

COMMITTEE REPORT
SENATE

FURTHER: None

5/22/81

Date: 6/22/81

Mr. President:

The Committee on FINANCE has had CSHB 31 (Fisc) on

management of state land

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 FINANCE same title
 new title
- and recommends CSHB 31
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

passed
w/bill 6/22/89

FISCAL NOTE

I. REQUEST

REVISED *

Bill/Resolution No. SCS for MCS for HR 31 (Finance) am
Title An Act relating to the management, disposal and use of state/mun land
Requested by Senator Bennett Date 6/22/81

II. FISCAL DETAIL

Agency Affected Department of Natural Resources
Program Category Affected NRMEC
BRU, Program, or Subprogram(s) Affected Land Management
(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		501.2				
200 TRAVEL		33.5				
300 CONTRACTUAL		428.5				
400 COMMODITIES		11.0				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		600.0 *				
CAPITAL		13084.8				
TOTAL		14659.0				

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND		14659.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME						
PART TIME						
TEMPORARY						

* The \$600.0 figure was added by the Senate Finance Committee to provide the funding required for conversion of leases provided for in Section 44 of SCS CSHB 31 (Finance).

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

1. Classification of all land within two years.
2. Assessment of statewide/local demand.
3. Lotteries in locality; personal attendance
4. Advance appraisals on remote parcels.
5. Conversion of existing leases; appraisals; additional staking
6. Field inspections.
7. Supervision of grant program to municipalities
8. Director of Division of Forestry.
9. Supervision of local disposals, brochures, qualifications.
10. Initial grant funds pool for municipalities (CAPITAL)
11. Cadastral land survey. (CAPITAL)

Positions: FLWM: Appraiser, Div. Director, (5) LMO II, LMO I
DR&D: Info. Officer, LMO II.
DA&M: Acct. Tech. II, Acct. Tech. I, CT III. D/Agr: LMO II.

IV. DATE 6/22/81 PREPARED BY Jeff Haynes
AGENCY Deputy Commissioner DNR
PHONE 465-2400

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

SCS for HCS for HB 31 (Finance)

PERSONAL SERVICES

<u>Function</u>	<u>Positions</u>	<u>Cost</u>
Additional staking, conversion of existing leases to new terms, supervision of range appraisals	LMO II/FLWM Northcentral	35,436
	LMO II/FLWM Southcentral	35,436
	LMO II/FLWM Southeast	35,436
Supervision of local disposals, supervision of grant programs to municipalities, field assistance and inspections, conducting of lotteries in locality	LMO II/FLWM Northcentral	35,436
	LMO II/FLWM Southcentral	35,436
	LMO I/FLWM Southeast	31,091
Classification of all state land outside municipalities within 2 years	LMO II/Agr.	35,436
	LMO II/DR&D	35,436
Appraisals on converted leases	Appraiser II/FLWM	40,560
Supervision of individual land sale brochures for all localities; distribution of information on all sales and attendance at all local lotteries for information and qualification	Info. Officer I/ FLWM	33,047
Receipt and handling of funds at all local lotteries; administration of funding for grants to municipalities	Acct. Tech. II/DA&M	31,091
	Acct. Tech. I/DA&M	27,655
	CT III/DA&M	
Creation of Division of Forestry	Div. Director	66,326
		<u>501,278</u>

TRAVEL

<u>Function</u>	<u>Cost</u>
Conducting lotteries in locality; receipt of funds; qualification of applicants; distribution of information;	2,500 (DR&D)
	2,500 (DA&M)
	14,000 (FLWM)
	2,500 (AGR.)
Administration of grant program to municipalities	2,500 (DA&M)
	2,000 (FLWM)
Classification of land within 2 years - field review; travel to municipalities for assessment of demand	5,000 (FLWM)
	2,500 (DR&D)
	<u>33,500</u>

CONTRACTUAL

Land disposal brochures for local disposals	
12 brochures @ \$10,000 each	120,000
12 flyers @ \$2,000 each	24,000
12 sets of applications @ \$800 each	9,600
	<u>153,600</u>
Conversion of existing remote parcel leases to new terms; revision of contracts to allow for additional staking; entry into computer revenue and billing system	225,000
Land demand assessment; data processing for land classification within two years	50,000
	<u>428,600</u>

COMMODITIES

Office equipment, supplies for 14 positions	11,000
	<u>11,000</u>

EQUIPMENT

None

CAPITAL

Initial grant pool for municipalities	2,000,000
Cadastral land survey (see backup for Governor's capital budget)	11,084,800
	<u>13,084,800</u>

THE LEGISLATURE OF THE STATE OF ALASKA
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*passed
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FULL TIME						
PART TIME						
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III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

1. Classification of all land within two years.
2. Assessment of statewide/local demand.
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AGENCY Deputy Commissioner DNR
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EQUIPMENT

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CAPITAL

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	<u>13,084,800</u>

Project Title Cadastral Land Surveying			Location(s) Statewide		Election Districts Served Statewide		Start Date FY 82		Completion Date FY 83	
AGENCY REQUEST			Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year	Ultimate Annual Year	GOVERNOR'S REQUEST			
							Approved <input checked="" type="checkbox"/>	Deferred <input type="checkbox"/>	Disapproved <input type="checkbox"/>	
1002	Federal Receipts		Funding Source	Federal Receipts			1002	Federal Receipts		
1003	G/F Match			General Fund			1003	G/F Match		
1004	General Fund	10,484.8					1004	General Fund		10,484.8
1005	I/A Receipts						1005	I/A Receipts		
	G.O. Bonds							G.O. Bonds		
			Total Annual Operational Cost		--no change--					
			Position (FTE)							
			Previous Year-Priority		Agency Priority		Governor's Priority			
Total			10,484.8		82-1		82-1		Total 10,484.8	

PROJECT DESCRIPTION

Chapter 85, SLA 1979, created a land disposal bank. As part of the process the Department is required to make available 100,000 acres of land for disposal in each fiscal year. This is broken into approximately 75,000 acres for remote parcels and 25,000 acres of small tract parcels which range from 1 to 5 acres in size. The public is obtaining lands that have been identified, monumented, platted, and recorded, creating a firm land title document for the passing of State land title. The State is lowering the cost to the consumer in obtaining a parcel of land by having the surveys performed in groups which decreases the cost of survey field work. Each project for subdivision goes through six phases in order to complete the project area; this includes the site evaluation, photography and mapping, feasibility plan, master plan, preliminary platting, and final plat. The site evaluation is researching for lands that are suitable for the intended purpose, investigation of the environmental concerns, and office investigation for access (both legal and physical) to the area to be surveyed, and meeting with other Department personnel and agencies. The photography and mapping include horizontal and vertical control for the photography, contour mapping, ground truthing for the preliminary soils work, and then a final discussion with the Division of Technical Services personnel to see if the project is still feasible. The next phase, the feasibility plan, review all the data of phases 1 and 2 and has an overall master plan and general concept showing the soils, the determination of usable and unusable lands and a brief overview of wastewater disposal. This is discussed with other interested parties and Department personnel. The master plans include a general lot layout, including approximate sizes in general configuration based upon the data gathered to date. Ideally this includes two or three plans that can be refined and adjusted for a final master plan. The preliminary platting process is submitting it to the Borough and other agencies as applicable. The final plat is the final survey staking of the approved master and preliminary plans. These phases are established so that if for policy or technical reasons a project should be deleted, adjusted, or be delayed, a decision can be made that minimizes the cost of that project at that stage.

Presently, there is approximately two percent of State lands that have densified monumentation. The Federal Government, in passing title to the State, surveys the exterior of a township approximately every two miles, and a township is a six mile

CATEGORY NRMEC

AGENCY Dept. of Natural Resources

PROGRAM DNR Mgmt. & Admin.

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35a PROJECT DESCRIPTION -
PROPOSED CAPITAL
PROJECT

by six mile block. Therefore, the interior monumentation required for remote parcels or a subdivision is what this project accomplishes in addition to that previously stated.

These projects are statewide from areas drawn from the land disposal bank, and in subdivision areas are generally close to existing transportation corridors. The projects are identified through the Land Availability Determination Schedule (L.A.D.S.).

Cadastral Land Surveying

**CONTINUATION
FROM:**

35 A

CATEGORY NRMEC

AGENCY Dept. of Natural Resources

PROGRAM DNR Mamt. & Admin.

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FY 82

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Capital Project Expenditures (Cash Flow)	Total	Budget Year	Budget Year Plus 1	Budget Year Plus 2	Budget Year Plus 3	Budget Year Plus 4	Remaining Cost
Planning and Engineering (300)	8,694.0	8,694.0					0
Land							0
Construction							0
Equipment (500)	5.0	5.0					0
Administration and Other (100, 200, 400)	1,785.8	1,785.8					0
Total Annual Expenditure (Capital Cost)	10,484.8	10,484.8					0

Project Justification Project Need Statement: AS 38.04.045 requires that lands to be conveyed by the State must be surveyed prior to alienation. Further that where land is located within a Municipality with platting and zoning powers plats for State subdivisions shall comply with local ordinances and regulations. Chapter 85, SLA 1979, requires the Department to dispose of 100,000 acres of land each year. This is broken into approximately 75,000 acres for remote parcels and 25,000 acres of small tract parcels. A minimum amount of monumentation is performed in the remote parcel areas, but is necessary in order to be used as points of reference for the measurement of distances within an area. AS 38.05.047 requires that if land is suitable for residential use the Department shall survey and subdivide the land in a survey district.

A part of the land disposal process requires that daily recording of State land activity on Status Plat and Serial Pages. Therefore, this project request is including personnel to accomplish this increase in work load during this project.

The Cadastral Land Surveying project is developed to survey in the year prior to disposal because of the seasonal/weather restrictions for field surveying. Therefore, this Capital Project Request is for FY 83 disposal areas and should not be construed as requesting funds for those fiscal years, but that we are requesting funds for surveying for disposal of lands to be made available in FY 83.

Documentation of Estimated Capital Costs: Costs for this project were estimated by Division of Technical Services professional personnel based on current experience, and inflated at a rate according to the FY 82 policy budget figures except for contractual services which are based on current contract experience which is inflated at 15% over this years rates. (The contractual estimated costs utilizes professional assumptions made on the past awards of survey contracts in FY 81). Professional Contract Services cost estimate for FY 82 is: \$328 ac./subd. (small tract)
\$6.67 ac./remote parcel (large tract)

Project Type

- Building Construction (C)
- Other Improvement (I)
- Equipment (E)
- Land (L)
- Professional Services (P)
- Other (O)

Project Characteristics

- Totally New Facility
- Addition to Existing Facility
- Renovation of Existing Facility
- Major Maintenance or Repair
- Supplement Previously Authorized
- Funds to Enable Completion
- One of Several Phases
- Major External Funding Source
- Other

Site Features

NO YES

- Site Currently Owned?
- All Utilities Available?
- Access Already Available?

PROJECT TITLE Cadastral Land Surveying

CATEGORY NRMEC

PROJECT JUSTIFICATION
35b PROPOSED CAPITAL PROJECT

AGENCY Dept. of Natural Resources

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Analysis of Estimated Operational Expense: This project is designed and planned to function with its own administrative costs for personnel, travel, contractual, commodities, and equipment. However, there is some overlap with operating personnel work during the life of the project, but it is a minimal and not a continual situation.

Identification of Alternatives Considered:

- 1) The Operating Budget level of funding necessary for the large scale disposal actions, does not allow this level of funding in order to accomplish the mandated disposals.
- 2) In lieu of having numerous full time field survey technicians, it is beneficial to contract for the actual field survey work to be performed. An ample number of firms are located throughout the State and in communities generally where projects are located. This ease of operations with a minimum survey staff offsets numerous personnel, field equipment, and logistics problems, and allows us expeditious operations in several locations at once.
- 3) Allowing land to be appropriated and surveyed by private individuals presents problems. The administrative costs are not recoverable by the sale of the land. The administrative costs are to insure that lands are properly and legally identified according to the Division of Technical Services survey criteria before being alienated.
- 4) Requesting other agencies, either State or Federal, was rejected. Unique handling of local platting, platting and zoning authorities is a consideration when involving the Federal agencies such as the BLM with the exception of townsite programs by the BLM, the majority of their contracts are large Cadastral Survey projects. BLM is not in the position to program for densifying their monumentation for State purposes in order to quickly pass title.

Cadastral Land Surveying

CONTINUATION
FROM: 35 B

CATEGORY NRMEC
AGENCY Dept. of Natural Resources
PROGRAM DNR Mgmt. & Admin.

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Project Title FY '82 Cadastral Land Surveying			Location (s) statewide		Election Districts Served statewide		Start Date FY 82		Completion Date FY 82	
AGENCY REQUEST			Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year _____	Ultimate Annual Year _____	GOVERNOR'S REQUEST		Disapproved	
							Approved <input checked="" type="checkbox"/>		Deferred <input type="checkbox"/>	
1002	Federal Receipts		Funding	Federal Receipts			1002	Federal Receipts		
1003	G/F Match			General Fund			1003	G/F Match		
1004	General Fund	600.0	Source				1004	General Fund	600.0	
1005	I/A Receipts						1005	I/A Receipts		
G.O. Bonds			Total Annual Operational Cost		----no charge----		G.O. Bonds			
			Position (FTE)							
			Previous Year-Priority		Agency Priority		Governor's Priority			
					82-1		82-1			
Total		600.0					Total		600.0	

PROJECT DESCRIPTION

Line 9, Page 76, Chp. 120, SLA 1980, appropriated \$5,500,000 to the Department of Natural Resources for Cadastral Land Surveying in FY '82. This appropriation was to survey 100,000 acres of land for disposal in FY '82. This is broken into approximately 75,000 acres for remote parcels and 25,000 acres of small tract parcels that have to be identified, monumented, platted and recorded for land disposals. On October 6, 1980 the Governor's office issued a memo to the Commissioner of Natural Resources concerning the survey of the Delta Agricultural Project Expansion. The Governor requested that this Department undertake the survey of the Delta Agricultural Project Expansion as soon as possible for a cost of \$600,000 in order to have substantial cost savings by commencement of the surveys this fall. A question arose as to the respective Houses of the Legislature as to whether a portion of these survey funds were to be committed for survey of the Delta expansion. As a result, it was determined that it would not be inconsistent with legislative intent to use a portion of the said survey funds for the Delta Agricultural Project Expansion provided a sufficient amount was included in the Governor's FY '82 Capital Budget request to insure that the annual 100,000 acre land disposal quota for FY '82 can be satisfied. This Capital Improvement Project request is to replace the \$600,000 used for the Delta Agricultural Project Expansion and to complete the 100,000 acre disposal quota for FY '82 land disposals.

CATEGORY NRMEC

AGENCY Dept. of Natural Resources

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FY 82

00011

35a PROJECT DESCRIPTION -
PROPOSED CAPITAL
PROJECT

Capital Project Expenditures (Cash Flow)	Total	Budget Year	Budget Year Plus 1	Budget Year Plus 2	Budget Year Plus 3	Budget Year Plus 4	Remaining Cost
Planning and Engineering (300)	600.0	600.0					
Land							
Construction							
Equipment							
Administration and Other							
Total Annual Expenditure (Capital Cost)	600.0	600.0					

Project Justification

This project was justified in the FY 81 Capital Improvement Project submission and funds were appropriated by the Legislature. This \$600,000 request is to replace the monies necessary to complete the FY 82 land surveys which have contracts awarded, but are waiting this additional funding in order to complete the final portion of the surveys for subdividing of state land for FY 82 land disposals

Documentation of estimated Capital costs:

This \$600,000 is for professional survey contract services only and the costs have been negotiated and finalized to complete the FY 82 surveys.

Analysis of estimated operational expense:

These funds are for professional contractual services only.

Identification of alternatives considered:

The FY 81 Capital Improvement Project request identified alternatives for this Project. Without these funds this Capital Improvement Project cannot be completed and the mandated 100,000 acre disposal cannot be met.

Project Type

- Building Construction (C)
- Other Improvement (I)
- Equipment (E)
- Land (L)
- Professional Services (P)
- Other (O)

Project Characteristics

- Totally New Facility
- Addition to Existing Facility
- Renovation of Existing Facility
- Major Maintenance or Repair
- Supplement Previously Authorized
- Funds to Enable Completion
- One of Several Phases
- Major External Funding Source
- Other

Site Features

NO YES

- Site Currently Owned?
- All Utilities Available?
- Access Already Available?

PROJECT TITLE FY 82 Cadastral Land Surveying CATEGORY NRMEC

35b PROJECT JUSTIFICATION
PROPOSED CAPITAL PROJECT

AGENCY Dept. of Natural Resources
PROGRAM DNR Management & Administration

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CH.NO., SLA NO. or RP NO.	Project Title and Location	Amount Authorized	Estimated Total Expenditures Through June 1980	Planned Expenditures Through Completion	Est. Comp. Date.	Status
Ch 113/78	Cadastral Land Surveying Statewide	2,027.4	2,027.4	2,027.4	6/80	COMPLETED
Ch 80/79	Cadastral Land Surveying Statewide	6,480.0	6,480.0	6,480.0	12/80	The administration of the project is being completed.
Ch 50/80	FY 81 Cadastral Land Surveying - Statewide	6,903.1	6,903.1	6,903.1	6/81	in progress
Ch 120/80	FY 82 Cadastral Land Surveying - Statewide	5,500.0	5,500.0	5,500.0	6/82	in progress
Ch 120/80	Offshore/Marine Boundary Survey - Statewide	1,126.5	1,126.5	1,126.5	6/82	in progress
Ch 120/80	General Grant Selection - Statewide	161.3	161.3	161.3	6/81	in progress

38 STATUS OF CURRENTLY
APPROVED CAPITAL
PROJECTS

01-1140(8/00)

CATEGORY NRMEC
 AGENCY Dept. of Natural Resources
 PROGRAM DNR Mgmt. & Admin.

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 Revised Date

FY82
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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF TECHNICAL SERVICES
CADASTRAL SURVEY SECTION
703 West Northern Lights Blvd.
Anchorage, Alaska 99503

41009

Date: August 22, 1980

SUBDIVISION SURVEY PHASES

PHASE I. Site Evaluation

A. Office Investigation

- 1) Determine and Document Legal Access
- 2) Research and Accumulate Available Soils Data
- 3) Determine Natural Hazard
 - a. Floodplain
 - b. Avalanche
 - c. Wind
 - d. Etc.
- 4) Research and Accumulate Existing Survey and Land Status Data
- 5) Research and Accumulate Environmentally Oriented Planning Concerns and Reports
- 6) Research and Accumulate Mining Claim Information.

B. Meetings with Division of Technical Services and Division of Forest, Land, and Water Management District Personnel under the Auspices of the Division of Technical Services.

C. Prepare a Site Evaluation Report Based on the Accumulated Data

PHASE II.

Low Level) Aerial Photography and Mapping (All or part of this phase may be complete, note the specific subdivision data sheet.)

00018

A. Control and Photography

- 1) Discussion with Division of Technical Services Personnel
- 2) Horizontal and Vertical Control for Photography
- 3) Photograph project area
- 4) Prepare Control Diagram and Coordinate Listing

B. Prepare Contour Map per Division of Technical Services Specifications.

PHASE III. Feasibility Study

A. Preliminary Feasibility

- 1) Preliminary soils work, i.e., site reconnaissance, superficial soils investigation, etc.
- 2) Preliminarily determine suitability of lands for subdivisions
- 3) Prepare preliminary Feasibility Study
- 4) Review and discuss with Department of Natural Resources personnel

B. Final Feasibility Study

1. Review all data generated in Phases I, II and III.A.
2. Perform detailed subsurface soils investigation to Division of Technical Services specifications, if required
3. Determine suitability of lands for subdivision and on-site sewage disposal systems
4. Obtain Department of Environmental Conservation and Municipal (when applicable) general overview
5. Prepare general cost estimates for development of roadways and utilities
6. Review and discuss with Department of Natural Resources personnel

61000

PHASE IV. Master Plan

- A. Prepare Three Alternative Subdivision Layouts (Preliminary Master Plans) General Design Criteria will be Based on Data Gathered in Phases I, II, and III
- B. Prepare Narrative Describing Alternative Layouts and Methodology used in their Design - Include Recommendations
- C. Review and Discussion with Department of Natural Resources Personnel
- D. Prepare Final Master Plan per Division of Technical Services Specifications and request ASLS numbers.
- E. Transmit Final Master Plan to Department of Environmental Conservation for Approval per 18 AAC 72.065 after approval by the Division of Technical Services
- F. Initiate Vacations of Existing Lots, Blocks, Tracts, Roadways, and/or Easements which Conflict with the Approved Master Plan and Prepare Vacation Plats.
- G. Coordinate street names with Division of Technical Services and Municipality (if applicable)

PHASE V. Preliminary Platting

- A. Prepare Preliminary Plat per Division of Technical Services and Municipal Specifications
- E. Verify Legal Access to Subdivision
- C. Transmit Department of Environmental Conservation Approval to Division of Technical Services
- D. After Division of Technical Services Approval of Preliminary Plat, Transmit to Appropriate Agencies, i.e., Municipalities for Approval.
- E. Obtain Approval of Preliminary Plat from Municipality (if applicable)

PHASE VI. Final Platting

- A. Deliver Proposed Monumentation Diagram for Division of Technical Services' Approval
- B. Prepare Plat per Division of Technical Services' and Municipal Specifications
- C. Stake Subdivision to Division of Technical Services' and Municipal Specifications.
- D. Transmit Plat with Fieldbooks, Computations, and Completed Checklist to Division of Technical Services for Approval
- E. After Division of Technical Services Approval, Transmit Plat to Municipality for Final Plat Approval
- F. Finalize Vacations Initiated in Phase IV
- G. After Municipality Approval, Transmit Final plat Materials to Division of Technical Services.

PHASE VII. Development (When Applicable and specified by the Division of Technical Services.)

- A. Preparation of Road and Utility Design and Bid Documents
- E. Construction Staking
- C. Construction Monitoring
- D. AsEuilt Construction

Original sponsors: Freeman, Gardiner,
and Halford

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR 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, disposal, and use
7 of state and municipal land; and providing for an
8 effective date."

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

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

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

18 * Sec. 2. AS 29.33.150(b) is amended to read:

19 (b) The regulations adopted under (a) of this section apply to
20 subdivision plats of undeveloped state land for disposal under AS 38.05
21 or AS 38.08 filed with the platting board. The [, EXCEPT THAT THE]
22 platting board may not disapprove the subdivision plat on the basis of
23 [OR ADOPT] regulations which require [THE STATE TO CONSTRUCT ACCESS
24 ROADS OR] capital improvements on or to state land included in the
25 subdivision plat. Regulations adopted after the platting board is
26 notified by the commissioner of natural resources of a proposed sale
27 of subdivided state land under AS 38.05 or AS 38.08 do not apply to the
28 state land in the proposed sale.

29 * Sec. 3. AS 29.33.150 is amended by adding new subsections to read:

1 (c) The platting board must approve and sign the subdivision plat
2 within 60 days of its receipt from the commissioner of natural resources
3 unless the platting board

4 (1) determines that the plat does not comply with subdivision
5 regulations other than those requiring capital improvements to state
6 land; and

7 (2) notifies the commissioner of each determination of non-
8 compliance within the 60-day period established in this subsection.

9 (d) The commissioner of natural resources may withdraw the sub-
10 division plat and amend it in response to the determination of non-
11 compliance by the platting board under (c) of this section. The
12 platting board shall respond within 30 days to the amendment or response
13 from the commissioner of natural resources.

14 (e) Notwithstanding any other provision of law, the provisions of
15 (b) - (f) of this section apply to all disposals of land under AS 38.05
16 and AS 38.08.

17 (f) Nothing in this section relieves the Department of Natural
18 Resources of its obligation to provide legal access to the subdivision.

19 (g) As used in this section, "capital improvements" includes but
20 is not limited to access roads, other physical improvements, and their
21 design and engineering.

22 * Sec. 4. AS 29.48.260 is amended by adding a new subsection to read:

23 (g) A municipality may lease municipal land for a term of not
24 more than 55 years to a nonprofit corporation, association, club or
25 society organized and operated exclusively for charitable, scientific,
26 or educational purposes, or for the promotion of social welfare.
27 Municipal land leased under this subsection may not be used for commer-
28 cial development. Before municipal land may be leased under this
29 subsection, the proposed lessee shall demonstrate to the satisfaction

1 of the borough assembly or city council that it is exempt from federal
2 income taxation, that all of the land requested is to be used for an
3 established or proposed project, and that the applicant is financially
4 able to carry out the project. A lease may not be granted under this
5 subsection unless the project for which the municipal land is leased is
6 open for use by the public. The provisions of (c) of this section do
7 not apply to a lease under this subsection.

8 * Sec. 5. AS 38.04.020 is repealed and reenacted to read:

9 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall
10 establish a land disposal bank containing state land classified for
11 disposal into private ownership.

12 (b) The land disposal bank does not include

13 (1) land nominated for selection or selected by a municipi-
14 pality to satisfy a general grant land entitlement under AS 29.18.201 -
15 29.18.213;

16 (2) land retained in state ownership for multiple-use manage-
17 ment;

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

20 (4) land retained in state ownership under an enactment of
21 the legislature or by the governor or a state agency under authority of
22 law.

23 (c) Land to be retained in state ownership may be classified by
24 the commissioner into multiple-use management categories under AS 38.-
25 05.300. Land within a municipality retained in state ownership consists
26 of land classified for retention in state ownership as of December 31,
27 1980. Land outside a municipality to be retained in state ownership
28 consists of land classified for retention in state ownership by the
29 commissioner by July 1, 1983. Land conveyed to the state by the federal

1 government that is to be retained in state ownership consists of land
2 classified by the commissioner within two years of receipt of tentative
3 approval or patent, whichever occurs first. State land not classified
4 for retention in state ownership or selected by the municipality under
5 this section shall be classified and included in the land disposal
6 bank. The commissioner shall ensure that the bank includes at least
7 500,000 acres.

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

- 11 (1) land suitable for remote parcel disposal;
12 (2) land suitable for subdivision disposal;
13 (3) land suitable for agricultural, commercial, or industrial
14 disposal; and
15 (4) land suitable for other purposes.

16 (e) The commissioner shall annually submit to the governor an
17 appropriation request necessary for the disposal of state land in the
18 land disposal bank that shall be included in the budget submitted to
19 the legislature by the governor. For each fiscal year, the request
20 shall include an estimate of the amount necessary

21 (1) for survey and disposal of land proposed to be made
22 available for remote parcel staking, with the general location of the
23 land;

24 (2) for survey and disposal of land to be offered as agri-
25 cultural, commercial, industrial, or other uses under AS 38.05.055 or
26 38.05.057, with the general location of the land;

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

29 (4) for preliminary feasibility studies, engineering design

1 work, and construction of access roads and capital improvements required
2 by municipal subdivision ordinance or regulation of the platting board
3 under AS 29.33.150; if an accurate determination of the amounts neces-
4 sary for access roads or capital improvements cannot be made at the
5 time the estimate is submitted, a schedule for obtaining the estimates,
6 constructing the access roads or capital improvements, and disposing of
7 the land shall be submitted;

8 (5) for identification of land that will be proposed for
9 disposal under this subsection in future fiscal years.

10 (f) The request of the commissioner under (e) of this section
11 shall be based on an annual written assessment by the commissioner of
12 the market for state land in the different regions of the state. If
13 the state land is in or adjacent to municipalities or unincorporated
14 communities, the assessment shall be developed in consultation with the
15 municipalities or unincorporated communities. The assessment must
16 include a survey of the supply of privately owned land offered for
17 sale, municipal land for which a disposal plan has been completed, and
18 federal land available for sale, lease, or permit for specific activi-
19 ties. The assessment of the market for state land shall be based on an
20 analysis of the amount of private, municipal, and federal land avail-
21 able for disposal on terms equivalent to those used in comparable state
22 land disposal programs and shall include the length of time land remains
23 on the market before it is sold. The assessment must include findings
24 regarding the amount and general location of state land, in addition to
25 land offered by private landowners or available from a municipal govern-
26 ment or the federal government, that is necessary to meet the statewide
27 demand for at least five fiscal years immediately after the year in
28 which the assessment is made. The assessment must also state the
29 general location of land proposed for disposal in the next fiscal year

1 and recommendations for the method of disposal under which the land
2 will be offered to the public.

3 (g) After July 1 of each year, the commissioner shall direct
4 the expenditure of money appropriated for the disposal of land in
5 response to requests made under (f) of this section for the follow-
6 ing:

7 (1) Land designated as suitable for remote parcel disposal
8 shall be classified and surveyed under this chapter and AS 38.05 and
9 made available for staking and lease under AS 38.05.077.

10 (2) Land designated as suitable for subdivision disposal
11 shall be surveyed, subdivided, classified, and disposed of as fol-
12 lows:

13 (A) up to 80 percent of the parcels shall be sold under
14 the lottery sale procedures established in AS 38.05.057 and 38.05.-
15 065;

16 (B) at least 10 percent of the parcels shall be dis-
17 posed of as homesites under AS 38.08; and

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

22 (3) Land designated agricultural, commercial, industrial, or
23 suitable for other disposal shall be sold under AS 38.05.055 or 38.05.-
24 057.

25 (h) Individual parcels disposed of in subdivisions may not exceed
26 five acres unless the commissioner determines that a larger size is
27 necessary to comply with zoning ordinances or to permit the design of a
28 viable subdivision because of topographical features, soil conditions,
29 on-site sewage disposal requirements, or water drainage or supply

1 considerations that are unique to the subdivision.

