

Offered: 5/22/84
Referred: Rules

Original sponsors: Fahrenkamp and Ziegler

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 375 (2d 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 adverse effect of private settlement on wildlife, fishery,
14 mineral, timber, and other significant resources of the land; the
15 director shall also make adequate provision for public open space
16 which is accessible to communities so that natural areas are easily
17 reached from all communities and settled areas. The amount of that
18 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 AS 38.04.005(e) is repealed and reenacted to read: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 most affected by
2 the 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 an assessment of the market demand for
18 the land proposed for disposal [BE BASED ON AN ANNUAL WRITTEN ASSESS-
19 MENT BY THE COMMISSIONER OF THE MARKET FOR STATE LAND IN THE DIFFERENT
20 REGIONS OF THE STATE. IF THE STATE LAND IS IN OR ADJACENT TO MUNICI-
21 PALITIES OR UNINCORPORATED COMMUNITIES, THE ASSESSMENT SHALL BE DE-
22 VELOPED IN CONSULTATION WITH THE MUNICIPALITIES OR UNINCORPORATED
23 COMMUNITIES. THE ASSESSMENT MUST INCLUDE A SURVEY OF THE SUPPLY OF
24 PRIVATELY OWNED LAND OFFERED FOR SALE, MUNICIPAL LAND FOR WHICH A
25 DISPOSAL PLAN HAS BEEN COMPLETED, AND FEDERAL LAND AVAILABLE FOR SALE,
26 LEASE, OR PERMIT FOR SPECIFIC ACTIVITIES. THE ASSESSMENT OF THE
27 MARKET FOR STATE LAND SHALL BE BASED ON AN ANALYSIS OF THE AMOUNT OF
28 PRIVATE, MUNICIPAL, AND FEDERAL LAND AVAILABLE FOR DISPOSAL ON TERMS
29 EQUIVALENT TO THOSE USED IN COMPARABLE STATE LAND DISPOSAL PROGRAMS

1 AND SHALL INCLUDE THE LENGTH OF TIME LAND REMAINS ON THE MARKET BEFORE
2 IT IS SOLD. THE ASSESSMENT MUST INCLUDE FINDINGS REGARDING THE AMOUNT
3 AND GENERAL LOCATION OF STATE LAND, IN ADDITION TO LAND OFFERED BY
4 PRIVATE LANDOWNERS OR AVAILABLE FROM A MUNICIPAL GOVERNMENT OR THE
5 FEDERAL GOVERNMENT, THAT IS NECESSARY TO MEET THE STATEWIDE DEMAND FOR
6 AT LEAST FIVE FISCAL YEARS IMMEDIATELY AFTER THE YEAR IN WHICH THE
7 ASSESSMENT IS MADE. THE ASSESSMENT MUST ALSO STATE THE GENERAL LOCA-
8 TION OF LAND PROPOSED FOR DISPOSAL IN THE NEXT FISCAL YEAR AND RECOM-
9 MENDATIONS FOR THE METHOD OF DISPOSAL UNDER WHICH THE LAND WILL BE
10 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 municipal [ZONING] ordinances, [OR]
29 to 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, public
4 recreation, timber, or other significant resources in the area, or to
5 minimize adverse effect 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 dis-
22 posal of land would cause potential conflicts with other resources and
23 uses, 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 except that the commissioner may waive this
10 requirement on a determination that topographic features, diffuse
11 settlement, or the public interest do not justify the requirement.

12 The lots and tracts in state subdivisions shall be monumented and the
13 cadastral survey and plats for the subdivision shall be approved by
14 the state. Where land is located within a municipality with planning,
15 platting, and zoning powers, plats for state subdivisions shall comply
16 with local ordinances and regulations in the same manner and to the
17 same extent as plats for subdivisions by other landowners. State
18 subdivisions shall be filed in the district recorder's office. The
19 requirements of this section do not apply to land made available
20 through a cabin permit system, material sales, or short-term leases;
21 however, for short-term leases the lessee must comply with local
22 subdivision ordinances unless waived by the municipality under proce-
23 dures specified by ordinance.

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

25 Sec. 38.04.050. ACCESS TO PRIVATE USE AREAS. Wherever state
26 land is surveyed for purposes of private use, legal [ADEQUATE] rights-
27 of-way and easements shall be reserved [AS NECESSARY] for access and,
28 where appropriate, for utility services [POWER AND TELEPHONE SERVICE]
29 to each parcel of land. A right-of-way or easement shall be located

1 to assure adequate and feasible access for the purposes for which the
2 right-of-way or easement was intended. Where necessary and appropri-
3 ate for the use intended or where required by local subdivision ordi-
4 nances, the director shall arrange for the development of surface
5 access as part of the land availability program. The direct cost of
6 local access development shall be borne by the recipient of the land
7 unless otherwise provided by state statutes or regulations.

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

9 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director
10 shall reserve easements and rights-of-way on and across land which is
11 made available for private use as necessary to reach or use public
12 water and public and private land. An easement or right-of-way re-
13 served under this section may include [ESTABLISHED] trails that have
14 an established history of use [TRADITIONALLY USED] for commerce,
15 recreation, or transportation.

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

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

23 * Sec. 15. AS 38.05.020(b) is amended to read:

24 (b) The commissioner may
25 (1) establish reasonable procedures and adopt reasonable
26 [RULES AND] regulations necessary to carry out this chapter and [MAY],
27 whenever necessary, issue directives or orders to the director to
28 carry out specific functions and duties; [ALL RULES AND] regulations
29 adopted by the commissioner shall be adopted under the Administrative

1 Procedure Act (AS 44.62); orders by the commissioner classifying land,
2 [LANDS] issued after January 3, 1959, are not required to be adopted
3 under the Administrative Procedure Act (AS 44.62);

4 (2) enter into agreements considered [WHICH HE CONSIDERS]
5 necessary to carry out the purposes of this chapter, including agree-
6 ments with federal and state agencies;

7 (3) review any order or action of the director;

8 (4) exercise the powers and do the acts necessary to carry
9 out the provisions and objectives of this chapter;

10 (5) notwithstanding the provisions of any other section of
11 this chapter, grant an extension of the time within which payments due
12 on any lease or sale of state land, minerals, or materials may be
13 made, including payment of rental and royalties, on a finding [IF HE
14 FINDS] that compliance with the requirements is or was prevented by
15 reason of war, riots, or acts of God; [.]

16 (6) classify tracts for agricultural uses and require the
17 prequalification, including the submission of conservation plans,
18 development plans, or other plans, schedules, or programs, of persons
19 who apply to participate in an agricultural development project under
20 AS 44.33.475;

21 (7) waive, postpone, or otherwise modify the development
22 requirements of a contract for the sale of agricultural land if

23 (A) the land is inaccessible by road; and

24 (B) transportation, marketing, and development costs
25 render the required development uneconomic.

26 * Sec. 16. AS 38.05.030(c) is amended to read:

27 (c) In addition to the requirements specified in AS 38.50.090,
28 the agencies referred to in [(a) AND] (b) of this section and other
29 state agencies with authority to acquire or dispose of land shall give

1 written notification of the fact of acquisition, lease, disposal, or
2 exchange to the commissioner [DIVISION OF LANDS] within three months
3 after the date that they make the acquisition, lease, disposal, or
4 exchange.

