes
25 [MINUTE] west of Greenwich, on which meridian the scale is set at one
26 part in 10,000 too small. The origin of coordinates is at the inter-
27 section of the meridian $162^{\circ} 00$ minutes [MINUTE] west of Greenwich and
28 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
29 given the coordinates: $x = 700,000$ feet and $y = 0$ feet.

1 (8) Zone 8 is a transverse Mercator projection of the
2 Clarke spheroid of 1866, having a central meridian 166° 00 minutes
3 [MINUTE] west of Greenwich, on which meridian the scale is set at one
4 part in 10,000 too small. The origin of coordinates is at the inter-
5 section of the meridian 166° west of Greenwich and the parallel 54° 00
6 minutes [MINUTE] north latitude. This origin is given the coordi-
7 nates: x = 500,000 feet and y = 0 feet.

8 (9) Zone 9 is a transverse Mercator projection of the
9 Clarke spheroid of 1866, having a central meridian 170° 00 minutes
10 [MINUTE] west of Greenwich, on which meridian the scale is set at one
11 part in 10,000 too small. The origin of coordinates is at the inter-
12 section of the meridian 170° 00 minutes [MINUTE] west of Greenwich and
13 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is
14 given the coordinates: x = 600,000 feet and y = 0 feet.

15 (10) Zone 10 is a Lambert conformal conic projection of the
16 Clarke spheroid of 1866, having standard parallels at north latitude
17 51° 50 minutes [MINUTE] as and 53° 50 minutes, along which parallels
18 the scale shall be exact. The origin of coordinates is at the inter-
19 section of the meridian 176° 00 minutes [MINUTE] west of Greenwich and
20 the parallel 51° 00 minutes [MINUTE] north latitude. This origin is
21 given the coordinates: x = 3,000,000 feet and y = 0 feet.

22 * Sec. 55. AS 38.20.060 is amended by adding a new subsection to read:

23 (b) The zones of the Alaska Coordinate System of 1983 have the
24 following characteristics:

25 (1) Zone 1 is an oblique Mercator projection of the World
26 Reference Ellipsoid, having an origin at the intersection of parallel
27 57° 00 minutes north latitude and meridian 133° 40 minutes west of
28 Greenwich, at which the scale is set one part in 10,000 too small, and
29 through which the axis of symmetry is in geodetic azimuth arc

1 tangent-3/4, reckoned clockwise from south. The origin is assigned
2 values such that all final coordinates will be positive.

3 (2) Zone 2 is a transverse Mercator projection of the World
4 Reference Ellipsoid, having a central meridian 142° 00 minutes west of
5 Greenwich, on which meridian the scale is set one part in 10,000 too
6 small. The origin of coordinates is at the intersection of the meri-
7 dian 142° 00 minutes west of Greenwich and the parallel of 54° 00
8 minutes north latitude. This origin is given the coordinates: x =
9 500,000 meters and y = 0 meters.

10 (3) Zone 3 is a transverse Mercator projection of the World
11 Reference Ellipsoid, having a central meridian 146° 00 minutes west of
12 Greenwich, on which meridian the scale is set at one part in 10,000
13 too small. The origin of coordinates is at the intersection of the
14 meridian 146° 00 minutes west of Greenwich and the parallel 54° 00
15 minutes north latitude. This origin is given the coordinates: x =
16 500,000 meters and y = 0 meters.

17 (4) Zone 4 is a transverse Mercator projection of the World
18 Reference Ellipsoid, having a central meridian 150° 00 minutes west of
19 Greenwich, on which meridian the scale is set at one part in 10,000
20 too small. The origin of coordinates is at the intersection of the
21 meridian 150° 00 minutes west of Greenwich and the parallel 54° 00
22 minutes north latitude. This origin is given the coordinates: x =
23 500,000 meters and y = 0 meters.

24 (5) Zone 5 is a transverse Mercator projection of the World
25 Reference Ellipsoid, having a central meridian 154° 00 minutes west of
26 Greenwich, on which meridian the scale is set at one part in 10,000
27 too small. The origin of coordinates is at the intersection of the
28 meridian 154° 00 minutes west of Greenwich and the parallel 54° 00
29 minutes north latitude. This origin is given the coordinates: x =

1 500,000 meters and $y = 0$ meters.