2 (i) Nothing in this section prevents the disposal of other land
3 by the commissioner in accordance with AS 38.05.055, 38.05.057, 38.05.-
4 070, the issuance of remote cabin permits under AS 38.05.079, AS 38.08,
5 or other law.

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

17 (k) The commissioner may withdraw from the land disposal bank
18 state land that has been offered for disposal but not conveyed within
19 five years after inclusion in the land disposal bank. State land
20 withdrawn from the land disposal bank under this section must be re-
21 classified under AS 38.04.065.

22 * Sec. 6. AS 38.04 is amended by adding a new section to read:

23 Sec. 38.04.021. DISPOSAL OF MUNICIPAL GRANT LAND ENTITLEMENTS.

24 (a) A municipality may apply for financial assistance for the execution
25 of a land disposal program of general grant land entitlements received
26 from the state under AS 29.18.201 - 29.18.213 by submitting a request
27 to the commissioner for inclusion in the estimate submitted to the
28 legislature under AS 38.04.020(e). A municipality may request financial
29 assistance for expenses of surveying land, designing subdivision plats,

1 installing improvements required by municipal ordinance or regulation
2 of the local platting board, and other reasonable direct costs of land
3 disposal.

4 (b) A request by a municipality under this section must be accom-
5 panied by

6 (1) a schedule for the disposal of municipal land for the
7 next five years; the schedule shall be based on an assessment of the
8 demand for private land within the municipality and included in the
9 assessment submitted under AS 38.04.020(f);

10 (2) an estimate of the number of acres of municipal land
11 that the municipality plans to dispose of during each fiscal year of
12 the five-year period;

13 (3) a description of the methods to be used for the disposal
14 of municipal land and the terms under which it will be offered to the
15 public; and

16 (4) a description of the municipal land that the municipal-
17 ity plans to dispose of each fiscal year during the five-year period.

18 (c) The commissioner shall determine that a request by a munici-
19 pality meets the requirements of this section before it is submitted to
20 the legislature. The commissioner shall administer money appropriated
21 by the legislature for financial assistance to a municipality under
22 this section. Money spent under this section constitutes a grant
23 unless otherwise provided by the legislature.

24 (d) A grant made under this section may not exceed five times the
25 amount of money appropriated by a first class city, a borough, or a
26 municipality unified under AS 29.68.220 - 29.68.440 for the disposal of
27 municipal land in the current fiscal year unless the commissioner
28 exempts the municipality from this subsection.

29 (e) A grant made under this section may not exceed seven times

1 the amount of money appropriated in the current fiscal year for disposal
2 of municipal land by

3 (1) a second class city; or

4 (2) a first class city, a borough, or a municipality unified
5 under AS 29.68.220 - 29.68.440 which is exempted by the commissioner
6 under (d) of this section.

7 * Sec. 7. AS 38.04.040 is amended to read:

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

14 * Sec. 8. AS 38.04.055 is amended to read:

15 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director
16 shall reserve easements and rights-of-way on and across land which is
17 made available for private use as necessary to reach or use public
18 water and public and private land. An easement or right-of-way re-
19 reserved under this section may include established trails traditionally
20 used for commerce, recreation, or transportation.

21 * Sec. 9. AS 38.04.065(d) is amended to read:

22 (d) Official regional or area plans and subsequent amendments
23 adopted by the commissioner after public and local governmental partici-
24 pation shall be signed and dated by the commissioner. After adoption
25 of an official regional or area plan, land [LAND] classifications shall
26 be made in accordance with these official plans.

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

28 (14) when he makes a written finding that the interests of
29 the state will be best served, he may, with the consent of the commis-

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

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

23 AS 38.05.115;

24 (B) the lease of land for a shore fishery site under

25 AS 38.05.082;

26 (C) a permit or other authorization revocable by the

27 department.

28 * Sec. 11. AS 38.05.035(b)(3) is amended to read:

29 (3) grant a preference right to a claimant who shows bona

1 fide improvement of state land, or federal land subsequently acquired
2 by the state, and who has in good faith sought to obtain title to the
3 land but who, through error or omission of others, has been denied
4 title to it; upon a showing satisfactory to the commissioner, the
5 claimant may lease or purchase the land at the price set on the date of
6 original entry on the land or, if a price was not set at that time at a
7 price determined by the division to fairly represent the value of
8 unimproved land at the time the claim was established, but in no event
9 less than the cost of administration including survey; the error or
10 omission of a predecessor in interest or an agent, administrator, or
11 executor which has clearly prejudiced the claimant may be the basis for
12 granting a preference right;

13 * Sec. 12. AS 38.05.035(b)(5) is amended to read:

14 (5) when he determines it is in the best interest of the
15 state and will avoid injustice to a person or his heirs or devisees,
16 dispose of land, by direct negotiation to that person who presently
17 uses and who used and made improvements to that land before January 3,
18 1959 or his heirs or devisees; the amount paid for the land shall be
19 its fair market value on the date that the person first entered the
20 land [AS OF THAT DATE], as determined by the director; a parcel of land
21 disposed of under this paragraph shall be of a size consistent with the
22 person's prior use, but may not exceed five acres;

23 * Sec. 13. AS 38.05.035(b) is amended by adding new paragraphs to read:

24 (7) dispose to an adjoining landowner a parcel of land
25 created by a highway right-of-way alignment or realignment, or a parcel
26 created by the vacation of a state-owned right-of-way if

27 (A) he determines that it is in the best interests of
28 the state;

29 (B) the parcel does not exceed the minimum lot size

1 under an applicable zoning code; and

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

7 (8) for good cause extend for up to 90 days the time for
8 rental or installment payments by a lessee or purchaser of state land
9 under this chapter if reasonable penalties and interest set by the
10 director are paid.

11 * Sec. 14. AS 38.05.035 is amended by adding new subsections to read:

12 (c) A parcel of land may be conveyed under (b) of this section
13 without classification or reclassification under AS 38.05.300.

14 (d) A parcel described in (b)(7) of this section must be sold at
15 its fair market value as determined by the director on the basis of an
16 appraisal completed as provided in AS 38.05.310. Nothing in this
17 subsection prevents the sale of land under AS 38.05.055 or 38.05.057 to
18 a person not qualifying as an adjoining landowner if the adjoining
19 landowner declines to purchase the land.

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

21 Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR
22 PRIVATE OWNERSHIP. The commissioner, upon the recommendation of the
23 director, shall determine the land to be disposed of for private use.
24 The director shall determine the time and place of disposal. An
25 auction sale, a lottery sale, or a disposal of land for homesites under
26 AS 38.04.020(g)(2)(C) must be held in the municipality that is closest
27 to the land to be sold or disposed of and in which regular sessions of
28 a court of the state are 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
3 [EXCEPT AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.08, the
4 sale of state land shall be made at public auction to the highest
5 qualified bidder as determined by the director. A bidder must appear
6 in person at the auction unless medical reasons, attendance at school,
7 or military service outside the state prevent attendance. A bidder
8 may be represented by an attorney or agent at the auction if the land
9 offered for disposal is commercial, industrial, or agricultural land.
10 An aggrieved bidder may appeal to the commissioner within five days
11 after the sale for a review of the director's determination. The sale
12 shall be conducted by the director or his representative, and at the
13 time of sale the successful bidder shall deposit an amount equal to
14 five percent [ONE-TENTH] of the purchase price, or if the purchaser
15 elects to use land discounts granted under AS 38.05.058, five percent
16 of the amount bid after deduction of the discount. The director or his
17 representative shall immediately issue a receipt containing a descrip-
18 tion of the land or property purchased, the price bid, the amount
19 deposited, and the amount of any discount allowed [TERMS OF SALE],
20 which receipt shall be acknowledged in writing by the bidder. [A
21 CONTRACT OF SALE ON A FORM APPROVED BY THE ATTORNEY GENERAL SHALL BE
22 SIGNED BY THE PURCHASER AND, AFTER APPROVAL OF THE COMMISSIONER, THE
23 CONTRACT SHALL ALSO BE SIGNED BY THE DIRECTOR ON BEHALF OF THE STATE.]

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

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

1 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner may
2 sell land by lottery for less than the fair market value of the land if
3 he determines that scarcity of land for private use in the area of the
4 land to be sold has resulted in unrealistic land values. Before the
5 commissioner determines the purchase price for land which is located in
6 a municipality and which is to be sold under this section, he shall
7 consult with the assessor of the municipality. The lottery shall be
8 conducted in public by the commissioner or his representative and an
9 applicant may not be selected to purchase land unless he is present on
10 the date and at the place that the lottery is conducted unless medical
11 reasons, attendance at school, or military service outside the state
12 prevent attendance. An applicant may be represented by an agent on the
13 day of the lottery if the land offered for sale is commercial, in-
14 dustrial, or agricultural land. On [, AND AT] the day of the lottery
15 [TIME OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot shall
16 deposit an amount equal to five percent of the purchase price, or if
17 the purchaser elects to use land discounts granted under AS 38.05.058,
18 five percent of the [DISCOUNT] purchase price after deduction of the
19 discount.

20 * Sec. 18. AS 38.05.065(a) is amended to read:

21 (a) The contract of sale for land sold at public auction under
22 AS 38.05.055 shall require the remainder of the purchase price, to be
23 paid in monthly, quarterly or annual installments over a period of 20
24 [10] years, with interest at the prevailing rate for real estate
25 mortgage loans made by the federal land bank for the farm credit
26 district for Alaska at the time the contract is signed. Installment
27 payments plus interest shall be set on the level-payment basis.

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

29 (b) The contract of sale for land sold under [THE PROCEDURES

1 SPECIFIED IN] AS 38.05.057 [(LOTTERY DISPOSALS)] and under AS 38.05.078
2 shall require the remainder of the purchase price to be paid in monthly,
3 quarterly, or annual installments over a period of not more than 20
4 years. Installment payments plus interest shall be set on the level-
5 payment basis. The interest rate to be charged on installment payments
6 is the prevailing rate for real estate mortgage loans made by the
7 federal land bank for the farm credit district for Alaska at the time
8 the contract is signed.

9 * Sec. 20. AS 38.05.067(d) is repealed and reenacted to read:

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

13 * Sec. 21. AS 38.05.067(e) is amended to read:

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

16 * Sec. 22. AS 38.05.070(b) is amended to read:

17 (b) The director, with the approval of the commissioner, shall
18 determine the land to be leased and the limitations, conditions and
19 terms of the lease. If the appraised value of the transaction is \$250
20 a year or less the director may negotiate a lease without advertisement
21 for a period not to exceed five years, and on the limitations, con-
22 ditions and terms which he considered are in the best interests of the
23 state. A lease negotiated under this subsection is not eligible for a
24 preference under AS 38.05.102.

25 * Sec. 23. AS 38.05.077(a) is repealed and reenacted to read:

26 (a) The commissioner shall designate remote parcel selection
27 areas and shall dispose of remote parcels in accordance with AS 38.04.-
28 020. The commissioner may set the number of remote parcels that may be
29 selected in each remote parcel selection area. A remote parcel may not

1 exceed 40 acres.

2 * Sec. 24. AS 38.05.077(c) is amended to read:

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

14 * Sec. 25. AS 38.05.077(d) is amended to read:

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

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

29 (2) a remote parcel lease may be renewed at the option of

1 the lessee for a second five-year period under the same terms as pro-
2 vided for the first five-year period of the remote parcel lease; [AND]

3 (3) a rental payment shall be paid annually and shall be
4 \$10 for each acre; [\$150 A YEAR FOR FIVE ACRES OR LESS PLUS \$50 FOR
5 EACH ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES.]

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

10 * Sec. 26. AS 38.05.077 is amended by adding a new subsection to read:

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

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

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

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

20 * Sec. 27. AS 38.05.078(a) is repealed and reenacted to read:

21 (a) A lessee of a remote parcel may purchase the land if, before
22 expiration of the lease or a renewal of the lease, he surveys the land.

23 * Sec. 28. AS 38.05.078(c) is repealed and reenacted to read:

24 (c) Upon payment to the commissioner of an amount equal to five
25 percent of the fair market value, a lessee of a remote parcel may
26 purchase land in a remote parcel area under the terms specified in
27 AS 38.05.065. The purchase price shall be the fair market value of the
28 remote parcel as determined by the commissioner at the time of lease.

29 * Sec. 29. AS 38.05.078 is amended by adding new subsections to read:

1 (g) If a person stakes a remote parcel in good faith but includes
2 land in his parcel that was previously claimed by another person eli-
3 gible to stake a remote parcel, the director shall approve that part of
4 the later staking that does not conflict with the earlier staking and
5 allow the person to stake additional land in the remote parcel staking
6 area.

7 (h) If a person stakes a remote parcel in good faith but includes
8 land in his parcel that is outside the remote parcel staking area, the
9 director shall either disapprove the staking of land outside the remote
10 parcel staking area and allow the person to stake additional land in
11 the remote parcel staking area or he may approve the staking of the
12 land outside the remote parcel staking area.

13 * Sec. 30. AS 38.05.095(b) is amended to read:

14 (b) A nonprofit organization that is exempted from paying rent on
15 state land under AS 38.05.315 [AS 38.05.097] may not sublease or assign
16 the land or a portion of it on which it has a lease.

17 * Sec. 31. AS 38.05.097(a) is amended to read:

18 (a) A nonprofit organization using state land leased by it under
19 AS 38.05.070 - 38.05.105 and 38.05.315 for a youth encampment or similar
20 recreational purpose is exempt from lease rental payments on that land.
21 The nonprofit organization shall meet all other terms and conditions of
22 the lease specified under AS 38.05.070 - 38.05.105 and 38.05.315.

23 * Sec. 32. AS 38.05.102 is amended to read:

24 Sec. 38.05.102. LESSEE PREFERENCE. If land within a leasehold
25 created under AS 38.05.070 - 38.05.100 is offered for sale or long-term
26 lease at the termination of the existing leasehold, the director may,
27 if he finds that it is in the best interest of the state, allow the
28 holder in good standing of that leasehold to purchase or lease the land
29 for its appraised fair market value at the time of the sale or long-term

1 lease [THE AMOUNT OF THE HIGH BID RECEIVED AT PUBLIC AUCTION].

2 * Sec. 33. AS 38.05.127 is amended by adding a new subsection to read:

3 (d) Upon application by a municipality or an affected owner of
4 land, the department may vacate, release, modify, or relocate an ease-
5 ment and right-of-way for public access to or along navigable or public
6 waters reserved by the department in a patent issued under AS 29.18 if
7 the commissioner determines the action is consistent with the public
8 interest.

9 * Sec. 34. AS 38.05.305 is repealed and reenacted to read:

10 Sec. 38.05.305. LAND DISPOSAL IN THE UNORGANIZED BOROUGH. Before
11 a sale, lease under AS 38.05.070 - 38.05.105, or other disposal of
12 state land in the unorganized borough, the commissioner shall consider
13 the effect that the sale, lease, or other disposal may be expected to
14 have on the density of the population in the vicinity of the land, and
15 any potential for conflicts with the traditional uses of the land that
16 could result from the sale, lease or disposal. If he finds it neces-
17 sary, the commissioner shall develop a plan to resolve or mitigate the
18 conflicts in a manner consistent with the public interest and the
19 provisions of this chapter.

20 * Sec. 35. 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] the director, upon application filed by an applicant
23 eligible under (b) - (d) of this section, may, by negotiation and
24 without public auction in the manner prescribed in (b) - (d) of this
25 section, lease state land for a term of not more than 55 years. Before
26 leasing, the director shall prepare a land use plan and a land classi-
27 fication to insure that the proposed use is compatible with area utili-
28 zation. Before the land may be leased under (b) - (d) of this section,
29 it must be shown to the satisfaction of the director that the land is

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

5 * Sec. 36. AS 38.05.315(d) is amended to read:

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

29 * Sec. 37. AS 38.05.345 is repealed and reenacted to read:

1 Sec. 38.05.345. NOTICE. (a) This section establishes the re-
2 requirements for notice given by the department for the following actions:

3 (1) classification or reclassification of state land under
4 AS 38.05.300 and the closing of land to mineral leasing or entry under
5 AS 38.05.185;

6 (2) zoning of land under applicable law;

7 (3) a decision under AS 38.05.035(a)(14) regarding the sale,
8 lease, or other disposal of an interest in state land or resources; and

9 (4) a competitive disposal of an interest in state land or
10 resources after final decision under AS 38.05.035(a)(14).

11 (b) Notice of one or more actions described in (a) of this section
12 shall be given at least 30 days before the action by (1) publication in
13 newspapers of statewide circulation and in a newspaper of general
14 circulation in the vicinity of the proposed action, (2) publication
15 through public service announcements on the electronic media serving
16 the area affected by the action, (3) posting in a conspicuous location
17 in the vicinity of the action, (4) notification of parties known or
18 likely to be affected by the action, or (5) another method calculated
19 to reach affected persons. A notice shall contain sufficient informa-
20 tion to inform the public of the nature of the action and the opportu-
21 nity of the public to comment on the action.

22 (c) Notice at least 30 days before action under (a) of this
23 section shall also be given to the following:

24 (1) to a municipality if the land is within the boundaries
25 of the municipality;

26 (2) to a regional corporation if the boundaries of the
27 corporation as established by sec. 7(a) of the Alaska Native Claims
28 Settlement Act encompass the land and the land is outside a municipal-
29 ity;

1 (3) to a village corporation organized under sec. 8(a) of
2 the Alaska Native Claims Settlement Act if the land is within six miles
3 of the village for which the corporation was established and the land
4 is located outside a municipality;

5 (4) to the postmaster of a permanent settlement of more than
6 25 persons located within six miles of the land if the land is located
7 outside a municipality, with a request that the notice be posted in a
8 conspicuous location.

9 (d) A municipality or a corporation entitled to receive notice
10 under (c) of this section may hold a hearing within 30 days after
11 receipt of the notice. If a hearing is held, the commissioner shall
12 attend the hearing. The commissioner may hold a public hearing at his
13 own discretion.

14 (e) For purposes of this section an "interest in state land or
15 resources" does not include

16 (1) a permit or other authorization revocable by the depart-
17 ment; or

18 (2) negotiated sales under AS 38.05.115.

19 * Sec. 38. 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 parcel is necessary to

25 (1) comply with local zoning ordinances; or

26 (2) permit the design of a subdivision because of topographi-
27 cal features, soil conditions, on-site sewage disposal requirements, or
28 water drainage or supply considerations unique to the subdivision.

29 * Sec. 39. AS 38.08.040(b) is amended to read:

1 (b) If the number of applicants qualified for homesite entry
2 exceeds the number of available homesites offered, or if several appli-
3 cants apply and qualify for the same homesite, priority in award of an
4 entry permit shall be accorded to that applicant showing proof of the
5 longest residency in the state. An applicant shall present his proof
6 of residency to the department in a manner designated by the director.

7 * Sec. 40. AS 38.95.080(c)(1) is amended to read:

8 (1) permits shall be issued for a period of not more than 10
9 [FIVE] years, with succeeding 10-year [FIVE-YEAR] renewal options, if
10 continued use and occupancy is established, and the qualifications of
11 (a) of this section continue to be met;

12 * Sec. 41. AS 40.15.190(2) is amended to read:

13 (2) "subdivision"

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

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

24 * Sec. 42. AS 41.17.020(a) is amended to read:

25 (a) The governor may [SHALL] establish, within the Department of
26 Natural Resources, a division of forestry [FOREST, LAND, AND WATER
27 MANAGEMENT] to carry out this chapter and other appropriate duties
28 designated by the governor. The division shall be headed by a director
29 who shall be the state forester, appointed to the partially exempt

1 service in accordance with law by the commissioner, from a list of two
2 or more candidates submitted by the board. The commissioner may reject
3 all candidates, in which case the board shall submit a new list. The
4 state forester shall be a natural resources land manager with generally
5 accepted educational credentials, familiar and experienced with the
6 renewable and nonrenewable resources and values of forest land and the
7 products, benefits, and services obtained from them.

8 * Sec. 43. Section 26, ch. 182, SLA 1978, is amended to read:

9 Sec. 26. A right of repurchase created by former AS 34.10.220 and
10 existing on the effective date of this section may be exercised only if
11 it is exercised under that statute before July 19, 1983 [WITHIN THREE
12 YEARS FOLLOWING THE EFFECTIVE DATE OF THIS SECTION]. The Department
13 of Natural Resources [DIVISION OF LANDS] shall publish notice of the
14 expiration of [ALL] such repurchase rights in the manner provided by
15 AS 38.05.345 before [JANUARY 1, 1979 AND AGAIN BEFORE JANUARY 1, 1980
16 AND BEFORE JANUARY 1, 1981] January 1, 1982 and before January 1, 1983
17 for repurchase rights on properties that were foreclosed upon and
18 deeded to the Territory or State of Alaska under former AS 34.10.010 -
19 34.10.240 or predecessor territorial acts.

20 * Sec. 44. Section 12, ch. 138, SLA 1977, as amended by sec. 21, ch. 182,
21 SLA 1978, is amended to read:

22 Sec. 12. CONVERSION OF LEASES. The provisions of secs. 9 - 11 of
23 this Act are applicable to state leases which are in existence on or
24 before the effective date of this Act if a lessee under a lease elects,
25 in writing, to be bound by this Act. When a lessee elects to be bound
26 by the provisions of this Act, the state shall enter into an amended
27 lease with the lessee for a term equal to the remaining period of the
28 original lease which is being converted, and that amended lease shall
29 be consistent with the provisions of this Act but shall not otherwise

1 alter the terms of the original lease. However, for purposes of deter-
2 mining the annual rent by the state, the fair market value of the
3 property which is used to establish the fixed base annual rent for the
4 initial period of the lease may not exceed the fair market value as it
5 was last appraised on or before July 1, 1974 [JANUARY 1, 1975], brought
6 forward to the date of the first day of the quarter following the date
7 of a request for conversion at the rate of 10 percent a year, or, if
8 the lease was entered into after July 1, 1974 [JANUARY 1, 1975], the
9 fair market value used to establish the annual rent for the initial
10 period of the new lease is the fair market value of the last appraisal
11 brought forward to the date of conversion at the rate of 10 percent per
12 year.

13 * Sec. 45. AS 38.05.047, 38.05.077(b)(2), and 38.05.078(b) are repealed.

14 * Sec. 46. A person who selected a remote parcel or acquired a right to
15 select a remote parcel before July 1, 1981, is entitled to convert his
16 remote parcel lease agreement to a new lease agreement that contains terms
17 and conditions consistent with AS 38.05.077(a) and (d), 38.05.078(a) and (c)
18 and the repeal of AS 38.05.078(b) enacted in secs. 23, 25, 27, 28, and 45 of
19 this Act. The director of the division of lands, Department of Natural
20 Resources, shall prepare and distribute new lease forms to persons described
21 in this section. The director shall apply rent paid in excess of the rental
22 established in AS 38.05.077(d)(3) enacted in sec. 25 of this Act to rental
23 payments coming due after July 1, 1981, or to the purchase of a remote
24 parcel after July 1, 1981.

25 * Sec. 47. A person who was granted a homesite entry permit before
26 July 1, 1979, is entitled to a patent to the land if the person satisfies
27 the conditions imposed

- 28 (1) in the homesite entry permit; or
29 (2) by AS 38.08.060(a).

1 * Sec. 48. Land disposals conducted by the commissioner of natural
2 resources for fiscal year 1982 shall be accomplished within appropriations
3 to the Department of Natural Resources for that purpose.

4 * Sec. 49. The commissioner of natural resources may disallow a municipal
5 selection of mental health lands allowed under sec. 1(b), ch. 181, SLA 1978
6 if the commissioner determines that the municipality is not complying with
7 land disposal requirements in ch. 181, SLA 1978.

8 * Sec. 50. Section 44 of this Act is retroactive to July 18, 1978.

9 * Sec. 51. Section 43 of this Act is retroactive to July 19, 1978.

10 * Sec. 52. This Act takes effect July 1, 1981.

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This is the
original June
8 fiscal note
submitted by
DNIR

Haynes
31

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SCS for HCS for HB 31 (Finance) am
 Title An Act relating to the management, disposal and use of state/mun. land
 Requested by Senator Bennett Date 6/8/81

II. FISCAL DETAIL
 Agency Affected Department of Natural Resources
 Program Category Affected NRMEC
 BRU, Program, or Subprogram(s) Affected Land Management
 (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		591.2				
200 TRAVEL		33.5				
300 CONTRACTUAL		428.5				
400 COMMODITIES		11.0				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		600.0	(See attachment)			
CAPITAL		13084.8				
TOTAL		14149.0 14749.0				

FUNDING (Thousands of Dollars)

	14749.0				
GENERAL FUND	14149.0				
FEDERAL FUNDS					
OTHER (Specify Fund Source)					

POSITIONS

FULL TIME	14				
PART TIME					
TEMPORARY					

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
 1. Classification of all land within two years.
 2. Assessment of statewide/local demand.
 3. Lotteries in locality; personal attendance.
 4. Advance appraisals on remote parcels.
 5. Conversion of existing leases; appraisals; additional staking
 6. Field inspections.
 7. Supervision of grant program to municipalities
 8. Director of Division of Forestry.
 9. Supervision of local disposals, brochures, qualifications.
 10. Initial grant funds pool for municipalities (CAPITAL)
 11. Cadastral land survey. (CAPITAL)

Positions: FLWM: Appraiser, Div. Director, (5) LMO II, LMO I
 DR&D: Info. Officer, LMO II.
 DA&M: Acct. Tech. II, Acct. Tech. I, CT III. D/Agr; LMO II.

IV. DATE 6/8/81 PREPARED BY Jeff Haynes
AGENCY Deputy Commissioner, DNR
 Original: Legislative Finance PHONE 465-2400
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Project Title ① Leaseholders Conversion Payments		Location (s) ②		Election Districts Served ③ All		Start Date ④ July 1, 81		Completion Date ⑤	
⑥ AGENCY REQUEST			⑦ Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year _____	Ultimate Annual Year _____	GOVERNOR'S REQUEST Approved <input type="text"/> Deferred <input type="text"/> Disapproved <input type="text"/>		
1002	Federal Receipts		Funding Source	Federal Receipts			1002	Federal Receipts	
1003	G/F Match			General Fund			1003	G/F Match	
1004	General Fund	600.0					1004	General Fund	
1005	I/A Receipts						1005	I/A Receipts	
	G.O. Bonds							G.O. Bonds	
			Total Annual Operational Cost						
			Position (FTE)						
			Previous Year-Priority	Agency Priority	Governor's Priority				
Total							Total		

PROJECT DESCRIPTION ⑧

The Department of Natural Resources, pursuant to Sec. 12, Chapter 138 SLA, 1977 and Section 21, Chapter 182, SLA 1978, shall reimburse municipalities in accordance with amendments to the above mentioned statute made by the 1981 legislature. (Amendment alters Sec. 12, Ch. 138, SLA, 1977 to change appraisals made on/before January 1, 1975, to appraisals made on/before January 1, 1974. Amendments adopted in 1981 land distribution legislation.)

LEGISLATIVE MEMBER'S SIGNATURE:

CATEGORY ⑨ RESOURCES
 AGENCY Division of Lands
 PROGRAM

Page	of
Revised Date	

FY 82

35 LEGISLATIVE REQUEST
 PROPOSED CAPITAL
 PROJECT

FORM 35 - LEGISLATIVE REQUEST - PROPOSED CAPITAL PROJECT

INSTRUCTIONS:

1. Project Title - Use the same project title on all correspondence when referring to this project.
2. Location(s) - Enter the name of the location on this project. A "statewide" indicator should be used for projects having statewide impact.
3. Election District(s) - Enter the number of the election district in which this project is located. For Anchorage districts, unless the project is specifically for the benefit of one Anchorage district (such as a road project) as opposed to benefiting all Anchorage districts (such as an airport or campus improvement) you should enter "7-12".
4. Start Date - Enter the month and year that the first major expenditure on this project should be made.
5. Completion Date - Enter the date the activities associated with this capital appropriation should be completed.
6. Agency Request - This table is used to display the funding source(s) for the proposed project. Enter the dollar amount (in thousands) on the applicable line. Entries should be in inflated dollars appropriate to the fiscal year of the funding request. (Contact the Life Cycle Cost office of the Department of Transportation and Public Facilities for the current inflation rate.) Entries on unlabelled lines should indicate the name of the funding source. Where the project is one phase of a multi-phase project the total should show the cost of this phase only.
7. Operational Cost and No. Personnel - Two columns of numbers are requested in this area of the form. The "First Operating" column denotes the first year that the project will have an effect on the operating budget. The "Ultimate Annual" column denotes the steady state condition which is expected to repeat itself from year to year. Before filling in the row entries for these columns be sure to fill in the fiscal years in which these conditions are expected to occur.
8. Project Description - This narrative should tell the reader what the request (including state and federal dollars) is buying in terms of the physical product and operational activities related to the project. Describe the project clearly and completely, as if to someone with no knowledge of what you propose to do. The description should include a discussion of Project Characteristics and, if appropriate, Site Features or other physical factors affecting the general planning and siting of facilities. Where applicable, submit a map showing where the requested project, i.e., power facility, hatchery, is located.

If this project is one phase of a multiphase project, the other phases should be described briefly. If a second or third phase of a project is being requested, submit a history of prior appropriations, project status, and any changes to original project. Likewise, indicate any future projects which are dependent on this project and any prior projects which gave rise to this project. If this is a joint project with some external entity, briefly describe the entire project.

