

COMMITTEE REPORT

HOUSE

(3/27/81)

FURTHER:

(11)

Date: April 21, 1981

Mr. Speaker:

The Committee on FINANCE has had HB 31

"An Act relating to the management and use of state, municipal, and private land; annulling 11 AAC 53.450(c); and providing for an effective date."

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 31 (Fin) same title new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING DO PASS

[Signature]

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MEMBERS HAVING OTHER RECOMMENDATIONS:

[Signature] - Do NOT Pass

[Signature] - Do Not Pass
with amendments

[Signature] - No Pass

[Signature]

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CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 31 (Finance)
Title relating to management of state land
Requested by _____ Date 4/9/81

II. FISCAL DETAIL

Agency Affected Department of Natural Resources
Program Category Affected NRMEC
BRU, Program, or Subprogram(s) Affected Land Management/Land Disposals Fee Title
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		346.2				
200 TRAVEL		31.5				
300 CONTRACTUAL		352.3				
400 COMMODITIES		10.0				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
CAPITAL		2,000.0				
TOTAL		2,740.0				

FUNDING (Thousands of Dollars)

GENERAL FUND		2,740.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		9				
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

IV. DATE 4/9/81 PREPARED BY Sam Cotten, Chairman
AGENCY House Finance Committee
PHONE 465-5775
Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

Original sponsors: Freeman, Gardiner
and Halford

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 31 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the management of state land; and
7 providing for an effective date."

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

9 * Section 1. AS 29.18.204(c) is amended to read:

10 (c) Land may be selected or nominated for selection by a munici-
11 pality to satisfy a general grant land entitlement under AS 29.18.201
12 and 29.18.202 at any time before October 1, 1980. If a municipal
13 selection or nomination or a part of a municipal selection or nomina-
14 tion is rejected by the director, the municipality may select addi-
15 tional state land of equal area to satisfy its entitlement not later
16 than 90 days after receipt of the director's rejection.

17 * Sec. 2. AS 38.04.020 is repealed and reenacted to read:

18 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall
19 establish a land disposal bank containing state land suitable for
20 disposal by fee simple title into private ownership.

21 (b) The land disposal bank does not include

22 (1) land nominated for selection or selected by a munici-
23 pality to satisfy a general grant land entitlement under AS 29.18.201 -
24 29.18.213;

25 (2) land retained in state ownership for multiple-use manage-
26 ment;

27 (3) land where less than a fee simple title has been con-
28 veyed;

29 (4) land retained in state ownership under an enactment of

1 the legislature or by the governor or a state agency under authority of
2 law.

3 (c) Land to be retained in state ownership may be classified by
4 the commissioner into multiple-use management categories under AS 38.-
5 05.300. Land within a municipality retained in state ownership consists
6 of land classified for retention in state ownership as of December 31,
7 1980. Land outside a municipality to be retained in state ownership
8 consists of land classified for retention in state ownership by the
9 commissioner by July 1, 1983. Land conveyed to the state by the federal
10 government which is to be retained in state ownership consists of land
11 classified by the commissioner within two years of receipt of tentative
12 approval or patent, whichever occurs first. State land not classified
13 for retention in state ownership under this section shall be classified
14 and included in the land disposal bank. The commissioner shall ensure
15 that the bank includes at least 500,000 acres.

16 (d) On January 15 of each year, the commissioner shall report to
17 the legislature on the status of land in the land disposal bank under
18 the following categories:

- 19 (1) land suitable for remote parcel disposal;
20 (2) land suitable for subdivision disposal; and
21 (3) land suitable for agricultural, commercial, or industrial
22 disposal.

23 (e) The commissioner shall annually submit to the governor an
24 appropriation request necessary for the disposal of state land in the
25 land disposal bank which shall be included in the budget submitted to
26 the legislature by the governor. The request shall include an estimate
27 of the amount necessary

- 28 (1) for survey and disposal of land proposed to be made
29 available for remote parcel staking for the succeeding fiscal year,

1 with the general location of the land;

2 (2) for survey and disposal of land to be offered as agri-
3 cultural, commercial, or industrial land under AS 38.05.055 or 38.-
4 05.057 during the succeeding fiscal year, with the general location of
5 the land;

6 (3) for the survey and disposal of land proposed to be
7 offered as subdivisions, with the general location of the land;

8 (4) for preliminary feasibility studies, engineering design
9 work, and construction of access roads and capital improvements required
10 by municipal subdivision ordinance or regulation of the platting board
11 under AS 29.33.150; if an accurate determination of the amounts neces-
12 sary for access roads or capital improvements cannot be made at the
13 time the estimate is submitted, a schedule for obtaining the estimates,
14 constructing the access roads or capital improvements, and disposing of
15 the land shall be submitted;

16 (5) for identification of land which will be proposed for
17 disposal under this subsection in future fiscal years.

18 (f) The request of the commissioner under (e) of this section
19 shall be based on an assessment by the commissioner of the current
20 needs and anticipated uses of state land in the different regions of
21 the state and developed in consultation with municipalities. The
22 assessment must be completed each year in writing. It must identify
23 areas where land values are artificially inflated and include a survey
24 of the supply of land in private ownership currently on the market,
25 plans for the disposal of municipal land, and the amount of federal
26 land available for disposal through sales, leases, or permits for
27 specific activities. The assessment of needs and anticipated uses for
28 state land shall be based on an analysis of demand for land offered for
29 a variety of purposes under terms equivalent to those available under

1 comparable state land disposal programs. The assessment must include
2 findings regarding the amount of state land which is necessary to meet
3 the statewide demand for three fiscal years immediately after the year
4 in which the assessment is made. The assessment must also include the
5 general location of land to be disposed of and recommendations for the
6 methods of disposal and terms under which the land will be offered to
7 the public.

8 (g) After July 1 of each year, the commissioner shall direct the
9 expenditure of money appropriated for the disposal of land in response
10 to requests made under (f) of this section for the following:

11 (1) land designated as suitable for remote parcel disposal
12 shall be classified and surveyed under this chapter and AS 38.05 and
13 made available for staking and lease under AS 38.05.077;

14 (2) land designated as suitable for subdivision disposal
15 shall be surveyed, subdivided, classified, and disposed of as follows:

16 (A) up to 80 percent of the parcels shall be sold under
17 the lottery sale procedures established in AS 38.05.057 and
18 38.05.065;

19 (B) at least 10 percent of the parcels shall be disposed
20 of as homesites under AS 38.08; and

21 (C) at least an additional 10 percent of the parcels
22 shall be disposed of as homesites under AS 38.08 except that,
23 notwithstanding AS 38.08.040(b), parcels offered under this sub-
24 paragraph shall be offered by lottery under AS 38.05.057;

25 (3) land designated agricultural, commercial, or industrial
26 shall be sold under AS 38.05.055 or 38.05.057.

27 (h) Individual parcels disposed of in subdivisions may not exceed
28 five acres unless the commissioner determines that a larger size is
29 necessary to permit the design of a viable subdivision because of

1 topographical features, soil conditions, on-site sewage disposal re-
2 quirements, or water drainage or supply considerations that are unique
3 to the subdivision.

4 (i) Nothing in this section prevents the disposal of interests in
5 land not in the land disposal bank by the commissioner under

6 (1) AS 38.05.055;

7 (2) AS 38.05.057;

8 (3) AS 38.05.070;

9 (4) AS 38.05.079;

10 (5) AS 38.08; or

11 (6) other law.

12 (j) A person or an agency of the state may nominate land retained
13 in state ownership for inclusion in the land disposal bank or may
14 nominate land in the land disposal bank for retention in state owner-
15 ship. The commissioner shall hold public hearings semiannually to take
16 nominations under this subsection. A transfer of land from retention
17 in state ownership to the land disposal bank or from the land disposal
18 bank to retention in state ownership shall be accomplished through a
19 classification order under AS 38.05.300 and notice under AS 38.05.345.
20 The commissioner shall make a written determination within six months
21 after receipt of a nomination if he determines that land nominated will
22 not be classified or reclassified as requested.

23 (k) The commissioner may withdraw from the land disposal bank
24 state land that has been offered for disposal but not conveyed within
25 five years after inclusion in the land disposal bank. State land
26 withdrawn from the land disposal bank under this section must be reclas-
27 sified under AS 38.04.065.

28 * Sec. 3. AS 38.04 is amended by adding a new section to read:

29 Sec. 38.04.021. IDENTIFICATION AND DISPOSAL OF MUNICIPAL ENTITLE-

1 MENT LAND. (a) Notwithstanding AS 29.18.201 - 29.18.213, the commis-
2 sioner shall refrain from issuing patents to municipalities for approved
3 selections under AS 29.18.201 - 29.18.213 except in accordance with the
4 procedures established in this section.

5 (b) The commissioner shall initiate with each municipality en-
6 titled to receive land under AS 29.18 a review of selections for which
7 patent has not been issued as of the effective date of this Act. By
8 July 1, 1982, the commissioner and each municipality shall jointly
9 designate 20 percent of the selections for which patents have not been
10 issued as of the effective date of this Act, which are most suitable
11 for disposal into private ownership. A municipality may substitute
12 land patented as of the effective date of this Act with the concurrence
13 of the commissioner. If, by July 1, 1982, the commissioner and a
14 municipality cannot agree on land to be designated, the commissioner
15 shall make the designation. By September 1, 1982, the commissioner
16 shall certify the legal descriptions of the land designated and include
17 it as a special category of land in the land disposal bank. The land
18 shall be made available for disposal in accordance with AS 38.04.-
19 020(d) - (h), except that none of the land may be proposed for remote
20 parcel disposal and the land is not subject to AS 38.04.020(j). A
21 municipality may submit a recommended disposal schedule for land desig-
22 nated under this subsection.

23 (c) By January 15 of each year, the commissioner shall submit to
24 the governor an appropriation request sufficient to survey all approved
25 selections not patented, not designated under (b) of this section, and
26 requiring survey under AS 29.18.207. The request shall be submitted by
27 the governor to the legislature with the budget. Upon receipt of an
28 appropriation for this purpose, the commissioner shall survey the land
29 and issue the patents as expeditiously as possible. For approved

1 selections not designated under (b) of this section and not in need of
2 survey under AS 29.18.207, the commissioner shall issue patents by
3 September 1, 1982. Patents may not be issued until land suitable for
4 disposal into private ownership has been designated under (b) of this
5 section.

6 (d) Upon disposal of land designated under (b) of this section,
7 the commissioner shall make a partial assignment to the municipality in
8 which the land is situated of receipts from the land sale contract
9 relating to the value of the land without improvements.

10 (e) Notwithstanding (a) - (d) of this section, the commissioner
11 may issue patents for approved selections otherwise in conformity with
12 AS 29.18.201 - 29.18.213 if

13 (1) the land to be patented is for an essential public
14 facility or purpose for which there is an immediate need as determined
15 by the commissioner;

16 (2) the land has been scheduled and formally advertised for
17 disposal by a municipality under its land disposal program; or

18 (3) the amount of land patented to a municipality is less
19 than 10 percent of its entitlement as of the effective date of this Act
20 and the municipality requests an amount of patented land sufficient to
21 bring it to the 10 percent level.

22 * Sec. 4. AS 38.04.055 is amended by adding a new subsection to read:

23 (b) An easement or right-of-way reserved under this section may
24 include established trails traditionally used for commerce, recreation,
25 or transportation.

26 * Sec. 5. AS 38.05.035(a)(14) is amended to read:

27 (14) when he makes a written finding that the interests of
28 the state will be best served, he may, with the consent of the commis-
29 sioner, approve contracts for the sale, lease, or other disposal of

1 available lands, resources, property or interest in them, and in addi-
2 tion to the conditions and limitations imposed by law, he may impose
3 additional conditions or limitations in the contracts as he, with the
4 consent of the commissioner, determines will best serve the interests
5 of the state; and no contract for the sale, lease, or other disposal of
6 available lands or interests in them, is legally binding on the state
7 until the commissioner formally records his consent to the contract;
8 but if the appraised value is not greater than \$50,000 [\$10,000] in the
9 case of the sale of land or an interest in land, or \$5,000 [\$1,000] in
10 the case of the annual rental of land or interest in land, the director
11 may approve and issue the contract without the consent or approval of
12 the commissioner; the written finding shall be available to the public
13 upon request; before a public hearing, if held, or in any case no less
14 than 21 days before the sale, lease, or other disposal of available
15 land, property, resources, or interests in them, the director shall
16 make available to the public a written decision in which he sets out
17 the facts and applicable law upon which he based his determination that
18 the sale, lease, or other disposal will best serve the interests of the
19 state; a written finding is not required before the approval of

20 (A) a contract for a negotiated sale authorized by

21 AS 38.05.115;

22 (B) issuance of a permit under AS 38.05.330; or

23 (C) the lease of land for a shore fishery site under

24 AS 38.05.082.

25 * Sec. 6. AS 38.05.035(b) is amended by adding new paragraphs to read:

26 (7) convey to an adjoining landowner a parcel of land created
27 by a highway right-of-way alignment or realignment or a parcel created
28 by the vacation of a state-owned right-of-way if

29 (A) he determines that it is in the interest of the

1 state;

2 (B) the parcel does not exceed one acre; and

3 (C) the director and the platting authority having land
4 use planning jurisdiction agree that conveyance of the parcel to
5 the adjoining landowner will result in boundaries which are conven-
6 ient for the use of the land by the landowner and compatible with
7 municipal land use plans;

8 (8) for good cause extend the time for rental or installment
9 payments by a lessee or purchaser of state land under this chapter if
10 reasonable penalties and interest set by the director are paid.

11 * Sec. 7. AS 38.05.035 is amended by adding a new subsection to read:

12 (c) A parcel of land may be conveyed under (b)(7) of this section
13 without classification or reclassification under AS 38.05.300 but the
14 parcel must be sold at its fair market value as determined by the
15 director on the basis of an appraisal under AS 38.05.310. Nothing in
16 this subsection prevents the sale of land to a person not qualifying as
17 an adjoining landowner if the adjoining land owner declines to purchase
18 under (b)(7) of this section.

19 * Sec. 8. AS 38.05.050 is repealed and reenacted to read:

20 Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR PRIVATE
21 OWNERSHIP. The commissioner, upon recommendation of the director,
22 shall determine the land to be disposed of for private use. The direc-
23 tor shall determine the time and place of disposal. An auction sale, a
24 lottery sale, or a disposal of land for homesites under AS 38.08 must
25 be held in the municipality that is closest to the land to be sold or
26 disposed of and in which regular sessions of the superior court are
27 held.

28 * Sec. 9. AS 38.05.055 is amended to read:

29 Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method

1 of sale is authorized under this chapter, under AS 38.07, or under
2 [EXCEPT AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.08, the
3 sale of state land shall be made at public auction to the highest
4 qualified bidder as determined by the director. A bidder must appear
5 in person at the auction unless medical reasons or military service
6 outside the state prevent attendance. A bidder may be represented by
7 an attorney or agent at the auction if the land offered for disposal
8 is classified as commercial, industrial, or agricultural land. An
9 aggrieved bidder may appeal to the commissioner within five days after
10 the sale for a review of the director's determination. The sale shall
11 be conducted by the director or his representative, and at the time of
12 sale the successful bidder shall deposit an amount equal to five per-
13 cent [ONE-TENTH] of the purchase price, or if the purchaser elects to
14 use land discounts granted under AS 38.05.058, five percent of the
15 amount bid after deduction of the discount. The director or his repre-
16 sentative shall immediately issue a receipt containing a description of
17 the land or property purchased, the price bid, the amount deposited,
18 and the amount of any discount allowed [TERMS OF SALE], which receipt
19 shall be acknowledged in writing by the bidder. [A CONTRACT OF SALE ON
20 A FORM APPROVED BY THE ATTORNEY GENERAL SHALL BE SIGNED BY THE PURCHASER
21 AND, AFTER APPROVAL OF THE COMMISSIONER, THE CONTRACT SHALL ALSO BE
22 SIGNED BY THE DIRECTOR ON BEHALF OF THE STATE.]

23 * Sec. 10. AS 38.05.057(a) is amended to read:

24 (a) The commissioner may dispose of land, including land limited
25 to use for agricultural purposes, by lottery. The purchase price of
26 land sold by lottery shall be the fair market value of the land as
27 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,
28 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-
29 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner

1 shall [MAY] sell land by lottery for less than the fair market value of
2 the land if he determines that scarcity of land for private use in the
3 area of the land to be sold has resulted in unrealistic land values.
4 Before the commissioner determines the purchase price for land which is
5 located in a municipality and which is to be sold under this section,
6 he shall consult with the assessor of the municipality. The lottery
7 shall be conducted in public by the commissioner or his representative,
8 and an applicant may not be selected to purchase land unless he is pre-
9 sent on the date and at the place that the lottery is conducted unless
10 medical reasons or military service outside the state prevent attend-
11 ance. An applicant may be represented by an agent on the day of the
12 lottery if the land offered for sale is classified as commercial, in-
13 dustrial, or agricultural land. On the day of the lottery [AT THE TIME
14 OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot shall deposit
15 an amount equal to five percent of the purchase price, or if the pur-
16 chaser elects to use land discounts granted under AS 38.05.058, five
17 percent of the [DISCOUNT] purchase price after deduction of the dis-
18 count.

19 * Sec. 11. AS 38.05.067(d) is repealed and reenacted to read:

20 (d) In this section "veteran" means a person with 90 days or more
21 of active service in the armed forces of the United States who has been
22 honorably discharged.

23 * Sec. 12. AS 38.05.067(e) is amended to read:

24 (e) This sale does not apply to the sale of state land under
25 AS 38.04.020(g)(2) [AS 38.05.047(f)], AS 38.05.077, and 38.05.078.

26 * Sec. 13. AS 38.05.077(a) is amended to read:

27 (a) The commissioner shall, under the procedures required by
28 AS 38.04.020, AS 38.05.300, [AND] 38.05.305, and 38.05.345, classify
29 state land which is suitable for disposal as remote parcels. The

1 commissioner shall designate remote parcel selection areas consisting
2 of land classified under this section. The commissioner may [SHALL] set
3 the number of remote parcels that may be selected in each remote parcel
4 selection area. A remote parcel may not exceed 40 acres. [THE COMMIS-
5 SIONER SHALL DETERMINE FOR EACH REMOTE PARCEL SELECTION AREA, THE
6 AMOUNT OF LAND IN EACH REMOTE PARCEL THAT MAY BE USED FOR RESIDENTIAL
7 PURPOSES. LAND WHICH MAY BE USED FOR RESIDENTIAL PURPOSES IN A REMOTE
8 PARCEL MAY NOT BE LESS THAN TWO ACRES AND MAY NOT EXCEED FIVE ACRES.]

9 * Sec. 14. AS 38.05.077(c) is amended to read:

10 (c) A person who qualifies under (g) of this section may apply
11 [UNDER THE PROCEDURES SET OUT IN AS 38.05.057] to lease a remote parcel
12 in a parcel selection area designated by the commissioner under (a) of
13 this section if he has staked the exterior boundaries of the remote
14 parcel in accordance with the parcel selection procedures established
15 under (b) of this section during an entry period established by the
16 commissioner. A [EACH] person [WHO IS ENTITLED TO SELECT A REMOTE
17 PARCEL] may enter a remote parcel selection [THE] area [FOR WHICH HE
18 APPLIED] to stake the boundaries of a remote parcel. A person shall
19 select a remote parcel in person and may not be represented by an
20 attorney or agent.

