

COMMITTEE REPORT
SENATE

FURTHER:

3/23/84

Date 4/18/84

Mr. President

The Committee on FINANCE considered SB 375

Income Statement and Investment Act

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 375 (Res.)
- new title
- same title and recommends Individual Recommendations
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation



From The
**SENATE
FINANCE COMMITTEE**

April 18, 1984

Instructed by Max to send attached
fiscal note along with CSSB 375 (Res.)
reported out of committee today.

Max said note could be dealt with
and changed if necessary when fiscal
notes are funded at the close of the
budget.

kathy

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH M
JUNEAU, ALASKA 99811
PHONE: 907-485-2400

March 7, 1984

The Honorable Bettye Fahrenkamp
Alaska State Senate
Pouch V
Juneau, Alaska 99801

Dear Senator Fahrenkamp:

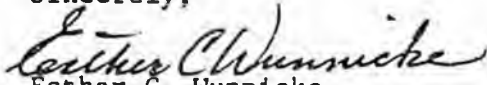
I am attaching the Department's fiscal note for CSSB 375 (Resources), preparatory to your Committee hearing on the bill Friday, March 9.

The major costs on the fiscal note are associated with Sec. 28, which has been added during the hearings process in response to Sealaska Corporation's proposal. The Department is largely supportive of the changes to our surface leasing processes embodied in this amendment, and it is my hope that we will be able to respond effectively to the new timelines and procedures in the statute. Without additional funding to support each District Office of the Division of Land and Water Management (Anchorage, Fairbanks, and Juneau), I anticipate that the Commissioner will regularly use the proposed authority to grant time extensions in the prequalification process [38.05.075(e)]. Please note that this prequalification process does not affect just tidelands leasing, but all surface leasing under 38.05.075.

Other major costs are associated with two major items that have also been added to the bill during the hearings process. The new authority to quitclaim interests in land to the federal government will generate many new requests for Departmental land actions; in the House consideration of the same proposal, we have recommended a fiscal note equal to that now included in our note for CSSB 375. We also anticipate new costs in the contract foreclosure process in Sec. 22. The Department requested this new procedure and needs to be able to keep up with the workload in contract administration.

I appreciate very much your attention to Title 38. If I may be of assistance, please contact me.

Sincerely,


Esther C. Wunnicke
Commissioner

Attachment

STATE OF ALASKA 1984 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSSB 375 (RES)
Title: An Act...land disposal and management

Sponsor: Fahrenkamp
Requestor: Senate Resources
Date of Request: _____

FISCAL DETAIL

Agency Affected: DNR
Program Category Affected: NRMEC

BRU, Program or Subprogram(s) Affected: _____
Management: Land and Water Management; Information/Records Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES	208.2	208.2	208.2	208.2	208.2	208.2
200 TRAVEL	5.7	5.7	5.7	5.7	5.7	5.7
300 CONTRACTUAL	9.0	9.0	9.0	9.0	9.0	9.0
400 SUPPLIES	4.5	4.5	4.5	4.5	4.5	4.5
500 EQUIPMENT	1.5	1.5	1.5	1.5	1.5	1.5
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	228.9	228.9	228.9	228.9	228.9	228.9
CAPITAL	-	-	-	-	-	-
REVENUE	-	-	-	-	-	-

FUNDING: (Thousands of Dollars)

GENERAL FUND	228.9	228.9	228.9	228.9	228.9	228.9
FEDERAL FUNDS						
OTHER						
TOTAL	228.9	228.9	228.9	228.9	228.9	228.9

POSITIONS:

FULL-TIME	4	4	4	4	4	4
PART-TIME	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

General Fund

ANALYSIS: Attach a separate page for analysis

Prepared By: Ned Farquhar NF Phone: 465-2400
Division: Commissioner's Office Date: 7 March 1984

Approved by Commissioner: Carole W. Wernicke Date: 7 March 1984
Agency: Natural Resources

Distribution (by Agency preparing fiscal note):

Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

12/1/83

DNR BACKUP ANALYSIS FOR
FISCAL NOTE ON CSSB 375 (Resources)

Sec. 2: This change requires increased travel and advertisement to encourage local participation.

Land and Water Management:

200	4.5
300	<u>2.0</u>
Total	6.5

Sec. 9: The fund for land disposal revenues will require some administration.

Management:

100	7.2 ($\frac{1}{2}$ Document Processing Clerk III)
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Sec. 12: The requirement to comply with local ordinances regarding access will be expensive but will be budgeted in future disposal projects.

Sec. 18: To respond to quitclaim requests, the Division of Technical Services will need new funding.

Information/Records Management:

100	46.2 (NRM I)
200	1.2
300	4.0
400	2.0
500	<u>1.5</u>
Total	54.9

Sec. 22: Mail, tracking, and programming costs for the Division of Land and Water Management and the Division of Management will increase.

Land and Water Management:

100	14.3 ($\frac{1}{2}$ Document Processing Clerk III)
400	<u>1.0</u>
Total	15.3

Management:

100	14.3 ($\frac{1}{2}$ NRT I)
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Sec. 25: See note for Sec. 28.

Sec. 27: See note for Sec. 28.

Sec. 28: To meet the timeline in statute as a matter of course, the Department would be forced to add staff in each District office of the Division of Land and Water Management. We anticipate difficulty meeting the requirement in subparagraph (e)(2) in completing all procedures required by AS 38.05.035(e) (appraisals, surveys, hearings, preliminary decisions, and written findings).

Land and Water Management:

100	46.4	(SCDO NRM I)
	46.4	(NCDO NRO II)
	40.6	(SEDO NRO II)
	<u>133.4</u>	
300	3.0	
400	<u>1.5</u>	
Total	137.9	

Sec.78-79: The requirement for front-end funding for compliance with local platting and subdivision ordinances will will primarily impact the Division of Technical Services and will be addressed in future budget submissions. The total annual impact for compliance with local ordinances on an annual basis is not easily estimated, but could reach tens of millions of dollars.

Offered: 3/13/84
Referred: Finance

Original sponsors: Fahrenkamp and Ziegler

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 375 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 * Section 1. AS 38.04.005(b) is amended to read:

10 (b) In classifying and making state land available for private
11 use and settlement purposes, the director shall consider the natural
12 resources and conditions present on the land and shall seek to mini-
13 mize the effect of private settlement on wildlife, fishery, mineral,
14 timber, and other significant resources and scenic quality of the
15 land; the director shall also make adequate provision for public open
16 space which is accessible to communities so that natural areas are
17 easily reached from all communities and settled areas. The amount of
18 that land shall be sufficient to meet existing and projected needs for
19 accessible public recreation land. Special care shall be taken to
20 preserve public access to public water and to retain state ownership
21 of sufficient land which combine high value for recreation and other
22 public purposes with accessibility to settled areas. This classifica-
23 tion for public purposes does not constitute dedication to open space,
24 but the division's management of land so classified shall be in a
25 manner to preserve the identified values.

26 * Sec. 2. AS 38.04.005(e) is repealed and reenacted to read:

27 (e) The involvement of a proximately located municipality and of
28 local residents is essential in classifying and making state land
29 available for private use and settlement. The director shall, when

1 appropriate, hold public meetings in the communities affected by the
2 disposal to solicit the views of the residents of the communities
3 affected.

4 * Sec. 3. AS 38.04.005 is amended by adding a new subsection to read:

5 (f) Land owned by the Board of Regents of the University of
6 Alaska is not subject to the provisions of this chapter.

7 * Sec. 4. AS 38.04.010(b) is amended to read:

8 (b) State land which is located beyond the range of existing
9 schools and other necessary public services, or which is located where
10 development of sources of employment is improbable, may be made avail-
11 able for seasonal recreational purposes or for low density settlement.
12 The seasonal recreation use or low density settlement shall have [,
13 WITH] sufficient separation between residences so that public services
14 will not be necessary or expected. The availability of timber, fire-
15 wood, and water resources shall be considered in determining separa-
16 tion between residences.

17 * Sec. 5. AS 38.04.020(e) as amended by sec. 3, ch. 103, SLA 1983 is
18 amended to read:

19 (e) The commissioner shall annually submit to the governor an
20 appropriation request for funding estimated to be necessary for the
21 next two years to allow [NECESSARY FOR THE DISPOSAL OF STATE LAND IN
22 THE LAND DISPOSAL BANK THAT SHALL BE INCLUDED IN THE BUDGET SUBMITTED
23 TO THE LEGISLATURE BY THE GOVERNOR. FOR EACH FISCAL YEAR, THE REQUEST
24 SHALL INCLUDE AN ESTIMATE OF THE AMOUNT NECESSARY]

25 (1) [FOR] survey and disposal of land proposed to be made
26 available for homestead staking, with the general location of the
27 land;

28 (2) [FOR] survey and disposal of land to be offered as
29 agricultural, commercial, industrial, or other uses under AS 38.05.055

1 or 38.05.057, with the general location of the land;

2 (3) [FOR] the survey and disposal of land proposed to be
3 offered as subdivisions, with the general location of the land;

4 (4) [FOR] preliminary feasibility studies, engineering
5 design work, right-of-way acquisition, and construction of access
6 roads and capital improvements required by municipal subdivision
7 ordinance or regulation of the platting board under AS 29.33.150; [IF
8 AN ACCURATE DETERMINATION OF THE AMOUNTS NECESSARY FOR ACCESS ROADS OR
9 CAPITAL IMPROVEMENTS CANNOT BE MADE AT THE TIME THE ESTIMATE IS SUB-
10 MITTED, A SCHEDULE FOR OBTAINING THE ESTIMATES, CONSTRUCTING THE
11 ACCESS ROADS OR CAPITAL IMPROVEMENTS, AND DISPOSING OF THE LAND SHALL
12 BE SUBMITTED;]

13 (5) [FOR] identification of land that will be proposed for
14 disposal under this subsection in future fiscal years.

15 * Sec. 6. AS 38.04 020(f) is amended to read:

16 (f) The request of the commissioner under (e) of this section
17 shall include an analysis and a determination that there is a market
18 demand for the land proposed for disposal [BE BASED ON AN ANNUAL
19 WRITTEN ASSESSMENT BY THE COMMISSIONER OF THE MARKET FOR STATE LAND IN
20 THE DIFFERENT REGIONS OF THE STATE. IF THE STATE LAND IS IN OR ADJA-
21 CENT TO MUNICIPALITIES OR UNINCORPORATED COMMUNITIES, THE ASSESSMENT
22 SHALL BE DEVELOPED IN CONSULTATION WITH THE MUNICIPALITIES OR UNINCOR-
23 ORATED COMMUNITIES. THE ASSESSMENT MUST INCLUDE A SURVEY OF THE
24 SUPPLY OF PRIVATELY OWNED LAND OFFERED FOR SALE, MUNICIPAL LAND FOR
25 WHICH A DISPOSAL PLAN HAS BEEN COMPLETED, AND FEDERAL LAND AVAILABLE
26 FOR SALE, LEASE, OR PERMIT FOR SPECIFIC ACTIVITIES. THE ASSESSMENT OF
27 THE MARKET FOR STATE LAND SHALL BE BASED ON AN ANALYSIS OF THE AMOUNT
28 OF PRIVATE, MUNICIPAL, AND FEDERAL LAND AVAILABLE FOR DISPOSAL ON
29 TERMS EQUIVALENT TO THOSE USED IN COMPARABLE STATE LAND DISPOSAL

1 PROGRAMS AND SHALL INCLUDE THE LENGTH OF TIME LAND REMAINS ON THE
2 MARKET BEFORE IT IS SOLD. THE ASSESSMENT MUST INCLUDE FINDINGS RE-
3 GARDING THE AMOUNT AND GENERAL LOCATION OF STATE LAND, IN ADDITION TO
4 LAND OFFERED BY PRIVATE LANDOWNERS OR AVAILABLE FROM A MUNICIPAL
5 GOVERNMENT OR THE FEDERAL GOVERNMENT, THAT IS NECESSARY TO MEET THE
6 STATEWIDE DEMAND FOR AT LEAST FIVE FISCAL YEARS IMMEDIATELY AFTER THE
7 YEAR IN WHICH THE ASSESSMENT IS MADE. THE ASSESSMENT MUST ALSO STATE
8 THE GENERAL LOCATION OF LAND PROPOSED FOR DISPOSAL IN THE NEXT FISCAL
9 YEAR AND RECOMMENDATIONS FOR THE METHOD OF DISPOSAL UNDER WHICH THE
10 LAND WILL BE OFFERED TO THE PUBLIC].

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

12 (2) Land designated as suitable for subdivision and home-
13 site disposal shall be surveyed, subdivided, classified, and disposed
14 of under this chapter, AS 38.05, and AS 38.08 [AS FOLLOWS:

15 (A) UP TO 80 PERCENT OF THE PARCELS SHALL BE SOLD
16 UNDER THE LOTTERY SALE PROCEDURES ESTABLISHED IN AS 38.05.057 AND
17 38.05.065;

18 (B) AT LEAST 10 PERCENT OF THE PARCELS SHALL BE DIS-
19 POSED OF AS HOMESITES UNDER AS 38.08.010 - 38.08.120; AND

20 (C) AT LEAST AN ADDITIONAL 10 PERCENT OF THE PARCELS
21 SHALL BE DISPOSED OF AS HOMESITES UNDER AS 38.08.010 - 38.08.120
22 EXCEPT THAT, NOTWITHSTANDING AS 38.08.040(b), PARCELS OFFERED
23 UNDER THIS SUBPARAGRAPH SHALL BE OFFERED BY LOTTERY UNDER AS 38.-
24 05.057].

25 * Sec. 8. AS 38.04.020(h) is amended to read:

26 (h) Individual parcels disposed of in subdivisions may not
27 exceed five acres unless the commissioner determines that a larger
28 size is necessary to comply with local [ZONING] ordinance, [OR] to
29 permit the design of a viable subdivision because of topographical

1 features, soil conditions, on-site sewage disposal requirements, or
2 water drainage or supply considerations that are unique to the sub-
3 division, to minimize adverse effect on wildlife, fishery, timber, or
4 other significant resources in the area, or to minimize adverse effect
5 on other residential uses in the area.

6 * Sec. 9. AS 38.04 is amended by adding a new section to read:

7 Sec. 38.04.022. FUNDS FOR LAND DISPOSAL. (a) The revenue from
8 the sale of state land shall be deposited in a special state land
9 disposal income account in the state general fund. The legislature
10 may appropriate money from the special state land disposal income
11 account for expenditure by the Department of Natural Resources for
12 necessary costs incurred by the commissioner in the implementation of
13 state land disposal programs authorized under this title and for
14 implementation of AS 38.04.021.

15 (b) Within 30 days after the legislature convenes in regular
16 session the Department of Natural Resources shall submit a report
17 reflecting all money deposited in the fund established under (a) of
18 this section during the prior fiscal year.

19 * Sec. 10. AS 38.04.035(4) is amended to read:

20 (4) For enabling isolated cabin development in remote
21 locations where survey and conveyance is impractical, or where poten-
22 tial conflicts with other resources and uses require additional con-
23 ditions, or where a long-range interest in public ownership and use
24 exist, a system for cabin permits on public land may be used.

25 * Sec. 11. AS 38.04.045(b) is amended to read:

26 (b) Before the conveyance of surface rights to state land, an
27 official cadastral survey shall be accomplished, unless a comparable,
28 acceptable survey exists that has been conducted by the federal Bureau
29 of Land Management. The rectangular survey section corner positions

1 shall be monumented and shown on a cadastral survey plat approved by
2 the state. However, for those areas where the state may wish to
3 convey surface estate outside of an official cadastral survey grid,
4 the director may waive monumentation of all individual section corner
5 positions and substitute an official control survey with control
6 points being monumented [AT APPROXIMATELY TWO-MILE INTERVALS] and
7 shown on control survey plats approved by the state. No portion of
8 land to be conveyed may be located more than two miles from such a
9 survey control monument. The lots and tracts in state subdivisions
10 shall be monumented and the cadastral survey and plats for the sub-
11 division shall be approved by the state. Where land is located within
12 a municipality with planning, platting, and zoning powers, plats for
13 state subdivisions shall comply with local ordinances and regulations
14 in the same manner and to the same extent as plats for subdivisions by
15 other landowners. State subdivisions shall be filed in the district
16 recorder's office. The requirements of this section do not apply to
17 land made available through a cabin permit system, material sales, or
18 short-term leases; however, for short-term leases the lessee must
19 comply with local subdivision ordinances unless waived by the munic-
20 ipality under procedures specified by ordinance.

21 * Sec. 12. AS 38.04.050 is amended to read:

22 Sec. 38.04.050. ACCESS TO PRIVATE USE AREAS. Wherever state
23 land is surveyed for purposes of private use, legal [ADEQUATE] rights-
24 of-way and easements shall be reserved [AS NECESSARY] for access and,
25 where appropriate, for utility services [POWER AND TELEPHONE SERVICE]
26 to each parcel of land. A right-of-way or easement shall be located
27 to assure adequate and feasible access for the purposes for which the
28 right-of-way or easement was intended. Where necessary and appropri-
29 ate for the use intended or where required by local subdivision

1 ordinances, the director shall arrange for the development of surface
2 access as part of the land availability program. The direct cost of
3 local access development shall be borne by the recipient of the land
4 unless otherwise provided by state statutes or regulations.

5 * Sec. 13. AS 38.04.055 is amended to read:

6 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director
7 shall reserve easements and rights-of-way on and across land which is
8 made available for private use as necessary to reach or use public
9 water and public and private land. An easement or right-of-way re-
10 served under this section may include established trails traditionally
11 used for commerce, recreation, or transportation. The commissioner
12 may retain state land in public ownership to maintain present and
13 future public access.

14 * Sec. 14. AS 38.04 is amended by adding a new section to Article 2 to
15 read:

16 Sec. 38.04.058. RESTRICTIONS ON EASEMENT OR RIGHT-OF-WAY USE. A
17 grantee, lessee, or interest holder of state land may, under terms
18 agreed to by the director in writing, restrict the use of an easement
19 or right-of-way reserved under AS 38.04.050 - 38.04.055 or other law
20 in order to protect public safety or property.

21 * Sec. 15. AS 38.05.030(c) is amended to read:

22 (c) In addition to the requirements specified in AS 38.50.090,
23 the agencies referred to in [(a) AND] (b) of this section and other
24 state agencies with authority to acquire or dispose of land shall give
25 written notification of the fact of acquisition, lease, disposal, or
26 exchange to the commissioner [DIVISION OF LANDS] within three months
27 after the date that they make the acquisition, lease, disposal, or
28 exchange.

29 * Sec. 16. AS 38.05.030(d) is amended to read:

1 (d) Real property acquired by [,] and under the management of
2 [,] the agencies referred to in [(a) AND] (b) of this section that [,
3 WHICH] is no longer needed for its intended use [,] shall be trans-
4 ferred [RETURNED] to the commissioner [JURISDICTION OF THE DIVISION OF
5 LANDS], except that the Department of Transportation and Public Facil-
6 ities [HIGHWAYS] may dispose of real property acquired by it under
7 AS 19.05.040(2) and AS 19.05.080 - 19.05.120.

8 * Sec. 17. AS 38.05.030 is amended by adding a new subsection to read:

9 (f) Land owned by the Board of Regents of the University of
10 Alaska is not subject to this chapter.

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

12 (b) The director may

13 (1) delegate the administrative duties, functions or powers
14 imposed upon the director [HIM] to a responsible employee in the
15 division;

16 (2) grant preference rights for the lease or purchase of
17 state land without competitive bid in order to correct [THE PAST OR
18 FUTURE] errors or omissions of a state or federal administrative
19 agency when inequitable detriment would otherwise result to a diligent
20 claimant or applicant due to situations over which the claimant or
21 applicant had no control; the exercise of this discretionary power
22 operates only to divest the state of its title to or interests in land
23 and may be exercised only

24 (A) with the express approval of the commissioner; and

25 (B) if the application for the preference right is
26 filed with the director within three years from the occurrence of
27 the error or omission;

28 (3) grant a preference right to a claimant who shows bona
29 fide improvement of state land [,] or of federal land subsequently

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

13 (4) sell land [LANDS] by lottery for less than the [THEIR]
14 appraised value when, in the [HIS] judgment of the director, past
15 scarcity of land suitable for private ownership in any particular area
16 has resulted in unrealistic land values;

17 (5) when the director [HE] determines it is in the best
18 interest of the state and will avoid injustice to a person or the
19 [HIS] heirs or devisees of a person, dispose of land, by direct nego-
20 tiation to that person who presently uses and who used and made im-
21 provements to that land before January 3, 1959 or to the [HIS] heirs
22 or devisees of the person; the amount paid for the land shall be its
23 fair market value on the date that the person first entered the land,
24 as determined by the director; a parcel of land disposed of under this
25 paragraph shall be of a size consistent with the person's prior use,
26 but may not exceed five acres;

27 (6) dispose of an interest in land limited to use for
28 agricultural purposes by lottery;

29 (7) convey to an adjoining landowner a remnant of land that

1 the director considers unmanageable or a parcel of land created by a
2 highway right-of-way alignment or realignment, or a parcel created by
3 the vacation of a state-owned right-of-way if

4 (A) the director [HE] determines that it is in the
5 best interests of the state;

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

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

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

17 (9) quitclaim land or an interest in land to the federal
18 government on a determination that the land or the interest in land
19 was wrongfully or erroneously conveyed by the federal government to
20 the state.

