

Offered: 4/28/86
Referred: Finance

Original sponsor: Ferguson

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR 2d SPONSOR SUBSTITUTE FOR SENATE BILL NO. 414 (Resources)

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. However,
24 land may not be conveyed to a municipality under AS 29.65.015 that
25 exceeds the amount of acreage listed under AS 29.65.010 until at least
26 90 percent of the amount of the entitlement under AS 29.65.010 has
27 been fulfilled, through approval of selections or otherwise, for each
28 listed municipality. This limitation does not apply to conveyance of
29 a small parcel for a specific public purpose if the commissioner of

1 natural resources finds that the conveyance will serve a public
2 interest.

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

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

7 (1) conveyances of legal title to land by the state to the
8 municipality before January 1, 1987, under a former law;

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

11 (3) conveyances of legal title to land before January 1,
12 1987, and thereafter under AS 29.65.010;

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

15 (5) disposals of land to the municipality before January 1,
16 1987, and thereafter under AS 38.05.810 for which the state received
17 less than market value.

18 (d) In each conveyance of land in fulfillment of a general grant
19 land entitlement, the state shall reserve the right to explore, enter,
20 develop, and occupy the surface as reasonably necessary for access to
21 the mineral estate in accordance with AS 38.05.125.

22 (e) Conveyances of land under this chapter are subject to
23 AS 38.05.035(e).

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 AS 29.65.040 is repealed and reenacted to read:

25 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) A general grant
26 land entitlement under AS 29.65.010 is a vested property right that
27 must be fulfilled in accordance with AS 29.65.025, 29.65.060, and
28 29.65.080.

29 (b) A general grant land entitlement under AS 29.65.015 is a

1 property right that vests on the date of incorporation of the munici-
2 pality. The entitlement must be fulfilled in accordance with AS 29.-
3 65.025.

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

5 (a) If an entitlement determined under AS 29.65.010 or 29.65.015
6 [29.65.020] results in a per capita entitlement for the municipality
7 of less than one and one-half acre, the municipality may select vacant
8 school land or mental health land in the municipality in partial
9 fulfillment of its land entitlement under this chapter. School land
10 or mental health land may be selected notwithstanding the fact that
11 this land is not unappropriated and unreserved within the meaning of
12 this chapter and under former AS 29.18.190 and 29.18.200, but each
13 selection of school land or mental health land by a municipality must
14 be vacant, unappropriated, or unreserved land as defined in this
15 chapter, except that it need not be general grant land.

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

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

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

21 (g) Notwithstanding (a) of this section, a municipality may not
22 select school land or mental health land after October 4, 1985.

23 (h) Nothing in this section affects the legal rights of any
24 person with regard to selections of school land, university land, or
25 mental health land made by a municipality on or before October 4,
26 1985.

27 * Sec. 7. AS 29.65.060 is amended by adding a new subsection to read:

28 (i) A municipality that may enter into an agreement under
29 sec. 15 of this Act is entitled to just compensation in the form of

1 land or other payment for a selection made by it under this section or
2 former AS 29.18.206 (ch. 180, SLA 1978) that was pending or on timely
3 appeal on April 1, 1986, and that cannot be conveyed to the
4 municipality as a result of final judicial action or law, except that
5 compensation is not required for a selection of land by a municipality
6 within a special use area under AS 16 or AS 41 or for a selection of
7 land not qualified to be selected under this section or former AS
8 29.18.206. Compensation under this subsection shall be credited
9 against the municipality's remaining land entitlement under this
10 chapter.

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

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

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

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

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

21 (3) "general grant land"

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

25 (B) does not include mental health land, school land,
26 or university land;

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

28 (10) "vacant, unappropriated, unreserved land" means
29 general grant land as defined in (3) of this section, excluding

1 minerals as required by sec. 6(i) of the Alaska Statehood Act, that

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

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

6 (C) is unclassified or, if classified under AS 38.-
7 05.300, is classified for agricultural, grazing, public recre-
8 ation, resource management, settlement, forestry, or wildlife
9 habitat [COMMERCIAL, INDUSTRIAL, PRIVATE RECREATIONAL, RESIDEN-
10 TIAL, UTILITY, OR OPEN-TO-ENTRY PURPOSES,] or is classified in
11 accordance with an agreement between a municipality and the state
12 providing for state management of land of the municipality.

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

14 (b) State land classified as agricultural land that has been
15 selected by a municipality under former AS 29.18.190 - 29.18.200 or
16 former AS 29.18.205(e) may be approved by the director for patent
17 under AS 29.65 [AS 29.65.050(c)]; however, only rights in the land for
18 agricultural purposes may be transferred and all other interests in
19 the land will remain with the state. Agricultural land approved for
20 patent to a municipality shall be credited, acre for acre, toward
21 fulfillment of that municipality's entitlement under AS 29.65 [AS 29.-
22 65.010 - 29.65.030] or former AS 29.18.201 - 29.18.203. If the direc-
23 tor later determines it to be in the best interests of the state to
24 transfer some or all of the additional rights in that approved or
25 patented agricultural land, those rights shall pass without considera-
26 tion to the municipality in which the land is located. The notice and
27 review provisions of AS 38.05.945 are applicable to conveyance of
28 rights under this section.

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

1 (c) The provisions of this section do not apply to
2 (1) state land classified as agricultural land that has
3 been selected by a municipality under the provisions of former AS 29.-
4 18.190 - 29.18.200 if the selection is an approved selection before
5 April 1, 1978 and is otherwise valid under former AS 29.65.050(b) or
6 former AS 29.18.205(b); or
7 (2) a quitclaim of the interest of the state to the federal
8 government under AS 38.05.035(b)(9).

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

14 * Sec. 15. The commissioner of natural resources shall negotiate with
15 and may enter into an agreement to convey state land to a borough or
16 unified municipality whose entitlement under AS 29.65.010 in the commis-
17 sioner's determination cannot be fulfilled by January 1, 1987, if the
18 borough or unified municipality elects in writing before January 1, 1987,
19 to pursue a settlement of that existing entitlement. The commissioner has
20 authority under this section to convey state land without regard as to
21 whether the land is vacant, unappropriated, unreserved land as defined
22 under AS 29.65.130(10) if the commissioner determines, after public notice,
23 that the land lies outside the smallest practicable tract of land actually
24 used in connection with the administration of a state function on July 1,
25 1986. However, the commissioner may not convey land owned by another state
26 agency without its consent or land within the boundaries of a municipality
27 to another municipality before consulting with the municipality in which
28 the land is located. Land conveyed to a borough or a unified municipality
29 under an agreement entered into under this section may constitute complete

1 fulfillment of the municipality's general grant land entitlement as
2 specified in the agreement and agreed to by both parties. Conveyances
3 under an agreement entered into under this section may not contain reser-
4 vations or conditions that are not required to be imposed by law, except
5 restrictions or conditions agreed upon by the parties.

6 * Sec. 16. AS 29.65.010(b), 29.65.020, 29.65.030, 29.65.050, 29.65.-
7 080(h) and 29.65.110 are repealed.

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

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

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