5 * Sec. 17. AS 38.05.030(d) is amended to read:

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

13 * Sec. 18. AS 38.05.030 is amended by adding a new subsection to read:

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

16 * Sec. 19. AS 38.05.035(b) is amended to read:

17 (b) The director may

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

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

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

1 (B) if the application for the preference right is
2 filed with the director within three years from

3 (i) the occurrence of the error or omission;

4 (ii) the date of acquisition by the state of the
5 land; or

6 (iii) the date of a court decision or settlement
7 nullifying a disposal of state land;

8 (3) grant a preference right to a claimant who shows bona
9 fide improvement of state land [,] or of federal land subsequently
10 acquired by the state [,] and who has in good faith sought to obtain
11 title to the land but who, through error or omission of others occur-
12 ring within the three years before (A) the application for the prefer-
13 ence right, (B) the date of acquisition by the state of the land, or
14 (C) the date of a court decision or settlement nullifying a disposal
15 of state land, has been denied title to it; upon a showing satisfac-
16 tory to the commissioner, the claimant may lease or purchase the land
17 at the price set on the date of original entry on the land or, if a
18 price was not set at that time at a price determined by the director
19 [DIVISION] to fairly represent the value of unimproved land at the
20 time the claim was established, but in no event less than the cost of
21 administration including survey; the error or omission of a predeces-
22 sor in interest or an agent, administrator, or executor which has
23 clearly prejudiced the claimant may be the basis for granting a pref-
24 erence right;

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

29 (5) when the director [HE] determines it is in the best

1 interest of the state and will avoid injustice to a person or the
2 [HIS] heirs or devisees of a person, dispose of land, by direct nego-
3 tiation to that person who presently uses and who used and made im-
4 provements to that land before January 3, 1959 or to the [HIS] heirs
5 or devisees of the person; the amount paid for the land shall be its
6 fair market value on the date that the person first entered the land,
7 as determined by the director; a parcel of land disposed of under this
8 paragraph shall be of a size consistent with the person's prior use,
9 but may not exceed five acres;

10 (6) dispose of [AN INTEREST IN] land limited to use for
11 agricultural purposes by lottery;

12 (7) convey to an adjoining landowner for its fair market
13 value a remnant of land that the director considers unmanageable or a
14 parcel of land created by a highway right-of-way alignment or realign-
15 ment, or a parcel created by the vacation of a state-owned right-of-
16 way if

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

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

21 (C) the director and the platting authority having
22 land use planning jurisdiction agree that conveyance of the
23 parcel to the adjoining landowner will result in boundaries that
24 are convenient for the use of the land by the landowner and
25 compatible with municipal land use plans;

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

1 (9) quitclaim land or an interest in land to the federal
2 government on a determination that the land or the interest in land
3 was wrongfully or erroneously conveyed by the federal government to
4 the state.

5 * Sec. 20. AS 38.05.035 is amended by adding new subsections to read:

6 (e) Upon a written finding that the interests of the state will
7 be best served, the director may, with the consent of the commis-
8 sioner, approve contracts for the sale, lease, or other disposal of
9 available land, resources, property or interests in them, and, in
10 addition to the conditions and limitations imposed by law, may impose
11 additional conditions or limitations in the contracts as the director
12 determines, with the consent of the commissioner, will best serve the
13 interests of the state. A contract for the sale, lease, or other
14 disposal of available land or an interest in land is not legally
15 binding on the state until the commissioner approves the contract but
16 if the appraised value is not greater than \$50,000 in the case of the
17 sale of land or an interest in land, or \$5,000 in the case of the
18 annual rental of land or interest in land, the director may execute
19 the contract without the approval of the commissioner. Before a
20 public hearing, if held, or in any case no less than 21 days before
21 the sale, lease, or other disposal of available land, property, re-
22 sources, or interests in them, the director shall make available to
23 the public a written finding that sets out the facts and applicable
24 law upon which the determination that the sale, lease, or other dis-
25 posal will best serve the interests of the state was based. A written
26 finding is not required before the approval of

27 (1) a contract for a negotiated sale authorized under
28 AS 38.05.115;

29 (2) a lease of land for a shore fishery site under

1 AS 38.05.082;

2 (3) a permit or other authorization revocable by the com-
3 missioner;

4 (4) a mineral claim located under AS 38.05.195;

5 (5) a mineral lease issued under AS 38.05.205; or

6 (6) a production license issued under AS 38.05.207.

7 (f) The director shall grant a preference right to the
8 purchase or lease without competitive bid of up to five acres of
9 state land to an individual who has erected a building on the
10 land and used the land for bona fide business purposes for five
11 or more years under a federal permit or without the need for a
12 permit and, after selection by the state, under a state use
13 permit or lease, if the business produced no less than 25 percent
14 of the total income of the applicant for the five years preceding
15 the application to purchase or lease the land. The director
16 shall sell or lease the land at a price determined by the direc-
17 tor to represent the current fair market value of the unimproved
18 land but in no event less than the cost of administration includ-
19 ing survey if required. If the director determines in a written
20 finding that the purchase or lease of the land would interfere
21 with public use by residents of the area, the director may condi-
22 tion the purchase or lease to mitigate the adverse effects on the
23 public use or may reject the application for the preference
24 right. A lease granted under this subsection may not be for a
25 period in excess of 50 years. In this subsection, "business
26 purposes" means a purpose permitted under the classification of
27 the land at the time the land was entered.

28 * Sec. 21. AS 38.05.050 is amended to read:

29 Sec. 38.05.050. DISPOSAL OF LAND FOR PRIVATE OWNERSHIP. The

1 commissioner [, UPON THE RECOMMENDATION OF THE DIRECTOR,] shall deter-
2 mine the land to be disposed of for private use. The commissioner
3 [DIRECTOR] shall determine the time and place of disposal. An auction
4 sale, a lottery sale, or a disposal of land for homesites shall [UNDER
5 AS 38.04.020(g)(2)(C) MUST] be held in a community [THE MUNICIPALITY]
6 that is near [CLOSEST TO] the land to be sold or disposed of [AND IN
7 WHICH REGULAR SESSIONS OF A COURT OF THE STATE ARE HELD].

8 * Sec. 22. AS 38.05.055 is amended to read:

9 Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method
10 of sale is required under this chapter, [UNDER] AS 38.07, or [UNDER]
11 AS 38.08, the sale of state land shall be made at public auction to
12 the highest qualified bidder as determined by the director. The dir-
13 ector may accept bids and sell state land under this section at no
14 less than 70 percent of the appraised fair market value of the land.
15 A bidder must appear in person at the auction unless medical reasons,
16 attendance at school, or military service outside the state prevent
17 attendance. A bidder may be represented by an attorney or agent at
18 the auction if the land offered for disposal is commercial, industri-
19 al, or agricultural land. An aggrieved bidder may appeal to the com-
20 missioner within five days after the sale for a review of the direc-
21 tor's determination. The sale shall be conducted by the director [OR
22 HIS REPRESENTATIVE,] and at the time of sale the successful bidder
23 shall deposit an amount equal to five percent of the purchase price [,
24 OR IF THE PURCHASER ELECTS TO USE LAND DISCOUNTS GRANTED UNDER AS 38.-
25 05.058, FIVE PERCENT OF THE AMOUNT BID AFTER DEDUCTION OF THE DIS-
26 COUNT]. The director [OR HIS REPRESENTATIVE] shall immediately issue
27 a receipt containing a description of the land or property purchased,
28 the price bid, and the amount deposited [, AND THE AMOUNT OF ANY DIS-
29 COUNT ALLOWED]. The receipt shall be acknowledged in writing by the

1 bidder.

2 * Sec. 23. AS 38.05.059 is repealed and reenacted to read:

3 Sec. 38.05.059. LIMITATIONS AND CONDITIONS ON SALE OR LEASE OF
4 AGRICULTURAL LAND. (a) During any eight-year period, a person may
5 purchase from the state not more than one parcel of land that is part
6 of an agricultural development project under AS 44.33.475.