2 (6) Zone 6 is a transverse Mercator projection of the World
3 Reference Ellipsoid, having a central meridian $158^{\circ} 00$ minutes west of
4 Greenwich, on which meridian the scale is set at one part in 10,000
5 too small. The origin of coordinates is at the intersection of the
6 meridian $158^{\circ} 00$ minutes west of Greenwich and the parallel $54^{\circ} 00$
7 minutes north latitude. This origin is given the coordinates: $x =$
8 500,000 meters and $y = 0$ meters.

9 (7) Zone 7 is a transverse Mercator projection of the World
10 Reference Ellipsoid, having a central meridian $162^{\circ} 00$ minutes west of
11 Greenwich, on which meridian the scale is set at one part in 10,000
12 too small. The origin of coordinates is at the intersection of the
13 meridian $162^{\circ} 00$ minutes west of Greenwich and the parallel $54^{\circ} 00$
14 minutes north latitude. This origin is given the coordinates: $x =$
15 500,000 meters and $y = 0$ meters.

16 (8) Zone 8 is a transverse Mercator projection of the World
17 Reference Ellipsoid, having a central meridian $166^{\circ} 00$ minutes west of
18 Greenwich, on which meridian the scale is set at one part in 10,000
19 too small. The origin of coordinates is at the intersection of the
20 meridian 166° west of Greenwich and the parallel $54^{\circ} 00$ minutes north
21 latitude. This origin is given the coordinates: $x = 500,000$ meters
22 and $y = 0$ meters.

23 (9) Zone 9 is a transverse Mercator projection of the World
24 Reference Ellipsoid, having a central meridian $170^{\circ} 00$ minutes west of
25 Greenwich, on which meridian the scale is set at one part in 10,000
26 too small. The origin of coordinates is at the intersection of the
27 meridian $170^{\circ} 00$ minutes west of Greenwich and the parallel $54^{\circ} 00$
28 minutes north latitude. This origin is given the coordinates: $x =$
29 500,000 meters and $y = 0$ meters.

1 (10) Zone 10 is a Lambert conformal conic projection of the
2 World Reference Ellipsoid, having standard parallels at north latitude
3 51° 50 minutes as and 53° 50 minutes, along which parallels the scale
4 shall be exact. The origin of coordinates is at the intersection of
5 the meridian 176° 00 minutes west of Greenwich and the parallel 51° 00
6 minutes north latitude. This origin is given the coordinates: x =
7 1,000,000 meters and y = 0 meters.

8 * Sec. 56. AS 38.20.070 is amended to read:

9 Sec. 38.20.070. POSITION OF SYSTEM. The position of the Alaska
10 Coordinate System of 1927 shall be as marked on the ground by triangulation
11 or traverse stations established in conformity with the standards
12 adopted by the National Geodetic Survey, National Ocean Service
13 [UNITED STATES COAST AND GEODETIC SURVEY FOR FIRST-ORDER, SECOND
14 -ORDER, AND THIRD-ORDER WORK,] whose geodetic positions have been
15 rigidly adjusted on the North American datum of 1927 and whose coordinates
16 have been computed on the system defined in this chapter. [ANY
17 SUCH STATION MAY BE USED FOR ESTABLISHING A SURVEY CONNECTION WITH THE
18 ALASKA COORDINATE SYSTEM.]

19 * Sec. 57. AS 38.20.070 is amended by adding a new subsection to read:

20 (b) The position of the Alaska Coordinate System of 1983 shall
21 be as marked on the ground by triangulation or traverse stations
22 established in conformity with the standards adopted by the National
23 Geodetic Survey, National Ocean Service whose geodetic positions have
24 been rigidly adjusted on the North American datum of 1983 and whose
25 plane coordinates have been computed on the system defined in this
26 chapter.

27 * Sec. 58. AS 38.20.080 is amended to read:

28 Sec. 38.20.080. LIMITATION. Coordinates [NO COORDINATES] based
29 on the Alaska Coordinate System, purporting to define the position of

1 a point on a land boundary, may not [SHALL] be presented to be record-
2 ed in any public land records or deed records unless the point is
3 within two miles of a horizontal control [TRIANGULATION OR TRAVERSE]
4 station established in conformity with National Geodetic Survey,
5 National Ocean Service standards and specifications for first-order,
6 second-order, or third-order work [THE STANDARDS PRESCRIBED IN AS 38.-
7 20.070]. The two-mile limitation may be modified by a state agency to
8 meet local conditions.