21 * Sec. 15. AS 38.05.077(d) is amended to read:

22 (d) Not later than 15 days after [SELECTION AND] staking the
23 exterior boundaries of a remote parcel, the person who staked [SELECTED]
24 the parcel shall file a sketch plat with the department which shows the
25 location of the remote parcel [AND THE LOCATION OF THE LAND IN THE
26 PARCEL THAT HE INTENDS TO USE FOR RESIDENTIAL PURPOSES]. At the time
27 of filing the sketch plat, the person who staked [SELECTED] the parcel
28 shall apply to lease the land. An application to lease the land shall
29 be on a standard form prepared by the department. The annual rental

1 payment for the first year of the lease shall be submitted to the
2 department with the application. After the application to lease a
3 remote parcel is approved, the commissioner shall offer to lease the
4 land to the person who staked [SELECTED] the remote parcel. A lease
5 granted under this section shall contain the following terms:

6 (1) a remote parcel may be leased for five years;

7 (2) a remote parcel lease may be renewed at the option of
8 the lessee for a second five-year period under the same terms as pro-
9 vided for the first five-year period of the remote parcel lease; [AND]

10 (3) a rental payment shall be paid annually and shall be
11 \$10 for each acre; [\$150 A YEAR FOR FIVE ACRES OR LESS PLUS \$50 FOR
12 EACH ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES.]

13 (4) unless the land is surveyed, the lessee shall, within
14 one year of approval of the lease application and continuously for the
15 lease period, physically delineate the boundaries of the parcel by
16 brushing a line so that they are readily visible from the ground.

17 * Sec. 16. AS 38.05.077 is amended by adding a new subsection to read:

18 (g) To qualify to lease a remote parcel under this section, a
19 person shall

20 (1) at the time of application be 18 years of age or older:

21 (2) submit proof as required by regulation that he has been
22 a resident of the state for not less than one year immediately preceding
23 the date his application was submitted; and

24 (3) certify that he has not previously leased a remote
25 parcel from the state within eight years immediately preceding the date
26 of staking a remote parcel.

27 * Sec. 17. AS 38.05.078(a) is amended to read:

28 (a) A lessee of a remote parcel may purchase the land leased
29 [USED FOR RESIDENTIAL PURPOSES IN A REMOTE PARCEL] if, before the

1 expiration of the lease or [A RENEWAL OF THE] lease renewal, he pays
2 a deposit to the department equal to five percent of the fair market
3 value of the land under (c) of this section, surveys the [RESIDENTIAL]
4 land, and erects a habitable dwelling on the land. The lessee of a
5 remote parcel may prove the existence and the location of a habitable
6 dwelling by executing an affidavit as to its existence and location
7 and including with the affidavit a clear photo and an accurate drawing
8 prepared, signed, and dated by the lessee and described with refer-
9 ence to one or more survey corners of the remote parcel.

10 * Sec. 18. AS 38.05.078(c) is amended to read:

11 (c) A lessee of a remote parcel may purchase land in the [A]
12 remote parcel under the terms specified in AS 38.05.065(b). The purchase
13 price of land sold under this section shall be its fair market value as
14 determined by the commissioner, less the total amount paid to the
15 department in annual rental fees under AS 38.05.077(d)(3). The valuation
16 date for determining the fair market value of land sold under this
17 section is the date that the remote parcel was first leased to the
18 purchaser of the land [PLAT OF SURVEY IS APPROVED BY THE COMMISSIONER].

19 * Sec. 19. AS 38.08.010(b) is amended to read:

20 (b) Land classified as homesite entry land shall be divided into
21 parcels not exceeding five acres in reasonably compact form, with
22 boundaries conforming as nearly as practicable to natural geologic and
23 topographic features. A parcel may exceed five acres if the director
24 determines that a larger size is necessary to permit the design of a
25 viable subdivision because of topographical features, soil conditions,
26 on-site sewage disposal requirements, or water drainage or supply con-
27 siderations that are unique to the subdivision.

28 * Sec. 20. AS 38.08.040(b) is amended to read:

29 (b) If the number of applicants qualified for homesite entry

1 exceeds the number of available homesites offered [,] or if several
2 applicants apply and qualify for the same homesite, priority in award
3 of an entry permit shall be accorded to that applicant showing proof of
4 the longest residency in the state. An applicant shall present his
5 proof of residency to the director in person at the time and place
6 designated by the director unless medical reasons or military service
7 outside the state prevent attendance.

8 * Sec. 21. AS 40.15.010 is amended by adding a new subsection to read:

9 (b) Notwithstanding (a) of this section, AS 29.33.190, AS 38.04.-
10 045(b), AS 40.15.070 and 40.15.200, a subdivision of state land classi-
11 fied for disposal under AS 38.05 and AS 38.08 need not show the approval
12 of the platting board or other subdivision authority having jurisdiction
13 in order to file the plat for record in the office of the recorder.
14 However, state subdivision plats must be submitted to the platting
15 authority for review in compliance with AS 29.33.160(c) and recorded
16 before the sale of a lot or tract in the subdivision.

17 * Sec. 22. AS 40.15.190(2) is amended to read:

18 (2) "subdivision"

19 (A) means the division of a tract or parcel of land
20 into two or more lots, sites, or other divisions for the purpose,
21 whether immediate or future, of sale or building development, and
22 includes resubdivision and, when appropriate to the context,
23 relates to the process of subdividing or to the land or areas
24 subdivided;

25 (B) does not include cadastral plats, cadastral control
26 plats, open-to-entry plats, or remote parcel plats created by or
27 on behalf of the state regardless of whether these plats include
28 easements or other public dedications.

29 * Sec. 23. AS 41.17.020(a) is amended to read:

1 (a) The governor may [SHALL] establish, within the Department of
2 Natural Resources, a division of forestry [FOREST, LAND, AND WATER
3 MANAGEMENT] to carry out this chapter and other appropriate duties
4 designated by the governor. The division shall be headed by a director
5 who shall be the state forester, appointed to the partially exempt
6 service in accordance with law by the commissioner [, FROM A LIST OF
7 TWO OR MORE CANDIDATES SUBMITTED BY THE BOARD. THE COMMISSIONER MAY
8 REJECT ALL CANDIDATES, IN WHICH CASE THE BOARD SHALL SUBMIT A NEW
9 LIST]. The state forester shall be a natural resources land manager
10 with generally accepted educational credentials, familiar and exper-
11 ienced with the renewable and nonrenewable resources and values of
12 forest land and the products, benefits, and services obtained from
13 them.

14 * Sec. 24. A person who selected a remote parcel or acquired a right to
15 select a remote parcel before July 1, 1981, may convert his remote parcel
16 lease agreement to a new lease agreement which contains terms and conditions
17 consistent with AS 38.05.077(d) and 38.05.078(a) and (c) as amended in secs.
18 15, 17, and 18 of this Act. The commissioner of natural resources shall
19 prepare and distribute new lease forms to persons described in this section.

20 * Sec. 25. Land disposals conducted by the commissioner of natural
21 resources for fiscal year 1982 shall be in accordance with appropriations to
22 the Department of Natural Resources for that purpose.

23 * Sec. 26. AS 38.05.047, 38.05.065(a), 38.05.077(b)(2), and 38.05.078(b)
24 are repealed.

25 * Sec. 27. This Act takes effect July 1, 1981.
26
27
28
29

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. CS HB 31
 Title _____
 Requested by House Finance Date 4/9/81

II. FISCAL DETAIL
 Agency Affected DNR
 Program Category Affected NRMEC
 BRU, Program, or Subprogram(s) Affected Land Management/Land Disposals Fee Title
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		346.2	346.2	346.2	346.2	346.2
200 TRAVEL		31.5	25.0	25.0	25.0	25.0
300 CONTRACTUAL		352.4	152.4	152.4	152.4	152.4
400 COMMODITIES		10.0	10.0	10.0	10.0	10.0
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL CAPITAL 12400.0

13140.1

FUNDING (Thousands of Dollars)

GENERAL FUND		13140.				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		9	9	9	9	9
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Negotiation with boroughs on 20% retained for land bank.
 Division of Forestry creation.
 Field inspection/remote parcels.
 Appriaisals/remote parcels.
 Conversion of existing remote parcel leases to new terms.
 Conducting lotteries in local areas.

Survey municipal entitlements (CAPITAL)

IV. DATE 4/9/81 PREPARED BY Jeff Haynes
 AGENCY DNR
 PHONE 465-2400
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Carney

AMENDMENT TO HB31

Page 6, Line 13, add after commissioner..In municipalities having demonstrated agricultural potential whose selections, under 29.18.201, include substantial amounts of Class I, II, and III agricultural soils, the lands identified for future disposal may, at the municipalities option, include up to 1/2 Class I, II, and III soils restricted to agricultural development only. Past municipal disposals of residential parcels of 10 acres or less or agricultural parcels may be counted toward the 20% requirement if before the effective date of this act they were disposed of on terms generally similar to comparable state disposals or after the effective date of this act they are disposed of on terms equal to or better than those offered in comparable state disposals.

4-21-81

Carney

AMENDMENT HB 31

Page 4, line 29, add..... to comply with local zoning ordinances or..

Page 14, line 20, add.....to comply with local zoning ordinances or..

Carney

29.33.150 add.

and may not refuse to sign plats for recording
because of the failure of the state to construct
capitol improvements.

Carney

29.33.150

(b) The regulations adopted under (a) of this section apply to subdivision plats of undeveloped state land for disposal under AS 38.05 or AS 38.08 filed with the platting board, except that the platting board may not disapprove the subdivision plat or adopt regulations which require the state to construct access roads or capital improvements on state land included in the subdivision plat and may not refuse to sign plats for recording because of the failure of the state to construct capital improvements.

4-21-81

After line 22, add new subsection (e):

(e) This sale does not apply to the sale of state land under AS 38.04.020(g)(2) [38.05.047(f)], 38.05.077 and 38.05.078.

1 shall [MAY] sell land by lottery for less than the fair market value of
2 the land if he determines that scarcity of land for private use in the
3 area of the land to be sold has resulted in unrealistic land values.
4 Before the commissioner determines the purchase price for land which is
5 located in a municipality and which is to be sold under this section,
6 he shall consult with the assessor of the municipality. The lottery
7 shall be conducted in public by the commissioner or his representative,
8 and an applicant may not be selected to purchase land unless he is pre-
9 sent on the date and at the place that the lottery is conducted unless
10 medical reasons or military service outside the state prevent attend-
11 ance. An applicant may be represented by an agent on the day of the
12 lottery if the land offered for sale is classified as commercial, in-
13 dustrial, or agricultural land. On the day of the lottery [AT THE TIME
14 OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot shall deposit
15 an amount equal to five percent of the purchase price, or if the pur-
16 chaser elects to use land discounts granted under AS 38.05.058, five
17 percent of the [DISCOUNT] purchase price after deduction of the dis-
18 count.

19 * Sec. 11. AS 38.05.067(d) is repealed and reenacted to read:

20 (d) In this section "veteran" means a person with 90 days or more
21 of active service in the armed forces of the United States who has been
22 honorably discharged.

23 * Sec. 12. AS 38.05.077(a) is amended to read:

24 (a) The commissioner shall, under the procedures required by
25 AS 38.04.020, AS 38.05.300, [AND] 38.05.305, and 38.05.345, classify
26 state land which is suitable for disposal as remote parcels. The
27 commissioner shall designate remote parcel selection areas consisting
28 of land classified under this section. The commissioner may [SHALL] set
29 the number of remote parcels that may be selected in each remote parcel

Add
new
subsection
(e)

4-21-81

7. Lec. am. - P. 11, L. 23 - new (e)

P. 16, L. 1 - "may"

Freeman am - approved by committee.

Original sponsors: Freeman, Gardiner
and Halford

P. 15, Sec. 21

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 31 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the management of state land; and
7 providing for an effective date."

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

9 * Section 1. AS 29.18.204(c) is amended to read:

10 (c) Land may be selected or nominated for selection by a munici-
11 pality to satisfy a general grant land entitlement under AS 29.18.201
12 and 29.18.202 at any time before October 1, 1980. If a municipal
13 selection or nomination or a part of a municipal selection or nomina-
14 tion is rejected by the director, the municipality may select addi-
15 tional state land of equal area to satisfy its entitlement not later
16 than 90 days after receipt of the director's rejection.

17 * Sec. 2. AS 38.04.020 is repealed and reenacted to read:

18 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall
19 establish a land disposal bank containing state land suitable for
20 disposal by fee simple title into private ownership.

21 (b) The land disposal bank does not include

22 (1) land nominated for selection or selected by a munici-
23 pality to satisfy a general grant land entitlement under AS 29.18.201 -
24 29.18.213;

25 (2) land retained in state ownership for multiple-use manage-
26 ment;

27 (3) land where less than a fee simple title has been con-
28 veyed;

29 (4) land retained in state ownership under an enactment of

1 the legislature or by the governor or a state agency under authority of
2 law.

3 (c) Land to be retained in state ownership may be classified by
4 the commissioner into multiple-use management categories under AS 38.-
5 05.300. Land within a municipality retained in state ownership consists
6 of land classified for retention in state ownership as of December 31,
7 1980. Land outside a municipality to be retained in state ownership
8 consists of land classified for retention in state ownership by the
9 commissioner by July 1, 1983. Land conveyed to the state by the federal
10 government which is to be retained in state ownership consists of land
11 classified by the commissioner within two years of receipt of tentative
12 approval or patent, whichever occurs first. State land not classified
13 for retention in state ownership under this section shall be classified
14 and included in the land disposal bank. The commissioner shall ensure
15 that the bank includes at least 500,000 acres.

16 (d) On January 15 of each year, the commissioner shall report to
17 the legislature on the status of land in the land disposal bank under
18 the following categories:

- 19 (1) land suitable for remote parcel disposal;
20 (2) land suitable for subdivision disposal; and
21 (3) land suitable for agricultural, commercial, or industrial
22 disposal.

23 (e) The commissioner shall annually submit to the governor an
24 appropriation request necessary for the disposal of state land in the
25 land disposal bank which shall be included in the budget submitted to
26 the legislature by the governor. The request shall include an estimate
27 of the amount necessary

- 28 (1) for survey and disposal of land proposed to be made
29 available for remote parcel staking for the succeeding fiscal year,

1 with the general location of the land;

2 (2) for survey and disposal of land to be offered as agri-
3 cultural, commercial, or industrial land under AS 38.05.055 or 38.-
4 05.057 during the succeeding fiscal year, with the general location of
5 the land;

6 (3) for the survey and disposal of land proposed to be
7 offered as subdivisions, with the general location of the land;

8 (4) for preliminary feasibility studies, engineering design
9 work, and construction of access roads and capital improvements required
10 by municipal subdivision ordinance or regulation of the platting board
11 under AS 29.33.150; if an accurate determination of the amounts neces-
12 sary for access roads or capital improvements cannot be made at the
13 time the estimate is submitted, a schedule for obtaining the estimates,
14 constructing the access roads or capital improvements, and disposing of
15 the land shall be submitted;

16 (5) for identification of land which will be proposed for
17 disposal under this subsection in future fiscal years.

18 (f) The request of the commissioner under (e) of this section
19 shall be based on an assessment by the commissioner of the current
20 needs and anticipated uses of state land in the different regions of
21 the state and developed in consultation with municipalities. The
22 assessment must be completed each year in writing. It must identify
23 areas where land values are artificially inflated and include a survey
24 of the supply of land in private ownership currently on the market,
25 plans for the disposal of municipal land, and the amount of federal
26 land available for disposal through sales, leases, or permits for
27 specific activities. The assessment of needs and anticipated uses for
28 state land shall be based on an analysis of demand for land offered for
29 a variety of purposes under terms equivalent to those available under

1 comparable state land disposal programs. The assessment must include
2 findings regarding the amount of state land which is necessary to meet
3 the statewide demand for three fiscal years immediately after the year
4 in which the assessment is made. The assessment must also include the
5 general location of land to be disposed of and recommendations for the
6 methods of disposal and terms under which the land will be offered to
7 the public.

8 (g) After July 1 of each year, the commissioner shall direct the
9 expenditure of money appropriated for the disposal of land in response
10 to requests made under (f) of this section for the following:

11 (1) land designated as suitable for remote parcel disposal
12 shall be classified and surveyed under this chapter and AS 38.05 and
13 made available for staking and lease under AS 38.05.077;

14 (2) land designated as suitable for subdivision disposal
15 shall be surveyed, subdivided, classified, and disposed of as follows:

16 (A) up to 80 percent of the parcels shall be sold under
17 the lottery sale procedures established in AS 38.05.057 and
18 38.05.065;

19 (B) at least 10 percent of the parcels shall be disposed
20 of as homesites under AS 38.08; and

21 (C) at least an additional 10 percent of the parcels
22 shall be disposed of as homesites under AS 38.08 except that,
23 notwithstanding AS 38.08.040(b), parcels offered under this sub-
24 paragraph shall be offered by lottery under AS 38.05.057;

25 (3) land designated agricultural, commercial, or industrial
26 shall be sold under AS 38.05.055 or 38.05.057.

27 (h) Individual parcels disposed of in subdivisions may not exceed
28 five acres unless the commissioner determines that a larger size is
29 necessary to permit the design of a viable subdivision because of

1 topographical features, soil conditions, on-site sewage disposal re-
2 quirements, or water drainage or supply considerations that are unique
3 to the subdivision.

4 (i) Nothing in this section prevents the disposal of interests in
5 land not in the land disposal bank by the commissioner under

6 (1) AS 38.05.055;

7 (2) AS 38.05.057;

8 (3) AS 38.05.070;

9 (4) AS 38.05.079;

10 (5) AS 38.08; or

11 (6) other law.

12 (j) A person or an agency of the state may nominate land retained
13 in state ownership for inclusion in the land disposal bank or may
14 nominate land in the land disposal bank for retention in state owner-
15 ship. The commissioner shall hold public hearings semiannually to take
16 nominations under this subsection. A transfer of land from retention
17 in state ownership to the land disposal bank or from the land disposal
18 bank to retention in state ownership shall be accomplished through a
19 classification order under AS 38.05.300 and notice under AS 38.05.345.
20 The commissioner shall make a written determination within six months
21 after receipt of a nomination if he determines that land nominated will
22 not be classified or reclassified as requested.

23 (k) The commissioner may withdraw from the land disposal bank
24 state land that has been offered for disposal but not conveyed within
25 five years after inclusion in the land disposal bank. State land
26 withdrawn from the land disposal bank under this section must be reclas-
27 sified under AS 38.04.065.

28 * Sec. 3. AS 38.04 is amended by adding a new section to read:

29 Sec. 38.04.021. IDENTIFICATION AND DISPOSAL OF MUNICIPAL ENTITLED-

1 MENT LAND. (a) Notwithstanding AS 29.18.201 - 29.18.213, the commis-
2 sioner shall refrain from issuing patents to municipalities for approved
3 selections under AS 29.18.201 - 29.18.213 except in accordance with the
4 procedures established in this section.

5 (b) The commissioner shall initiate with each municipality en-
6 titled to receive land under AS 29.18 a review of selections for which
7 patent has not been issued as of the effective date of this Act. By
8 July 1, 1982, the commissioner and each municipality shall jointly
9 designate 20 percent of the selections for which patents have not been
10 issued as of the effective date of this Act, which are most suitable
11 for disposal into private ownership. A municipality may substitute
12 land patented as of the effective date of this Act with the concurrence
13 of the commissioner. If, by July 1, 1982, the commissioner and a
14 municipality cannot agree on land to be designated, the commissioner
15 shall make the designation. By September 1, 1982, the commissioner
16 shall certify the legal descriptions of the land designated and include
17 it as a special category of land in the land disposal bank. The land
18 shall be made available for disposal in accordance with AS 38.04.-
19 020(d) - (h), except that none of the land may be proposed for remote
20 parcel disposal and the land is not subject to AS 38.04.020(j). A
21 municipality may submit a recommended disposal schedule for land desig-
22 nated under this subsection.