7 (b) In a sale or other disposal of state land classified as
8 agricultural land, the use of the land shall be restricted. The com-
9 missioner shall convey a fee simple conditional title to the surface
10 estate subject to a condition subsequent that the land be used only
11 for agricultural purposes. The commissioner shall reserve a right of
12 reentry after notice and an opportunity for a hearing if the land is
13 used for other than agricultural purposes. A reversion of title upon
14 reentry does not affect the validity of a prior lien or security
15 interest on the land.

16 (c) The lessee of state agricultural land shall receive a lease-
17 hold interest in the surface estate subject to the condition that the
18 land leased be used only for agricultural purposes.

19 (d) As a condition to the issuance of a lease or a contract of
20 sale of state land classified as agricultural land, the commissioner
21 may require a farm development agreement and the submission of a
22 conservation plan that establish reasonable requirements based on the
23 economic feasibility of development and sound agricultural principles.

24 (e) The commissioner may not convey title under (b) of this
25 section to a person who

26 (1) is in arrears on the purchase or lease of agricultural
27 land; or

28 (2) has not complied with a farm development agreement or
29 conservation plan required by the commissioner.

1 (f) In this section, "agricultural purposes" includes farming,
2 ranching, grazing, and storage or control of agricultural crops or
3 livestock, and the construction of the farm residence of the grantee
4 or lessee and other buildings commonly needed for agricultural pur-
5 poses on not more than 20 acres of the land transferred under this
6 section.

7 * Sec. 24. AS 38.05.065(c) is amended to read:

8 (c) The director shall, for contracts under (a) or (b) of
9 this section, set out in the contract for each sale the period for
10 the payment of installments and the total purchase price plus
11 interest. The director, with the consent of the commissioner, may
12 also include in contracts under this section conditions, limitations
13 and terms considered [WHICH HE CONSIDERS] necessary and proper to
14 protect the interest of the state. Violations of any provision of
15 AS 38.05.005 - 38.05.370 or the terms of the contract of sale subject
16 the purchaser to appropriate administrative and legal action, includ-
17 ing but not limited to specific performance, foreclosure, ejectment,
18 or other legal remedies in accordance with applicable state law.

19 * Sec. 25. AS 38.05.065 is amended by adding new subsections to read:

20 (d) If a contract for a sale of state land has been breached,
21 the director may issue a decision to foreclose and terminate the
22 contract at any time 31 days after delivering by certified mail a
23 written notice of the breach to the address of record of the
24 purchaser. A breach caused by the failure to make payments required
25 by the contract may be cured within 30 days after the notice of the
26 breach has been received by the purchaser by payment of the sum in
27 default together with the larger of a fee of \$50 or five percent of
28 the sum in default. If there are material facts in dispute between
29 the state and the purchaser, the purchaser may submit a written

1 request for a public hearing for the review of the facts within 30
2 days after the notice of the breach has been received.

3 (e) On a determination that there has been a breach of the
4 contract based on the administrative record and the evidence presented
5 at a hearing, the director shall issue a decision foreclosing the
6 interest of the purchaser and terminating the contract. The obliga-
7 tion to make payments under the contract continues through the date of
8 the decision to foreclose by the director.

9 (f) The director shall deliver the decision to foreclose and
10 terminate personally to the purchaser or send it certified mail,
11 return receipt requested to the address of record of the purchaser.
12 If the breach is a failure to make payments required by the contract,
13 the decision shall include a notice to the purchaser that if within 30
14 days the purchaser pays to the state the full amount of the unpaid
15 contract price, including all accrued interest, and any fees assessed
16 under (d) of this section, the department shall issue to the purchaser
17 a deed to the land. If full payment is not made within 30 days or the
18 breach is for other than failure to make payment, the decision fore-
19 closes and terminates all legal and equitable rights the purchaser has
20 in the land.

21 (g) The purchaser may appeal the director's decision to the
22 commissioner within 30 days. The final decision by the department is
23 reviewable under AS 44.62.560.

24 * Sec. 26. AS 38.05.069(a) is amended to read:

25 (a) On a determination [IF THE DIRECTOR DETERMINES] that the
26 highest and best use of unoccupied land is for agricultural purposes
27 [.] and [IF HE DETERMINES] that it is in the best interests of the
28 state to sell or lease the land, the commissioner [HE] shall grant to
29 an Alaskan resident owning and using or leasing and using land for

1 agricultural purposes a [60-DAY] first option at [AFTER THE DATE OF]
2 the auction to purchase or lease the unoccupied land situated adjacent
3 to land presently held by the Alaskan resident [OR IN THE APPROXIMATE
4 VICINITY OF HIS PRESENTLY HELD LAND] for the amount of the high bid
5 received at public auction. If more than one Alaskan resident qual-
6 ifies for a first option under this section, eligibility for the first
7 option shall be determined by lot and the option must be exercised on
8 the conclusion of the public auction. A parcel of agricultural land
9 sold under this section may not be less than 20 acres and a parcel of
10 agricultural land that [WHICH] is acquired by exercise of the option
11 granted in this subsection may not exceed 320 acres. Agricultural
12 land that [WHICH] is acquired under this section must be used for
13 agricultural purposes as required by law.

14 * Sec. 27. AS 38.05.069(c) is amended to read:

15 (c) Under this section

16 (1) the director may transfer state land classified for
17 agriculture [CONVEY OR LEASE AN INTEREST IN THE LAND] only for agri-
18 cultural purposes [, AND ALL OTHER INTERESTS IN THE LAND REMAIN IN THE
19 STATE];

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

21 (2) THE REMAINING INTERESTS MAY SUBSEQUENTLY BE CONVEYED OR
22 LEASED BY THE DIRECTOR ONLY UPON THE REQUEST OF THE GRANTEE OR LESSEE
23 OR HIS ASSIGNS AND THE DETERMINATION OF THE DIRECTOR, WITH THE WRITTEN
24 CONCURRENCE OF THE COMMISSIONER, THAT THE CONVEYANCE OR LEASE IS IN
25 THE PUBLIC INTEREST;

26 (3) THE CONVEYANCE OR LEASE OF THE REMAINING INTERESTS
27 SHALL BE AT PUBLIC AUCTION; THE ORIGINAL GRANTEE OR LESSEE OR HIS
28 ASSIGNS HAVE A PREFERENCE RIGHT TO MEET THE HIGH BID WITHIN 30 DAYS
29 AFTER THE DAY OF THE AUCTION; IF THE RIGHT IS EXERCISED, THE VALUE OF

1 IMPROVEMENTS OWNED BY THE HOLDER OF THE PREFERENCE RIGHT, INCLUDED
2 WITH THE REMAINING INTERESTS SOLD, SHALL BE DEDUCTED FROM THE PURCHASE
3 PRICE;

4 (4) BY REQUESTING THE CONVEYANCE OR LEASE OF THE REMAINING
5 INTEREST, THE ORIGINAL GRANTEE OR LESSEE OR HIS ASSIGNS

6 (A) CONSENTS TO THE SALE OR LEASE, AND

7 (B) IF THE PREFERENCE RIGHT PROVIDED BY (3) OF THIS
8 SUBSECTION IS NOT EXERCISED, CONSENTS TO SELL AT FAIR MARKET
9 VALUE THE IMPROVEMENTS RELATED TO THE REMAINING INTEREST, AS
10 APPRAISED BY THE DIRECTOR;

11 (5) THE REMAINING INTERESTS IN THE LAND MAY NOT BE CONVEYED
12 OR LEASED FOR LESS THAN THEIR APPRAISED VALUE TOGETHER WITH IMPROVE-
13 MENTS EXCEPT FOR THE DEDUCTION ALLOWED BY (3) OF THIS SUBSECTION].

