

H B

86

INITIAL ANALYSIS

HB 86 "An Act Relating to the Use of Teleconferencing Facilities at Drawings for State Land; and Providing for an Effective Date."

Section 1 makes several technical and wording changes to AS 38.05.057(a), (Disposal of Land by Lottery), and then adds a new sentence making it possible for a person connected by teleconference facilities to the sale location to be present for the purposes of this subsection.

Section 2 adds a new subsection to AS 38.05.057 to require all lottery sales to be conducted by teleconference, using as many teleconference sites as practicable.

Section 3 provides an immediate effective date.

REQUEST

Bill/Resolution No.: HB 86
Title: Teleconference for Land Disposal
Sponsor: Bettisworth
Requestor:

II. FISCAL DETAIL

Agency Affected: Land & Water Mgmt.
Program Category Affected: Land Disposal
BRU, Program of Subprogram(s) Affected:

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL OPERATING		44.1	46.7	49.5		
CAPITAL						
REVENUE		29.0	29.0	29.0		

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for any Analysis

Prepared By: Frank G. Mielke
Division: Land and Water Management

Phone: 265-4347
Date: 4/12/83

Approved by Commissioner: Maurice Alloran
Department: NATURAL RESOURCES

Date: 4/13/83

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Copy to Department (for Governor introduced bills)

MEMORANDUM

State of Alaska

DEPARTMENT OF NATURAL RESOURCES - Division of Land and Water Management

TO: Sharon Barton
Special Assistant

DATE: April 13, 1983

THRU: Tom Hawkins
Director

FILE NO: 160.0

TELEPHONE NO: 276-4350

FROM: Frank Mielke *FMM*
Chief, Land Management

SUBJECT: Bill 832, HB 86

Since the bill gives little indication of the extent to which teleconferencing (except section 2, which says sale will be conducted by teleconferencing "...using the practicable number of teleconferencing sites."), certain assumptions are made to estimate fiscal impact:

1. that teleconferencing be limited to the twenty areas where the Legislative Affairs Agency has dedicated circuits and information offices (Anchorage, Barrow, Bethel, Delta, Dillingham, Fairbanks, Juneau, Soldotna, Ketchikan, Kodiak, Kotzebue, Wasilla, Nome, Petersburg, Sitka, and Valdez — Washington, D.C. is not considered here). There are an additional twenty-four sites (such as Ambler, Ektovik, Shishmaref and Uialaska) which have facilities and a system available by the Department of Education that can reach 200 communities;
2. that DNR would staff seventeen of these centers (the locations of the lottery would not need to be staffed) to receipt money, handle necessary paperwork and verify presence);
3. air travel would be required to Barrow, Bethel, Dillingham, Kodiak, Nome, Kotzebue, Petersburg, Sitka and Valdez. Surface transportation would be required for travel to Delta. DNR offices are located in all other teleconference locations;
4. costs quoted over the phone by LAA are \$25/hour per site;
5. lotteries must be staffed at 17 locations, with two staff members (money is to be taken in and paperwork completed) at a minimum, and four to six staff members in locations where there are many applicants present. For the purposes of this analysis, the average of three staff members will be present;
6. additional manpower need will be for 102 man-days (17 locations x 3 staff members x 2 lotteries per year). There will still have to be full staffing at the lottery location.

Based on the above assumptions, the proposed bill would have the following fiscal impact:

- | | |
|--|--------|
| A. Personal Services
(102 man-days, at grade 162,
CGU-ANC @ \$155/day) | 15,810 |
| B. Contractual | 0 |