23 (c) By January 15 of each year, the commissioner shall submit to
24 the governor an appropriation request sufficient to survey all approved
25 selections not patented, not designated under (b) of this section, and
26 requiring survey under AS 29.18.207. The request shall be submitted by
27 the governor to the legislature with the budget. Upon receipt of an
28 appropriation for this purpose, the commissioner shall survey the land
29 and issue the patents as expeditiously as possible. For approved

1 selections not designated under (b) of this section and not in need of
2 survey under AS 29.18.207, the commissioner shall issue patents by
3 September 1, 1982. Patents may not be issued until land suitable for
4 disposal into private ownership has been designated under (b) of this
5 section.

6 (d) Upon disposal of land designated under (b) of this section,
7 the commissioner shall make a partial assignment to the municipality in
8 which the land is situated of receipts from the land sale contract
9 relating to the value of the land without improvements.

10 (e) Notwithstanding (a) - (d) of this section, the commissioner
11 may issue patents for approved selections otherwise in conformity with
12 AS 29.18.201 - 29.18.213 if

13 (1) the land to be patented is for an essential public
14 facility or purpose for which there is an immediate need as determined
15 by the commissioner;

16 (2) the land has been scheduled and formally advertised for
17 disposal by a municipality under its land disposal program; or

18 (3) the amount of land patented to a municipality is less
19 than 10 percent of its entitlement as of the effective date of this Act
20 and the municipality requests an amount of patented land sufficient to
21 bring it to the 10 percent level.

22 * Sec. 4. AS 38.04.055 is amended by adding a new subsection to read:

23 (b) An easement or right-of-way reserved under this section may
24 include established trails traditionally used for commerce, recreation,
25 or transportation.

26 * Sec. 5. AS 38.05.035(a)(14) is amended to read:

27 (14) when he makes a written finding that the interests of
28 the state will be best served, he may, with the consent of the commis-
29 sioner, approve contracts for the sale, lease, or other disposal of

1 available lands, resources, property or interest in them, and in addi-
2 tion to the conditions and limitations imposed by law, he may impose
3 additional conditions or limitations in the contracts as he, with the
4 consent of the commissioner, determines will best serve the interests
5 of the state; and no contract for the sale, lease, or other disposal of
6 available lands or interests in them, is legally binding on the state
7 until the commissioner formally records his consent to the contract;
8 but if the appraised value is not greater than \$50,000 [\$10,000] in the
9 case of the sale of land or an interest in land, or \$5,000 [\$1,000] in
10 the case of the annual rental of land or interest in land, the director
11 may approve and issue the contract without the consent or approval of
12 the commissioner; the written finding shall be available to the public
13 upon request; before a public hearing, if held, or in any case no less
14 than 21 days before the sale, lease, or other disposal of available
15 land, property, resources, or interests in them, the director shall
16 make available to the public a written decision in which he sets out
17 the facts and applicable law upon which he based his determination that
18 the sale, lease, or other disposal will best serve the interests of the
19 state; a written finding is not required before the approval of

20 (A) a contract for a negotiated sale authorized by

21 AS 38.05.115;

22 (B) issuance of a permit under AS 38.05.330; or

23 (C) the lease of land for a shore fishery site under

24 AS 38.05.082.

25 * Sec. 6. AS 38.05.035(b) is amended by adding new paragraphs to read:

26 (7) convey to an adjoining landowner a parcel of land created
27 by a highway right-of-way alignment or realignment or a parcel created
28 by the vacation of a state-owned right-of-way if

29 (A) he determines that it is in the interest of the

1 state;

2 (B) the parcel does not exceed one acre; and

3 (C) the director and the platting authority having land
4 use planning jurisdiction agree that conveyance of the parcel to
5 the adjoining landowner will result in boundaries which are conven-
6 ient for the use of the land by the landowner and compatible with
7 municipal land use plans;

8 (8) for good cause extend the time for rental or installment
9 payments by a lessee or purchaser of state land under this chapter if
10 reasonable penalties and interest set by the director are paid.

11 * Sec. 7. AS 38.05.035 is amended by adding a new subsection to read:

12 (c) A parcel of land may be conveyed under (b)(7) of this section
13 without classification or reclassification under AS 38.05.300 but the
14 parcel must be sold at its fair market value as determined by the
15 director on the basis of an appraisal under AS 38.05.310. Nothing in
16 this subsection prevents the sale of land to a person not qualifying as
17 an adjoining landowner if the adjoining land owner declines to purchase
18 under (b)(7) of this section.

19 * Sec. 8. AS 38.05.050 is repealed and reenacted to read:

20 Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR PRIVATE
21 OWNERSHIP. The commissioner, upon recommendation of the director,
22 shall determine the land to be disposed of for private use. The direc-
23 tor shall determine the time and place of disposal. An auction sale, a
24 lottery sale, or a disposal of land for homesites under AS 38.08 must
25 be held in the municipality that is closest to the land to be sold or
26 disposed of and in which regular sessions of the superior court are
27 held.

28 * Sec. 9. AS 38.05.055 is amended to read:

29 Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method

1 of sale is authorized under this chapter, under AS 38.07, or under
2 [EXCEPT AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.08, the
3 sale of state land shall be made at public auction to the highest
4 qualified bidder as determined by the director. A bidder must appear
5 in person at the auction unless medical reasons or military service
6 outside the state prevent attendance. A bidder may be represented by
7 an attorney or agent at the auction if the land offered for disposal
8 is classified as commercial, industrial, or agricultural land. An
9 aggrieved bidder may appeal to the commissioner within five days after
10 the sale for a review of the director's determination. The sale shall
11 be conducted by the director or his representative, and at the time of
12 sale the successful bidder shall deposit an amount equal to five per-
13 cent [ONE-TENTH] of the purchase price, or if the purchaser elects to
14 use land discounts granted under AS 38.05.058, five percent of the
15 amount bid after deduction of the discount. The director or his repre-
16 sentative shall immediately issue a receipt containing a description of
17 the land or property purchased, the price bid, the amount deposited,
18 and the amount of any discount allowed [TERMS OF SALE], which receipt
19 shall be acknowledged in writing by the bidder. [A CONTRACT OF SALE ON
20 A FORM APPROVED BY THE ATTORNEY GENERAL SHALL BE SIGNED BY THE PURCHASER
21 AND, AFTER APPROVAL OF THE COMMISSIONER, THE CONTRACT SHALL ALSO BE
22 SIGNED BY THE DIRECTOR ON BEHALF OF THE STATE.]

23 * Sec. 10. AS 38.05.057(a) is amended to read:

24 (a) The commissioner may dispose of land, including land limited
25 to use for agricultural purposes, by lottery. The purchase price of
26 land sold by lottery shall be the fair market value of the land as
27 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,
28 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-
29 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner

1 shall [MAY] sell land by lottery for less than the fair market value of
2 the land if he determines that scarcity of land for private use in the
3 area of the land to be sold has resulted in unrealistic land values.
4 Before the commissioner determines the purchase price for land which is
5 located in a municipality and which is to be sold under this section,
6 he shall consult with the assessor of the municipality. The lottery
7 shall be conducted in public by the commissioner or his representative,
8 and an applicant may not be selected to purchase land unless he is pre-
9 sent on the date and at the place that the lottery is conducted unless
10 medical reasons or military service outside the state prevent attend-
11 ance. An applicant may be represented by an agent on the day of the
12 lottery if the land offered for sale is classified as commercial, in-
13 dustr.al, or agricultural land. On the day of the lottery [AT THE TIME
14 OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot shall deposit
15 an amount equal to five percent of the purchase price, or if the pur-
16 chaser elects to use land discounts granted under AS 38.05.058, five
17 percent of the [DISCOUNT] purchase price after deduction of the dis-
18 count.

19 * Sec. 11. AS 38.05.067(d) is repealed and reenacted to read:

20 (d) In this section "veteran" means a person with 90 days or more
21 of active service in the armed forces of the United States who has been
22 honorably discharged.

23 * Sec. 12. AS 38.05.067(e) is amended to read:

24 (e) This sale does not apply to the sale of state land under
25 AS 38.04.020(g)(2) [AS 38.05.047(f)], AS 38.05.077, and 38.05.078.

26 * Sec. 13. AS 38.05.077(a) is amended to read:

27 (a) The commissioner shall, under the procedures required by
28 AS 38.04.020, AS 38.05.300, [AND] 38.05.305, and 38.05.345, classify
29 state land which is suitable for disposal as remote parcels. The

1 commissioner shall designate remote parcel selection areas consisting
2 of land classified under this section. The commissioner may [SHALL] set
3 the number of remote parcels that may be selected in each remote parcel
4 selection area. A remote parcel may not exceed 40 acres. [THE COMMIS-
5 SIONER SHALL DETERMINE FOR EACH REMOTE PARCEL SELECTION AREA, THE
6 AMOUNT OF LAND IN EACH REMOTE PARCEL THAT MAY BE USED FOR RESIDENTIAL
7 PURPOSES. LAND WHICH MAY BE USED FOR RESIDENTIAL PURPOSES IN A REMOTE
8 PARCEL MAY NOT BE LESS THAN TWO ACRES AND MAY NOT EXCEED FIVE ACRES.]

9 * Sec. 14. AS 38.05.077(c) is amended to read:

10 (c) A person who qualifies under (g) of this section may apply
11 [UNDER THE PROCEDURES SET OUT IN AS 38.05.057] to lease a remote parcel
12 in a parcel selection area designated by the commissioner under (a) of
13 this section if he has staked the exterior boundaries of the remote
14 parcel in accordance with the parcel selection procedures established
15 under (b) of this section during an entry period established by the
16 commissioner. A [EACH] person [WHO IS ENTITLED TO SELECT A REMOTE
17 PARCEL] may enter a remote parcel selection [THE] area [FOR WHICH HE
18 APPLIED] to stake the boundaries of a remote parcel. A person shall
19 select a remote parcel in person and may not be represented by an
20 attorney or agent.

21 * Sec. 15. AS 38.05.077(d) is amended to read:

22 (d) Not later than 15 days after [SELECTION AND] staking the
23 exterior boundaries of a remote parcel, the person who staked [SELECTED]
24 the parcel shall file a sketch plat with the department which shows the
25 location of the remote parcel [AND THE LOCATION OF THE LAND IN THE
26 PARCEL THAT HE INTENDS TO USE FOR RESIDENTIAL PURPOSES]. At the time
27 of filing the sketch plat, the person who staked [SELECTED] the parcel
28 shall apply to lease the land. An application to lease the land shall
29 be on a standard form prepared by the department. The annual rental

1 payment for the first year of the lease shall be submitted to the
2 department with the application. After the application to lease a
3 remote parcel is approved, the commissioner shall offer to lease the
4 land to the person who staked [SELECTED] the remote parcel. A lease
5 granted under this section shall contain the following terms:

6 (1) a remote parcel may be leased for five years;

7 (2) a remote parcel lease may be renewed at the option of
8 the lessee for a second five-year period under the same terms as pro-
9 vided for the first five-year period of the remote parcel lease; [AND]

10 (3) a rental payment shall be paid annually and shall be
11 \$10 for each acre; [\$150 A YEAR FOR FIVE ACRES OR LESS PLUS \$50 FOR
12 EACH ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES.]

13 (4) unless the land is surveyed, the lessee shall, within
14 one year of approval of the lease application and continuously for the
15 lease period, physically delineate the boundaries of the parcel by
16 brushing a line so that they are readily visible from the ground.

17 * Sec. 16. AS 38.05.077 is amended by adding a new subsection to read:

18 (g) To qualify to lease a remote parcel under this section, a
19 person shall

20 (1) at the time of application be 18 years of age or older:

21 (2) submit proof as required by regulation that he has been
22 a resident of the state for not less than one year immediately preceding
23 the date his application was submitted; and

24 (3) certify that he has not previously leased a remote
25 parcel from the state within eight years immediately preceding the date
26 of staking a remote parcel.

27 * Sec. 17. AS 38.05.078(a) is amended to read:

28 (a) A lessee of a remote parcel may purchase the land leased
29 [USED FOR RESIDENTIAL PURPOSES IN A REMOTE PARCEL] if, before the

1 expiration of the lease or [A RENEWAL OF THE] lease renewal, he pays
2 a deposit to the department equal to five percent of the fair market
3 value of the land under (c) of this section, surveys the [RESIDENTIAL]
4 land, and erects a habitable dwelling on the land. The lessee of a
5 remote parcel may prove the existence and the location of a habitable
6 dwelling by executing an affidavit as to its existence and location
7 and including with the affidavit a clear photo and an accurate drawing
8 prepared, signed, and dated by the lessee and described with refer-
9 ence to one or more survey corners of the remote parcel.

10 * Sec. 18. AS 38.05.078(c) is amended to read:

11 (c) A lessee of a remote parcel may purchase land in the [A]
12 remote parcel under the terms specified in AS 38.05.065(b). The purchase
13 price of land sold under this section shall be its fair market value as
14 determined by the commissioner, less the total amount paid to the
15 department in annual rental fees under AS 38.05.077(d)(3). The valuation
16 date for determining the fair market value of land sold under this
17 section is the date that the remote parcel was first leased to the
18 purchaser of the land [PLAT OF SURVEY IS APPROVED BY THE COMMISSIONER].

19 * Sec. 19. AS 38.08.010(b) is amended to read:

20 (b) Land classified as homesite entry land shall be divided into
21 parcels not exceeding five acres in reasonably compact form, with
22 boundaries conforming as nearly as practicable to natural geologic and
23 topographic features. A parcel may exceed five acres if the director
24 determines that a larger size is necessary to permit the design of a
25 viable subdivision because of topographical features, soil conditions,
26 on-site sewage disposal requirements, or water drainage or supply con-
27 siderations that are unique to the subdivision.

28 * Sec. 20. AS 38.08.040(b) is amended to read:

29 (b) If the number of applicants qualified for homesite entry

1 exceeds the number of available homesites offered [,] or if several
2 applicants apply and qualify for the same homesite, priority in award
3 of an entry permit shall be accorded to that applicant showing proof of
4 the longest residency in the state. An applicant shall present his
5 proof of residency to the director in person at the time and place
6 designated by the director unless medical reasons or military service
7 outside the state prevent attendance.

8 * Sec. 21. AS 40.15.010 is amended by adding a new subsection to read:

9 (b) Notwithstanding (a) of this section, AS 29.33.190, AS 38.04.-
10 045(b), AS 40.15.070 and 40.15.200, a subdivision of state land classi-
11 fied for disposal under AS 38.05 and AS 38.08 need not show the approval
12 of the platting board or other subdivision authority having jurisdiction
13 in order to file the plat for record in the office of the recorder.
14 However, state subdivision plats must be submitted to the platting
15 authority for review in compliance with AS 29.33.160(c) and recorded
16 before the sale of a lot or tract in the subdivision.

17 * Sec. 22. AS 40.15.190(2) is amended to read:

18 (2) "subdivision"

19 (A) means the division of a tract or parcel of land
20 into two or more lots, sites, or other divisions for the purpose,
21 whether immediate or future, of sale or building development, and
22 includes resubdivision and, when appropriate to the context,
23 relates to the process of subdividing or to the land or areas
24 subdivided;

25 (B) does not include cadastral plats, cadastral control
26 plats, open-to-entry plats, or remote parcel plats created by or
27 on behalf of the state regardless of whether these plats include
28 easements or other public dedications.

29 * Sec. 23. AS 41.17.020(a) is amended to read:

1 (a) The governor may [SHALL] establish, within the Department of
2 Natural Resources, a division of forestry [FOREST, LAND, AND WATER
3 MANAGEMENT] to carry out this chapter and other appropriate duties
4 designated by the governor. The division shall be headed by a director
5 who shall be the state forester, appointed to the partially exempt
6 service in accordance with law by the commissioner [, FROM A LIST OF
7 TWO OR MORE CANDIDATES SUBMITTED BY THE BOARD. THE COMMISSIONER MAY
8 REJECT ALL CANDIDATES, IN WHICH CASE THE BOARD SHALL SUBMIT A NEW
9 LIST]. The state forester shall be a natural resources land manager
10 with generally accepted educational credentials, familiar and exper-
11 ienced with the renewable and nonrenewable resources and values of
12 forest land and the products, benefits, and services obtained from
13 them.

14 * Sec. 24. A person who selected a remote parcel or acquired a right to
15 select a remote parcel before July 1, 1981, may convert his remote parcel
16 lease agreement to a new lease agreement which contains terms and conditions
17 consistent with AS 38.05.077(d) and 38.05.078(a) and (c) as amended in secs.
18 15, 17, and 18 of this Act. The commissioner of natural resources shall
19 prepare and distribute new lease forms to persons described in this section.

20 * Sec. 25. Land disposals conducted by the commissioner of natural
21 resources for fiscal year 1982 shall be in accordance with appropriations to
22 the Department of Natural Resources for that purpose.

23 * Sec. 26. AS 38.05.047, 38.05.065(a), 38.05.077(b)(2), and 38.05.078(b)
24 are repealed.

25 * Sec. 27. This Act takes effect July 1, 1981.
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AMENDMENT

4/8/81 73 31
discussed
not moved

OFFERED IN THE HOUSE:

BY: Representative Moss

To: Finance HOUSE BILL No. _____

SENATE BILL No. _____

PAGE: 25 16

LINE: 12
8. Section 47

Sec. 25

* Section 47. AS 38.05 is amended by adding a new section to read:
 Sec. 38.05.064. AGRICULTURAL LAND IMPROVEMENT CREDITS. (a) The commissioner shall allow as a credit toward the sale price of land classified for agricultural purposes and sold under this section an amount approved by the commissioner and spent by the purchaser for the following improvements to the land;

- (1) \$90 per acre for land brought to cultivation, including clearing and drainage when necessary;
- (2) \$7 per hundred feet of fencing;
- (3) \$9 per square foot, not to exceed \$5,600 for permanent family dwellings;
- (4) \$5 per square foot, not to exceed \$5,600 for farm buildings;
- (5) \$11 per foot of a well producing water for domestic use;
- (6) \$1,700 per mile, not to exceed \$11,200 for access roads;
- (7) 50 percent of the purchaser's actual costs, not to exceed \$2,800 for the installation of electrical service lines.

(b) The total land improvement credits granted under this section may not exceed 50 percent of the sale price. Land improvement credits in excess of a payment may be credited to a future payment.

(c) To receive a land improvement credit under this section the purchaser shall certify under oath to the commissioner

- (1) the nature and extent of completion of the improvement;
- (2) the cost of the improvement not including labor provided by the purchaser, the spouse of the purchaser, or dependents of the purchaser.

(d) A purchaser may not receive a credit under this section which duplicates an entitlement under a federal or state farm conservation program.

4/8/81

Original Sponsors: Freeman, Gardiner
and Halford

Offered: 3/27/81
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 31 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the management of state land; and
7 providing for an effective date."

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

9 * Section 1. AS 29.18.204(c) is amended to read:

10 (c) Land may be selected or nominated for selection by a munici-
11 pality to satisfy a general grant land entitlement under AS 29.18.201
12 and 29.18.202 at any time before October 1, 1980. If a municipal
13 selection or nomination or a part of a municipal selection or nomina-
14 tion is rejected by the director, the municipality may select addi-
15 tional state land of equal area to satisfy its entitlement not later
16 than 90 days after receipt of the director's rejection.

17 * Sec. 2. AS 38.04.020 is repealed and reenacted to read:

18 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall
19 establish a land disposal bank containing state land suitable for
20 disposal by fee simple title into private ownership.