21 * Sec. 19. AS 38.05.035 is amended by adding a new subsection to read:

22 (e) Upon a written finding that the interests of the state will
23 be best served, the director may, with the consent of the commis-
24 sioner, approve contracts for the sale, lease, or other disposal of
25 available land, resources, property or interests in them, and, in
26 addition to the conditions and limitations imposed by law, may impose
27 additional conditions or limitations in the contracts as the director
28 determines, with the consent of the commissioner, will best serve the
29 interests of the state. A contract for the sale, lease, or other

1 disposal of available land or an interest in land is not legally
2 binding on the state until the commissioner approves the contract but
3 if the appraised value is not greater than \$50,000 in the case of the
4 sale of land or an interest in land, or \$5,000 in the case of the
5 annual rental of land or interest in land, the director may execute
6 the contract without the approval of the commissioner. Before a
7 public hearing, if held, or in any case no less than 21 days before
8 the sale, lease, or other disposal of available land, property, re-
9 sources, or interests in them, the director shall make available to
10 the public a written finding that sets out the facts and applicable
11 law upon which the determination that the sale, lease, or other dis-
12 posal will best serve the interests of the state was based. A written
13 finding is not required before the approval of

14 (1) a contract for a negotiated sale authorized under
15 AS 38.05.115;

16 (2) a lease of land for a shore fishery site under AS 38.-
17 05.052; or

18 (3) a permit or other authorization revocable by the com-
19 missioner.

20 * Sec. 20. AS 38.05.050 is amended to read:

21 Sec. 38.05.050. DISPOSAL OF LAND FOR PRIVATE OWNERSHIP. The
22 commissioner [, UPON THE RECOMMENDATION OF THE DIRECTOR,] shall deter-
23 mine the land to be disposed of for private use. The commissioner
24 [DIRECTOR] shall determine the time and place of disposal. An auction
25 sale, a lottery sale, or a disposal of land for homesites [UNDER
26 AS 38.04.020(g)(2)(C)] must be held in a community [THE MUNICIPALITY]
27 that is near [CLOSEST TO] the land to be sold or disposed of [AND IN
28 WHICH REGULAR SESSIONS OF A COURT OF THE STATE ARE HELD].

29 * Sec. 21. 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 AS 38.08, sale of state land shall be made at public auction to
4 the highest qualified bidder as determined by the director. The
5 director may accept bids and sell state land under this section at no
6 less than 85 percent of the appraised fair market value of the land.

7 A bidder must appear in person at the auction unless medical reasons,
8 attendance at school, or military service outside the state prevent
9 attendance. A bidder may be represented by an attorney or agent at
10 the auction if the land offered for disposal is commercial, indus-
11 trial, or agricultural land. An aggrieved bidder may appeal to the
12 commissioner within five days after the sale for a review of the
13 director's determination. The sale shall be conducted by the director
14 [OR HIS REPRESENTATIVE,] and at the time of sale the successful bidder
15 shall deposit an amount equal to five percent of the purchase price [,
16 OR IF THE PURCHASER ELECTS TO USE LAND DISCOUNTS GRANTED UNDER AS 38.-
17 05.058, FIVE PERCENT OF THE AMOUNT BID AFTER DEDUCTION OF THE DIS-
18 COUNT]. The director [OR HIS REPRESENTATIVE] shall immediately issue
19 a receipt containing a description of the land or property purchased,
20 the price bid, and the amount deposited [, AND THE AMOUNT OF ANY
21 DISCOUNT ALLOWED]. The receipt shall be acknowledged in writing by
22 the bidder.

23 * Sec. 22. AS 38.05.065 is amended by adding new subsections to read:

24 (d) If a contract for a sale of state land has been breached,
25 the director may issue a decision to foreclose the contract at any
26 time 31 days after delivering by certified mail a written notice of
27 the breach to the address of record of the purchaser. A breach caused
28 by the failure to make payments required by the contract may be cured
29 within 30 days after the notice of the breach has been received by the

1 purchaser by payment of the sum in default together with the larger of
2 a fee of \$50 or five percent of the sum in default. If there are
3 material facts in dispute between the state and the purchaser, the
4 purchaser may submit a written request for a public hearing for the
5 review of the facts within 30 days after the notice of the breach has
6 been received.

7 (e) On a determination that there has been a breach of the
8 contract based on the administrative record and the evidence presented
9 at a hearing, the director shall issue a decision foreclosing the
10 interest of the purchaser. The obligation to make payments under the
11 contract continues through the date of the decision to foreclose by
12 the director.

13 (f) The decision to foreclose by the director under this subsec-
14 tion terminates the legal and equitable rights of the purchaser in the
15 land and all payments made under the contract are forfeited to the
16 state.

17 * Sec. 23. AS 38.05.069(a) is amended to read:

18 (a) On a determination [IF THE DIRECTOR DETERMINES] that the
19 highest and best use of unoccupied land is for agricultural purposes
20 [,] and [IF HE DETERMINES] that it is in the best interests of the
21 state to sell or lease the land, the commissioner [HE] shall grant to
22 an Alaskan resident owning and using or leasing and using land for
23 agricultural purposes a [60-DAY] first option at [AFTER THE DATE OF]
24 the auction to purchase or lease the unoccupied land situated adjacent
25 to land presently held by the Alaskan resident [OR IN THE APPROXIMATE
26 VICINITY OF HIS PRESENTLY HELD LAND] for the amount of the high bid
27 received at public auction. If more than one Alaskan resident qual-
28 ifies for a first option under this section, eligibility for the first
29 option shall be determined by lot and the option must be exercised on

1 the conclusion of the public auction. A parcel of agricultural land
2 sold under this section may not be less than 20 acres and a parcel of
3 agricultural land that [WHICH] is acquired by exercise of the option
4 granted in this subsection may not exceed 320 acres. Agricultural
5 land that [WHICH] is acquired under this section must be used for
6 agricultural purposes as required by law.

7 * Sec. 24. AS 38.05.069(c) is amended to read:

8 (c) Under this section

9 (1) the director may convey or lease an interest in the
10 land only for agricultural purposes, and all other interests in the
11 land remain in the state;

12 (2) the sale or lease shall be at public auction;

13 (3) [(2)] the remaining interests may subsequently be
14 conveyed or leased by the director only upon the request of the gran-
15 tee or lessee or the [HIS] assigns of the grantee or lessee and the
16 determination of the director, with the written concurrence of the
17 commissioner, that the conveyance or lease is in the public interest;

18 (4) [(3)] the conveyance or lease of the remaining inter-
19 ests shall be at public auction;

20 (5) the original grantee or lessee or the [HIS] assigns of
21 the grantee or lessee have a preference right to meet the high bid at
22 the time of [WITHIN 30 DAYS AFTER THE DAY OF] the auction;

23 (6) if the preference right is exercised, the value of
24 improvements owned by the holder of the preference right, included
25 with the remaining interests sold, shall be deducted from the purchase
26 price;

27 (7) [(4)] by requesting the conveyance or lease of the
28 remaining interest, the original grantee or lessee or the [HIS] as-
29 signs of the grantee or lessee

1 (A) consents to the sale or lease, and
2 (B) if the preference right provided by (5) [(3)] of
3 this subsection is not exercised, consents to sell at fair
4 market value the improvements related to the remaining
5 interest, as appraised by the director;
6 (8) [(5)] the remaining interests in the land may not be
7 conveyed or leased for less than their appraised value together with
8 improvements except for the deduction allowed by (6) [(3)] of this
9 subsection.

10 * Sec. 25. AS 38.05.070(b) is amended to read:

11 (b) The director, with the approval of the commissioner, shall
12 determine the land to be leased and the limitations, conditions and
13 terms of the lease. If the appraised value of the transaction is
14 \$5,000 [\$250] a year or less the director may negotiate a lease with-
15 out advertisement for a period not to exceed 10 [FIVE] years, and on
16 the limitations, conditions and terms that the director [WHICH HE]
17 considers are in the best interests of the state. A lease negotiated
18 under this subsection is not eligible for a preference under AS 38.-
19 05.102.

20 * Sec. 26. AS 38.05.070(c) is amended to read:

21 (c) A lease may be issued for a period up to 55 years, if it
22 appears to be in the best interests of the state. The commissioner
23 shall consider the useful life of any improvements proposed and ap-
24 proved under AS 38.05.075 in determining the term of the lease [AND IF
25 THE COMMISSIONER APPROVES]. If the commissioner determines that the
26 land or a part of it which is the subject of a grazing lease is not
27 being used for the purpose issued, the lease may be declared void.
28 [HOWEVER, A NONRENEWABLE LEASE FOR SCHOOL LANDS MAY BE ISSUED FOR A
29 PERIOD NOT TO EXCEED 99 YEARS.]

1 * Sec. 27. AS 38.05.075 is amended to read:

2 Sec. 38.05.075. LEASING PROCEDURES. Except as provided in
3 AS 38.05.087 and this section, leasing [THE LEASING] shall be made at
4 public auction to the highest qualified bidder as determined by the
5 commissioner [DIRECTOR]. An aggrieved bidder may appeal to the
6 commissioner within five days for a review of the [DIRECTOR'S]
7 determination. [WHEN A VALID EXISTING FEDERAL GRAZING LEASE IS CAN-
8 CANCELLED TO ALLOW STATE SELECTION OF THE AREA UNDER LEASE, THE LESSEE OF
9 THE LANDS HAS THE PREFERENCE RIGHT TO LEASE THE LANDS WITHOUT COMPETI-
10 TIVE BIDDING FOR A TERM EQUAL TO THAT ORIGINALLY GRANTED IN THE CAN-
11 CANCELLED FEDERAL LEASE AND UPON TERMS AS FAVORABLE TO THE LESSEE AS
12 THOSE CONTAINED IN THE CANCELLED FEDERAL LEASE.] The leasing shall
13 be conducted by the commissioner [DIRECTOR, OR HIS REPRESENTATIVE,]
14 and the successful bidder shall deposit at the auction the first
15 year's rental [,] or that portion of it that [WHICH] the commissioner
16 requires [,] in accordance with the [HIS] bid. The commissioner shall
17 require qualified bidders to deposit a sum equal to any survey or
18 appraisal costs reasonably incurred by another qualified bidder acting
19 in accordance with the regulations of the commissioner. If a bidder
20 making a deposit of survey or appraisal costs is determined by the
21 commissioner to be the highest qualified bidder under this subsection,
22 the deposit shall be paid to the unsuccessful bidder who incurred
23 those costs. Any survey or appraisal costs reasonably incurred by a
24 qualified bidder under the regulations of the commissioner or de-
25 posited under this subsection must be credited under the first and
26 then subsequent years' rentals. The commissioner [DIRECTOR OR HIS
27 REPRESENTATIVE] shall immediately issue a receipt containing a de-
28 scription of the land or interest leased, the price bid, [AND] terms
29 of the lease, and the amount of any credit for survey and appraisal

1 costs to the successful qualified bidder. If the [THE] receipt is not
2 [SHALL BE] acknowledged in writing by the bidder under this subsec-
3 tion, the commissioner may offer the land for lease again under this
4 subsection. A lease, on a form approved by the attorney general,
5 shall be signed by the successful bidder and [LESSEE AND, UPON AP-
6 PROVAL] by the commissioner within 30 days after the auction [, SHALL
7 BE SIGNED BY THE DIRECTOR].

8 * Sec. 28. AS 38.05.075 is amended by adding new subsections to read:

9 (b) When a valid existing federal grazing lease is cancelled to
10 allow state selection of the area under lease, the lessee of the land
11 has the preference right to lease the land without competitive bidding
12 for a term equal to that originally granted in the cancelled federal
13 lease and upon terms as favorable to the lessee as those contained in
14 the cancelled federal lease.

15 (c) The owner or lessee of land that fronts on tide or submerged
16 land of the state is entitled to acquire a lease for the tide and
17 submerged land without competitive bidding if the director determines
18 that

19 (1) the lease of the tide or submerged land is necessary to
20 facilitate water transportation of goods, services, or resources to or
21 from the owned or leased upland or for another water-dependent pur-
22 pose;

23 (2) the proposed use of the tide or submerged land is
24 compatible with the classification of the land and with any applicable
25 land use plan adopted under AS 38.04.065; and

26 (3) issuance of the lease to the tide or submerged land
27 will not interfere with prior existing rights to the leased land.

28 (d) If the commissioner issues a lease under (c) of this sec-
29 tion, the right of access to the tide and submerged land shall be

1 nonexclusive in the lessee unless the commissioner grants the lessee
2 the exclusive right to use the tide and submerged land.

3 (e) The commissioner may require prequalification of bidders for
4 a lease to be issued under AS 38.05.070. If the commissioner deter-
5 mines to require prequalification, the procedures established by this
6 section and the notice required to be given under AS 38.05.345 shall
7 be completed within 75 days of the receipt of the first lease applica-
8 tion unless the commissioner grants additional time for the completion
9 of the procedures. Within the 75-day period or the additional time
10 granted by the commissioner, the commissioner shall complete

11 (1) classification under AS 38.05.300,

12 (2) the procedures required by AS 38.05.035(e);

13 (3) any other action required by law for the disposal of
14 the lease to a bidder except survey, appraisal, and the auction.

15 (f) The commissioner may issue a lease without competitive
16 bidding at the approved, appraised market value of the land determined
17 under AS 38.05.310 if, after completion of the procedures required by
18 (e) of this section, the commissioner determines that there is only
19 one qualified bidder. The commissioner may establish terms and con-
20 ditions for entry to the land pending survey and appraisal of the
21 land. The commissioner shall issue the lease as soon as is practi-
22 cable following the survey and appraisal of the land subject to the
23 provisions of AS 38.05.035(e).

24 (g) Notice of an auction required under this section shall be
25 made by certified mail to all prequalified bidders.

26 (h) A person aggrieved by a decision of the commissioner under
27 this section may appeal to the commissioner within five days of the
28 prequalification decision. The decision of the commissioner under
29 this subsection or under AS 38.05.035(e) may be appealed to the

1 superior court.

2 * Sec. 29. AS 38.05.110 is amended to read:

3 Sec. 38.05.110. SALE OF TIMBER AND MATERIALS. The commissioner
4 [DIRECTOR] shall provide for cruises of timber and appraisals of other
5 materials in or upon state land and shall assess the supply of and
6 current markets for timber on and other materials in privately owned
7 land in close proximity to state land to determine [LANDS AND TRANSMIT
8 THIS DATA TO THE COMMISSIONER, TOGETHER WITH HIS RECOMMENDATIONS WITH
9 RESPECT TO]

10 (1) the timber and other materials that [WHICH] should be
11 offered for sale, and

12 (2) the terms of sale of the timber or other materials.

13 * Sec. 30. AS 38.05.115(a) is amended to read:

14 (a) The commissioner [, UPON RECOMMENDATION OF THE DIRECTOR,]
15 shall determine the timber and other materials to be sold, and the
16 limitations, conditions and terms of sale. The limitations, condi-
17 tions and terms shall include the utilization, development and mainte-
18 nance of the sustained yield principle, subject to preference among
19 other beneficial uses. The commissioner [DIRECTOR] may negotiate
20 sales of timber or materials without advertisement and on the limita-
21 tions, conditions, and terms that are considered to be [WHICH HE
22 CONSIDERS ARE] in the best interests of the state [, SUBJECT TO THE
23 APPROVAL OF THE COMMISSIONER]. However, not more than 500 M.B.M. or
24 equivalent other measure of timber or more than 25,000 cubic yards of
25 materials may be sold by nonadvertised, negotiated sale to the same
26 purchaser within a one-year period.

27 * Sec. 31. AS 38.05.11E(a) is amended to read:

28 (a) Notwithstanding any other provision of AS 38.05.110 - 38.-
29 05.120, the commissioner [DIRECTOR, WITH THE APPROVAL OF THE

1 COMMISSIONER,] may negotiate a sale of timber to a local manufacturer
2 at appraised value. The period of a contract for a sale of timber
3 negotiated under this section may not exceed 25 years. The contract
4 shall provide that the appraised value of timber remaining to be
5 harvested under the provisions of the contract shall be redetermined
6 at least once every five years.

7 * Sec. 32. AS 38.05.118(c) is amended to read:

8 (c) A [NO] sale of timber may not be negotiated by the commis-
9 sioner [DIRECTOR] under this section except on a finding [UNLESS HE
10 FIRST FINDS] that, within an area proximate to the business site which
11 the manufacturer may economically serve, there exists

- 12 (1) a high level of local unemployment;
- 13 (2) an underutilized timber manufacturing capacity; and
- 14 (3) an underutilized allowable cut of state timber.

15 * Sec. 33. AS 38.05.120 is amended to read:

16 Sec. 38.05.120. DISPOSAL PROCEDURE. Timber and other materials
17 shall be sold either by sealed bids or public auction, depending on
18 which method is determined by the commissioner to be in the best
19 interests of the state, to the highest qualified bidder as determined
20 by the commissioner [DIRECTOR]. An aggrieved bidder may appeal to the
21 commissioner within five days after the sale for a review of the
22 [DIRECTOR'S] determination. The sale shall be conducted by the com-
23 missioner [DIRECTOR OR HIS REPRESENTATIVE], and at the time of sale
24 the successful bidder shall deposit the amount specified in the terms
25 of sale. The means by which the amount of deposit is determined shall
26 be prescribed by appropriate regulation. The commissioner [DIRECTOR
27 OR HIS REPRESENTATIVE] shall immediately issue a receipt containing a
28 description of the timber or materials purchased, the price bid, and
29 the terms of sale. The receipt shall be acknowledged in writing by

1 the bidder. A contract of sale, on a form approved by the attorney
2 general, shall be signed by the purchaser and [, FOLLOWING THE AP-
3 PROVAL OF THE COMMISSIONER,] the contract shall be signed by the
4 commissioner [DIRECTOR] on behalf of the state. The commissioner
5 [DIRECTOR, WITH THE APPROVAL OF THE COMMISSIONER,] may impose condi-
6 tions, limitations, and terms considered [WHICH HE CONSIDERS] neces-
7 sary and proper to protect the interests of the state. Violation of
8 any provision of this chapter or the terms of the contract of sale
9 subjects the purchaser to appropriate legal action.

10 * Sec. 34. AS 38.05.125 is amended by adding new subsections to read:

11 (b) The provisions of (a) of this section do not apply to a
12 quitclaim of land or an interest in land made under AS 38.05.035-
13 (b)(9).

14 (c) Notwithstanding (a) of this section, the transfer of owner-
15 ship and management of University of Alaska trust land from the
16 Department of Natural Resources to the Board of Regents of the
17 University of Alaska under ch. 22, SLA 1983 includes the mineral
18 estate of the state in the land.

19 * Sec. 35. AS 38.05.127(a) is amended to read:

20 (a) Before the sale, lease, grant, or other disposal of any
21 interest in state land adjacent to a body of water or waterway, the
22 commissioner [DEPARTMENT OF NATURAL RESOURCES] shall,

23 (1) under regulations, determine if the body of water or
24 waterway is navigable water, public water, or neither;

25 (2) upon finding that the body of water or waterway is
26 navigable or public water, provide for the specific easements, [OR]
27 rights-of-way, or retention of land in state ownership [BOTH], rea-
28 sonably necessary to ensure [INSURE] free access to and along the body
29 of water, unless the commissioner [DEPARTMENT] finds that regulating

1 or limiting access is necessary for other beneficial uses or public
2 purposes.

3 * Sec. 36. AS 38.05.127 is amended by adding a new subsection to read:

4 (e) The establishment of easements or rights-of-way for oil and
5 gas and mineral leases under (a) of this section need not be made
6 until the leases are ready to be developed.

7 * Sec. 37. AS 38.05.205(c) is amended to read:

8 (c) A mining lease shall be for any period up to 55 years, and
9 the lessee has a right to a new lease at the end of each lease period.
10 The commissioner may make reasonable adjustments of the rental rate at
11 the end of each 20 year period, based upon changed conditions in
12 production costs and markets. A valid mining claim located and held
13 under AS 38.05.195 may be converted to a lease at any time upon appli-
14 cation by the owner, and issuance by the commissioner [DIRECTOR]. No
15 rights granted by a mining lease may be exercised until the lease has
16 been filed for record in the recording district where the land is
17 located.

18 * Sec. 38. AS 38.05.300(a) is amended to read:

19 (a) The commissioner shall classify for surface use land [LANDS]
20 in areas considered [WHERE HE CONSIDERS IT] necessary and proper.
21 This section does not prevent reclassification of land [LANDS] where
22 the public interest warrants reclassification, nor does it preclude
23 multiple purpose use of land [LANDS] whenever different uses are
24 compatible. State [NO STATE] land, water, or land and water area may
25 not, [SHALL] except by act of the state legislature, be closed to
26 multiple purpose use [,] if the area involved contains more than 640
27 acres.

28 * Sec. 39. AS 38.05.310(a) is amended to read:

29 (a) No land may be sold or leased, or a renewal lease issued,

1 except in the case of an oil or gas or mineral lease, unless it has
2 been appraised within one year [120 DAYS] before the date fixed for
3 the sale or lease. When land is offered at public sale but is not
4 sold and is available at private sale, no reappraisal is required
5 unless the director considers that a change in value of the land
6 [LANDS] may have occurred. A grazing lease may be granted to a lessee
7 of federal grazing land [LANDS] without prior appraisal, if the [HIS]
8 federal lease was cancelled to allow the state to select the land
9 [LANDS] under lease. No land may be sold or leased for less than the
10 approved, appraised market value, except as provided in AS 38.05.055,
11 38.05.057, 38.05.075 - 38.05.085, 38.05.097, 38.05.315, and 38.05.320.