C.	Travel	24,732
	(to Barrow, Bethel, Dillingham, Kodiak, Nome, Kotzebue, Petersburg, Sitka and Valdez by air; Delta by car for 3 staff members, twice per year)	
	Barrow	(\$343 x 3 x 2) 2,085
	Bethel	(\$315 x 3 x 2) 1,890
	Dillingham	(\$256 x 3 x 2) 1,656
	Kodiak	(\$205 x 3 x 2) 1,230
	Nome	(\$406 x 3 x 2) 2,436
	Kotzebue	(\$406 x 3 x 2) 2,436
	Petersburg	(\$145 x 3 x 2) 870
	Sitka	(\$117 x 3 x 2) 702
	Valdez	(\$143 x 3 x 2) 858
		<u>16,572</u>
	Per Diem - 102 days @ \$80/day	8,160
		<u>\$24,732</u>
D.	Contractual	3,570
	(\$15/site bridge costs x 17 sites x 2/year	510
	\$30/hour/site x 17 site x 2 times/year x 3 hours)	3,060
E.	Commodities	0
		<u>0</u>
	TOTAL	\$44,112

PCY:kmb

The 1979 amendment substituted "AS 38.05.057, 38.05.315(d), and AS 38.08, the sale of state land" for "AS 38.05.057 and 38.05.315(d), the sale" in the first sentence.

The 1981 amendment substituted "unless another method of sale is required under AS 38.05.005 — 38.05.370, under AS 38.07.010 — 38.07.060, or under" for "except as provided in AS 38.05.057, 38.05.315(d), and" at the beginning of the first sentence, added the present second and third sentences, and substituted "five percent" for "one-tenth" preceding "of the purchase price" and added "or if the purchaser elects to use land discounts granted

under AS 38.05.058, five percent of the amount bid after deduction of that discount" in the fifth sentence. The amendment added "the amount deposited" following "the price bid" and added "amount of any discount allowed" in the sixth sentence, substituted "the" for "terms of sale, which" at the beginning of the seventh sentence and deleted the former eighth sentence which read "A contract of sale on a form approved by the attorney general shall be signed by the purchaser and, after approval of the commissioner, the contract shall also be signed by the director on behalf of the state."

NOTES TO DECISIONS

Cited in *State v. University of Alaska*,
Sup. Ct. Op. No. 2303 (File No. 4579), 624
P.2d 807 (1981).

Sec. 38.05.057. Disposal of land by lottery. (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 38.05.058, 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.

(j) The commissioner may require a participant in a lottery under this section for the sale of land that is part of an agricultural development project under AS 44.33.475 to submit a single application for that land. Immediately following the drawing of an applicant's name in the lottery, the applicant shall be given an opportunity to select for purchase one parcel of the land that is offered in the lottery. The names of alternate applicants shall be drawn after all parcels have been selected. If the applicant who originally selected a parcel unequivocally rejects the offer to purchase the parcel or fails to sign the contract of sale within the period of time specified by the commissioner, the parcel shall be offered for sale to alternate applicants in the order in which their names were drawn. (§ 4 ch 176 SLA 1978; am §§ 15 — 22 ch 85 SLA 1979; am § 16 ch 113 SLA 1981; am § 2 ch 129 SLA 1982)

NEW SECTION →
↑

Revisor's notes. — In subsection (a), in the present fifth sentence, a period was added following "representative" and in the present sixth sentence, the word "and" was deleted preceding "an applicant" by the revisor of statutes under AS 01.05.031.

Effect of amendments. — The 1979 amendment, in subsection (a), substituted "commissioner may dispose of land" for "director may sell land" in the first sentence, substituted the language beginning "shall be the fair market value" for "may not be less than the fair market value of that land unless the sale is conducted under the provisions of AS 38.05.035(b)(4)" at the end of the second sentence, added the present third and fourth sentences, and in the former fifth sentence, substituted "commissioner" for "director," inserted "signing a contract of," deleted "with the person conducting the lottery" following "shall deposit," and added the language beginning "or if the purchaser elects" to the end. The amendment also substituted "qualify to participate in a lottery" for "purchase land by lottery" in the introductory language of subsection (b), substituted "one year" for "three years" in paragraph (2) of subsec-

tion (b), substituted "lottery participants" for "potential purchasers" in the introductory language of subsection (c), substituted "25" for "10" in paragraph (2) of subsection (d), substituted "45 days" for "10 days" in paragraph (1) of subsection (e), substituted "AS 38.05.345(e)" for "AS 38.05.345(b)" in paragraph (3) of subsection (e), rewrote subsection (f), and substituted "to be conveyed" for "purchased" and "disposal" for "sale" in the first sentence of subsection (g).