21 (b) The land disposal bank does not include

22 (1) land nominated for selection or selected by a munici-
23 pality to satisfy a general grant land entitlement under AS 29.18.201 -
24 29.18.213;

25 (2) land retained in state ownership for multiple-use
26 management;

27 (3) land where less than a fee simple title has been con-
28 veyed;

29 (4) land retained in state ownership under an enactment of

1 the legislature or by the governor or a state agency under authority of
2 law.

3 (c) Land to be retained in state ownership may be classified by
4 the commissioner into multiple-use management categories under AS 38.-
5 05.300. Land within a municipality retained in state ownership consists
6 of land classified for retention in state ownership as of December 31,
7 1980. Land outside a municipality to be retained in state ownership
8 consists of land classified for retention in state ownership by the
9 commissioner by July 1, 1983. Land conveyed to the state by the federal
10 government which is to be retained in state ownership consists of land
11 classified by the commissioner within two years of receipt of tentative
12 approval or patent, whichever occurs first. State land not classified
13 for retention in state ownership under this section shall be classified
14 and included in the land disposal bank. The commissioner shall ensure
15 that the bank includes at least 500,000 acres.

16 (d) On January 15 of each year, the commissioner shall report to
17 the legislature on the status of land in the land disposal bank under
18 the following categories:

19 (1) land suitable for remote parcel disposal;
20 (2) land suitable for subdivision disposal; and
21 (3) land suitable for agricultural, commercial, or industrial
22 disposal.

23 (e) The commissioner shall annually submit to the governor an
24 appropriation request necessary for the disposal of state land in the
25 land disposal bank which shall be included in the budget submitted to
26 the legislature by the governor. The request shall include an estimate
27 of the amount necessary

28 (1) for survey and disposal of land proposed to be made
available for remote parcel staking for the succeeding fiscal year,

1 with the general location of the land;

2 (2) for survey and disposal of land to be offered as agri-
3 cultural, commercial, or industrial land under AS 38.05.055 or 38.-
4 05.057 during the succeeding fiscal year, with the general location of
5 the land.

6 (3) for the survey and disposal of land proposed to be
7 offered as subdivisions, with the general location of the land;

8 (4) for preliminary feasibility studies, engineering design
9 work, and construction of access roads and capital improvements required
10 by municipal subdivision ordinance or regulation of the platting board
11 under AS 29.33.150; if an accurate determination of the amounts neces-
12 sary for access roads or capital improvements cannot be made at the
13 time the estimate is submitted, a schedule for obtaining the estimates,
14 constructing the access roads or capital improvements, and disposing of
15 the land shall be submitted;

16 (5) for identification of land which will be proposed for
17 disposal under this subsection in future fiscal years.

18 (f) The request of the commissioner under (e) of this section
19 shall be based on an assessment by the commissioner of the current
20 needs and anticipated uses of state land in the different regions of
21 the state and developed in consultation with municipalities. The
22 assessment must be completed each year in writing. It must identify
23 areas where land values are artificially inflated and include a survey
24 of the supply of land in private ownership currently on the market,
25 plans for the disposal of municipal land, and the amount of federal
26 land available for disposal through sales, leases, or permits for
27 specific activities. The assessment of needs and anticipated uses for
28 state land shall be based on an analysis of demand for land offered for
29 a variety of purposes under terms equivalent to those available under

1 comparable state land disposal programs. The assessment must include
2 findings regarding the amount of state land which is necessary to meet
3 the statewide demand for three fiscal years immediately after the year
4 in which the assessment is made. The assessment must also include the
5 general location of land to be disposed of and recommendations for the
6 methods of disposal and terms under which the land will be offered to
7 the public.

8 (g) After July 1 of each year, the commissioner shall direct the
9 expenditure of money appropriated for the disposal of land in response
10 to requests made under (f) of this section for the following:

11 (1) land designated as suitable for remote parcel disposal
12 shall be classified and surveyed under this chapter and AS 38.05 and
13 made available for staking and lease under AS 38.05.077.

14 (2) land designated as suitable for subdivision disposal
15 shall be surveyed, subdivided, classified, and disposed of as follows:

16 (A) up to 80 percent of the parcels shall be sold under
17 the lottery sale procedures established in AS 38.05.057 and 38.05.-
18 065;

19 (B) at least 10 percent of the parcels shall be disposed
20 of as homesites under AS 38.08; and

21 (C) at least an additional 10 percent of the parcels
22 shall be disposed of as homesites under AS 38.08 except that,
23 notwithstanding AS 38.08.040(b), parcels offered under this sub-
24 paragraph shall be offered by lottery under AS 38.05.057.

25 (3) land designated agricultural, commercial, or industrial
26 shall be sold under AS 38.05.055 or 38.05.057.

27 (h) Individual parcels disposed of in subdivisions may not exceed
28 five acres unless the commissioner determines that a larger size is
29 necessary to permit the design of a viable subdivision because of

1 topographical features, soil conditions, on-site sewage disposal re-
2 quirements, or water drainage or supply considerations that are unique
3 to the subdivision.

4 (i) Nothing in this section prevents the disposal of interests in
5 land not in the land disposal bank by the commissioner under

- 6 (1) AS 38.05.055;
7 (2) AS 38.05.057;
8 (3) AS 38.05.070;
9 (4) AS 38.05.079;
10 (5) AS 38.08; or
11 (6) other law.

12 (j) A person or an agency of the state may nominate land retained
13 in state ownership for inclusion in the land disposal bank or may
14 nominate land in the land disposal bank for retention in state owner-
15 ship. The commissioner shall hold public hearings semiannually to take
16 nominations under this subsection. A transfer of land from retention
17 in state ownership to the land disposal bank or from the land disposal
18 bank to retention in state ownership shall be accomplished through a
19 classification order under AS 38.05.300 and notice under AS 38.05.345.
20 The commissioner shall make a written determination within six months
21 after receipt of a nomination if he determines that land nominated will
22 not be classified or reclassified as requested.

23 (k) The commissioner may withdraw from the land disposal bank
24 state land that has been offered for disposal but not conveyed within
25 five years after inclusion in the land disposal bank. State land
26 withdrawn from the land disposal bank under this section must be reclass-
27 sified under AS 38.04.065.

28 * Sec. 3. AS 38.04 is amended by adding a new section to read:

29 Sec. 38.04.021. IDENTIFICATION AND DISPOSAL OF MUNICIPAL ENTITLE-

1 MENT LAND. (a) Notwithstanding AS 29.18.201 - 29.18.213, the commis-
2 sioner shall refrain from issuing patents to municipalities for approved
3 selections under AS 29.18.201 - 29.18.213 except in accordance with the
4 procedures established in this section.

5 (b) The commissioner shall initiate with each municipality
6 entitled to receive land under AS 29.18 a review of selections for
7 which patent has not been issued as of the effective date of this Act.
8 By July 1, 1982, the commissioner and each municipality shall jointly
9 designate 20 percent of the selections for which patents have not been
10 issued as of the effective date of this Act, which are most suitable
11 for disposal into private ownership. A municipality may substitute
12 land patented as of the effective date of this Act with the concurrence
13 of the commissioner. If, by July 1, 1982, the commissioner and a
14 municipality cannot agree on land to be designated, the [commissioner]
15 shall make the designation. By September 1, 1982, the commissioner
16 shall certify the legal descriptions of the land designated and include
17 it as a special category of land in the land disposal bank. The land
18 shall be made available for disposal in accordance with AS 38.04.020(d)-
19 (h), except that none of the land may be proposed for remote parcel
20 disposal and the land is not subject to AS 38.04.020(j). A municipality
21 may submit a recommended disposal schedule for land designated under
22 this subsection.

23 (c) By January 15 of each year, the commissioner shall submit to
24 the governor an appropriation request sufficient to survey all approved
25 selections not patented, not designated under (b) of this section, and
26 requiring survey under AS 29.18.207. The request shall be submitted by
27 the governor to the legislature with the budget. Upon receipt of an
28 appropriation for this purpose, the commissioner shall survey the land
29 and issue the patents as expeditiously as possible. For approved

*municipality
- not
adopted -*

1 selections not designated under (b) of this section and not in need of
2 survey under AS 29.18.207, the commissioner shall issue patents by
3 September 1, 1982. Patents may not be issued until land suitable for
4 disposal into private ownership has been designated under (b) of this
5 section.

6 (d) Upon disposal of land designated under (b) of this section,
7 the commissioner shall make a partial assignment to the municipality in
8 which the land is situated of receipts from the land sale contract
9 relating to the value of the land without improvements.

10 (e) Notwithstanding (a) - (d) of this section, the commissioner
11 may issue patents for approved selections otherwise in conformity with
12 AS 29.18.201 - 29.18.213 if

13 (1) the land to be patented is for an essential public
14 facility or purpose for which there is an immediate need as determined
15 by the commissioner;

16 (2) the land has been scheduled and formally advertised for
17 disposal by a municipality under its land disposal program; or

18 (3) the amount of land patented to a municipality is less
19 than 10 percent of its entitlement as of the effective date of this Act
20 and the municipality requests an amount of patented land sufficient to
21 bring it to the 10 percent level.

22 * Sec. 4. AS 38.04.055 is amended by adding a new subsection to read:

23 (b) An easement or right-of-way reserved under this section may
24 include established trails traditionally used for commerce, recreation,
25 or transportation.

26 * Sec. 5. AS 38.05.035(a)(14) is amended to read:

27 (14) when he makes a written finding that the interests of
28 the state will be best served, he may, with the consent of the commis-
29 sioner, approve contracts for the sale, lease, or other disposal of

1 available lands, resources, property or interest in them, and in addi-
2 tion to the conditions and limitations imposed by law, he may impose
3 additional conditions or limitations in the contracts as he, with the
4 consent of the commissioner, determines will best serve the interests
5 of the state; and no contract for the sale, lease, or other disposal of
6 available lands or interests in them, is legally binding on the state
7 until the commissioner formally records his consent to the contract;
8 but if the appraised value is not greater than \$50,000 [\$10,000] in the
9 case of the sale of land or an interest in land, or \$5,000 [\$1,000] in
10 the case of the annual rental of land or interest in land, the director
11 may approve and issue the contract without the consent or approval of
12 the commissioner; the written finding shall be available to the public
13 upon request; before a public hearing, if held, or in any case no less
14 than 21 days before the sale, lease, or other disposal of available
15 land, property, resources, or interests in them, the director shall
16 make available to the public a written decision in which he sets out
17 the facts and applicable law upon which he based his determination that
18 the sale, lease, or other disposal will best serve the interests of the
19 state; a written finding is not required before the approval of

20 (A) a contract for a negotiated sale authorized by
21 AS 38.05.115;

22 (B) issuance of a permit under AS 38.05.330; or

23 (C) the lease of land for a shore fishery site under
24 AS 38.05.082.

25 * Sec. 6. AS 38.05.035(b) is amended by adding new paragraphs to read:

26 (7) convey to an adjoining landowner a parcel of land created
27 by a highway right-of-way alignment or realignment or a parcel created
28 by the vacation of a state-owned right-of-way if

29 (A) he determines that it is in the interest of the

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state;

(B) the parcel does not exceed one acre; and

(C) the director and the platting authority having land use planning jurisdiction agree that conveyance of the parcel to the adjoining landowner will result in boundaries which are convenient for the use of the land by the landowner and compatible with municipal land use plans;

(8) for good cause extend the time for rental or installment payments by a lessee or purchaser of state land under this chapter if reasonable penalties and interest set by the director are paid.

* Sec. 7. AS 38.05.035 is amended by adding a new subsection to read:

(c) A parcel of land may be conveyed under (b)(7) of this section without classification or reclassification under AS 38.05.300 but the parcel must be sold at its fair market value as determined by the director on the basis of an appraisal under AS 38.05.310. Nothing in this subsection prevents the sale of land to a person not qualifying as an adjoining landowner if the adjoining land owner declines to purchase under (b)(7) of this section.

* Sec. 8. AS 38.05.050 is repealed and reenacted to read:

Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR PRIVATE OWNERSHIP. The commissioner, upon recommendation of the director, shall determine the land to be disposed of for private use. The director shall determine the time and place of disposal. An auction sale, a lottery sale, or a disposal of land for homesites under AS 38.08 must be held in the municipality that is closest to the land to be sold or disposed of and in which regular sessions of the superior court are held.

* Sec. 9. AS 38.05.055 is amended to read:

Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method

1 of sale is authorized under this chapter, under AS 38.07, or under
2 [EXCEPT AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.08, the
3 sale of state land shall be made at public auction to the highest
4 qualified bidder as determined by the director. A bidder must appear
5 in person at the auction unless medical reasons or military service
6 outside the state prevent attendance. A bidder may be represented by
7 an attorney or agent at the auction if the land offered for disposal
8 is classified as commercial, industrial, or agricultural land. An
9 aggrieved bidder may appeal to the commissioner within five days after
10 the sale for a review of the director's determination. The sale shall
11 be conducted by the director or his representative, and at the time of
12 sale the successful bidder shall deposit an amount equal to five per-
13 cent [ONE-TENTH] of the purchase price, or if the purchaser elects to
14 use land discounts granted under AS 38.05.058, five percent of the
15 amount bid after deduction of the discount. The director or his repre-
16 sentative shall immediately issue a receipt containing a description of
17 the land or property purchased, the price bid, the amount deposited,
18 and the amount of any discount allowed [TERMS OF SALE], which receipt
19 shall be acknowledged in writing by the bidder. [A CONTRACT OF SALE ON
20 A FORM APPROVED BY THE ATTORNEY GENERAL SHALL BE SIGNED BY THE PURCHASER
21 AND, AFTER APPROVAL OF THE COMMISSIONER, THE CONTRACT SHALL ALSO BE
22 SIGNED BY THE DIRECTOR ON BEHALF OF THE STATE.]

23 * Sec. 10. AS 38.05.057(a) is amended to read:

24 (a) The commissioner may dispose of land, including land limited
25 to use for agricultural purposes, by lottery. The purchase price of
26 land sold by lottery shall be the fair market value of the land as
27 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,
28 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-
29 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner

1 shall [MAY] sell land by lottery for less than the fair market value of
2 the land if he determines that scarcity of land for private use in the
3 area of the land to be sold has resulted in unrealistic land values.
4 Before the commissioner determines the purchase price for land which is
5 located in a municipality and which is to be sold under this section,
6 he shall consult with the assessor of the municipality. The lottery
7 shall be conducted in public by the commissioner or his representative,
8 and an applicant may not be selected to purchase land unless he is pre-
9 sent on the date and at the place that the lottery is conducted unless
10 medical reasons or military service outside the state prevent attend-
11 ance. An applicant may be represented by an agent on the day of the
12 lottery if the land offered for sale is classified as commercial, in-
13 dustrial, or agricultural land. On the day of the lottery [AT THE TIME
14 OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot shall deposit
15 an amount equal to five percent of the purchase price, or if the pur-
16 chaser elects to use land discounts granted under AS 38.05.058, five
17 percent of the [DISCOUNT] purchase price after deduction of the dis-
18 count.

19 * Sec. 11. AS 38.05.067(d) is repealed and reenacted to read:

20 (d) In this section "veteran" means a person with 90 days or more
21 of active service in the armed forces of the United States who has been
22 honorably discharged.

23 * Sec. 12. AS 38.05.077(a) is amended to read:

24 (a) The commissioner shall, under the procedures required by
25 AS 38.04.020, AS 38.05.300, [AND] 38.05.305, and 38.05.345, classify
26 state land which is suitable for disposal as remote parcels. The
27 commissioner shall designate remote parcel selection areas consisting
28 of land classified under this section. The commissioner may [SHALL] set
29 the number of remote parcels that may be selected in each remote parcel

1 selection area. A remote parcel may not exceed 40 acres. [THE COMMIS-
2 SIONER SHALL DETERMINE FOR EACH REMOTE PARCEL SELECTION AREA, THE
3 AMOUNT OF LAND IN EACH REMOTE PARCEL THAT MAY BE USED FOR RESIDENTIAL
4 PURPOSES. LAND WHICH MAY BE USED FOR RESIDENTIAL PURPOSES IN A REMOTE
5 PARCEL MAY NOT BE LESS THAN TWO ACRES AND MAY NOT EXCEED FIVE ACRES.]

6 * Sec. 13. AS 38.05.077(c) is amended to read:

7 (c) A person who qualifies under (g) of this section may apply
8 [UNDER THE PROCEDURES SET OUT IN AS 38.05.057] to lease a remote parcel
9 in a parcel selection area designated by the commissioner under (a) of
10 this section if he has staked the exterior boundaries of the remote
11 parcel in accordance with the parcel selection procedures established
12 under (b) of this section during an entry period established by the
13 commissioner. A [EACW] person [WHO IS ENTITLED TO SELECT A REMOTE
14 PARCEL] may enter a remote parcel selection [THE] area [FOR WHICH HE
15 APPLIED] to stake the boundaries of a remote parcel. A person shall
16 select a remote parcel in person and may not be represented by an
17 attorney or agent.

18 * Sec. 14. AS 38.05.077(d) is amended to read:

19 (d) Not later than 15 days after [SELECTION AND] staking the
20 exterior boundaries of a remote parcel, the person who staked [SELECTED]
21 the parcel shall file a sketch plat with the department which shows the
22 location of the remote parcel [AND THE LOCATION OF THE LAND IN THE
23 PARCEL THAT HE INTENDS TO USE FOR RESIDENTIAL PURPOSES]. At the time
24 of filing the sketch plat, the person who staked [SELECTED] the parcel
25 shall apply to lease the land. An application to lease the land shall
26 be on a standard form prepared by the department. The annual rental
27 payment for the first year of the lease shall be submitted to the
28 department with the application. After the application to lease a
29 remote parcel is approved, the commissioner shall offer to lease the

1 land to the person who staked [SELECTED] the remote parcel. A lease
2 granted under this section shall contain the following terms:

3 (1) a remote parcel may be leased for five years;

4 (2) a remote parcel lease may be renewed at the option of
5 the lessee for a second five-year period under the same terms as pro-
6 vided for the first five-year period of the remote parcel lease; [AND]

7 (3) a rental payment shall be paid annually and shall be
8 \$10 for each acre [\$150 A YEAR FOR FIVE ACRES OR LESS PLUS \$50 FOR EACH
9 ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES.]

10 (4) unless the land is surveyed, the lessee shall, within
11 one year of approval of the lease application and continuously for the
12 lease period, physically delineate the boundaries of the parcel by
13 brushing a line so that they are readily visible from the ground.

14 * Sec. 15. AS 38.05.077 is amended by adding a new subsection to read:

15 (g) To qualify to lease a remote parcel under this section, a
16 person shall

17 (1) at the time of application be 18 years of age or older:

18 (2) submit proof as required by regulation that he has been
19 a resident of the state for not less than one year immediately preceding
20 the date his application was submitted; and

21 (3) certify that he has not previously leased a remote
22 parcel from the state within eight years immediately preceding the date
23 of staking a remote parcel.

24 * Sec. 16. AS 38.05.078(a) is amended to read:

25 (a) A lessee of a remote parcel may purchase the land leased
26 [USED FOR RESIDENTIAL PURPOSES IN A REMOTE PARCEL] if, before the
27 expiration of the lease or [A RENEWAL OF THE] lease renewal, he pays
28 a deposit to the department equal to five percent of the fair market
29 value of the land under (c) of this section, surveys the [RESIDENTIAL]

1 land, and erects a habitable dwelling on the land. The lessee of a
2 remote parcel may prove the existence and the location of a habitable
3 dwelling by executing an affidavit as to its existence and location
4 and including with the affidavit a clear photo and an accurate drawing
5 prepared, signed, and dated by the lessee and described with refer-
6 ence to one or more survey corners of the remote parcel.