In your description of the project include a discussion of the major factors which will influence project scheduling. The lead time required to obtain reviews and approvals of plans and studies, the time required for coordination of the projects with other governmental bodies, and the target date by which the project must be fully functional are examples of these factors.

If possible, try to limit your project description to the space provided.

9. Enter the appropriate category, agency, and program name.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

Haynes
31

FISCAL NOTE

I. REQUEST
Bill/Resolution No. SCS for HCS for HB 31 (Finance) am
Title An Act relating to the management, disposal and use of state/mun. land
Requested by Senator Bennett Date 6/8/81

II. FISCAL DETAIL
Agency Affected Department of Natural Resources
Program Category Affected NRMEC
BRU, Program, or Subprogram(s) Affected Land Management
(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		591.2				
200 TRAVEL		33.5				
300 CONTRACTUAL		428.5				
400 COMMODITIES		11.0				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		600.0	(See attachment)			
CAPITAL		13084.8				
TOTAL		14149.0 14749.0				

FUNDING (Thousands of Dollars) 14749.0

GENERAL FUND		14149.0				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		14				
PART TIME						
TEMPORARY						

- III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
1. Classification of all land within two years.
 2. Assessment of statewide/local demand.
 3. Lotteries in locality; personal attendance.
 4. Advance appraisals on remote parcels.
 5. Conversion of existing leases; appraisals; additional staking
 6. Field inspections.
 7. Supervision of grant program to municipalities
 8. Director of Division of Forestry.
 9. Supervision of local disposals, brochures, qualifications.
 10. Initial grant funds pool for municipalities (CAPITAL)
 11. Cadastral land survey. (CAPITAL)

Positions: FLWM: Appraiser, Div. Director, (5) LMO II, LMO I
DR&D: Info. Officer, LMO II.
DA&M: Acct. Tech. II, Acct. Tech. I, CT III. D/Agr; LMO II.

IV. DATE 6/8/81 PREPARED BY Jeff Haynes
AGENCY Deputy Commissioner, DNR
PHONE 465-2400

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

① Project Title Leaseholders Conversion Payments		② Location(s)		③ Election Districts Served All		④ Start Date July 1, 81		⑤ Completion Date	
⑥ AGENCY REQUEST			⑦ Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year	Ultimate Annual Year	GOVERNOR'S REQUEST		
							Approved	Deferred	Disapproved
1002	Federal Receipts		Funding	Federal Receipts			1002	Federal Receipts	
1003	G/F Match			General Fund			1003	G/F Match	
1004	General Fund	600.0	Source				1004	General Fund	
1005	I/A Receipts						1005	I/A Receipts	
	G.O. Bonds		Total Annual Operational Cost					G.O. Bonds	
			Position (FTE)						
			Previous Year Priority	Agency Priority	Governor's Priority				
Total								Total	

PROJECT DESCRIPTION ⑧

The Department of Natural Resources, pursuant to Sec. 12, Chapter 138 SLA, 1977 and Section 21, Chapter 182, SLA 1978, shall reimburse municipalities in accordance with amendments to the above mentioned statute made by the 1981 legislature. (Amendment alters Sec. 12, Ch. 138, SLA, 1977 to change appraisals made on/before January 1, 1975, to appraisals made on/before January 1, 1974. Amendments adopted in 1981 land distribution legislation.)

LEGISLATIVE MEMBER'S SIGNATURE:

CATEGORY ⑨ RESOURCES

AGENCY Division of Lands

PROGRAM

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FY 82

35. LEGISLATIVE REQUEST
PROPOSED CAPITAL
PROJECT

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. OSHB 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 NAMES
 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				

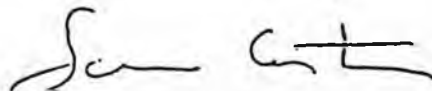
FUNDING (Thousands of Dollars)

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)



Sam Cotten, Chairman
House Finance Committee

IV. DATE 4/9/81 PREPARED BY _____

AGENCY _____
PHONE 465-3795

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

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.
 Appraisals/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)

6/22/81
delivered to
Legis Off. 3:00pm
WORK DRAFT PAPER

Bradley

Original sponsors: Freeman, Gardiner,
and Ralford

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR 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, disposal, and use
7 of state and municipal land; and providing for an
8 effective date."

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

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

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

18 * Sec. 2. AS 29.33.150(b) is amended to read:

19 (b) The regulations adopted under (a) of this section apply to
20 subdivision plats of undeveloped state land for disposal under AS 38.05
21 or AS 38.08 filed with the platting board. The [, EXCEPT THAT THE]
22 platting board may not disapprove the subdivision plat on the basis of
23 [OR ADOPT] regulations which require [THE STATE TO CONSTRUCT ACCESS
24 ROADS OR] capital improvements on or to state land included in the
25 subdivision plat. Regulations adopted after the platting board is
26 notified by the commissioner of natural resources of a proposed sale
27 of subdivided state land under AS 38.05 or AS 38.08 do not apply to the
28 state land in the proposed sale.

29 * Sec. 3. AS 29.33.150 is amended by adding new subsections to read:

1 (c) The platting board must approve and sign the subdivision plat
2 within 60 days of its receipt from the commissioner of natural resources
3 unless the platting board

4 (1) determines that the plat does not comply with subdivision
5 regulations other than those requiring capital improvements to state
6 land; and

7 (2) notifies the commissioner of each determination of non-
8 compliance within the 60-day period established in this subsection.

9 (d) The commissioner of natural resources may withdraw the sub-
10 division plat and amend it in response to the determination of non-
11 compliance by the platting board under (c) of this section. The
12 platting board shall respond within 30 days to the amendment or response
13 from the commissioner of natural resources.

14 (e) Notwithstanding any other provision of law, the provisions of
15 (b) - (f) of this section apply to all disposals of land under AS 38.05
16 and AS 38.08.

17 (f) As used in this section, "capital improvements" includes but
18 is not limited to access roads and other physical improvements together
19 with the design and engineering thereof but does not include provisions for legal access.
* Sec. 4. AS 29.48.260 is amended by adding a new subsection to read:

20 (g) A municipality may lease municipal land for a term of not
21 more than 55 years to a nonprofit corporation, association, club or
22 society organized and operated exclusively for charitable, ~~religious,~~ ^{delete}
23 scientific, or educational purposes, or for the promotion of social
24 welfare. Municipal land leased under this subsection may not be used
25 for commercial development. Before municipal land may be leased under
26 this subsection, the proposed lessee shall demonstrate to the satisfac-
27 tion of the borough assembly or city council that it is exempt from
28 federal income taxation, that all of the land requested is to be used
29 for an established or proposed project, and that the applicant is

1 financially able to carry out the project. A lease may not be granted
2 under this subsection unless the project for which the municipal land
3 is leased is open for use by the public. The provisions of (c) of this
4 section do not apply to a lease under this subsection.

5 * Sec. 5. AS 38.04.020 is repealed and reenacted to read:

6 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall
7 establish a land disposal bank containing state land classified for
8 disposal into private ownership.

9 (b) The land disposal bank does not include

10 (1) land nominated for selection or selected by a municipi-
11 pality to satisfy a general grant land entitlement under AS 29.13.201 -
12 29.13.213;

13 (2) land retained in state ownership for multiple-use manage-
14 ment;

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

17 (4) land retained in state ownership under an enactment of
18 the legislature or by the governor or a state agency under authority of
19 law.

20 (c) Land to be retained in state ownership may be classified by
21 the commissioner into multiple-use management categories under AS 38.-
22 05.300. Land within a municipality retained in state ownership consists
23 of land classified for retention in state ownership as of December 31,
24 1980. Land outside a municipality to be retained in state ownership
25 consists of land classified for retention in state ownership by the
26 commissioner by July 1, 1983. Land conveyed to the state by the federal
27 government that is to be retained in state ownership consists of land
28 classified by the commissioner within two years of receipt of tentative
29 approval or patent, whichever occurs first. State land not classified

1 for retention in state ownership or selected by the municipality under
2 this section shall be classified and included in the land disposal
3 bank. The commissioner shall ensure that the bank includes at least
4 500,000 acres.

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

- 8 (1) land suitable for remote parcel disposal;
9 (2) land suitable for subdivision disposal;
10 (3) land suitable for agricultural, commercial, or industrial
11 disposal; and
12 (4) land suitable for other purposes.

13 (e) The commissioner shall annually submit to the governor an
14 appropriation request necessary for the disposal of state land in the
15 land disposal bank that shall be included in the budget submitted to
16 the legislature by the governor. For each fiscal year, the request
17 shall include an estimate of the amount necessary

18 (1) for survey and disposal of land proposed to be made
19 available for remote parcel staking, with the general location of the
20 land;

21 (2) for survey and disposal of land to be offered as agri-
22 cultural, commercial, industrial, or other uses under AS 38.05.055 or
23 38.05.057, with the general location of the land;

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

26 (4) for preliminary feasibility studies, engineering design
27 work, and construction of access roads and capital improvements required
28 by municipal subdivision ordinance or regulation of the platting board
29 under AS 29.33.150; if an accurate determination of the amounts neces-

1 sary for access roads or capital improvements cannot be made at the
2 time the estimate is submitted, a schedule for obtaining the estimates,
3 constructing the access roads or capital improvements, and disposing of
4 the land shall be submitted:

5 (5) for identification of land that will be proposed for
6 disposal under this subsection in future fiscal years.

7 (f) The request of the commissioner under (e) of this section
8 shall be based on an annual written assessment by the commissioner of
9 the market for state land in the different regions of the state. If
10 the state land is in or adjacent to municipalities or unincorporated
11 communities, the assessment shall be developed in consultation with the
12 municipalities or unincorporated communities. The assessment must
13 include a survey of the supply of privately owned land offered for
14 sale, municipal land for which a disposal plan has been completed, and
15 federal land available for sale, lease, or permit for specific activi-
16 ties. The assessment of the market for state land shall be based on an
17 analysis of the amount of private, municipal, and federal land avail-
18 able for disposal on terms equivalent to those used in comparable state
19 land disposal programs and shall include the length of time land remains
20 on the market before it is sold. The assessment must include findings
21 regarding the amount and general location of state land, in addition to
22 land offered by private landowners or available from a municipal govern-
23 ment or the federal government, that is necessary to meet the statewide
24 demand for at least five fiscal years immediately after the year in
25 which the assessment is made. The assessment must also state the
26 general location of land proposed for disposal in the next fiscal year
27 and recommendations for the method of disposal under which the land
28 will be offered to the public.

29 (g) After July 1 of each year, the commissioner shall direct

1 the expenditure of money appropriated for the disposal of land in
2 response to requests made under (f) of this section for the follow-
3 ing:

4 (1) Land designated as suitable for remote parcel disposal
5 shall be classified and surveyed under this chapter and AS 38.05 and
6 made available for staking and lease under AS 38.05.077.

7 (2) Land designated as suitable for subdivision disposal
8 shall be surveyed, subdivided, classified, and disposed of as fol-
9 lows:

10 (A) up to 80 percent of the parcels shall be sold under
11 the lottery sale procedures established in AS 38.05.057 and 38.05.-
12 065;

13 (B) at least 10 percent of the parcels shall be dis-
14 posed of as homesites under AS 38.08; and

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

19 (3) Land designated agricultural, commercial, industrial, or
20 suitable for other disposal shall be sold under AS 38.05.055 or 38.05.-
21 057.

22 (h) Individual parcels disposed of in subdivisions may not exceed
23 five acres unless the commissioner determines that a larger size is
24 necessary to comply with zoning ordinances or 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
27 considerations that are unique to the subdivision.

28 (i) Nothing in this section prevents the disposal of other land
29 by the commissioner in accordance with AS 38.05.055, 38.05.057, 38.05.-

1 070, the issuance of remote cabin permits under AS 38.05.079, AS 38.08,
2 or other law.

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

14 (k) The commissioner may withdraw from the land disposal bank
15 state land that has been offered for disposal but not conveyed within
16 five years after inclusion in the land disposal bank. State land
17 withdrawn from the land disposal bank under this section must be re-
18 classified under AS 38.04.065.

19 * Sec. 6. AS 38.04 is amended by adding a new section to read:

20 Sec. 38.04.021. DISPOSAL OF MUNICIPAL GRANT LAND ENTITLEMENTS.

21 (a) A municipality may apply for financial assistance for the execution
22 of a land disposal program of general grant land entitlements received
23 from the state under AS 29.18.201 - 29.18.213 by submitting a request
24 to the commissioner for inclusion in the estimate submitted to the
25 legislature under AS 38.04.020(e). A municipality may request financial
26 assistance for expenses of surveying land, designing subdivision plats,
27 installing improvements required by municipal ordinance or regulation
28 of the local platting board, and other reasonable direct costs of land
29 disposal.

1 (b) A request by a municipality under this section must be accom-
2 panied by

3 (1) a schedule for the disposal of municipal land for the
4 next five years; the schedule shall be based on an assessment of the
5 demand for private land within the municipality and included in the
6 assessment submitted under AS 38.04.020(f);

7 (2) an estimate of the number of acres of municipal land
8 that the municipality plans to dispose of during each fiscal year of
9 the five-year period;

10 (3) a description of the methods to be used for the disposal
11 of municipal land and the terms under which it will be offered to the
12 public; and

13 (4) a description of the municipal land that the municipali-
14 ty plans to dispose of each fiscal year during the five-year period.

15 (c) The commissioner shall determine that a request by a municipi-
16 tality meets the requirements of this section before it is submitted to
17 the legislature. The commissioner shall administer money appropriated
18 by the legislature for financial assistance to a municipality under
19 this section. Money spent under this section constitutes a grant
20 unless otherwise provided by the legislature.

21 (d) A grant made under this section may not exceed five times the
22 amount of money appropriated by a first class city, a borough, or a
23 municipality unified under AS 29.68.220 - 29.68.440 for the disposal of
24 municipal land in the current fiscal year unless the commissioner
25 exempts the municipality from this subsection.

26 (e) A grant made under this section may not exceed seven times
27 the amount of money appropriated in the current fiscal year for disposal
28 of municipal land by

29 (1) a second class city; or

1 (2) a first class city, a borough, or a municipality unified
2 under AS 29.68.220 - 29.68.440 which is exempted by the commissioner
3 under (d) of this section.

4 * Sec. 7. AS 38.04.040 is amended to read:

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

11 * Sec. 8. AS 38.04.055 is amended to read:

12 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director
13 shall reserve easements and rights-of-way on and across land which is
14 made available for private use as necessary to reach or use public
15 water and public and private land. An easement or right-of-way re-
16 served under this section may include established trails traditionally
17 used for commerce, recreation, or transportation.

18 * Sec. 9. AS 38.05.035(a)(14) is amended to read:

19 (14) when he makes a written finding that the interests of
20 the state will be best served, he may, with the consent of the commis-
21 sioner, approve contracts for the sale, lease, or other disposal of
22 available lands, resources, property or interests in them, and, in ad-
23 dition to the conditions and limitations imposed by law, he may impose
24 additional conditions or limitations in the contracts as he, with the
25 consent of the commissioner, determines will best serve the interests
26 of the state; and no contract for the sale, lease, or other disposal of
27 available lands or interests in them, is legally binding on the state
28 until the commissioner formally records his consent to the contract;
29 but if the appraised value is not greater than \$50,000 [\$10,000] in the

1 case of the sale of land or an interest in land, or \$5,000 [\$1,000] in
2 the case of the annual rental of land or interest in land, the director
3 may approve and issue the contract without the consent or approval of
4 the commissioner; the [. THE] written finding shall be available to
5 the public upon request; before [. BEFORE] a public hearing, if held,
6 or in any case no less than 21 days before the sale, lease, or other
7 disposal of available land, property, resources, or interests in them,
8 the director shall make available to the public a written decision in
9 which he sets out the facts and applicable law upon which he based his
10 determination that the sale, lease, or other disposal will best serve
11 the interests of the state; a written finding is not required before
12 the approval of

13 (A) a contract for a negotiated sale authorized by
14 AS 36.05.115;

15 (B) the lease of land for a shore fishery site under
16 AS 38.05.022;

17 (C) a permit or other authorization revocable by the
18 department.

19 * Sec. 10. AS 38.05.035(b)(3) is amended to read:

20 (3) grant a preference right to a claimant who shows bona
21 fide improvement of state land, or federal land subsequently acquired
22 by the state, and who has in good faith sought to obtain title to the
23 land but who, through error or omission of others, has been denied
24 title to it; upon a showing satisfactory to the commissioner, the
25 claimant may lease or purchase the land at the price set on the date of
26 original entry on the land or, if a price was not set at that time at a
27 price determined by the division to fairly represent the value of
28 unimproved land at the time the claim was established, but in no event
29 less than the cost of administration including survey; the error or

1 omission of a predecessor in interest or an agent, administrator, or
2 executor which has clearly prejudiced the claimant may be the basis for
3 granting a preference right;

4 * Sec. 11. AS 38.05.035(b)(5) is amended to read;

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

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

15 (7) dispose to an adjoining landowner a parcel of land
16 created by a highway right-of-way alignment or realignment, or a parcel
17 created by the vacation of a state-owned right-of-way if

18 (A) he determines that it is in the best interests of
19 the state;

20 (B) the parcel does not exceed the minimum lot size
21 under an applicable zoning code; and

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

27 (8) for good cause extend for up to 90 days the time for
28 rental or installment payments by a lessee or purchaser of state land
29 under this chapter if reasonable penalties and interest set by the

1 director are paid.

2 * Sec. 13. AS 38.05.035 is amended by adding new subsections to read:

3 (c) A parcel of land may be conveyed under (b) of this section
4 without classification or reclassification under AS 38.05.300.

5 (d) A parcel described in (b)(7) of this section must be sold at
6 its fair market value as determined by the director on the basis of an
7 appraisal completed as provided in AS 38.05.310. Nothing in this
8 subsection prevents the sale of land under AS 38.05.055 or 38.05.057 to
9 a person not qualifying as an adjoining landowner if the adjoining
10 landowner declines to purchase the land.

11 * Sec. 14. AS 38.05.050 is repealed and reenacted to read:

12 Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR
13 PRIVATE OWNERSHIP. The commissioner, upon the recommendation of the
14 director, shall determine the land to be disposed of for private use.
15 The director shall determine the time and place of disposal. An
16 auction sale, a lottery sale, or a disposal of land for homesites under
17 AS 38.04.020(g)(2)(C) must be held in the municipality that is closest
18 to the land to be sold or disposed of and in which regular sessions of
19 a court of the state are held.

20 * Sec. 15. AS 38.05.055 is amended to read:

21 Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method
22 of sale is required under this chapter, under AS 38.07, or under
23 [EXCEPT AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.02, the
24 sale of state land shall be made at public auction to the highest
25 qualified bidder as determined by the director. A bidder must appear
26 in person at the auction unless medical reasons, attendance at school,
27 or military service outside the state prevent attendance. A bidder
28 may be represented by an attorney or agent at the auction if the land
29 offered for disposal is commercial, industrial, or agricultural land.

1 An aggrieved bidder may appeal to the commissioner within five days
2 after the sale for a review of the director's determination. The sale
3 shall be conducted by the director or his representative, and at the
4 time of sale the successful bidder shall deposit an amount equal to
5 five percent [ONE-TENTH] of the purchase price, or if the purchaser
6 elects to use land discounts granted under AS 38.05.058, five percent
7 of the amount bid after deduction of the discount. The director or his
8 representative shall immediately issue a receipt containing a descrip-
9 tion of the land or property purchased, the price bid, the amount
10 deposited, and the amount of any discount allowed [TERMS OF SALE],
11 which receipt shall be acknowledged in writing by the bidder. [A
12 CONTRACT OF SALE ON A FORM APPROVED BY THE ATTORNEY GENERAL SHALL BE
13 SIGNED BY THE PURCHASER AND, AFTER APPROVAL OF THE COMMISSIONER, THE
14 CONTRACT SHALL ALSO BE SIGNED BY THE DIRECTOR ON BEHALF OF THE STATE.]

15 * Sec. 16. AS 38.05.057(a) is amended to read:

16 (a) The commissioner may dispose of land, including land limited
17 to use for agricultural purposes, by lottery. The purchase price of
18 land sold by lottery shall be the fair market value of the land as
19 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,
20 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-
21 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner may
22 sell land by lottery for less than the fair market value of the land if
23 he determines that scarcity of land for private use in the area of the
24 land to be sold has resulted in unrealistic land values. Before the
25 commissioner determines the purchase price for land which is located in
26 a municipality and which is to be sold under this section, he shall
27 consult with the assessor of the municipality. The lottery shall be
28 conducted in public by the commissioner or his representative and an
29 applicant may not be selected to purchase land unless he is present on

1 the date and at the place that the lottery is conducted unless medical
2 reasons, attendance at school, or military service outside the state
3 prevent attendance. An applicant may be represented by an agent on the
4 day of the lottery if the land offered for sale is commercial, in-
5 dustrial, or agricultural land. On [, AND AT] the day of the lottery
6 [TIME OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot shall
7 deposit an amount equal to five percent of the purchase price, or if
8 the purchaser elects to use land discounts granted under AS 38.05.058,
9 five percent of the [DISCOUNT] purchase price after deduction of the
10 discount.

11 * Sec. 17. AS 38.05.065(a) is amended to read:

12 (a) The contract of sale for land sold at public auction under
13 AS 38.05.055 shall require the remainder of the purchase price to be
14 paid in monthly, quarterly or annual installments over a period of 20
15 [10] years, with interest at the prevailing rate for real estate
16 mortgage loans made by the federal land bank for the farm credit
17 district for Alaska at the time the contract is signed. Installment
18 payments plus interest shall be set on the level-payment basis.

19 * Sec. 18. AS 38.05.065(b) is amended to read:

20 (b) The contract of sale for land sold under [THE PROCEDURES
21 SPECIFIED IN] AS 38.05.057 [(LOTTERY DISPOSALS)] and under AS 38.05.072
22 shall require the remainder of the purchase price to be paid in monthly,
23 quarterly, or annual installments over a period of not more than 20
24 years. Installment payments plus interest shall be set on the level-
25 payment basis. The interest rate to be charged on installment payments
26 is the prevailing rate for real estate mortgage loans made by the
27 federal land bank for the farm credit district for Alaska at the time
28 the contract is signed.

29 * Sec. 19. AS 38.05.067(c) is repealed and reenacted to read:

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

4 * Sec. 20. AS 38.05.067(a) is amended to read:

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

7 * Sec. 21. AS 38.05.078(b) is amended to read:

8 (b) The director, with the approval of the commissioner, shall
9 determine the land to be leased and the limitations, conditions and
10 terms of the lease. If the appraised value of the transaction is \$250
11 a year or less the director may negotiate a lease without advertisement
12 for a period not to exceed five years, and on the limitations, con-
13 ditions and terms which he considered are in the best interests of the
14 state. A lease negotiated under this subsection is not eligible for a
15 preference under AS 38.05.102.

16 * Sec. 22. AS 38.05.077(a) is repealed and reenacted to read:

17 (a) The commissioner shall designate remote parcel selection
18 areas and shall dispose of remote parcels in accordance with AS 38.04.-
19 020. The commissioner may set the number of remote parcels that may be
20 selected in each remote parcel selection area. A remote parcel may not
21 exceed 40 acres.

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

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

1 PARCEL] may enter a remote parcel selection [THE] area [FOR WHICH HE
2 APPLIED] to stake the boundaries of a remote parcel. A person shall
3 stake a remote parcel in person and may not be represented by an
4 attorney or agent.

5 * Sec. 24. AS 38.05.077(d) is amended to read:

6 (d) Not later than 15 days after [SELECTION AND] staking the
7 exterior boundaries of a remote parcel, the person who staked [SELECTED]
8 the parcel shall file a sketch plat with the department which shows the
9 location of the remote parcel [AND THE LOCATION OF THE LAND IN THE
10 PARCEL THAT HE INTENDS TO USE FOR RESIDENTIAL PURPOSES]. At the time
11 of filing the sketch plat, the person who staked [SELECTED] the parcel
12 shall apply to lease the land. An application to lease the land shall
13 be on a standard form prepared by the department. The annual rental
14 payment for the first year of the lease shall be submitted to the
15 department with the application. After the application to lease a
16 remote parcel is approved, the commissioner shall offer to lease the
17 land to the person who staked [SELECTED] the remote parcel. A lease
18 granted under this section shall contain the following terms:

19 (1) a remote parcel may be leased for five years,

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

23 (3) a rental payment shall be paid annually and shall be
24 \$10 for each acre; (\$150 A YEAR FOR FIVE ACRES OR LESS PLUS \$50 FOR
25 EACH ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES.)

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

1 * Sec. 25. AS 38.05.077 is amended by adding a new subsection to read:

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

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

5 (2) submit proof as required by regulation that he has been
6 a resident of the state for not less than one year immediately preced-
7 ing the date his application was submitted; and

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

11 * Sec. 26. AS 38.05.078(a) is repealed and reenacted to read:

12 (a) A lessee of a remote parcel may purchase the land if, before
13 expiration of the lease or a renewal of the lease, he surveys the land.

14 * Sec. 27. AS 38.05.078(c) is repealed and reenacted to read:

15 (c) Upon payment to the commissioner of an amount equal to five
16 percent of the fair market value, a lessee of a remote parcel may
17 purchase land in a remote parcel area under the terms specified in
18 AS 38.05.065. The purchase price shall be the fair market value of the
19 remote parcel as determined by the commissioner at the time of lease.

20 * Sec. 28. AS 38.05.078 is amended by adding new subsections to read:

21 (g) If a person stakes a remote parcel in good faith but includes
22 land in his parcel that was previously claimed by another person eli-
23 gible to stake a remote parcel, the director shall approve that part of
24 the later staking that does not conflict with the earlier staking and
25 allow the person to stake additional land in the remote parcel staking
26 area.

27 (h) If a person stakes a remote parcel in good faith but includes
28 land in his parcel that is outside the remote parcel staking area, the
29 director shall either disapprove the staking of land outside the remote

1 parcel staking area and allow the person to stake additional land in
2 the remote parcel staking area or he may approve the staking of the
3 land outside the remote parcel staking area.

4 * Sec. 29. AS 38.05.095(b) is amended to read:

5 (b) A nonprofit organization that is exempted from paying rent on
6 state land under AS 38.05.315 [AS 38.05.097] may not sublease or assign
7 the land or a portion of it on which it has a lease.

8 * Sec. 30. AS 38.05.097(a) is amended to read:

9 (a) A nonprofit organization using state land leased by it under
10 AS 38.05.070 - 38.05.105 and 38.05.315 for a youth encampment or similar
11 recreational purpose is exempt from lease rental payments on that land.
12 The nonprofit organization shall meet all other terms and conditions of
13 the lease specified under AS 38.05.070 - 38.05.105 and 38.05.315.

14 * Sec. 31. AS 38.05.102 is amended to read:

15 Sec. 38.05.102. LESSEE PREFERENCE. If land within a leasehold
16 created under AS 38.05.070 - 38.05.100 is offered for sale or long-term
17 lease at the termination of the existing leasehold, the director may,
18 if he finds that it is in the best interest of the state, allow the
19 holder in good standing of that leasehold to purchase or lease the land
20 for its appraised fair market value at the time of the sale or long-term
21 lease [THE AMOUNT OF THE HIGH BID RECEIVED AT PUBLIC AUCTION].

22 * Sec. 32. AS 38.05.127 is amended by adding a new subsection to read:

23 (d) Upon application by a municipality or an affected owner of
24 land, the department may vacate, release, modify, or relocate an ease-
25 ment and right-of-way for public access to or along navigable or public
26 waters reserved by the department in a patent issued under AS 29.10 if
27 the commissioner determines the action is consistent with the public
28 interest.

29 * Sec. 33. AS 38.05.305 is repealed and reenacted to read:

1 Sec. 38.05.305. LAND DISPOSAL IN THE UNORGANIZED BOROUGH. Before
2 a sale, lease under AS 38.05.070 - 38.05.105, or other disposal of
3 state land in the unorganized borough, the commissioner shall consider
4 the effect that the sale, lease, or other disposal may be expected to
5 have on the density of the population in the vicinity of the land, and
6 any potential for conflicts with the traditional uses of the land that
7 could result from the sale, lease or disposal. If he finds it neces-
8 sary, the commissioner shall develop a plan to resolve or mitigate the
9 conflicts in a manner consistent with the public interest and the
10 provisions of this chapter.

11 * Sec. 34. AS 38.05.315(b) is amended to read:

12 (b) Notwithstanding AS 38.05.070 - 38.05.080 and [,] 38.05.095,
13 [AND AS 38.05.100] the director, upon application filed by an applicant
14 eligible under (b) - (d) of this section, may, by negotiation and
15 without public auction in the manner prescribed in (b) - (d) of this
16 section, lease state land for a term of not more than 55 years. Before
17 leasing, the director shall prepare a land use plan and a land classi-
18 fication to insure that the proposed use is compatible with area utili-
19 zation. Before the land may be leased under (b) - (d) of this section,
20 it must be shown to the satisfaction of the director that the land is
21 to be used for an established or definitely proposed project, and that
22 the eligible applicant has the financial ability to carry out the
23 project. The commissioner may establish limitations on the acreage
24 which may be leased under (b) - (d) of this section to an applicant.