12 * Sec. 40. AS 38.05.315(d) is amended to read:

13 (d) The director may lease the land to an eligible applicant at
14 a reasonable annual rental, taking into consideration the purposes for
15 which the land is to be used and the financial resources of the appli-
16 cant. The rental may not be less than one percent of the fair market
17 value on land [LANDS] acquired primarily for development, or less than
18 five percent of the fair market value on [UNIVERSITY OR] acquired land
19 [LANDS]. Rent may not be charged for state land leased for a youth
20 encampment. For the purposes of this subsection, "youth encampment"
21 shall be defined by the commissioner by regulation. Renewal leases
22 may be issued at the discretion of the director upon the expiration of
23 a primary or renewal term. Each lease shall contain a provision for
24 its termination as to all or part of the land [LANDS] upon a finding
25 by the director that the land or a part of it has not been used by the
26 lessee for the purpose specified in the lease for a period of two
27 years. No lease may be assigned or subleased except with the consent
28 of the director, and in any case may only be transferred to an appli-
29 cant eligible under (b) - (d) of this section. A lessee may not

1 change the use specified in the lease to another or additional use
2 except with the consent of the director. If, at any time after the
3 land is leased, the lessee attempts to assign the lease or transfer
4 control over the land to another, or if the land is devoted to a use
5 other than that for which the land was leased without the consent of
6 the director, the lease automatically terminates.

7 * Sec. 41. AS 38.05.321(c) is amended to read:

8 (c) The provisions of this section do not apply

9 (1) to state land classified as agricultural land that
10 [WHICH] has been selected by a municipality under the provisions of
11 AS 29.18.190 - 29.18.200 if the selection is an approved selection
12 before April 1, 1978 and is otherwise valid under AS 29.18.205(b); or

13 (2) a quitclaim of the interest of the state to the federal
14 government under AS 38.05.035(b)(9).

15 * Sec. 42. AS 38.05.345(a) is amended to read:

16 (a) This section establishes the requirements for notice given
17 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(e) [AS 38.05.035(a)(14)]
23 regarding the sale, lease, or disposal of an interest in state land or
24 resources; and

25 (4) a competitive disposal of an interest in state land or
26 resources after final decision under AS 38.05.035(e) [AS 38.05.035-
27 (a)(14)].

28 * Sec. 43. AS 38.05.345(b) is amended to read:

29 (b) Notice of one or more actions described in (a) of this

1 section shall be given by more than one of the following methods at
2 least 30 days before the action: [BY] (1) publication in newspapers of
3 statewide circulation and in a newspaper of general circulation in the
4 vicinity of the proposed action, (2) publication through public ser-
5 vice announcements on the electronic media serving the area affected
6 by the action, (3) posting in a conspicuous location in the vicinity
7 of the action, (4) notification of parties known or likely to be
8 affected by the action, or (5) another method calculated to reach
9 affected persons. A notice shall contain sufficient information in
10 commonly understood terms to inform the public of the nature of the
11 action and the opportunity of the public to comment on the action.

12 * Sec. 44. AS 38.05.345(d) is amended to read:

13 (d) Notice is not required under this section for [FOR PURPOSES
14 OF THIS SECTION AN "INTEREST IN STATE LAND OR RESOURCES" DOES NOT
15 INCLUDE]

16 (1) a permit or other authorization revocable by the de-
17 partment; or

18 (2) negotiated sales of timber not exceeding 500,000 board
19 feet or materials not exceeding 25,000 cubic yards under AS 38.05.115.

20 * Sec. 45. AS 38.05.365 is amended to read:

21 Sec. 38.05.365. DEFINITIONS. In this chapter, unless the con-
22 text otherwise requires,

23 (1) "acquired land [LANDS]" means land [LANDS] belonging to
24 the state including tide, submerged and shoreland [SHORELANDS] which
25 has [HAVE] been obtained by escheat, purchase, or any means other than
26 by general land grant;

27 (2) "agricultural land [LANDS]" means land [LANDS] chiefly
28 valuable for agricultural purposes;

29 (3) "commissioner" means the commissioner [OF THE

1 DEPARTMENT] of natural resources;

2 (4) "department" means the Department of Natural Resources;

3 (5) "director" means the director of the division of lands
4 of the Department of Natural Resources;

5 (6) "industrial and commercial land [LANDS]" means land
6 [LANDS] chiefly valuable for industrial trade, manufacturing or busi-
7 ness use;

8 (7) "lieu and indemnity land [LANDS]" means land [LANDS]
9 which the state is entitled to select under the provisions of 38 Stat.
10 1214, as amended (48 USC 353) or a similar statute to compensate for
11 land [LANDS] in place of surveyed rectangulars, which have been lost
12 to the state by reason of deficient sections, prior rights, claims.
13 withdrawals, reservations and other appropriations;

14 [(8) repealed.]

15 (8) [(9)] "mineral land [LANDS]" means land [LANDS] pro-
16 spectively valuable for mineral deposits;

17 (9) "multiple use" has the meaning given in AS 38.04.910;

18 (10) "park and recreation land [LANDS]" means land [LANDS]
19 chiefly valuable for public park and recreation use;

20 (11) "preference right forest lease" means a lease granted
21 to a lessee whose United States Forest Service term special use permit
22 was cancelled to allow the land under permit to be selected by the
23 state;

24 (12) "preference right grazing lease" means a grazing lease
25 granted to a lessee whose federal grazing lease was cancelled to allow
26 the land under lease to be selected by the state;

27 (13) "rule of approximation" is the rule which is applied in
28 determining whether or not a lease complies with the area limits set
29 forth in this chapter and regulations adopted under it and in keeping

1 the boundaries of leased land [LANDS] coincidental with legal subdivi-
2 sions; under the rule, if the area covered by a lease in excess of the
3 permitted maximum is smaller than the area of any deficiency that
4 would result by eliminating from the lease the smallest legal subdivi-
5 sion covered by the lease or application for lease, the excess area
6 will be permitted to remain in the lease; if the excess area is
7 greater than the deficient area would be, then the smallest legal
8 subdivision will be eliminated from the lease;

9 [(14) repealed.]

10 (14) "shoreland" [(15) "SHORELANDS"] means land [LANDS]
11 belonging to the state which is [ARE] covered by nontidal water
12 [WATERS] that is [ARE] navigable under the laws of the United States
13 up to ordinary high water mark as modified by accretion, erosion, or
14 reliction;

15 (15) [(16)] "state land [LANDS]" or "land" ["LANDS"] means
16 all land [LANDS], including shore, tide and submerged land [LANDS], or
17 resources belonging to or acquired by the state;

18 (16) [(17)] "submerged land [LANDS]" means land [LANDS]
19 covered by tidal water [WATERS] between the line of mean low water and
20 seaward to a distance of three geographical miles or further as may
21 hereafter be properly claimed by the state;

22 (17) "tideland" [(18) "TIDELANDS"] means land [THOSE LANDS]
23 which is [ARE] periodically covered by tidal water [WATERS] between
24 the elevation of mean high and mean low tides;

25 (18) [(19)] "timber land [LANDS]" and "material land
26 [LANDS]" mean state land [LANDS] chiefly valuable for materials,
27 including, but not limited to, sand, stone, gravel, pumice, common
28 clay, or timber and other forest products;

29 (19) [(20)] "university land [LANDS]"

1 (A) means

2 (i) all sections 33 reserved to the university
3 under 38 Stat. 1214, as amended; [(48 USC 353) AND]

4 (ii) all land [LANDS] granted to or reserved for
5 the benefit of the university that retains its designation as
6 university land;

7 (iii) all other land owned in fee by the University
8 of Alaska including land transferred in fee to the Board of
9 Regents of the University of Alaska to replace land formerly
10 designated as university land;

11 (B) does not include former university land that has
12 been conveyed to the Department of Natural Resources under the
13 settlement approved by the legislature in ch. 41, SLA 1983;

14 (20) [(21)] "grazing land [LANDS]" means land [LANDS] chief-
15 ly valuable for grazing purposes; [.]

16 (21) [(22)] "navigable water [WATEPS]" means any water of
17 the state forming a river, stream, lake, pond, slough, creek, bay,
18 sound, estuary, inlet, strait, passage, canal, sea or ocean, or any
19 other body of water or waterway within the territorial limits of the
20 state or subject to its jurisdiction, that is navigable in fact for
21 any useful public purpose, including but not limited to water suitable
22 for commercial navigation, floating of logs, landing and takeoff of
23 aircraft, and public boating, trapping, hunting waterfowl and aquatic
24 animals, fishing, or other public recreational purposes;

25 (22) [(23)] "public water [WATERS]" means navigable water
26 and all other water, whether inland or coastal, fresh or salt, that is
27 reasonably suitable for public use and utility, habitat for fish and
28 wildlife in which there is a public interest, or migration and spawn-
29 ing of fish in which there is a public interest; [.]

1 (23) [(24)] "geothermal resources" means the natural heat of
2 the earth at temperatures greater than 120 degrees Celsius, measured
3 at the point where the highest-temperature resources encountered enter
4 or contact a well or other resource extraction device, and includes

5 (A) the energy, including pressure, in whatever form
6 present in, resulting from, created by, or that may be extracted
7 from that natural heat;

8 (B) the material medium, including the geothermal
9 fluid naturally present, as well as substances artificially
10 introduced to serve as a heat transfer medium; and

11 (C) all dissolved or entrained minerals and gases that
12 may be obtained from the material medium, but excluding hydrocar-
13 bon substances and helium.

14 * Sec. 46. AS 38.05 is amended by adding a new section to read:

15 Sec. 38.05.940. VETERANS' LAND DISCOUNT. (a) An eligible
16 veteran is entitled to a discount of 25 percent on the purchase price
17 of state land sold under this title and classified under AS 38.05.-
18 005 - 38.05.270 for settlement purposes.

19 (b) To be eligible for a discount under this section, a veteran
20 shall submit proof, as required by regulation, that the veteran

21 (1) is 18 years of age or older on the date of sale;

22 (2) has been a state resident for a period of not less than
23 one year immediately preceding the date of sale;

24 (3) has performed not less than 90 days of active service
25 in the armed forces of the United States; and

26 (4) has received an honorable discharge or a general dis-
27 charge under honorable conditions.

28 (c) A veteran is entitled to only one discount under this sec-
29 tion during the veteran's lifetime.

1 (d) A discount under this section may be applied only to the
2 acquisition of surface rights to state land. A discount under this
3 section may not be applied to survey costs, road development costs,
4 utility assessments, or other costs that the commissioner determines
5 are reimbursable to the state.

6 (e) A discount under this section may be used toward the pur-
7 chase of land offered at a restricted sale under AS 38.05.067.

8 * Sec. 47. AS 38.07.030(c) is amended to read:

9 (c) The cost of clearing land leased from the state, including
10 but not limited to school [, UNIVERSITY,] and mental health land,
11 shall be borne by the state. The lessee shall repay the cost over a
12 10-year period at five percent interest.

13 * Sec. 48. AS 38.08.060 is amended by adding a new subsection to read:

14 (e) A permit holder who meets each of the provisions of (a) of
15 this section except for (a)(1) and who tenders the commissioner an
16 amount equal to five percent of the purchase price of the land within
17 seven years of the issuance of the permit may purchase the land under
18 AS 38.05.065. The purchase price of the land is the fair market value
19 of the land at the time of purchase.

20 * Sec. 49. AS 38.09.010(b) is amended to read:

21 (b) The commissioner shall complete a cadastral survey of home-
22 stead entry state land under AS 38.04.045 before designating the state
23 land for homestead entry but the commissioner may waive the cadastral
24 survey on a determination that topographic features, diffuse settle-
25 ment, or the public interest do not justify or require the cadastral
26 survey. [NO PORTION OF LAND MADE AVAILABLE FOR HOMESTEAD ENTRY MAY BE
27 LOCATED MORE THAN A MILE FROM A SURVEY CONTROL MONUMENT.]

28 * Sec. 50. AS 38.09.090 is amended by adding a new subsection to read:

29 (b) An applicant who complies with AS 38.09.050(a)(2) - (5) and

1 who tenders the commissioner an amount equal to five percent of the
2 present fair market value of the land within five years of the issu-
3 ance of the permit may purchase the land under AS 38.05.065 [IF THE
4 COMMISSIONER DETERMINES THAT THE APPLICANT HAS MADE A GOOD FAITH
5 EFFORT TO MEET THE OCCUPANCY REQUIREMENTS]. The purchase price is the
6 fair market value of the land at the time of the purchase.

7 * Sec. 51. AS 38.20.010 is amended to read:

8 Sec. 38.20.010. ADOPTION. The systems [SYSTEM] of rectangular
9 plane coordinates established by the National Geodetic Survey, Nation-
10 al Ocean Service [UNITED STATES COAST AND GEODETIC SURVEY] for defin-
11 ing and stating the positions or locations of points on the surface of
12 the earth in this state are [IS] adopted. The systems are [IT IS] to
13 be known as the "Alaska Coordinate System of 1927" and the "Alaska
14 Coordinate System of 1983."

15 * Sec. 52. AS 38.20.030 is amended to read:

16 Sec. 38.20.030. DESIGNATION OF ZONES. In any land description
17 in which a coordinate system [IT] is used a zone of the coordinate
18 system is designated the "Alaska Coordinate System of 1927, Zone
19 " or the "Alaska Coordinate System of 1983, Zone"

20 * Sec. 53. AS 38.20.040 is amended to read:

21 Sec. 38.20.040. USE OF COORDINATE SYSTEM. The plane coordinates
22 of a point on the earth's surface, to be used in expressing the posi-
23 tion or location of the point in the appropriate zone of this system,
24 consist of two distances, expressed in feet and decimals of a foot
25 when using the Alaska Coordinate System of 1927 and expressed in
26 meters and decimals of a meter when using the Alaska Coordinate System
27 of 1983. One of these distances, known as the "x-coordinate," gives
28 the position in an east-and-west direction; the other known as the
29 "y-coordinate" gives the position in a north-and-south direction.

1 These coordinates shall be made to depend upon and conform to the
2 coordinates of the North American Horizontal Geodetic Control Network
3 as determined by the National Geodetic Survey, National Ocean Service
4 [, ON THE ALASKA COORDINATE SYSTEM, OF THE TRIANGULATION AND TRAVERSE
5 STATIONS OF THE UNITED STATES COAST AND GEODETIC SURVEY IN THE STATE,
6 AS THOSE COORDINATES HAVE BEEN DETERMINED BY THE SURVEY].

7 * Sec. 54. AS 38.20.060 is amended to read:

8 Sec. 38.20.060. CHARACTERISTICS OF ZONES. The zones of the
9 Alaska Coordinate System of 1927 have the following characteristics:

10 (1) Zone 1 is an oblique Mercator projection of the Clarke
11 spheroid of 1866, having an origin at the intersection of parallel 57°
12 00 minutes [MINUTE] north latitude and meridian 133° 40 minutes [MI-
13 NUTE] west of Greenwich, at which the scale is set one part in 10,000
14 too small, and through which the axis of symmetry is in geodetic
15 azimuth arc tangent-3/4, reckoned clockwise from south. The origin is
16 assigned values such that all final coordinates will be positive.

17 (2) Zone 2 is a transverse Mercator projection of the
18 Clarke spheroid of 1866, having a central meridian 142° 00 minutes
19 [MINUTE] west of Greenwich, on which meridian the scale is set one
20 part in 10,000 too small. The origin of coordinates is at the inter-
21 section of the meridian 142° 00 minutes [MINUTE] west of Greenwich and
22 the parallel of 54° 00 minutes [MINUTE] north latitude. This origin
23 is given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

24 (3) Zone 3 is a transverse Mercator projection of the
25 Clarke spheroid of 1866, having a central meridian 146° 00 minutes
26 [MINUTE] west of Greenwich, on which meridian the scale is set at one
27 part in 10,000 too small. The origin of coordinates is at the inter-
28 section of the meridian 146° 00 minutes [MINUTE] west of Greenwich and
29 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is

1 given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

2 (4) Zone 4 is a transverse Mercator projection of the
3 Clarke spheroid of 1866, having a central meridian $150^{\circ} 00$ minutes
4 [MINUTE] west of Greenwich, on which meridian the scale is set at one
5 part in 10,000 too small. The origin of coordinates is at the inter-
6 section of the meridian $150^{\circ} 00$ minutes [MINUTE] west of Greenwich and
7 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
8 given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

9 (5) Zone 5 is a transverse Mercator projection of the
10 Clarke spheroid of 1866, having a central meridian $154^{\circ} 00$ minutes
11 [MINUTE] west of Greenwich, on which meridian the scale is set at one
12 part in 10,000 too small. The origin of coordinates is at the inter-
13 section of the meridian $154^{\circ} 00$ minutes [MINUTE] west of Greenwich and
14 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
15 given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

16 (6) Zone 6 is a transverse Mercator projection of the
17 Clarke spheroid of 1866, having a central meridian $158^{\circ} 00$ minutes
18 [MINUTE] west of Greenwich, on which meridian the scale is set at one
19 part in 10,000 too small. The origin of coordinates is at the inter-
20 section of the meridian $158^{\circ} 00$ minutes [MINUTE] west of Greenwich and
21 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
22 given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

23 (7) Zone 7 is a transverse Mercator projection of the
24 Clarke spheroid of 1866, having a central meridian $162^{\circ} 00$ minutes
25 [MINUTE] west of Greenwich, on which meridian the scale is set at one
26 part in 10,000 too small. The origin of coordinates is at the inter-
27 section of the meridian $162^{\circ} 00$ minutes [MINUTE] west of Greenwich and
28 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
29 given the coordinates: $x = 700,000$ feet and $y = 0$ feet.

1 (8) Zone 8 is a transverse Mercator projection of the
2 Clarke spheroid of 1866, having a central meridian $166^{\circ} 00$ minutes
3 [MINUTE] west of Greenwich, on which meridian the scale is set at one
4 part in 10,000 too small. The origin of coordinates is at the inter-
5 section of the meridian 166° west of Greenwich and the parallel $54^{\circ} 00$
6 minutes [MINUTE] north latitude. This origin is given the coordi-
7 nates: $x = 500,000$ feet and $y = 0$ feet.

8 (9) Zone 9 is a transverse Mercator projection of the
9 Clarke spheroid of 1866, having a central meridian $170^{\circ} 00$ minutes
10 [MINUTE] west of Greenwich, on which meridian the scale is set at one
11 part in 10,000 too small. The origin of coordinates is at the inter-
12 section of the meridian $170^{\circ} 00$ minutes [MINUTE] west of Greenwich and
13 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
14 given the coordinates: $x = 600,000$ feet and $y = 0$ feet.

15 (10) Zone 10 is a Lambert conformal conic projection of the
16 Clarke spheroid of 1866, having standard parallels at north latitude
17 $51^{\circ} 50$ minutes [MINUTE] as and $53^{\circ} 50$ minutes, along which parallels
18 the scale shall be exact. The origin of coordinates is at the inter-
19 section of the meridian $176^{\circ} 00$ minutes [MINUTE] west of Greenwich and
20 the parallel $51^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
21 given the coordinates: $x = 3,000,000$ feet and $y = 0$ feet.

22 * Sec. 55. AS 38.20.060 is amended by adding a new subsection to read:

23 (b) The zones of the Alaska Coordinate System of 1983 have the
24 following characteristics:

25 (1) Zone 1 is an oblique Mercator projection of the World
26 Reference Ellipsoid, having an origin at the intersection of parallel
27 $57^{\circ} 00$ minutes north latitude and meridian $133^{\circ} 40$ minutes west of
28 Greenwich, at which the scale is set one part in 10,000 too small, and
29 through which the axis of symmetry is in geodetic azimuth arc

1 tangent-3/4, reckoned clockwise from south. The origin is assigned
2 values such that all final coordinates will be positive.

3 (2) Zone 2 is a transverse Mercator projection of the World
4 Reference Ellipsoid, having a central meridian 142° 00 minutes west of
5 Greenwich, on which meridian the scale is set one part in 10,000 too
6 small. The origin of coordinates is at the intersection of the meri-
7 dian 142° 00 minutes west of Greenwich and the parallel of 54° 00
8 minutes north latitude. This origin is given the coordinates: x =
9 500,000 meters and y = 0 meters.

10 (3) Zone 3 is a transverse Mercator projection of the World
11 Reference Ellipsoid, having a central meridian 146° 00 minutes west of
12 Greenwich, on which meridian the scale is set at one part in 10,000
13 too small. The origin of coordinates is at the intersection of the
14 meridian 146° 00 minutes west of Greenwich and the parallel 54' 00
15 minutes north latitude. This origin is given the coordinates: x =
16 500,000 meters and y = 0 meters.

17 (4) Zone 4 is a transverse Mercator projection of the World
18 Reference Ellipsoid, having a central meridian 150° 00 minutes west of
19 Greenwich, on which meridian the scale is set at one part in 10,000
20 too small. The origin of coordinates is at the intersection of the
21 meridian 150° 00 minutes west of Greenwich and the parallel 54° 00
22 minutes north latitude. This origin is given the coordinates: x =
23 500,000 meters and y = 0 meters.

24 (5) Zone 5 is a transverse Mercator projection of the World
25 Reference Ellipsoid, having a central meridian 154° 00 minutes west of
26 Greenwich, on which meridian the scale is set at one part in 10,000
27 too small. The origin of coordinates is at the intersection of the
28 meridian 154° 00 minutes west of Greenwich and the parallel 54° 00
29 minutes north latitude. This origin is given the coordinates: x =

1 500,000 meters and $y = 0$ meters.

2 (6) Zone 6 is a transverse Mercator projection of the World
3 Reference Ellipsoid, having a central meridian $158^{\circ} 00$ minutes west of
4 Greenwich, on which meridian the scale is set at one part in 10,000
5 too small. The origin of coordinates is at the intersection of the
6 meridian $158^{\circ} 00$ minutes west of Greenwich and the parallel $54^{\circ} 00$
7 minutes north latitude. This origin is given the coordinates: $x =$
8 500,000 meters and $y = 0$ meters.