7 * Sec. 17. AS 38.05.078(c) is amended to read:

8 (c) A lessee of a remote parcel may purchase land in the [A]
9 remote parcel under the terms specified in AS 38.05.065(b). The purchase
10 price of land sold under this section shall be its fair market value as
11 determined by the commissioner, less the total amount paid to the
12 department in annual rental fees under AS 38.05.077(d)(3). The valuation
13 date for determining the fair market value of land sold under this
14 section is the date that the remote parcel was first leased to the
15 purchaser of the land [PLAT OF SURVEY IS APPROVED BY THE COMMISSIONER].

16 * Sec. 18. AS 38.08.010(b) is amended to read:

17 (b) Land classified as homesite entry land shall be divided into
18 parcels not exceeding five acres in reasonably compact form, with
19 boundaries conforming as nearly as practicable to natural geologic and
20 topographic features. A parcel may exceed five acres if the director
21 determines that a larger size is necessary to permit the design of a
22 viable subdivision because of topographical features, soil conditions,
23 on-site sewage disposal requirements, or water drainage or supply con-
24 siderations that are unique to the subdivision.

25 * Sec. 19. AS 38.08.040(b) is amended, to read:

26 (b) If the number of applicants qualified for homesite entry
27 exceeds the number of available homesites offered [,] or if several
28 applicants apply and qualify for the same homesite, priority in award
29 of an entry permit shall be accorded to that applicant showing proof of

1 the longest residency in the state. An applicant shall present his
2 proof of residency to the director in person at the time and place
3 designated by the director unless medical reasons or military service
4 outside the state prevent attendance.

5 * Sec. 20. AS 40.15.190(2) is amended to read:

6 (2) "subdivision"

7 (A) means the division of a tract or parcel of land
8 into two or more lots, sites, or other divisions for the purpose,
9 whether immediate or future, of sale or building development, and
10 includes resubdivision and, when appropriate to the context,
11 relates to the process of subdividing or to the land or areas
12 subdivided;

13 (B) does not include cadastral plats, cadastral control
14 plats, open-to-entry plats, or remote parcel plats created by or
15 on behalf of the state regardless of whether these plats include
16 easements or other public dedications.

17 * Sec. 21. AS 41.17.020(a) is amended to read:

18 (a) The governor shall establish, within the Department of Natural
19 Resources, a division of forestry [FOREST, LAND, AND WATER MANAGEMENT]
20 to carry out this chapter and other appropriate duties designated by
21 the governor. The division shall be headed by a director who shall be
22 the state forester, appointed to the partially exempt service in accor-
23 dance with law [BY THE COMMISSIONER, FROM A LIST OF TWO OR MORE CANDI-
24 DATES SUBMITTED BY THE BOARD. THE COMMISSIONER MAY REJECT ALL CANDI-
25 DATES, IN WHICH CASE THE BOARD SHALL SUBMIT A NEW LIST]. The state
26 forester shall be a natural resources land manager with generally
27 accepted educational credentials, familiar and experienced with the
28 renewable and nonrenewable resources and values of forest land and the
29 products, benefits, and services obtained from them.

1 * Sec. 22. A person who selected a remote parcel or acquired a right to
2 select a remote parcel before July 1, 1981, may convert his remote parcel
3 lease agreement to a new lease agreement which contains terms and conditions
4 consistent with AS 38.05.077(d) and 38.05.078(a) and (c) as amended in secs.
5 14, 16, and 17 of this Act. The commissioner of natural resources shall
6 prepare and distribute new lease forms to persons described in this section.

7 * Sec. 23. Land disposals conducted by the commissioner of natural
8 resources for fiscal year 1982 shall be in accordance with appropriations to
9 the Department of Natural Resources for that purpose.

10 * Sec. 24. AS 38.05.047, 38.05.065(a), 38.05.077(b)(2), and 38.05.078(b)
11 are repealed.

12 * Sec. 25. This Act takes effect July 1, 1981.

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4/16/81

Motion to
rescind
action on
reporting
bill out.

COMMITTEE REPORT

HOUSE

3/27/81

FURTHER:

(11)

Date: April 9 1981

Mr. Speaker:

The Committee on FINANCE has had HB 31

"An Act relating to the management and use of state, municipal, and private land; annulling 11 AAC 53.450(c); and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 31 (Fin) same title
 new title
- and recommends do pass
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Freeman
Wain
Thompson
Malone
San

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Do Not Pass
Do NOT PASS
Do pass Resources CS

San

CHAIRMAN

4/7/81
Freeman

4/2/81
Failed 4-5

New Section -

AS 40.15.010 is amended by adding a new subsection to read:

(b) Notwithstanding (a) of this section, AS 29.33.190, 38.04.-045(b), 40.15.070, and 40.15.200, subdivisions of state land classified for disposal under AS 38.05 and AS 38.08 need not show the approval of the platting board or other subdivision authority having jurisdiction in order to file the plat for record in the office of the recorder. However, state subdivision plats must be submitted to the platting authority for review in compliance with ~~AS 29.33.160(b)~~ this subsection and AS 29.33.-160(c) and recorded before the sale of any lots or tracts in the subdivision.

Dave Rogers
DNR
re: 2 typos in HB31

L M ->

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
Bill/Resolution No. CS HB 31
Title _____
Requested by House Finance Date 4/9/81

II. FISCAL DETAIL
Agency Affected DNR
Program Category Affected NRMEC
BRU, Program, or Subprogram(s) Affected Land Management/Land Disposals Fee Title
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		346.2	346.2	346.2	346.2	346.2
200 TRAVEL		31.5	25.0	25.0	25.0	25.0
300 CONTRACTUAL		352.4	152.4	152.4	152.4	152.4
400 COMMODITIES		10.0	10.0	10.0	10.0	10.0
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL CAPITAL ^{2,000.} ~~12400.0~~

FUNDING (Thousands of Dollars) ~~13140.1~~ ^{2,740.0}

GENERAL FUND		13140.1				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		9	9	9	9	9
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Negotiation with boroughs on 20% retained for land bank.
Division of Forestry creation.
Field inspection/remote parcels.
Apprialsals/remote parcels.
Conversion of existing remote parcel leases to new terms.
Conducting lotteries in local areas.
Survey municipal entitlements (CAPITAL)

IV. DATE 4/9/81 PREPARED BY Jeff Haynes
AGENCY DNR
PHONE 465-2400

Original: Legislative Finance
cc. Budget and Management
Prime Sponsor (First Legislator Named)

Original Sponsors: Freeman, Gardiner
and Halford

Offered: 3/27/81
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 31 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the management of state land; and
7 providing for an effective date."

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

9 * Section 1. AS 29.18.204(c) is amended to read:

10 (c) Land may be selected or nominated for selection by a munici-
11 pality to satisfy a general grant land entitlement under AS 29.18.201
12 and 29.18.202 at any time before October 1, 1980. If a municipal
13 selection or nomination or a part of a municipal selection or nomina-
14 tion is rejected by the director, the municipality may select addi-
15 tional state land of equal area to satisfy its entitlement not later
16 than 90 days after receipt of the director's rejection.

17 * Sec. 2. AS 38.04.020 is repealed and reenacted to read:

18 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall
19 establish a land disposal bank containing state land suitable for
20 disposal by fee simple title into private ownership.

21 (b) The land disposal bank does not include

22 (1) land nominated for selection or selected by a munici-
23 pality to satisfy a general grant land entitlement under AS 29.18.201 -
24 29.18.213;

25 (2) land retained in state ownership for multiple-use
26 management;

27 (3) land where less than a fee simple title has been con-
28 veyed;

29 (4) land retained in state ownership under an enactment of

1 the legislature or by the governor or a state agency under authority of
2 law.

3 (c) Land to be retained in state ownership may be classified by
4 the commissioner into multiple-use management categories under AS 38.-
5 05.300. Land within a municipality retained in state ownership consists
6 of land classified for retention in state ownership as of December 31,
7 1980. Land outside a municipality to be retained in state ownership
8 consists of land classified for retention in state ownership by the
9 commissioner by July 1, 1983. Land conveyed to the state by the federal
10 government which is to be retained in state ownership consists of land
11 classified by the commissioner within two years of receipt of tentative
12 approval or patent, whichever occurs first. State land not classified
13 for retention in state ownership under this section shall be classified
14 and included in the land disposal bank. The commissioner shall ensure
15 that the bank includes at least 500,000 acres.

16 (d) On January 15 of each year, the commissioner shall report to
17 the legislature on the status of land in the land disposal bank under
18 the following categories:

- 19 (1) land suitable for remote parcel disposal;
20 (2) land suitable for subdivision disposal; and
21 (3) land suitable for agricultural, commercial, or industrial
22 disposal.

23 (e) The commissioner shall annually submit to the governor an
24 appropriation request necessary for the disposal of state land in the
25 land disposal bank which shall be included in the budget submitted to
26 the legislature by the governor. The request shall include an estimate
27 of the amount necessary

- 28 (1) for survey and disposal of land proposed to be made
29 available for remote parcel staking for the succeeding fiscal year,

1 with the general location of the land;

2 (2) for survey and disposal of land to be offered as agri-
3 cultural, commercial, or industrial land under AS 38.05.055 or 38.-
4 05.057 during the succeeding fiscal year, with the general location of
5 the land.

6 (3) for the survey and disposal of land proposed to be
7 offered as subdivisions, with the general location of the land;

8 (4) for preliminary feasibility studies, engineering design
9 work, and construction of access roads and capital improvements required
10 by municipal subdivision ordinance or regulation of the platting board
11 under AS 29.33.150; if an accurate determination of the amounts neces-
12 sary for access roads or capital improvements cannot be made at the
13 time the estimate is submitted, a schedule for obtaining the estimates,
14 constructing the access roads or capital improvements, and disposing of
15 the land shall be submitted;

16 (5) for identification of land which will be proposed for
17 disposal under this subsection in future fiscal years.

18 (f) The request of the commissioner under (e) of this section
19 shall be based on an assessment by the commissioner of the current
20 needs and anticipated uses of state land in the different regions of
21 the state and developed in consultation with municipalities. The
22 assessment must be completed each year in writing. It must identify
23 areas where land values are artificially inflated and include a survey
24 of the supply of land in private ownership currently on the market,
25 plans for the disposal of municipal land, and the amount of federal
26 land available for disposal through sales, leases, or permits for
27 specific activities. The assessment of needs and anticipated uses for
28 state land shall be based on an analysis of demand for land offered for
29 a variety of purposes under terms equivalent to those available under

1 comparable state land disposal programs. The assessment must include
2 findings regarding the amount of state land which is necessary to meet
3 the statewide demand for three fiscal years immediately after the year
4 in which the assessment is made. The assessment must also include the
5 general location of land to be disposed of and recommendations for the
6 methods of disposal and terms under which the land will be offered to
7 the public.

8 (g) After July 1 of each year, the commissioner shall direct the
9 expenditure of money appropriated for the disposal of land in response
10 to requests made under (f) of this section for the following:

11 (1) land designated as suitable for remote parcel disposal
12 shall be classified and surveyed under this chapter and AS 38.05 and
13 made available for staking and lease under AS 38.05.077.

14 (2) land designated as suitable for subdivision disposal
15 shall be surveyed, subdivided, classified, and disposed of as follows:

16 (A) up to 80 percent of the parcels shall be sold under
17 the lottery sale procedures established in AS 38.05.057 and 38.05.
18 065;

19 (B) at least 10 percent of the parcels shall be disposed
20 of as homesites under AS 38.08; and

21 (C) at least an additional 10 percent of the parcels
22 shall be disposed of as homesites under AS 38.08 except that,
23 notwithstanding AS 38.08.040(b), parcels offered under this sub-
24 paragraph shall be offered by lottery under AS 38.05.057.

25 (3) land designated agricultural, commercial, or industrial
26 shall be sold under AS 38.05.055 or 38.05.057.

27 (h) Individual parcels disposed of in subdivisions may not exceed
28 five acres unless the commissioner determines that a larger size is
29 necessary to permit the design of a viable subdivision because of

1 topographical features, soil conditions, on-site sewage disposal re-
2 quirements, or water drainage or supply considerations that are unique
3 to the subdivision.

4 (i) Nothing in this section prevents the disposal of interests in
5 land not in the land disposal bank by the commissioner under

- 6 (1) AS 38.05.055;
- 7 (2) AS 38.05.057;
- 8 (3) AS 38.05.070;
- 9 (4) AS 38.05.079;
- 10 (5) AS 38.08; or
- 11 (6) other law.

12 (j) A person or an agency of the state may nominate land retained
13 in state ownership for inclusion in the land disposal bank or may
14 nominate land in the land disposal bank for retention in state owner-
15 ship. The commissioner shall hold public hearings semiannually to take
16 nominations under this subsection. A transfer of land from retention
17 in state ownership to the land disposal bank or from the land disposal
18 bank to retention in state ownership shall be accomplished through a
19 classification order under AS 38.05.300 and notice under AS 38.05.345.
20 The commissioner shall make a written determination within six months
21 after receipt of a nomination if he determines that land nominated will
22 not be classified or reclassified as requested.

23 (k) The commissioner may withdraw from the land disposal bank
24 state land that has been offered for disposal but not conveyed within
25 five years after inclusion in the land disposal bank. State land
26 withdrawn from the land disposal bank under this section must be reclas-
27 sified under AS 38.04.065.

28 * Sec. 3. AS 38.04 is amended by adding a new section to read:

29 Sec. 38.04.021. IDENTIFICATION AND DISPOSAL OF MUNICIPAL ENTITLE-

1 MENT LAND. (a) Notwithstanding AS 29.18.201 - 29.18.213, the commis-
2 sioner shall refrain from issuing patents to municipalities for approved
3 selections under AS 29.18.201 - 29.18.213 except in accordance with the
4 procedures established in this section.

5 (b) The commissioner shall initiate with each municipality
6 entitled to receive land under AS 29.18 a review of selections for
7 which patent has not been issued as of the effective date of this Act.
8 By July 1, 1982, the commissioner and each municipality shall jointly
9 designate 20 percent of the selections for which patents have not been
10 issued as of the effective date of this Act, which are most suitable
11 for disposal into private ownership. A municipality may substitute
12 land patented as of the effective date of this Act with the concurrence
13 of the commissioner. If, by July 1, 1982, the commissioner and a
14 municipality cannot agree on land to be designated, the commissioner
15 shall make the designation. By September 1, 1982, the commissioner
16 shall certify the legal descriptions of the land designated and include
17 it as a special category of land in the land disposal bank. The land
18 shall be made available for disposal in accordance with AS 38.04.020(d)-
19 (h), except that none of the land may be proposed for remote parcel
20 disposal and the land is not subject to AS 38.04.020(j). A municipality
21 may submit a recommended disposal schedule for land designated under
22 this subsection.

23 (c) By January 15 of each year, the commissioner shall submit to
24 the governor an appropriation request sufficient to survey all approved
25 selections not patented, not designated under (b) of this section, and
26 requiring survey under AS 29.18.207. The request shall be submitted by
27 the governor to the legislature with the budget. Upon receipt of an
28 appropriation for this purpose, the commissioner shall survey the land
29 and issue the patents as expeditiously as possible. For approved

1 selections not designated under (b) of this section and not in need of
2 survey under AS 29.18.207, the commissioner shall issue patents by
3 September 1, 1982. Patents may not be issued until land suitable for
4 disposal into private ownership has been designated under (b) of this
5 section.

6 (d) Upon disposal of land designated under (b) of this section,
7 the commissioner shall make a partial assignment to the municipality in
8 which the land is situated of receipts from the land sale contract
9 relating to the value of the land without improvements.

10 (e) Notwithstanding (a) - (d) of this section, the commissioner
11 may issue patents for approved selections otherwise in conformity with
12 AS 29.18.201 - 29.18.213 if

13 (1) the land to be patented is for an essential public
14 facility or purpose for which there is an immediate need as determined
15 by the commissioner;

16 (2) the land has been scheduled and formally advertised for
17 disposal by a municipality under its land disposal program; or

18 (3) the amount of land patented to a municipality is less
19 than 10 percent of its entitlement as of the effective date of this Act
20 and the municipality requests an amount of patented land sufficient to
21 bring it to the 10 percent level.

22 * Sec. 4. AS 38.04.055 is amended by adding a new subsection to read:

23 (b) An easement or right-of-way reserved under this section may
24 include established trails traditionally used for commerce, recreation,
25 or transportation.

26 * Sec. 5. AS 38.05.035(a)(14) is amended to read:

27 (14) when he makes a written finding that the interests of
28 the state will be best served, he may, with the consent of the commis-
29 sioner, approve contracts for the sale, lease, or other disposal of

1 available lands, resources, property or interest in them, and in addi-
2 tion to the conditions and limitations imposed by law, he may impose
3 additional conditions or limitations in the contracts as he, with the
4 consent of the commissioner, determines will best serve the interests
5 of the state; and no contract for the sale, lease, or other disposal of
6 available lands or interests in them, is legally binding on the state
7 until the commissioner formally records his consent to the contract;
8 but if the appraised value is not greater than \$50,000 [\$10,000] in the
9 case of the sale of land or an interest in land, or \$5,000 [\$1,000] in
10 the case of the annual rental of land or interest in land, the director
11 may approve and issue the contract without the consent or approval of
12 the commissioner; the written finding shall be available to the public
13 upon request; before a public hearing, if held, or in any case no less
14 than 21 days before the sale, lease, or other disposal of available
15 land, property, resources, or interests in them, the director shall
16 make available to the public a written decision in which he sets out
17 the facts and applicable law upon which he based his determination that
18 the sale, lease, or other disposal will best serve the interests of the
19 state; a written finding is not required before the approval of

20 (A) a contract for a negotiated sale authorized by
21 AS 38.05.115;

22 (B) issuance of a permit under AS 38.05.330; or

23 (C) the lease of land for a shore fishery site under
24 AS 38.05.082.

25 * Sec. 6. AS 38.05.035(b) is amended by adding new paragraphs to read:

26 (7) convey to an adjoining landowner a parcel of land created
27 by a highway right-of-way alignment or realignment or a parcel created
28 by the vacator of a state-owned right-of-way if

29 (A) he determines that it is in the interest of the

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state;

(B) the parcel does not exceed one acre; and

(C) the director and the platting authority having land use planning jurisdiction agree that conveyance of the parcel to the adjoining landowner will result in boundaries which are convenient for the use of the land by the landowner and compatible with municipal land use plans;

(8) for good cause extend the time for rental or installment payments by a lessee or purchaser of state land under this chapter if reasonable penalties and interest set by the director are paid.

* Sec. 7. AS 38.05.035 is amended by adding a new subsection to read:

(c) A parcel of land may be conveyed under (b)(7) of this section without classification or reclassification under AS 38.05.300 but the parcel must be sold at its fair market value as determined by the director on the basis of an appraisal under AS 38.05.310. Nothing in this subsection prevents the sale of land to a person not qualifying as an adjoining landowner if the adjoining land owner declines to purchase under (b)(7) of this section.

* Sec. 8. AS 38.05.050 is repealed and reenacted to read:

Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR PRIVATE OWNERSHIP. The commissioner, upon recommendation of the director, shall determine the land to be disposed of for private use. The director shall determine the time and place of disposal. An auction sale, a lottery sale, or a disposal of land for homesites under AS 38.08 must be held in the municipality that is closest to the land to be sold or disposed of and in which regular sessions of the superior court are held.