The 1981 amendment deleted "but may not be less than \$400 per acre, or, if the land is limited to use for agricultural purposes, the purchase price may not be less than \$100 per acre" at the end of the second sentence of subsection (a). In subsection (a), the amendment also added the present sixth and seventh sentences and, in the present eighth sentence, substituted "on" for "and at," substituted "day of the lottery" for "time of signing a contract of sale," deleted "discount" preceding "purchase price" and added "after deduction of the discount" following "purchase price."

The 1982 amendment, effective June 25, 1982, added subsection (j).

TO Sharon Barton,
Special Assistant
Commissioner's Office

DATE February 23, 1983

FILE NO. 610.1

TELEPHONE NO 265-4343

FROM J. B. Willis, Head
Land Disposal Unit

SUBJECT Per Request of 2/22/83;
Acreages Sold

BIX

Betterment meeting #6

1. As you know, we have limited computer capability in the Land Disposal Program and have been unsuccessful in getting money to provide the data your office repeatedly requests about the program. Our best guesses are as follows:

a. Statehood through 1977:

<u>Calendar Year</u>	<u>Acres</u>
1960	466
1961	24,011
1962	8,563
1963	5,868
1964	28,628
1965	6,728
1966	2,894
1967	1,699
1968	1,136
1969	2,701
1970	8,001
1971	1,113
1972	5,359
1973	3,643
1974	4,875
1975	1,630
1976	48
1977	52
	<u>106,415</u> Acres sold

b. 1978 - Present:

- Sold approximately 210,000 acres
- 47% major agricultural
- 25% small agricultural
- 17% subdivision
- 11% remote parcels

February 23, 1983.

c. Therefore, we have sold approximately 316,000 acres since statehood, of which approximately one-half has been limited fee agricultural rights. 316,000 acres represents:

- (1) .086% (86/1000 of 1%) of the land in Alaska
- (2) .3% (3/10 of 1%) of the state entitlement

2. There are no statistics as to the location of the lands disposed. That would be extremely costly to develop.

3. Quotas established by statute (by fiscal year):

- 1979 - 30,000
- 1980 - 100,000
- 1981 - 100,000
- 1982 - none (but funded for 100,000)
- 1983 - none

4. AS 38.04.020(g) requires that at least 10% of subdivisions be sold by homesites-by length of residency and at least an additional 10% are homesites by lottery. The Attorney General has ruled that the homesite by residency program is unconstitutional. Therefore, we have been offering 20% of our subdivisions as homesites by lottery. We would like to reduce this percentage, as many of our projects are recreational in nature and not suitable for full-time living.

5. The use of teleconferences for the presence requirement at lotteries would defeat the purpose for that requirement, granting a local preference. It would also be a nightmare to administer, and generate many more complaints than the present system (power failures, transmission problems, identification problems, lack of facilities, etc.). We would suggest in the alternative that we should do away with local lotteries. (They are very expensive for the state) and go back to the old system of two lotteries a year in Anchorage with no attendance requirement. *This does not address a preference for local residents - perhaps, the legislature has recommendations on this issue.*

9/22/82

Dear Honorable Bettisworth

I am very displeased with a particular aspect of the State Lottery system. I do not think that one should have to be present at the drawing in the area in order to obtain a parcel. It makes it an extremely costly gamble. I live in Fairbanks and am interested in land in Southeast Alaska. I object having to spend additional money and time just to be at the drawing (or have someone be there for me) just for the chance that I might win the lottery for that parcel. If I don't win, I have spent a lot of money and time for nothing. It is enough of a cost for me to get down to the land in order to determine what land is worth buying.

Alternative:

There should be one centralized drawing in Juneau for all parcels in the State televised over the teleconference network. This would allow me to be present without excessive expense. (If my presence is absolutely necessary.)

