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COMMITTEE REPORT
SENATE

4/28/81

FURTHER: Finance

Date: 4/28

Mr. President:

The Committee on RESOURCES has had SB 525
land lotteries

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 _____ same title
 new title
- and recommends _____
- AFD 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

IDENTIFICATION:

BILL NAME: *Relating to land lotteries*

SPONSOR(S):

Kerttula

RELATED BILLS PENDING:

DATE INTRODUCED: *4/28/81*

REFERRALS *Res. + Fin*

INITIAL RESEARCH:

INITIAL BILL SUMMARY COMPLETED

SUMMARY BY LEGAL DIVISION:
DEPT. OF LAW SUMMARY:

SPONSOR CONTACTED FOR BACKUP MATERIALS:

*1/20 Kerttula Reg. move
1/21 - Norcha (Kuti) matter (on 1/27)*

FISCAL NOTE: *DNR ?*

AGENCY RESPONSE:

*1/25 Kytik → 1/27 Norcha - no matter.
Kerttula will not testify (?).*

OTHER INTERESTED SENATORS OR REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS AND/OR GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPRATION:

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE

BACKGROUND MATERIAL DISTRIBUTED

PSA/PRESS RELEASE

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/CS DRAFTED:

2-2-82
Carl Amstrup
✓ Kerttula
Bob Palmer 465-3568 (Julie)
DNR - 465-2700 Shawn Barton or Mark Whitson

Alaska State Legislature

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



FOUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3832

Senate

Committee on Resources

February 5, 1982
1:40 p.m.

Beltz Room
211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Bradley
Senator Gilman
Senator Mulcahy
Senator Sturgulewski

Hearing:

SB 275 An Act relating to the compensation of persons collecting hunting and fishing license and tag fees.

SB 525 An Act relating to land lotteries.

SB 275

Senator Kertulla expressed support for SB 275, stating that the cost to the vendors of selling licenses and tags far outweighs the benefit. It must be made equitable.

Rupe Andrews, Director, Division of Sport Fish, Alaska Department of Fish and Game, recognizes the need for increased funds to vendors, but stated that the Divisions of Game and Sport Fish rely heavily on the fees from the sale of these licenses. They estimate a first-year loss of \$422,000 under SB 275, and have submitted a substitute bill which would allow for vendor compensation from the general fund.

Senator Gilman expressed concern over the increased burden on vendors to fill out vouchers.

Phillip Walls, Director, Division of Administrative Services, Department of Revenue, stated he desires a change in the vendor's reporting period, preferring that the length of the period be left to Revenue's discretion--perhaps quarterly for small vendors and weekly for large vendors. This would require amending the statute.

Senator Mulcahy inquired about an effective date for the bill; Mr. Wall suggested January 1, 1982.

Marian Endicott, vendor, Endicott Ace Hardware, supports SB 275, and feels a change to quarterly reporting would benefit the vendor.

Senator Fahrenkamp stated that SB 275 will be back before the Committee in final version Wednesday, 2/10/82.

SB 525

Senator Kertulla expressed support for SB 525, indicating that this minor change in wording would "plug a loophole".

Carl Amstrup, Executive Director, Alaska Agricultural Action Council, expressed support for SB 525.

Sharon Barton, Special Assistant to the Commissioner, Department of Natural Resources, expressed support for SB 525.

Senator Sturgulewski moved that SB 525 be moved with individual recommendations.

The meeting was adjourned at 2:50 p.m.

Introduced: 4/28/81
Referred: Resources and
Finance

1 IN THE SENATE

BY KERTTILA

2 SENATE BILL NO. 525

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 land lotteries."

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

8 * Section 1. AS 38.05.057(c) is amended to read:

9 (c) The commissioner may adopt regulations under the Administra-
10 tive Procedure Act (AS 44.62) which specify qualifications for lottery
11 participants in addition to [DIFFERENT FROM] those specified in (b) of
12 this section if

13 (1) an interest in land limited to agricultural purposes is
14 to be sold under (a) of this section;

15 (2) the sale is a part of a program to develop agricultural
16 land as a renewable resource of the state; and

17 (3) the regulations include residency, skill, experience,
18 and financial requirements necessary to qualify persons who are compe-
19 tent and financially able to develop the land as a successful agricul-
20 tural enterprise.

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LEGISLATION SUMMARY

SB 525: "An Act relating to land lotteries."

Sec. 1: Eliminates the power of the Commissioner DNR to adopt different land lottery purchaser qualifications for agricultural land disposals. The statutory qualifications are: 18 years age; 1 year residency; no land lottery purchase in the prior eight years. The Commissioner may adopt additional qualifications if: the land is limited to agricultural purposes; the sale is part of an agriculture development program; the qualifications include residency, skill, experience and financial requirements.