9 * Sec. 59. AS 38.20.090 is amended to read:

10 Sec. 38.20.090. USE OF SYSTEM NAME. The use of the term "Alaska
11 Coordinate System of 1927" on a map, report of survey, or other docu-
12 ment is limited to coordinates based on the Alaska Coordinate System
13 of 1927 as defined in this chapter.

14 * Sec. 60. AS 38.20.090 is amended by adding a new subsection to read:

15 (b) The use of the term "Alaska Coordinate System of 1983" on a
16 map, report of survey, or other document is limited to coordinates
17 based on the Alaska Coordinate System of 1983 as defined in this
18 chapter.

19 * Sec. 61. AS 38.20.100 is amended to read:

20 Sec. 38.20.100. USE OF PUBLIC LAND SURVEY DESCRIPTIONS. When
21 coordinates based on the Alaska Coordinate System of 1927 or the
22 Alaska Coordinate System of 1983 are used to describe a tract of land
23 which in the same document is also described by reference to a sub-
24 division, line, or corner of the United States public land surveys,
25 the description by coordinates shall be construed as supplemental to
26 the basic description of the subdivisions, line, or corner contained
27 in the official plats and field notes filed of record, and in the
28 event of a conflict the description by reference to the subdivision,
29 line, or corner of the United States public land surveys prevails over

1 the description by coordinates.

2 * Sec. 62. AS 38.20.110 is amended to read:

3 Sec. 38.20.110. USE OF SYSTEM NOT REQUIRED. Nothing in this
4 chapter requires a purchaser or mortgagee to rely on a description,
5 any part of which depends exclusively upon the Alaska Coordinate
6 System of 1927 or the Alaska Coordinate System of 1983.

7 * Sec. 63. AS 38.35.140(b) is amended to read:

8 (b) The lessee shall reimburse the state for all reasonable
9 costs incurred in processing an application filed under AS 38.35.050
10 and in monitoring the construction, operation, maintenance, and re-
11 moval of the pipeline on the right-of-way.

12 * Sec. 64. AS 38.50.020(b) is amended to read:

13 (b) An appraisal required by this section is presumed accurate
14 and valid for a period of one year [SIX MONTHS] from the time the
15 appraisal is completed. After that time, or if the director has
16 reason to believe that the value of the appraised property has changed
17 significantly during the original one year [SIX-MONTH] period, a
18 reappraisal of the property is required.

19 * Sec. 65. AS 38.50.040 is amended to read:

20 Sec. 38.50.040. LAND SUBJECT TO EXCHANGE. Except as otherwise
21 provided in this chapter, the director is authorized to convey for
22 purposes of exchange any state land or interest in land regardless of
23 the authority under which the land or interest was obtained by the
24 state. [THE CONVEYANCE OF UNIVERSITY LAND SHALL BE APPROVED IN THE
25 MANNER PRESCRIBED IN AS 38.05.030.]

26 * Sec. 66. AS 38.50.090(b) is amended to read:

27 (b) The director shall be afforded an opportunity to review and
28 comment on any land exchange proposed by a state agency other than the
29 Department of Natural Resources and the University of Alaska.

1 * Sec. 67. AS 38.50.110(a) is amended to read:

2 (a) Not more than 60 days nor less than 30 days before a public
3 hearing is scheduled under AS 38.50.120 the director shall circulate a
4 notice containing the information specified in (b) of this section
5 except as provided in (c) of this section. The director shall

6 (1) publish or post the notice as provided in AS 38.05.345,
7 except as otherwise specified in this section; the [. THE] director
8 shall publish the notice in a newspaper of general circulation in the
9 vicinity of the land which the state will receive and in the three
10 most populated cities of the state;

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

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

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

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

19 [(6) Repealed]

20 (6) [(7)] mail the notice to any corporation organized
21 under the Alaska Native Claims Settlement Act, which corporation owns
22 or has selected land located within a radius of 15 linear miles from
23 land or property involved in the proposed exchange; and

24 (7) [(8)] mail the notice to any other party, including an
25 organization of land users, that the director [HE] considers appropri-
26 ate.

27 * Sec. 68. AS 38.50.110 is amended by adding a new subsection to read:

28 (c) The director shall provide the information required under
29 (b) of this section under AS 38.05.345(b) and (c) for exchanges of

- 1 (1) less than 640 acres of state land; or
2 (2) state land having an appraised or estimated fair market
3 value of less than \$100,000.

