

SENATE BILL NO. 217

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY SENATORS FRANK, Kerttula, Miller, Rieger, Taylor, Sharp

Introduced: 5/11/93

Referred: HES, RES, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to land of the University of Alaska and authorizing the
2 University of Alaska to select additional state public domain land."

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

4 * Section 1. FINDINGS AND PURPOSE. The legislature finds that

5 (1) as the beneficiary under the provisions of the Acts of August 30, 1890, and
6 March 4, 1907, designating the Alaska Agricultural College and School of Mines as
7 beneficiary, and of March 4, 1915, 38 Stat. 1214, transferring certain land for its location and
8 support, the University of Alaska is a land grant university;

9 (2) under the Acts of March 4, 1915, 38 Stat. 1214, and January 21, 1929, 45
10 Stat. 1091, the Congress of the United States granted to the Territory of Alaska certain federal
11 land to be held in trust for the benefit of the predecessor of the University of Alaska;

12 (3) the Territory was unable to receive most of the land conveyed by the Act
13 of March 4, 1915, before repeal of that Act by sec. 6(k) of the Alaska Statehood Act (P.L. 85-
14 508, 72 Stat. 339);

- 1 (4) the Congress of the United States granted the State of Alaska the right to
2 select 102,500,000 acres of federal land under sec. 6(b) of the Alaska Statehood Act;
- 3 (5) the land selection rights embodied in the Alaska Statehood Act reflect in
4 part congressional recognition that the state would need the land to support its government and
5 programs, and the Congress assumed that the State of Alaska would in turn devote some of
6 the land or the income from it for the use and benefit of the University of Alaska;
- 7 (6) most land grant colleges in the western United States have obtained a larger
8 land grant from the federal government than the University of Alaska has received;
- 9 (7) an academically strong and financially secure state university system is a
10 cornerstone to the long-term development of a stable population and to a healthy, diverse
11 economy in the state; and
- 12 (8) it is in the best interests of the state and the University of Alaska that the
13 university take ownership to a significant and substantial portfolio of income producing land
14 in order to provide income for the support of public higher education in the state.

15 * Sec. 2. AS 14.40.170(a) is amended to read:

16 (a) The Board of Regents shall

17 (1) appoint the president of the university by a majority vote of the
18 whole board, and the president may attend meetings of the board;

19 (2) fix the compensation of the president of the university, all heads of
20 departments, professors, teachers, instructors, and other officers;

21 (3) confer such appropriate degrees as it may determine and prescribe;

22 (4) have the care, control, and management of

23 (A) all the real and personal property of the university; and

24 (B) land

25 (i) conveyed to the Board of Regents by the
26 commissioner of natural resources in the settlement of the claim of the
27 University of Alaska to land granted to the state in accordance with the
28 Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance
29 with the Act of January 21, 1929 (45 Stat. 1091), as amended; **and**

30 **(ii) selected by the university and conveyed to it by**
31 **the commissioner of natural resources under AS 14.40.365;**

1 (5) keep a correct and easily understood record of the minutes of every
2 meeting and all acts done by it in pursuance of its duties;

3 (6) under procedures to be established by the commissioner of
4 administration, and in accordance with existing procedures for other state agencies,
5 have the care, control, and management of all money of the university and keep a
6 complete record of all money received and disbursed;

7 (7) adopt reasonable rules for the prudent trust management and the
8 long-term financial benefit to the university of the land of the university;

9 (8) provide public notice of sales, leases, exchanges, and transfers of
10 the land of the university or of interests in land of the university;

11 (9) report each year within the first 10 days of the convening of a
12 regular session of the legislature on the expenditures made during the preceding fiscal
13 year from the funds of the University of Alaska that are derived from sales, leases,
14 exchanges, or transfers of the land of the university or of interests in land of the
15 university

16 (A) that were conveyed to the University of Alaska in
17 settlement of the claim of the University of Alaska to land granted to the state
18 in accordance with the Act of March 4, 1915 (38 Stat. 1214), as amended, and
19 in accordance with the Act of January 21, 1929 (45 Stat. 1091), as amended;
20 and

21 (B) that were selected by and conveyed to the university
22 under AS 14.40.365.

23 * Sec. 3. AS 14.40.291 is amended to read:

24 Sec. 14.40.291. LAND OF THE UNIVERSITY OF ALASKA NOT PUBLIC
25 DOMAIN LAND. Notwithstanding any other provision of law, university-grant land,
26 state replacement land that becomes university-grant land on conveyance to the
27 university, land selected by and conveyed to the university under AS 14.40.365, and
28 any other land owned by the University of Alaska is not and may not be treated as
29 state public domain land. Title to or interest in [TO] land described in this section
30 may not be acquired by adverse possession, prescription, or in any other manner except
31 by conveyance from the university. The land is subject to condemnation for public

1 purpose in accordance with law.

2 * **Sec. 4.** AS 14.40 is amended by adding a new section to read:

3 **Sec. 14.40.365. UNIVERSITY LAND FROM STATEHOOD ACT LAND**
4 **SELECTION CONVEYANCES.** (a) The University of Alaska may select and is
5 entitled to receive the conveyance of 1,000,000 acres of land conveyed to the state
6 under sec. 6(b) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 339), including its
7 mineral estate, that, on the date of its selection by the university

8 (1) has not been conveyed or encumbered by the state, or reserved by
9 law from the public domain, or is subject to only one or more of the following:

10 (A) a lease other than an oil or gas lease;

11 (B) a timber contract;

12 (C) a mining claim;

13 (D) a sale of materials under AS 38.05.110 - 38.05.120;

14 (E) a land use permit or right-of-way issued by the Department
15 of Natural Resources under AS 38.05;

16 (2) is not necessary to carry out the purpose of an interagency land
17 management agreement; or

18 (3) is not subject to conveyance under a land exchange or land
19 settlement agreement.