25 * Sec. 35. AS 38.05.315(d) is amended to read:

26 (d) The director may lease the land to an eligible applicant at a
27 reasonable annual rental, taking into consideration the purposes for
28 which the land is to be used and the financial resources of the appli-
29 cant. The [, BUT IN NO CASE MAY THE] rental may not be less than one

1 percent of the fair market value on lands acquired primarily for devel-
2 opment, or less than five percent of the fair market value on [SCHOOL,]
3 university [, MENTAL HEALTH,] or acquired lands. Rent may not be
4 charged for state land leased for a youth encampment. For the purposes
5 of this subsection, "youth encampment" shall be defined by the commis-
6 sioner by regulation. Renewal leases may be issued at the discretion
7 of the director upon the expiration of a primary or renewal term. Each
8 lease shall contain a provision for its termination as to all or part
9 of the lands upon a finding by the director that the land or a part of
10 it has not been used by the lessee for the purpose specified in the
11 lease for a period of two years. No lease may be assigned or subleased
12 except with the consent of the director, and in any case may only be
13 transferred to an applicant eligible under (b) - (d) of this section.
14 A lessee may not change the use specified in the lease to another or
15 additional use except with the consent of the director. If, at any
16 time after the land is leased, the lessee attempts to assign the lease
17 or transfer control over the land to another, or if the land is devoted
18 to a use other than that for which the land was leased without the
19 consent of the director, the lease automatically terminates.

20 * Sec. 36. AS 38.05.345 is repealed and reenacted to read:

21 Sec. 38.05.345. NOTICE. (a) This section establishes the re-
22 quirements for notice given by the department for the following actions:

23 (1) classification or reclassification of state land under
24 AS 38.05.300 and the closing of land to mineral leasing or entry under
25 AS 38.05.125;

26 (2) zoning of land under applicable law;

27 (3) a decision under AS 38.05.035(a)(14) regarding the sale,
28 lease, or other disposal of an interest in state land or resources; and

29 (4) a competitive disposal of an interest in state land or

1 resources after final decision under AS 38.05.035(a)(14).

2 (b) Notice of one or more actions described in (a) of this section
3 shall be given at least 30 days before the action by (1) publication in
4 newspapers of statewide circulation and in a newspaper of general
5 circulation in the vicinity of the proposed action, (2) publication
6 through public service announcements on the electronic media serving
7 the area affected by the action, (3) posting in a conspicuous location
8 in the vicinity of the action, (4) notification of parties known or
9 likely to be affected by the action, or (5) another method calculated
10 to reach affected persons. A notice shall contain sufficient informa-
11 tion to inform the public of the nature of the action and the opportuni-
12 ty of the public to comment on the action.

13 (c) Notice at least 30 days before action under (a) of this
14 section shall also be given to the following:

15 (1) to a municipality if the land is within the boundaries
16 of the municipality;

17 (2) to a regional corporation if the boundaries of the
18 corporation as established by sec. 7(a) of the Alaska Native Claims
19 Settlement Act encompass the land and the land is outside a municipali-
20 ty;

21 (3) to a village corporation organized under sec. 8(a) of
22 the Alaska Native Claims Settlement Act if the land is within six miles
23 of the village for which the corporation was established and the land
24 is located outside a municipality;

25 (4) to the postmaster of a permanent settlement of more than
26 25 persons located within six miles of the land if the land is located
27 outside a municipality, with a request that the notice be posted in a
28 conspicuous location.

29 (d) A municipality or a corporation entitled to receive notice

1 under (c) of this section may hold a hearing within 30 days after
2 receipt of the notice. If a hearing is held, the commissioner shall
3 attend the hearing. The commissioner may hold a public hearing at his
4 own discretion.

5 (e) For purposes of this section an "interest in state land or
6 resources" does not include

7 (1) a permit or other authorization revocable by the depart-
8 ment; or

9 (2) negotiated sales under AS 38.05.115.

10 * Sec. 37. AS 38.08.010(b) is amended to read:

11 (b) Land classified as homesite entry land shall be divided into
12 parcels not exceeding five acres in reasonably compact form, with
13 boundaries conforming as nearly as practicable to natural geologic and
14 topographic features. A parcel may exceed five acres if the director
15 determines that a larger parcel is necessary to

16 (1) comply with local zoning ordinances; or

17 (2) permit the design of a subdivision because of topographi-
18 cal features, soil conditions, on-site sewage disposal requirements, or
19 water drainage or supply considerations unique to the subdivision.

20 * Sec. 38. AS 38.08.040(b) is amended to read:

21 (b) If the number of applicants qualified for homesite entry
22 exceeds the number of available homesites offered, or if several appli-
23 cants apply and qualify for the same homesite, priority in award of an
24 entry permit shall be accorded to that applicant showing proof of the
25 longest residency in the state. An applicant shall present his proof
26 of residency to the department in a manner designated by the director.

27 * Sec. 39. AS 38. 5.020(c)(1) is amended to read:

28 (1) permits shall be issued for a period of not more than 10
29 [FIVE] years, with succeeding 10-year [FIVE-YEAR] renewal options, if

1 continued use and occupancy is established, and the qualifications of
2 (a) of this section continue to be met;

3 * Sec. 40. AS 40.15.190(2) is amended to read:

4 (2) "subdivision"

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

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

15 * Sec. 41. AS 41.17.020(a) is amended to read:

16 (a) The governor may [SHALL] establish, within the Department of
17 Natural Resources, a division of forestry [FOREST, LAND, AND WATER
18 MANAGEMENT] to carry out this chapter and other appropriate duties
19 designated by the governor. The division shall be headed by a director
20 who shall be the state forester, appointed to the partially exempt
21 service in accordance with law by the commissioner, from a list of two
22 or more candidates submitted by the board. The commissioner may reject
23 all candidates, in which case the board shall submit a new list. The
24 state forester shall be a natural resources land manager with generally
25 accepted educational credentials, familiar and experienced with the
26 renewable and nonrenewable resources and values of forest land and the
27 products, benefits, and services obtained from them.

28 * Sec. 42. Section 26, ch. 182, SLA 1978, is amended to read:

29 Sec. 26. A right of repurchase created by former AS 34.10.220 and

1 existing on the effective date of this section may be exercised only if
2 it is exercised under that statute before July 19, 1983 [WITHIN THREE
3 YEARS FOLLOWING THE EFFECTIVE DATE OF THIS SECTION]. The Department
4 of Natural Resources [DIVISION OF LANDS] shall publish notice of the
5 expiration of [ALL] such repurchase rights in the manner provided by
6 AS 38.05.345 before [JANUARY 1, 1979 AND AGAIN BEFORE JANUARY 1, 1980
7 AND BEFORE JANUARY 1, 1981] January 1, 1982 and before January 1, 1983
8 for repurchase rights on properties that were foreclosed upon and
9 deeded to the Territory or State of Alaska under former AS 34.10.010 -
10 34.10.240 or predecessor territorial acts.

11 * Sec. 43. Section 12, ch. 138, SLA 1977, as amended by sec. 21, ch. 182,
12 SLA 1978, is amended to read:

13 Sec. 12. CONVERSION OF LEASES. The provisions of secs. 9 - 11 of
14 this Act are applicable to state leases which are in existence on or
15 before the effective date of this Act if a lessee under a lease elects,
16 in writing, to be bound by this Act. When a lessee elects to be bound
17 by the provisions of this Act, the state shall enter into an amended
18 lease with the lessee for a term equal to the remaining period of the
19 original lease which is being converted, and that amended lease shall
20 be consistent with the provisions of this Act but shall not otherwise
21 alter the terms of the original lease. However, for purposes of
22 determining the annual rent by the state, the fair market value of the
23 property which is used to establish the fixed base annual rent for the
24 initial period of the lease may not exceed the fair market value as it
25 was last appraised on or before ^{JULY 1, 1974} ~~January 1, 1970~~ [JANUARY 1, 1975],
26 brought forward to the date of the first day of the quarter following
27 the date of a request for conversion at the rate of 10 percent a year,
28 or, if the lease was entered into after ^{JULY 1, 1974} ~~January 1, 1970~~ [JANUARY 1,
29 1975], the fair market value used to establish the annual rent for the

1 initial period of the new lease is the fair market value of the last
2 appraisal brought forward to the date of conversion at the rate of 10
3 percent per year.

4 * Sec. 44. AS 38.05.047, 38.05.077(b)(2), and 38.05.078(b) are repealed.

5 * Sec. 45. A person who selected a remote parcel or acquired a right to
6 select a remote parcel before July 1, 1981, is entitled to convert his
7 remote parcel lease agreement to a new lease agreement that contains terms
8 and conditions consistent with AS 38.05.077(a) and (d), 38.05.078(a) and (c)
9 and the repeal of AS 38.05.078(b) enacted in secs. 22, 24, 26, 27, and 44 of
10 this Act. The director of the division of lands, Department of Natural
11 Resources, shall prepare and distribute new lease forms to persons described
12 in this section. The director shall apply rent paid in excess of the rental
13 established in AS 38.05.077(d)(3) enacted in sec. 24 of this Act to rental
14 payments coming due after July 1, 1981, or to the purchase of a remote
15 parcel after July 1, 1981.

16 *Sec. 46. A person who was granted a homesite entry permit before July 1, 1979
17 is entitled to a patent to the land if the person satisfies either the conditions
18 imposed in the homesite entry permit or the conditions imposed by AS 38.08.060(a) as
19 amended by sec 11, ch. 181 SLA 1978 and sec. 42, ch. 85 SLA 1979.

20 * Sec. 47. Land disposals conducted by the commissioner of natural
21 resources for fiscal year 1982 shall be accomplished within appropriations
22 to the Department of Natural Resources for that purpose.

23 * Sec. 48. Section 43 of this Act is retroactive to July 18, 1978.

24 * Sec. 49. Section 42 of this Act is retroactive to July 19, 1978.

25 * Sec. 50. This Act takes effect July 1, 1981.

SENATE AMENDMENT

①

BY Fahrenkamp, Gilman, Halford, Bettisworth

To: _____ SENATE BILL No. _____

To: _____ HOUSE BILL No. HB 31

PAGE: 9 LINE: 17

(as requested by Dept. of Law)

*Sec. __ AS 38.04.065(d) is amended to read:

(d) Official regional or area plans and subsequent amendments adopted by the commissioner after public and local governmental participation shall be signed and dated by the commissioner. Notwithstanding any other provision of this title, the commissioner may dispose of an interest in land if a land planning report has been included in the classification order, even if a regional or area plan has not been adopted.

OK
RF

PS

PH

DB

2

SENATE AMENDMENT

By Fahrenkamp, Halford, etc.

To: _____ SENATE BILL No. _____

To: _____ HOUSE BILL No. _____

PAGE: 25 LINE: 20

*Sec. 47. The commissioner may prohibit the municipal selection of mental health lands allowed under sec. 1(b) ch. 181 SLA 1978 if the commissioner determines that the municipalities are not complying with land disposal requirements as contained in ch. 181 SLA 1978.

③

amend SCS CSHB 31 (fin)

p. 2 , line 22

delete "religious"

amend SCS CS HB 31 (fin)

④
④

p. 24 line 25
change date to
read July 1, 1974

p. 24 line 28
change date to
read July 1, 1974

These were
distributed at
beginning of
6/22/81 meeting -
later revised
by SFC

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. SCS for HCS for HB 31 (Finance) am
 Title An Act relating to the management, disposal and use of state/mun. land
 Requested by Senator Bennett Date 6/8/81

II. FISCAL DETAIL
 Agency Affected Department of Natural Resources
 Program Category Affected NRMEC
 BRU, Program, or Subprogram(s) Affected Land Management
 (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		501.2	501.2			
200 TRAVEL		33.5				
300 CONTRACTUAL		428.5				
400 COMMODITIES		11.0				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
CAPITAL		13084.8				
TOTAL		14149.0	14059.0			

FUNDING (Thousands of Dollars)

GENERAL FUND		14149.0	14059.0			
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		14				
PART TIME						
TEMPORARY						

- III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
1. Classification of all land within two years.
 2. Assessment of statewide/local demand.
 3. Lotteries in locality; personal attendance.
 4. Advance appraisals on remote parcels.
 5. Conversion of existing leases; appraisals; additional staking
 6. Field inspections.
 7. Supervision of grant program to municipalities
 8. Director of Division of Forestry.
 9. Supervision of local disposals, brochures, qualifications.
 10. Initial grant funds pool for municipalities (CAPITAL)
 11. Cadastral land survey. (CAPITAL)

Positions: FLWM: Appraiser, Div. Director, (5) LMO II, LMO I
 DR&D: Info. Officer, LMO II.
 DA&M: Acct. Tech. II, Acct. Tech. I, CT III, D/Agr; LMO II.

IV. DATE 6/8/81 PREPARED BY Jeff Haynes
 AGENCY Deputy Commissioner, DNR
 PHONE 465-2400

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

SCS for HCS for HB 31 (Finance)

PERSONAL SERVICES

<u>Function</u>	<u>Positions</u>	<u>Cost</u>
Additional staking, conversion of existing leases to new terms, supervision of range appraisals	LMO II/FLWM Northcentral	35,436
	LMO II/FLWM Southcentral	35,436
	LMO II/FLWM Southeast	35,436
Supervision of local disposals, supervision of grant programs to municipalities, field assistance and inspections, conducting of lotteries in locality	LMO II/FLWM Northcentral	35,436
	LMO II/FLWM Southcentral	35,436
	LMO I/FLWM Southeast	31,091
Classification of all state land outside municipalities within 2 years	LMO II/Agr.	35,436
	LMO II/DR&D	35,436
Appraisals on converted leases	Appraiser II/FLWM	40,560
Supervision of individual land sale brochures for all localities; distribution of information on all sales and attendance at all local lotteries for information and qualification	Info. Officer I/ FLWM	33,047
Receipt and handling of funds at all local lotteries; administration of funding for grants to municipalities	Acct. Tech. II/DA&M	31,091
	Acct. Tech. I/DA&M	27,655
	CT III/DA&M	
Creation of Division of Forestry	Div. Director	<u>56,326</u> 501,278

TRAVEL

<u>Function</u>	<u>Cost</u>
Conducting lotteries in locality; receipt of funds; qualification of applicants; distribution of information;	2,500 (DR&D)
	2,500 (DA&M)
	14,000 (FLWM)
	2,500 (AGR.)
Administration of grant program to municipalities	2,500 (DA&M)
	2,000 (FLWM)
Classification of land within 2 years - field review; travel to municipalities for assessment of demand	5,000 (FLWM)
	2,500 (DR&D)
	<u>33,500</u>

CONTRACTUAL

Land disposal brochures for local disposals	
12 brochures @ \$10,000 each	120,000
12 flyers @ \$2,000 each	24,000
12 sets of applications @ \$800 each	9,600
	<u>153,600</u>
Conversion of existing remote parcel leases to new terms; revision of contracts to allow for additional staking; entry into computer revenue and billing system	225,000
Land demand assessment; data processing for land classification within two years	50,000
	<u>428,600</u>

COMMODITIES

Office equipment, supplies for 14 positions	11,000
	<u>11,000</u>

EQUIPMENT

None

CAPITAL

Initial grant pool for municipalities	2,000,000
Cadastral land survey (see backup for Governor's capital budget)	11,084,800
	<u>13,084,800</u>

Project Title Cadastral Land Surveying			Location(s) Statewide		Election Districts Served Statewide		Start Date FY 82		Completion Date FY 83		
AGENCY REQUEST			Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year _____	Ultimate Annual Year _____	GOVERNOR'S REQUEST Approved <input checked="" type="checkbox"/>		Deferred <input type="checkbox"/>	Disapproved <input type="checkbox"/>	
1002	Federal Receipts		Funding Source	Federal Receipts			1002	Federal Receipts			
1003	G/F Match			General Fund			1003	G/F Match			
1004	General Fund	10,484.8						1004	General Fund	10,484.8	
1005	I/A Receipts							1005	I/A Receipts		
	G.O. Bonds								G.O. Bonds		
			Total Annual Operational Cost		--no change--						
			Position (FTE)								
			Previous Year-Priority		Agency Priority	Governor's Priority					
					82-1	82-1					
Total			10,484.8				Total		10,484.8		

PROJECT DESCRIPTION

Chapter 85, SLA 1979, created a land disposal bank. As part of the process the Department is required to make available 100,000 acres of land for disposal in each fiscal year. This is broken into approximately 75,000 acres for remote parcels and 25,000 acres of small tract parcels which range from 1 to 5 acres in size. The public is obtaining lands that have been identified, monumented, platted, and recorded, creating a firm land title document for the passing of State land title. The State is lowering the cost to the consumer in obtaining a parcel of land by having the surveys performed in groups which decreases the cost of survey field work. Each project for subdivision goes through six phases in order to complete the project area; this includes the site evaluation, photography and mapping, feasibility plan, master plan, preliminary platting, and final plat. The site evaluation is researching for lands that are suitable for the intended purpose, investigation of the environmental concerns, and office investigation for access (both legal and physical) to the area to be surveyed, and meeting with other Department personnel and agencies. The photography and mapping include horizontal and vertical control for the photography, contour mapping, ground truthing for the preliminary soils work, and then a final discussion with the Division of Technical Services personnel to see if the project is still feasible. The next phase, the feasibility plan, review all the data of phases 1 and 2 and has an overall master plan and general concept showing the soils, the determination of usable and unusable lands and a brief overview of wastewater disposal. This is discussed with other interested parties and Department personnel. The master plans include a general lot layout, including approximate sizes in general configuration based upon the data gathered to date. Ideally this includes two or three plans that can be refined and adjusted for a final master plan. The preliminary platting process is submitting it to the Borough and other agencies as applicable. The final plat is the final survey staking of the approved master and preliminary plans. These phases are established so that if for policy or technical reasons a project should be deleted, adjusted, or be delayed, a decision can be made that minimizes the cost of that project at that stage.

Presently, there is approximately two percent of State lands that have densified monumentation. The Federal Government, in passing title to the State, surveys the exterior of a township approximately every two miles, and a township is a six mile

CATEGORY NRMEC

AGENCY Dept. of Natural Resources

PROGRAM DNR Mgmt. & Admin.

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Revised Date

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00010

35a

**PROJECT DESCRIPTION -
PROPOSED CAPITAL
PROJECT**

by six mile block. Therefore, the interior monumentation required for remote parcels or a subdivision is what this project accomplishes in addition to that previously stated.

These projects are statewide from areas drawn from the land disposal bank, and in subdivision areas are generally close to existing transportation corridors. The projects are identified through the Land Availability Determination Schedule (L.A.D.S.).

Cadastral Land Surveying

**CONTINUATION
FROM:**

35 A

CATEGORY NRMEC

AGENCY Dept. of Natural Resources

PROGRAM DNR Mgmt. & Admin.

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Revised Date

FY 82

00011

Capital Project Expenditures (Cash Flow)	Total	Budget Year	Budget Year Plus 1	Budget Year Plus 2	Budget Year Plus 3	Budget Year Plus 4	Remaining Cost
Planning and Engineering (300)	8,694.0	8,694.0					0
Land							0
Construction							0
Equipment (500)	5.0	5.0					0
Administration and Other (100, 200, 400)	1,785.8	1,785.8					0
Total Annual Expenditure (Capital Cost)	10,484.8	10,484.8					0

Project Justification Project Need Statement: AS 38.04.045 requires that lands to be conveyed by the State must be surveyed prior to alienation. Further that where land is located within a Municipality with platting and zoning powers plats for State subdivisions shall comply with local ordinances and regulations. Chapter 85, SLA 1979, requires the Department to dispose of 100,000 acres of land each year. This is broken into approximately 75,000 acres for remote parcels and 25,000 acres of small tract parcels. A minimum amount of monumentation is performed in the remote parcel areas, but is necessary in order to be used as points of reference for the measurement of distances within an area. AS 38.05.047 requires that if land is suitable for residential use the Department shall survey and subdivide the land in a survey district.

A part of the land disposal process requires that daily recording of State land activity on Status Plat and Serial Pages. Therefore, this project request is including personnel to accomplish this increase in work load during this project.

The Cadastral Land Surveying project is developed to survey in the year prior to disposal because of the seasonal/weather restrictions for field surveying. Therefore, this Capital Project Request is for FY 83 disposal areas and should not be construed as requesting funds for those fiscal years, but that we are requesting funds for surveying for disposal of lands to be made available in FY 83.

Documentation of Estimated Capital Costs: Costs for this project were estimated by Division of Technical Services professional personnel based on current experience, and inflated at a rate according to the FY 82 policy budget figures except for contractual services which are based on current contract experience which is inflated at 15% over this years rates. (The contractual estimated costs utilizes professional assumptions made on the past awards of survey contracts in FY 81). Professional Contract Services cost estimate for FY 82 is: \$328 ac./subd. (small tract)
\$6.67 ac./remote parcel (large tract)

Project Type

- Building Construction (C)
- Other Improvement (I)
- Equipment (E)
- Land (L)
- Professional Services (P)
- Other (O)

Project Characteristics

- Totally New Facility
- Addition to Existing Facility
- Renovation of Existing Facility
- Major Maintenance or Repair
- Supplement Previously Authorized
- Funds to Enable Completion
- One of Several Phases
- Major External Funding Source
- Other

Site Features

NO YES

- Site Currently Owned?
- All Utilities Available?
- Access Already Available?

PROJECT TITLE Cadastral Land Surveying

CATEGORY NRMEC

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Revised Date

FY 82

00012

PROJECT JUSTIFICATION

35b

**PROPOSED CAPITAL
PROJECT**

AGENCY Dept. of Natural Resources

PROGRAM DNR Mgmt. & Admin.

Analysis of Estimated Operational Expense: This project is designed and planned to function with its own administrative costs for personnel, travel, contractual, commodities, and equipment. However, there is some overlap with operating personnel work during the life of the project, but it is a minimal and not a continual situation.

Identification of Alternatives Considered:

- 1) The Operating Budget level of funding necessary for the large scale disposal actions, does not allow this level of funding in order to accomplish the mandated disposals.
- 2) In lieu of having numerous full time field survey technicians, it is beneficial to contract for the actual field survey work to be performed. An ample number of firms are located throughout the State and in communities generally where projects are located. This ease of operations with a minimum survey staff offsets numerous personnel, field equipment, and logistics problems, and allows us expeditious operations in several locations at once.
- 3) Allowing land to be appropriated and surveyed by private individuals presents problems. The administrative costs are not recoverable by the sale of the land. The administrative costs are to insure that lands are properly and legally identified according to the Division of Technical Services survey criteria before being alienated.
- 4) Requesting other agencies, either State or Federal, was rejected. Unique handling of local platting, platting and zoning authorities is a consideration when involving the Federal agencies such as the BLM with the exception of townsite programs by the BLM, the majority of their contracts are large Cadastral Survey projects. BLM is not in the position to program for densifying their monumentation for State purposes in order to quickly pass title.

Cadastral Land Surveying

CATEGORY NRMEC

AGENCY Dept. of Natural Resources

PROGRAM DNR Mgmt. & Admin.

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Revised Date

CONTINUATION
FROM: 35 B

FY 82

00013

Project Title FY '82 Cadastral Land Surveying			Location(s) statewide		Election Districts Served statewide		Start Date FY 82		Completion Date FY 82		
AGENCY REQUEST			Operational Cost & No. Personnel Increase -- (Decrease)		First Operating Year _____	Ultimate Annual Year _____	GOVERNOR'S REQUEST				
							Approved <input checked="" type="checkbox"/>		Deferred <input type="checkbox"/>		Disapproved <input type="checkbox"/>
1002	Federal Receipts		Funding	Federal Receipts			1002	Federal Receipts			
1003	G/F Match			General Fund			1003	G/F Match			
1004	General Fund	600.0		Source				1004	General Fund		600.0
1005	I/A Receipts						1005	I/A Receipts			
	G.O. Bonds		Total Annual Operational Cost		-----no charge-----			G.O. Bonds			
			Position (FTE)								
			Previous Year-Priority		Agency Priority		Governor's Priority				
					82-1		82-1				
Total			600.0						Total		600.0

PROJECT DESCRIPTION

Line 9, Page 76, Chp. 120, SLA 1980, appropriated \$5,500,000 to the Department of Natural Resources for Cadastral Land Surveying in FY '82. This appropriation was to survey 100,000 acres of land for disposal in FY '82. This is broken into approximately 75,000 acres for remote parcels and 25,000 acres of small tract parcels that have to be identified, monumented, platted and recorded for land disposals. On October 6, 1980 the Governor's office issued a memo to the Commissioner of Natural Resources concerning the survey of the Delta Agricultural Project Expansion. The Governor requested that this Department undertake the survey of the Delta Agricultural Project Expansion as soon as possible for a cost of \$600,000 in order to have substantial cost savings by commencement of the surveys this fall. A question arose as to the respective Houses of the Legislature as to whether a portion of these survey funds were to be committed for survey of the Delta expansion. As a result, it was determined that it would not be inconsistent with legislative intent to use a portion of the said survey funds for the Delta Agricultural Project Expansion provided a sufficient amount was included in the Governor's FY '82 Capital Budget request to insure that the annual 100,000 acre land disposal quota for FY '82 can be satisfied. This Capital Improvement Project request is to replace the \$600,000 used for the Delta Agricultural Project Expansion and to complete the 100,000 acre disposal quota for FY '82 land disposals.

**35a PROJECT DESCRIPTION -
PROPOSED CAPITAL
PROJECT**

CATEGORY NRMEC
AGENCY Dept. of Natural Resources
PROGRAM DNR Management & Administration

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FY 82
00014

Capital Project Expenditures (Cash Flow)	Total	Budget Year	Budget Year Plus 1	Budget Year Plus 2	Budget Year Plus 3	Budget Year Plus 4	Remaining Cost
Planning and Engineering (300)	600.0	600.0					
Land							
Construction							
Equipment							
Administration and Other							
Total Annual Expenditure (Capital Cost)	600.0	600.0					

Project Justification

This project was justified in the FY 81 Capital Improvement Project submission and funds were appropriated by the Legislature. This \$600,000 request is to replace the monies necessary to complete the FY 82 land surveys which have contracts awarded, but are waiting this additional funding in order to complete the final portion of the surveys for subdividing of state land for FY 82 land disposals

Documentation of estimated Capital costs:

This \$600,000 is for professional survey contract services only and the costs have been negotiated and finalized to complete the FY 82 surveys.

Analysis of estimated operational expense:

These funds are for professional contractual services only.

Identification of alternatives considered:

The FY 81 Capital Improvement Project request identified alternatives for this Project. Without these funds this Capital Improvement Project cannot be completed and the mandated 100,000 acre disposal cannot be met.

Project Type

- Building Construction (C)
- Other Improvement (I)
- Equipment (E)
- Land (L)
- Professional Services (P)
- Other (O)

Project Characteristics

- Totally New Facility
- Addition to Existing Facility
- Renovation of Existing Facility
- Major Maintenance or Repair
- Supplement Previously Authorized
- Funds to Enable Completion
- One of Several Phases
- Major External Funding Source
- Other

Site Features

NO YES

- Site Currently Owned?
- All Utilities Available?
- Access Already Available?

PROJECT TITLE FY 82 Cadastral Land Surveying CATEGORY NRMEC

PROJECT JUSTIFICATION
35b PROPOSED CAPITAL PROJECT

AGENCY Dept. of Natural Resources
PROGRAM DNR Management & Administration

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Revised Date 11/14/80

FY 82
00015

CH.NO., SLA NO. or RP NO.	Project Title and Location	Amount Authorized	Estimated Total Expenditures Through June 1980	Planned Expenditures Through Completion	Est. Comp. Date.	Status
Ch 113/78	Cadastral Land Surveying Statewide	2,027.4	2,027.4	2,027.4	6/80	COMPLETED
Ch 80/79	Cadastral Land Surveying Statewide	6,480.0	6,480.0	6,480.0	12/80	The administration of the project is being completed.
Ch 50/80	FY 81 Cadastral Land Surveying - Statewide	6,903.1	6,903.1	6,903.1	6/81	in progress
Ch 120/80	FY 82 Cadastral Land Surveying - Statewide	5,500.0	5,500.0	5,500.0	6/82	in progress
Ch 120/80	Offshore/Marine Boundary Survey - Statewide	1,126.5	1,126.5	1,126.5	6/82	in progress
Ch 120/80	General Grant Selection - Statewide	161.3	161.3	161.3	6/81	in progress

CATEGORY NRMEC

AGENCY Dept. of Natural Resources

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**STATUS OF CURRENTLY
APPROVED CAPITAL
PROJECTS**

01-1140(8/80)

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF TECHNICAL SERVICES
CADASTRAL SURVEY SECTION
703 West Northern Lights Blvd.
Anchorage, Alaska 99503

41000

Date: August 22, 1980

SUBDIVISION SURVEY PHASES

PHASE I. Site Evaluation

A. Office Investigation

- 1) Determine and Document Legal Access
- 2) Research and Accumulate Available Soils Data
- 3) Determine Natural Hazard
 - a. Floodplain
 - b. Avalanche
 - c. Wind
 - d. Etc.
- 4) Research and Accumulate Existing Survey and Land Status Data
- 5) Research and Accumulate Environmentally Oriented Planning Concerns and Reports
- 6) Research and Accumulate Mining Claim Information.

B. Meetings with Division of Technical Services and Division of Forest, Land, and Water Management District Personnel under the Auspices of the Division of Technical Services.

C. Prepare a Site Evaluation Report Based on the Accumulated Data

PHASE II.

Low Level Aerial Photography and Mapping (All or part of this phase may be complete, note the specific subdivision data sheet.)

