

Offered: 4/21/86  
Referred: Rules

Original sponsor: Adams

1 IN THE HOUSE

BY THE RULES COMMITTEE

2 CS FOR HOUSE BILL NO. 587 (Rules) am  
3 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."

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

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

10 Sec. 29.65.015. DETERMINATION OF ENTITLEMENTS FOR MUNICIPAL-  
11 ITIES. The general grant land entitlement of a municipality is 10  
12 percent of the maximum total acreage of vacant, unappropriated, unre-  
13 served land within its boundaries at any time between the date of its  
14 incorporation and two years after the expiration of the state's right  
15 to make selections under sec. 6(a) or (b) of the Alaska Statehood Act.  
16 By December 31 of each year the director shall determine or update the  
17 unfulfilled entitlement for each municipality under this section and  
18 certify that entitlement to that municipality.

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

20 Sec. 29.65.025. LIMITATIONS ON ENTITLEMENTS. (a) A municipal-  
21 ity is eligible for only one general grant land entitlement. A munic-  
22 ipality that qualifies for an entitlement under AS 29.65.010 and  
23 29.65.015 shall receive the larger of the two entitlements.

24 (b) A municipality may not receive a general grant land en-  
25 titlement under AS 29.65.010 or 29.65.015 that exceeds 400,000 acres.

26 (c) The following shall be credited toward fulfillment of the  
27 general grant land entitlement of a municipality:

28 (1) conveyances of legal title to land by the state to the  
29 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 received  
9 less than fair market value.

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 AS 29.65.010 is a vested property right that  
20 must be fulfilled in accordance with AS 29.65.025, 29.65.060, and  
21 29.65.080.

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 municipi-  
24 pality. The entitlement must be fulfilled in accordance with AS 29.-  
25 65.025.

26 \* Sec. 4. AS 29.65.060(a) is amended to read:

27 (a) If an entitlement determined under AS 29.65.010 or 29.65.015  
28 [29.65.020] results in a per capita entitlement for the municipality  
29 of less than one and one-half acre, the municipality may select vacant

1 school land or mental health land in the municipality in partial  
2 fulfillment of its land entitlement under this chapter. School land  
3 or mental health land may be selected notwithstanding the fact that  
4 this land is not unappropriated and unreserved within the meaning of  
5 this chapter and under former AS 29.18.190 and 29.18.200, but each  
6 selection of school land or mental health land by a municipality must  
7 be vacant, unappropriated, or unreserved land as defined in this  
8 chapter, except that it need not be general grant land.

9 \* Sec. 5. AS 29.65.060(b) is amended to read:

10 (b) The acreage of school land, university land or mental health  
11 land, if any, in a municipality may not be included in the determina-  
12 tion of entitlement under AS 29.65.010 or 29.65.015 [29.65.020].

13 \* Sec. 6. AS 29.65.060 is amended by adding new subsections to read:

14 (g) Notwithstanding (a) of this section, a municipality may not  
15 select school land or mental health land after October 4, 1985.  
16 Nothing in this section affects the legal rights of any person with  
17 regard to selections of school land or mental health land made by a  
18 municipality on or before October 4, 1985.

19 (h) A municipality is entitled to just compensation in the form  
20 of land or other payment for a selection made by it under this section  
21 or former AS 29.18.206 that was pending or on timely appeal on  
22 April 1, 1986, and that cannot be conveyed to the municipality as a  
23 result of final judicial action or law, except that no compensation is  
24 required for a selection of land by a municipality within a special  
25 use area under AS 16 or AS 41 or for a selection of land not qualified  
26 to be selected under this section or former AS 29.18.206. Compensa-  
27 tion under this subsection shall be credited against the municipal-  
28 ity's remaining land entitlement under this chapter.

29 \* Sec. 7. AS 29.65.080(b) is amended to read:

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

23 \* Sec. 8. AS 29.65.080(g) is amended to read:

24           (g) Payments authorized by this section may only [NOT] be made  
25 to a municipality [ELIGIBLE] for an entitlement under AS 29.65.010  
26 [AS 29.65.020 OR 29.65.030].