4 * Sec. 69. AS 38.50.120(a) is amended to read:

5 (a) The commissioner [DIRECTOR] may hold as many public hearings
6 as is considered appropriate. For an exchange of more than 640 acres
7 of state land or state land having an appraised or estimated fair
8 market value of more than \$100,000, there [THERE] shall be at least
9 one public hearing.

10 * Sec. 70. AS 38.50.140 is amended to read:

11 Sec. 38.50.140. LEGISLATIVE REVIEW. Within 10 days of the
12 convening of a regular legislative session, the governor shall trans-
13 mit to the president of the senate and the speaker of the house of
14 representatives any proposal for a land exchange required to be sub-
15 mitted to the legislature under AS 38.50.020(a) that [FOR OTHER THAN
16 EQUAL APPRAISED FAIR MARKET VALUE WHICH] is scheduled to occur before
17 the next legislative session. If [, IN HIS VIEW,] exigent circum-
18 stances seriously affecting state interests so require, the governor
19 may submit the proposed exchange to the legislature at some other
20 time. A finding of exigent circumstances shall be carefully document-
21 ed in the letter of transmittal. The director is authorized to con-
22 clude a proposed exchange agreement unless either house of the legis-
23 lature by simple resolution disapproves of the exchange within 60
24 legislative days of transmittal by the governor. A decision by the
25 legislature to disapprove a proposed exchange shall be accompanied by
26 a recommendation to the governor with respect to future actions which
27 the director should take concerning the exchange.

28 * Sec. 71. AS 38.95.080(a) is amended to read:

29 (a) The commissioner may [DIRECTOR OF THE DIVISION OF LANDS

1 SHALL] issue a nontransferable permit for the construction of a trap-
2 ping cabin on state land to a person who meets the following qualifi-
3 cations:

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

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

8 * Sec. 72. AS 38.95.160(b) is amended to read:

9 (b) In this section

10 (1) "publicly financed improvement" means an improvement
11 financed with state or federal money that is constructed by the state
12 or an instrumentality of the state and includes, but is not limited
13 to, onshore or offshore oil drilling or pumping operations, roads,
14 bridges, pipelines, seismic lines, logging and mining operations,
15 dams, buildings and electric power transmission lines;

16 (2) "state land" does not include land owned by the Board
17 of Regents of the University of Alaska.

18 * Sec. 73. AS 29.18.206(a) is amended to read:

19 Sec. 29.18.206. SCHOOL [, UNIVERSITY] AND MENTAL HEALTH LAND.

20 (a) If an entitlement determined under [IN] AS 29.18.201 or 29.18.202
21 results in a per capita entitlement for the municipality of less than
22 one and one-half acre, the municipality may select vacant school [,
23 [UNIVERSITY] or mental health land within the municipality in partial
24 fulfillment of its land entitlement under AS 29.18. School [, UNIVER-
25 SITY] or mental health land may be selected notwithstanding the fact
26 that this land is [THESE LANDS ARE] not unappropriated and unreserved
27 within the meaning of this chapter and former AS 29.18.190 and 29.18.-
28 200 [, REPEALED BY THIS ACT,] but each selection of school [,
29 UNIVERSITY] or mental health land by a municipality must be vacant,

1 unappropriated, or unreserved land as defined in AS 29.18, except that
2 it need not be general grant land.

3 * Sec. 74. AS 29.18.206(d) is amended to read:

4 (d) Within six months after approval of a municipal selection of
5 school [, UNIVERSITY,] or mental health land, the director shall
6 identify state general grant land of approximately equal value to the
7 land requested by the municipality, and shall propose the replacement
8 land for the concurrence of the appropriate board. If a proposal by
9 the director is rejected by the board, the director shall meet with
10 the board as often as necessary to determine the type and amount of
11 equal value replacement land that would be required to obtain the
12 board's concurrence, and shall propose the replacement land for con-
13 sideration by the board. The replacement land shall thereafter be
14 managed for the purposes for which the land selected by the municipali-
15 ty was acquired by the Territory and State of Alaska.

16 * Sec. 75. AS 29.18.206(e) is amended to read:

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

27 * Sec. 76. AS 29.18.210(b) is amended to read:

28 (b) Where state land is the most logical location for demon-
29 strated municipal expansion [FOR NONPUBLIC SETTLEMENT AND DEVELOPMENT

1 PURPOSES,] and when an exchange of land under AS 29.18.209 is not
2 possible or is not in the public interest, it is the policy of the
3 state to sell or lease the land at public auction. The state may
4 contract with a municipality to act as its agent in an auction of
5 state land under applicable statutes. When a municipality acts as the
6 agent of the state in an auction, the municipality may retain from the
7 proceeds of the auction the capital and other expenses that [WHICH]
8 the director determines to be necessary and reasonable.