9 (7) Zone 7 is a transverse Mercator projection of the World
10 Reference Ellipsoid, having a central meridian $162^{\circ} 00$ minutes west of
11 Greenwich, on which meridian the scale is set at one part in 10,000
12 too small. The origin of coordinates is at the intersection of the
13 meridian $162^{\circ} 00$ minutes west of Greenwich and the parallel $54^{\circ} 00$
14 minutes north latitude. This origin is given the coordinates: $x =$
15 500,000 meters and $y = 0$ meters.

16 (8) Zone 8 is a transverse Mercator projection of the World
17 Reference Ellipsoid, having a central meridian $166^{\circ} 00$ minutes west of
18 Greenwich, on which meridian the scale is set at one part in 10,000
19 too small. The origin of coordinates is at the intersection of the
20 meridian 166° west of Greenwich and the parallel $54^{\circ} 00$ minutes north
21 latitude. This origin is given the coordinates: $x = 500,000$ meters
22 and $y = 0$ meters.

23 (9) Zone 9 is a transverse Mercator projection of the World
24 Reference Ellipsoid, having a central meridian $170^{\circ} 00$ minutes west of
25 Greenwich, on which meridian the scale is set at one part in 10,000
26 too small. The origin of coordinates is at the intersection of the
27 meridian $170^{\circ} 00$ minutes west of Greenwich and the parallel $54^{\circ} 00$
28 minutes north latitude. This origin is given the coordinates: $x =$
29 500,000 meters and $y = 0$ meters.

1 (10) Zone 10 is a Lambert conformal conic projection of the
2 World Reference Ellipsoid, having standard parallels at north latitude
3 51° 50 minutes as and 53° 50 minutes, along which parallels the scale
4 shall be exact. The origin of coordinates is at the intersection of
5 the meridian 176° 00 minutes west of Greenwich and the parallel 51° 00
6 minutes north latitude. This origin is given the coordinates: x =
7 1,000,000 meters and y = 0 meters.

8 * Sec. 56. AS 38.20.070 is amended to read:

9 Sec. 38.20.070. POSITION OF SYSTEM. The position of the Alaska
10 Coordinate System of 1927 shall be as marked on the ground by triangu-
11 lation or traverse stations established in conformity with the stan-
12 dards adopted by the National Geodetic Survey, National Ocean Service
13 [UNITED STATES COAST AND GEODETIC SURVEY FOR FIRST-ORDER, SECOND
14 -ORDER, AND THIRD-ORDER WORK,] whose geodetic positions have been
15 rigidly adjusted on the North American datum of 1927 and whose coordi-
16 nates have been computed on the system defined in this chapter. [ANY
17 SUCH STATION MAY BE USED FOR ESTABLISHING A SURVEY CONNECTION WITH THE
18 ALASKA COORDINATE SYSTEM.]

19 * Sec. 57. AS 38.20.070 is amended by adding a new subsection to read:

20 (b) The position of the Alaska Coordinate System of 1983 shall
21 be as marked on the ground by triangulation or traverse stations
22 established in conformity with the standards adopted by the National
23 Geodetic Survey, National Ocean Service whose geodetic positions have
24 been rigidly adjusted on the North American datum of 1983 and whose
25 plane coordinates have been computed on the system defined in this
26 chapter.

27 * Sec. 58. AS 38.20.080 is amended to read:

28 Sec. 38.20.080. LIMITATION. Coordinates [NO COORDINATES] based
29 on the Alaska Coordinate System, purporting to define the position of

1 a point on a land boundary, may not [SHALL] be presented to be record-
2 ed in any public land records or deed records unless the point is
3 within two miles of a horizontal control [TRIANGULATION OR TRAVERSE]
4 station established in conformity with National Geodetic Survey,
5 National Ocean Service standards and specifications for first-order,
6 second-order, or third-order work [THE STANDARDS PRESCRIBED IN AS 38.-
7 20.070]. The two-mile limitation may be modified by a state agency to
8 meet local conditions.

9 * Sec. 59. AS 38.20.090 is amended to read:

10 Sec. 38.20.090. USE OF SYSTEM NAME. The use of the term "Alaska
11 Coordinate System of 1927" on a map, report of survey, or other docu-
12 ment is limited to coordinates based on the Alaska Coordinate System
13 of 1927 as defined in this chapter.

14 * Sec. 60. AS 38.20.090 is amended by adding a new subsection to read:

15 (b) The use of the term "Alaska Coordinate System of 1983" on a
16 map, report of survey, or other document is limited to coordinates
17 based on the Alaska Coordinate System of 1983 as defined in this
18 chapter.

19 * Sec. 61. AS 38.20.100 is amended to read:

20 Sec. 38.20.100. USE OF PUBLIC LAND SURVEY DESCRIPTIONS. When
21 coordinates based on the Alaska Coordinate System of 1927 or the
22 Alaska Coordinate System of 1983 are used to describe a tract of land
23 which in the same document is also described by reference to a sub-
24 division, line, or corner of the United States public land surveys,
25 the description by coordinates shall be construed as supplemental to
26 the basic description of the subdivisions, line, or corner contained
27 in the official plats and field notes filed of record, and in the
28 event of a conflict the description by reference to the subdivision,
29 line, or corner of the United States public land surveys prevails over

1 the description by coordinates.

2 * Sec. 62. AS 38.20.110 is amended to read:

3 Sec. 38.20.110. USE OF SYSTEM NOT REQUIRED. Nothing in this
4 chapter requires a purchaser or mortgagee to rely on a description,
5 any part of which depends exclusively upon the Alaska Coordinate
6 System of 1927 or the Alaska Coordinate System of 1983.

7 * Sec. 63. AS 38.35.140(b) is amended to read:

8 (b) The lessee shall reimburse the state for all reasonable
9 costs incurred in processing an application filed under AS 38.35.050
10 and in monitoring the construction, operation, maintenance, and re-
11 moval of the pipeline on the right-of-way.

12 * Sec. 64. AS 38.50.020(b) is amended to read:

13 (b) An appraisal required by this section is presumed accurate
14 and valid for a period of one year [SIX MONTHS] from the time the
15 appraisal is completed. After that time, or if the director has
16 reason to believe that the value of the appraised property has changed
17 significantly during the original one year [SIX-MONTH] period, a
18 reappraisal of the property is required.

19 * Sec. 65. AS 38.50.040 is amended to read:

20 Sec. 38.50.040. LAND SUBJECT TO EXCHANGE. Except as otherwise
21 provided in this chapter, the director is authorized to convey for
22 purposes of exchange any state land or interest in land regardless of
23 the authority under which the land or interest was obtained by the
24 state. [THE CONVEYANCE OF UNIVERSITY LAND SHALL BE APPROVED IN THE
25 MANNER PRESCRIBED IN AS 38.05.030.]

26 * Sec. 66. AS 38.50.090(b) is amended to read:

27 (b) The director shall be afforded an opportunity to review and
28 comment on any land exchange proposed by a state agency other than the
29 Department of Natural Resources and the University of Alaska.

1 * Sec. 67. AS 38.50.110(a) is amended to read:

2 (a) Not more than 60 days nor less than 30 days before a public
3 hearing is scheduled under AS 38.50.120 the director shall circulate a
4 notice containing the information specified in (b) of this section
5 except as provided in (c) of this section. The director shall

6 (1) publish or post the notice as provided in AS 38.05.345,
7 except as otherwise specified in this section; the [. THE] director
8 shall publish the notice in a newspaper of general circulation in the
9 vicinity of the land which the state will receive and in the three
10 most populated cities of the state;

11 (2) mail the notice to any person who has filed a request
12 for notice of proposed exchanges;

13 (3) mail the notice to each member of the legislature;

14 (4) mail the notice to each municipality the boundaries of
15 which encompass or are located within six linear miles of land in-
16 volved in the proposed exchange;

17 (5) circulate the notice to the Office of the Governor and
18 to all state departments;

19 [(6) Repealed]

20 (6) [(7)] mail the notice to any corporation organized
21 under the Alaska Native Claims Settlement Act, which corporation owns
22 or has selected land located within a radius of 15 linear miles from
23 land or property involved in the proposed exchange; and

24 (7) [(8)] mail the notice to any other party, including an
25 organization of land users, that the director [HE] considers appropri-
26 ate.

27 * Sec. 68. AS 38.50.110 is amended by adding a new subsection to read:

28 (c) The director shall provide the information required under
29 (b) of this section under AS 38.05.345(b) and (c) for exchanges of

- 1 (1) less than 640 acres of state land; or
2 (2) state land having an appraised or estimated fair market
3 value of less than \$100,000.

4 * Sec. 69. AS 38.50.120(a) is amended to read:

5 (a) The commissioner [DIRECTOR] may hold as many public hearings
6 as is considered appropriate. For an exchange of more than 640 acres
7 of state land or state land having an appraised or estimated fair
8 market value of more than \$100,000, there [THERE] shall be at least
9 one public hearing.

10 * Sec. 70. AS 38.50.140 is amended to read:

11 Sec. 38.50.140. LEGISLATIVE REVIEW. Within 10 days of the
12 convening of a regular legislative session, the governor shall trans-
13 mit to the president of the senate and the speaker of the house of
14 representatives any proposal for a land exchange required to be sub-
15 mitted to the legislature under AS 38.50.020(a) that [FOR OTHER THAN
16 EQUAL APPRAISED FAIR MARKET VALUE WHICH] is scheduled to occur before
17 the next legislative session. If [, IN HIS VIEW,] exigent circum-
18 stances seriously affecting state interests so require, the governor
19 may submit the proposed exchange to the legislature at some other
20 time. A finding of exigent circumstances shall be carefully document-
21 ed in the letter of transmittal. The director is authorized to con-
22 clude a proposed exchange agreement unless either house of the legis-
23 lature by simple resolution disapproves of the exchange within 60
24 legislative days of transmittal by the governor. A decision by the
25 legislature to disapprove a proposed exchange shall be accompanied by
26 a recommendation to the governor with respect to future actions which
27 the director should take concerning the exchange.

28 * Sec. 71. AS 38.95.080(a) is amended to read:

29 (a) The commissioner may [DIRECTOR OF THE DIVISION OF LANDS

1 SHALL] issue a nontransferable permit for the construction of a trap-
2 ping cabin on state land to a person who meets the following qualifi-
3 cations:

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

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

8 * Sec. 72. AS 38.95.160(b) is amended to read:

9 (b) In this section

10 (1) "publicly financed improvement" means an improvement
11 financed with state or federal money that is constructed by the state
12 or an instrumentality of the state and includes, but is not limited
13 to, onshore or offshore oil drilling or pumping operations, roads,
14 bridges, pipelines, seismic lines, logging and mining operations,
15 dams, buildings and electric power transmission lines;

16 (2) "state land" does not include land owned by the Board
17 of Regents of the University of Alaska.

18 * Sec. 73. AS 29.18.206(a) is amended to read:

19 Sec. 29.18.206. SCHOOL [, UNIVERSITY] AND MENTAL HEALTH LAND.

20 (a) If an entitlement determined under [IN] AS 29.18.201 or 29.18.202
21 results in a per capita entitlement for the municipality of less than
22 one and one-half acre, the municipality may select vacant school [,
23 [UNIVERSITY] or mental health land within the municipality in partial
24 fulfillment of its land entitlement under AS 29.18. School [, UNIVER-
25 SITY] or mental health land may be selected notwithstanding the fact
26 that this land is [THESE LANDS ARE] not unappropriated and unreserved
27 within the meaning of this chapter and former AS 29.18.190 and 29.18.-
28 200 [, REPEALED BY THIS ACT,] but each selection of school [,
29 UNIVERSITY] or mental health land by a municipality must be vacant,

1 unappropriated, or unreserved land as defined in AS 29.18, except that
2 it need not be general grant land.

3 * Sec. 74. AS 29.18.206(d) is amended to read:

4 (d) Within six months after approval of a municipal selection of
5 school [, UNIVERSITY,] or mental health land, the director shall
6 identify state general grant land of approximately equal value to the
7 land requested by the municipality, and shall propose the replacement
8 land for the concurrence of the appropriate board. If a proposal by
9 the director is rejected by the board, the director shall meet with
10 the board as often as necessary to determine the type and amount of
11 equal value replacement land that would be required to obtain the
12 board's concurrence, and shall propose the replacement land for con-
13 sideration by the board. The replacement land shall thereafter be
14 managed for the purposes for which the land selected by the municipal-
15 ity was acquired by the Territory and State of Alaska.

16 * Sec. 75. AS 29.18.206(e) is amended to read:

17 (e) The notice [AND REVIEW] provisions of AS [38.05.305 AND]
18 38.05.345 are applicable to the designation of other general grant
19 land as school, university or mental health land in replacement of
20 land selected under this section. The provisions of AS 38.50 [AND
21 38.05.032] do not apply to such designations under this section. [THE
22 PROVISIONS OF AS 38.05.030(a), 38.05.030(e), AND 38.05.035(a)(13)
23 WHICH REQUIRE THE APPROVAL OF THE RESPECTIVE TRUST BOARD BEFORE DIS-
24 POSAL OF LANDS BY THE DIRECTOR DO NOT APPLY TO SELECTIONS OF SCHOOL,
25 UNIVERSITY OR MENTAL HEALTH LAND BY A MUNICIPALITY UNDER THIS SEC-
26 TION.]

27 * Sec. 76. AS 29.18.210(b) is amended to read:

28 (b) Where state land is the most logical location for demon-
29 strated municipal expansion [FOR NONPUBLIC SETTLEMENT AND DEVELOPMENT

1 PURPOSES,] and when an exchange of land under AS 29.18.209 is not
2 possible or is not in the public interest, it is the policy of the
3 state to sell or lease the land at public auction. The state may
4 contract with a municipality to act as its agent in an auction of
5 state land under applicable statutes. When a municipality acts as the
6 agent of the state in an auction, the municipality may retain from the
7 proceeds of the auction the capital and other expenses that [WHICH]
8 the director determines to be necessary and reasonable.

9 * Sec. 77. AS 29.18.213 is repealed and reenacted to read:

10 Sec. 29.18.213. DEFINITIONS. In AS 29.18.201 - 29.18.213

11 (1) "approved selection" means a municipal land selection
12 that has been approved in writing by the director for transfer by
13 patent to a municipality;

14 (2) "director" means the director of the division of lands,
15 Department of Natural Resources;

16 (3) "general grant land"

17 (A) means land patented or tentatively approved to the
18 state from the United States under sec. 6(a) or (b) of the Alaska
19 Statehood Act;

20 (B) does not include university land;

21 (4) "mental health land" means land granted under Title II,
22 sec. 202 of P.L. 84-330, as amended before or after July 1, 1978;

23 (5) "municipal land selection" means a request by a munic-
24 ipality, filed in writing with the director under authority of former
25 AS 29.18.190 and 29.18.200 or under AS 29.18.201 - 29.18.213 for
26 vacant, unappropriated, unreserved general grant land within its
27 municipal boundaries in partial fulfillment of its municipal entitle-
28 ment;

29 (6) "municipality" means a home rule or general law city or

1 organized borough of any class, and includes unified municipalities
2 established under AS 29.68.240 - 29.68.440;

3 (7) "patent" means a document, issued by the director to a
4 municipality for a previously approved selection, that conveys and
5 quitclaims all the right, title and interest of the state without
6 reservation or condition except as may be required by law;

7 (8) "remaining entitlement" means the general grant land
8 entitlement determined in accordance with AS 29.18.201 - 29.18.213,
9 reduced by the total acreage of approved selections, including both
10 patented and unpatented parcels;

11 (9) "school land" means those rectangular sections 16 and
12 36 within each township surveyed on or before January 3, 1959, and
13 confirmed and transferred to the State of Alaska upon its admission
14 under sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other
15 land designated solely for school revenues;

16 (10) "university land" has the meaning given that term in
17 AS 38.05.365;

18 (11) "vacant, unappropriated, unreserved land" means general
19 grant land as defined in (4) of this section, excluding minerals as
20 required by sec. 6(i) of the Alaska Statehood Act, that

21 (A) has not been set aside by statute for one or more
22 particular uses or purposes;

23 (B) has not been approved for patent to a municipality
24 under AS 29.18.201 - 29.18.213 or former AS 29.18.190 and 29.18.-
25 200; or

26 (C) is unclassified or, if classified under AS 38.-
27 05.300, is classified for agricultural, grazing, commercial,
28 industrial, private recreational, residential, utility or open-
29 to-entry purposes, or where classified in accordance with an

1 agreement between a municipality and the state providing for
2 state management of land of the municipality.

3 * Sec. 78. AS 29.33.150(b) is amended to read:

4 (b) The regulations adopted under (a) of this section apply to
5 subdivision plats of undeveloped state land for disposal under AS 38.-
6 05 or AS 38.08 filed with the platting board. [THE PLATTING BOARD MAY
7 NOT DISAPPROVE THE SUBDIVISION PLAT ON THE BASIS OF REGULATIONS WHICH
8 REQUIRE CAPITAL IMPROVEMENTS ON OR TO STATE LAND INCLUDED IN THE
9 SUBDIVISION PLAT.] Regulations adopted after the platting board is
10 notified by the commissioner of natural resources of a proposed sale
11 of subdivided state land under AS 38.05 or AS 38.08 do not apply to
12 the state land in the proposed sale.

13 * Sec. 79. AS 29.33.150(c) is amended to read:

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

17 (1) determines that the plat does not comply with subdivi-
18 sion regulations, unless the plat was submitted to the platting board
19 before the effective date of this Act [OTHER THAN THOSE REQUIRING
20 CAPITAL IMPROVEMENTS TO STATE LAND]; and

21 (2) notifies the commissioner of each determination of
22 noncompliance within the 60-day period established in this subsection.

23 * Sec. 80. The provisions of AS 38.05.065(d) - (f) as added in sec. 22
24 of this Act apply to contracts entered into by the commissioner of natural
25 resources after the effective date of this Act.

26 * Sec. 81. AS 29.33.150(e); AS 38.04.025, 38.04.040, 38.04.045(a);
27 AS 38.05.030(a), 38.05.035(a)(14), 38.05.069(b), 38.05.350, 38.05.362 and
28 38.05.365(20) are repealed.

29 * Sec. 82. Sections 18, 34, and 41 of this Act take effect immediately

1 in accordance with AS 01.10.070(c).

2 * Sec. 83. Sections 1 - 17, 19 - 33, 35 - 40, and 42 - 81 take effect

3 July 1, 1984.

Introduced: 1/25/84
Referred: Resources and
Finance

1 IN THE SENATE

BY FAHRENKAMP

2

SENATE BILL NO. 375

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

THIRTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

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

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

9 * Section 1. AS 38.04.005(b) is amended to read:

10 (b) In classifying and making state land available for private
11 use and settlement purposes, the director shall consider the natural
12 resources and conditions present on the land and shall seek to mini-
13 mize the effect of private use and settlement on wildlife, fishery,
14 mineral, timber, and other significant resources on the land; the
15 director shall also make adequate provision for public open space
16 which is accessible to communities so that natural areas are easily
17 reached from all communities and settled areas. The amount of that
18 land shall be sufficient to meet existing and projected needs for
19 accessible public recreation land. Special care shall be taken to
20 preserve public access to public water and to retain state ownership
21 of sufficient land which combine high value for recreation and other
22 public purposes with accessibility to settled areas. This classifica-
23 tion for public purposes does not constitute dedication to open space,
24 but the division's management of land so classified shall be in a
25 manner to preserve the identified values.

26 * Sec. 2. AS 38.04.005(e) is repealed and reenacted to read:

27 (e) In classifying and making state land available for private
28 use and settlement, the director shall, when appropriate, hold public
29 hearings in the communities affected by the disposal to solicit the

1 views of the residents of the communities affected.

2 * Sec. 3. AS 38.04.010(b) is amended to read:

3 (b) State land which is located beyond the range of existing
4 schools and other necessary public services, or which is located where
5 development of sources of employment is improbable, may be made avail-
6 able for seasonal recreational purposes or for low density settlement.
7 The seasonal recreation use or low density settlement shall have [,
8 WITH] sufficient separation between residences so that

9 (1) public services will not be necessary or expected; and
10 (2) resources such as timber, firewood, and water in the
11 area are sufficient to accommodate the intended private uses.

12 * Sec. 4. AS 38.04.020(e) as amended by sec. 3, ch. 103, SLA 1983 is
13 amended to read:

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

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

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

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

27 (4) for preliminary feasibility studies, engineering design
28 work, and construction of access roads and capital improvements re-
29 quired by municipal subdivision ordinance or regulation of the

1 platting board under AS 29.33.150; [IF AN ACCURATE DETERMINATION OF
2 THE AMOUNTS NECESSARY FOR ACCESS ROADS OR CAPITAL IMPROVEMENTS CANNOT
3 BE MADE AT THE TIME THE ESTIMATE IS SUBMITTED, A SCHEDULE FOR OBTAIN-
4 ING THE ESTIMATES, CONSTRUCTING THE ACCESS ROADS OR CAPITAL IMPROVE-
5 MENTS, AND DISPOSING OF THE LAND SHALL BE SUBMITTED;]

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

8 * Sec. 5. AS 38.04.020(f) is amended to read:

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

1 which the land will be offered to the public. The assessment shall
2 also identify the demand for public services and capital improvements,
3 including roads, associated with the market for state land.

4 * Sec. 6. AS 38.04.020(g)(2) is amended to read:

5 (2) Land designated as suitable for subdivision and home-
6 site disposal shall be surveyed, subdivided, classified, and disposed
7 of under this chapter, AS 38.05, and AS 38.08 [AS FOLLOWS:

8 (A) UP TO 80 PERCENT OF THE PARCELS SHALL BE SOLD
9 UNDER 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 DIS-
12 POSED OF AS HOMESITES UNDER AS 38.08.010 - 38.08.120; AND

13 (C) AT LEAST AN ADDITIONAL 10 PERCENT OF THE PARCELS
14 SHALL BE DISPOSED OF AS HOMESITES UNDER AS 38.08.010 - 38.08.120
15 EXCEPT THAT, NOTWITHSTANDING AS 38.08.040(b), PARCELS OFFERED
16 UNDER THIS SUBPARAGRAPH SHALL BE OFFERED BY LOTTERY UNDER AS 38.-
17 05.057].