PRIME SPONSOR: Kerttula

38.05.057 DOCUMENT= 2 OF 2

ADINGS TITLE 38.
PUBLIC LANDS.
CHAPTER 05.
ALASKA LAND ACT.
ARTICLE 2.
SALE OF LANDS.

- SB 525 -

ATION SEC. 38.05.057.

ATCH LINE

DISPOSAL OF LAND BY LOTTERY.

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(A) THE COMMISSIONER MAY DISPOSE OF LAND, INCLUDING LAND LIMITED TO USE FOR AGRICULTURAL PURPOSES, BY LOTTERY. THE PURCHASE PRICE OF LAND SOLD BY LOTTERY SHALL BE THE FAIR MARKET VALUE OF THE LAND AS DETERMINED BY THE COMMISSIONER. THE COMMISSIONER MAY SELL LAND BY LOTTERY FOR LESS THAN THE FAIR MARKET VALUE OF THE LAND IF HE DETERMINES THAT SCARCITY OF LAND FOR PRIVATE USE IN THE AREA OF THE LAND TO BE SOLD HAS RESULTED IN UNREALISTIC LAND VALUES. BEFORE THE COMMISSIONER DETERMINES THE PURCHASE PRICE FOR LAND WHICH IS LOCATED IN A MUNICIPALITY AND WHICH IS TO BE SOLD UNDER THIS SECTION, HE SHALL CONSULT WITH THE ASSESSOR OF THE MUNICIPALITY. THE LOTTERY SHALL BE CONDUCTED IN PUBLIC BY THE COMMISSIONER OR HIS REPRESENTATIVE. AN APPLICANT MAY NOT BE SELECTED TO PURCHASE LAND UNLESS HE IS PRESENT ON THE DATE AND AT THE PLACE THAT THE LOTTERY IS CONDUCTED UNLESS MEDICAL REASONS, ATTENDANCE AT SCHOOL, OR MILITARY SERVICE OUTSIDE THE STATE PREVENT ATTENDANCE. AN APPLICANT MAY BE REPRESENTED BY AN AGENT ON THE DAY OF THE

LOTTERY IF THE LAND OFFERED FOR SALE IS COMMERCIAL, INDUSTRIAL, OR AGRICULTURAL LAND. ON THE DAY OF THE LOTTERY A PURCHASER SELECTED BY LOT SHALL DEPOSIT AN AMOUNT EQUAL TO FIVE PERCENT OF THE PURCHASE PRICE, OR IF THE PURCHASER ELECTS TO USE LAND DISCOUNTS GRANTED UNDER AS 38.05.05B, FIVE PERCENT OF THE PURCHASE PRICE AFTER DEDUCTION OF THE DISCOUNT.

(B) TO QUALIFY TO PARTICIPATE IN A LOTTERY UNDER (A) OF THIS SECTION, A POTENTIAL PURCHASER SHALL

(1) AT THE TIME OF APPLICATION HAVE ATTAINED THE AGE OF

18;

(2) SUBMIT PROOF, AS REQUIRED BY REGULATION, THAT HE HAS BEEN A RESIDENT OF THE STATE FOR NOT LESS THAN ONE YEAR IMMEDIATELY PRECEDING THE DATE HIS APPLICATION WAS SUBMITTED; AND

(3) CERTIFY THAT HE HAS NOT PURCHASED LAND AT A SALE BY LOTTERY IN THE STATE WITHIN EIGHT YEARS IMMEDIATELY PRECEDING THE SALE DATE.

(C) THE COMMISSIONER MAY ADOPT REGULATIONS UNDER THE ADMINISTRATIVE PROCEDURE ACT (AS 44.62.010 44.62.650) WHICH SPECIFY QUALIFICATIONS FOR LOTTERY PARTICIPANTS DIFFERENT FROM THOSE SPECIFIED IN (B) OF THIS SECTION IF

(1) AN INTEREST IN LAND LIMITED TO AGRICULTURAL PURPOSES IS TO BE SOLD UNDER (A) OF THIS SECTION;

(2) THE SALE IS A PART OF A PROGRAM TO DEVELOP AGRICULTURAL LAND AS A RENEWABLE RESOURCE OF THE STATE; AND

(3) THE REGULATIONS INCLUDE RESIDENCY, SKILL, EXPERIENCE, AND FINANCIAL REQUIREMENTS NECESSARY TO QUALIFY PERSONS WHO ARE COMPETENT AND FINANCIALLY ABLE TO DEVELOP THE LAND AS A SUCCESSFUL AGRICULTURAL ENTERPRISE.

(D) TO APPLY FOR PARTICIPATION IN A LOTTERY UNDER THIS SECTION AN APPLICANT SHALL

(1) CERTIFY THAT HE IS QUALIFIED UNDER THE APPLICABLE PROVISIONS OF THIS SECTION; AND

(2) PAY A NONREFUNDABLE APPLICATION FEE OF NOT MORE THAN \$25 FOR EACH APPLICATION.