Sincerely,
Carol Meares
Ester, AK
091725

PO Box 24

FROM: ANNIE IN FAIRBANKS
TARGET: LJHL SUBJ: POM

ORIG: LF02 IN= 0005 OUT= 0039
TO: JUNEAU INFO.

TO: REPRESENTATIVES DAVIS, ~~BETTISWORTH~~, RINGSTAD, KOPONEN, SHULTZ, MILLER,
SENATORS BENNETT, FAHRENKAMP, NOSS

FROM: DAVE RASLEY, 819 FIRST AVE., FAIRBANKS 99701 452-8131
DON ILGENFRITZ, SAME ADDRESS
L. D. CORKRAN, SAME ADDRESS

RE: H.B. 86

WE RESPECTFULLY REQUEST THAT YOU SUPPORT HOUSE BILL 86 PERTAINING TO THE USE
OF THE TELECONFERENCE SYSTEM IN THE LAND DISPOSAL PROGRAM.

83-00014919 PRTY 1 03/11/83 18:08:36 ORIG: LF02 IN= 0005 OUT= 0114
TO: GAIL/FBX TO: JUNU INFO
SUBJ: LJHL SUBJ: POM

41: FBX 3/11/83

INTERIOR DELEGATION: REP'S DAVIS, BETTISWORTH, RINGSTAD, KOPONEN
SEN'S BENNETT, FAHRENKAMP

EDWARD BUSH, BOX 352, FBX 99707 PH 452-4196 (H), 452-7158 (W)

STATE LAND LOTTERY

THE REQUIREMENT TO ATTEND A LAND LOTTERY DRAWING IN PERSON PLACES
SHIPS AND UNNECESSARY EXPENSE ON THE INDIVIDUAL FOR THE PRIVILEGE OF
ERING. THE \$15.00 ENTRY FEE ALSO SEEMS EXCESSIVE.

-----EOM

83-00001390 PRTY 1 03/17/83 13:28:30 ORIG: LF01 IN= 0007 OUT= 0065
ANNIE IN FAIRBANKS TO: JUNEAU INFO.
SUBJ: LJHL SUBJ: POM

REPRESENTATIVE BETTISWORTH

DIRK TORDOFF, P.O. BOX 60605, FAIRBANKS 99706 HOME 456-9216

H886

FOR YOUR EFFORTS ON HB86. I FEEL IT CAN IMPROVE AN ALREADY GOOD
I WOULD APPRECIATE YOUR CONTINUED EFFORTS ON BEHALF OF HB86

To: Rep. Bettisworth
From: Dave Douley (4907)

RE: Land Disposal Lottery Procedure

At present a citizen who wished to obtain land under the state disposal program must file for each parcel he or she is interested in separately and pay a filing fee for each (even though an individual may only buy one parcel).

Suggestion

Conduct lottery including all individuals interested in any land ~~that~~ available in a particular state offering (I.E. all state land offered at that particular time ~~in~~ in a particular region).

Persons receiving highest numbers would then get to choose parcel desired from total offering in order of lottery number.

Advantages

Persons with lower numbers would not need attend selection meetings held at regional court house - those with higher numbers could be reasonably certain to obtain a desirable selection.

This process would preserve ~~the~~ advantage to local persons (even with low number could attend selection meeting with hope of obtaining parcel) while reducing burden on urban citizens (reduction of unnecessary travel).

Additionally would reduce administrative costs and cost to citizens as only ONE filing fee would be necessary ~~for each regional lottery~~ each regional lottery.

The Resources Committee Substitute makes the following changes:

Pg. 1
lines 13-14

- 1) The commissioner need no longer hold lottery sales in the local of the land being offered.

Pg. 2
lines 5-6

- 2) A person need not be present at the lottery to qualify as a winner.

Pg. 2
lines 10-12

- 3) The commissioner must notify lottery winners by certified mail within 10 days of the drawing.

Pg. 2
lines 13-17

- 4) The lottery winner has 40 days from the drawing to place his or her down payment with the commissioner.

Pg. 2
lines 19-20

- 5) The legislative teleconference network (41 sites statewide) will be used to conduct the lottery.