18 * Sec. 7. AS 38.04.020(h) is amended to read:

19 (h) Individual parcels disposed of in subdivisions may not
20 exceed five acres unless the commissioner determines that a larger
21 size is necessary to comply with zoning ordinances, [OR] to permit the
22 design of a viable subdivision because of topographical features, soil
23 conditions, on-site sewage disposal requirements, or water drainage or
24 supply considerations that are unique to the subdivision, to minimize
25 adverse effect on wildlife, fishery, timber, or other significant
26 resources in the area, or to minimize adverse effect on other resi-
27 dential uses in the area.

28 * Sec. 8. AS 38.04 is amended by adding a new section to read:

29 Sec. 38.04.022. FUNDS FOR LAND DISPOSAL. (a) The revenue from

1 the sale of state land shall be deposited in a special state land
2 disposal income account in the state general fund. The legislature
3 may appropriate money from the special state land disposal income
4 account for expenditure by the Department of Natural Resources for
5 necessary costs incurred by the commissioner in the implementation of
6 state land disposal programs authorized under AS 38 and for implemen-
7 tation of AS 38.04.021.

8 (b) Within 30 days after the legislature convenes in regular
9 session the Department of Natural Resources shall submit a report
10 reflecting all money deposited or anticipated to be deposited in the
11 fund established under (a) of this section for the next fiscal year.

12 * Sec. 9. AS 38.04.035(4) is amended to read:

13 (4) For enabling isolated cabin development in remote
14 locations where survey and conveyance is impractical, where potential
15 conflicts with other resources and uses require additional conditions,
16 or where a long-range interest in public ownership and use exist, a
17 system for cabin permits on public land may be used.

18 * Sec. 10. AS 38.04.045(b) is amended to read:

19 (b) Before the conveyance of surface rights to state land, an
20 official cadastral survey shall be accomplished, unless a comparable,
21 acceptable survey exists that has been conducted by the federal Bureau
22 of Land Management. The rectangular survey section corner positions
23 shall be monumented and shown on a cadastral survey plat approved by
24 the state. However, for those areas where the state may wish to
25 convey surface estate outside of an official cadastral survey grid,
26 the director may waive monumentation of all individual section corner
27 positions and substitute an official control survey with control
28 points being monumented [AT APPROXIMATELY TWO-MILE INTERVALS] and
29 shown on control survey plats approved by the state. No portion of

1 land to be conveyed may be located more than two miles from such a
2 survey control monument. The lots and tracts in state subdivisions
3 shall be monumented and the cadastral survey and plats for the sub-
4 division shall be approved by the state. Where land is located within
5 a municipality with planning, platting, and zoning powers, plats for
6 state subdivisions shall comply with local ordinances and regulations
7 in the same manner and to the same extent as plats for subdivisions by
8 other landowners. State subdivisions shall be filed in the district
9 recorder's office. The requirements of this section do not apply to
10 land made available through a cabin permit system, material sales, or
11 short-term leases; however, for short-term leases the lessee must
12 comply with local subdivision ordinances unless waived by the munic-
13 ipality under procedures specified by ordinance.

14 * Sec. 11. AS 38.04.050 is amended to read:

15 Sec. 38.04.050. ACCESS TO PRIVATE USE AREAS. Wherever state
16 land is surveyed for purposes of private use, legal [ADEQUATE] rights-
17 of-way and easements shall be reserved [AS NECESSARY] for access and,
18 where appropriate, for utility services [POWER AND TELEPHONE SERVICE]
19 to each parcel of land. A right-of-way or easement shall be located
20 to assure adequate and feasible access for the purposes for which the
21 right-of-way or easement was intended. Where necessary and appropri-
22 ate for the use intended or where required by local subdivision ordi-
23 nances, the director shall arrange for the development of surface
24 access as part of the land availability program. The direct cost of
25 local access development shall be borne by the recipient of the land
26 unless otherwise provided by state statutes or regulations.

27 * Sec. 12. AS 38.04.055 is amended to read:

28 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director
29 shall reserve easements, [AND] rights-of-way, and land in state

1 ownership on, [AND] across, or adjacent to land which is made avail-
2 able for private use as necessary to maintain present and future
3 public use and access to public land and water and to reach adjacent
4 private land [REACH OR USE PUBLIC WATER AND PUBLIC AND PRIVATE LAND].
5 An easement, [OR] right-of-way, or state land reserved under this
6 section may include established trails traditionally used for com-
7 merce, recreation, or transportation.

8 * Sec. 13. AS 38.05.030(c) is amended to read:

9 (c) In addition to the requirements specified in AS 38.50.090,
10 the agencies referred to in (a) and (b) of this section and other
11 state agencies with authority to acquire or dispose of land shall give
12 written notification of the fact of acquisition, lease, disposal, or
13 exchange to the commissioner [DIVISION OF LANDS] within three months
14 after the date that they make the acquisition, lease, disposal, or
15 exchange.

16 * Sec. 14. AS 38.05.030(d) is amended to read:

17 (d) Real property acquired by [,] and under the management of
18 [,] the agencies referred to in (a) and (b) of this section that [,
19 WHICH] is no longer needed for its intended use [,] shall be trans-
20 ferred [RETURNED] to the commissioner [JURISDICTION OF THE DIVISION OF
21 LANDS], except that the Department of Transportation and Public Facil-
22 ities [HIGHWAYS] may dispose of real property acquired by it under
23 AS 19.05.040(2) and AS 19.05.080 - 19.05.120.

24 * Sec. 15. AS 38.05.035 is amended by adding a new subsection to read:

25 (e) Upon a written finding that the interests of the state will
26 be best served, the director may, with the consent of the commis-
27 sioner, approve contracts for the sale, lease, or other disposal of
28 available land, resources, property or interests in them, and, in
29 addition to the conditions and limitations imposed by law, may impose

1 additional conditions or limitations in the contracts as the director
2 determines, with the consent of the commissioner, will best serve the
3 interests of the state. A contract for the sale, lease, or other
4 disposal of available land or an interest in land is not legally
5 binding on the state until the commissioner approves the contract but
6 if the appraised value is not greater than \$50,000 in the case of the
7 sale of land or an interest in land, or \$5,000 in the case of the
8 annual rental of land or interest in land, the director may execute
9 the contract without the approval of the commissioner. Before a
10 public hearing, if held, or in any case no less than 21 days before
11 the sale, lease, or other disposal of available land, property, re-
12 sources, or interests in them, the director shall make available to
13 the public a written finding that sets out the facts and applicable
14 law upon which the determination that the sale, lease, or other dis-
15 posal will best serve the interests of the state was based. A written
16 finding is not required before the approval of

17 (1) a contract for a negotiated sale authorized under
18 AS 38.05.115;

19 (2) a lease of land for a shore fishery site under AS 38.-
20 05.052; or

21 (3) a permit or other authorization revocable by the commis-
22 sioner.

23 * Sec. 16. AS 38.05.035(b) is amended to read:

24 (b) The director may

25 (1) delegate the administrative duties, functions or powers
26 imposed upon the director [HIM] to a responsible employee in the
27 division;

28 (2) grant preference rights for the lease or purchase of
29 state land without competitive bid in order to correct [THE PAST OR

1 FUTURE] errors or omissions of a state or federal administrative
2 agency when inequitable detriment would otherwise result to a diligent
3 claimant or applicant due to situations over which the claimant or
4 applicant had no control; the exercise of this discretionary power
5 operates only to divest the state of its title to or interests in land
6 and may be exercised only

7 (A) with the express approval of the commissioner; and
8 (B) if the application for the preference right is
9 filed with the director within three years from the occurrence of
10 the error or omission;

11 (3) grant a preference right to a claimant who shows bona
12 fide improvement of state land [,] or of federal land subsequently
13 acquired by the state [,] and who has in good faith sought to obtain
14 title to the land but who, through error or omission of others occur-
15 ring within the three years before the application for the preference
16 right, has been denied title to it; upon a showing satisfactory to the
17 commissioner, the claimant may lease or purchase the land at the price
18 set on the date of original entry on the land or, if a price was not
19 set at that time at a price determined by the director [DIVISION] to
20 fairly represent the value of unimproved land at the time the claim
21 was established, but in no event less than the cost of administration
22 including survey; the error or omission of a predecessor in interest
23 or an agent, administrator, or executor which has clearly prejudiced
24 the claimant may be the basis for granting a preference right;

25 (4) sell land [LANDS] by lottery for less than the [THEIR]
26 appraised value when, in the [HIS] judgment of the director, past
27 scarcity of land suitable for private ownership in any particular area
28 has resulted in unrealistic land values;

29 (5) when the director [HE] determines it is in the best

1 interest of the state and will avoid injustice to a person or the
2 [HIS] heirs or devisees of a person, dispose of land, by direct nego-
3 tiation to that person who presently uses and who used and made im-
4 provements to that land before January 3, 1959 or to the [HIS] heirs
5 or devisees of the person; the amount paid for the land shall be its
6 fair market value on the date that the person first entered the land,
7 as determined by the director; a parcel of land disposed of under this
8 paragraph shall be of a size consistent with the person's prior use,
9 but may not exceed five acres;

10 (6) dispose of an interest in land limited to use for
11 agricultural purposes by lottery;

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

15 (A) the director [HE] determines that it is in the
16 best interests of the state;

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

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

24 (8) for good cause extend for up to 90 days the time for
25 rental or installment payments by a lessee or purchaser of state land
26 under AS 38.05.005 - 38.05.370 if reasonable penalties and interest
27 set by the director are paid.

28 * Sec. 17. AS 38.05.050 is amended to read:

29 Sec. 38.05.050. DISPOSAL OF LAND FOR PRIVATE OWNERSHIP. The

1 commissioner [, UPON THE RECOMMENDATION OF THE DIRECTOR,] shall deter-
2 mine the land to be disposed of for private use. The commissioner
3 [DIRECTOR] shall determine the time and place of disposal. An auction
4 sale, a lottery sale, or a disposal of land for homesites [UNDER
5 AS 38.04.020(g)(2)(C)] must be held in the community [MUNICIPALITY]
6 that is closest to the land to be sold or disposed of and in which
7 regular sessions of a court of the state are held.

8 * Sec. 18. AS 38.05.055 is amended to read:

9 Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method
10 of sale is required under AS 38.05.005 - 38.05.370, under AS 38.07.-
11 010 - 38.07.060, or under AS 38.08.010 - 38.08.120, the sale of state
12 land shall be made at public auction to the highest qualified bidder
13 as determined by the director. The director may accept bids and sell
14 state land under this section at no less than 85 percent of the ap-
15 praised fair market value of the land. A bidder must appear in person
16 at the auction unless medical reasons, attendance at school, or mili-
17 tary service outside the state prevent attendance. A bidder may be
18 represented by an attorney or agent at the auction if the land offered
19 for disposal is commercial, industrial, or agricultural land. An
20 aggrieved bidder may appeal to the commissioner within five days after
21 the sale for a review of the director's determination. The sale shall
22 be conducted by the director [OR HIS REPRESENTATIVE,] and at the time
23 of sale the successful bidder shall deposit an amount equal to five
24 percent of the purchase price [, OR IF THE PURCHASER ELECTS TO USE
25 LAND DISCOUNTS GRANTED UNDER AS 38.05.058, FIVE PERCENT OF THE AMOUNT
26 BID AFTER DEDUCTION OF THE DISCOUNT]. The director [OR HIS REPRESEN-
27 TATIVE] shall immediately issue a receipt containing a description of
28 the land or property purchased, the price bid, and the amount depos-
29 ited [, AND THE AMOUNT OF ANY DISCOUNT ALLOWED]. The receipt shall

1 be acknowledged in writing by the bidder.

2 * Sec. 19. AS 38.05.065 is amended by adding a new subsection to read:

3 (d) If the director believes that a material breach of a con-
4 tract for a sale of land has occurred, the director shall afford the
5 purchaser and any other person with an interest in the contract an
6 opportunity to appear and present evidence. On a determination based
7 on the evidence presented that there has been a material breach of the
8 contract, the director may foreclose the interest of the purchaser or
9 any other person with an interest under the contract. If the state
10 has transferred or assigned its interest in the contract to a third
11 person, the transferee or assignee has the rights of the state under
12 the contract.

13 * Sec. 20. AS 38.05.069(a) is amended to read:

14 (a) On a determination [IF THE DIRECTOR DETERMINES] that the
15 highest and best use of unoccupied land is for agricultural purposes
16 [.] and [IF HE DETERMINES] that it is in the best interests of the
17 state to sell or lease the land, the commissioner [HE] shall grant to
18 an Alaskan resident owning and using or leasing and using land for
19 agricultural purposes a [60-DAY] first option at [AFTER THE DATE OF]
20 the auction to purchase or lease the unoccupied land situated adjacent
21 to or in close proximity to land presently held by the Alaskan resi-
22 dent [THE APPROXIMATE VICINITY OF HIS PRESENTLY HELD LAND] for the
23 amount of the high bid received at public auction. If more than one
24 Alaskan resident qualifies for a first option under this section,
25 eligibility for the first option shall be determined by lot and the
26 option must be exercised on the conclusion of the public auction. A
27 parcel of agricultural land sold under this section may not be less
28 than 20 acres and a parcel of agricultural land that [WHICH] is
29 acquired by exercise of the option granted in this subsection may not

1 exceed 320 acres. Agricultural land that [WHICH] is acquired under
2 this section must be used for agricultural purposes as required by
3 law.

4 * Sec. 21. AS 38.05.069(c) is amended to read:

5 (c) Under this section

6 (1) the director may convey or lease an interest in the
7 land only for agricultural purposes, and all other interests in the
8 land remain in the state; the sale or lease shall be at public auc-
9 tion;

10 (2) the remaining interests may subsequently be conveyed or
11 leased by the director only upon the request of the grantee or lessee
12 or the [HIS] assigns of the grantee or lessee and the determination of
13 the director, with the written concurrence of the commissioner, that
14 the conveyance or lease is in the public interest;

15 (3) the conveyance or lease of the remaining interests
16 shall be at public auction; the original grantee or lessee or the
17 [HIS] assigns of the grantee or lessee have a preference right to meet
18 the high bid at the time of [WITHIN 30 DAYS AFTER THE DAY OF] the
19 auction; if the right is exercised, the value of improvements owned by
20 the holder of the preference right, included with the remaining inter-
21 ests sold, shall be deducted from the purchase price;

22 (4) by requesting the conveyance or lease of the remaining
23 interest, the original grantee or lessee or the [HIS] assigns of the
24 grantee or lessee

25 (A) consents to the sale or lease, and

26 (B) if the preference right provided by (3) of this
27 subsection is not exercised, consents to sell at fair market
28 value the improvements related to the remaining interest, as
29 appraised by the director;

1 (5) the remaining interests in the land may not be conveyed
2 or leased for less than their appraised value together with improve-
3 ments except for the deduction allowed by (3) of this subsection.

4 * Sec. 22. AS 38.05.110 is amended to read:

5 Sec. 38.05.110. SALE OF TIMBER AND MATERIALS. The commissioner
6 [DIRECTOR] shall provide for cruises of timber and appraisals of other
7 materials in or upon state land and shall assess the supply of and
8 current markets for timber on and other materials in privately owned
9 land in close proximity to state land to determine [LANDS AND TRANSMIT
10 THIS DATA TO THE COMMISSIONER, TOGETHER WITH HIS RECOMMENDATIONS WITH
11 RESPECT TO]

12 (1) the timber and other materials that [WHICH] should be
13 offered for sale, and

14 (2) the terms of sale of the timber or other materials.

15 * Sec. 23. AS 38.05.115(a) is amended to read:

16 (a) The commissioner [, UPON RECOMMENDATION OF THE DIRECTOR,]
17 shall determine the timber and other materials to be sold, and the
18 limitations, conditions and terms of sale. The limitations, condi-
19 tions and terms shall include the utilization, development and mainte-
20 nance of the sustained yield principle, subject to preference among
21 other beneficial uses. The commissioner [DIRECTOR] may negotiate
22 sales of timber or materials without advertisement and on the limita-
23 tions, conditions, and terms that are considered to be [WHICH HE
24 CONSIDERS ARE] in the best interests of the state [, SUBJECT TO THE
25 APPROVAL OF THE COMMISSIONER]. However, not more than 500 M.B.M. or
26 equivalent other measure of timber or more than 25,000 cubic yards of
27 materials may be sold by nonadvertised, negotiated sale to the same
28 purchaser within a one-year period.

29 * Sec. 24. AS 38.05.118(a) is amended to read:

1 (a) Notwithstanding any other provision of AS 38.05.110 - 38.-
2 05.120, the commissioner [DIRECTOR, WITH THE APPROVAL OF THE COMMIS-
3 SIONER,] may negotiate a sale of timber to a local manufacturer at
4 appraised value. The period of a contract for a sale of timber nego-
5 tiated under this section may not exceed 25 years. The contract shall
6 provide that the appraised value of timber remaining to be harvested
7 under the provisions of the contract shall be redetermined at least
8 once every five years.

9 * Sec. 25. AS 38.05.118(c) is amended to read:

10 (c) A [NO] sale of timber may not be negotiated by the commis-
11 sioner [DIRECTOR] under this section except on a finding [UNLESS HE
12 FIRST FINDS] that, within an area proximate to the business site which
13 the manufacturer may economically serve, there exists

- 14 (1) a high level of local unemployment;
15 (2) an underutilized timber manufacturing capacity; and
16 (3) an underutilized allowable cut of state timber.

17 * Sec. 26. AS 38.05.120 is amended to read:

18 Sec. 38.05.120. DISPOSAL PROCEDURE. Timber and other materials
19 shall be sold either by sealed bids or public auction, depending on
20 which method is determined by the commissioner to be in the best
21 interests of the state, to the highest qualified bidder as determined
22 by the commissioner [DIRECTOR. AN AGGRIEVED BIDDER MAY APPEAL TO THE
23 COMMISSIONER WITHIN FIVE DAYS AFTER THE SALE FOR A REVIEW OF THE
24 DIRECTOR'S DETERMINATION]. The sale shall be conducted by the commis-
25 sioner [DIRECTOR OR HIS REPRESENTATIVE], and at the time of sale the
26 successful bidder shall deposit the amount specified in the terms of
27 sale. The means by which the amount of deposit is determined shall be
28 prescribed by appropriate regulation. The commissioner [DIRECTOR OR
29 HIS REPRESENTATIVE] shall immediately issue a receipt containing a

1 description of the timber or materials purchased, the price bid, and
2 the terms of sale. The receipt shall be acknowledged in writing by
3 the bidder. A contract of sale, on a form approved by the attorney
4 general, shall be signed by the purchaser and [, FOLLOWING THE AP-
5 PROVAL OF THE COMMISSIONER,] the contract shall be signed by the
6 commissioner [DIRECTOR] on behalf of the state. The commissioner
7 [DIRECTOR, WITH THE APPROVAL OF THE COMMISSIONER,] may impose condi-
8 tions, limitations, and terms considered [WHICH HE CONSIDERS] neces-
9 sary and proper to protect the interests of the state. Violation of
10 any provision of this chapter or the terms of the contract of sale
11 subjects the purchaser to appropriate legal action.

12 * Sec. 27. AS 38.05.127(a) is amended to read:

13 (a) Before the sale, lease, grant, or other disposal of any
14 interest in state land adjacent to a body of water or waterway, the
15 department [DEPARTMENT OF NATURAL RESOURCES] shall,

16 (1) under regulations, determine if the body of water or
17 waterway is navigable water, public water, or neither;

18 (2) upon finding that the body of water or waterway is
19 navigable or public water, provide for the specific easements, [OR]
20 rights-of-way, or retention of land in state ownership [BOTH], rea-
21 sonably necessary to ensure [INSURE] free access to and along the body
22 of water, unless the department finds that regulating or limiting
23 access is necessary for other beneficial uses or public purposes.

24 * Sec. 28. AS 38.05.127 is amended by adding a new subsection to read:

25 (e) The establishment of easements or rights-of-way for oil and
26 gas and mineral leases under (a) of this section need not be made
27 until the leases are ready to be developed.

28 * Sec. 29. AS 38.05.205(a) is amended to read:

29 (a) Prior discovery, location and filing shall initiate prior

1 rights to mineral deposits subject to AS 38.05.185 - 38.05.280 in or
2 on state land [LANDS], other than submerged land [LANDS], which is
3 [ARE] open to mining leasing. Locations shall be made and certifi-
4 cates of location recorded in accordance with AS 38.05.195. If the
5 located land is [LANDS ARE] available only for leasing, the commis-
6 sioner shall provide notice under AS 38.05.345 of the filing of the
7 location and notice that a mineral lease will be issued. After notice
8 under AS 38.05.345, an application form for a mining lease shall be
9 mailed to the locator by the commissioner unless [THE DIRECTOR SHALL
10 PUBLISH IN A PAPER OF GENERAL CIRCULATION IN THE AREA OF THE LOCATION,
11 NOTICE OF THE FILING OF THE LOCATION AND NOTICE THAT A MINERAL LEASE
12 WILL BE ISSUED. THE NOTICE MAY BE COMBINED WITH NOTICES OF LOCATIONS
13 EITHER IN THE SAME GENERAL AREA OR STATEWIDE. UNLESS] a conflicting
14 location exists [, NO LATER THAN TWO WEEKS AFTER PUBLICATION OF THE
15 NOTICE, AN APPLICATION FORM FOR A MINING LEASE SHALL BE MAILED TO THE
16 LOCATOR BY THE DIRECTOR]. A lease application shall be filed with the
17 commissioner [DIRECTOR] by the locator within 90 days after receipt of
18 the form. If the located land is [LANDS ARE] not available for leas-
19 ing, notice shall be given the locator by the commissioner [DIRECTOR]
20 and the locator's prior rights shall terminate. A mining lessee has
21 the exclusive rights of possession and extraction of all minerals
22 subject to AS 38.05.185 - 38.05.280 lying within the boundaries of the
23 [HIS] lease or location. Mining leases may be issued for one location
24 or for a group of contiguous locations held in common. Minerals may
25 not be mined and marketed or used until a lease is issued, except for
26 limited amounts necessary for sampling or testing.