A. Control and Photography

- 1) Discussion with Division of Technical Services Personnel
- 2) Horizontal and Vertical Control for Photography
- 3) Photograph project area
- 4) Prepare Control Diagram and Coordinate Listing

B. Prepare Contour Map per Division of Technical Services Specifications.

PHASE III. Feasibility Study

A. Preliminary Feasibility

- 1) Preliminary soils work, i.e., site reconnaissance, superficial soils investigation, etc.
- 2) Preliminarily determine suitability of lands for subdivisions
- 3) Prepare preliminary Feasibility Study
- 4) Review and discuss with Department of Natural Resources personnel

B. Final Feasibility Study

- 1. Review all data generated in Phases I, II and III.A.
- 2. Perform detailed subsurface soils investigation to Division of Technical Services specifications, if required
- 3. Determine suitability of lands for subdivision and on-site sewage disposal systems
- 4. Obtain Department of Environmental Conservation and Municipal (when applicable) general overview
- 5. Prepare general cost estimates for development of roadways and utilities
- 6. Review and discuss with Department of Natural Resources personnel

PHASE IV. Master Plan

- A. Prepare Three Alternative Subdivision Layouts (Preliminary Master Plans) General Design Criteria will be Based on Data Gathered in Phases I, II, and III
- B. Prepare Narrative Describing Alternative Layouts and Methodology used in their Design - Include Recommendations
- C. Review and Discussion with Department of Natural Resources Personnel
- D. Prepare Final Master Plan per Division of Technical Services Specifications and request ASLS numbers.
- E. Transmit Final Master Plan to Department of Environmental Conservation for Approval per 18 AAC 72.065 after approval by the Division of Technical Services
- F. Initiate Vacations of Existing Lots, Blocks, Tracts, Roadways, and/or Easements which Conflict with the Approved Master Plan and Prepare Vacation Plats.
- G. Coordinate street names with Division of Technical Services and Municipality (if applicable)

PHASE V. Preliminary Platting

- A. Prepare Preliminary Plat per Division of Technical Services and Municipal Specifications
- B. Verify Legal Access to Subdivision
- C. Transmit Department of Environmental Conservation Approval to Division of Technical Services
- D. After Division of Technical Services Approval of Preliminary Plat, Transmit to Appropriate Agencies, i.e., Municipalities for Approval.
- E. Obtain Approval of Preliminary Plat from Municipality (if applicable)

PHASE VI. Final Platting

- A. Deliver Proposed Monumentation Diagram for Division of Technical Services' Approval
- B. Prepare Plat per Division of Technical Services' and Municipal Specifications
- C. Stake Subdivision to Division of Technical Services' and Municipal Specifications.
- D. Transmit Plat with Fieldbooks, Computations, and Completed Checklist to Division of Technical Services for Approval
- E. After Division of Technical Services Approval, Transmit Plat to Municipality for Final Plat Approval
- F. Finalize Vacations Initiated in Phase IV
- G. After Municipality Approval, Transmit Final plat Materials to Division of Technical Services.

PHASE VII. Development (When Applicable and specified by the Division of Technical Services.)

- A. Preparation of Road and Utility Design and Bid Documents
- B. Construction Staking
- C. Construction Monitoring
- D. AsEuilt Construction

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCS for HCS for HB 31 (Finance) am
 Title An Act relating to the management, disposal and use of state and municipal land
 Requested by Senator Fahrenkamp Date 5-21-81

II. FISCAL DETAIL

Agency Affected Department of Natural Resources
 Program Category Affected _____
 BRU, Program, or Subprogram(s) Affected _____
 (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		968.0				
200 TRAVEL		50.0				
300 CONTRACTUAL		534.0				
400 COMMODITIES		9.0				
500 EQUIPMENT		34.5				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		1595.5				

FUNDING (Thousands of Dollars)

GENERAL FUND		1595.5				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		25				
PART TIME						
TEMPORARY						

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

1. Classification of all land within 2 years & assessment program	705.0
2. Grant program to municipalities (overhead only)	176.0
3. Lotteries in locality; personal attendance	442.5
4. Remote parcel conversions	272.0
	<u>1595.5</u>

R & D: 3 positions; Admin: 3 positions; FLWM: 19 positions

Note: Assumes request level in capital budget for surveys; suggest \$2,000.0 capital for grant fund.

IV. DATE _____ PREPARED BY _____

AGENCY _____

Original: Legislative Finance PHONE _____

cc: Budget and Management
 Prime Sponsor (First Legislator Named)

1. Classification of all land within 2 years (presently being received at 10 mm acres/year); & assessment program

	<u>DFLWM</u>	<u>R & D</u>
100 (1 LMO III NCDO & SCDO; 1 LMO II each District; 1 CT III NCDO & SCDO; 1 LMO IV Central Office)	340,000	
200	20,000	
300	100,000	225,000
400	5,000	
500	15,000	
	<hr/> 480.0	<hr/> 705.0

2. Grant program to municipalities

		<u>Admin. & Mgmt</u>
100 (LMO III)	45,000 (Acctg. Tech II, Acctg. Tech I, CT III)	113,000
200	5,000	5,000
300	1,000	2,000
400	--	1,000
500	1,000	3,000
	<hr/> 52.0	<hr/> 124.0

3. Lotteries @ closest court city; w/personal attendance

100 (4 LMO II)	160,000 (3 Info Officers)	105,000
200	15,000	5,000
300 (Brochures)	153,000	
400	1,000	
500	2,000	
	<hr/> 331.0	<hr/> 111.5

4. Remote parcel conversions - roughly 2000 contracts

100 (Appraiser II, 1 LMO II; 2 LMO I; 2 CT III)	205,000			
200	--			
300 (contracts, forms, appraisals)	53,000			
400	2,000			
500 (memory typewriters)	12,000			
	<hr/> 272.0			
100	750.0	105.0	113.0	<u>TOTAL</u> 968.0
200	40.0	5.0	5.0	50.0
300	307.0	225.0	2.0	534.0
400	8.0		1.0	9.0
500	30.0	1.5	3.0	34.5
				<hr/> 1,595.5

MEMORANDUM

State of Alaska

DEPARTMENT OF NATURAL RESOURCES - DIVISION OF FOREST, LAND AND WATER MANAGEMENT

TO: Dick LeFebvre,
Deputy Director

DATE: April 2, 1981

FILE NO: 1151.2

TELEPHONE NO: 279-5577

FROM: Frank Mielke, Chief
Land Management

SUBJECT: Fiscal Note for Resources
Committee CS HB 31

- (I) The attached Fiscal Note for CS HB 31 covers activities of DFLWM, DNR, to the extent of any fiscal impact on the Division for the following activities required of the Division by the bill:
- (1) Section (3)(b) - Consultation with municipalities and determination of disposal lands;
 - (2) Section 8 - Requirement that lottery, auction and homesite disposal be held in closest municipality holding regular superior court sessions;
 - (3) Section 10 - Requirement of applicant presence at lottery;
 - (4) Section 12 & 13 - Changes in remote parcel program;
 - (5) Section 17 - Changes in the date of determination of value of remote parcel;
 - (6) Section 19 - Requirement of personal presentation of proof of residency for homesite qualification;
 - (7) Section 21 - Conversion of remote parcel lenses;
 - (8) Amendment to AS 41.17.020(a) - Creation of a Division of Forestry;
- (II) A statement of the type of impact projected for each section of the bill follows:
- (1) Additional Staff and travel to consult with municipalities to determine disposal lands for each of the three district offices and the DFLWM central office staff;
 - (2) Additionally staff travel and contractual funds to conduct 8, as opposed to the present 2 lotteries per year, including brochure printing, application printing, data processing services, etc.;
 - (3) Additional staff to conduct lottery to insure that successful applicants are present; more time consumed to conduct lottery;
 - (4) More field presence required for revised lottery procedures;
 - (5) Currently no appraisal is performed prior to the opening of a remote parcel area. The bill would result in an "cookbook" appraisal, be accomplished, as was done in the open-to-entry program, prior the opening of a remote parcel area. Seventeen (17) remote parcel areas are planned for FY '82;

DEPARTMENT OF NATURAL RESOURCES - DIVISION OF FOREST, LAND & WATER MANAGEMENT
MEMORANDUM continued - pg. 2

- (6) Additional staff to examine proof of residency at all homesite disposals;
- (7) Additional staff and equipment to convert approximately 2000 remote parcel leases;
- (8) Additional salary for a Director, Deputy Director and Secretary for newly-created Division of Forestry.

(III) Projections for the costs of implementing the sections of CS HB 31 having a fiscal impact on the Division of Forest, Land & Water Management:

- (1) Staff for municipal consultation and disposal land designation:

NCDO - 1 LMO II

SCDO - 1 LMO II

SCDO - 1 LMO II

DFLWM- 1 LMO III

Total- Personal Services 152,000

Travel

- (A) SEDO - 3 Round Trips (Sitka/Juneau)
 - 3 " " (Ketchikan/Juneau)
 - 2 " " (Haines/Juneau)
 - 1 " " (Skagway/Juneau)
 - 1 " " (Yakutat/Juneau)

Per diem - 30 days at 67.00 /day 3,500

- (B) SCDO - 3 Round Trips (Soldotna/Anch)
 - 3 " " (Kodiak/Anch)
 - 2 " " (Valdez/Anch)
 - 2 " " (Seward/Anch)
 - 1 " " (King Salmon/Anch)

Per diem - 22 days (including travel and mileage to Mat-Su Boro., city of Houston) at 67.00 /day 3,000

- (C) NCDO - all local 0

TOTAL TRAVEL 6,500

TOTAL OTHER COSTS 152,000

GRAND TOTAL 158,500

DEPARTMENT OF NATURAL RESOURCES - DIVISION OF FOREST, LAND & WATER MANAGEMENT
 MEMORANDUM continued pg. 3

(Z) Additional staff, travel & contractual costs for conducting lotteries in local areas (Assumes 8 lotteries);

(A) Personal Services

NCDO - 2 LMO II (Lands)
 1 Information Officer

** LMO II*
(1 1/2)
(1 1/2)
 SCDO - 2 LMO II (Lands)
 1 Information Officer

SEDO - 1 LMO II (Lands)
 1 Information Officer 306,600

Central Office 1 LMO II
 (coordinator) 35,400

(B) Travel

NCDO - No costs

SCDO - No costs

SEDO - 1 round trip for 6 staff to Sitka, Ketchikan 4,000

Central Office 1 Round Trip to Fairbanks
 1 " " Juneau
 1 " " Sitka
 1 " " Ketchikan 2,000

Plus Per Diem for 22 days Travel 1,500

TOTAL TRAVEL 7,500

(C) Contractual

Printing of 8 Brochures @ \$10,000 each 80,000
 Printing of 8 Flyers @ \$2,000 each 16,000
 Printing of 8 sets of applications @ \$800 each 6,400
\$102,400

GRAND TOTAL 451,900

DEPARTMENT OF NATURAL RESOURCES - DIVISION OF FOREST, LAND & WATER MANAGEMENT
MEMORANDUM continued - pg. 4

(6) Section 19 - covered in (2) above;

(7) Conversion of Remote Parcel Leases;

DFLWM, Contract Administration 500 pending/issued Leases; expected that 1500 more lease application will be received on remote parcel areas already offered. 5 leases issued per day currently with 1 LMO I & 1 CT III; Conversion of 2000 leases will require additional personnel as follows:

1 LMO II
2 LMO I
3 CT III

TOTAL PERSONAL SERVICES 164,400

Equipment:

3 memory typewriters
@ \$4,000 each

12,000

(if memory typewriters are not funded, 3 typewriters and an additional CT III will be needed)

176,400

GRAND TOTAL

(8) Staff for Division of Forestry
Personal Services

1 Director (Range 26)
1 Deputy Director
1 Secretary I

TOTAL PERSONAL SERVICES 173,000

(3) Covered in (2)

(4) More field Presence for Remote Parcel Program;

(A) NCDO - 1 LMO II
SCDO - 1 LMO II

TOTAL PERSONAL SERVICES 76,000

(B) Travel 16 remotes, 5 days of field time per remote,
80 days @ 7,500

TOTAL TRAVEL 7,500

GRAND TOTAL

~~256,500~~ 93,500

(5) "Cook book" Appraisals for Remote Parcels

PERSONAL SERVICES

Central Office

(A) 1 Appraiser II (Review Appraiser) 40,600

DEPARTMENT OF NATURAL RESOURCES - DIVISION OF FOREST, LAND & WATER MANAGEMENT
MEMORANDUM continued pg. 5

(B) TRAVEL 25 field trips
@ \$400 each

\$10,000

GRAND TOTAL

50,600

1. Municipal consultation / disposal	158,500
2. Local lotteries	451,900
3. Lease conversion	176,400
4. Div of For	173,000
5. Changes in lease parcels	134,100
	<u>1,093,900</u>

MEMORANDUM

State of Alaska

DEPARTMENT OF NATURAL RESOURCES - DIVISION OF FOREST, LAND AND WATER MANAGEMENT

TO: Dick LeFebvre
Deputy Director

DATE: May 12, 1981

FILE NO: 1151.2

TELEPHONE NO:

FROM: Frank G. Mielke, Chief
Land Management

SUBJECT: Fiscal Impact of SB531
on DFLWM

The following is an analysis of the fiscal impact of SB531 on the Division of Forest, Land & Water Management, DNR. The analysis is broken down by sections of the bill. Sections having no fiscal impact have been ignored for the purpose of this analysis. All figures represent the per year costs:

(1) Section (4)(c) requires land outside of municipalities to be classified by 7-1-83, and land not retained to be classified within 2 years of TA or patent. At the present rate of conveyance of 20,000,000 acres per year, more staff will be necessary:

SCDO - 1 LMO III 45,000	Central Office - 1 LMO IV 45,000
1 LMO I 35,000	
1 CT III 20,000	Total Personal Services <u>340,000</u>
NCDO - 1 LMO III 50,000	Total Office
1 LMO II 40,000	Space, Eqpt., Commodities <u>20,000</u>
1 CT III 20,000	Travel <u>20,000</u>
	Contractual <u>100,000</u>
SEDO - 1 LMO II 35,000	
	Total <u>480,000</u> ✓

(2) Section (5)(c) requires the Commissioner of Natural Resources to review requests for aid for municipal disposals and administer funds granted. This would require one LMO IV in the Central Office; travel funds, equipment and commodities would cost a total of \$60,000. ✓

(3) Section (13) requires lotteries to be held in the closest municipality which holds regular sessions of court. This will require 12 lotteries instead of the present 2 per year:

NCDO - 2 LMO II	
1 Information Officer	
SCDO - 2 LMO II	
1 Information Officer	
SEDO - 1 LMO II	
1 Information Officer	
Central Office - 1 LMO II	
TOTAL	<u>542,000</u>
	542,000
TRAVEL	15,000
CONTRACTUAL	
(Printing 12 Borchures, 12 flyers and 12 sets of applications)	<u>\$153,600</u>
TOTAL	<u>\$550,600</u> ✓

(This includes the extra staffing needed to examine proof of residency and personal presence at lotteries, required by Section (15)(a)).

Fiscal Impact of SB531 - continued

(4) Section (16) requires the DNR to offer a preference right for mining claimants to purchase the surface estate of any land sold. The notice requirement (b) will have an impact, costing approximately \$2000 in printing and mailing costs.

(5) Section (21) requires a change in the certification form for remote parcel applicants, different from the one presently used in lottery. Extra costs will total approximately \$1000 for printing and mailing of forms.

(6) Section (23) requires that remote parcel land be sold at the appraised value at the time of lease. This requires an appraisal be performed on each remote parcel area prior to offering:

Appraiser II (Review Appraiser)	40,600
Commodities, Eqpt., etc.	2,500
Travel	10,000
<u>TOTAL</u>	<u>53,100</u> ✓

(7) Section (25) provides for shore fishery leases for riparian, in addition to tide and submerged land. This will require the processing of approximately 300 new leases per year for the next three years:

NCDO - 2 LMO II	76,000
SCDO - 2 LMO II	76,000
Central Office - <u>1 LMO III</u>	46,000
	<u>198,000</u>
Commodities, Eqpt. & Rental	12,500
Travel	10,000
<u>TOTAL</u>	<u>220,500</u> ✓

(8) Section (38) will enable current remote parcel lessees to convert leases to the terms provided by the bill.

1 LMO II	
2 LMO I	
3 LMO III	
<u>TOTAL</u>	164,400

Eqpt. (3 memory typewriters)	12,000
Other Eqpt. & Commodities	15,000
<u>TOTAL</u>	<u>191,400</u> ✓

GRAND TOTAL for SB531

~~1,713,000~~
 1,558,600

LANDS DISPOSAL UNIT

Proposal for implementation of CSHB 31 (Res)

Assumptions

1. CSHB 31 (Res) requires that most disposals be held in the closest municipality where "regular sessions" of the superior court are held. The term "regular sessions" is not defined by statute or court rule. Superior court judges are presently based in ten municipalities (Juneau, Anchorage, Fairbanks, Ketchikan, Sitka, Nome, Kotzebue, Kenai, Kodiak and Bethel) and there is a bill pending in the legislature which would locate additional judgeships in Palmer and Barrow. However, the presiding judge in each judicial district has the inherent authority to designate other communities where superior court documents are accepted and trials are held. For example, Judge Moody has designated Palmer, Valdez, Cordova, Glennallen, Homer and Seward as communities where the court will hold sessions. For purposes of this analysis we are assuming that "regular sessions" means only those municipalities where superior court judges are permanently based.
2. For FY '82 we are estimating that CSHB-31 would require 8 subdivision lottery disposals as follows:

Anchorage	2	(25	Subdivisions))
Fairbanks	2	(19	")
Juneau	1	(2	")
Ketchikan	1	(3	")
Sitka	1	(1	")
*Kenai	1	(1	")

This assumes that all subdivisions in each community, other than Anchorage and Fairbanks, will be ready for disposal at one time. (For Example, all of Ketchikan's subdivisions will be handled in one disposal).

3. For FY '82 we are estimating 10 Land Auctions and a continuing Remote Parcel Disposal Program.
4. We are assuming an orderly disposal process where lotteries and auctions are spread over the fiscal year.

* Possible Odd Lot Lottery

5. REMOTE PARCELS

Under the provisions of House Bill-31 we for see a major increase in the number of remote parcels leased by the public. At present we experience a 10% lease rate on all the staking authorizations. We expect that with the new more acceptable terms of the remote parcel program, its removal from the restrictions of 38.05.057, and the increased restrictions of the subdivision lottery and Homesites program under HB-31, ~~that~~ the remote parcel program will eclips the others as the more popular disposal program. The percentage of authorizationsthat will be taken to lease is expected to rise to 60 or 65%. This sixfold increase in the number of leases will likewise increase the land management section's work load with regards to disposal trackings, planning, public information, casefile management and adjudication, field presence and contract administration. This increased load will be shared by both the District offices and the Central Coordination office.

6. LOTTERIES

A sustantial portion of the efforts and costs of preparation for and holding a lottery are fixed and, therefore, while the individual lottery costs under HB-31 will be less than that of present lotteries, they will not be substantially less. Similarly, the number of lotteries prepared and offered by the individual districts will not increase substantially. However, the total number of lotteries held by the state will increase fourfold. Each of these lotteries will be open to statewide applications and will increase the work load of the individual district information offices and Central Disposal Review offices.

Communities Holding Superior Court
 Regular Sessions And Proposed
 Disposals in the Vicinity of these Communities
 FY '82

Anchorage

<u>SCDO</u>	<u>AC.</u>
Fireweed Mt.	200
Saddle Pt.	39
Kahiltna Flats	2,515
Leloux View	500
Onestone Lake	2,000
Papoose Twins	800
Safari Lake	735
Schneider Lake	600
Shell Hills	850
Amber Lakes North	407
Bald Mtn.	1,032
Bench Lake	211
Colorado Stn.	482
Denali View	205
Dinglishna Hill	451
Hewitt-Whiskey Lake Ada. #2	295
Kenny Creek	996
Kutna Creek	735
Lockwood Lake	251
Ninemile Creek	395
Skwentna Flats	200
Super Cub	606
Shell Lake North	673
Ag.	
Delta Island Ag. Phase I	
Little Susitna Ag. Phase I	280
Nancy Lake Ag.	<u>960</u>
	16,418

Fairbanks

<u>NCDO</u>	<u>Net. Ac.</u>
Deadman Lake	900
Dune Lake	400
Eagle	555
Geskakmina	250
Hutlitakwa	250
Iksgiza	300
Minchumina	200
Teklanika Channel Lake	200
Totek	300 Ac.

Sam Creek	500
Bonanza	500
Olnes East	722
Olnes West	380
McCloud	581
Tungsten	701
Desperation	268
Hayes Creek	695

Ag.

Eielson	7,000
Buffalo	<u>605</u>
	15,307

Juneau

Excursion Inlet	100
Yakutat	<u>150</u>
	250

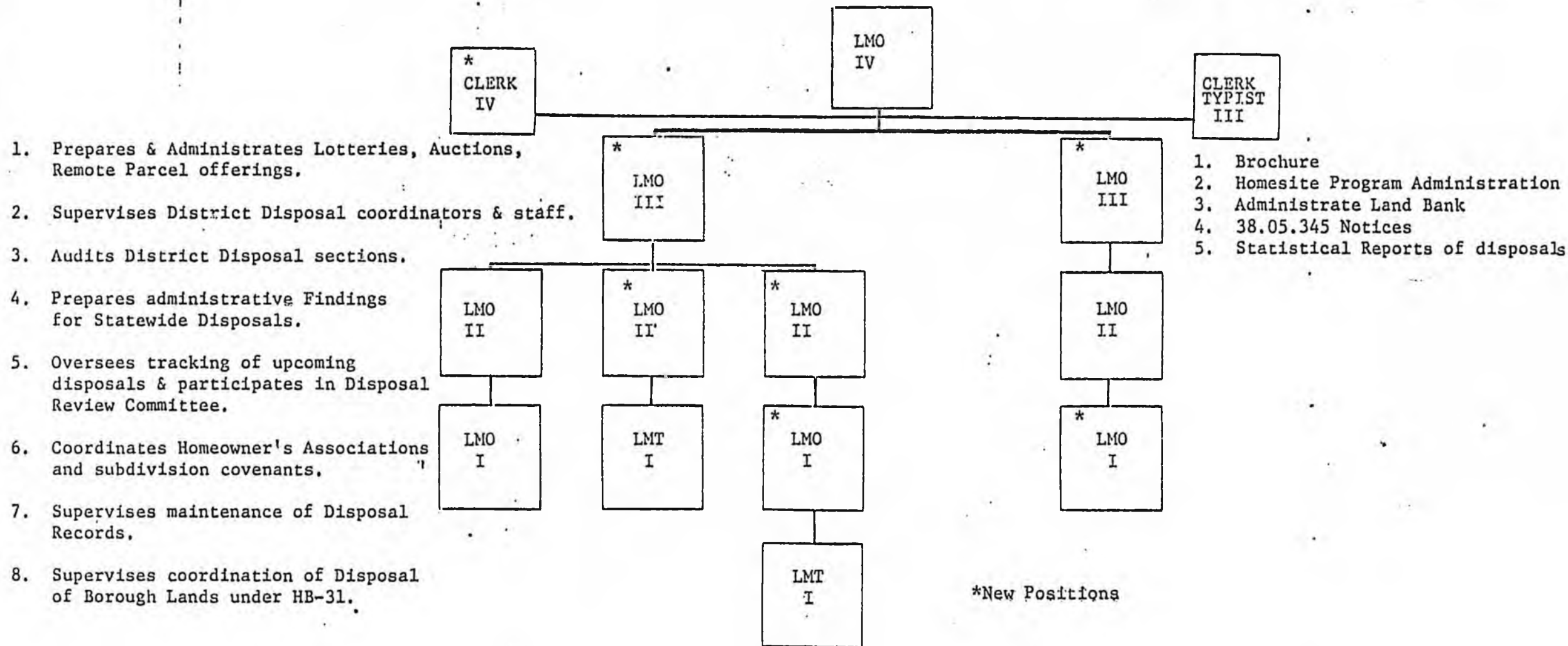
Ketchikan

Edna Bay	400
Wrangell Narrows	403
Mountain Pt.	<u>67</u>
	870

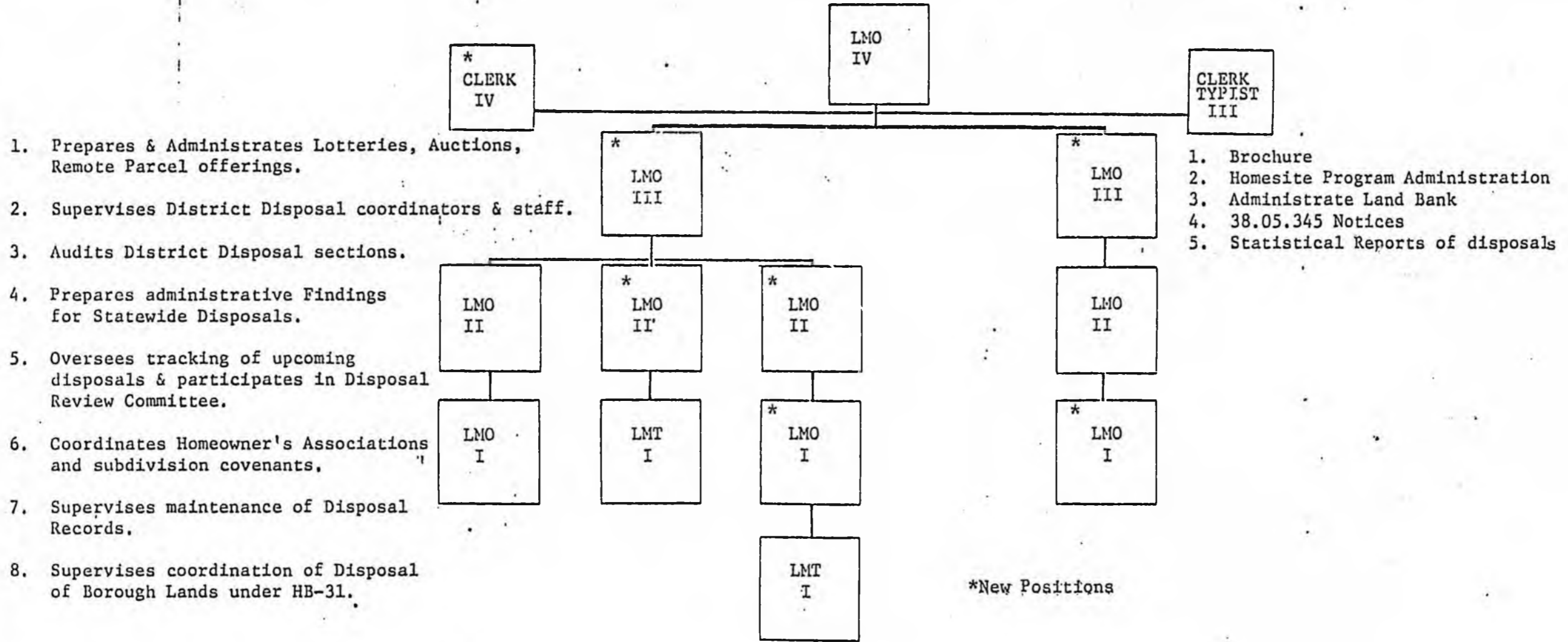
Sitka

<u>60</u>
<u>60</u>
<u>1,180</u>

TOTAL 32,905



The Central Land Disposal unit would require a major restructuring to handle the workload and responsibilities required under the provisions of HB-31. Above is a proposed staffing chart and outline of responsibilities.



1. Prepares & Administrates Lotteries, Auctions, Remote Parcel offerings.
2. Supervises District Disposal coordinators & staff.
3. Audits District Disposal sections.
4. Prepares administrative Findings for Statewide Disposals.
5. Oversees tracking of upcoming disposals & participates in Disposal Review Committee.
6. Coordinates Homeowner's Associations and subdivision covenants.
7. Supervises maintenance of Disposal Records.
8. Supervises coordination of Disposal of Borough Lands under HB-31.

1. Brochure
2. Homesite Program Administration
3. Administrate Land Bank
4. 38.05.345 Notices
5. Statistical Reports of disposals

*New Positions

The Central Land Disposal unit would require a major restructuring to handle the workload and responsibilities required under the provisions of HB-31. Above is a proposed staffing chart and outline of responsibilities.

Central Office (Anchorage)

100

New Position Request under HB-31

LMO III - Cost \$40,560

Supervises District Land Disposal Coordinators and audits performance of individual District Disposal sections with regards to land disposals policies. Reviews preliminary decisions and final findings for disposals and prepares administration findings for statewide land sales. Prepares and administrates lotteries. Oversees tracking system for upcoming disposals and participates in the Disposal Review Committee. Oversees remote parcel offerings, over-the-counter offerings, and tracking of these sales. Reviews homeowner's association incorporations and impositions of covenants on State subdivisions as well as special projects as assigned. Supervises coordination of sales of Municipal selected land as provided for under the proposals of HB-31.

LMO III - \$40,560

Coordinates statewide review and maintenance of the Homesite Entry Program under AS 38.08. Supervises adjudication of case files and preparation of Homesite Entry Permits for the Director's signature. Responsible for final review of homesites for issuance of patent and audits District's performance during adjudication. Responsible for the coordination, preparation and printing of statewide land disposal brochures and legal notices under 38.05.345. Reviews Land Bank Nominations and prepares Commissioner's findings. Coordinates preparation of Commissioner's report to the legislature on the status of the land in the Land Disposal Bank. Prepares statistical reports of disposals, carries out special projects as assigned and responds to public inquiries.