14 * Sec. 28. AS 38.05.070(b) is amended to read:

15 (b) The director, with the approval of the commissioner, shall
16 determine the land to be leased and the limitations, conditions and
17 terms of the lease. The director shall preserve reasonable and tradi-
18 tional access to state land and water. If the appraised value of the
19 transaction is \$5,000 [\$250] a year or less the director may negotiate
20 a lease [WITHOUT ADVERTISEMENT] for a period not to exceed 10 [FIVE]
21 years, and on the limitations, conditions and terms that the director
22 [WHICH HE] considers are in the best interests of the state. A lease
23 negotiated under this subsection is not eligible for a preference
24 under AS 38.05.102.

25 * Sec. 29. AS 38.05.070(c) is amended to read:

26 (c) A lease may be issued for a period up to 55 years, if the
27 commissioner determines it [APPEARS] to be in the best interests of
28 the state. The commissioner shall consider the useful life of any
29 improvements proposed and approved under AS 38.05.075 in determining

1 the term of the lease [AND IF THE COMMISSIONER APPROVES]. If the
2 commissioner determines that the land or a part of it which is the
3 subject of a grazing lease is not being used for the purpose issued,
4 the lease may be declared void. [HOWEVER, A NONRENEWABLE LEASE FOR
5 SCHOOL LANDS MAY BE ISSUED FOR A PERIOD NOT TO EXCEED 99 YEARS.]

6 * Sec. 30. AS 38.05.075 is amended to read:

7 Sec. 38.05.075. LEASING PROCEDURES. Except as provided in
8 AS 38.05.087 and this section, leasing [THE LEASING] shall be made at
9 public auction to the highest qualified bidder as determined by the
10 commissioner [DIRECTOR]. An aggrieved bidder may appeal to the com-
11 missioner within five days for a review of the [DIRECTOR'S] determina-
12 tion. [WHEN A VALID EXISTING FEDERAL GRAZING LEASE IS CANCELLED TO
13 ALLOW STATE SELECTION OF THE AREA UNDER LEASE, THE LESSEE OF THE LANDS
14 HAS THE PREFERENCE RIGHT TO LEASE THE LANDS WITHOUT COMPETITIVE BIDD-
15 ING FOR A TERM EQUAL TO THAT ORIGINALLY GRANTED IN THE CANCELLED
16 FEDERAL LEASE AND UPON TERMS AS FAVORABLE TO THE LESSEE AS THOSE
17 CONTAINED IN THE CANCELLED FEDERAL LEASE.] The leasing shall be
18 conducted by the commissioner [DIRECTOR, OR HIS REPRESENTATIVE,] and
19 the successful bidder shall deposit at the auction the first year's
20 rental [,] or that portion of it that [WHICH] the commissioner re-
21 quires [,] in accordance with the [HIS] bid. The commissioner shall
22 require qualified bidders to deposit a sum equal to any survey or
23 appraisal costs reasonably incurred by another qualified bidder acting
24 in accordance with the regulations of the commissioner. If a bidder
25 making a deposit of survey or appraisal costs is determined by the
26 commissioner to be the highest qualified bidder under this subsection,
27 the deposit shall be paid to the unsuccessful bidder who incurred
28 those costs. Any survey or appraisal costs reasonably incurred by a
29 qualified bidder under the regulations of the commissioner or

1 deposited under this subsection must be credited under the first and
2 then subsequent years' rentals. All costs for survey and appraisal
3 shall be approved in advance in writing by the commissioner. The
4 commissioner [DIRECTOR OR HIS REPRESENTATIVE] shall immediately issue
5 a receipt containing a description of the land or interest leased, the
6 price bid, [AND] terms of the lease, and the amount of any credit for
7 survey and appraisal costs to the successful qualified bidder. If the
8 [THE] receipt is not accepted [SHALL BE ACKNOWLEDGED] in writing by
9 the bidder under this subsection, the commissioner may offer the land
10 for lease again under this subsection. A lease, on a form approved by
11 the attorney general, shall be signed by the successful bidder and
12 [LESSEE AND, UPON APPROVAL] by the commissioner within 30 days after
13 the auction [, SHALL BE SIGNED BY THE DIRECTOR].

14 * Sec. 31. AS 38.05.075 is amended by adding new subsections to read:

15 (b) When a valid existing federal grazing lease is cancelled to
16 allow state selection of the area under lease, the lessee of the land
17 has the preference right to lease the land without competitive bidding
18 for a term equal to that originally granted in the cancelled federal
19 lease and upon terms as favorable to the lessee as those contained in
20 the cancelled federal lease.

21 (c) The owner or lessee of land that fronts on tide or submerged
22 land of the state is entitled to acquire a lease for the tide and
23 submerged land without competitive bidding if the director determines
24 that

25 (1) the lease of the tide or submerged land is necessary to
26 facilitate water transportation of goods, services, or resources to or
27 from the owned or leased upland or for another water-dependent pur-
28 pose;

29 (2) the proposed use of the tide or submerged land is

1 compatible with the classification of the land and with any applicable
2 land use plan adopted under AS 38.04.065; and

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

5 (d) If the commissioner issues a lease under (c) of this sec-
6 tion, the right of access to the tide and submerged land shall be
7 nonexclusive in the lessee unless the commissioner grants the lessee
8 the exclusive right to use the tide and submerged land.

9 (e) The commissioner may require prequalification of bidders for
10 a lease to be issued under AS 38.05.070. If the commissioner deter-
11 mines to require prequalification, the procedures established by this
12 section and the notice including pre-qualification requirements re-
13 quired to be given under AS 38.05.345 shall be completed within 75
14 days of the receipt of the first lease application unless the commis-
15 sioner grants additional time for the completion of the procedures.
16 Within the 75-day period or the additional time granted by the commis-
17 sioner, the commissioner shall complete

18 (1) classification under AS 38.05.300;

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

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

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

1 provisions of AS 38.05.035(e).

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

4 (h) A person aggrieved by a decision of the commissioner under
5 this section may appeal to the commissioner within five days of the
6 prequalification decision. The decision of the commissioner under
7 this subsection or under AS 38.05.035(e) may be appealed to the supe-
8 rior court.

9 * Sec. 32. AS 38.05.110 is amended to read:

10 Sec. 38.05.110. SALE OF TIMBER AND MATERIALS. The commissioner
11 [DIRECTOR] shall provide for cruises of timber and appraisals of other
12 materials in or upon state land and shall assess the supply of and
13 current markets for timber on and other materials in privately owned
14 land in close proximity to state land to determine [LANDS AND TRANSMIT
15 THIS DATA TO THE COMMISSIONER, TOGETHER WITH HIS RECOMMENDATIONS WITH
16 RESPECT TO]

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

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

20 * Sec. 33. AS 38.05.115(a) is amended to read:

21 (a) The commissioner [, UPON RECOMMENDATION OF THE DIRECTOR,]
22 shall determine the timber and other materials to be sold, and the
23 limitations, conditions and terms of sale. The limitations, condi-
24 tions and terms shall include the utilization, development and mainte-
25 nance of the sustained yield principle, subject to preference among
26 other beneficial uses. The commissioner [DIRECTOR] may negotiate
27 sales of timber or materials without advertisement and on the limita-
28 tions, conditions, and terms that are considered to be [WHICH HE
29 CONSIDERS ARE] in the best interests of the state [, SUBJECT TO THE

1 APPROVAL OF THE COMMISSIONER]. However, not more than 500 M.B.M. or
2 equivalent other measure of timber or more than 25,000 cubic yards of
3 materials may be sold by nonadvertised, negotiated sale to the same
4 purchaser within a one-year period.