27 * Sec. 30. AS 38.05.205(c) is amended to read:

28 (c) A mining lease shall be for any period up to 55 years, and
29 the lessee has a right to a new lease at the end of each lease period.

1 The commissioner may make reasonable adjustments of the rental rate at
2 the end of each 20 year period, based upon changed conditions in
3 production costs and markets. A valid mining claim located and held
4 under AS 38.05.195 may be converted to a lease at any time upon appli-
5 cation by the owner, and issuance by the commissioner [DIRECTOR]. No
6 rights granted by a mining lease may be exercised until the lease has
7 been filed for record in the recording district where the land is
8 located.

9 * Sec. 31. AS 38.05.300(a) is amended to read:

10 (a) The commissioner shall classify for surface use land [LANDS]
11 in areas considered [WHERE HE CONSIDERS IT] necessary and proper.
12 This section does not prevent reclassification of land [LANDS] where
13 the public interest warrants reclassification, nor does it preclude
14 multiple purpose use of land [LANDS] whenever different uses are
15 compatible. State [NO STATE] land, water, or land and water area may
16 not, [SHALL] except by act of the state legislature, be closed to
17 multiple purpose use [,] if the area involved contains more than 640
18 acres.

19 * Sec. 32. AS 38.05.310(a) is amended to read:

20 (a) No land may be sold or leased, or a renewal lease issued,
21 except in the case of an oil or gas or mineral lease, unless it has
22 been appraised within one year [120 DAYS] before the date fixed for
23 the sale or lease. When land is offered at public sale but is not
24 sold and is available at private sale, no reappraisal is required
25 unless the director considers that a change in value of the land
26 [LANDS] may have occurred. A grazing lease may be granted to a lessee
27 of federal grazing land [LANDS] without prior appraisal, if the [HIS]
28 federal lease was cancelled to allow the state to select the land
29 [LANDS] under lease. No land may be sold or leased for less than the

1 approved, appraised market value, except as provided in AS 38.05.055,
2 38.05.057, 38.05.075 - 38.05.085, 38.05.097, 38.05.315, and 38.05.320.

3 * Sec. 33. AS 38.05.345(a) is amended to read:

4 (a) This section establishes the requirements for notice given
5 by the department for the following actions:

6 (1) classification or reclassification of state land under
7 AS 38.05.300 and the closing of land to mineral leasing or entry under
8 AS 38.05.185;

9 (2) zoning of land under applicable law [;

10 (3) A DECISION UNDER AS 38.05.035(a)(14) REGARDING THE
11 SALE, LEASE, OR DISPOSAL OF AN INTEREST IN STATE LAND OR RESOURCES:
12 AND

13 (4) A COMPETITIVE DISPOSAL OF AN INTEREST IN STATE LAND OR
14 RESOURCES AFTER FINAL DECISION UNDER AS 38.05.035(a)(14)].

15 * Sec. 34. AS 38.05.345(b) is amended to read:

16 (b) Notice of one or more actions described in (a) of this
17 section shall be given by more than one of the following methods at
18 least 30 days before the action: [BY] (1) publication in newspapers of
19 statewide circulation and in a newspaper of general circulation in the
20 vicinity of the proposed action, (2) publication through public ser-
21 vice announcements on the electronic media serving the area affected
22 by the action, (3) posting in a conspicuous location in the vicinity
23 of the action, (4) notification of parties known or likely to be
24 affected by the action, or (5) another method calculated to reach
25 affected persons. A notice shall contain sufficient information to
26 inform the public of the nature of the action and the opportunity of
27 the public to comment on the action.

28 * Sec. 35. AS 38.05.345(d) is amended to read:

29 (d) 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
3 department [; OR

4 (2) NEGOTIATED SALES UNDER AS 38.05.115].

5 * Sec. 36. AS 38.05.365 is amended to read:

6 Sec. 38.05.365. DEFINITIONS. In AS 38.05.005 - 38.05.370,
7 unless the context otherwise requires,

8 (1) "acquired land [LANDS]" means land [LANDS] belonging to
9 the state including tide, submerged and shoreland [SHORELANDS] which
10 has [HAVE] been obtained by escheat, purchase, or any means other than
11 by general land grant;

12 (2) "agricultural land [LANDS]" means land [LANDS] chiefly
13 valuable for agricultural purposes;

14 (3) "commissioner" means the commissioner [OF THE DEPART-
15 MENT] of natural resources;

16 (4) "department" means the Department of Natural Resources;

17 (5) "director" means the director of the division of lands
18 of the Department of Natural Resources;

19 (6) "industrial and commercial land [LANDS]" means land
20 [LANDS] chiefly valuable for industrial trade, manufacturing or busi-
21 ness use;

22 (7) "lieu and indemnity land [LANDS]" means land [LANDS]
23 wh.ch the state is entitled to select under the provisions of 38 Stat.
24 1214, as amended (48 USC 353\ or a similar statute to compensate for
25 land [LANDS] in place of surveyed rectangulars, which have been lost
26 to the state by reason of deficient sections, prior rights, claims,
27 withdrawals, reservations and other appropriations;

28 [(8) repealed.]

29 (8) [(9)] "mineral land [LANDS]" means land [LANDS]

1 prospectively valuable for mineral deposits;

2 (9) "multiple use" has the meaning given in AS 38.04.910;

3 (10) "park and recreation land [LANDS]" means land [LANDS]
4 chiefly valuable for public park and recreation use;

5 (11) "preference right forest lease" means a lease granted
6 to a lessee whose United States Forest Service term special use permit
7 was cancelled to allow the land under permit to be selected by the
8 state;

9 (12) "preference right grazing lease" means a grazing lease
10 granted to a lessee whose federal grazing lease was cancelled to allow
11 the land under lease to be selected by the state;

12 (13) "rule of approximation" is the rule which is applied in
13 determining whether or not a lease complies with the area limits set
14 forth in AS 38.05.005 - 38.05.370 and regulations adopted under it and
15 in keeping the boundaries of leased land [LANDS] coincidental with
16 legal subdivisions; under the rule, if the area covered by a lease in
17 excess of the permitted maximum is smaller than the area of any defi-
18 ciency that would result by eliminating from the lease the smallest
19 legal subdivision covered by the lease or application for lease, the
20 excess area will be permitted to remain in the lease; if the excess
21 area is greater than the deficient area would be, then the smallest
22 legal subdivision will be eliminated from the lease;

23 [(14) repealed.]

24 (14) "shoreland" [(15) "SHORELANDS"] means land [LANDS]
25 belonging to the state which is [ARE] covered by nontidal water
26 [WATERS] that is [ARE] navigable under the laws of the United States
27 up to ordinary high water mark as modified by accretion, erosion, or
28 reliction;

29 (15) [(16)] "state land [LANDS]" or "land" ["LANDS"] means

1 all land [LANDS], including shore, tide and submerged land [LANDS], or
2 resources belonging to or acquired by the state;

3 (16) [(17)] "submerged land [LANDS]" means land [LANDS]
4 covered by tidal water [WATERS] between the line of mean low water and
5 seaward to a distance of three geographical miles or further as may
6 hereafter be properly claimed by the state;

7 (17) "tideland" [(18) "TIDELANDS"] means land [THOSE LANDS]
8 which is [ARE] periodically covered by tidal water [WATERS] between
9 the elevation of mean high and mean low tides;

10 (18) [(19)] "timber land [LANDS]" and "material land
11 [LANDS]" mean state land [LANDS] chiefly valuable for materials,
12 including, but not limited to, sand, stone, gravel, pumice, common
13 clay, or timber and other forest products;

14 (19) [(20)] "university land [LANDS]" means all sections 33
15 reserved to the university under 38 Stat. 1214, as amended (48 USC
16 353) and all land [LANDS] granted to or reserved for the benefit of
17 the university;

18 (20) [(21)] "grazing land [LANDS]" means land [LANDS]
19 chiefly valuable for grazing purposes; [.]

20 (21) [(22)] "navigable water [WATERS]" means any water of
21 the state forming a river, stream, lake, pond, slough, creek, bay,
22 sound, estuary, inlet, strait, passage, canal, sea or ocean, or any
23 other body of water or waterway within the territorial limits of the
24 state or subject to its jurisdiction, that is navigable in fact for
25 any useful public purpose, including but not limited to water suitable
26 for commercial navigation, floating of logs, landing and takeoff of
27 aircraft, and public boating, trapping, hunting waterfowl and aquatic
28 animals, fishing, or other public recreational purposes;

29 (22) [(23)] "public water [WATERS]" means navigable water

1 and all other water, whether inland or coastal, fresh or salt, that is
2 reasonably suitable for public use and utility, habitat for fish and
3 wildlife in which there is a public interest, or migration and spawn-
4 ing of fish in which there is a public interest; [.]

5 (23) [(24)] "geothermal resources" means the natural heat of
6 the earth at temperatures greater than 120 degrees Celsius, measured
7 at the point where the highest-temperature resources encountered enter
8 or contact a well or other resource extraction device, and includes

9 (A) the energy, including pressure, in whatever form
10 present in, resulting from, created by, or that may be extracted
11 from that natural heat;

12 (B) the material medium, including the geothermal
13 fluid naturally present, as well as substances artificially
14 introduced to serve as a heat transfer medium; and

15 (C) all dissolved or entrained minerals and gases that
16 may be obtained from the material medium, but excluding hydrocar-
17 bon substances and helium.

18 * Sec. 37. AS 38.08.060 is amended by adding a new subsection to read:

19 (e) If a permit holder has met each of the provisions of (a) of
20 this section except for (a)(1), the commissioner may issue the permit
21 holder a patent if the commissioner determines that the permit holder
22 has made a good faith effort to meet the occupancy requirements and
23 the permit holder purchases the homesite at its fair market value at
24 the time of the expiration of the permit under AS 38.05.065.

25 * Sec. 38. AS 38.09.010(b) is amended to read:

26 (b) The commissioner shall complete a [CADASTRAL] survey of
27 homestead entry state land under AS 38.04.045 before designating the
28 state land for homestead entry. [NO PORTION OF LAND MADE AVAILABLE
29 FOR HOMESTEAD ENTRY MAY BE LOCATED MORE THAN A MILE FROM A SURVEY

1 CONTROL MONUMENT.]

2 * Sec. 39. AS 38.09.090 is amended by adding a new subsection to read:

3 (b) An applicant who complies with AS 38.09.050(a)(2) - (5) and
4 who tenders the commissioner an amount equal to five percent of the
5 present fair market value of the land within five years of the issu-
6 ance of the permit may purchase the land under AS 38.05.065 if the
7 commissioner determines that the applicant has made a good faith
8 effort to meet the occupancy requirements. The purchase price is the
9 fair market value of the land at the time of the purchase.

10 * Sec. 40. AS 38.20.010 is amended to read:

11 Sec. 38.20.010. ADOPTION. The systems [SYSTEM] of rectangular
12 plane coordinates established by the National Geodetic Survey, Nation-
13 al Ocean Service [UNITED STATES COAST AND GEODETIC SURVEY] for defin-
14 ing and stating the positions or locations of points on the surface of
15 the earth in this state are [IS] adopted. The systems are [IT IS] to
16 be known as the "Alaska Coordinate System of 1927" and the "Alaska
17 Coordinate System of 1983."

18 * Sec. 41. AS 38.20.030 is amended to read:

19 Sec. 38.20.030. DESIGNATION OF ZONES. In any land description
20 in which a coordinate system [IT] is used a zone of the coordinate
21 system is designated the "Alaska Coordinate System of 1927, Zone
22" or the "Alaska Coordinate System of 1983, Zone"

23 * Sec. 42. AS 38.20.040 is amended to read:

24 Sec. 38.20.040. USE OF COORDINATE SYSTEM. The plane coordinates
25 of a point on the earth's surface, to be used in expressing the posi-
26 tion or location of the point in the appropriate zone of this system,
27 consist of two distances, expressed in feet and decimals of a foot
28 when using the Alaska Coordinate System of 1927 and expressed in
29 meters and decimals of a meter when using the Alaska Coordinate System

1 of 1983. One of these distances, known as the "x-coordinate," gives
2 the position in an east-and-west direction; the other known as the
3 "y-coordinate" gives the position in a north-and-south direction.
4 These coordinates shall be made to depend upon and conform to the
5 coordinates of the North American Horizontal Geodetic Control Network
6 as determined by the National Geodetic Survey, National Ocean Service
7 [, ON THE ALASKA COORDINATE SYSTEM, OF THE TRIANGULATION AND TRAVERSE
8 STATIONS OF THE UNITED STATES COAST AND GEODETIC SURVEY IN THE STATE,
9 AS THOSE COORDINATES HAVE BEEN DETERMINED BY THE SURVEY].

10 * Sec. 43. AS 38.20.060 is amended to read:

11 Sec. 38.20.060. CHARACTERISTICS OF ZONES. The zones of the
12 Alaska Coordinate System of 1927 have the following characteristics:

13 (1) Zone 1 is an oblique Mercator projection of the Clarke
14 spheroid of 1866, having an origin at the intersection of parallel 57°
15 00 minutes [MINUTE] north latitude and meridian 133° 40 minutes
16 [MINUTE] west of Greenwich, at which the scale is set one part in
17 10,000 too small, and through which the axis of symmetry is in geo-
18 detic azimuth arc tangent-3/4, reckoned clockwise from south. The
19 origin is assigned values such that all final coordinates will be
20 positive.

21 (2) Zone 2 is a transverse Mercator projection of the
22 Clarke spheroid of 1866, having a central meridian 142° 00 minutes
23 [MINUTE] west of Greenwich, on which meridian the scale is set one
24 part in 10,000 too small. The origin of coordinates is at the inter-
25 section of the meridian 142° 00 minutes [MINUTE] west of Greenwich and
26 the parallel of 54° 00 minutes [MINUTE] north latitude. This origin
27 is given the coordinates: x = 500,000 feet and y = 0 feet.

28 (3) Zone 3 is a transverse Mercator projection of the
29 Clarke spheroid of 1866, having a central meridian 146° 00 minutes

1 [MINUTE] west of Greenwich, on which meridian the scale is set at one
2 part in 10,000 too small. The origin of coordinates is at the inter-
3 section of the meridian $146^{\circ} 00$ minutes [MINUTE] west of Greenwich and
4 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
5 given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

6 (4) Zone 4 is a transverse Mercator projection of the
7 Clarke spheroid of 1866, having a central meridian $150^{\circ} 00$ minutes
8 [MINUTE] west of Greenwich, on which meridian the scale is set at one
9 part in 10,000 too small. The origin of coordinates is at the inter-
10 section of the meridian $150^{\circ} 00$ minutes [MINUTE] west of Greenwich and
11 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
12 given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

13 (5) Zone 5 is a transverse Mercator projection of the
14 Clarke spheroid of 1866, having a central meridian $154^{\circ} 00$ minutes
15 [MINUTE] west of Greenwich, on which meridian the scale is set at one
16 part in 10,000 too small. The origin of coordinates is at the inter-
17 section of the meridian $154^{\circ} 00$ minutes [MINUTE] west of Greenwich and
18 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
19 given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

20 (6) Zone 6 is a transverse Mercator projection of the
21 Clarke spheroid of 1866, having a central meridian $158^{\circ} 00$ minutes
22 [MINUTE] west of Greenwich, on which meridian the scale is set at one
23 part in 10,000 too small. The origin of coordinates is at the inter-
24 section of the meridian $158^{\circ} 00$ minutes [MINUTE] west of Greenwich and
25 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
26 given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

27 (7) Zone 7 is a transverse Mercator projection of the
28 Clarke spheroid of 1866, having a central meridian $162^{\circ} 00$ minutes
29 [MINUTE] west of Greenwich, on which meridian the scale is set at one

1 part in 10,000 too small. The origin of coordinates is at the inter-
2 section of the meridian 162° 00 minutes [MINUTE] west of Greenwich and
3 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is
4 given the coordinates: x = 700,000 feet and y = 0 feet.

5 (8) Zone 8 is a transverse Mercator projection of the
6 Clarke spheroid of 1866, having a central meridian 166° 00 minutes
7 [MINUTE] west of Greenwich, on which meridian the scale is set at one
8 part in 10,000 too small. The origin of coordinates is at the inter-
9 section of the meridian 166° west of Greenwich and the parallel 54° 00
10 minutes [MINUTE] north latitude. This origin is given the coordi-
11 nates: x = 500,000 feet and y = 0 feet.

12 (9) Zone 9 is a transverse Mercator projection of the
13 Clarke spheroid of 1866, having a central meridian 170° 00 minutes
14 [MINUTE] west of Greenwich, on which meridian the scale is set at one
15 part in 10,000 too small. The origin of coordinates is at the inter-
16 section of the meridian 170° 00 minutes [MINUTE] west of Greenwich and
17 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is
18 given the coordinates: x = 600,000 feet and y = 0 feet.

19 (10) Zone 10 is a Lambert conformal conic projection of the
20 Clarke spheroid of 1866, having standard parallels at north latitude
21 51° 50 minutes [MINUTE] as and 53° 50 minutes, along which parallels
22 the scale shall be exact. The origin of coordinates is at the inter-
23 section of the meridian 176° 00 minutes [MINUTE] west of Greenwich and
24 the parallel 51° 00 minutes [MINUTE] north latitude. This origin is
25 given the coordinates: x = 3,000,000 feet and y = 0 feet.

26 * Sec. 44. AS 38.20.060 is amended by adding a new subsection to read:

27 (b) The zones of the Alaska Coordinate System of 1983 have the
28 following characteristics:

29 (1) Zone 1 is an oblique Mercator projection of the World

1 Reference Ellipsoid, having an origin at the intersection of parallel
2 57° 00 minutes north latitude and meridian 133° 40 minutes west of
3 Greenwich, at which the scale is set one part in 10,000 too small, and
4 through which the axis of symmetry is the geodetic azimuth arc tan-
5 gent-3/4, reckoned clockwise from south. The origin is assigned
6 values such that all final coordinates will be positive.

7 (2) Zone 2 is a transverse Mercator projection of the World
8 Reference Ellipsoid, having a central meridian 142° 00 minutes west of
9 Greenwich, on which meridian the scale is set one part in 10,000 too
10 small. The origin of coordinates is at the intersection of the meri-
11 dian 142° 00 minutes west of Greenwich and the parallel of 54° 00
12 minutes north latitude. This origin is given the coordinates: $x =$
13 500,000 meters and $y = 0$ meters.

14 (3) Zone 3 is a transverse Mercator projection of the World
15 Reference Ellipsoid, having a central meridian 146° 00 minutes west of
16 Greenwich, on which meridian the scale is set at one part in 10,000
17 too small. The origin of coordinates is at the intersection of the
18 meridian 146° 00 minutes west of Greenwich and the parallel 54° 00
19 minutes north latitude. This origin is given the coordinates: $x =$
20 500,000 meters and $y = 0$ meters.

21 (4) Zone 4 is a transverse Mercator projection of the World
22 Reference Ellipsoid, having a central meridian 150° 00 minutes west of
23 Greenwich, on which meridian the scale is set at one part in 10,000
24 too small. The origin of coordinates is at the intersection of the
25 meridian 150° 00 minutes west of Greenwich and the parallel 54° 00
26 minutes north latitude. This origin is given the coordinates: $x =$
27 500,000 meters and $y = 0$ meters.

28 (5) Zone 5 is a transverse Mercator projection of the World
29 Reference Ellipsoid, having a central meridian 154° 00 minutes west of

1 Greenwich, on which meridian the scale is set at one part in 10,000
2 too small. The origin of coordinates is at the intersection of the
3 meridian 154° 00 minutes west of Greenwich and the parallel 54° 00
4 minutes north latitude. This origin is given the coordinates: x =
5 500,000 meters and y = 0 meters.

6 (6) Zone 6 is a transverse Mercator projection of the World
7 Reference Ellipsoid, having a central meridian 158° 00 minutes west of
8 Greenwich, on which meridian the scale is set at one part in 10,000
9 too small. The origin of coordinates is at the intersection of the
10 meridian 158° 00 minutes west of Greenwich and the parallel 54° 00
11 minutes north latitude. This origin is given the coordinates: x =
12 500,000 meters and y = 0 meters.

13 (7) Zone 7 is a transverse Mercator projection of the World
14 Reference Ellipsoid, having a central meridian 162° 00 minutes west of
15 Greenwich, on which meridian the scale is set at one part in 10,000
16 too small. The origin of coordinates is at the intersection of the
17 meridian 162° 00 minutes west of Greenwich and the parallel 54° 00
18 minutes north latitude. This origin is given the coordinates: x =
19 500,000 meters and y = 0 meters.

20 (8) Zone 8 is a transverse Mercator projection of the World
21 Reference Ellipsoid, having a central meridian 166° 00 minutes west of
22 Greenwich, on which meridian the scale is set at one part in 10,000
23 too small. The origin of coordinates is at the intersection of the
24 meridian 166° west of Greenwich and the parallel 54° 00 minutes north
25 latitude. This origin is given the coordinates: x = 500,000 meters
26 and y = 0 meters.