LMO II - \$36,708

Coordinates, reviews, and implements land disposal programs such as lotteries, Remote Parcel offerings, Homesite Entry offerings, and auctions within the Northcentral District. Reviews preliminary decisions and final findings for land sales. Assists in preparation and review of disposal brochure material and provides assistance to the districts as required. Responsible for tracking subdivisions and leftover parcels for upcoming disposals and over-the-counter offerings within the District. Coordinates the selection, nomination and disposal of municipal selection lands with the District and municipalities under provisions of HB-31. Audits the Northcentral District Office's performance with regards to land disposal statutes, regulations and policies. Carries out special projects as assigned and responds to public inquiries.

100

LMO II - \$36,708

Coordinates , reviews and implements land disposal programs such as lotteries Remote Parcel offerings, Homesite Entry offerings, and auctions within the Southeastern District. Reviews preliminary decisions and final findings for land sales. Assists in preparation and review of disposal brochure material. Provide assistance to the districts as required. Responsible for tracking subdivisions and leftover parcels for upcoming disposals and over-the-counter offerings within the Southeastern District. Audits the Southeastern district's offices' performance with regards to land disposal statutes, regulations, and policies. Coordinates the selection, nomination, and disposal of municipal selection land with the Southeastern District and the municipalities under provisions of HB-31. Carries out special projects as assigned and responds to public inquiries.

LMO I - Cost \$31,092

Assists Southeastern District coordinator in the coordination, review and implementation of Disposals. Aids in preparation and review of brochure material. Performs as liaison between Land Disposals and the Division of Research and Development's ALAR staff. Responsible for maintaining computer records of land disposals. Assists in the coordination of the incorporation of homeowner's associations, impositions of covenants on State Subdivisions, and the selection, nomination and disposal of municipal selected lands under the provisions of HB-31. Carries out special projects as assigned, and responds to public inquiries.

LMO I - Cost \$31,092

Assists in the adjudication and issuance of Homesite Entry Permits as well as the final review of requirements for patent. Assists in the preparation of disposal brochures, Land Disposal Statistical reports, and Land Bank Nomination findings. Carries out special projects as assigned and responds to public inquiries.

Clerk IV - Cost \$23,460

Provides clerical assistance to section including filing, extensive maintenance use of disposal files, logging incoming and outgoing files and correspondence, etc.

NORTHCENTRAL DISTRICT POSITION
REQUEST UNDER HB-31

100

LMO II - (Fairbanks) Cost \$41,964

Responsible for coordinating and administrating District-wide remote parcel offerings with other State and Federal agencies, the Central Disposal Office and the Division of Technical Services. Prepares and plans future remote parcel offerings. Reviews and adjudicates remote parcel lease applications and casefiles. Reviews and recommends action related ^{to} final qualifications for purchase of remote parcels. Carries out special projects as assigned. Responds to public inquiries.

LMO I - (2) \$36,708@ \$73,416 Total

Assists in the adjudications of lease applications and case files under remote parcel program as modified by HB-31. Aids in preparation and planning of remote parcel offerings, and performs ~~full~~ inspections of remote parcel areas ^{and striking}. Prepares and compiles reports and recommendations on remote parcel casefiles and final qualifications for purchase. Carries out special projects as assigned and responds to public inquiries.

SOUTHCENTRAL DISTRICT POSITION
REQUEST UNDER HB-31

100

LMO III - \$40,560

Coordinates district wide land disposals. Researches and nominates lands from Land Bank for disposals. Coordinates selection, survey, appraisal and sale of lands through other State agencies, the public, Division of Technical Services and the Central Disposal Office. Responsible for accepting and reviewing Land Bank nominations, adjudicating land sale and lease Homesite casefiles, incorporation, organizing Homeowner's Associations for State subdivisions, preparation of Land Disposal Brochure materials and organize and hold public hearings. Carries out special projects and responds to public inquiries

LMO I - (2) (Anchorage) \$31,092@ Total 62,184

Assists in the adjudications of lease applications and case files under remote parcel program as modified by HB-31. Aids in preparation and planning of remote parcel offerings, and performs full inspections of remote parcel areas. Prepares and compiles reports and recommendations on remote parcel casefiles and final qualifications for purchase. Carries out special projects as assigned and responds to public inquiries.

LMO II - (Anchorage) Cost \$\$36,708

Responsible for coordinating and administrating District-wide remote parcel offerings with other State and Federal agencies, the Central Disposal Office and the Division of Technical Services. Prepares and plans future remote parcel offerings. Reviews and adjudicates remote parcel lease applications and casefiles. Reviews and recommends action related final qualifications for purchase of remote parcels. Carries out special projects as assigned. Responds to public inquiries.

SOUTHEASTERN DISTRICT POSITION
REQUEST UNDER HB-31

100

LMO II - Cost \$35,435

Responsible for the coordination with the municipalities and the Central Disposal Office, of the selection nomination and disposal of municipal selected lands under provisions of HB-31. Performs District land review and adjudication of homesite casefiles and any field inspections necessary under the program. Accepts, reviews and makes recommendations on Land Bank nominations for the District. Incorporates and manages homeowner's associations and the imposition of covenants on State subdivisions within the district. Carries out special projects as assigned and responds to public inquiries.

INFORMATION POSITIONS REQUEST FOR DISTRICT OFFICES
UNDER HB-31

100

LMO I - 1@ for each District

Cost - SCDO-\$31,092, NCDO-\$36,708, SEDO-\$32,088 - TOTAL \$99,888

Responsible for dissemination of public information involving land disposals. Accepts applications, certifications and proof of residency for lotteries, Homesite disposals and over-the-counter sales. Accepts lease applications under the remote parcel program and Land Bank nominations. Special projects as assigned, responds to public inquiries.

SCDO, SEDO, NCDO Information

LMT - SCDO-\$27,648, SEDO-\$27,648, NCDO-?

Assists land management officer position in the acceptance of land disposal applications and certifications as well as remote parcel lease applications. Aids in administration of over-the-counter sales and the acceptance of proof of residency at the District level for the Homesite ,lottery remote parcel and discount program. Disseminates land disposal information to the public.

200

TRAVEL:

Subdivision lottery disposals:

12 persons required from Disposals
(6 Central Office; 6 District Office)

Anchorage (2)
No Cost

Fairbanks (2)
Airfares (12)
Per diem (12)
Transportation (12)

Juneau (1)
Airfares (6)
Per diem (6)
Transportation (6)

Ketchikan (1)
Airfares (12)
Per diem (12)
Transportation (12)

Sitka (1)
Air fares (12)
Per diem (12)
Transportation (12)

Kenai (1)
Airfares (12)
Per diem (12)
Transportation (12)

Land Auctions:

Minimum of 9 persons required from Disposals (at least 1 Central Office,
8 District Office)

Costs would depend on location of auctions and could include airfares, per diem
and transportation.

300

CONTRACTUAL:

Communications

Brochure Printing

Application Printing

Printing

Advertising

Space Expenses & Fees

Repair & Maintenance

Rental of Space to Hold Auctions & Lotteries

400

SUPPLIES:

Stationery & Office Supplies

500

EQUIPMENT:

7 Desks

7 Chairs

10 File Cabinets, legal

2 Calculators

2 Office Tables

1 Mag Card Electric Typewriter

SENATE AMENDMENT



By Fahrenkamp, Gilman, Halford, Bettisworth

To: _____ SENATE BILL No. _____
To: _____ HOUSE BILL No. HB 31

PAGE: 9 LINE: 17

(as requested by Dept. of Law)

*Sec. ___ AS 38.04.065(d) is amended to read:

(d) Official regional or area plans and subsequent amendments adopted by the commissioner after public and local governmental participation shall be signed and dated by the commissioner. Notwithstanding any other provision of this title, the commissioner may dispose of an interest in land if a land planning report has been included in the classification order, even if a regional or area plan has not been adopted.

OK
BF

PO

RH

OB

included
in SCS (fin)

SENATE AMENDMENT

②

By Fahrenkamp, Halford, etc.

To: _____ SENATE BILL No. _____

To: _____ HOUSE BILL No. _____

PAGE: 25

LINE: 20

*Sec. 47. The commissioner may prohibit the municipal selection of mental health lands allowed under sec. 1(b) ch. 181 SLA 1978 if the commissioner determines that the municipalities are not complying with land disposal requirements as contained in ch. 181 SLA 1978.

*included
in SCS (fix)*

SECTIONAL ANALYSIS FOR
SCS FOR CSHB 31 (FINANCE)

Section 1- If a municipal selection or nomination is rejected by the Director, a municipality may select additional State land as necessary to satisfy its entitlement not later than 90 days after receiving the Director's rejection.

Sections 2 & 3- This section states that a local platting board may not refuse to sign or disprove a subdivision plat submitted by the state for state lands because of local requirements for capital improvements or road construction.

The state must comply with all other requirements of the platting board in existence at the time the commissioner notifies the platting board of the proposed subdivision sale.

Section 4- Authorizes a municipality to lease municipal land for up to 55 years to a non-profit charitable, religious, scientific, educational or social welfare organization without an ordinance or voter ratification. This land may not be used for commercial development. The organization must be financially able to carry the project and the land must be used for an established or proposed project which is open for use by the public.

Section 5- LAND DISPOSAL BANK. Consolidates AS 38.04.020 (land disposal bank provisions) and 38.05.047 (classification and disposal procedures for land within municipalities); clarifies confusing provisions in both sections of the law; makes a number of major substantive changes to these laws including:

1. The Department is required to classify all State lands outside municipalities into disposal or State retention categories by July 1, 1983
2. The 100,000 acre annual quota is repealed. The Department would be required to submit an annual recommendation for disposals to the legislature based on a demand assessment.
3. Financing requests for capital improvements required by municipal subdivision ordinances must be submitted to legislature in addition to requests for identification, survey and disposal of State land.
4. Subdivision parcels can exceed 5 acres if necessary to conform to local zoning requirements or unique soil, terrain, water or sewage considerations.

Specifically:

Requires Department of Natural Resources to finish classifying all State lands either as land disposal bank lands or retained multiple use lands by July 1, 1983. (Current law only applies

to lands within municipalities). All land suitable for disposal of fee simple title including commercial, industrial, agricultural, residential, recreational and other lands would be included in land bank unless the land has been selected by a municipality to satisfy a municipal entitlement. (Under current law, agricultural lands are not included in the land bank). Lands conveyed to the State by the Federal government which are to be retained in State ownership or deposited in the land disposal bank consist of those lands classified by the Commissioner within two years of receipt of tentative approval or patent whichever occurs first. The banks must contain at least 500,000 acres. (No change).

On January 15 of each year the Department is required to report to the Legislature the status of land in the land disposal bank. The 100,000 acre annual quota is repealed. Instead, Department of Natural Resources is required to submit annually a recommendation based on assessment of the current market for State land in the land disposal bank developed in consultation with affected municipalities.

The assessment must consider demand in each region of the State and include a survey of the supply of privately owned land offered for sale, municipal land subject to a completed disposal plan and Federal land available for sale, lease or permit. The assessment must be based on an analysis of private, municipal and Federal land available for disposal on terms "equivalent to those used in comparable State land disposal program and shall include the length of time the land is available on the market before it is sold". The financing request must include an estimate of the amount necessary for (1) survey and disposal of land proposed to be made available for remote parcel staking for the succeeding fiscal year with the general location of the land (2) survey and disposal of land to be offered as agricultural, commercial or industrial land during the succeeding fiscal year with general locations (3) survey and disposal of the land proposed to be offered as subdivisions with general locations (4) preliminary feasibility studies, engineering design work and construction of access roads and capital improvements required by municipal subdivision ordinances or regulations of the platting boards; if an accurate determination of those amounts cannot be made at the time the estimate is submitted the Department must include a schedule for obtaining the estimates, constructing the access roads or capital improvements and disposing of the land (5) identification of land which will be proposed for disposal in future fiscal years. (Current law requires three alternative financing requests; does not specifically authorize requests for financing of capital improvements).

Lands would be disposed of as remote parcels, subdivision, agricultural, commercial, industrial or other land. Lands designated for subdivision disposal may not exceed five acres unless the Commissioner determines that a larger size is necessary to comply with local zoning ordinances, or to permit the design of a viable subdivision because of topographical features, soil conditions, on-site sewage disposal requirements, or water drainage or supply considerations that are unique to the subdivision. (Current law does not authorize larger than five acre parcels under any circumstances). Lands designated for subdivision disposal must be disposed of as follows: a) up to 80% by lottery (b) at least 10% under homesite under the homesite law (AS 38.08) and at least an additional 10% under homesite lottery provisions. (Current law establishes a flat 80-10-10-formula). Lands designated agricultural, commercial, industrial or suitable for other disposal may be sold by auction or lottery.

Department of Natural Resources retains authority to sell land outside the land bank under any of its land disposal laws. Continues existing semi-annual nomination process for including or excluding lands from the land bank and the requirement that the Commissioner must make a written determination after receipt of a nomination if he determines that land nominated will not be classified or reclassified as requested. Adds a requirement that this determination be made within six months of the nomination. Requires a classification order instead of a mere finding when land is transferred from retention in State ownership to the bank or from the bank to retention. Retains provision in current law that the Commissioner may withdraw from the land disposal bank land that has been offered for disposal but not conveyed within five years after inclusion in the bank.

Section 6- MUNICIPAL LAND DISPOSALS. A municipality may apply for financial assistance to execute a land disposal program for municipal entitlement lands by submitting a request to the Commissioner for inclusion in his annual budget request. Assistance can include cost of surveying land, designing subdivision plats, installing improvements required by municipal ordinances or regulations of the platting board and other "reasonable direct costs of land disposal". Requests must be accompanied by a five-year disposal schedule based on an assessment of the demand for private land within the municipality which must be included in the State's assessment submitted under 38.04.020(f). The schedule must include an estimate of the number of acres planned to be disposed of, a description of the method in terms for disposal and description of the land proposed to be disposed of during that five-year period. The Commissioner must determine that the request meets requirements of this

section before it is submitted to the Legislature under 38.04.020(e). If the money is appropriated, the Commissioner administers the money under this section. Money appropriated for these purposes constitutes a grant unless otherwise provided by the Legislature. A grant to a first class city to a borough or a unified municipality may not exceed five times the amount of money appropriated by this city or borough for the disposal of municipal land unless Commissioner exempts the City or Borough from this subsection. If exempted, the amount of money appropriated for disposal of municipal land may not exceed seven times the amount appropriated by the City or Borough for disposal. A grant to a second class city may not exceed seven times the amount appropriated for disposal.

Section 7- Deletes reference to school land in statute which authorizes university and school land to be made available at fair market value for private use. (Technical amendment; "school land" designation was previously repealed).

Section 8- Provides that easements and rights of way on or across land that is made available for private use as necessary to reach or use public water and public and private land may include the established trails traditionally used for commerce, recreation or transportation.

Section 9- Contracts with an appraised value of up to \$50,000 may be signed by the Director without the Commissioner's concurrence (now it is \$10,000); leases with an annual rental value up to \$5,000 may be approved by the Director without consent of the Commissioner (now \$1,000). This section further provides that contracts for negotiated sales authorized by 38.05.115, shore fishery site leases under 38.05.082 and revocable permits issued by Department of Natural Resources are not subject to written finding requirements of this section.

Section 10- Clarifies that the purchase price of land sold under this subsection is the price set on the date of original entry or if the price is not set at that time at a price determined by Division to fairly represent the value of improved land at the time the claim was established.

Section 11- Clarifies that the purchase price of land purchased under this subsection is the fair market value "on the date that the person first entered the land".

Section 12 and 13 - Authorizes conveyance to an adjoining landowner parcel of land created by a highway right of way alignment or realignment or a parcel created by the vacation of a State owned right of way not to exceed the minimum lot size for that zone under specified circumstances. Parcels conveyed under this section must be sold at fair market value as determined by the Director on the basis of an appraisal. This land may be sold to a person not qualifying as an adjoining landowner if the adjoining landowner declines to purchase. State land rental and installments payment deadlines may be extended for good cause if penalties and interest are paid. Preference right parcels may be conveyed without classification or reclassification.

Section 14 - Requires that auction, lotteries or homesite/lottery disposals must be held in a municipality that is "closest to the land to be sold or disposed of and in which regular sessions of a court of the State are held".

Section 15 - Requires bidders to be present at auction sales of recreational and residential land unless medical reasons, attendance at school or military service outside the State prevent attendance. A bidder may be represented by an Attorney or Agent if the land offered for disposal is commercial, industrial or agricultural land; technical amendments; changes downpayment from 10% to 5% of the purchase price after deduction of the discount; to allow verification of discounts, requires Commissioner to issue a receipt of sale at auction instead of current requirement that sale contract be signed.

Section 16 - Deletes lottery minimums (\$400 per acre general lottery; \$100 per acre for agricultural rights). Adds a new requirement that applicants be present at the lottery if the land offered is for residential or recreational purposes unless medical reasons, attendance at school or military service outside the State prevent attendance. An agent may represent the applicant if land is offered as commercial, industrial or agricultural land. Require 5% deposit on day of lottery. Clarifies that the downpayment is determined after deduction of the discount.

Sections 17 and 18 - This section increases the period for payment for land sold at public auction from 10 to 20 years.

Section 19 - Redefines definition of eligible veterans, by eliminating reference to dates of service. An eligible veteran for purposes of veterans' discounts (38.05.058) is a person with 90 days or more active service in the armed forces of the U.S. who has been honorably discharged.

Section 20 - Technical amendment to correct a change in citation number [AS 38.05.047 (f)/ AS 38.04.020 (g) (2)].

Section 21- Negotiated leases under 38.05.070(b) are not eligible for a preference right under 38.05.102.

Sections 22, 23, 24, 25, 26 and 27- REMOTE PARCEL PROGRAM. These sections substantially revise the remote parcel program. Under current law, an individual selected by lottery is entitled to stake a remote parcel which may not exceed 40 acres. After staking, the qualified applicant may lease the remote parcel for five years with an option to renew for an additional five years. The rent for this parcel is \$150 an acre for the first five acres, and \$50 for each additional acre. At the end of the lease, the lessee is entitled to purchase the first five acres of the parcel if he has surveyed the land and built a habitable dwelling on this land. The lessee may purchase additional acreage over five acres in a remote parcel if he surveys that land and constructs permanent improvements. The purchase price of the remote parcel is the appraised value at the time the survey plat is approved by the Commissioner.

Under SCS for CSHB 31 remote parcel areas would simply be opened to staking rather than sold through semi-annual lotteries. The annual rental is reduced to a flat \$10 per acre fee. The bill adds a requirement that unless the land is surveyed the lessee shall within one year of approval of a lease application and continuously for the lease period physically delineate the boundaries of the parcel by brushing the lines so that they are readily visible from the ground. In order to qualify to purchase up to 40 acres, the lessee must survey the land. Habitable dwelling and other improvement requirements are eliminated. The lessee must pay 5% of the discounted purchase price of the land as downpayment. The fair market value is determined as of the date the remote parcel was first leased to the purchaser of the land. Remote parcel purchasers must certify that they have not leased or purchased State land (except ag, commercial or industrial) from the land bank with 8 years immediately preceding the date of staking. Holders of existing remote parcel leases are allowed to convert to the new more liberal terms. Rental in excess of \$10/acre paid under old remote parcel leases (under current program) may be credited against future rentals under a new lease or deducted from the purchase price.

Section 28 - If a person stakes a remote parcel in good faith but includes land in the parcel which was previously claimed by another person eligible to stake a remote parcel Director is required to approve that part of the later which does not conflict with the earlier staking and allow the person to stake additional land in the remote parcel selection area. If a good faith remote parcel entrant includes land in his parcel which is outside the remote parcel selection area, the Director shall either disapprove the staking outside the remote parcel area and allow the person to stake additional land in the remote parcel selection area or he may approve the staking outside the remote parcel selection area.

Sections 29, 30, 34 and 35 - Technical amendments to remedy a defect in prior legislation. Exempts eligible applicants from payment of annual rental on State land leased for a youth encampment as defined by the Commissioner by regulation.

Section 31 - Lessees of land offered for sale or long term leases may purchase or lease the land for the appraised fair market value (now they may purchase for the amount of the high bid at public auction). This section does not apply to negotiated leases. (See Section 15)

Section 32 - Upon application of a municipality or affected owners, the Department may vacate, release, modify or relocate easements or rights of way to and along navigable or public waters if the Commissioner determines it is in the public interest.

Section 33 - Repeals and reenacts 38.05.305 which currently provides for notice of proposed disposals of an interest in land to municipalities, regional and village native corporations, and communities of twenty five individuals or more. This section which must be read in conjunction with Section 30, restates a requirement in existing 38.05.305 that before disposing of an interest of land in the unorganized borough Commissioner must consider the effect that the disposal may be expected to have on the density of the population in the vicinity of the land and any potential for conflicts with traditional use of the land which could result from the sale, lease or disposal. If necessary, the Commissioner is required to develop a plan to resolve or mitigate the conflicts in a manner consistent with the public interest.

Section 34 - Technical amendments related to rent free youth encampment leases. See Section 29.

Section 35 - Technical amendments related to rent free youth encampment leases. See Section 29.

Section 36 - Repeals and reenacts 38.05.345 notice provisions to clarify ambiguities in existing law and to delete unnecessary procedural obstacles. Generally provides for 30 day notice of any pending disposal actions (classification, reclassification mineral closing orders, zoning, best interest finding, competitive disposal) by publication, posting, electronic media, notification of party likely to be affected by the action or other methods calculated to reach affected persons. Also requires notice to municipalities (if within the organized borough) or regional and village native corporations and communities of more than 25 persons (if outside the organized borough) at least 30 days prior to disposal actions. Irrevocable permits and negotiated sales under 38.05.115 are exempt from the requirements of this section.

Section 37 - Allows larger than five acre homesite parcels if the Director determines that a larger size is necessary to permit the design of a viable subdivision because of topographic features, soil conditions, sewage disposals requirements or water or drainage supply considerations unique to the subdivision.

Section 38 - Homesite applicants must present proof of residency to the Department in a manner designated by the Director.

Section 39 - This section amends the statute on trapping cabin permits. It increases the maximum period of the permit from five to ten years.

Section 40 - The definition of "subdivision" in 40.15.190 (2) is amended to exempt State cadastral control plats, open to entry plats, for remote parcel plats regardless of whether these plats include easements or other public dedications.

Section 41 - The Forest Practices Act established a Division of Forest, Land and Water Management and provided that the Director be appointed from a list submitted by the Board of Forestry. This section repeals the requirement to establish a Division of Forest, Land and Water Management, authorizes the Governor to establish a separate Division of Forestry and requires the Director to be appointed from a list submitted by the Board of Forestry.

Section 42 - This section clarifies previous ambiguities in the law. It also takes corrective action due to administrative error in that it allows an additional two years for individuals to repurchase land that was foreclosed upon by the state.

Section 43 - This section corrects previous legislative action taken on rental rates on state leases. During 1975 and 1976 problems arose from increase in rental rates on state leases. The legislature responded to these problems by enacting ch 138 SLA 1977 and ch 182, SLA 1978. Both of these acts were based on the belief that the rental increases in question arose from reappraisals made after 1975. This assumption is now known to be in error. This section changes the reappraisal date to 1970.

Section 44-Repealers (1) 38.05.047 - repealed and reenacted in new 38.04.020; see Section 3. ~~(2) 38.05.077(a) - repeals question sale terms language, see section 38.~~ (3) 38.05.077(b)2 - repeals reference to "residential purposes" land within a remote parcel; see sections 18-22. (4) 38.05.078(b) - repeals reference to land "not used for residential purposes" in a remote parcel; see sections 18-22. ~~(5) 38.05.078(b)(1) - repeals provision which prohibits conveyance of remote parcel for 10 years after sale unless title is derived by inheritance.~~ (6) ~~38.05.027 - see sections 23, 24, 28 and 29 - amendments authorizing rent for youth encampment~~

Section 45- Remote parcel lease conversion and rental credit; see sections **22-27**.

Section 46 - This section allows a person with a homesite entry permit to gain title to the land if the person satisfies the conditions under AS 38.08.060 (a) or Sec. 42, Chapter 85 SLA 1979.

Section 47 - Land Disposals conducted by the Commissioner for fiscal year 1982 shall be in accordance with appropriations to the department for that purpose.

Sections 48, 49 and 50 - Effective dates.

Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
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Senate

Committee on Resources

MEMORANDUM

TO: SENATOR DON BENNETT
CHAIRMAN
SENATE FINANCE COMMITTEE

THRU: SENATOR BETTYE FAHRENKAMP
CHAIRMAN
SENATE RESOURCES COMMITTEE

FROM: JIM PALMER
SENATE RESOURCES COMMITTEE STAFF

RE: POSSIBLE AMENDMENTS TO SCS FOR CSHB 31 (Resources)

DATE: JUNE 1, 1981

After receiving your memorandum of May 25 which addresses your concerns in the area of trapping cabin permits, the staff of the Senate Resources Committee contacted the Department of Natural Resources and the legal division of the Legislative Affairs Agency.

Three different items have resulted from these discussions. First, the Resources staff has prepared an amendment (attached) which gives a person holding a trapping cabin permit preference in acquiring land on which the cabin is located if the land is to be disposed of by the state. Second, amendments are being drafted by the legal division of the Legislative Affairs Agency dealing with items 1,2,4 and 5 of your May 25 memorandum. From discussions I have had with the attorneys at DNR and Legislative Affairs and from my reading of the uniform rules, these amendments most probably violate the single subject rule. Since the amendments deal with cabin permits, they should be contained in separate legislation and not in legislation dealing with state land disposals. Thirdly, the Department of Natural Resources has informed the Resources Committee that the regulation referred to in item #3 of your memorandum is currently being repealed and redrafted. This regulation (11 AAC 53.450(c)) will no longer mandate at least a 50ft easement but will vary with different conditions.

A M E N D M E N T

OFFERED IN THE SENATE:

By: _____

To: CS for CSHB31 SENATE BILL No. _____
(Resources)

HOUSE BILL No. _____

PAGE: p 13

LINE: 3

AS 38.05 is amended by adding a new section to read:

Sec. 38.05.064 SALES PREFERENCE TO HOLDERS OF TRAPPING CABIN CONSTRUCTION PERMITS. (a) An individual who holds a permit under AS 38.95.080 is entitled to a preference right to acquire the land on which the trapping cabin is located. The preference allowed under this paragraph extends only to the amount of land that is no larger than the largest parcel offered for disposal by the director within the disposal area. (b) A holder of a permit under AS 38.95.080 can only use the preference right in paragraph (a) only once.

A M E N D M E N T

In the SENATE

By BENNETT

TO: SCS CSHB 31(Res)

Page 20, after line 11:

Insert the following new bill sections:

* Sec. 32. AS 38.95.080(a) is amended to read:

(a) The director of the division of lands shall issue a non-transferable permit for the construction of a trapping cabin on a trapping cabin site of not less than five acres on state land on which trapping is permitted, regardless of the classification of the land, to a person who meets the following qualifications:

(1) the person must have an established trapline with proof of regular use;

(2) the person must have a trapline of sufficient length to justify the need for cabin construction.

* Sec. 33. AS 38.95.080(c) is amended to read:

(c) The director shall establish, by regulation, conditions attaching to the permit issued under (a) and (b) of this section. These conditions shall include [, BUT NOT BE LIMITED TO,] the following:

(1) permits shall be issued for a period of not more than five years, with succeeding five-year renewal options, if continued use and occupancy is established, and the qualifications of (a) of this section continue to be met;

(2) a cabin and ancillary structures may [SHALL] be constructed and maintained within the trapping cabin site [ACCORDING TO REASONABLE SPECIFICATIONS ESTABLISHED BY THE DIRECTOR; HOWEVER, IN NO CASE MAY A LINE CABIN EXCEED 192 SQUARE FEET];

(3) a permit shall specify the number of cabins allowed to be constructed and indicate their specific geographical location; the director may establish a maximum number of cabins per person or otherwise limit their number because of the probability of adverse consequences;

(4) adequate provision must be made at each cabin for waste and garbage disposal, as determined by the director;

(5) the payment of a trapping cabin permit fee of \$10.

Page 20, line 12:

Change "Sec. 32" to "Sec. 34"

Page 20, line 25:

Change "Sec. 33" to "Sec. 35"

Page 20, following line 26:

Insert a new bill section to read:

* Sec. 36. 11 AAC 94.250 is repealed.

Page 20, line 27:

Change "Sec. 34" to "Sec. 37"

Page 21, line 3:

Delete "33" and insert "35"

Page 21, line 9:

Change "Sec. 35" to "Sec. 38"

June 19, 1981

ATTACHED LANGUAGE IS TO BE INCLUDED
IN A SENATE FINANCE COMMITTEE
SUBSTITUTE (THE CS IS BEING WORKED
UP BY RESOURCE COMMITTEE STAFF).
FUNDING FOR THE ATTACHED PROVISION
IS INCLUDED IN THE UPDATED FISCAL
NOTE (ADDITION OF 600.0 IN GRANTS
AND CLAIMS).

kathy

included

A M E N D M E N T

To: _____ HB 31

Page ____, after line ____, insert the following new material:

* Sec. ____ Section 12, ch. 138, SLA 1977, as amended by sec. 21, ch. 182, SLA 1978, is amended to read:

Sec. 12. CONVERSION OF LEASES. The provisions of secs. 9 - 11 of this Act are applicable to state leases which are in existence on or before the effective date of this Act if a lessee under a lease elects, in writing, to be bound by this Act. When a lessee elects to be bound by the provisions of this Act, the state shall enter into an amended lease with the lessee for a term equal to the remaining period of the original lease which is being converted, and that amended lease shall be consistent with the provisions of this Act but shall not otherwise alter the terms of the original lease. However, for purposes of determining the annual rent by the state, the fair market value of the property which is used to establish the fixed base annual rent for the initial period of the lease may not exceed the fair market value as it was last appraised on or before July 1, 1974 [JANUARY 1, 1975], brought forward to the date of the first day of the quarter following the date of a request for conversion at the rate of 10 percent a year, or, if the lease was entered into after July 1, 1974 [JANUARY 1, 1975], the fair market value used to establish the annual rent for the initial period of the new lease is the fair market value of the last appraisal brought forward to the date of conversion at the rate of 10 percent per year.