* Sec. 9. AS 38.05.055 is amended to read:

Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method

1 of sale is authorized under this chapter, under AS 38.07, or under
2 [EXCEPT AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.08, the
3 sale of state land shall be made at public auction to the highest
4 qualified bidder as determined by the director. A bidder must appear
5 in person at the auction unless medical reasons or military service
6 outside the state prevent attendance. A bidder may be represented by
7 an attorney or agent at the auction if the land offered for disposal
8 is classified as commercial, industrial, or agricultural land. An
9 aggrieved bidder may appeal to the commissioner within five days after
10 the sale for a review of the director's determination. The sale shall
11 be conducted by the director or his representative, and at the time of
12 sale the successful bidder shall deposit an amount equal to five per-
13 cent [ONE-TENTH] of the purchase price, or if the purchaser elects to
14 use land discounts granted under AS 38.05.058, five percent of the
15 amount bid after deduction of the discount. The director or his repre-
16 sentative shall immediately issue a receipt containing a description of
17 the land or property purchased, the price bid, the amount deposited,
18 and the amount of any discount allowed [TERMS OF SALE], which receipt
19 shall be acknowledged in writing by the bidder. [A CONTRACT OF SALE ON
20 A FORM APPROVED BY THE ATTORNEY GENERAL SHALL BE SIGNED BY THE PURCHASER
21 AND, AFTER APPROVAL OF THE COMMISSIONER, THE CONTRACT SHALL ALSO BE
22 SIGNED BY THE DIRECTOR ON BEHALF OF THE STATE.]

23 * Sec. 10. AS 38.05.057(a) is amended to read:

24 (a) The commissioner may dispose of land, including land limited
25 to use for agricultural purposes, by lottery. The purchase price of
26 land sold by lottery shall be the fair market value of the land as
27 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,
28 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-
29 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner

1 shall [MAY] sell land by lottery for less than the fair market value of
2 the land if he determines that scarcity of land for private use in the
3 area of the land to be sold has resulted in unrealistic land values.
4 Before the commissioner determines the purchase price for land which is
5 located in a municipality and which is to be sold under this section,
6 he shall consult with the assessor of the municipality. The lottery
7 shall be conducted in public by the commissioner or his representative,
8 and an applicant may not be selected to purchase land unless he is pre-
9 sent on the date and at the place that the lottery is conducted unless
10 medical reasons or military service outside the state prevent attend-
11 ance. An applicant may be represented by an agent on the day of the
12 lottery if the land offered for sale is classified as commercial, in-
13 ustrial, or agricultural land. On the day of the lottery [AT THE TIME
14 OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot shall deposit
15 an amount equal to five percent of the purchase price, or if the pur-
16 chaser elects to use land discounts granted under AS 38.05.058, five
17 percent of the [DISCOUNT] purchase price after deduction of the dis-
18 count.

19 * Sec. 11. AS 38.05.067(d) is repealed and reenacted to read:

20 (d) In this section "veteran" means a person with 90 days or more
21 of active service in the armed forces of the United States who has been
22 honorably discharged.

23 * Sec. 12. AS 38.05.077(a) is amended to read:

24 (a) The commissioner shall, under the procedures required by
25 AS 38.04.020, AS 38.05.300, [AND] 38.05.305, and 38.05.345, classify
26 state land which is suitable for disposal as remote parcels. The
27 commissioner shall designate remote parcel selection areas consisting
28 of land classified under this section. The commissioner may [SHALL] set
29 the number of remote parcels that may be selected in each remote parcel

1 selection area. A remote parcel may not exceed 40 acres. [THE COMMIS-
2 SIONER SHALL DETERMINE FOR EACH REMOTE PARCEL SELECTION AREA, THE
3 AMOUNT OF LAND IN EACH REMOTE PARCEL THAT MAY BE USED FOR RESIDENTIAL
4 PURPOSES. LAND WHICH MAY BE USED FOR RESIDENTIAL PURPOSES IN A REMOTE
5 PARCEL MAY NOT BE LESS THAN TWO ACRES AND MAY NOT EXCEED FIVE ACRES.]

6 * Sec. 13. AS 38.05.077(c) is amended to read:

7 (c) A person who qualifies under (g) of this section may apply
8 [UNDER THE PROCEDURES SET OUT IN AS 38.05.057] to lease a remote parcel
9 in a parcel selection area designated by the commissioner under (a) of
10 this section if he has staked the exterior boundaries of the remote
11 parcel in accordance with the parcel selection procedures established
12 under (b) of this section during an entry period established by the
13 commissioner. A [EACH] person [WHO IS ENTITLED TO SELECT A REMOTE
14 PARCEL] may enter a remote parcel selection [THE] area [FOR WHICH HE
15 APPLIED] to stake the boundaries of a remote parcel. A person shall
16 select a remote parcel in person and may not be represented by an
17 attorney or agent.

18 * Sec. 14. AS 38.05.077(d) is amended to read:

19 (d) Not later than 15 days after [SELECTION AND] staking the
20 exterior boundaries of a remote parcel, the person who staked [SELECTED]
21 the parcel shall file a sketch plat with the department which shows the
22 location of the remote parcel [AND THE LOCATION OF THE LAND IN THE
23 PARCEL THAT HE INTENDS TO USE FOR RESIDENTIAL PURPOSES]. At the time
24 of filing the sketch plat, the person who staked [SELECTED] the parcel
25 shall apply to lease the land. An application to lease the land shall
26 be on a standard form prepared by the department. The annual rental
27 payment for the first year of the lease shall be submitted to the
28 department with the application. After the application to lease a
29 remote parcel is approved, the commissioner shall offer to lease the

1 land to the person who staked [SELECTED] the remote parcel. A lease
2 granted under this section shall contain the following terms:

3 (1) a remote parcel may be leased for five years;

4 (2) a remote parcel lease may be renewed at the option of
5 the lessee for a second five-year period under the same terms as pro-
6 vided for the first five-year period of the remote parcel lease; [AND]

7 (3) a rental payment shall be paid annually and shall be
8 \$10 for each acre [\$150 A YEAR FOR FIVE ACRES OR LESS PLUS \$50 FOR EACH
9 ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES.]

10 (4) unless the land is surveyed, the lessee shall, within
11 one year of approval of the lease application and continuously for the
12 lease period, physically delineate the boundaries of the parcel by
13 brushing a line so that they are readily visible from the ground.

14 * Sec. 15. AS 38.05.077 is amended by adding a new subsection to read:

15 (g) To qualify to lease a remote parcel under this section, a
16 person shall

17 (1) at the time of application be 18 years of age or older;

18 (2) submit proof as required by regulation that he has been
19 a resident of the state for not less than one year immediately preceding
20 the date his application was submitted; and

21 (3) certify that he has not previously leased a remote
22 parcel from the state within eight years immediately preceding the date
23 of staking a remote parcel.

24 * Sec. 16. AS 38.05.078(a) is amended to read:

25 (a) A lessee of a remote parcel may purchase the land leased
26 [USED FOR RESIDENTIAL PURPOSES IN A REMOTE PARCEL] if, before the
27 expiration of the lease or [A RENEWAL OF THE] lease renewal, he pays
28 a deposit to the department equal to five percent of the fair market
29 value of the land under (c) of this section, surveys the [RESIDENTIAL]

1 land, and erects a habitable dwelling on the land. The lessee of a
2 remote parcel may prove the existence and the location of a habitable
3 dwelling by executing an affidavit as to its existence and location
4 and including with the affidavit a clear photo and an accurate drawing
5 prepared, signed, and dated by the lessee and described with refer-
6 ence to one or more survey corners of the remote parcel.

7 * Sec. 17. AS 38.05.078(c) is amended to read:

8 (c) A lessee of a remote parcel may purchase land in the [A]
9 remote parcel under the terms specified in AS 38.05.065(b). The purchase
10 price of land sold under this section shall be its fair market value as
11 determined by the commissioner, less the total amount paid to the
12 department in annual rental fees under AS 38.05.077(d)(3). The valuation
13 date for determining the fair market value of land sold under this
14 section is the date that the remote parcel was first leased to the
15 purchaser of the land [PLAT OF SURVEY IS APPROVED BY THE COMMISSIONER].

16 * Sec. 18. AS 38.08.010(b) is amended to read:

17 (b) Land classified as homesite entry land shall be divided into
18 parcels not exceeding five acres in reasonably compact form, with
19 boundaries conforming as nearly as practicable to natural geologic and
20 topographic features. A parcel may exceed five acres if the director
21 determines that a larger size is necessary to permit the design of a
22 viable subdivision because of topographical features, soil conditions,
23 on-site sewage disposal requirements, or water drainage or supply con-
24 siderations that are unique to the subdivision.

25 * Sec. 19. AS 38.08.040(b) is amended to read:

26 (b) If the number of applicants qualified for homesite entry
27 exceeds the number of available homesites offered [,] or if several
28 applicants apply and qualify for the same homesite, priority in award
29 of an entry permit shall be accorded to that applicant showing proof of

1 the longest residency in the state. An applicant shall present his
2 proof of residency to the director in person at the time and place
3 designated by the director unless medical reasons or military service
4 outside the state prevent attendance.

5 * Sec. 20. AS 40.15.190(2) is amended to read:

6 (2) "subdivision"

7 (A) means the division of a tract or parcel of land
8 into two or more lots, sites, or other divisions for the purpose,
9 whether immediate or future, of sale or building development, and
10 includes resubdivision and, when appropriate to the context,
11 relates to the process of subdividing or to the land or areas
12 subdivided;

13 (B) does not include cadastral plats, cadastral control
14 plats, open-to-entry plats, or remote parcel plats created by or
15 on behalf of the state regardless of whether these plats include
16 easements or other public dedications.

17 * Sec. 21. AS 41.17.020(a) is amended to read:

18 (a) The governor (shall) establish, within the Department of Natural
19 Resources, a division of forestry [FOREST, LAND, AND WATER MANAGEMENT]
20 to carry out this chapter and other appropriate duties designated by
21 the governor. The division shall be headed by a director who shall be
22 the state forester, appointed to the partially exempt service in accor-
23 dance with law [BY THE COMMISSIONER, FROM A LIST OF TWO OR MORE CANDI-
24 DATES SUBMITTED BY THE BOARD. THE COMMISSIONER MAY REJECT ALL CANDI-
25 DATES, IN WHICH CASE THE BOARD SHALL SUBMIT A NEW LIST]. The state
26 forester shall be a natural resources land manager with generally
27 accepted educational credentials, familiar and experienced with the
28 renewable and nonrenewable resources and values of forest land and the
29 products, benefits, and services obtained from them.

1 * Sec. 22. A person who selected a remote parcel or acquired a right to
2 select a remote parcel before July 1, 1981, may convert his remote parcel
3 lease agreement to a new lease agreement which contains terms and conditions
4 consistent with AS 38.05.077(d) and 38.05.078(a) and (c) as amended in secs.
5 14, 16, and 17 of this Act. The commissioner of natural resources shall
6 prepare and distribute new lease forms to persons described in this section.

7 * Sec. 23. Land disposals conducted by the commissioner of natural
8 resources for fiscal year 1982 shall be in accordance with appropriations to
9 the Department of Natural Resources for that purpose.

10 * Sec. 24. AS 38.05.047, 38.05.065(a), 38.05.077(b)(2), and 38.05.078(b)
11 are repealed.

12 * Sec. 25. This Act takes effect July 1, 1981.

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Introduced: 2/4/81
Referred: Resources and
Finance

BY FREEMAN, GARDINER AND
HALFORD

1 IN THE HOUSE

2 HOUSE BILL NO. 31

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the management and use of state,
7 municipal, and private land; annulling 11 AAC 53.-
8 450(c); and providing for an effective date."

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

10 * Section 1. By March 15, 1982, each municipality with a land entitle-
11 ment under AS 29.18.201 shall prepare and submit to the Second Session of
12 the Twelfth Legislature a plan for the disposal of municipal land for the
13 period beginning July 1, 1982, through June 30, 1987. The plan shall contain

14 (1) an estimate of the number of acres of municipal land to be
15 disposed of by the municipality each fiscal year during the period beginning
16 July 1, 1982, through June 30, 1987;

17 (2) a description of the method to be used for the disposal of
18 the municipal land;

19 (3) a description of the municipal land to be disposed of; and

20 (4) a statement of the terms under which the municipal land will
21 be offered to the public.

22 * Sec. 2. AS 29.18.204(c) is amended to read:

23 (c) Land may be selected or nominated for selection by a munici-
24 pality to satisfy a general grant land entitlement under AS 29.18.201
25 and 29.18.202 at any time before October 1, 1980. If a municipal
26 selection or nomination or a part of a municipal selection or nomination
27 is rejected by the director, the municipality may select additional
28 state land of equal area to satisfy its entitlement not later than 90
29 days after receipt of the director's rejection.

1 * Sec. 3. AS 29.48.260 is amended by adding a new subsection to read:

2 (g) A municipality may lease municipal land for a term of not
3 more than 55 years to a nonprofit corporation, association, club or
4 society organized and operated exclusively for charitable, religious,
5 scientific, or educational purposes, or for the promotion of social
6 welfare. Municipal land leased under this subsection may not be used
7 for commercial development. Before municipal land may be leased under
8 this subsection, the proposed lessee shall demonstrate to the satis-
9 faction of the assembly or council that it is exempt from federal
10 income taxation, that all of the land requested is to be used for an
11 established or proposed project, and that the applicant is financially
12 able to carry out the project. A lease may not be granted under this
13 subsection unless the project for which the municipal land is leased is
14 open for use by the public. The provisions of (c) of this section do
15 not apply to a lease under this subsection.

16 * Sec. 4. AS 38.04.005(b) is amended to read:

17 (b) In classifying state land for private use and settlement
18 purposes, the director shall make adequate provision for public open
19 space which is accessible to communities so that natural areas are
20 easily reached from all communities and settled areas. The amount of
21 that land shall be sufficient to meet existing and projected needs for
22 accessible public recreation land. Public access to navigable or pub-
23 lic waters of the state shall be preserved under AS 38.05.127. Special
24 care shall be taken to preserve public access to public water and to
25 retain state ownership of sufficient land which combine high value for
26 recreation and other public purposes with accessibility to settled
27 areas. This classification for public purposes does not constitute
28 dedication to open space, but the division's management of land so
29 classified shall be in a manner to preserve the identified values.

1 * Sec. 5. AS 38.04.020(a) is amended to read:

2 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall
3 establish a land disposal bank which contains state land that is avail-
4 able for disposal for private ownership. The [BY JULY 1, 1979, THE]
5 land disposal bank shall contain [AT LEAST 250,000 ACRES OF] state land
6 which is available for

- 7 (1) use as remote cabin sites under AS 38.05.079;
8 (2) disposal for recreational and residential use;
9 (3) disposal for commercial use; [AND]
10 (4) disposal for industrial use; and
11 (5) disposal for agricultural use.

12 * Sec. 6. AS 38.04.020(d) is amended to read:

13 (d) During the fiscal year ending June 30, 1981, [AND DURING EACH
14 FISCAL YEAR THEREAFTER,] the commissioner shall make available for
15 private ownership at least 100,000 acres of state land contained in the
16 land disposal bank which is suitable for the uses listed in AS 38.04.-
17 020(a)(1) - (4) [A VARIETY OF USES]. During the fiscal year ending
18 June 30, 1982, and during each following fiscal year, the commissioner
19 of natural resources shall make available for private ownership at least
20 60,000 acres of state land contained in the land disposal bank estab-
21 lished in AS 38.04.020 which is suitable for the uses listed in AS 38.-
22 04.020(a)(1) - (4). However, the amount of land offered for private
23 ownership by municipalities under AS 29.48.260 made after January 1,
24 1980, may be added to disposals from the land disposal bank in order to
25 meet the annual quota for the disposal of land imposed by this section.
26 If, after January 1, 1981, the land disposal bank contains less than
27 500,000 acres of land which is available for the purposes listed in
28 (a)(1) - (4) of this section, the commissioner shall classify state
29 land located outside municipalities until at least 500,000 acres are

1 available for those purposes.

2 * Sec. 7. AS 38.04.020(f) is amended to read:

3 (f) The commissioner shall annually submit to the governor three
4 alternative financing requests for the disposal of state land in the
5 land disposal bank. The alternate requests for each fiscal year shall
6 be submitted with the budget submitted to the legislature by the gover-
7 nor. The alternate requests must specify the amount of land to be
8 offered for private ownership under each alternative, the location of
9 the land, and the disposal program under which the land will be offered
10 The alternatives submitted shall include

11 (1) an estimate of the appropriations required to finance
12 the disposal of the land identified for disposal during the fiscal
13 year;

14 (2) an estimate of the appropriations required to finance
15 the disposal of 50 percent of [ONE-HALF] the land identified for dis-
16 posal during the fiscal year; and

17 (3) an estimate of the appropriations required to finance
18 the disposal of twice the amount of [50 PERCENT MORE] land [THAN]
19 identified for disposal during the fiscal year.

20 * Sec. 8. AS 38.04.040 is amended to read:

21 Sec. 38.04.040. AVAILABILITY OF [SCHOOL LAND AND] UNIVERSITY
22 LAND. University [SCHOOL LAND AND UNIVERSITY] land may be made avail-
23 able at fair market value for private use under the purposes of this
24 chapter; however, any action to do so shall be in accordance with
25 statutes pertaining to these lands and the authority of [THE BOARD OF
26 EDUCATION AND] the Board of Regents of the University of Alaska.

27 * Sec. 9. AS 38.04.055 is amended to read:

28 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director
29 shall reserve easements and rights-of-way on and across land which is

1 made available for private use as necessary to reach or use public
2 water and public and private land. An easement or right-of-way reserved
3 under this section may include established trails traditionally used
4 for commerce, recreation, or transportation.

5 * Sec. 10. AS 38.05.035(a)(14) is amended to read:

6 (14) when he makes a written finding that the interests of
7 the state will be best served, he may, with the consent of the commis-
8 sioner, approve contracts for the sale, lease, or other disposal of
9 available lands, resources, property or interests in them, and, in ad-
10 dition to the conditions and limitations imposed by law, he may impose
11 additional conditions or limitations in the contracts as he, with the
12 consent of the commissioner, determines will best serve the interests
13 of the state; and no contract for the sale, lease, or other disposal of
14 available lands or interests in them, is legally binding on the state
15 until the commissioner formally records his consent to the contract;
16 but if the appraised value is not greater than \$50,000 [\$10,000] in the
17 case of the sale of land or an interest in land, or \$5,000 [\$1,000] in
18 the case of the annual rental of land or interest in land, the director
19 may approve and issue the contract without the consent or approval of
20 the commissioner; the [. THE] written finding shall be available to
21 the public upon request; before [. BEFORE] a public hearing, if held,
22 or in any case no less than 21 days before the sale, lease, or other
23 disposal of available land, property, resources, or interests in them,
24 the director shall make available to the public a written decision in
25 which he sets out the facts and applicable law upon which he based his
26 determination that the sale, lease, or other disposal will best serve
27 the interests of the state; a written finding is not required before the
28 approval of (A) a contract for a negotiated sale authorized by AS 38.-
29 05.115, (B) issuance of a permit under AS 38.05.330, or (C) the lease of

1 land for a shore fishery site under AS 38.05.082.

2 * Sec. 11. AS 38.05.035(b)(5) is amended to read:

3 (5) When he determines it is in the best interest of the
4 state and will avoid injustice to a person or his heirs or devisees,
5 dispose of land, by direct negotiation to that person who presently
6 uses and who used and made improvements to that land before January 3,
7 1959 or his heirs or devisees; the amount paid for the land shall be
8 its fair market value on the date that the person first entered the land
9 [AS OF THAT DATE], as determined by the director; a parcel of land
10 disposed of under this paragraph shall be of a size consistent with the
11 person's prior use, but may not exceed five acres; [.]