5 * Sec. 34. AS 38.05.118(a) is amended to read:

6 (a) Notwithstanding any other provision of AS 38.05.110 - 38.-
7 05.120, the commissioner [DIRECTOR, WITH THE APPROVAL OF THE COMMIS-
8 SIONER,] may negotiate a sale of timber to a local manufacturer at
9 appraised value. The period of a contract for a sale of timber nego-
10 tiated under this section may not exceed 25 years. The contract shall
11 provide that the appraised value of timber remaining to be harvested
12 under the provisions of the contract shall be redetermined at least
13 once every five years.

14 * Sec. 35. AS 38.05.118(c) is amended to read:

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

- 19 (1) a high level of local unemployment;
20 (2) an underutilized timber manufacturing capacity; and
21 (3) an underutilized allowable cut of state timber.

22 * Sec. 36. AS 38.05.120 is amended to read:

23 Sec. 38.05.120. DISPOSAL PROCEDURE. Timber and other materials
24 shall be sold either by sealed bids or public auction, depending on
25 which method is determined by the commissioner to be in the best
26 interests of the state, to the highest qualified bidder as determined
27 by the commissioner [DIRECTOR]. An aggrieved bidder may appeal to the
28 commissioner within five days after the sale for a review of the
29 [DIRECTOR'S] determination. The sale shall be conducted by the

1 commissioner [DIRECTOR OR HIS REPRESENTATIVE], and at the time of sale
2 the successful bidder shall deposit the amount specified in the terms
3 of sale. The means by which the amount of deposit is determined shall
4 be prescribed by appropriate regulation. The commissioner [DIRECTOR
5 OR HIS REPRESENTATIVE] shall immediately issue a receipt containing a
6 description of the timber or materials purchased, the price bid, and
7 the terms of sale. The receipt shall be accepted [ACKNOWLEDGED] in
8 writing by the bidder. A contract of sale, on a form approved by the
9 attorney general, shall be signed by the purchaser and [, FOLLOWING
10 THE APPROVAL OF THE COMMISSIONER,] the contract shall be signed by the
11 commissioner [DIRECTOR] on behalf of the state. The commissioner
12 [DIRECTOR, WITH THE APPROVAL OF THE COMMISSIONER,] may impose condi-
13 tions, limitations, and terms considered [WHICH HE CONSIDERS] neces-
14 sary and proper to protect the interests of the state. Violation of
15 any provision of this chapter or the terms of the contract of sale
16 subjects the purchaser to appropriate legal action.

17 * Sec. 37. AS 38.05.125 is amended by adding new subsections to read:

18 (b) The provisions of (a) of this section do not apply to a
19 quitclaim of land or a transfer of an interest in land made under
20 AS 38.05.035(b)(9).

21 (c) Notwithstanding (a) of this section, the transfer of owner-
22 ship and management of University of Alaska trust land from the De-
23 partment of Natural Resources to the Board of Regents of the Univer-
24 sity of Alaska under ch. 22, SLA 1983 includes the mineral estate of
25 the state in the land.

26 * Sec. 38. AS 38.05.127(a) is amended to read:

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

1 (1) [UNDER REGULATIONS,] determine if the body of water or
2 waterway is navigable water, public water, or neither;

3 (2) upon finding that the body of water or waterway is
4 navigable or public water, provide for the specific easements or
5 rights-of-way [, OR BOTH, REASONABLY] necessary to ensure [INSURE]
6 free access to and along the body of water, unless the commissioner
7 [DEPARTMENT] finds that regulating or limiting access is necessary for
8 other beneficial uses or public purposes.

9 * Sec. 39. AS 38.05.127 is amended by adding a new subsection to read:

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

13 * Sec. 40. AS 38.05.205(c) is amended to read:

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

24 * Sec. 41. AS 38.05.300(a) is amended to read:

25 (a) The commissioner shall classify for surface use land [LANDS]
26 in areas considered [WHERE HE CONSIDERS IT] necessary and proper.
27 This section does not prevent reclassification of land [LANDS] where
28 the public interest warrants reclassification, nor does it preclude
29 multiple purpose use of land [LANDS] whenever different uses are

1 compatible. State [NO STATE] land, water, or land and water area may
2 not, [SHALL] except by act of the state legislature, be closed to
3 multiple purpose use [,] if the area involved contains more than 640
4 acres.

5 * Sec. 42. AS 38.05.310(a) is amended to read:

6 (a) No land may be sold or leased, or a renewal lease issued,
7 except in the case of an oil or gas or mineral lease, unless it has
8 been appraised within one year [120 DAYS] before the date fixed for
9 the sale or lease. When land is offered at public sale but is not
10 sold and is available at private sale, no reappraisal is required
11 unless the director considers that a change in value of the land
12 [LANDS] may have occurred. A grazing lease may be granted to a lessee
13 of federal grazing land [LANDS] without prior appraisal, if the [HIS]
14 federal lease was cancelled to allow the state to select the land
15 [LANDS] under lease. No land may be sold or leased for less than the
16 approved, appraised market value, except as provided in AS 38.05.055,
17 38.05.057, 38.05.075 - 38.05.085, 38.05.097, 38.05.315, and 38.05.320.

18 * Sec. 43. AS 38.05.315(d) is amended to read:

19 (d) The director may lease the land to an eligible applicant at
20 a reasonable annual rental, taking into consideration the purposes for
21 which the land is to be used and the financial resources of the appli-
22 cant. The rental may not be less than one percent of the fair market
23 value on land [LANDS] acquired primarily for development, or less than
24 five percent of the fair market value on [UNIVERSITY OR] acquired land
25 [LANDS]. Rent may not be charged for state land leased for a youth
26 encampment. For the purposes of this subsection, "youth encampment"
27 shall be defined by the commissioner by regulation. Renewal leases
28 may be issued at the discretion of the director upon the expiration of
29 a primary or renewal term. Each lease shall contain a provision for

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

13 * Sec. 44. AS 38.05.321(c) is amended to read:

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

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

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

21 * Sec. 45. AS 38.05.345(a) is amended to read:

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

24 (1) classification or reclassification of state land under
25 AS 38.05.300 and the closing of land to mineral leasing or entry under
26 AS 38.05.185;

27 (2) zoning of land under applicable law;

28 (3) a decision under AS 38.05.035(e) [AS 38.05.035(a)(14)]
29 regarding the sale, lease, or disposal of an interest in state land or

1 resources; and

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

5 * Sec. 46. AS 38.05.345(b) is amended to read:

6 (b) Notice of one or more actions described in (a) of this
7 section shall be given at least 30 days before the action by [(1)]
8 publication in newspapers of statewide circulation and in newspapers
9 [A NEWSPAPER] of general circulation in the vicinity of the proposed
10 action and one or more of the following methods: (1) [, (2)] publica-
11 tion through public service announcements on the electronic media
12 serving the area affected by the action, (2) [(3)] posting in a con-
13 spicuous location in the vicinity of the action, (3) [(4)] notifica-
14 tion of parties known or likely to be affected by the action, or (4)
15 [(5)] another method calculated to reach affected persons. A notice
16 shall contain sufficient information in commonly understood terms to
17 inform the public of the nature of the action and the opportunity of
18 the public to comment on the action.