* Sec. ____ . Section ____ of this Act takes effect immediately in accordance with AS 01.10.070(c) and is retroactive to July 18, 1978.

AMENDMENT to SCS for CS for HB31

Add a new section 32 to read as follows:

AS 38.95.080 (c) (1) is amended to read:

(1) permits shall be issued for a period of not more than ten (five) years, with succeeding ten-year (five-year) renewal options, if continued use and occupancy is established, and the qualifications of (a) of this section continue to be met;

Renumber sections accordingly.

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH M
JUNEAU, ALASKA 99811
PHONE:

June 11, 1981

The Honorable Don Bennett
Chairman, Senate Finance Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Dear Mr. Chairman:

This is to confirm the substance of discussions between us over the last several days regarding trapping cabins and and possible change in the law.

Specifically, in order to facilitate use of trapping cabins by members of the trapping industry, the Department would have no objection to an amendment to the lands bill (HB 31) increasing the period of trapping cabin permits from five to ten years. We have attached an amendment to AS 38.05.080 which would accomplish this result.

Moreover, were this change made to the law, I can commit the Department to amending its regulations so that trapping cabin permits would be issued for a ten year period instead of the present practice of issuing them annually.

We would continue to apply measures in our regulations to insure that permits were issued to persons who were genuinely engaged in trapping and used the cabins regularly. However, the above mentioned change in the law and regulations would definitely provide greater certainty and longevity to users of trapping cabins.

Sincerely,


Jeff Haynes
Deputy Commissioner

JUN 3 1981

League of Women Voters of Alaska

June 3, 1981

Honorable Don Bennett
Honorable M.E. Dankowrth
Co-Chairmen, Senate Finance
Committee
Alaska State Senate
Pouch V,
Juneau, Alaska 99811

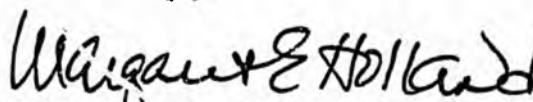
Re: HB 31

Dear Co-Chairmen Bennett and Dankworth and Members of the
Senate Finance Committee:

The League of Women Voters has reviewed HB 31 and in view of our land disposal position which advocates placing the responsibility for making and enforcing land use decisions on the lowest level of government, we encourage you to delete Section 38.04.021(b), which allows the state to dispose of municipally selected land.

Attached is a resolution which was adopted at the Statewide Convention on May 1, 1981.

Sincerely,



Margaret E. Holland
Action Chair
8926 Birch Lane
Juneau, Alaska 99801

LEAGUE OF WOMEN VOTERS OF ALASKA

RESOLUTION NO. 81-3

WHEREAS the League of Women Voters of Alaska strongly supports putting responsibility for making and enforcing land use decisions on the lowest level of government concerned; and

WHEREAS House Bill 31, Section 38.04.021(b), takes a portion of local municipally selected land and allows the state to assume control and to dispose of it;

BE IT RESOLVED that the Legislature amend House Bill 31 to restore local control of municipally selected land and municipal land disposal programs.

Adopted in statewide convention, Fairbanks, May 1, 1981.

SECTIONAL ANALYSIS FOR
SCS FOR CSHB 31 (RESOURCES)

Section 1- If a municipal selection or nomination is rejected by the Director, a municipality may select additional State land as necessary to satisfy its entitlement not later than 90 days after receiving the Director's rejection.

Section 2- Authorizes a municipality to lease municipal land for up to 55 years to a non-profit charitable, religious, scientific, educational or social welfare organization without an ordinance or voter ratification. This land may not be used for commercial development. The organization must be financially able to carry the project and the land must be used for an established or proposed project which is open for use by the public.

Section 3- LAND DISPOSAL BANK. Consolidates AS 38.04.020 (land disposal bank provisions) and 38.05.047 (classification and disposal procedures for land within municipalities); clarifies confusing provisions in both sections of the law; makes a number of major substantive changes to these laws including:

1. The Department is required to classify all State lands outside municipalities into disposal or State retention categories by July 1, 1983
2. The 100,000 acre annual quota is repealed. The Department would be required to submit an annual recommendation for disposals to the legislature based on a demand assessment.
3. Financing requests for capital improvements required by municipal subdivision ordinances must be submitted to legislature in addition to requests for identification, survey and disposal of State land.
4. Subdivision parcels can exceed 5 acres if necessary to conform to local zoning requirements or unique soil, terrain, water or sewage considerations.

Specifically:

Requires Department of Natural Resources to finish classifying all State lands either as land disposal bank lands or retained multiple use lands by July 1, 1983. (Current law only applies

to lands within municipalities). All land suitable for disposal of fee simple title including commercial, industrial, agricultural, residential, recreational and other lands would be included in land bank unless the land has been selected by a municipality to satisfy a municipal entitlement. (Under current law, agricultural lands are not included in the land bank). Lands conveyed to the State by the Federal government which are to be retained in State ownership or deposited in the land disposal bank consist of those lands classified by the Commissioner within two years of receipt of tentative approval or patent whichever occurs first. The banks must contain at least 500,000 acres. (No change).

On January 15 of each year the Department is required to report to the Legislature the status of land in the land disposal bank. The 100,000 acre annual quota is repealed. Instead, Department of Natural Resources is required to submit annually a recommendation based on assessment of the current market for State land in the land disposal bank developed in consultation with affected municipalities.

The assessment must consider demand in each region of the State and include a survey of the supply of privately owned land offered for sale, municipal land subject to a completed disposal plan and Federal land available for sale, lease or permit. The assessment must be based on an analysis of private, municipal and Federal land available for disposal on terms "equivalent to those used in comparable State land disposal program and shall include the length of time the land is available on the market before it is sold". The financing request must include an estimate of the amount necessary for (1) survey and disposal of land proposed to be made available for remote parcel staking for the succeeding fiscal year with the general location of the land (2) survey and disposal of land to be offered as agricultural, commercial or industrial land during the succeeding fiscal year with general locations (3) survey and disposal of the land proposed to be offered as subdivisions with general locations (4) preliminary feasibility studies, engineering design work and construction of access roads and capital improvements required by municipal subdivision ordinances or regulations of the platting boards; if an accurate determination of those amounts cannot be made at the time the estimate is submitted the Department must include a schedule for obtaining the estimates, constructing the access roads or capital improvements and disposing of the land (5) identification of land which will be proposed for disposal in future fiscal years. (Current law requires three alternative financing requests; does not specifically authorize requests for financing of capital improvements).

Lands would be disposed of as remote parcels, subdivision, agricultural, commercial, industrial or other land. Lands designated for subdivision disposal may not exceed five acres unless the Commissioner determines that a larger size is necessary to comply with local zoning ordinances, or to permit the design of a viable subdivision because of topographical features, soil conditions, on-site sewage disposal requirements, or water drainage or supply considerations that are unique to the subdivision. (Current law does not authorize larger than five acre parcels under any circumstances). Lands designated for subdivision disposal must be disposed of as follows: a) up to 80% by lottery (b) at least 10% under homesite under the homesite law (AS 38.08) and at least an additional 10% under homesite lottery provisions. (Current law establishes a flat 80-10-10-formula). Lands designated agricultural, commercial, industrial or suitable for other disposal may be sold by auction or lottery.

Department of Natural Resources retains authority to sell land outside the land bank under any of its land disposal laws. Continues existing semi-annual nomination process for including or excluding lands from the land bank and the requirement that the Commissioner must make a written determination after receipt of a nomination if he determines that land nominated will not be classified or reclassified as requested. Adds a requirement that this determination be made within six months of the nomination. Requires a classification order instead of a mere finding when land is transferred from retention in State ownership to the bank or from the bank to retention. Deletes provision in current law that the Commissioner may withdraw from the land disposal bank land that has been offered for disposal but not conveyed within five years after inclusion in the bank.

Section 4- MUNICIPAL LAND DISPOSALS. A municipality may apply for financial assistance to execute a land disposal program for municipal entitlement lands by submitting a request to the Commissioner for inclusion in his annual budget request. Assistance can include cost of surveying land, designing subdivision plats, installing improvements required by municipal ordinances or regulations of the platting board and other "reasonable direct costs of land disposal". Requests must be accompanied by a five-year disposal schedule based on an assessment of the demand for private land within the municipality which must be included in the State's assessment submitted under 38.04.020(f). The schedule must include an estimate of the number of acres planned to be disposed of, a description of the method in terms for disposal and description of the land proposed to be disposed of during that five-year period. The Commissioner must determine that the request meets requirements of this

section before it is submitted to the Legislature under 38.04.020(e). If the money is appropriated, the Commissioner administers the money under this section. Money appropriated for these purposes constitutes a grant unless otherwise provided by the Legislature. A grant to a first class city to a borough or a unified municipality may not exceed five times the amount of money appropriated by this city or borough for the disposal of municipal land unless Commissioner exempts the City or Borough from this subsection. If exempted, the amount of money appropriated for disposal of municipal land may not exceed seven times the amount appropriated by the City or Borough for disposal. A grant to a second class city may not exceed seven times the amount appropriated for disposal.

Section 5- Deletes reference to school land in statute which authorizes university and school land to be made available at fair market value for private use. (Technical amendment; "school land" designation was previously repealed).

Section 6- Provides that easements and rights of way on or across land that is made available for private use as necessary to reach or use public water and public and private land may include the established trails traditionally used for commerce, recreation or transportation.

Section 7- Contracts with an appraised value of up to \$50,000 may be signed by the Director without the Commissioner's concurrence (now it is \$10,000); leases with an annual rental value up to \$5,000 may be approved by the Director without consent of the Commissioner (now \$1,000). This section further provides that contracts for negotiated sales authorized by 38.05.115, shore fishery site leases under 38.05.082 and revocable permits issued by Department of Natural Resources are not subject to written finding requirements of this section.

Section 8- Clarifies that the purchase price of land sold under this subsection is the price set on the date of original entry or if the price is not set at that time at a price determined by Division to fairly represent the value of improved land at the time the claim was established.

Section 9- Clarifies that the purchase price of land purchased under this subsection is the fair market value "on the date that the person first entered the land".

Section 10 and 11- Authorizes conveyance to an adjoining landowner parcel of land created by a highway right of way alignment or realignment or a parcel created by the vacation of a State owned right of way not to exceed the minimum lot size for that zone under specified circumstances. Parcels conveyed under this section must be sold at fair market value as determined by the Director on the basis of an appraisal. This land may be sold to a person not qualifying as an adjoining landowner if the adjoining landowner declines to purchase. State land rental and installments payment deadlines may be extended for good cause if penalties and interest are paid. Preference right parcels may be conveyed without classification or reclassification.

Section 12 - Requires that auction, lotteries or homesite/lottery disposals must be held in a municipality that is "closest to the land to be sold or disposed of and in which regular sessions of a court of the State are held".

Section 13- Requires bidders to be present at auction sales of recreational and residential land unless medical reasons, attendance at school or military service outside the State prevent attendance. A bidder may be represented by an Attorney or Agent if the land offered for disposal is commercial, industrial or agricultural land; technical amendments; changes downpayment from 10% to 5% of the purchase price after deduction of the discount; to allow verification of discounts, requires Commissioner to issue a receipt of sale at auction instead of current requirement that sale contract be signed.

Section 14- Deletes lottery minimums (\$400 per acre general lottery; \$100 per acre for agricultural rights). Adds a new requirement that applicants be present at the lottery if the land offered is for residential or recreational purposes unless medical reasons, attendance at school or military service outside the State prevent attendance. An agent may represent the applicant if land is offered as commercial, industrial or agricultural land. Require 5% deposit on day of lottery. Clarifies that the downpayment is determined after deduction of the discount.

Section 15- Negotiated leases under 38.05.070(b) are not eligible for a preference right under 38.05.102.

Sections 16 and 21- REMOTE PARCEL PROGRAM. These sections substantially revise the remote parcel program. Under current law, an individual selected by lottery is entitled

to stake a remote parcel which may not exceed 40 acres. After staking, the qualified applicant may lease the remote parcel for five years with an option to renew for an additional five years. The rent for this parcel is \$150 an acre for the first five acres, and \$50 for each additional acre. At the end of the lease, the lessee is entitled to purchase the first five acres of the parcel if he has surveyed the land and built a habitable dwelling on this land. The lessee may purchase additional acreage over five acres in a remote parcel if he surveys that land and constructs permanent improvements. The purchase price of the remote parcel is the appraised value at the time the survey plat is approved by the Commissioner.

Under SCS for CSHB 31 remote parcel areas would simply be opened to staking rather than sold through semi-annual lotteries. The annual rental is reduced to a flat \$10 per acre fee. The bill adds a requirement that unless the land is surveyed the lessee shall within one year of approval of a lease application and continuously for the lease period physically delineate the boundaries of the parcel by brushing the lines so that they are readily visible from the ground. In order to qualify to purchase up to 40 acres, the lessee must survey the land. Habitable dwelling and other improvement requirements are eliminated. The lessee must pay 5% of the discounted purchase price of the land as downpayment. The fair market value is determined as of the date the remote parcel was first leased to the purchaser of the land. Remote parcel purchasers must certify that they have not leased or purchased State land (except ag, commercial or industrial) from the land bank with 8 years immediately preceding the date of staking. Holders of existing remote parcel leases are allowed to convert to the new more liberal terms (See Section 34). Rental in excess of \$10/acre paid under old remote parcel leases (under current program) may be credited against future rentals under a new lease or deducted from the purchase price. (See Section 34)

Section 22- If a person stakes a remote parcel in good faith but includes land in the parcel which was previously claimed by another person eligible to stake a remote parcel Director is required to approve that part of the later which does not conflict with the earlier staking and allow the person to stake additional land in the remote parcel selection area. If a good faith remote parcel entrant includes land in his parcel which is outside the remote parcel selection area, the Director shall either disapprove the staking outside the remote parcel area and allow the person to stake additional land in the remote parcel selection area or he may approve the staking outside the remote parcel selection area.

Sections 23, 24, 28 and 29 - Technical amendments to remedy a defect in prior legislation. Exempts eligible applicants from payment of annual rental on State land leased for a youth encampment as defined by the Commissioner by regulation.

Section 25- Lessees of land offered for sale or long term leases may purchase or lease the land for the appraised fair market value (now they may purchase for the amount of the high bid at public auction). This section does not apply to negotiated leases. (See Section 15)

Section 26- Upon application of a municipality or affected owners, the Department may vacate, release, modify or relocate easements or rights of way to and along navigable or public waters if the Commissioner determines it is in the public interest.

Section 27- Repeals and reenacts 38.05.305 which currently provides for notice of proposed disposals of an interest in land to municipalities, regional and village native corporations, and communities of twenty five individuals or more. This section which must be read in conjunction with Section 30, restates a requirement in existing 38.05.305 that before disposing of an interest of land in the unorganized borough Commissioner must consider the effect that the disposal may be expected to have on the density of the population in the vicinity of the land and any potential for conflicts with traditional use of the land which could result from the sale, lease or disposal. If necessary, the Commissioner is required to develop a plan to resolve or mitigate the conflicts in a manner consistent with the public interest.

Section 28 - Technical amendments related to rent free youth encampment leases. See Section 23

Section 29- Technical amendments related to rent free youth encampment leases. See Section 23.

Section 30- Repeals and reenacts 38.05.345 notice provisions to clarify ambiguities in existing law and to delete unnecessary procedural obstacles. Generally provides for 30 day notice of any pending disposal actions (classification, reclassification mineral closing orders, zoning, best interest finding, competitive disposal) by publication, posting, electronic media, notification of party likely to be affected by the action or other methods calculated to reach affected persons. Also requires notice to municipalities (if within the organized borough) or regional and village native corporations and communities of more than 25 persons (if outside the organized

borough) at least 30 days prior to disposal actions. Irrevocable permits and negotiated sales under 38.05.115 are exempt from the requirements of this section.

Section 31- Homesite applicants must present proof of residency to the Department in a manner designated by the Director.

Section 32- The Forest Practices Act established a Division of Forest, Land and Water Management and provided that the Director be appointed from a list submitted by the Board of Forestry. This section repeals the requirement to establish a Division of Forest, Land and Water Management, authorizes the Governor to establish a separate Division of Forestry and requires the Director to be appointed from a list submitted by the Board of Forestry.

Section- Repealers (1) 38.05.047 - repealed and reenacted in new 38.04.020; see Section 3. (2) 38.05.065(a) - repeals auction sale terms language, see section 14. (3) 38.05.077(b)2 - repeals reference to "residential purposes" land within a remote parcel; see sections 18-22. (4) 38.05.078(b) - repeals reference to land "not used for residential purposes" in a remote parcel; see sections 18-22. (5) 38.05.078(d)(1) - repeals provision which prohibits conveyance of remote parcel for 10 years after sale unless title devolves by inheritance. (6) 38.05.097 - see Sections 23, 24, 28 and 29 - amendments authorizing rent fee youth encampment leases.

Section 34- Remote parcel lease conversion and rental credit; see sections 16-21.

Section 35- Effective date of July 1, 1981.

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SCS for HSC for HB 31 (Finance) am
 Title An Act relating to the management, disposal and use of state/mun. land
 Requested by Senator Fahrenkamp Date 5/22/81

II. FISCAL DETAIL

Agency Affected Department of Natural Resources
 Program Category Affected NRMEC
 BRU, Program, or Subprogram(s) Affected Land Disposal/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		591.2				
200 TRAVEL		33.5				
300 CONTRACTUAL		428.5				
400 COMMODITIES		11.0				
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
CAPITAL		2000.0				
TOTAL		3063.7				

FUNDING (Thousands of Dollars)

GENERAL FUND		3063.7				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		14				
PART TIME						
TEMPORARY						

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

1. Classification of all land within two years.
2. Assessment of statewide/local demand.
3. Lotteries in locality; personal attendance.
4. Advance appraisals on remote parcels.
5. Conversion of existing leases; appraisals; additional staking.
6. Field inspections.
7. Supervision of grant program to municipalities.
8. Director of Division of Forestry.
9. Initial pool of grant funds for municipalities (capital).
10. Supervision of local disposals, brochures, qualifications.

Positions: DR&D: Information Officer, LMO II
 FLWM: Appraiser, Div. Director, (5) LMO II, LMO I
 DA&M: Acct. Tech. II, Acct. Tech I, CT, III Agr.: LMO II

IV. DATE 5/22/81 PREPARED BY [Signature]
 AGENCY DNR
 PHONE 465-2400

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

Original sponsors: Freeman, Gardiner,
and Halford

Offered: 5/22/81
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 SENATE CS FOR 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, disposal, and use
7 of state and municipal land; and providing for an
8 effective date."

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

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

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

18 * Sec. 2. AS 29.48.260 is amended by adding a new subsection to read:

19 (g) A municipality may lease municipal land for a term of not
20 more than 55 years to a nonprofit corporation, association, club or
21 society organized and operated exclusively for charitable, religious,
22 scientific, or educational purposes, or for the promotion of social
23 welfare. Municipal land leased under this subsection may not be used
24 for commercial development. Before municipal land may be leased under
25 this subsection, the proposed lessee shall demonstrate to the satisfac-
26 tion of the borough assembly or city council that it is exempt from
27 federal income taxation, that all of the land requested is to be used
28 for an established or proposed project, and that the applicant is
29 financially able to carry out the project. A lease may not be granted

1 under this subsection unless the project for which the municipal land
2 is leased is open for use by the public. The provisions of (c) of this
3 section do not apply to a lease under this subsection.

4 * Sec. 3. AS 38.04.020 is repealed and reenacted to read:

5 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall
6 establish a land disposal bank containing state land classified for
7 disposal into private ownership.

8 (b) The land disposal bank does not include

9 (1) land nominated for selection or selected by a municipi-
10 pality to satisfy a general grant land entitlement under AS 29.18.201 -
11 29.18.213;

12 (2) land retained in state ownership for multiple-use manage-
13 ment;

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

16 (4) land retained in state ownership under an enactment of
17 the legislature or by the governor or a state agency under authority of
18 law.

19 (c) Land to be retained in state ownership may be classified by
20 the commissioner into multiple-use management categories under AS 38.-
21 05.300. Land within a municipality retained in state ownership consists
22 of land classified for retention in state ownership as of December 31,
23 1980. Land outside a municipality to be retained in state ownership
24 consists of land classified for retention in state ownership by the
25 commissioner by July 1, 1983. Land conveyed to the state by the federal
26 government which is to be retained in state ownership consists of land
27 classified by the commissioner within two years of receipt of tentative
28 approval or patent, whichever occurs first. State land not classified
29 for retention in state ownership or selected by the municipality under

1 this section shall be classified and included in the land disposal
2 bank. The commissioner shall ensure that the bank includes at least
3 500,000 acres.

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

- 7 (1) land suitable for remote parcel disposal;
- 8 (2) land suitable for subdivision disposal;
- 9 (3) land suitable for agricultural, commercial, or industrial
10 disposal; and
- 11 (4) land suitable for other purposes.

12 (e) The commissioner shall annually submit to the governor an
13 appropriation request necessary for the disposal of state land in the
14 land disposal bank which shall be included in the budget submitted to
15 the legislature by the governor. The request shall include an estimate
16 of the amount necessary

17 (1) for survey and disposal of land proposed to be made
18 available for remote parcel staking for the succeeding fiscal year,
19 with the general location of the land;

20 (2) for survey and disposal of land to be offered as agri-
21 cultural, commercial, industrial, or other uses under AS 38.05.055 or
22 38.05.057 during the succeeding fiscal year, with the general location
23 of the land;

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

26 (4) for preliminary feasibility studies, engineering design
27 work, and construction of access roads and capital improvements required
28 by municipal subdivision ordinance or regulation of the platting board
29 under AS 29.33.150; if an accurate determination of the amounts neces-

1 sary for access roads or capital improvements cannot be made at the
2 time the estimate is submitted, a schedule for obtaining the estimates,
3 constructing the access roads or capital improvements, and disposing of
4 the land shall be submitted;

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

7 (f) The request of the commissioner under (e) of this section
8 shall be based on a written assessment by the commissioner of the
9 current market for state land in the different regions of the state.
10 If the state land is in or adjacent to municipalities or unincorporated
11 communities, the assessment shall be developed in consultation with the
12 municipalities or unincorporated communities. The assessment must
13 include a survey of the supply of privately owned land offered for
14 sale, municipal land for which a disposal plan has been completed, and
15 federal land available for sale, lease, or permit for specific activi-
16 ties. The assessment of the market for state land shall be based on an
17 analysis of the amount of private, municipal, and federal land available
18 for disposal on terms equivalent to those used in comparable state land
19 disposal programs and shall include the length of time land remains on
20 the market before it is sold. The assessment must include findings
21 regarding the amount and general location of state land, in addition to
22 land offered by private landowners or available from a municipal govern-
23 ment or the federal government, which is necessary to meet the state-
24 wide demand for at least five fiscal years immediately after the year
25 in which the assessment is made. The assessment must also state the
26 general location of land proposed for disposal in the next fiscal year
27 and recommendations for the method of disposal under which the land
28 will be offered to the public.

29 (g) After July 1 of each year, the commissioner shall direct the

1 expenditure of money appropriated for the disposal of land in response
2 to requests made under (f) of this section for the following:

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

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

8 (A) up to 80 percent of the parcels shall be sold under
9 the lottery sale procedures established in AS 38.05.057 and
10 38.05.065;

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

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

17 (3) land designated agricultural, commercial, industrial, or
18 suitable for other disposal shall be sold under AS 38.05.055 or 38.05.-
19 057.

20 (h) Individual parcels disposed of in subdivisions may not exceed
21 five acres unless the commissioner determines that a larger size is
22 necessary to comply with zoning ordinances or to permit the design of a
23 viable subdivision because of topographical features, soil conditions,
24 on-site sewage disposal requirements, or water drainage or supply
25 considerations that are unique to the subdivision.

26 (i) Nothing in this section prevents the sale of other land by
27 the commissioner in accordance with AS 38.05.055, 38.05.057, or other
28 law, or the issuance of remote cabin permits under AS 38.05.079.

29 (j) A person or an agency of the state may nominate land retained

1 in state ownership for inclusion in the land disposal bank or may
2 nominate land in the land disposal bank for retention in state owner-
3 ship. The commissioner shall hold public hearings semiannually to take
4 nominations under this subsection. A transfer of land from retention
5 in state ownership to the land disposal bank or from the land disposal
6 bank to retention in state ownership shall be accomplished through a
7 classification order under AS 38.05.500 and notice under AS 38.05.345.
8 The commissioner shall make a written determination within six months
9 after receipt of a nomination if he determines that land nominated will
10 not be classified or reclassified as requested.

11 * Sec. 4. AS 38.04 is amended by adding a new section to read:

12 Sec. 38.04.021. DISPOSAL OF MUNICIPAL GRANT LAND ENTITLEMENTS.

13 (a) A municipality may apply for financial assistance for the execution
14 of a land disposal program of general grant land entitlements received
15 from the state under AS 29.18.201 - 29.18.213 by submitting a request
16 to the commissioner for inclusion in the estimate submitted to the
17 legislature under AS 38.04.020(e). A municipality may request financial
18 assistance for expenses of surveying land, designing subdivision plats,
19 installing improvements required by municipal ordinance or regulation
20 of the local platting board, and other reasonable direct costs of land
21 disposal.

22 (b) A request by a municipality under this section must be accom-
23 panied by

24 (1) a schedule for the disposal of municipal land for the
25 next five years; the schedule shall be based on an assessment of the
26 demand for private land within the municipality and included in the
27 assessment submitted under AS 38.04.020(f);

28 (2) an estimate of the number of acres of municipal land
29 which the municipality plans to dispose of during each fiscal year of

1 the five-year period;

2 (3) a description of the methods to be used for the disposal
3 of municipal land and the terms under which it will be offered to the
4 public; and

5 (4) a description of the municipal land which the municipal-
6 ity plans to dispose of each fiscal year during the five-year period.

7 (c) The commissioner shall determine that a request by a munici-
8 pality meets the requirements of this section before it is submitted to
9 the legislature. The commissioner shall administer money appropriated
10 by the legislature for financial assistance to a municipality under
11 this section. Money spent under this section constitutes a grant
12 unless otherwise provided by the legislature.

13 (d) A grant made under this section may not exceed five times the
14 amount of money appropriated by a first class city, a borough, or a
15 municipality unified under AS 29.68.220 - 29.68.440 for the disposal of
16 municipal land in the current fiscal year unless the commissioner
17 exempts the municipality from this subsection.

18 (e) A grant made under this section may not exceed seven times
19 the amount of money appropriated in the current fiscal year for disposal
20 of municipal land by

21 (1) a second class city; or

22 (2) a first class city, a borough, or a municipality unified
23 under AS 29.68.220 - 29.68.440 which is exempted by the commissioner
24 under (d) of this section.

25 * Sec. 5. AS 38.04.040 is amended to read:

26 Sec. 38.04.040. AVAILABILITY OF [SCHOOL LAND AND] UNIVERSITY
27 LAND. University [SCHOOL LAND AND UNIVERSITY] land may be made avail-
28 able at fair market value for private use under the purposes of this
29 chapter; however, any action to do so shall be in accordance with

1 statutes pertaining to these lands and the authority of [THE BOARD OF
2 EDUCATION AND] the Board of Regents of the University of Alaska.

3 * Sec. 6. AS 38.04.055 is amended to read:

4 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director
5 shall reserve easements and rights-of-way on and across land which is
6 made available for private use as necessary to reach or use public
7 water and public and private land. An easement or right-of-way re-
8 served under this section may include established trails traditionally
9 used for commerce, recreation, or transportation.

10 * Sec. 7. AS 38.05.035(a)(14) is amended to read:

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

1 which he sets out the facts and applicable law upon which he based his
2 determination that the sale, lease, or other disposal will best serve
3 the interests of the state; a written finding is not required before
4 the approval of

5 (A) a contract for a negotiated sale authorized by
6 AS 38.05.115;

7 (B) the lease of land for a shore fishery site under
8 AS 38.05.082;

9 (C) a permit or other authorization revocable by the
10 department.