12 * Sec. 12. AS 38.05.035(b) is amended by adding new paragraphs to read:

13 (7) convey to an adjoining land owner a parcel of land
14 created by a highway right-of-way alignment or realignment or a parcel
15 created by the vacation of a state-owned right-of-way if

16 (A) he determines that it is in the interests of the
17 state;

18 (B) the parcel does not exceed one acre; and

19 (C) the director and the platting authority having land
20 use planning jurisdiction agree that conveyance of the parcel to
21 the adjoining land owner will result in boundaries which are con-
22 venient for the use of the land by the landowner and compatible
23 with municipal land use plans.

24 (8) for good cause extend the time for rental or installment
25 payments by a lessee or purchaser of state land under this chapter if
26 reasonable penalties and interest set by the director are paid.

27 * Sec. 13. AS 38.05.035 is amended by adding a new subsection to read:

28 (c) a parcel of land may be conveyed under (b)(7) of this section
29 without classification or reclassification under AS 38.05.300 but the

1 parcel must be sold at its fair market value as determined by the
2 director on the basis of an appraisal completed under AS 38.05.310.

3 * Sec. 14. AS 38.05.047(e) is amended to read:

4 (e) If the land is suitable for residential use, the department
5 shall survey and subdivide the land in a survey district established
6 under (c) of this section into parcels which may not exceed five acres;
7 the department may survey and subdivide the land into parcels which
8 exceed five acres if a municipal ordinance or a regulation adopted by
9 the Department of Environment . Conservation requires larger parcels
10 to prevent water pollution. The commissioner shall give priority to
11 surveying those survey districts which contain land that is in the
12 vicinity of existing access roads and may be developed immediately for
13 residential use at the least cost to the state and potential purchasers.
14 The commissioner shall issue a written finding which describes land in
15 a survey district which he determines is not suitable for residential
16 use. The written finding shall include the reasons for the commis-
17 sioner's determination and shall be kept on file in the office of the
18 commissioner and in the district office of the department located
19 nearest to the municipality in which the land is located.

20 * Sec. 15. AS 38.05.050 is repealed and reenacted to read:

21 Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR PRIVATE
22 OWNERSHIP. The commissioner, upon recommendation of the director,
23 shall determine the land to be disposed of for private use. The
24 director shall determine the time and place of disposal. An auction
25 sale, a lottery sale, or a disposal of land for homesites under AS 38.08
26 must be held in the municipality that is closest to the land to be sold
27 or disposed of and in which regular sessions of the superior court are
28 held.

29 * Sec. 16. AS 38.05.055 is amended to read:

1 Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method
2 of sale is required under this chapter, under AS 38.07, or under [EXCEPT
3 AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.08, the sale of
4 state land shall be made at public auction to the highest qualified
5 bidder as determined by the director. A bidder must appear in person
6 at the auction. However, a bidder may be represented by an attorney or
7 agent at the auction if the land offered for disposal is classified as
8 commercial, industrial, or agricultural land. An aggrieved bidder may
9 appeal to the commissioner within five days after the sale for a review
10 of the director's determination. The sale shall be conducted by the
11 director or his representative, and at the time of sale the successful
12 bidder shall deposit an amount equal to five percent [ONE-TENTH] of the
13 purchase price, or if the purchaser elects to use land discounts granted
14 under AS 38.05.058, five percent of the amount bid after deduction of
15 the discount. The director or his representative shall immediately
16 issue a receipt containing a description of the land or property pur-
17 chased, the price bid, the amount deposited, and the amount of any
18 discount allowed [TERMS OF SALE], which receipt shall be acknowledged
19 in writing by the bidder. [A CONTRACT OF SALE ON A FORM APPROVED BY
20 THE ATTORNEY GENERAL SHALL BE SIGNED BY THE PURCHASER AND, AFTER
21 APPROVAL OF THE COMMISSIONER, THE CONTRACT SHALL ALSO BE SIGNED BY THE
22 DIRECTOR ON BEHALF OF THE STATE.]

23 * Sec. 17. AS 38.05.057(a) is amended to read:

24 (a) The commissioner may dispose of land, including land limited
25 to use for agricultural purposes, by lottery. The purchase price of
26 land sold by lottery shall be the fair market value of the land as
27 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,
28 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-
29 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner

1 shall [MAY] sell land by lottery for less than the fair market value of
2 the land if he determines that scarcity of land for private use in the
3 area of the land to be sold has resulted in unrealistic land values.
4 Before the commissioner determines the purchase price for land which is
5 located in a municipality and which is to be sold under this section,
6 he shall consult with the assessor of the municipality. The lottery
7 shall be conducted in public by the commissioner or his representative
8 and an applicant may not be selected to purchase land unless he is
9 present on the date and at the place that the lottery is conducted.
10 However, an applicant may be represented by an agent on the day of the
11 lottery if the land offered for sale is classified as commercial,
12 industrial, or agricultural land. On [, AND AT] the day of the lottery
13 [TIME OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot shall
14 deposit an amount equal to five percent of the purchase price, or if
15 the purchaser elects to use land discounts granted under AS 38.05.058,
16 five percent of the [DISCOUNT] purchase price after deduction of the
17 discount.

18 * Sec. 18. AS 38.05 is amended by adding a new section to read:

19 Sec. 38.05.064. SALES PREFERENCE TO HOLDERS OF MINING CLAIMS.

20 (a) An individual who has established a mining claim on state land
21 before January 1, 1980, has a preference right to acquire the surface
22 estate to a parcel of land within the boundaries of his mining claim if
23 the surface estate to the land is offered for disposal to the public
24 under AS 38.05.045 - 38.05.069, 38.05.077, or AS 38.08; he satisfies
25 the eligibility requirements of the land disposal program under which
26 the land is offered; and he submits proof satisfactory to the com-
27 missioner that the mining claim is valid. A parcel acquired under this
28 section may include only the amount of land that the individual has
29 actually used in connection with his mining claim before January 1,

1 1980, and may not exceed 10 acres.

2 (b) After the director determines that state land will be offered
3 for disposal to the public under AS 38.05.045 - 38.05.069, 38.05.077,
4 or AS 38.08, he shall determine if an individual may be entitled to a
5 preference right under (a) of this section to the land by notifying by
6 certified mail each individual who holds a recorded mining claim of his
7 right to acquire the surface estate to land within the boundaries of
8 the mining claim. The notice required by this subsection shall be sent
9 not later than 60 days before public notice of a proposed land disposal
10 is given under AS 38.05.345 and must include

11 (1) a statement of the terms and conditions under which the
12 surface estate to the land will be offered for disposal to the public;

13 (2) a description of the parcels within the boundaries of
14 the mining claim that will be offered to the public; and

15 (3) the requirements imposed by (a) of this section for the
16 grant of a preference right under this section.

17 (c) An individual who claims a preference right under this section
18 shall provide the necessary proof to assert the preference right within
19 90 days after the notice under (b) of this section is sent to him by
20 the department.

21 (d) The director shall either grant or reject a preference right
22 claimed under this section not later than 15 days before the date set
23 for disposal of the land to the public. If the preference right is
24 granted, the holder of the preference right may purchase the parcel for
25 either the high bid received by the department at the public auction or
26 under the terms and conditions to be offered to the public if the land
27 is disposed of by a method other than by public auction. If a deposit
28 is required, the claimant shall deposit five percent of the appraised
29 fair market value of the parcel, and if the holder of the preference

1 right fails to sign the contract of sale within 30 days after it is
2 sent to him by the department the deposit shall be forfeited.

3 (e) If a mining claim is held jointly by two or more individuals,
4 the individuals may not exercise the preference right provided in this
5 section unless they either jointly exercise the preference right or
6 agree in writing which of them is entitled to exercise the preference
7 right.

8 (f) An individual may exercise a preference right under this
9 section only one time during his lifetime.

10 (g) In this section,

11 (1) "individual" means a natural person; and

12 (2) "mining claim" means a mining property established under
13 AS 38.05.185 - 38.05.280 and does not include a mineral lease or permit
14 for the extraction of minerals or resources under AS 38.05.135 -
15 38.05.184.

16 * Sec. 19. AS 38.05.065(b) is amended to read:

17 (b) The contract of sale for land sold under this chapter [THE
18 PROCEDURES SPECIFIED IN AS 38.05.057 (LOTTERY DISPOSALS)] shall require
19 the remainder of the purchase price be paid in monthly, quarterly, or
20 annual installments over a period of not more than 20 years. The con-
21 tract of sale must provide that the interest on the unpaid principal
22 is calculated for payment of the installments in advance and that the
23 interest accrues beginning 30 days after the purchaser receives the
24 contract from the department for his execution. Installment payments
25 plus interest shall be set on the level-payment basis. The interest
26 rate to be charged on installment payments is the prevailing rate for
27 real estate mortgage loans made by the federal land bank for the farm
28 credit district for Alaska at the time the contract is signed.

29 * Sec. 20. AS 38.05.065(c) is amended to read:

1 (c) The commissioner [DIRECTOR] shall, for contracts under [(a)
2 OR] (b) of this section, set for each sale the period for the payment
3 of installments and the total purchase price plus interest. The
4 [DIRECTOR, WITH THE CONSENT OF THE] commissioner [,] may also include
5 in contracts under this section conditions, limitations and terms which
6 he considers necessary and proper to protect the interest of the state.
7 The contract of sale shall be on a form approved by the attorney general
8 and shall be signed by the purchaser and the commissioner on behalf of
9 the state. The purchaser shall sign and return the contract of sale not
10 later than 30 days after he receives the contract from the commissioner.
11 The commissioner shall sign the contract within 30 days after receiving
12 the contract from the purchaser. If the purchaser fails to sign a con-
13 tract of sale containing the terms and conditions recited in the
14 receipt, the deposit made by the purchaser shall be retained by the
15 commissioner as liquidated damages to repay the state for the cost of
16 selling the land to another purchaser. Violations of any provision of
17 this chapter or the terms of the contract of sale subject the purchaser
18 to appropriate administrative and legal action, including but not
19 limited to specific performance, foreclosure, ejectment, or other legal
20 remedies in accordance with applicable state law.

21 * Sec. 21. AS 38.05.069(c) is amended by adding a new paragraph to read:

22 (6) the holder of a grazing lease on state land has a
23 preference to purchase an interest in that land for agricultural
24 purposes offered under this subsection for the amount of the high bid
25 received at public auction; the preference allowed under this paragraph
26 extends only to an amount of the land leased for grazing purposes that
27 is no larger than the largest parcel offered for disposal by the
28 director within the boundaries of the grazing lease.

29 * Sec. 22. AS 38.05.070 is amended by adding a new subsection to read:

1 (d) A grazing lease other than a negotiated grazing lease may not
2 be issued for a period of less than 10 years.

3 * Sec. 23. AS 38.05.070(b) is amended to read:

4 (b) The director, with the approval of the commissioner, shall
5 determine the land to be leased and the limitations, conditions and
6 terms of the lease. If the appraised value of the transaction is
7 \$1,000 [\$250] a year or less the director may negotiate a lease without
8 advertisement for a period not to exceed five years, and on the limita-
9 tions, conditions and terms which he considers are in the best interests
10 of the state.

11 * Sec. 24. AS 38.05.077(a) is amended to read:

12 (a) The commissioner shall, under the procedures required by
13 AS 38.05.300 and 38.05.305, classify state land which is suitable for
14 disposal as remote parcels. The commissioner shall designate remote
15 parcel selection areas consisting of land classified under this section.
16 [THE COMMISSIONER SHALL SET THE NUMBER OF REMOTE PARCELS THAT MAY BE
17 SELECTED IN EACH REMOTE PARCEL SELECTION AREA.] A remote parcel may
18 not exceed 40 acres. [THE COMMISSIONER SHALL DETERMINE FOR EACH REMOTE
19 PARCEL SELECTION AREA, THE AMOUNT OF LAND IN EACH REMOTE PARCEL THAT
20 MAY BE USED FOR RESIDENTIAL PURPOSES. LAND WHICH MAY BE USED FOR
21 RESIDENTIAL PURPOSES IN A REMOTE PARCEL MAY NOT BE LESS THAN TWO ACRES
22 AND MAY NOT EXCEED FIVE ACRES.]

23 * Sec. 25. AS 38.05.077(c) is amended to read:

24 (c) A person who qualifies under (g) of this section may apply
25 [UNDER THE PROCEDURES SET OUT IN AS 38.05.057] to lease a remote parcel
26 in a parcel selection area designated by the commissioner under (a) of
27 this section if he has staked the exterior boundaries of the remote
28 parcel in accordance with the parcel selection procedures established
29 under (b) of this section during an entry period established by the

1 commissioner. A [EACH] person [WHO IS ENTITLED TO SELECT A REMOTE
2 PARCEL] may enter a remote parcel selection [THE] area [FOR WHICH HE
3 APPLIED] to stake the boundaries of a remote parcel. A person shall
4 select a remote parcel in person and may not be represented by an
5 attorney or agent.

6 * Sec. 26. AS 38.05.077(d)(3) is amended to read:

7 (3) a rental payment shall be paid annually and shall be \$10
8 for each acre in the remote parcel [\$150 A YEAR FOR FIVE ACRES OR LESS
9 PLUS \$50 FOR EACH ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES].

10 * Sec. 27. AS 38.05.077 is amended by adding a new subsection to read:

11 (g) To qualify to select a remote parcel under this section, a
12 person shall

13 (1) at the time of application have attained the age of 18;

14 (2) submit proof, as required by regulation, that he has
15 been a resident of the state for not less than one year immediately
16 preceding the date his application was submitted; and

17 (3) certify that he has not leased a remote parcel in the
18 state within eight years immediately preceding the date of selection of
19 a remote parcel.

20 * Sec. 28. AS 38.05.078(a) is amended to read:

21 (a) A lessee of a remote parcel may purchase [THE LAND USED FOR
22 RESIDENTIAL PURPOSES IN] a remote parcel if, before the expiration of
23 the lease or a renewal of the lease, he

24 (1) pays a deposit to the commissioner equal to five percent
25 of the fair market value of the land as determined under (c) of this
26 section;

27 (2) surveys the [RESIDENTIAL] land; and

28 (3) erects a habitable dwelling on the land.

29 * Sec. 29. AS 38.05.078(c) is amended to read:

1 (c) A lessee of a remote parcel may purchase land in a remote
2 parcel under the terms specified in AS 38.05.065(b). The purchase
3 price of land sold under this section shall be its fair market value as
4 determined by the commissioner. The valuation date for determining the
5 fair market value of land sold under this section is the date that the
6 remote parcel lease was first executed by the lessee who purchases the
7 land [PLAT OF SURVEY IS APPROVED BY THE COMMISSIONER].

8 * Sec. 30. AS 38.05.078 is amended by adding new subsections to read:

9 (g) If a person selects a remote parcel in good faith but includes
10 land in his parcel which was previously claimed by another person eli-
11 gible to select a remote parcel, the commissioner shall approve that
12 part of the later selection which does not conflict with the earlier
13 selection and allow the person to select additional land in the remote
14 parcel selection area.

15 (h) If a person selects a remote parcel in good faith but in-
16 cludes land in his parcel which is outside the remote parcel selection
17 area, the commissioner shall either disapprove the selection of land
18 outside the remote parcel selection area and allow the person to select
19 additional land in the remote parcel selection area or he may approve
20 the selection of the land outside the remote parcel selection area.

21 * Sec. 31. AS 38.05.082(a) is amended to read:

22 (a) The director, with the approval of the commissioner, may
23 lease riparian, tide, and submerged lands for fisheries development.
24 Fisheries development includes the utilization of shore gill nets or
25 set nets for the taking of fish. Each [EVERY] lease issued under this
26 section shall reserve to the public a right-of-way for access to navi-
27 gable waters and other tide and submerged lands.

28 * Sec. 32. AS 38.05 is amended by adding new sections to read:

29 Sec. 38.05.083. CLASSIFICATION AND USE OF GRAZING LEASE LAND.

1 (a) The commissioner shall classify as grazing land all state land
2 leased for grazing and all state land which has been inventoried under
3 AS 38.04.060 and found most suitable for grazing.

4 (b) A lessee of state grazing land shall prepare and submit to
5 the department for approval a range conservation and development plan.

6 (c) A lessee of state grazing land may grow and harvest crops on
7 the leased land for his own needs. The commissioner may issue regu-
8 lations authorizing the sale of crops grown on land in a grazing lease
9 if the sale of the crops is incidental to the use of the land for
10 grazing livestock.

11 Sec. 38.05.101. RENEWAL OF GRAZING LEASE. At the expiration of a
12 grazing lease under AS 38.05.070 - 38.05.100 the commissioner shall
13 review the classification of the land in the leasehold. If the com-
14 missioner determines that the land should remain available for lease
15 for grazing, the lessee may renew the lease for at least 10 years if he
16 has complied with the terms of the original lease.

17 * Sec. 33. AS 38.05.095(a) is amended to read:

18 (a) A [EXCEPT AS PROVIDED IN (b) OF THIS SECTION, A] lessee may
19 sublease or assign the land or portion of it upon which he has a lease
20 if, after application to the director, the director issues a permit.
21 The director may issue a permit if he finds that it is in the best
22 interest of the state to do so.

23 * Sec. 34. AS 38.05.127 is amended by adding new subsections to read:

24 (d) Notwithstanding the requirements of (a) and (b) of this sec-
25 tion, the director may, at the request of a municipality having platting
26 powers, patent land to the municipality to satisfy a general grant land
27 entitlement under AS 29.18 without reserving public access to navigable
28 or public waters if, before the municipality sells, leases, grants, or
29 otherwise disposes of an interest in the land, the municipality

1 a conveyance to a municipality, including the power to vacate or other-
2 wise modify those easements or rights-of-way, remains with the depart-
3 ment unless exercise of all or a part of that authority has been offered
4 to and accepted by the municipality to which the land is conveyed.

5 (h) Management authority over easements and rights-of-way reserved
6 by a municipality under this section remains with the municipality.

7 (i) Upon application by a municipality, the department may vacate
8 or release, under the procedures specified in (d) and (f) of this sec-
9 tion, easements and rights-of-ways for public access to or along navi-
10 gable or public waters reserved by the department in a patent issued
11 under AS 29.18 before the effective date of this section or for which
12 the first public notice of the proposed conveyance was given before the
13 effective date of this section.

14 * Sec. 35. AS 38.05.305(c) is repealed and reenacted to read:

15 (c) A public notice of an action for which notice or review is
16 required under this section shall be published as provided in AS 38.05.-
17 345. The notice shall include the date and time of any public hearing
18 and the closing date for the receipt of comments in writing from the
19 public and the address to which the comments may be directed.

20 * Sec. 36. AS 38.05.315(b) is amended to read:

21 (b) Notwithstanding AS 38.05.070 - 38.05.080 and [,] 38.05.095,
22 [AND AS 38.05.100 OF THIS CHAPTER] the director, upon application filed
23 by an applicant eligible under (b) - (d) of this section, may, by nego-
24 tiation and without public auction in the manner prescribed in (b) -
25 (d) of this section, lease state land for a term of not more than 55
26 years. Before leasing, the director shall prepare a land use plan and
27 a land classification to insure that the proposed use is compatible
28 with area utilization. Before the land may be leased under (b) - (d)
29 of this section, it must be shown to the satisfaction of the director

1 that the land is to be used for an established or definitely proposed
2 project, and that the eligible applicant has the financial ability to
3 carry out the project. The commissioner may establish limitations on
4 the acreage which may be leased under (b) - (d) of this section to an
5 applicant.