(E) THE DIRECTOR SHALL ACCEPT APPLICATIONS TO PURCHASE PARTICULAR PARCELS UNDER THE FOLLOWING PROCEDURES AND CONDITIONS:

(1) THE APPLICATION PERIOD MAY NOT BE LESS THAN 45 DAYS;

(2) NO APPLICATION MAY BE ACCEPTED LESS THAN 15 DAYS BEFORE EACH LOTTERY;

(3) NOTICE OF THE APPLICATION PERIOD AND THE DATE OF THE LOTTERY SHALL BE GIVEN IN ACCORDANCE WITH AS 38.05.345(E); AND

(4) THE APPLICATION SHALL BE MADE ON A FORM PROVIDED BY THE DEPARTMENT.

(F) IF ONLY ONE APPLICATION FOR A PARCEL IS RECEIVED, THE COMMISSIONER SHALL OFFER THE PARCEL TO THE APPLICANT WHO APPLIED FOR THE PARCEL IF THE APPLICANT IS QUALIFIED TO PARTICIPATE IN THE LOTTERY. IF MORE THAN ONE APPLICATION IS RECEIVED FOR A PARCEL, OR IF MORE APPLICATIONS ARE RECEIVED FOR THE RIGHT TO SELECT A REMOTE PARCEL OFFERED UNDER AS 38.05.077 THAN THE NUMBER OF REMOTE PARCELS AUTHORIZED, THE COMMISSIONER SHALL SELECT THE APPLICANT WHO IS ENTITLED TO RECEIVE A CONVEYANCE OF THE LAND BY LOTTERY. IF THE COMMISSIONER DOES NOT RECEIVE AN APPLICATION FOR A PARCEL OF STATE LAND OR IF A PURCHASER FAILS TO SIGN A LEASE

AGREEMENT OR CONTRACT OF SALE, THE PARCEL SHALL BE OFFERED TO THE FIRST ELIGIBLE PERSON TO APPLY FOR THE PARCEL. IF THE PARCEL WAS DESIGNATED AS A HOMESITE AND OFFERED TO THE PUBLIC UNDER AS 38.05.047(F), THE PARCEL SHALL BE DISPOSED OF UNDER THE TERMS REQUIRED BY AS 38.08.010 - 38.08.120.

(G) AFTER RECEIVING THE DEPOSIT REQUIRED UNDER (A) OF THIS SECTION, THE DIRECTOR OR HIS REPRESENTATIVE SHALL IMMEDIATELY ISSUE A RECEIPT CONTAINING A DESCRIPTION OF THE LAND OR PROPERTY TO BE CONVEYED, THE PRICE OF THE LAND, AND THE TERMS OF DISPOSAL. THE RECEIPT SHALL BE ACKNOWLEDGED IN WRITING BY THE PURCHASER. A CONTRACT OF SALE SHALL BE EXECUTED IN THE SAME FORM AND MANNER AS REQUIRED UNDER AS 38.05.055.

(H) AN AGGRIEVED LOTTERY PARTICIPANT MAY APPEAL TO THE COMMISSIONER WITHIN FIVE DAYS AFTER THE LOTTERY IS CONDUCTED FOR A REVIEW OF THE LOTTERY PROCEDURES.

(I) THE DIRECTOR MAY INCLUDE IN CONTRACTS FOR SALE OF LAND UNDER THIS SECTION TERMS WHICH

(1) REQUIRE PURCHASERS TO USE OR OCCUPY, OR BOTH, THE LAND PURCHASED FOR A REASONABLE PERIOD OF TIME AFTER A SALE;

(2) PROHIBIT THE RESALE OF LAND PURCHASED BY THE INITIAL PURCHASER UNTIL THE REQUIREMENTS IMPOSED UNDER (1) OF THIS SUBSECTION, IF ANY, ARE SATISFIED.

HISTORY (SEC. 4 CH 176 SLA 1978; AM SECS. 15 - 22 CH 85 SLA 1979; AM SEC. 16 CH 113 SLA 1981)

R0601 * END OF DOCUMENTS IN LIST - ENTER RETURN OR ANOTHER COMMAND.



Official Business

Alaska State Legislature

Senate

Office of the President

JAN 20 1982

Pouch V
State Capitol
Juneau, Alaska 99811

MEMO

To: Senator Bettye Fahrenkamp
Chairman, Senate Resources Committee

From: Jay Kerttula, Senate President

Date: January 18, 1982

Subject: Senate Bill 525

I am very interested in the progress of Senate Bill 525, amending the statute relating to land lotteries, now pending before your committee. I believe this to be an important bill and one which should be expedited. Accordingly, I would appreciate your efforts toward moving this bill out of committee.

JK/bb