11 * Sec. 8. AS 38.05.035(b)(3) is amended to read:

12 (3) grant a preference right to a claimant who shows bona
13 fide improvement of state land, or federal land subsequently acquired
14 by the state, and who has in good faith sought to obtain title to the
15 land but who, through error or omission of others, has been denied
16 title to it; upon a showing satisfactory to the commissioner, the
17 claimant may lease or purchase the land at the price set on the date of
18 original entry on the land or, if a price was not set at that time at a
19 price determined by the division to fairly represent the value of
20 unimproved land at the time the claim was established, but in no event
21 less than the cost of administration including survey; the error or
22 omission of a predecessor in interest or an agent, administrator, or
23 executor which has clearly prejudiced the claimant may be the basis for
24 granting a preference right;

25 * Sec. 9. AS 38.05.035(b)(5) is amended to read:

26 (5) when he determines it is in the best interest of the
27 state and will avoid injustice to a person or his heirs or devisees,
28 dispose of land, by direct negotiation to that person who presently
29 uses and who used and made improvements to that land before January 3,

1 159 or his heirs or devisees; the amount paid for the land shall be
2 its fair market value on the date that the person first entered the
3 land [AS OF THAT DATE], as determined by the director; a parcel of land
4 disposed of under this paragraph shall be of a size consistent with the
5 person's prior use, but may not exceed five acres;

6 * Sec. 10. AS 38.05.035(b) is amended by adding new paragraphs to read:

7 (7) dispose to an adjoining landowner a parcel of land
8 created by a highway right-of-way alignment or realignment, or a parcel
9 created by the vacation of a state-owned right-of-way if

10 (A) he determines that it is in the interests of the
11 state;

12 (B) the parcel does not exceed the minimum lot size
13 under an applicable zoning code; and

14 (C) the director and the platting authority having land
15 use planning jurisdiction agree that conveyance of the parcel to
16 the adjoining land owner will result in boundaries which are con-
17 venient for the use of the land by the landowner and compatible
18 with municipal land use plans;

19 (8) for good cause extend for up to 90 days the time for
20 rental or installment payments by a lessee or purchaser of state land
21 under this chapter if reasonable penalties and interest set by the
22 director are paid.

23 * Sec. 11. AS 38.05.035 is amended by adding new subsections to read:

24 (c) A parcel of land may be conveyed under (b) of this section
25 without classification or reclassification under AS 38.05.300.

26 (d) A parcel described in (b)(7) of this section must be sold at
27 its fair market value as determined by the director on the basis of an
28 appraisal completed as provided in AS 38.05.310. Nothing in this
29 subsection prevents the sale of land under AS 38.05.055 or 38.05.057 to

1 a person not qualifying as an adjoining landowner if the adjoining
2 landowner declines to purchase the land.

3 * Sec. 12. AS 38.05.050 is repealed and reenacted to read:

4 Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR
5 PRIVATE OWNERSHIP. The commissioner, upon recommendation of the
6 director, shall determine the land to be disposed of for private use.
7 The director shall determine the time and place of disposal. An
8 auction sale, a lottery sale, or a disposal of land for homesites under
9 AS 38.04.020(g)(2)(C) must be held in the municipality that is closest
10 to the land to be sold or disposed of and in which regular sessions of
11 a court of the state are held.

12 * Sec. 13. AS 38.05.055 is amended to read:

13 Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method
14 of sale is required under this chapter, under AS 38.07, or under
15 [EXCEPT AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.08, the
16 sale of state land shall be made at public auction to the highest
17 qualified bidder as determined by the director. A bidder must appear
18 in person at the auction unless medical reasons, attendance at school,
19 or military service outside the state prevent attendance. A bidder
20 may be represented by an attorney or agent at the auction if the land
21 offered for disposal is commercial, industrial, or agricultural land.
22 An aggrieved bidder may appeal to the commissioner within five days
23 after the sale for a review of the director's determination. The sale
24 shall be conducted by the director or his representative, and at the
25 time of sale the successful bidder shall deposit an amount equal to
26 five percent [ONE-TENTH] of the purchase price, or if the purchaser
27 elects to use land discounts granted under AS 38.05.058, five percent
28 of the amount bid after deduction of the discount. The director or his
29 representative shall immediately issue a receipt containing a descrip-

1 tion of the land or property purchased, the price bid, the amount
2 deposited, and the amount of any discount allowed [TERMS OF SALE],
3 which receipt shall be acknowledged in writing by the bidder. [A
4 CONTRACT OF SALE ON A FORM APPROVED BY THE ATTORNEY GENERAL SHALL BE
5 SIGNED BY THE PURCHASER AND, AFTER APPROVAL OF THE COMMISSIONER, THE
6 CONTRACT SHALL ALSO BE SIGNED BY THE DIRECTOR ON BEHALF OF THE STATE.]

7 * Sec. 14. AS 38.05.057(a) is amended to read:

8 (a) The commissioner may dispose of land, including land limited
9 to use for agricultural purposes, by lottery. The purchase price of
10 land sold by lottery shall be the fair market value of the land as
11 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,
12 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-
13 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner may
14 sell land by lottery for less than the fair market value of the land if
15 he determines that scarcity of land for private use in the area of the
16 land to be sold has resulted in unrealistic land values. Before the
17 commissioner determines the purchase price for land which is located in
18 a municipality and which is to be sold under this section, he shall
19 consult with the assessor of the municipality. The lottery shall be
20 conducted in public by the commissioner or his representative and an
21 applicant may not be selected to purchase land unless he is present on
22 the date and at the place that the lottery is conducted unless medical
23 reasons, attendance at school, or military service outside the state
24 prevent attendance. An applicant may be represented by an agent on the
25 day of the lottery if the land offered for sale is commercial, in-
26 dustrial, or agricultural land. On [, AND AT] the day of the lottery
27 [TIME OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot shall
28 deposit an amount equal to five percent of the purchase price, or if
29 the purchaser elects to use land discounts granted under AS 38.05.058,

1 five percent of the [DISCOUNT] purchase price after deduction of the
2 discount.

3 * Sec. 15. 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 \$250
7 a year or less the director may negotiate a lease without advertisement
8 for a period not to exceed five years, and on the limitations, con-
9 ditions and terms which he considered are in the best interests of the
10 state. A lease negotiated under this subsection is not eligible for a
11 preference under AS 38.05.102.

12 * Sec. 16. AS 38.05.077(a) is repealed and reenacted to read:

13 (a) The commissioner shall designate remote parcel selection
14 areas and shall dispose of remote parcels in accordance with AS 38.04.-
15 020. A remote parcel may not exceed 40 acres.

16 * Sec. 17. AS 38.05.077(c) is amended to read:

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

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

29 (d) Not later than 15 days after [SELECTION AND] staking the

1 exterior boundaries of a remote parcel, the person who staked [SELECTED]
2 the parcel shall file a sketch plat with the department which shows the
3 location of the remote parcel [AND THE LOCATION OF THE LAND IN THE
4 PARCEL THAT HE INTENDS TO USE FOR RESIDENTIAL PURPOSES]. At the time
5 of filing the sketch plat, the person who staked [SELECTED] the parcel
6 shall apply to lease the land. An application to lease the land shall
7 be on a standard form prepared by the department. The annual rental
8 payment for the first year of the lease shall be submitted to the
9 department with the application. After the application to lease a
10 remote parcel is approved, the commissioner shall offer to lease the
11 land to the person who staked [SELECTED] the remote parcel. A lease
12 granted under this section shall contain the following terms:

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

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

17 (3) a rental payment shall be paid annually and shall be
18 \$10 for each acre; [\$150 A YEAR FOR FIVE ACRES OR LESS PLUS \$50 FOR
19 EACH ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES.]

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

24 * Sec. 19. AS 38.05.077 is amended by adding a new subsection to read:

25 (g) To qualify to stake a remote parcel under this section, a
26 person shall

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

28 (2) submit proof, as required by regulation, that he has
29 been a resident of the state for one year; and

1 (3) certify that he has not previously leased or purchased
2 land, other than agricultural, commercial, or industrial land, from the
3 land disposal bank within the eight years immediately preceding the
4 date of staking a remote parcel.

5 * Sec. 20. AS 38.05.078(a) is repealed and reenacted to read:

6 (a) A lessee of a remote parcel may purchase the land if, before
7 expiration of the lease or a renewal of the lease, he surveys the land.

8 * Sec. 21. AS 38.05.078(c) is repealed and reenacted to read:

9 (c) Upon payment to the commissioner of an amount equal to five
10 percent of the fair market value, a lessee of a remote parcel may
11 purchase land in a remote parcel area under the terms specified in
12 AS 38.05.065(b). The purchase price shall be the fair market value of
13 the remote parcel as determined by the commissioner at the time of
14 lease.

15 * Sec. 22. AS 38.05.078 is amended by adding new subsections to read:

16 (g) If a person stakes a remote parcel in good faith but includes
17 land in his parcel which was previously claimed by another person eli-
18 gible to stake a remote parcel, the director shall approve that part
19 of the later staking which does not conflict with the earlier staking
20 and allow the person to stake additional land in the remote parcel
21 staking area.

22 (h) If a person stakes a remote parcel in good faith but includes
23 land in his parcel which is outside the remote parcel staking area, the
24 director shall either disapprove the staking of land outside the remote
25 parcel staking area and allow the person to stake additional land in
26 the remote parcel staking area or he may approve the staking of the
27 land outside the remote parcel staking area.

28 * Sec. 23. AS 38.05.095(b) is amended to read:

29 (b) A nonprofit organization that is exempted from paying rent on

1 state land under AS 38.05.315 [AS 38.05.097] may not sublease or assign
2 the land or a portion of it on which it has a lease.

3 * Sec. 24. AS 38.05.097(a) is amended to read:

4 (a) A nonprofit organization using state land leased by it under
5 AS 38.05.070 - 38.05.105 and 38.05.315 for a youth encampment or similar
6 recreational purpose is exempt from lease rental payments on that land.
7 The nonprofit organization shall meet all other terms and conditions of
8 the lease specified under AS 38.05.070 - 38.05.105 and 38.05.315.

9 * Sec. 25. AS 38.05.102 is amended to read:

10 Sec. 38.05.102. LESSEE PREFERENCE. If land within a leasehold
11 created under AS 38.05.070 - 38.05.100 is offered for sale or long-term
12 lease at the termination of the existing leasehold, the director may,
13 if he finds that it is in the best interest of the state, allow the
14 holder in good standing of that leasehold to purchase or lease the land
15 for its appraised fair market value [THE AMOUNT OF THE HIGH BID RECEIVED
16 AT PUBLIC AUCTION].

17 * Sec. 26. AS 38.05.127 is amended by adding a new subsection to read:

18 (d) Upon application by a municipality or an affected owner of
19 land, the department may vacate, release, modify, or relocate an ease-
20 ment and right-of-way for public access to or along navigable or public
21 waters reserved by the department in a patent issued under AS 29.18 if
22 the commissioner determines the action is consistent with the public
23 interest.

24 * Sec. 27. AS 38.05.305 is repealed and reenacted to read:

25 Sec. 38.05.305. LAND DISPOSAL IN THE UNORGANIZED BOROUGH. Before
26 a sale, lease under AS 38.05.070 - 38.05.105, or other disposal of
27 state land in the unorganized borough, the commissioner shall consider
28 the effect that the sale, lease, or other disposal may be expected to
29 have on the density of the population in the vicinity of the land, and

1 any potential for conflicts with the traditional uses of the land which
2 could result from the sale, lease or disposal. If he finds it neces-
3 sary, the commissioner shall develop a plan to resolve or mitigate the
4 conflicts in a manner consistent with the public interest and the
5 provisions of this chapter.

6 * Sec. 28. AS 38.05.315(b) is amended to read:

7 (b) Notwithstanding AS 38.05.070 - 38.05.080 and [,] 38.05.095,
8 [AND AS 38.05.100] the director, upon application filed by an applicant
9 eligible under (b) - (d) of this section, may, by negotiation and
10 without public auction in the manner prescribed in (b) - (d) of this
11 section, lease state land for a term of not more than 55 years. Before
12 leasing, the director shall prepare a land use plan and a land classi-
13 fication to insure that the proposed use is compatible with area utili-
14 zation. Before the land may be leased under (b) - (d) of this section,
15 it must be shown to the satisfaction of the director that the land is
16 to be used for an established or definitely proposed project, and that
17 the eligible applicant has the financial ability to carry out the
18 project. The commissioner may establish limitations on the acreage
19 which may be leased under (b) - (d) of this section to an applicant.

20 * Sec. 29. AS 38.05.315(d) is amended to read:

21 (d) The director may lease the land to an eligible applicant at a
22 reasonable annual rental, taking into consideration the purposes for
23 which the land is to be used and the financial resources of the appli-
24 cant. The [, BUT IN NO CASE MAY THE] rental may not be less than one
25 percent of the fair market value on lands acquired primarily for devel-
26 opment, or less than five percent of the fair market value on [SCHOOL,]
27 university [,MENTAL HEALTH,] or acquired lands. Rent may not be
28 charged for state land leased for a youth encampment. For the purposes
29 of this subsection, "youth encampment" shall be defined by the commis-

1 sioner by regulation. Renewal leases may be issued at the discretion
2 of the director upon the expiration of a primary or renewal term. Each
3 lease shall contain a provision for its termination as to all or part
4 of the lands upon a finding by the director that the land or a part of
5 it has not been used by the lessee for the purpose specified in the
6 lease for a period of two years. No lease may be assigned or subleased
7 except with the consent of the director, and in any case may only be
8 transferred to an applicant eligible under (b) - (d) of this section.
9 A lessee may not change the use specified in the lease to another or
10 additional use except with the consent of the director. If, at any
11 time after the land is leased, the lessee attempts to assign the lease
12 or transfer control over the land to another, or if the land is devoted
13 to a use other than that for which the land was leased without the
14 consent of the director, the lease automatically terminates.

15 * Sec. 30. AS 38.05.345 is repealed and reenacted to read:

16 Sec. 38.05.345. NOTICE. (a) This section establishes the re-
17 quirements for notice given by the department for the following actions:

18 (1) classification or reclassification of state land under
19 AS 38.05.300 and the closing of land to mineral leasing or entry under
20 AS 38.05.185;

21 (2) zoning of land under applicable law;

22 (3) a decision under AS 38.05.035(a)(14) regarding the sale,
23 lease, or other disposal of an interest in state land or resources; and

24 (4) a competitive disposal of an interest in state land or
25 resources after final decision under AS 38.05.035(a)(14).

26 (b) Notice of one or more actions described in (a) of this section
27 shall be given at least 30 days before the action by (1) publication in
28 newspapers of statewide circulation and in a newspaper of general
29 circulation in the vicinity of the proposed action, (2) publication

1 through public service announcements on the electronic media serving
2 the area affected by the action, (3) posting in a conspicuous location
3 in the vicinity of the action, (4) notification of parties known or
4 likely to be affected by the action, or (5) another method calculated
5 to reach affected persons. A notice shall contain sufficient informa-
6 tion to inform the public of the nature of the action and the opportu-
7 nity of the public to comment on the action.

8 (c) Notice at least 30 days before action under (a) of this
9 section shall also be given to the following:

10 (1) to a municipality if the land is within the boundaries
11 of the municipality;

12 (2) to a regional corporation if the boundaries of the
13 corporation as established by sec. 7(a) of the Alaska Native Claims
14 Settlement Act encompass the land and the land is outside a municipa-
15 lity;

16 (3) to a village corporation organized under sec. 8(a) of
17 the Alaska Native Claims Settlement Act if the land is within six miles
18 of the village for which the corporation was established and the land
19 is located outside a municipality;

20 (4) to the postmaster of a permanent settlement of more than
21 25 persons located within six miles of the land if the land is located
22 outside a municipality, with a request that the notice be posted in a
23 conspicuous location.

24 (d) A municipality or a corporation entitled to receive notice
25 under (c) of this section may hold a hearing within 30 days after
26 receipt of the notice. If a hearing is held, the commissioner shall
27 attend the hearing. The commissioner may hold a public hearing at his
28 own discretion.

29 (e) For purposes of this section an "interest in state land or

1 resources" does not include

2 (1) a permit or other authorization revocable by the depart-
3 ment; or

4 (2) negotiated sales under AS 38.05.115.

5 * Sec. 31. AS 38.08.040(b) is amended to read:

6 (b) If the number of applicants qualified for homesite entry
7 exceeds the number of available homesites offered, or if several appli-
8 cants apply and qualify for the same homesite, priority in award of an
9 entry permit shall be accorded to that applicant showing proof of the
10 longest residency in the state. An applicant shall present his proof
11 of residency to the department in a manner designated by the director.

12 * Sec. 32. AS 41.17.020(a) is amended to read:

13 (a) The governor may [SHALL] establish, within the Department of
14 Natural Resources, a division of forestry [FOREST, LAND, AND WATER
15 MANAGEMENT] to carry out this chapter and other appropriate duties
16 designated by the governor. The division shall be headed by a director
17 who shall be the state forester, appointed to the partially exempt
18 service in accordance with law by the commissioner, from a list of two
19 or more candidates submitted by the board. The commissioner may reject
20 all candidstes, in which case the board shall submit a new list. The
21 state forester shall be a natural resources land manager with generally
22 accepted educational credentials, familiar and experienced with the
23 renewable and nonrenewable resources and values of forest land and the
24 products, benefits, and services obtained from them.

25 * Sec. 33. AS 38.05.047, 38.05.065(a), 38.05.077(b)(2), 38.05.078(b) and
26 (d)(1), and 38.05.097 are repealed.

27 * Sec. 34. A person who selected a remote parcel or acquired a right to
28 select a remote parcel before July 1, 1981, is entitled to convert his
29 remote parcel lease agreement to a new lease agreement which contains terms

1 and conditions consistent with AS 38.05.077(a) and (d), 38.05.078(a) and (c)
2 and the repeal of AS 38.05.078(b) and (d)(1) enacted in secs. 16, 18, 20,
3 21, and 33 of this Act. The director of the division of lands, Department
4 of Natural Resources, shall prepare and distribute new lease forms to persons
5 described in this section. The director shall apply rent paid in excess of
6 the rental established in AS 38.05.077(d)(3) enacted in sec. 18 of this Act
7 to rental payments coming due after July 1, 1981, or to the purchase of a
8 remote parcel after July 1, 1981.

9 * Sec. 35. This Act takes effect July 1, 1981.
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Original sponsors: Freeman, Gardiner
and Halford

Offered: 4/22/81
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 31 (Finance) am
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 comply with local zoning ordinances or to permit the

1 design of a viable subdivision because of topographical features, soil
2 conditions, on-site sewage disposal requirements, or water drainage or
3 supply considerations that are unique 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. 38.04.02i. 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
3 approved selections under AS 29.18.201 - 29.18.213 except in accordance
4 with the 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. In a municipality whose entitlement under
14 AS 29.18.201 includes substantial amounts of land containing class I,
15 II, and III agricultural soils, one-half of the land designated for
16 disposal under this subsection may be class I, II, or III agricultural
17 soils and be restricted to agricultural development only. Disposals by
18 the municipality of land for residential parcels of 10 acres or less or
19 agricultural parcels may be counted toward the 20 percent of selections
20 designated under this subsection, if the parcels were disposed of
21 before the effective date of this Act on terms generally similar to
22 comparable state disposals or if the parcels were disposed of after the
23 effective date of this Act on terms equal to or better than those
24 offered in comparable state disposals. If, by July 1, 1982, the commis-
25 sioner and a municipality cannot agree on land to be designated, the
26 commissioner shall make the designation. By September 1, 1982, the
27 commissioner shall certify the legal descriptions of the land
28 designated and include it as a special category of land in the land
29 disposal bank. The land shall be made available for disposal in accord-

1 ance with AS 38.04.020(d) - (h), except that none of the land may be
2 proposed for remote parcel disposal and the land is not subject to
3 AS 38.04.020(j). A municipality may submit a recommended disposal
4 schedule for land designated under this subsection.

5 (c) By January 15 of each year, the commissioner shall submit to
6 the governor an appropriation request sufficient to survey all approved
7 selections not patented, not designated under (b) of this section, and
8 requiring survey under AS 29.18.207. The request shall be submitted by
9 the governor to the legislature with the budget. Upon receipt of an
10 appropriation for this purpose, the commissioner shall survey the land
11 and issue the patents as expeditiously as possible. For approved
12 selections not designated under (b) of this section and not in need of
13 survey under AS 29.18.207, the commissioner shall issue patents by
14 September 1, 1982. Patents may not be issued until land suitable for
15 disposal into private ownership has been designated under (b) of this
16 section.

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

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

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

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

29 (3) the amount of land patented to a municipality is less

1 than 10 percent of its entitlement as of the effective date of this Act
2 and the municipality requests an amount of patented land sufficient to
3 bring it to the 10 percent level.

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

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

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

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

1 state; a written finding is not required before the approval of

2 (A) a contract for a negotiated sale authorized by
3 AS 38.05.115;

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

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

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

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

11 (A) he determines that it is in the interest of the
12 state;

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

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

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

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

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

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

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

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

11 Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another
12 method of sale is authorized under this chapter, under AS 38.07, or under
13 [EXCEPT AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.08, the
14 sale of state land shall be made at public auction to the highest
15 qualified bidder [AS DETERMINED BY THE DIRECTOR]. A bidder must appear
16 in person at the auction unless medical reasons ,attendance at school
17 or military service outside the state prevent attendance. A bidder
18 may be represented by an attorney or agent at the auction if the land
19 offered for disposal is classified as commercial, industrial, or agri-
20 cultural land. An aggrieved bidder may appeal to the commissioner
21 within five days after the sale for a review of the director's deter-
22 mination. The sale shall be conducted by the director or his represent-
23 ative, and at the time of sale the successful bidder shall deposit an
24 amount equal to five percent [ONE-TENTH] of the purchase price, or
25 if the purchaser elects to use land discounts granted under AS 38.05.-
26 058, five percent of the amount bid after deduction of the discount.
27 The director or his representative shall immediately issue a receipt
28 containing a description of the land or property purchased, the price
29 bid, the amount deposited, and the amount of any discount allowed

1 [TERMS OF SALE], which receipt shall be acknowledged in writing by the
2 bidder. [A CONTRACT OF SALE ON A FORM APPROVED BY THE ATTORNEY GENERAL
3 SHALL BE SIGNED BY THE PURCHASER AND, AFTER APPROVAL OF THE COMMIS-
4 SIONER, THE CONTRACT SHALL ALSO BE SIGNED BY THE DIRECTOR ON BEHALF OF
5 THE STATE.]

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

7 (a) The commissioner may dispose of land, including land limited
8 to use for agricultural purposes, by lottery. The purchase price of
9 land sold by lottery shall be the fair market value of the land as
10 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,
11 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-
12 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner
13 shall [MAY] sell land by lottery for less than the fair market value of
14 the land if he determines that scarcity of land for private use in the
15 area of the land to be sold has resulted in unrealistic land values.
16 Before the commissioner determines the purchase price for land which is
17 located in a municipality and which is to be sold under this section,
18 he shall consult with the assessor of the municipality. The lottery
19 shall be conducted in public by the commissioner or his representative,
20 and an applicant may not be selected to purchase land unless he is pre-
21 sent on the date and at the place that the lottery is conducted unless
22 medical reasons, attendance at school or military service outside the
23 state prevent attendance. An applicant may be represented by an agent
24 on the day of the lottery if the land offered for sale is classified as
25 commercial, industrial, or agricultural land. On the day of the lottery
26 [AT THE TIME OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot
27 shall deposit an amount equal to five percent of the purchase price, or
28 if the purchaser elects to use land discounts granted under AS 38.-
29 05.058, five percent of the [DISCOUNT] purchase price after deduction

1 of the discount.

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

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

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

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

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

10 (a) The commissioner shall, under the procedures required by
11 AS 38.04.020, AS 38.05.300, [AND] 38.05.305, and 38.05.345, classify
12 state land which is suitable for disposal as remote parcels. The
13 commissioner shall designate remote parcel selection areas consisting
14 of land classified under this section. The commissioner may [SHALL] set
15 the number of remote parcels that may be selected in each remote parcel
16 selection area. A remote parcel may not exceed 40 acres. [THE COMMIS-
17 SIONER SHALL DETERMINE FOR EACH REMOTE PARCEL SELECTION AREA, THE
18 AMOUNT OF LAND IN EACH REMOTE PARCEL THAT MAY BE USED FOR RESIDENTIAL
19 PURPOSES. LAND WHICH MAY BE USED FOR RESIDENTIAL PURPOSES IN A REMOTE
20 PARCEL MAY NOT BE LESS THAN TWO ACRES AND MAY NOT EXCEED FIVE ACRES.]

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

22 (c) A person who qualifies under (g) of this section may apply
23 [UNDER THE PROCEDURES SET OUT IN AS 38.05.057] to lease a remote parcel
24 in a parcel selection area designated by the commissioner under (a) of
25 this section if he has staked the exterior boundaries of the remote
26 parcel in accordance with the parcel selection procedures established
27 under (b) of this section during an entry period established by the
28 commissioner. A [EACH] person [WHO IS ENTITLED TO SELECT A REMOTE
29 PARCEL] may enter a remote parcel selection [THE] area [FOR WHICH HE

1 APPLIED] to stake the boundaries of a remote parcel. A person shall
2 select a remote parcel in person and may not be represented by an
3 attorney or agent.

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

5 (d) Not later than 15 days after [SELECTION AND] staking the
6 exterior boundaries of a remote parcel, the person who staked
7 [SELECTED] the parcel shall file a sketch plat with the department
8 which shows the location of the remote parcel [AND THE LOCATION OF THE
9 LAND IN THE PARCEL THAT HE INTENDS TO USE FOR RESIDENTIAL PURPOSES]

10 At the time of filing the sketch plat, the person who staked [SELECTED]
11 the parcel shall apply to lease the land. An application to lease the
12 land shall be on a standard form prepared by the department. The
13 annual rental payment for the first year of the lease shall be submit-
14 ted to the department with the application. After the application to
15 lease a remote parcel is approved, the commissioner shall offer to
16 lease the land to the person who staked [SELECTED] the remote parcel. A
17 lease granted under this section shall contain the following terms:

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

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

22 (3) a rental payment shall be paid annually and shall be
23 \$10 for each acre; [\$150 A YEAR FOR FIVE ACRES OR LESS PLUS \$50 FOR
24 EACH ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES.]

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

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

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

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

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

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

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

11 (a) A lessee of a remote parcel may purchase the land leased
12 [USED FOR RESIDENTIAL PURPOSES IN A REMOTE PARCEL] if, before the
13 expiration of the lease or [A RENEWAL OF THE] lease renewal, he pays
14 a deposit to the department equal to five percent of the fair market
15 value of the land under (c) of this section, surveys the [RESIDENTIAL]
16 land, and erects a habitable dwelling on the land. The lessee of a
17 remote parcel may prove the existence and the location of a habitable
18 dwelling by executing an affidavit as to its existence and location
19 and including with the affidavit a clear photo and an accurate drawing
20 prepared, signed, and dated by the lessee and described with refer-
21 ence to one or more survey corners of the remote parcel.

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

23 (c) A lessee of a remote parcel may purchase land in the [A]
24 remote parcel under the terms specified in AS 38.05.065(b). The
25 purchase price of land sold under this section shall be its fair market
26 value as determined by the commissioner, less the total amount paid to
27 the department in annual rental fees under AS 38.05.077(d)(3). The
28 valuation date for determining the fair market value of land sold under
29 this section is the date that the remote parcel was first leased to the

1 purchaser of the land [PLAT OF SURVEY IS APPROVED BY THE COMMISSIONER].

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

3 (b) Land classified as homesite entry land shall be divided into
4 parcels not exceeding five acres in reasonably compact form, with
5 boundaries conforming as nearly as practicable to natural geologic and
6 topographic features. A parcel may exceed five acres if the director
7 determines that a larger size is necessary to comply with local zoning
8 ordinances or to permit the design of a viable subdivision because of
9 topographical features, soil conditions, on-site sewage disposal re-
10 quirements, or water drainage or supply considerations that are unique
11 to the subdivision.

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

13 (b) If the number of applicants qualified for homesite entry
14 exceeds the number of available homesites offered [,] or if several
15 applicants apply and qualify for the same homesite, priority in award
16 of an entry permit shall be accorded to that applicant showing proof of
17 the longest residency in the state. An applicant shall present his
18 proof of residency to the director in person at the time and place
19 designated by the director unless medical reasons or military service
20 outside the state prevent attendance.

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

22 (b) Notwithstanding (a) of this section, AS 29.33.190, AS 38.04.-
23 045(b), AS 40.15.070 and 40.15.200, a subdivision of state land classi-
24 fied for disposal under AS 38.05 and AS 38.08 need not show the approval
25 of the platting board or other subdivision authority having jurisdiction
26 in order to file the plat for record in the office of the recorder.
27 However, state subdivision plats must be submitted to the platting
28 authority for review in compliance with AS 29.33.160(c) and recorded
29 before the sale of a lot or tract in the subdivision.

1 A subdivision of state land shall comply with all municipal require-
2 ments in existence on the date of the announcement of a state sub-
3 division except for those that require the construction of access roads
4 or capital improvements for the state subdivision.

5 * Sec. 22. 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. 23. AS 41.17.020(a) is amended to read:

18 (a) The governor may [SHALL] establish, within the Department of
19 Natural Resources, a division of forestry [FOREST, LAND, AND WATER
20 MANAGEMENT] to carry out this chapter and other appropriate duties
21 designated by the governor. The division shall be headed by a director
22 who shall be the state forester, appointed to the partially exempt
23 service in accordance with law by the commissioner, from a list of two
24 or more candidates submitted by the board. The commissioner may reject
25 all candidstes, in which case the board shall submit a new list. The
26 state 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. 24. 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 15, 17, and 18 of this Act. The commissioner of natural resources shall
6 prepare and distribute new lease forms to persons described in this section.

7 * Sec. 25. 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. 26. AS 38.05.047, 38.05.065(a), 38.05.077(b)(2), and 38.05.078(b)
11 are repealed.

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

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