19 * Sec. 47. AS 38.05.345(d) is amended to read:

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

23 (1) a permit or other authorization revocable by the de-
24 partment [; OR

25 (2) NEGOTIATED SALES UNDER AS 38.05.115].

26 * Sec. 48. AS 38.05.365 is amended to read:

27 Sec. 38.05.365. DEFINITIONS. In this chapter, unless the con-
28 text otherwise requires,

29 (1) "acquired land [LANDS]" means land [LANDS] belonging to

- 1 the state including tide, submerged and shoreland [SHORELANDS] which
2 has [HAVE] been obtained by escheat, purchase, or any means other than
3 by general land grant;
- 4 (2) "agricultural land [LANDS]" means land [LANDS] chiefly
5 valuable for agricultural purposes;
- 6 (3) "commissioner" means the commissioner [OF THE DEPART-
7 MENT] of natural resources;
- 8 (4) "department" means the Department of Natural Resources;
- 9 (5) "director" means the director of the division of lands
10 of the Department of Natural Resources;
- 11 (6) "industrial and commercial land [LANDS]" means land
12 [LANDS] chiefly valuable for industrial trade, manufacturing or busi-
13 ness use;
- 14 (7) "lieu and indemnity land [LANDS]" means land [LANDS]
15 which the state is entitled to select under the provisions of 38 Stat.
16 1214, as amended (48 USC 353) or a similar statute to compensate for
17 land [LANDS] in place of surveyed rectangulars, which have been lost
18 to the state by reason of deficient sections, prior rights, claims,
19 withdrawals, reservations and other appropriations;
- 20 [(8) Repealed]
- 21 (8) [(9)] "mineral land [LANDS]" means land [LANDS] pro-
22 spectively valuable for mineral deposits;
- 23 (9) "multiple use" has the meaning given in AS 38.04.910;
- 24 (10) "park and recreation land [LANDS]" means land [LANDS]
25 chiefly valuable for public park and recreation use;
- 26 (11) "preference right forest lease" means a lease granted
27 to a lessee whose United States Forest Service term special use permit
28 was cancelled to allow the land under permit to be selected by the
29 state;

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

4 (13) "rule of approximation" is the rule which is applied in
5 determining whether or not a lease complies with the area limits set
6 forth in this chapter and regulations adopted under it and in keeping
7 the boundaries of leased land [LANDS] coincidental with legal subdivi-
8 sions; under the rule, if the area covered by a lease in excess of the
9 permitted maximum is smaller than the area of any deficiency that
10 would result by eliminating from the lease the smallest legal subdivi-
11 sion covered by the lease or application for lease, the excess area
12 will be permitted to remain in the lease; if the excess area is great-
13 er than the deficient area would be, then the smallest legal subdivi-
14 sion will be eliminated from the lease;

15 [(14) Repealed]

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

21 (15) [(16)] "state land [LANDS]" or "land" ["LANDS"] means
22 all land [LANDS], including shore, tide and submerged land [LANDS], or
23 resources belonging to or acquired by the state;

24 (16) [(17)] "submerged land [LANDS]" means land [LANDS]
25 covered by tidal water [WATERS] between the line of mean low water and
26 seaward to a distance of three geographical miles or further as may
27 hereafter be properly claimed by the state;

28 (17) "tideland" [(18) "TIDELANDS"] means land [THOSE LANDS]
29 which is [ARE] periodically covered by tidal water [WATERS] between

1 the elevation of mean high and mean low tides;

2 (18) [(19)] "timber land [LANDS]" and "material land
3 [LANDS]" mean state land [LANDS] chiefly valuable for materials,
4 including, but not limited to, sand, stone, gravel, pumice, common
5 clay, or timber and other forest products;

6 (19) [(20)] "university land [LANDS]"

7 (A) means

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

10 (ii) all land [LANDS] granted to or reserved for
11 the benefit of the university that retains its designation as
12 university land;

13 (iii) all other land owned in fee by the University
14 of Alaska including land transferred in fee to the Board of
15 Regents of the University of Alaska to replace land formerly
16 designated as university land;

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

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

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

1 animals, fishing, or other public recreational purposes;

2 (22) [(23)] "public water [WATERS]" means navigable water
3 and all other water, whether inland or coastal, fresh or salt, that is
4 reasonably suitable for public use and utility, habitat for fish and
5 wildlife in which there is a public interest, or migration and spawn-
6 ing of fish in which there is a public interest; [.]

7 (23) [(24)] "geothermal resources" means the natural heat of
8 the earth at temperatures greater than 120 degrees Celsius, measured
9 at the point where the highest-temperature resources encountered enter
10 or contact a well or other resource extraction device, and includes

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

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

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

20 * Sec. 49. AS 38.05 is amended by adding a new section to read:

21 Sec. 38.05.940. VETERANS' LAND DISCOUNT. (a) An eligible
22 veteran is entitled to a discount of 25 percent on the purchase price
23 of state land sold under this title and classified under AS 38.05.-
24 005 - 38.05.270 for a use other than commercial or industrial use.

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

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

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

1 (3) has served on active duty in the U.S. Armed Forces at
2 least two years, unless tenure was shortened due to a service connect-
3 ed disability or due to receiving an early separation upon return from
4 a tour of duty overseas; and

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

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

9 (d) A discount under this section may be applied only to the
10 acquisition of surface rights to state land. A discount under this
11 section may not be applied to survey costs, road development costs,
12 utility assessments, or other costs that the commissioner determines
13 are reimbursable to the state.

14 (e) A discount under this section may not be used toward the
15 purchase of land offered at a restricted sale under AS 38.05.067.

16 * Sec. 50. AS 38.07.030(c) is amended to read:

17 (c) The cost of clearing land leased from the state, including
18 but not limited to school [, UNIVERSITY,] and mental health land,
19 shall be borne by the state. The lessee shall repay the cost over a
20 10-year period at five percent interest.

21 * Sec. 51. AS 38.08.040(c) is repealed and reenacted to read:

22 (c) The permit may not be assigned, conveyed, or in any manner
23 transferred except by testate or intestate succession, to a spouse
24 during marriage, by order of a court as part of a divorce settlement,
25 or to either a member of the immediate family or a grantee of the
26 applicant in the case of an extreme emergency or illness that disables
27 the applicant. An attempt to assign, convey, or in any manner trans-
28 fer the permit except as permitted by this subsection is void and
29 constitutes a substantial breach of the permit.

1 * Sec. 52. AS 38.08.060 is amended by adding a new subsection to read:

2 (e) A permit holder who meets each of the provisions of (a) of
3 this section except for (a)(1) and who tenders the commissioner an
4 amount equal to five percent of the purchase price of the land within
5 seven years of the issuance of the permit may purchase the land under
6 AS 38.05.065. The purchase price of the land is the fair market value
7 of the land at the time of purchase.

8 * Sec. 53. AS 38.09.010(b) is amended to read:

9 (b) The commissioner shall complete a cadastral survey of home-
10 stead entry state land under AS 38.04.045 before disposing of [DESIG-
11 NATING THE] state land for homestead entry but the commissioner may
12 waive the cadastral survey on a determination that topographic fea-
13 tures, diffuse settlement, or the public interest do not justify or
14 require the cadastral survey. [NO PORTION OF LAND MADE AVAILABLE FOR
15 HOMESTEAD ENTRY MAY BE LOCATED MORE THAN A MILE FROM A SURVEY CONTROL
16 MONUMENT.]

