

Offered: 4/15/86
Referred: Rules

Original sponsor: Adams

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2

CS FOR HOUSE BILL NO. 587 (Finance)

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to general grant land entitlements;

7

and providing for an effective date."

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

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* Section 1. AS 29.65 is amended by adding a new section to read:

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Sec. 29.65.015. DETERMINATION OF ENTITLEMENTS FOR MUNICIPAL-

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ITIES. The general grant land entitlement of a municipality is 10

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percent of the maximum total acreage of vacant, unappropriated, unre-

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served land within its boundaries at any time between the date of its

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incorporation and two years after the expiration of the state's right

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to make selections under sec. 6(a) or (b) of the Alaska Statehood Act.

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By December 31 of each year the director shall determine or update the

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unfulfilled entitlement for each municipality under this section and

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certify that entitlement to that municipality.

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* Sec. 2. AS 29.65 is amended by adding a new section to read:

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Sec. 29.65.025. LIMITATIONS ON ENTITLEMENTS. (a) A municipal-

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ity is eligible for only one general grant land entitlement. A munic-

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ipality that qualifies for an entitlement under AS 29.65.010 and

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29.65.015 shall receive the larger of the two entitlements.

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(b) A municipality may not receive a general grant land en-

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titlement under AS 29.65.010 or 29.65.015 that exceeds 400,000 acres.

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(c) The following shall be credited toward fulfillment of the

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general grant land entitlement of a municipality:

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(1) conveyances of legal title to land by the state to the

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municipality before January 1, 1987, under a former law;

1 (2) payments for land before January 1, 1987, under former
2 AS 29.18.208;

3 (3) conveyances of legal title to land before January 1,
4 1987, and thereafter under AS 29.65.010;

5 (4) payments for land before January 1, 1987, and there-
6 after under AS 29.65.080;

7 (5) disposals of land to the municipality before January 1,
8 1987, and thereafter under AS 38.05.810 for which the state receives
9 no consideration.

10 (d) Land classified under AS 38.05.300 for wildlife habitat only
11 may not be selected or conveyed in fulfillment of a general grant land
12 entitlement.

13 (e) In each conveyance of land in fulfillment of a general grant
14 land entitlement, the state shall reserve the right to explore, enter,
15 develop, and occupy the surface as reasonably necessary for access to
16 the mineral estate in accordance with AS 38.05.125.

17 * Sec. 3. AS 29.65.040 is repealed and reenacted to read:

18 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) A general grant
19 land entitlement under former AS 29.18.201 - 29.18.202 or AS 29.65.010
20 is a vested property right that must be fulfilled in accordance with
21 AS 29.65.025 and 29.65.080 and former AS 29.65.060.

22 (b) A general grant land entitlement under AS 29.65.015 is a
23 property right that vests on the date of incorporation of the munici-
24 pality. The entitlement must be fulfilled in accordance with AS 29.-
25 65.025.

26 * Sec. 4. AS 29.65.060 is repealed and reenacted to read:

27 Sec. 29.65.060. SCHOOL, UNIVERSITY, AND MENTAL HEALTH LAND. (a)
28 School land, university land, and mental health land within the bound-
29 aries of a municipality may not be included for purposes of

1 determining the general grant land entitlement of that municipality.

2 (b) A municipality may not receive school land, university land,
3 or mental health land in fulfillment of its general grant land en-
4 titlement.

5 * Sec. 5. AS 29.65.080(b) is amended to read:

6 (b) A municipality shall receive payment for its land deficiency
7 from the municipal land account. A municipality is eligible to re-
8 ceive payment for land deficiency if, after July 1, 1980, the amount
9 of land selected by a municipality that is physically suitable for
10 residential, commercial, or industrial purposes amounts to less than
11 one-third acre per capita. Any entitlement under AS 29.65.010 that is
12 less than one-third acre per capita will, for the purposes of this
13 subsection, be considered a land deficiency. An unselected remaining
14 entitlement will, for the purpose of deficiency payment under this
15 subsection, be considered as land physically suitable for residential,
16 commercial, or industrial purposes. A municipality eligible under
17 this subsection is entitled to receive a payment for land deficiency
18 equal to \$1,000 per acre for a number of acres equal to the difference
19 between one-third of the population of the municipality less the
20 number of acres physically suitable for residential, commercial or
21 industrial purposes that has been selected by the municipality. For
22 the purpose of this subsection, the population of the municipality
23 shall be the population determined by the commissioner under former
24 AS 43.18.010 for the program year beginning July 1, 1978, for a munic-
25 ipality whose entitlement was determined under former AS 29.18.201 [IN
26 ACCORDANCE WITH AS 29.65.060(f)]. No payment may be made to a munic-
27 ipality under this subsection in excess of \$9,000,000.