27 (9) Zone 9 is a transverse Mercator projection of the World
28 Reference Ellipsoid, having a central meridian 170° 00 minutes west of
29 Greenwich, on which meridian the scale is set at one part in 10,000

1 too small. The origin of coordinates is at the intersection of the
2 meridian 170° 00 minutes west of Greenwich and the parallel 54° 00
3 minutes north latitude. This origin is given the coordinates: x =
4 500,000 meters and y = 0 meters.

5 (10) Zone 10 is a Lambert conformal conic projection of the
6 World Reference Ellipsoid, having standard parallels at north latitude
7 51° 50 minutes as and 53° 50 minutes, along which parallels the scale
8 shall be exact. The origin of coordinates is at the intersection of
9 the meridian 176° 00 minutes west of Greenwich and the parallel 51° 00
10 minutes north latitude. This origin is given the coordinates: x =
11 1,000,000 meters and y = 0 meters.

12 * Sec. 45. AS 38.20.070 is amended to read:

13 Sec. 38.20.070. POSITION OF SYSTEM. The position of the Alaska
14 Coordinate System of 1927 shall be as marked on the ground by triangu-
15 lation or traverse stations established in conformity with the stan-
16 dards adopted by the National Geodetic Survey, National Ocean Service
17 [UNITED STATES COAST AND GEODETIC SURVEY FOR FIRST-ORDER, SECOND
18 -ORDER, AND THIRD-ORDER WORK,] whose geodetic positions have been
19 rigidly adjusted on the North American datum of 1927 and whose coordi-
20 nates have been computed on the system defined in this chapter. [ANY
21 SUCH STATION MAY BE USED FOR ESTABLISHING A SURVEY CONNECTION WITH THE
22 ALASKA COORDINATE SYSTEM.]

23 * Sec. 46. AS 38.20.070 is amended by adding a new subsection to read:

24 (b) The position of the Alaska Coordinate System of 1983 shall
25 be as marked on the ground by triangulation or traverse stations
26 established in conformity with the standards adopted by the National
27 Geodetic Survey, National Ocean Service whose geodetic positions have
28 been rigidly adjusted on the North American datum of 1983 and whose
29 plane coordinates have been computed on the system defined in this

1 chapter.

2 * Sec. 47. AS 38.20.080 is amended to read:

3 Sec. 38.20.080. LIMITATION. Coordinates [NO COORDINATES] based
4 on the Alaska Coordinate System, purporting to define the position of
5 a point on a land boundary, may not [SHALL] be presented to be record-
6 ed in any public land records or deed records unless the point is
7 within two miles of a horizontal control [TRIANGULATION OR TRAVERSE]
8 station established in conformity with National Geodetic Survey,
9 National Ocean Service standards and specifications for first-order,
10 second-order, or third-order work [THE STANDARDS PRESCRIBED IN AS 38.-
11 20.070]. The two-mile limitation may be modified by a state agency to
12 meet local conditions.

13 * Sec. 48. AS 38.20.090 is amended to read:

14 Sec. 38.20.090. USE OF SYSTEM NAME. The use of the term "Alaska
15 Coordinate System of 1927" on a map, report of survey, or other docu-
16 ment is limited to coordinates based on the Alaska Coordinate System
17 of 1927 as defined in this chapter.

18 * Sec. 49. AS 38.20.090 is amended by adding a new subsection to read:

19 (b) The use of the term "Alaska Coordinate System of 1983" on a
20 map, report of survey, or other document is limited to coordinates
21 based on the Alaska Coordinate System of 1983 as defined in this
22 chapter.

23 * Sec. 50. AS 38.20.100 is amended to read:

24 Sec. 38.20.100. USE OF PUBLIC LAND SURVEY DESCRIPTIONS. When
25 coordinates based on the Alaska Coordinate System of 1927 or the
26 Alaska Coordinate System of 1983 are used to describe a tract of land
27 which in the same document is also described by reference to a sub-
28 division, line, or corner of the United States public land surveys,
29 the description by coordinates shall be construed as supplemental to

1 the basic description of the subdivisions, line, or corner contained
2 in the official plats and field notes filed of record, and in the
3 event of a conflict the description by reference to the subdivision,
4 line, or corner of the United States public land surveys prevails over
5 the description by coordinates.

6 * Sec. 51. AS 38.20.110 is amended to read:

7 Sec. 38.20.110. USE OF SYSTEM NOT REQUIRED. Nothing in this
8 chapter requires a purchaser or mortgagee to rely on a description,
9 any part of which depends exclusively upon the Alaska Coordinate
10 System of 1927 or the Alaska Coordinate System of 1983.

11 * Sec. 52. AS 38.35.140(b) is amended to read:

12 (b) The lessee shall reimburse the state for all reasonable
13 costs incurred in processing an application filed under AS 38.35.050
14 and in monitoring the construction, operation, maintenance, and re-
15 moval of the pipeline on the right-of-way.

16 * Sec. 53. AS 38.50.020(b) is amended to read:

17 (b) An appraisal required by this section is presumed accurate
18 and valid for a period of one year [SIX MONTHS] from the time the
19 appraisal is completed. After that time, or if the director has
20 reason to believe that the value of the appraised property has changed
21 significantly during the original one year [SIX-MONTH] period, a
22 reappraisal of the property is required.

23 * Sec. 54. AS 38.50.040 is amended to read:

24 Sec. 38.50.040. LAND SUBJECT TO EXCHANGE. Except as otherwise
25 provided in this chapter, the director is authorized to convey for
26 purposes of exchange any state land or interest in land regardless of
27 the authority under which the land or interest was obtained by the
28 state. [THE CONVEYANCE OF UNIVERSITY LAND SHALL BE APPROVED IN THE
29 MANNER PRESCRIBED IN AS 38.05.030.]

1 * Sec. 55. AS 38.50.110(a) is amended to read:

2 (a) Not more than 60 days nor less than 30 days before a public
3 hearing is scheduled under AS 38.50.120 the director shall circulate a
4 notice containing the information specified in (b) of this section
5 except as provided in (c) of this section. The director shall

6 (1) publish or post the notice as provided in AS 38.05.345,
7 except as otherwise specified in this section; the [. THE] director
8 shall publish the notice in a newspaper of general circulation in the
9 vicinity of the land which the state will receive and in the three
10 most populated cities of the state;

11 (2) mail the notice to any person who has filed a request
12 for notice of proposed exchanges;

13 (3) mail the notice to each member of the legislature;

14 (4) mail the notice to each municipality the boundaries of
15 which encompass or are located within six linear miles of land in-
16 volved in the proposed exchange;

17 (5) circulate the notice to the Office of the Governor and
18 to all state departments;

19 [(6) Repealed]

20 (6) [(7)] mail the notice to any corporation organized
21 under the Alaska Native Claims Settlement Act, which corporation owns
22 or has selected land located within a radius of 15 linear miles from
23 land or property involved in the proposed exchange; and

24 (7) [(8)] mail the notice to any other party, including an
25 organization of land users, that the director [HE] considers appropri-
26 ate.

27 * Sec. 56. AS 38.50.110 is amended by adding a new subsection to read:

28 (c) The director shall provide the information required under
29 (b) of this section under AS 38.05.345(b) - (c) for exchanges of

- 1 (1) less than 640 acres of land; or
2 (2) land having an appraised or estimated fair market value
3 of less than \$100,000.

4 * Sec. 57. AS 38.50.120(a) is amended to read:

5 (a) The commissioner [DIRECTOR] may hold as many public hearings
6 as is considered appropriate. For an exchange of state land having
7 640 acres or more or having an appraised or estimated fair market
8 value of \$100,000 or more, there [THERE] shall be at least one public
9 hearing.

10 * Sec. 58. AS 38.50.140 is amended to read:

11 Sec. 38.50.140. LEGISLATIVE REVIEW. Within 10 days of the
12 convening of a regular legislative session, the governor shall trans-
13 mit to the president of the senate and the speaker of the house of
14 representatives any proposal for a land exchange required to be sub-
15 mitted to the legislature under AS 38.50.020(a) that [FOR OTHER THAN
16 EQUAL APPRAISED FAIR MARKET VALUE WHICH] is scheduled to occur before
17 the next legislative session. If [, IN HIS VIEW,] exigent circum-
18 stances seriously affecting state interests so require, the governor
19 may submit the proposed exchange to the legislature at some other
20 time. A finding of exigent circumstances shall be carefully document-
21 ed in the letter of transmittal. The director is authorized to con-
22 clude a proposed exchange agreement unless either house of the legis-
23 lature by simple resolution disapproves of the exchange within 60
24 legislative days of transmittal by the governor. A decision by the
25 legislature to disapprove a proposed exchange shall be accompanied by
26 a recommendation to the governor with respect to future actions which
27 the director should take concerning the exchange.

28 * Sec. 59. AS 38.95.080(a) is amended to read:

29 (a) The commissioner may [DIRECTOR OF THE DIVISION OF LANDS

1 SHALL] issue a nontransferable permit for the construction of a trap-
2 ping cabin on state land to a person who meets the following qualifi-
3 cations:

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

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

8 * Sec. 60. AS 29.33.150(b) is amended to read:

9 (b) The regulations adopted under (a) of this section apply to
10 subdivision plats of undeveloped state land for disposal under AS 38.-
11 05 or AS 38.08 filed with the platting board. [THE PLATTING BOARD MAY
12 NOT DISAPPROVE THE SUBDIVISION PLAT ON THE BASIS OF REGULATIONS WHICH
13 REQUIRE CAPITAL IMPROVEMENTS ON OR TO STATE LAND INCLUDED IN THE
14 SUBDIVISION PLAT.] Regulations adopted after the platting board is
15 notified by the commissioner of natural resources of a proposed sale
16 of subdivided state land under AS 38.05 or AS 38.08 do not apply to
17 the state land in the proposed sale.

18 * Sec. 61. AS 29.18.206(e) is amended to read:

19 (e) The notice and review provisions of AS [38.05.305 AND]
20 33.05.345 are applicable to the designation of other general grant
21 land as school, university or mental health land in replacement of
22 land selected under this section. The provisions of AS 38.50.010 -
23 38.50.170 and 38.05.032 do not apply to such designations under this
24 section. [THE PROVISIONS OF AS 38.05.030(a), 38.05.030(e), AND
25 38.05.035(a)(13) WHICH REQUIRE THE APPROVAL OF THE RESPECTIVE TRUST
26 BOARD BEFORE DISPOSAL OF LANDS BY THE DIRECTOR DO NOT APPLY TO SELEC-
27 TIONS OF SCHOOL, UNIVERSITY OR MENTAL HEALTH LAND BY A MUNICIPALITY
28 UNDER THIS SECTION.]

29 * Sec. 62. AS 29.33.150(c) is amended to read:

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

4 (1) determines that the plat does not comply with subdivi-
5 sion regulations [OTHER THAN THOSE REQUIRING CAPITAL IMPROVEMENTS TO
6 STATE LAND]; and

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

9 * Sec. 63. AS 29.33.150(e); AS 38.04.025, 38.04.040, 38.04.045(a);
10 AS 38.05.030(a), 38.05.035(a)(14), 38.05.069(b), 38.05.345(e), 38.05.350,
11 38.05.362 and 38.05.365(20) are repealed.

12 * Sec. 64. This Act takes effect July 1, 1984.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULGAHY
ARLISS STURGUŁEWSKI



POUCH V
STATE CAPITAL
JUNEAU, ALASKA 99811
(907) 465-3834
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Senate

Committee on Resources

March 5, 1984

CS SB 375, An Act relating to land disposal and management

- Sec. 1 Spells out a policy for managing and disposing of state land which takes into account a range of resource values and uses.
- Sec. 2 Spells out the policy of soliciting the views, including the holding of local public hearings when appropriate, of the residents of communities affected by land classifications and disposals.
- Sec. 3 Passage by the 1983 legislature of SB 41, which awarded the University of Alaska ownership and management of certain state lands, has rendered this provision obsolete.
- Sec. 4 Requires that in determining sufficient separation between residences in "remote" areas, the resources in the area shall be considered.
- Sec. 5 Requires that a cost estimate for access roads and capital improvements within disposal areas (as may be required by municipal ordinance) be submitted annually. This deletes the "loophole" which allowed for submittal of a schedule for obtaining cost estimates.
- Sec. 6 Clarifies that DNR's budget request must include a determination that there is a market demand for the land proposed for disposal. No annual, statewide demand assessment would be required, as this type of analysis is difficult and has had little impact on legislative appropriations for disposal programs.
- Sec. 7 Repeals the arbitrary requirement that certain percentages of subdivision land be made available through the homesite method. This will allow disposal methods to better reflect market demand and public policy.
- Sec. 8 Allows flexibility in subdivision parcel size to better reflect resources and uses in the area.

- Sec. 9 Establishes a revolving fund within the general fund for deposit and subsequent appropriation of revenues from the sale of state land. Funds would be used for implementation of land disposal programs and for grants to municipalities for their disposal programs.
- Sec. 10 Expands the authority in issuing remote cabin permits to allow their use where potential resource and use conflicts exist, or where a long-range interest in public ownership exists. Currently, these permits may be issued only where survey and conveyance is impractical.
- Sec. 11 Clarifies that all land to be conveyed must have been surveyed, either through monumentation of section corners or monumentation of control points, with no land to be conveyed if it is more than two miles from a survey monument.
- Sec. 12 Specifies that legal and feasible access must be provided within subdivisions, and that access meeting local ordinances for subdivision is required of the state.
- Sec. 13 In addition to reservation of easements and rights-of-way, allows for retention of land in state ownership to maintain present and future public use and access.
- Sec. 14 Would allow an interest holder of state land to restrict the use of an easement with written approval of DNR.
- Sec. 15 Requires that other state agencies notify DNR of any land disposals. This is currently required for acquisitions, leases, and exchanges.
- Sec. 16 Clarifies that lands assigned by DNR to DOT may be transferred to DNR when they are no longer needed.
- Sec. 17 Conforming amendment per University settlement agreement. (see Section 3)
- Sec. 18 Limits the right to apply for a preference to three years from the date of error or state action in order to avoid long-standing claims with difficult record reconstruction.

Gives DNR the authority to convey to an adjoining landowner unmanageable remnants of land. Such remnants may be unusable and expensive to maintain in state ownership.

- Sec. 18 (cont'd) Provides a mechanism for correcting defects in the state's title to land by authorizing DNR to quitclaim land to the federal government on a determination that the land was wrongly or erroneously conveyed to the state.
- Sec. 19 Clarifies the procedure for issuing a best interest finding.
- Sec. 20 Amends to require that disposals be held in the community, rather than the municipality, nearest the land to be disposed of, to take into account unincorporated locations.
- Sec. 21 Authorizes bidding at auctions to begin at 85% of the current appraised fair market value of the land, rather than the current 100%.
- Sec. 22 Establishes an appeal process for contract violations, followed by the prerogative of the commissioner to foreclose the interest of the purchaser if a determination is made that there has been a breach of the contract.
- Sec. 23 and 24 Simplifies the selection procedure for agricultural land options for adjacent landowners, by requiring that options be exercised at the time of the disposal and that a single recipient be selected by drawing of lots.
- Sec. 25 Increases from \$250/year to \$5,000/year the value of a lease that may be negotiated, which reflects the increase in land values since this statute was enacted in 1962. Increases the maximum term of a negotiated lease from 5 years to 10 years.
- Sec. 26 Specifies that the term of a lease, while not exceeding 55 years, be for the useful life of the approved activity.
- Sec. 27 Amends the surface leasing procedure to require applicants to deposit with DNR a sum equal to any survey or appraisal costs incurred by another bidder. The successful applicant's deposit would be credited against lease rental payments. Survey and appraisal are required prior to leasing. In the interest of time, lease applicants will often conduct survey and appraisal at their own expense.

- Sec. 28 Provides a mechanism for DNR to negotiate leases for tide and submerged lands with upland land owners without competitive bidding.
- Authorizes DNR to require prequalification of bidders for surface leases. Such a procedure is currently required administratively to ensure that applicants can meet the terms of the lease.
- Sec. 29 Requires that the assessment of timber and other materials on state lands, and the recommendation for the sale of materials, take into account the supplies of and markets for materials on nearby private land.
- Sec. 30
thru 33 Technical: Substitute "commissioner" for "director".
- Sec. 34 Clarifies that land quitclaimed back to the federal government (see section 18) and land transferred to the University in their settlement agreement (see Sec. 3) is not subject to the reservation of mineral rights to the state.
- Sec. 35 In addition to reservation of easements and rights-of-way, allows for retention of land in state ownership to allow access to and along navigable and public waters.
- Sec. 36 Provides that easements of rights-of-way to navigable and public waters for oil and gas and mineral leases need not be made until the leases are ready to be developed.
- Sec. 37
and 38 Technical: substitute "commissioner" for "director" and "land" for "lands".
- Sec. 39 Extends the length of time that an appraisal is valid from 120 days to one year, to avoid costly reappraisals in the event of a delay in selling or leasing lands.
- Sec. 40 Conforming amendment per University settlement agreement (see Sec. 3)
- Sec. 41 Exempts land quitclaimed back to the federal government (see Sec. 18) from the restriction on sale of agricultural land.
- Sec. 42 Conforming amendment per relocation in statute of the best interest finding requirement.

- Sec. 43 Amends the public notice requirements for classification, sale, lease, and disposal of state lands to require that more than one, rather than just one, of the following notice methods be used: newspaper, electronic media, posting, notification of interested parties.
- Sec. 44 Requires that notice be given of negotiated sales of timber exceeding 500,000 board feet or of materials exceeding 25,000 cubic yards. Currently no notice of negotiated sales is required.
- Sec. 45 Adds the definition of multiple use that is contained in AS 38.04 to AS 38.05.
- Sec. 46 Grants a 25% discount on the purchase price of state land to veterans.
- Sec. 47 Conforming amendment per University settlement agreement. (see Section 3)
- Sec. 48 Allows the purchase of a homesite parcel at fair market value within 7 years of issuance of the permit if all requirements except the ones for occupancy have been met.
- Sec. 49 Eliminates the requirement that land available for homestead entry be within one mile of a survey monument. This will allow for conversion of remote parcel lands to the homestead program. Authorizes DNR to waive the cadastral survey requirement if certain conditions are present.
- Sec. 50 Allows the purchase of a homestead parcel at fair market value within five years of issuance of the permit if all requirements except the ones for occupancy have been met.
- Sec. 51 thru 62 Amends the Alaska Coordinate System to reflect changes in the federal datum used as a base for this system.
- Sec. 63 Provides that the lessee of a pipeline right-of-way shall reimburse the state for costs not only in monitoring pipeline construction, but for processing an application and for monitoring operation, maintenance, and removal of the pipeline.
- Sec. 64 Extends the length of time that an appraisal for a land exchange is valid from six months to one year to permit the execution of trades which involve considerable administrative work and public review.

- Sec. 65
and 66 Conforming amendments per University settlement agreement. (see Section 3)
- Sec. 67
and 68 Streamlines the notice requirements for land exchanges involving less than 640 acres of land or appraised at less than \$100,000. Notice would be given as outlined in Sec. 34.
- Sec. 69 A public hearing would be required for a land exchange only if the exchange is of more than 640 acres or valued at more than \$100,000. The Commissioner maintains discretion to hold hearings for other exchanges.
- Sec. 70 Clarifies which land exchanges require legislative approval.
- Sec. 71 Gives the Commissioner discretion in issuing trapping cabin permits.
- Sec. 72
thru 75 Conforming amendments per University settlement agreement. (see Section 3)
- Sec. 76 Clarifies that when the state contracts with a municipality to conduct an auction of state lands, the municipality may retain from the proceeds of the auction capital and other expenses. This will allow for joint disposals, whereby the municipality would construct the roads on state land and recoup its costs through auction proceeds.
- Sec. 77 Amends the definition section in Title 29 to clarify that the University has management responsibility for certain state lands. (see Section 3)
- Sec. 78
and 79 Requires compliance with local subdivision ordinances which require capital improvements. Exempts from compliance those subdivision plats submitted to the platting board prior to the effective date of this Act.

Sec. 80 Specifies that the contract foreclosure procedure acced in Section 22 applies only to contracts entered into after the effective date of this act.

Sec. 81 Repealers:

AS 29.33.150(e) Conforming amendment requiring compliance with local subdivision ordinances.

AS 38.04.025 Requires demand assessment, reduntant to .04.020(f)

AS 38.04.040 Authorizes sale of University lands. Obsolete with passage of SB 41 in 1983.

AS 38.04.045(a) Conflicts with subdivision parcel size limitations in .04.020(h).

AS 38.05.030(a) Sale of University lands - obsolete per passage of SB 41

AS 38.05.035(a)(14) Embodied in .05.035 (best interest finding).

AS 38.05.069(b) Agricultural preference option - embodied in 05.069(a).

AS 38.05.350 Settlement policy embodied in .04.005-.015.

AS 38.05.362 Classification of 650,000 acres of agricultural land by 9/79 completed.

AS 38.05.365(20) Definition of University lands.

Sec. 82 Effective date July 1, 1984.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



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STATE CAPITAL
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Senate

Committee on Resources

March 5, 1984

SUMMARY OF MAJOR PROVISIONS OF CS SB 375 (Res)

Access

EXISTING LAW

SB 375

AS 38.04.055 requires reservation of easements and rights-of-way across private land to reach public water and public and private land.

Would allow for retention of land in state ownership across or adjacent to private land.

AS 38.04.050 requires that wherever state land is surveyed for private use, adequate rights-of-way and easements be reserved to each parcel. Further, the director is required to arrange for the development of surface access "where necessary and appropriate."

Would specify that legal and feasible access be provided within subdivisions, and that surface access must meet local ordinances for subdivisions.

AS 29.33.150 exempts the state from compliance with local subdivision ordinances which require capital improvements.