6 * Sec. 37. AS 38.05.315(d) is amended to read:

7 (d) The director may lease the land to an eligible applicant at a
8 reasonable annual rental, taking into consideration the purposes for
9 which the land is to be used and the financial resources of the appli-
10 cant. The [, BUT IN NO CASE MAY THE] rental may not be less than one
11 percent of the fair market value on lands acquired primarily for
12 development, or less than five percent of the fair market value on
13 [SCHOOL,] university [, MENTAL HEALTH,] or acquired lands, except that
14 an eligible applicant is exempt from the payment of annual rent on state
15 land leased for a youth encampment as defined by the commissioner by
16 regulation. Renewal leases may be issued at the discretion of the
17 director upon the expiration of a primary or renewal term. Each lease
18 shall contain a provision for its termination as to all or part of the
19 lands upon a finding by the director that the land or a part of it has
20 not been used by the lessee for the purpose specified in the lease for
21 a period of two years. No lease may be assigned or subleased except
22 with the consent of the director, and in any case may only be trans-
23 ferred to an applicant eligible under (b) - (d) of this section. A
24 lessee may not change the use specified in the lease to another or
25 additional use except with the consent of the director. If, at any
26 time after the land is leased, the lessee attempts to assign the lease
27 or transfer control over the land to another, or if the land is devoted
28 to a use other than that for which the land was leased without the
29 consent of the director, the lease automatically terminates.

1 * Sec. 38. AS 38.05.330(a) is amended to read:

2 (a) The director, without the prior approval of the commissioner,
3 may issue permits, rights-of-way or easements on state land for solid
4 waste disposal sites, grazing, roads, trails, ditches, field gathering
5 lines or transmission and distribution pipelines not subject to AS 38.-
6 35, telephone or electric transmission and distribution lines, log
7 storage, oil well drilling sites and production facilities for the pur-
8 poses of recovering minerals from adjacent lands under valid lease, and
9 other similar uses or improvements, or for the limited personal use of
10 timber or materials. The commissioner, upon recommendation of the
11 director, shall establish a reasonable rate or fee schedule to be
12 charged for these uses, subject to the exception for nonprofit coopera-
13 tive associations specified in (b) of this section. In the granting,
14 suspension or revocation of a permit or easement of lands, the director
15 shall give preference to that use of the land which will be of greatest
16 economic benefit to the state and the development of its resources.
17 However, first preference shall be granted to the upland owner for the
18 use of a tract of tideland, or tideland and contiguous submerged land,
19 which is seaward of the upland property of the upland owner and which
20 is needed by the upland owner for any of the purposes for which the use
21 may be granted.

22 * Sec. 39. AS 38.05.345(a) is amended to read:

23 Sec. 38.05.345. PUBLICATION OF NOTICES. (a) Publication of
24 public [PUBLIC] notice of a sale, lease or other disposal of land or
25 interest in it when required by statute shall be substantially as
26 follows.

27 * Sec. 40. AS 38.05.345(b) is amended to read:

28 (b) Notice of a public auction shall be published once a week for
29 four consecutive weeks preceding the time of sale stated in the notice,

1 in newspapers of general circulation in the state and by the electronic
2 media covering the region of the state in which the land is located.
3 If there is no newspaper of general circulation in the vicinity of the
4 land offered for sale, notices shall be posted not later than four
5 weeks before the public auction is to be held in three public places
6 near the land to be sold or leased. The public auction shall be held
7 not less than 45 days after publication of the first notice and not
8 more than five weeks following the last appearance of the published
9 notice.

10 * Sec. 41. AS 38.05.345 is amended by adding a new subsection to read:

11 (h) Notice of a disposal of land or interest in land other than a
12 public auction under (b) of this section or a disposal under (e) of
13 this section shall be by publication for three consecutive weeks in a
14 newspaper of general circulation in the state or a newspaper circulated
15 in the vicinity of the proposed land disposal.

16 * Sec. 42. AS 38.08.010(b) is amended to read:

17 (b) Land classified as homesite entry land shall be divided into
18 parcels not exceeding five acres in reasonably compact form, with
19 boundaries conforming as nearly as practicable to natural geologic and
20 topographic features. However, a parcel may exceed five acres if a
21 municipal ordinance or a regulation adopted by the Department of
22 Environmental Conservation requires larger parcels to prevent water
23 pollution.

24 * Sec. 43. AS 38.08.040(b) is amended to read:

25 (b) If the number of applicants qualified for homesite entry
26 exceeds the number of available homesites offered, or if several appli-
27 cants apply and qualify for the same homesite, priority in award of an
28 entry permit shall be accorded to that applicant showing proof of the
29 longest residency in the state. An applicant shall present his proof of

1 residency to the department in person at the time and place designated
2 by the director.

3 * Sec. 44. AS 41.10.040 is amended to read:

4 Sec. 41.10.040. SOIL CONSERVATION BOARD. The district is governed
5 by the Alaska Soil Conservation Board composed of five [THREE] members.

6 * Sec. 45. AS 41.10 is amended by adding a new section to read:

7 Sec. 41.10.115. DUTIES OF BOARD. The board shall

8 (1) receive and review reports concerning the use of soil
9 resources in the state;

10 (2) hold public hearings and meetings to determine if land
11 in the state is being used in a manner consistent with sound soil
12 conservation practice;

13 (3) furnish the commissioner of natural resources with re-
14 ports of findings and make recommendations for specific action necessary
15 to provide for the effective and orderly development of farming and
16 grazing land in the state; and

17 (4) meet at the request of the commissioner of natural re-
18 sources to advise him in the exercise of his powers, duties and func-
19 tions.

20 * Sec. 46. AS 41.17 is amended by adding a new section to read:

21 Sec. 41.17.125. ACQUISITION OF TIMBER RIGHTS. (a) If requested
22 by the commissioner of fish and game, the commissioner of natural re-
23 sources may acquire for the state the right to cut and remove timber
24 from private forest land if

25 (1) the timber is on land which is adjacent to a river,
26 lake, or stream specified under AS 16.05.870 as important to the spawn-
27 ing, rearing, or migration of anadromous fish;

28 (2) the commissioner of fish and game finds that the timber
29 cutting would be hazardous to the spawning, rearing or migration of

1 anadromous fish; and

2 (3) the owner of the timber agrees to convey to the state
3 his right to cut and remove the timber for a term of not less than 30
4 years or more than 150 years, which term shall be the period required
5 for regrowth of the timber after cutting as determined by the commis-
6 sioner of natural resources based on site and soil characteristics and
7 comparable periods for regrowth of timber in adjacent areas or in other
8 areas with similar geography and climate.

9 (b) The consideration offered for timber cutting rights under
10 this section shall equal the fair market value of the timber cutting
11 rights as determined by the commissioner of natural resources and the
12 owner of the timber, or if they cannot agree, then the fair market
13 value shall be determined by a third person selected by both parties.

14 (c) The commissioner of fish and game shall regularly, or when
15 requested by the owner of the land or by the grantor of the timber
16 cutting rights or his heirs, reevaluate the importance of the adjacent
17 waters for, or the hazardous nature of cutting timber acquired under
18 this section to, the spawning, rearing, or migration of anadromous
19 fish. If, upon reevaluation, the commissioner of fish and game deter-
20 mines that the timber cutting activity is no longer hazardous to the
21 spawning, rearing, or migration of anadromous fish or that the adjacent
22 waters are no longer important to the spawning, rearing or migration of
23 anadromous fish, the former owner of the timber is entitled to re-
24 purchase the timber cutting rights from the Department of Natural
25 Resources for an amount equal to the value paid by the Department of
26 Natural Resources for the timber cutting rights with annual interest at
27 a reasonable rate as determined by the commissioner of natural re-
28 sources.

29 (d) The commissioner of natural resources may acquire privately

1 owned timber cutting rights under this section by

2 (1) paying money;

3 (2) exchanging state land or an interest in state land;

4 (3) purchasing private or public land to exchange that land
5 for the timber rights; and

6 (4) using any combination of the methods described in (1) -
7 (3) of this subsection.

8 (e) The commissioner of natural resources shall

9 (1) advise the commissioner of fish and game on the perfor-
10 mance of his duties under this section;

11 (2) at least 120 days before the acquisition of timber cut-
12 ting rights under this section, determine the consideration to be paid
13 for those rights; and

14 (3) give public notice of the proposed exchange of state
15 land in the manner specified in AS 38.05.345 for the sale of state land
16 by public auction.

17 (f) AS 38.50 does not apply to an exchange of state land under
18 this section.

19 (g) If the value of a proposed acquisition of privately owned
20 timber cutting rights under (d) of this section exceeds \$1,000,000, the
21 timber cutting rights may not be acquired until acquisition is approved
22 by the legislature by concurrent resolution.

23 (h) This section does not authorize a state department or agency
24 to exercise the power of eminent domain to acquire land or timber cut-
25 ting rights for the protection of waters important to the spawning or
26 migration of anadromous fish.

27 (i) In this section,

28 (1) "owner of the timber" means a person who owns the right
29 to cut or harvest standing timber that may be acquired under this sec-

1 tion even if the person holds no other interest in the land on which
2 the timber is located;

3 (2) "timber cutting rights" or "right to cut or harvest
4 timber" means an assignable license together with an interest in the
5 standing timber held by the owner of the timber which allows the owner
6 of the timber or his assignee to enter upon the land on which the
7 timber is located to cut and remove the timber of commercial value.

8 * Sec. 47. AS 38.05.065(a), 38.05.077(b)(2), 38.05.078(b) and (d)(1);
9 and AS 41.10.100 are repealed.

10 * Sec. 48. AS 38.05.095(b) and 38.05.097 are repealed.

11 * Sec. 49. 11 AAC.53.450(c) is annulled.

12 * Sec. 50. A person who selected a remote parcel or acquired a right to
13 select a remote parcel before July 1, 1980, is entitled to convert his
14 remote parcel lease agreement to a new lease agreement which contains terms
15 and conditions consistent with AS 38.05.077(a) and (d)(3), 38.05.078(a) and
16 (c) and the repeal of AS 38.05.078(b) and (d)(1) enacted in secs. 24, 26,
17 28, 29, and 47 of this Act. The commissioner of natural resources shall
18 prepare and distribute new lease forms to persons described in this section.

19 * Sec. 51. The governor is requested to appoint two additional members
20 to the Alaska Soil Conservation Board by October 1, 1981. The initial terms
21 of the additional members shall be two and three years respectively.

22 * Sec. 52. (a) The commissioner of natural resources may not dispose of
23 state land before July 1, 1981, if

24 (1) the land is occupied on the effective date of this section by
25 a person who does not have the right to own or possess the land; and

26 (2) a permanent dwelling has been constructed on the state land
27 which is the permanent and principal place of abode of a person described in
28 (1) of this subsection who has continuously resided in the dwelling since
29 January 1, 1978.

1 (b) The Department of Natural Resources shall, before January 15,
2 1981, prepare and submit a report to the First Session of the Twelfth
3 Legislature. The report shall describe state land which is occupied by
4 persons who are doing so without the right to own or possess the land. The
5 report shall include findings concerning the reasons for the initial un-
6 authorized use of the state land and recommendations for legislation to
7 resolve the problems in the best interest of the state and the persons who
8 occupy the state land.

9 * Sec. 53. Sections 33, 36, 37, and 48 of this Act are retroactive to
10 July 1, 1978.

11 * Sec. 54. Section 29 of this Act is retroactive to July 1, 1979.

12 * Sec. 55. Sections 1, 3, 5 - 17, 19 - 28, 30, 31, 32, 35, 38 - 47, 50,
13 and 51 of this Act take effect July 1, 1981.

14 * Sec. 56. Sections 2, 4, 18, 29, 33, 34, 36, 37, 48, 49, and 52 - 54 of
15 this Act take effect immediately in accordance with AS 01.10.070(c).
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KETCHIKAN GATEWAY BOROUGH

344 FRONT STREET
KETCHIKAN, ALASKA 99901

March 18, 1981

Representative Samuel R. Cotten
Chair, House Finance Committee
Pouch V
State Capitol
Juneau, Alaska 99811

Dear Representative Cotten:

Last week the House Resources Committee met and took action on a draft committee substitute for House Bill 31, An Act Relating to the Sale of State Lands. This bill will be before you shortly. While the entire draft is worthy of discussion, to keep this brief I wish to address only our major concern: Section 38.04.021 CONVEYANCE AND DISPOSAL OF MUNICIPAL ENTITLEMENT LANDS. If this section passes, the Alaska State Legislature will have greatly compromised our local lands program - a program we feel is better prepared to meet the land use needs of the Ketchikan community than the State's program has been historically or can be in the future.

I ask that as you reflect on your upcoming Committee vote on the substitute for HB 31, you do so in light of the following three considerations:

1. *Ketchikan Gateway Borough's land program is being designed to meet Ketchikan's unique land use needs.* From the City of Ketchikan north to the end of the highway there are an average of 23 privately-owned lots standing vacant per mile of road; driving south there is an average of 26 vacant lots per mile. Then why do Ketchikan residents complain there is no residential land available? Because for all practical purposes there isn't. With Ketchikan's population increasing by about 300 people per year and the supply of developable land remaining essentially constant, holding onto vacant, developable land is a most promising investment. State land sales, without provisions for road access, do not compete with these vacant parcels along the road system. Such sales do little to improve Ketchikan's residential land supply. The State's 1980 Mud Bight sale, where only 66 of the 117 lots offered sold, is a good example.

This is only one of the many unique land use needs for which the Ketchikan Gateway Borough's land program is being designed to address. Our objectives are to make land in our area available to meet our residential land use needs, to offer land for sale at prices just covering the cost of marketing (not to make a profit to subsidize Borough taxpayers), and to make the program eventually self-sufficient (not requiring subsidy by local tax-payers).

2. *Unlike the northern and central municipalities, Ketchikan Gateway Borough has not received title to any of its land selections to date.* Our land entitlement as well as the amount of State land available for selection in our area were minimal until the 1978 Legislature took action to enlarge our entitlement to 11,593 acres and to free-up Mental Health Trust Lands for municipal selections. Ketchikan Gateway Borough actively lobbied for both pieces of legislation. Because of the lack of suitable, available lands in our area, the Borough selected only 100 acres in 1969 under the Mandatory Borough Act; we received tentative approval to this land just nine months ago and have yet to receive title. Although the Borough has not received patent to any of the over 8,000 acres we've selected under the Borough Entitlement Act, we are actively engaged in developing a comprehensive land disposal ordinance; we have created a land trust fund to finance the land sale program; and we are planning our first subdivision sale targeted for later this year.

3. *Ketchikan Gateway Borough has already given the State first choice of residential land in the Ketchikan area.* In accordance with the Borough Assembly's policy to not interfere with the planning and scheduling of State land sales in the Ketchikan area, the Borough did not nominate or select lands proposed by the State for future residential sales. These include the Mud Bight, Mountain Point, and South Saxman subdivisions, totalling over 1200 acres of State land within the settled portion of the Borough. These 1200 acres constitute 26% of all developable state-owned or TA'd lands within our borough's road system. If the substitute for HB 31 passes, the State will be taking another 2,319 acres of developable land from our entitlement - the equivalent of nine more subdivisions the size of the 1980 Mud Bight sale.

The Borough's research of local demand for land supports Representative Freeman's contention that there is a pressing need for residential land disposals in the Ketchikan area. We've found that land prices are increasing on an average of 20% per year - every four years the price of a residential lot in Ketchikan doubles. The issue is who can best meet Ketchikan's residential land demand: the Legislature in Juneau working through a statewide land disposal formula or the Ketchikan Gateway Borough Assembly through a program designed under local scrutiny with the input of Borough residents to address our community's specific land use needs. The Borough Assembly will be held accountable throughout the implementation of its land sale program and for years to come by both the local taxpayers and those residents participating in the land sales. We contend this is where the accountability belongs.

On behalf of the Ketchikan Gateway Borough Assembly, I ask you to give thoughtful consideration to the appropriateness of a locally directed, locally accountable land disposal program for the Ketchikan community in your deliberations on the House Resources Committee substitute for HB 31.

Sincerely,



Carroll G. Fader
Borough Mayor

cc: Representative Oral Freeman

League of Women Voters



of Juneau, Alaska

April 9, 1981

The Honorable Samuel F. Cotten
Chairman, House Finance Committee
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

The League of Women Voters supports the basic thrust of HB 31 which is to remove the fixed quota of State land which the Department of Natural Resources must dispose of each year. Replacing the quota with a demand assessment is a prudent approach to land disposal.

However, the League of Women Voters strongly opposes two features of CSHB 31 (Resources):

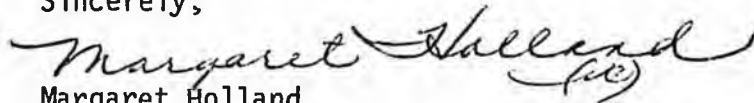
1. Section 3, which adds a new section 38.04.021 IDENTIFICATION AND DISPOSAL OF MUNICIPAL ENTITLEMENT LAND. This new section requires municipalities to designate 20% of their selections for which patents have not been issued as suitable for disposal into private ownership. The designated land would then be placed in the land disposal bank for disposal by the State. We oppose this section because it removes from municipalities land management responsibility for municipal entitlement lands and places it in the hands of the State.
2. There is no provision to repeal AS 29.33.150(b) which deprives municipalities of their authority to disapprove State subdivision plats under certain conditions.

The League of Women Voters bases this testimony on its position relative to land use, which includes the following provisions:

1. "...put responsibility for making and enforcing land use decisions on the lowest level of government immediately concerned with the land question."
2. "...coordination and compliance with State and local land use plans (and) subdivision requirements..."

We would appreciate your consideration of the League of Women Voters testimony on HB 31. Thank you.

Sincerely,


Margaret Holland
Action Chairperson

A M E N D M E N T

OFFERED IN THE HOUSE:

BY: Representative Moss

TO: Finance HOUSE BILL No. _____

SENATE BILL No. _____

PAGE: 25

LINE: 8, Section 47

* Section 47. AS 38.05 is amended by adding a new section to read:
Sec. 38.05.064. AGRICULTURAL LAND IMPROVEMENT CREDITS. (a) The commissioner shall allow as a credit toward the sale price of land classified for agricultural purposes and sold under this section an amount approved by the commissioner and spent by the purchaser for the following improvements to the land;

- (1) \$90 per acre for land brought to cultivation, including clearing and drainage when necessary;
- (2) \$7 per hundred feet of fencing;
- (3) \$9 per square foot, not to exceed \$5,600 for permanent family dwellings;
- (4) \$5 per square foot, not to exceed \$5,600 for farm buildings;
- (5) \$11 per foot of a well producing water for domestic use;
- (6) \$1,700 per mile, not to exceed \$11,200 for access roads;
- (7) 50 percent of the purchaser's actual costs, not to exceed \$2,800 for the installation of electrical service lines.

(b) The total land improvement credits granted under this section may not exceed 50 percent of the sale price. Land improvement credits in excess of a payment may be credited to a future payment.

(c) To receive a land improvement credit under this section the purchaser shall certify under oath to the commissioner

- (1) the nature and extent of completion of the improvement;
- (2) the cost of the improvement not including labor provided by the purchaser, the spouse of the purchaser, or dependents of the purchaser.

(d) A purchaser may not receive a credit under this section which duplicates an entitlement under a federal or state farm conservation program.

Freeman

AS 40.15.010 is amended by adding a new subsection to read:

(b) Notwithstanding (a) of this section, AS 29.33.190, 38.04.-045(b), 40.15.070, and 40.15.200, subdivisions of state land classified for disposal under AS 38.05 and AS 38.08 need not show the approval of the platting board or other subdivision authority having jurisdiction in order to file the plat for record in the office of the recorder. However, state subdivision plats must be submitted to the platting authority for review in compliance with this subsection and AS 29.33.-160(c) and recorded before the sale of any lots or tracts in the subdivision.