17 * Sec. 54. AS 38.09.050(a) is amended to read:

18 (a) The commissioner shall issue a patent to homestead entry
19 land if the permit holder

20 (1) resides and lives on the homestead entry land for not
21 less than 25 months within five years after the issuance of the home-
22 stead entry permit;

23 (2) completes an approved survey of the land within two
24 years after the issuance of the permit or under AS 38.09.040(b);

25 (3) erects a habitable, permanent dwelling on the homestead
26 within three years after the issuance of the homestead entry permit;

27 (4) brushes the boundaries of the land within 90 days after
28 the issuance of the permit;

29 (5) clears and either puts into production or prepares for

1 cultivation either 25 percent of the land classified for agricultural
2 use or 50 percent of the land having class II or III soils, whichever
3 is less, within five years after issuance of the permit.

4 * Sec. 55. AS 38.09.090 is amended by adding a new subsection to read:

5 (b) An applicant who complies with AS 38.09.050(a)(2) - (5) and
6 who tenders the commissioner an amount equal to five percent of the
7 present fair market value of the land within five years of the issu-
8 ance of the permit may purchase the land under AS 38.05.065. The
9 purchase price is the fair market value of the land at the time of the
10 purchase.

11 * Sec. 56. AS 38.20.010 is amended to read:

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

19 * Sec. 57. AS 38.20.030 is amended to read:

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

24 * Sec. 58. AS 38.20.040 is amended to read:

25 Sec. 38.20.040. USE OF COORDINATE SYSTEM. The plane coordinates
26 of a point on the earth's surface, to be used in expressing the posi-
27 tion or location of the point in the appropriate zone of this system,
28 consist of two distances, expressed in feet and decimals of a foot
29 when using the Alaska Coordinate System of 1927 and expressed in

1 meters and decimals of a meter when using the Alaska Coordinate System
2 of 1983. One of these distances, known as the "x-coordinate," gives
3 the position in an east-and-west direction; the other known as the
4 "y-coordinate" gives the position in a north-and-south direction.
5 These coordinates shall be made to depend upon and conform to the
6 coordinates of the North American Horizontal Geodetic Control Network
7 as determined by the National Geodetic Survey, National Ocean Service
8 [, ON THE ALASKA COORDINATE SYSTEM, OF THE TRIANGULATION AND TRAVERSE
9 STATIONS OF THE UNITED STATES COAST AND GEODETIC SURVEY IN THE STATE,
10 AS THOSE COORDINATES HAVE BEEN DETERMINED BY THE SURVEY].

11 * Sec. 59. AS 38.20.060 is amended to read:

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

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

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

28 (3) Zone 3 is a transverse Mercator projection of the
29 Clarke spheroid of 1866, having a central meridian 146° 00 minutes

1 [MINUTE] west of Greenwich, on which meridian the scale is set at one
2 part in 10,000 too small. The origin of coordinates is at the inter-
3 section of the meridian 146° 00 minutes [MINUTE] west of Greenwich and
4 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is
5 given the coordinates: x = 500,000 feet and y = 0 feet.

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

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

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

27 (7) Zone 7 is a transverse Mercator projection of the
28 Clarke spheroid of 1866, having a central meridian 162° 00 minutes
29 [MINUTE] west of Greenwich, on which meridian the scale is set at one

1 part in 10,000 too small. The origin of coordinates is at the inter-
2 section of the meridian $162^{\circ} 00$ minutes [MINUTE] west of Greenwich and
3 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
4 given the coordinates: $x = 700,000$ feet and $y = 0$ feet.

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

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

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

26 * Sec. 60. AS 38.20.060 is amended by adding a new subsection to read:

27 (b) The zones of the Alaska Coordinate System of 1983 have the
28 following characteristics:

29 (1) Zone 1 is an oblique Mercator projection of the World

1 Reference Ellipsoid, having an origin at the intersection of parallel
2 57° 00 minutes north latitude and meridian 133° 40 minutes west of
3 Greenwich, at which the scale is set one part in 10,000 too small, and
4 through which the axis of symmetry is in geodetic azimuth arc tan-
5 gent-3/4, reckoned clockwise from south. The origin is assigned
6 values such that all final coordinates will be positive.

7 (2) Zone 2 is a transverse Mercator projection of the World
8 Reference Ellipsoid, having a central meridian 142° 00 minutes west of
9 Greenwich, on which meridian the scale is set one part in 10,000 too
10 small. The origin of coordinates is at the intersection of the meri-
11 dian 142° 00 minutes west of Greenwich and the parallel of 54° 00
12 minutes north latitude. This origin is given the coordinates: x =
13 500,000 meters and y = 0 meters.

14 (3) Zone 3 is a transverse Mercator projection of the World
15 Reference Ellipsoid, having a central meridian 146° 00 minutes west of
16 Greenwich, on which meridian the scale is set at one part in 10,000
17 too small. The origin of coordinates is at the intersection of the
18 meridian 146° 00 minutes west of Greenwich and the parallel 54° 00
19 minutes north latitude. This origin is given the coordinates: x =
20 500,000 meters and y = 0 meters.

21 (4) Zone 4 is a transverse Mercator projection of the World
22 Reference Ellipsoid, having a central meridian 150° 00 minutes west of
23 Greenwich, on which meridian the scale is set at one part in 10,000
24 too small. The origin of coordinates is at the intersection of the
25 meridian 150° 00 minutes west of Greenwich and the parallel 54° 00
26 minutes north latitude. This origin is given the coordinates: x =
27 500,000 meters and y = 0 meters.

28 (5) Zone 5 is a transverse Mercator projection of the World
29 Reference Ellipsoid, having a central meridian 154° 00 minutes west of

1 Greenwich, on which meridian the scale is set at one part in 10,000
2 too small. The origin of coordinates is at the intersection of the
3 meridian 154° 00 minutes west of Greenwich and the parallel 54° 00
4 minutes north latitude. This origin is given the coordinates: x =
5 500,000 meters and y = 0 meters.

6 (6) Zone 6 is a transverse Mercator projection of the World
7 Reference Ellipsoid, having a central meridian 158° 00 minutes west of
8 Greenwich, on which meridian the scale is set at one part in 10,000
9 too small. The origin of coordinates is at the intersection of the
10 meridian 158° 00 minutes west of Greenwich and the parallel 54° 00
11 minutes north latitude. This origin is given the coordinates: x =
12 500,000 meters and y = 0 meters.

13 (7) Zone 7 is a transverse Mercator projection of the World
14 Reference Ellipsoid, having a central meridian 162° 00 minutes west of
15 Greenwich, on which meridian the scale is set at one part in 10,000
16 too small. The origin of coordinates is at the intersection of the
17 meridian 162° 00 minutes west of Greenwich and the parallel 54° 00
18 minutes north latitude. This origin is given the coordinates: x =
19 500,000 meters and y = 0 meters.

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

27 (9) Zone 9 is a transverse Mercator projection of the World
28 Reference Ellipsoid, having a central meridian 170° 00 minutes west of
29 Greenwich, on which meridian the scale is set at one part in 10,000

1 too small. The origin of coordinates is at the intersection of the
2 meridian 170° 00 minutes west of Greenwich and the parallel 54° 00
3 minutes north latitude. This origin is given the coordinates: x =
4 500,000 meters and y = 0 meters.

5 (10) Zone 10 is a Lambert conformal conic projection of the
6 World Reference Ellipsoid, having standard parallels at north latitude
7 51° 50 minutes as and 53° 50 minutes, along which parallels the scale
8 shall be exact. The origin of coordinates is at the intersection of
9 the meridian 176° 00 minutes west of Greenwich and the parallel 51° 00
10 minutes north latitude. This origin is given the coordinates: x =
11 1,000,000 meters and y = 0 meters.