20 (b) Notwithstanding AS 38.05.125(a), the transfer of ownership and
21 management of land from the Department of Natural Resources to the Board of
22 Regents of the University of Alaska under this section includes the mineral estate of
23 the state in the land.

24 (c) When the University of Alaska selects the land to which it is entitled under
25 this section, unless the commissioner determines under (d) of this section that title to
26 the land should not be conveyed, the commissioner of natural resources shall convey
27 title to the land selected. The university shall bear all costs of survey of the land.

28 (d) The commissioner may not convey title to any land selection made by the
29 university under this section if the commissioner determines that the proposed selection
30 is not in the best interests of the state. In making a determination as to whether a
31 selection by the university under this section is in the best interests of the state, the

- 1 commissioner shall consider
- 2 (1) the interest of the general public in retention of the land in state
- 3 ownership;
- 4 (2) ensuring an appropriate diversity in the character of land owned by
- 5 the state and by the university;
- 6 (3) the public benefits achieved by conveyance of the land to the
- 7 university;
- 8 (4) the probable potential for the development of the land and its
- 9 resources and the probable income to the university from the conveyance of the land;
- 10 (5) benefits to the university from the conveyance of the land to it; and
- 11 (6) the efficiency of the management of the land resulting from the
- 12 conveyance of the land.

13 (e) The Board of Regents may appeal to the superior court a decision of the

14 commissioner of natural resources not to convey to the university land selected by it

15 under this section.

16 (f) When land is conveyed to the university under this section, the university

17 takes the land subject to any possessory interest held by another person on the

18 effective date of the conveyance. The university is entitled to receive the consideration

19 due under that interest for the duration of the interest.

20 (g) In conveying land to the university under this section, the commissioner

21 of natural resources shall give public notice under AS 38.05.945(b) and (c) and provide

22 for access under AS 38.05.127, but other provisions of AS 38.04 and AS 38.05 do not

23 apply.

24 (h) Land transferred or conveyed to the university under this section

25 (i) is subject to

26 (A) section 6(i) of the Alaska Statehood Act (P.L. 85-508, 72

27 Stat. 339);

28 (B) art. IX of the state constitution;

29 (C) AS 19.10.010; and

30 (D) the rights of the state under former 43 U.S.C. 932 (sec. 8,

31 Act of July 26, 1866, 14 Stat. 253);

1 (2) excludes any interest transferred to the state by quit claim deed
2 dated June 30, 1959, under authority of the Alaska Omnibus Act, P.L. 86-70, 73 Stat.
3 141.

4 * Sec. 5. AS 14.40.400(a) is amended to read:

5 (a) The Department of Revenue shall establish a separate endowment trust
6 fund in which all net income derived from the sale or lease of the land granted under
7 the Act of Congress approved January 21, 1929, and the land selected by and
8 conveyed to the university under AS 14.40.365, and in which all monetary gifts,
9 bequests, or endowments made to the University of Alaska for the purpose of the fund,
10 shall be held in trust.

11 * Sec. 6. AS 29.45.030(a) is amended to read:

12 (a) The following property is exempt from general taxation:

13 (1) municipal property, including property held by a public corporation
14 of a municipality, or state property, except that

15 (A) a private leasehold, contract, or other interest in the
16 property is taxable to the extent of the interest;

17 (B) notwithstanding any other provision of law, property
18 acquired by an agency, corporation, or other entity of the state through
19 foreclosure or deed in lieu of foreclosure and retained as an investment of a
20 state entity is taxable; this subparagraph does not apply to federal land granted
21 to the University of Alaska under AS 14.40.380 or 14.40.390, or to other land
22 granted to the university by the state to replace land that had been granted
23 under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the
24 university under AS 14.40.365;

25 (C) an ownership interest of a municipality in real property
26 located outside the municipality acquired after December 31, 1990, is taxable
27 by another municipality; however, a borough may not tax an interest in real
28 property located in the borough and owned by a city in that borough;

29 (2) household furniture and personal effects of members of a
30 household;

31 (3) property used exclusively for nonprofit religious, charitable,

1 cemetery, hospital, or educational purposes;

2 (4) property of a nonbusiness organization composed entirely of persons
3 with 90 days or more of active service in the armed forces of the United States whose
4 conditions of service and separation were other than dishonorable, or the property of
5 an auxiliary of that organization;

6 (5) money on deposit;

7 (6) the real property of certain residents of the state to the extent and
8 subject to the conditions provided in (e) of this section;

9 (7) real property or an interest in real property that is exempt from
10 taxation under 43 U.S.C. 1620(d), as amended;

11 (8) property of a political subdivision, agency, corporation, or other
12 entity of the United States to the extent required by federal law; except that a private
13 leasehold, contract, or other interest in the property is taxable to the extent of that
14 interest;

15 (9) natural resources in place including coal, ore bodies, mineral
16 deposits, and other proven and unproven deposits of valuable materials laid down by
17 natural processes, unharvested aquatic plants and animals, and timber.