9 * Sec. 77. AS 29.18.213 is repealed and reenacted to read:

10 Sec. 29.18.213. DEFINITIONS. In AS 29.18.201 - 29.18.213

11 (1) "approved selection" means a municipal land selection
12 that has been approved in writing by the director for transfer by
13 patent to a municipality;

14 (2) "director" means the director of the division of lands,
15 Department of Natural Resources;

16 (3) "general grant land"

17 (A) means land patented or tentatively approved to the
18 state from the United States under sec. 6(a) or (b) of the Alaska
19 Statehood Act;

20 (B) does not include university land;

21 (4) "mental health land" means land granted under Title II,
22 sec. 202 of P.L. 84-830, as amended before or after July 1, 1978;

23 (5) "municipal land selection" means a request by a munic-
24 ipality, filed in writing with the director under authority of former
25 AS 29.18.190 and 29.18.200 or under AS 29.18.201 - 29.18.213 for
26 vacant, unappropriated, unreserved general grant land within its
27 municipal boundaries in partial fulfillment of its municipal entitle-
28 ment;

29 (6) "municipality" means a home rule or general law city or

1 organized borough of any class, and includes unified municipalities
2 established under AS 29.68.240 - 29.68.440;

3 (7) "patent" means a document, issued by the director to a
4 municipality for a previously approved selection, that conveys and
5 quitclaims all the right, title and interest of the state without
6 reservation or condition except as may be required by law;

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

11 (9) "school land" means those rectangular sections 16 and
12 36 within each township surveyed on or before January 3, 1959, and
13 confirmed and transferred to the State of Alaska upon its admission
14 under sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other
15 land designated solely for school revenues;

16 (10) "university land" has the meaning given that term in
17 AS 38.05.365;

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

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

23 (B) has not been approved for patent to a municipality
24 under AS 29.18.201 - 29.18.213 or former AS 29.18.190 and 29.18.-
25 200; or

26 (C) is unclassified or, if classified under AS 38.-
27 05.300, is classified for agricultural, grazing, commercial,
28 industrial, private recreational, residential, utility or open-
29 to-entry purposes, or where classified in accordance with an

1 agreement between a municipality and the state providing for
2 state management of land of the municipality.

3 * Sec. 78. AS 29.33.150(b) is amended to read:

4 (b) The regulations adopted under (a) of this section apply to
5 subdivision plats of undeveloped state land for disposal under AS 38.-
6 05 or AS 38.08 filed with the platting board. [THE PLATTING BOARD MAY
7 NOT DISAPPROVE THE SUBDIVISION PLAT ON THE BASIS OF REGULATIONS WHICH
8 REQUIRE CAPITAL IMPROVEMENTS ON OR TO STATE LAND INCLUDED IN THE
9 SUBDIVISION PLAT.] Regulations adopted after the platting board is
10 notified by the commissioner of natural resources of a proposed sale
11 of subdivided state land under AS 38.05 or AS 38.08 do not apply to
12 the state land in the proposed sale.

13 * Sec. 79. AS 29.33.150(c) is amended to read:

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

17 (1) determines that the plat does not comply with subdivi-
18 sion regulations, unless the plat was submitted to the platting board
19 before the effective date of this Act [OTHER THAN THOSE REQUIRING
20 CAPITAL IMPROVEMENTS TO STATE LAND]; and

21 (2) notifies the commissioner of each determination of
22 noncompliance within the 60-day period established in this subsection.

23 * Sec. 80. The provisions of AS 38.05.065(d) - (f) as added in sec. 22
24 of this Act apply to contracts entered into by the commissioner of natural
25 resources after the effective date of this Act.

26 * Sec. 81. AS 29.33.150(e); AS 38.04.025, 38.04.040, 38.04.045(a);
27 AS 38.05.030(a), 38.05.035(a)(14), 38.05.069(b), 38.05.350, 38.05.362 and
28 38.05.365(20) are repealed.

29 * Sec. 82. Sections 18, 34, and 41 of this Act take effect immediately

1 in accordance with AS 01.10.070(c).

2 * Sec. 83. Sections 1 - 17, 19 - 33, 35 - 40, and 42 - 81 take effect

3 July 1, 1984.