12 * Sec. 61. AS 38.20.070 is amended to read:

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

23 * Sec. 62. AS 38.20.070 is amended by adding a new subsection to read:

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

1 chapter.

2 * Sec. 63. AS 38.20.080 is amended to read:

3 Sec. 38.20.080. LIMITATION. Coordinates [NO COORDINATES] based
4 on the Alaska Coordinate System, purporting to define the position of
5 a point on a land boundary, may not [SHALL] be presented to be record-
6 ed in any public land records or deed records unless the point is
7 within two miles of a horizontal control [TRIANGULATION OR TRAVERSE]
8 station established in conformity with National Geodetic Survey,
9 National Ocean Service standards and specifications for first-order,
10 second-order, or third-order work [THE STANDARDS PRESCRIBED IN AS 38.-
11 20.070]. The two-mile limitation may be modified by a state agency to
12 meet local conditions.

13 * Sec. 64. AS 38.20.090 is amended to read:

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

18 * Sec. 65. AS 38.20.090 is amended by adding a new subsection to read:

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

23 * Sec. 66. AS 38.20.100 is amended to read:

24 Sec. 38.20.100. USE OF PUBLIC LAND SURVEY DESCRIPTIONS. When
25 coordinates based on the Alaska Coordinate System of 1927 or the
26 Alaska Coordinate System of 1983 are used to describe a tract of land
27 which in the same document is also described by reference to a sub-
28 division, line, or corner of the United States public land surveys,
29 the description by coordinates shall be construed as supplemental to

1 the basic description of the subdivisions, line, or corner contained
2 in the official plats and field notes filed of record, and in the
3 event of a conflict the description by reference to the subdivision,
4 line, or corner of the United States public land surveys prevails over
5 the description by coordinates.

6 * Sec. 67. AS 38.20.110 is amended to read:

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

11 * Sec. 68. AS 38.35.140(b) is amended to read:

12 (b) The lessee shall reimburse the state for all reasonable
13 costs incurred in processing an application filed under AS 38.35.050
14 and in monitoring the construction of the pipeline on the right-of-
15 way.

16 * Sec. 69. AS 38.50.020(a) is amended to read:

17 (a) The land, interest in land, and other consideration which
18 the state receives in an exchange made under this chapter shall be
19 equal to or exceed the appraised fair market value of the land, inter-
20 est in land or property exchanged by the state; however, the director
21 may accept cash from, or pay cash to, any other party to an exchange
22 in order to equalize the value of the property or other consideration
23 conveyed and received by the state. If the director determines that
24 the property to be exchanged is not equal in appraised fair market
25 value or if the value cannot be ascertained with reasonable certainty,
26 the director may enter into an exchange on a finding [IF HE FINDS]
27 that the appraised fair market value of the property to be received,
28 together with the value of other public benefits, equals or exceeds
29 the value of the property which the state will relinquish. An

1 exchange or an agreement to exchange [FOR OTHER THAN EQUAL APPRAISED
2 FAIR MARKET VALUE] is subject to legislative review under [AS PROVIDED
3 IN] AS 38.50.140 if the exchange or an agreement to exchange

4 (1) involves more than 500 acres of state land;

5 (2) involves state land having an appraised or estimated
6 fair market value of \$1,000,000; or

7 (3) is for other than equal appraised fair market values.

8 * Sec. 70. AS 38.50.020(b) is amended to read:

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

15 * Sec. 71. AS 38.50.040 is amended to read:

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

22 * Sec. 72. AS 38.50.090(b) is amended to read:

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

26 * Sec. 73. AS 38.50.110(a) is amended to read:

27 (a) Not more than 60 days nor less than 30 days before a public
28 hearing is scheduled under AS 38.50.120 the director shall circulate a
29 notice containing the information specified in (b) of this section

1 except as provided in (c) of this section. The director shall

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

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

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

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

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

15 [(6) Repealed]

16 (6) [(7)] mail the notice to any corporation organized
17 under the Alaska Native Claims Settlement Act, which corporation owns
18 or has selected land located within a radius of 15 linear miles from
19 land or property involved in the proposed exchange; and

20 (7) [(8)] mail the notice to any other party, including an
21 organization of land users, that the director [HE] considers appropri-
22 ate.

23 * Sec. 74. AS 38.50.110 is amended by adding a new subsection to read:

24 (c) The director shall provide the information required under
25 (b) of this section in the notice required under AS 38.05.345(b) for
26 exchanges of

27 (1) less than 500 acres of state land; or

28 (2) state land having an appraised or estimated fair market
29 value of less than \$100,000.

1 * Sec. 75. AS 38.50.120(a) is amended to read:

2 (a) The commissioner [DIRECTOR] may hold as many public hearings
3 as is considered appropriate. For an exchange of more than 500 acres
4 of state land or state land having an appraised or estimated fair
5 market value of more than \$1,000,000, there [THERE] shall be at least
6 three [ONE] public hearings in one or more municipalities close to the
7 state land proposed for exchange before it is submitted to the legis-
8 lature for approval [HEARING].

9 * Sec. 76. AS 38.50.140 is amended to read:

10 Sec. 38.50.140. LEGISLATIVE REVIEW. Within 10 days of the
11 convening of a regular legislative session, the governor shall trans-
12 mit to the president of the senate and the speaker of the house of
13 representatives any proposal for a land exchange required to be sub-
14 mitted to the legislature for approval under AS 38.50.020(a) that [FOR
15 OTHER THAN EQUAL APPRAISED FAIR MARKET VALUE WHICH] is scheduled to
16 occur before the next legislative session. If [, IN HIS VIEW,] exi-
17 gent circumstances seriously affecting state interests so require, the
18 governor may submit the proposed exchange to the legislature at some
19 other time. A finding of exigent circumstances shall be carefully
20 documented in the letter of transmittal. The director is authorized
21 to conclude a proposed exchange agreement upon approval by the legis-
22 lature of the proposed exchange agreement [UNLESS EITHER HOUSE OF THE
23 LEGISLATURE 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. 77. 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. 78. 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. 79. 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 [, UNIVER-
29 SITY] 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. 80. 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 municipal-
15 ity was acquired by the Territory and State of Alaska.

16 * Sec. 81. 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. 82. 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. 83. 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 (3) 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. 84. 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. 85. AS 29.33.150(c) is amended to read:

14 (c) The platting board shall [MUST] approve and sign the subdi-
15 vision plat within 60 days of its receipt from the commissioner of
16 natural resources unless the platting board

17 (1) determines that the plat does not comply with subdivi-
18 sion regulations [OTHER THAN THOSE REQUIRING CAPITAL IMPROVEMENTS TO
19 STATE LAND]; and

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

22 * Sec. 86. The provisions of AS 38.05.065(d) - (f) as added in sec. 25
23 of this Act apply to contracts entered into by the commissioner of natural
24 resources after the effective date of this Act.

25 * Sec. 87. The provisions of AS 29.33.150(c) as amended in sec. 85 of
26 this Act do not apply to plats submitted to a platting board before the
27 effective date of sec. 85.

28 * Sec. 88. AS 29.33.150(e); AS 38.04.025, 38.04.040, 38.04.045(a);
29 AS 38.05.030(a), 38.05.035(a)(14), 38.05.069(b), 38.05.321(a), and

1 38.05.362 are repealed.

2 * Sec. 89. Sections 19, 37, and 44 of this Act take effect immediately
3 in accordance with AS 01.10.070(c).

4 * Sec. 90. Sections 1 - 18, 20 - 36, 38 - 43, and 45 - 88 take effect
5 July 1, 1984.