

SENATE BILL NO. 475

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE BY REQUEST

Introduced: 4/29/92
Referred: RES, JUD, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act amending and reenacting provisions of ch. 66, SLA 1991, relating to the trust
2 established by the Alaska Mental Health Enabling Act of 1956; and providing for an
3 effective date."

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

5 * Section 1. AS 37.14.009, as enacted by sec. 10. ch. 66, SLA 1991, is amended by adding a new
6 subsection to read:

7 (c) In exercising its power under (a)(2) or (3) of this section, the authority shall comply
8 with the provisions of section 6(i) of the Alaska Statehood Act (P.L. 85-508; 72 Stat. 339), as
9 amended.

10 * Sec. 2. Section 55(e), ch. 66, SLA 1991, is amended to read:

11 (e) Additional factors prescribed as safeguards of the public interest that shall be
12 considered in determining whether land proposed for exchange under this section should be
13 conveyed by the commissioner of natural resources in trust to the authority are:

14 (1) ensuring an appropriate diversity in the character of land in the trust corpus

- 1 and in state ownership;
- 2 (2) additional development and income generating potential as a result of trust
- 3 ownership;
- 4 (3) the public interest in retaining specific land in state ownership;
- 5 (4) public benefits resulting from the exchange;
- 6 (5) benefits to the trust resulting from the exchange; and
- 7 (6) efficiency of land management resulting from the exchange.

8 * Sec. 3. Section 55(g), ch. 66, SLA 1991, is amended to read:

9 (g) The provisions of AS 38.04, AS 38.05, and AS 38.50 do not apply to exchanges
10 under this section.

11 * Sec. 4. Section 56, ch. 66, SLA 1991, is repealed and reenacted to read:

12 Sec. 56. SECURITY FOR COMPENSATION TO TRUST. (a) To secure the
13 reconstitution of the trust as provided in secs. 54 and 55 of this Act, the land listed in "Lands
14 Hypothecated to the Mental Health Trust, May, 1991" located in the office of the director of the
15 division of lands, Department of Natural Resources, in Anchorage, Alaska, is hypothecated to the
16 mental health trust.

17 (b) Title to the land specified in (a) of this section remains with the state and, so long
18 as no default exists under secs. 54 and 55 of this Act and AS 37.14.036(c), added by sec. 11 of
19 this Act, any income from that land shall be deposited in the general fund and considered
20 unrestricted general funds of the state.

21 (c) As the reconstitution of the trust provided under secs. 54 and 55 of this Act is
22 accomplished, and upon request, the hypothecated land shall be released on a pro rata basis,
23 provided, however, the remaining hypothecated land shall at all times be sufficient to provide
24 security for the remaining exchanges to be accomplished under sec. 55 of this Act.

25 (d) Upon default, or if the trust is not reconstituted by December 1, 1994, the foreclosure
26 of the hypothecated lands, including the parcels to be foreclosed and the manner of foreclosure,
27 shall be determined by the court under sec. 57 of this Act.

28 * Sec. 5. The reenactment of sec. 56, ch. 66, SLA 1991, by sec. 4 of this Act is intended to ratify
29 and confirm the substance of that provision as originally enacted.

30 * Sec. 6. This Act takes effect on the effective date of ch. 66, SLA 1991.