28 * Sec. 6. AS 29.65.080(g) is amended to read:

29 (g) Payments authorized by this section may only [NOT] be made

1 to a municipality [ELIGIBLE] for an entitlement under AS 29.65.010
2 [AS 29.65.020 OR 29.65.030].

3 * Sec. 7. AS 29.65.080 is amended by adding a new subsection to read:

4 (i) Payment under this section shall be made into a municipal
5 land bank or trust account created by ordinance with the purpose of
6 applying the payments toward the acquisition of land necessary for
7 public purposes that may be otherwise unavailable to the municipality.

8 * Sec. 8. AS 29.65.130(3) is amended to read:

9 (3) "general grant land"

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

13 (B) does not include mental health land, school land,
14 or university land;

15 * Sec. 9. AS 29.65.130(10) is amended to read:

16 (10) "vacant, unappropriated, unreserved land" means
17 general grant land as defined in (3) of this section, excluding miner-
18 als as required by sec. 6(i) of the Alaska Statehood Act, that

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

21 (B) has not been approved for patent to a municipal-
22 ity under this chapter or former AS 29.18.190 and 29.18.200; or

23 (C) is unclassified or, if classified under AS 38.-
24 05.300, is classified for agricultural, grazing, material, public
25 recreation, resource management, settlement, transportation
26 corridor, forestry, or wildlife habitat [COMMERCIAL, INDUSTRIAL,
27 PRIVATE RECREATIONAL, RESIDENTIAL, UTILITY, OR OPEN-TO-ENTRY
28 PURPOSES,] or is classified in accordance with an agreement
29 between a municipality and the state providing for state

1 management of land of the municipality.

2 * Sec. 10. AS 38.05.321(b) is amended to read:

3 (b) State land classified as agricultural land that has been
4 selected by a municipality under former AS 29.18.190 - 29.18.200 or
5 former AS 29.18.205(e) may be approved by the director for patent
6 under AS 29.65 [AS 29.65.050(c)]; however, only rights in the land for
7 agricultural purposes may be transferred and all other interests in
8 the land will remain with the state. Agricultural land approved for
9 patent to a municipality shall be credited, acre for acre, toward
10 fulfillment of that municipality's entitlement under AS 29.65 [AS 29.-
11 65.010 - 29.65.030] or former AS 29.18.201 - 29.18.203. If the direc-
12 tor later determines it to be in the best interests of the state to
13 transfer some or all of the additional rights in that approved or
14 patented agricultural land, those rights shall pass without considera-
15 tion to the municipality in which the land is located. The notice and
16 review provisions of AS 38.05.945 are applicable to conveyance of
17 rights under this section.

18 * Sec. 11. AS 38.05.321(c) is amended to read:

19 (c) The provisions of this section do not apply to

20 (1) state land classified as agricultural land that has
21 been selected by a municipality under the provisions of former AS 29.-
22 18.190 - 29.18.200 if the selection is an approved selection before
23 April 1, 1978 and is otherwise valid under former AS 29.65.050(b) or
24 former AS 29.18.205(b); or

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

27 * Sec. 12. Before January 1, 1987, the Department of Natural Resources
28 shall consult with each municipality affected by this Act regarding classi-
29 fications of state land within its boundaries and may assist the

1 municipality in identifying land suitable for selection in fulfillment of
2 its general grant land entitlement.

3 * Sec. 13. The commissioner of natural resources may negotiate with and
4 enter into an agreement to convey state land to a borough or unified munic-
5 ipality whose entitlement under AS 29.65.010 in the commissioner's deter-
6 mination cannot be fulfilled on January 1, 1987, if the borough or unified
7 municipality elects in writing before January 1, 1987, to pursue a settle-
8 ment of that existing entitlement. The commissioner has authority under
9 this section to convey state land located within the municipality's bound-
10 aries without regard as to whether the land is vacant, unappropriated,
11 unreserved land as defined under AS 29.65.130(10) if the commissioner
12 determines, after public notice, that the land lies outside the smallest
13 practicable tract of land actually used in connection with the adminis-
14 tration of a state function on the effective date of this section. Land
15 conveyed to a borough or a unified municipality under an agreement entered
16 into under this section may constitute complete fulfillment of the
17 municipality's general grant land entitlement as specified in the agreement
18 and agreed to by both parties. Conveyances under an agreement entered into
19 under this section may contain no restrictions or conditions that are not
20 required to be imposed by law.

21 * Sec. 14. AS 29.65.010(b), 29.65.020, 29.65.030, 29.65.050, 29.65.090
22 and 29.65.110 are repealed.

23 * Sec. 15. Sections 4, 12, and 13 of this Act take effect immediately
24 in accordance with AS 01.10.070(c).

25 * Sec. 16. Sections 1 - 3, 5 - 11, and 14 of this Act take effect
26 January 1, 1987.