27 \* Sec. 9. AS 29.65.080 is amended by adding a new subsection to read:

28           (i) Payment under this section shall be made into a municipal  
29 land bank or trust account created by ordinance with the purpose of

1 applying the payments toward the acquisition of land necessary for  
2 public purposes that may be otherwise unavailable to the municipality.

3 \* Sec. 10. AS 29.65.130(3) is amended to read:

4 (3) "general grant land"

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

8 (B) does not include mental health land, school land,  
9 or university land;

10 \* Sec. 11. AS 29.65.130(10) is amended to read:

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

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

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

18 (C) is unclassified or, if classified under AS 38.-  
19 05.300, is classified for agricultural, grazing, material, public  
20 recreation, resource management, settlement, transportation  
21 corridor, forestry, or wildlife habitat [COMMERCIAL, INDUSTRIAL,  
22 PRIVATE RECREATIONAL, RESIDENTIAL, UTILITY, OR OPEN-TO-ENTRY  
23 PURPOSES,] or is classified in accordance with an agreement  
24 between a municipality and the state providing for state manage-  
25 ment of land of the municipality.

26 \* Sec. 12. AS 38.05.321(b) is amended to read:

27 (b) State land classified as agricultural land that has been  
28 selected by a municipality under former AS 29.18.190 - 29.18.200 or  
29 former AS 29.18.205(e) may be approved by the director for patent

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

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

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

15 (1) state land classified as agricultural land that has  
16 been selected by a municipality under the provisions of former AS 29.-  
17 18.190 - 29.18.200 if the selection is an approved selection before  
18 April 1, 1978 and is otherwise valid under former AS 29.65.050(b) or  
19 former AS 29.18.205(b); or

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

22 \* Sec. 14. Before January 1, 1987, the Department of Natural Resources  
23 shall consult with each municipality affected by this Act regarding classi-  
24 fications of state land within its boundaries and may assist the munic-  
25 ipality in identifying land suitable for selection in fulfillment of its  
26 general grant land entitlement.

27 \* Sec. 15. The commissioner of natural resources shall negotiate with  
28 and may enter into an agreement to convey state land to a borough or  
29 unified municipality whose entitlement under AS 29.65.010 in the

1 commissioner's determination cannot be fulfilled by January 1, 1987, if the  
2 borough or unified municipality elects in writing before January 1, 1987,  
3 to pursue a settlement of that existing entitlement. The commissioner has  
4 authority under this section to convey state land without regard as to  
5 whether the land is vacant, unappropriated, unreserved land as defined  
6 under AS 29.65.130(10) if the commissioner determines, after public notice,  
7 that the land lies outside the smallest practicable tract of land actually  
8 used in connection with the administration of a state function on July 1,  
9 1986, except the commissioner may not convey land owned by another state  
10 agency without its consent. Land conveyed to a borough or a unified munic-  
11 ipality under an agreement entered into under this section may constitute  
12 complete fulfillment of the municipality's general grant land entitlement  
13 as specified in the agreement and agreed to by both parties. Conveyances  
14 under an agreement entered into under this section may contain no reserva-  
15 tions or conditions that are not required to be imposed by law, except  
16 those restrictions or conditions mutually agreed upon by the parties.

17 \* Sec. 16. AS 29.65.010(b), 29.65.020, 29.65.030, 29.65.050, 29.65.-  
18 080(h) and 29.65.110 are repealed.

19 \* Sec. 17. Section 6 of this Act is retroactive to October 4, 1985.

20 \* Sec. 18. Sections 6, 14, 15, and 17 of this Act take effect immedi-  
21 ately in accordance with AS 01.10.070(c).

22 \* Sec. 19. Sections 1 - 5, 7 - 13, and 16 of this Act take effect  
23 January 1, 1987.