This exemption would be removed.

Costs

EXISTING LAW

SB 375

Funds for implementation of land disposal programs and for grants to municipalities are provided through annual legislative appropriation, based on a request pursuant to AS 38.04.020(e).

Proposed AS 38.04.022 establishes a revolving fund within the general fund for deposit and subsequent appropriation of revenues from the sale of state land.

AS 38.05.310(a) limits the length of time an appraisal is valid to 120 days.

Extends the length of time an appraisal is valid to one year.

Land Exchanges

EXISTING LAW

SB 375

AS 38.05.120(a) gives the commissioner discretion in holding public hearings on proposed land exchanges.

At least one public hearing would be required for exchanges involving more than 640 acres or having an appraised value of \$100,000 or more.

AS 38.05.110 establishes notice procedures (in addition to those required under AS 38.05.345) for land exchanges: provide notice to legislators, municipalities and Native Corporations in the area of the proposed exchange, the Governor's Office, and all state departments.

Notice requirements for land exchanges involving less than 640 acres or appraised at less than \$100,000 would be only as required under AS 38.05.345 (electronic media, newspaper, posting, personal contact).

Notice

EXISTING LAW

SB 375

Under AS 38.05.345, public notice for classification, sale, lease, or disposal of state lands must be provided by one of the following methods: newspaper, electronic media, posting, or personal contact.

More than one notice method would be required.

AS 38.05.345(d) exempts negotiated sales from notice requirements.

Notice must be provided on negotiated sales of timber exceeding 500,000 board feet or materials exceeding 25,000 cubic yards.

See also "Land Exchanges."

Preference Rights

EXISTING LAW

SB 375

AS 38.05.035(b) allows for granting of preference rights to correct errors or omissions of a state or federal agency.

Would limit the right to apply for a preference to 3 years from the time of error.

AS 38.05.069(a) grants owners or lessees of agricultural land a first option to purchase or lease unoccupied adjacent land and establishes a procedure for determining priority if more than one applicant is eligible for the option. This option must be exercised within 60 days after the auction.

Options must be exercised at the time of the auction. A single recipient would be selected by the drawing of lots.

Program Features

EXISTING LAW

SB 375

AS 38.04.020(h) establishes subdivision parcel size at five acres unless topographical features or water and sewage considerations suggest otherwise.

Would allow for consideration of resource values and land uses in determining parcel size.

AS 38.04.020(g)(2) requires that 20% of subdivision parcels be disposed of as homesites.

The number of subdivision parcels disposed of as homesites would be left to the discretion of the commissioner.

AS 38.04.035(4) limits issuance of remote cabin permits to areas where survey and conveyance is impractical.

Permits could also be issued in areas where resource and use conflicts, or a long-range interest in public ownership, exist.

Under AS 38.08.060, the following conditions must be met before a homesite patent can be obtained: Occupancy for 35 months within seven years, erection of a dwelling within five years, payment to the state for survey and platting.

Patent could be obtained prior to expiration of the entry permit through purchase at fair market value if all but the occupancy requirements have been met.

Under AS 38.09, the following conditions must be met before a homestead patent can be obtained: Occupancy for 25 months within five years, survey within two years, erection of a dwelling within three years.

AS 38.09.090. would allow the purchase of a homestead parcel at fair market value prior to expiration of the entry permit if all but the occupancy requirements have been met.

Under AS 38.45.080(a), a trapping cabin permit must be issued if the applicant meets certain conditions.

The commissioner would have discretion in issuance of trapping cabin permits.

AS 29.18.210 authorizes the state to contract with a municipality to conduct an auction of state lands, and allows the municipality to retain expenses from the proceeds of the auction.

Clarifies that capital expenses may also be retained from auction proceeds. This will allow for joint disposals, whereby the municipality would construct the roads on state land and recoup its costs through auction proceeds.

Price of Land

EXISTING LAW

SB 375

AS 38.04.035 requires that, unless otherwise provided, lands be sold at fair market value.

AS 38.05.055 would allow bidding at auctions to begin at 85% of the appraised value of the land.

No general land discounts are currently offered.

AS 38.05.940 would grant a 25% discount on land sales to veterans.

Survey

EXISTING LAW

SB 375

AS 38.04.045(b) requires that all land disposed of must be within two miles of a survey monument. AS 38.09.010(b) requires that land made available for homestead entry be within one mile of a survey monument.

Eliminates the requirement that land made available for homestead entry be within one mile of a survey monument.

Leasing Procedures

EXISTING LAW

SB 375

AS 38.05.070(b) establishes the conditions of a negotiated lease at a 15 year maximum term, and with a maximum appraised value of \$250/year.

Increases the value of a lease that may be negotiated to \$5000/year, and the term to 10 years.

AS 38.05.070 establishes 55 years as the maximum term of a lease.

AS 38.05.075 establishes surface leasing procedures. Leasing is made at auction to the highest qualified bidder.

In setting the term of a lease, requires the Commissioner to consider the useful life of any approved activities.

AS 38.05.075(c) provides a mechanism for DNR to negotiate leases for tide and submerged lands with upland owners without competitive biddings.

AS 38.05.075(e)-(h) authorizes DNR to require prequalification of bidders for surface leases. Such a procedure is currently required administratively to ensure that applicants can meet the terms of the lease.

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

POUCH M
JUNEAU, ALASKA 99811
PHONE: 907-455-2400

OFFICE OF THE COMMISSIONER

April 4, 1984

The Honorable Bob Mulcahy
Alaska State Senate
Pouch V
Juneau, AK 99811

Dear Senator Mulcahy:

Per your request I am providing a summary position statement from the Department of Natural Resources on CSSB 375 (Res) and CSSB 222 (2nd Res), which are now before the Senate Finance Committee.

The Department, as you are aware from your experience with these bills in the Senate Resources Committee during the past two years, has worked closely with the Legislature in the drafting of both bills. We have reviewed both bills and have asked the Attorney General's Office for its review, and have no amendments to put forward.

As I stated in my testimony before the Senate Resources Committee, I support the bills. SB 375 incorporates some desirable changes affecting the Department's land offerings and land management. With these changes, the Department will comply with local and borough ordinances, provide access and improvements for most nonremote disposals, plan for land offerings in a coordinated fashion at the region and sub-region level, and offer high-quality lands with some preserved amenity values. Our ability to accomplish important land exchanges will also be enhanced.

In making these changes, it is incumbent on the Legislature and the Administration to be sure that our land offerings program remains steady and reliable. As Commissioner, I have encouraged the policy changes that are embodied in the bill because I believe that the State should be balanced and fair in its disposals, especially in carrying its own costs. However, I am constantly aware that the disposal program has gone through radical changes in past years that have left many Alaskans dissatisfied. A major objective of my disposal policy implementation has been to encourage constructive change without disrupting the program. I look forward to cooperating with the Legislature in assuring Alaskans of a stable land disposal program for future years.

Thank you for your work on this bill. Please contact me or my staff if we may be of any assistance.

Sincerely,



Esther C. Wunnicke

Commissioner

cc: Senator Bettye Fahrenkamp



THE CITY OF HAINES, ALASKA
P.O. BOX 576
HAINES, ALASKA 99827
(907) 766-2231

In Reply
Refer To:

March 20, 1984

Alaska State Senators
Thirteenth Legislature
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Senator:

The City of Haines strongly supports Senate Bill 375.

This bill contains provisions relating to Native allotments that are vital to our community, in that the status of Native allotment must be resolved to orderly develop and use our land for the benefit of Alaskans.

Passage of this legislation this year will enable the State of Alaska to keep its promise made to Alaska Natives over one and one-half years ago during the passing of Senate Bill 796.

Please review our attached position paper concerning this Senate Bill 375.

If we can be of any assistance, please let us know.

Sincerely,

A handwritten signature in cursive script that reads "Jon Halliwill".

Jon Halliwill
Mayor

MERRILL PALMER
Consultant
City of Haines
Baranof Hotel, Rm. 609
Juneau, AK 99801
(907)586-2660

Position Paper Concerning

COMMITTEE SUBSTITUTE SENATE BILL 375
SENATE RESOURCES

The City of Haines has been involved in the development of Senate Bill 375. We support the passing of this legislation.

While we cannot offer expert testimony on all provisions of this bill, we can offer comments concerning certain sections that are of major concern to the Haines community.

These sections are identified as:

Section 18, provision 9, page 10, lines 17 through 20, which reads:

(9) Quitclaim land on or interest in land to the federal government on a determination that the land or the interest in land was wrongfully or erroneously conveyed by the federal government to the state.

Section 34, provision B.

Section 41, provision 2.

Section 82, which provides for an immediate effective date of Sections 18, 34, and 41.

The four sections will resolve, for the most part, certain Native allotment claims known as "Aguilar" type claims of which there are about 220 of these type claims statewide. Aguilar refers to a court case known as Aguilar vs. U.S.A. Whereas, the State of Alaska was deeded certain lands by the United States Bureau of Land Management that Natives claimed they used and occupied before the state selected the land.

The court held that if the land was used and occupied by the Natives, the land should not have been conveyed to the state if the Natives filed an allotment claim on the land before August 1971. However, the state does not have at this time the authority

to quitclaim the land back to the federal government to correct this situation.

The provisions of this bill that we support will give the state the authority to quitclaim the land back to the federal government, thus resolving many issues as herein listed:

1. The State of Alaska promised to help resolve the Haines Native allotment claims almost two years ago. As a result of this promise, certain Native organizations supported Senate Bill 796 that created the Haines State Forest and the Alaska Chilkat Bald Eagle Preserve. SB 796 was a State of Alaska priority piece of legislation. The State of Alaska has been unable to keep their promise to the Native, thus creating a lot of hard feelings and hardships for all concerned. This bill will allow the state to honor this most important promise. There are more than fifty Native allotments in the Haines area that would be affected by this legislation.

2. The state, where appropriate, could quitclaim the land back to the federal government, thus saving the state costly court proceedings.

3. The issue can be resolved in a timely manner, thus benefiting the Natives, state and other interest groups. It should be noted that the provisions we support are identical to Senate Bill 344 and House Bill 455, which we also support. The House passed HB 455 unanimously, 40-0, which properly reflects the importance of this issue.

In conclusion, we strongly support this legislation and encourage the legislature to pass the bill this year.

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

1/25/84

Date: 3-9-84

Mr. President:

The Committee on RESOURCES has had SB 375
relating to land disposal and management; efd.

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 SB 375 (Rs) same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature] N/C

[Signature]
CHAIRMAN

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
BOB MULCAHY
ARLISS STURGULEWSKI



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Senate

Committee on Resources

May 10, 1984

SUMMARY OF MAJOR PROVISIONS OF HCS CS SB 375 (Res)

Access

EXISTING LAW

AS 38.04.050 requires that wherever state land is surveyed for private use, adequate rights-of-way and easements be reserved to each parcel. Further, the director is required to arrange for the development of surface access "where necessary and appropriate."

AS 29.33.150 exempts the state from compliance with local subdivision ordinances which require capital improvements.

Costs

EXISTING LAW

Funds for implementation of land disposal programs and for grants to municipalities are provided through annual legislative appropriation, based on a request pursuant to AS 38.04.020 (e).

SB 375

Would specify that legal and feasible access be provided within subdivisions, and that surface access must meet local ordinances for subdivisions.

This exemption would be removed.

SB 375

Proposed AS 38.04.022 establishes a revolving fund within the general fund for deposit and subsequent appropriation of revenues from the sale of state land.

AS 38.05.310(a) limits the length of time an appraisal is valid to 120 days.

Extends the length of time an appraisal is valid to one year.

Land Exchanges

EXISTING LAW

SB 375

AS 38.50.020(a) provides for legislative review of exchanges for other than equal appraised fair market value.

Legislative approval would be required for any land exchange involving more than 500 acres of state land or valued at more than \$1 million. The current review provision is repealed.

AS 38.50.120(a) gives the commissioner discretion in holding public hearings on proposed land exchanges.

At least three public hearings would be required for exchanges involving more than 500 acres or having an appraised value of \$1 million or more.

AS 38.05.110 establishes notice procedures (in addition to those required under AS 38.05.345) for land exchanges: provide notice to legislators, municipalities and Native Corporations in the area of the proposed exchange, the Governor's Office, and all state departments.

Notice requirements for land exchanges involving less than 500 acres or appraised at less than \$100,000 would be only as required under AS 38.05.345 (electronic media, newspaper, posting, personal contact).

Notice

EXISTING LAW

SB 375

Under AS 38.05.345, public notice for classification, sale, lease, or disposal of state lands must be provided by one of the following methods: newspaper, electronic media, posting, or personal contact.

Notice must be given by newspaper plus one other method.

See also "Land Exchanges."

Preference Rights

EXISTING LAW

SB 375

AS 38.05.035(b)(2) allows for granting of preference rights to correct errors or omissions of a state or federal agency.

Would limit the right to apply for a preference to 5 years from the time of error.

AS 38.05.035(b)(3) allows for granting of preference rights to correct errors or omissions of others.

Would limit the right to apply for a preference to 3 years from the time of error.

Adds a new preference, to be granted to long-term landholders who have derived business income from the land.

AS 38.05.069(a) grants owners or lessees of agricultural land a first option to purchase or lease unoccupied adjacent land and establishes a procedure for determining priority if more than one applicant is eligible for the option. This option must be exercised within 60 days after the auction.

Options must be exercised at the time of the auction. A single recipient would be selected by the drawing of lots.

Program Features

EXISTING LAW

SB 375

AS 38.04.020(h) establishes subdivision parcel size at five acres unless topographical features or water and sewage considerations suggest otherwise.

Would allow for consideration of resource values and land uses in determining parcel size.

AS 38.04.020(g) (2) requires that 20% of subdivision parcels be disposed of as homesites.

The number of subdivision parcels disposed of as homesites would be left to the discretion of the commissioner.

AS 38.04.035(4) limits issuance of remote cabin permits to areas where survey and conveyance is impractical.

Permits could also be issued in areas where resource and use conflicts, or a long-range interest in public ownership, exist.

Under AS 38.08.060, the following conditions must be met before a homesite patent can be obtained: Occupancy for 35 months within seven years, erection of a dwelling within five years, payment to the state for survey and platting.

Patent could be obtained prior to expiration of the entry permit through purchase at fair market value if all but the occupancy requirements have been met.

Under AS 38.09, the following conditions must be met before a homestead patent can be obtained: Occupancy for 25 months within five years, survey within two years, erection of a dwelling within three years.

AS 38.09.090. would allow the purchase of a homestead parcel at fair market value prior to expiration of the entry permit if all but the occupancy requirements have been met.

AS 38.09.030(c) allows holders of homestead entry permits to transfer rights to another individual in the event of incapacitating illness or injury.

Grants homesite permit holders the same right to transfer.

AS 29.18.210 authorizes the state to contract with a municipality to conduct an auction of state lands, and allows the municipality to retain expenses from the proceeds of the auction.

Clarifies that capital expenses may also be retained from auction proceeds. This will allow for joint disposals, whereby the municipality would construct the roads on state land and recoup its costs through auction proceeds.

Price of Land

EXISTING LAW

SB 375

AS 38.04.035 requires that, unless otherwise provided, lands be sold at fair market value.

AS 38.05.055 would allow bidding at auctions to begin at 70% of the appraised value of the land.

No general land discounts are currently offered.

AS 38.05.940 would grant a 25% discount on land sales to veterans.

Survey

EXISTING LAW

SB 375

AS 38.04.045(b) requires that all land disposed of must be within two miles of a survey monument. AS 38.09.010(b) requires that land made available for homestead entry be within one mile of a survey monument.

Eliminates the requirement that land made available for homestead entry be within one mile of a survey monument, and allows DNR to waive the 2-mile requirement.

Leasing Procedures

EXISTING LAW

SB 375

AS 38.05.070(b) establishes the conditions of a negotiated lease at a 15 year maximum term, and with a maximum appraised value of \$250/year.

Increases the value of a lease that may be negotiated to \$5000/year, and the term to 10 years.

AS 38.05.070 establishes 55 years as the maximum term of a lease.

In setting the term of a lease, requires the Commissioner to consider the useful life of any approved activities.

AS 38.05.075 establishes surface leasing procedures. Leasing is made at auction to the highest qualified bidder.

AS 38.05.075(c) provides a mechanism for DNR to negotiate leases for tide and submerged lands with upland owners without competitive biddings.

AS 38.05.075(e)-(h) authorizes DNR to require prequalification of bidders for surface leases. Such a procedure is currently required administratively to ensure that applicants can meet the terms of the lease.

Agriculture

EXISTING LAW

AS 38.05.020(b)(6) authorizes DNR to require development plans of participants in agricultural development projects.

AS 38.05.321 limits the disposal of agricultural land to transfer of only the agricultural rights.

SB 375

Would allow DNR to waive, postpone, or modify agricultural development requirements if certain conditions are present.

A fee simple conditional title, requiring agricultural development, would be issued.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
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Senate

Committee on Resources

May 9, 1984

HCS CSSB 375, An Act relating to land disposal and management

- Sec. 1 Spells out a policy for managing and disposing of state land which takes into account a range of resource values and uses.
- Sec. 2 Spells out the policy of soliciting the views, including the holding of local public hearings when appropriate, of the residents of communities most affected by land classifications and disposals.
- Sec. 3 Passage by the 1983 legislature of SB 41, which awarded the University of Alaska ownership and management of certain state lands, has rendered this provision obsolete.
- Sec. 4 Requires that in determining sufficient separation between residences in "remote" areas, the resources in the area shall be considered.
- Sec. 5 Requires that a cost estimate for access roads and capital improvements within disposal areas (as may be required by municipal ordinance) be submitted annually. This deletes the "loophole" which allowed for submittal of a schedule for obtaining cost estimates.
- Sec. 6 Clarifies that DNR's budget request must include an assessment of the market demand for the land proposed for disposal. No annual, statewide demand assessment would be required, as this type of analysis is difficult and has had little impact on legislative appropriations for disposal programs.
- Sec. 7 Repeals the arbitrary requirement that certain percentages of subdivision land be made available through the homesite method. This will allow disposal methods to better reflect market demand and public policy.
- Sec. 8 Allows flexibility in subdivision parcel size to better reflect resources and uses in the area.

- Sec. 9 Establishes a revolving fund within the general fund for deposit and subsequent appropriation of revenues from the sale of state land. Funds would be used for implementation of land disposal programs and for grants to municipalities for their disposal programs.
- Sec. 10 Expands the authority in issuing remote cabin permits to allow their use where potential resource and use conflicts exist, or where a long-range interest in public ownership exists. Currently, these permits may be issued only where survey and conveyance is impractical.
- Sec. 11 Clarifies that all land to be conveyed must have been surveyed, either through monumentation of section corners or monumentation of control points, with no land to be conveyed if it is more than two miles from a survey monument, unless this condition is waived by the commissioner.
- Sec. 12 Specifies that legal and feasible access must be provided within subdivisions, and that access meeting local ordinances for subdivisions is required of the state.
- Sec. 13 Clarifies that trails with an established history of use may be reserved as easements or rights of way across private land.
- Sec. 14 Allows the Department to grant a lessee the right to restrict the use of an easement in order to protect public safety or property.
- Sec. 15 Allows for a waiver or modification of agricultural development requirements if certain conditions are present.
- Sec. 16 Requires that other state agencies notify DNR of any land disposals. This is currently required only for acquisitions, leases, and exchanges.
- Sec. 17 Clarifies that lands assigned by DNR to DOT may be transferred to DNR when they are no longer needed.
- Sec. 18 Conforming amendment per University settlement agreement. (see Section 3)
- Sec. 19 Limits the right to apply for a preference to five years from the date of administrative error or state action, or three years from the date of error by others, in order to avoid long-standing claims with difficult record reconstruction.

Sec. 19 Gives DNR the authority to convey to an adjoining
Cont. landowner unmanageable remnants of land. Such
remnants may be unusable and expensive to maintain in
state ownership.

Provides a mechanism for correcting defects in the
state's title to land by authorizing DNR to quitclaim
land to the federal government on a determination
that the land was wrongly or erroneously conveyed to
the state.

Sec. 20 Clarifies the procedure for issuing a best interest
finding, and grants a preference right to long-term
landholders who have derived business income from the
land.

Sec. 21 Amends to require that disposals be held in the
community, rather than the municipality, nearest the
land to be disposed of, to take into account
unincorporated locations.

Sec. 22 Authorizes bidding at auctions to begin at 70% of the
current appraised fair market value of the land,
rather than the current 100%.

Sec. 23 Replaces the current "agricultural rights" provision
with a fee simple conditional title for agricultural
land. Agricultural development would still be
required. The intent is to encourage private
financing, which has not been possible under the
restricted title currently granted.

Sec. 24 Establishes a notice of breach procedure for contract
and 25 violations, followed by the prerogative of the
commissioner to foreclose the interest of the
purchaser.

Sec. 26 Simplifies the selection procedure for agricultural
land options for adjacent landowners, by requiring
that options be exercised at the time of the disposal
and that a single recipient be selected by drawing of
lots.

Sec. 27 Conforming amendment per repeal of "agricultural
interest" provision (see Sec. 23).

Sec. 28 Increases from \$250/year to \$5,000/year the value of
a lease that may be negotiated, which reflects the
increase in land values since this statute was
enacted in 1962. Increases the maximum term of a
negotiated lease from 5 years to 10 years. Requires
that reasonable and traditional access to public land
be maintained as a term of the lease.

- Sec. 29 Specifies that the term of a lease, while not exceeding 55 years, be for the useful life of the approved activity.
- Sec. 30 Amends the surface leasing procedure to require applicants to deposit with DNR a sum equal to any survey or appraisal costs incurred by another bidder. The successful applicant's deposit would be credited against lease rental payments. Survey and appraisal are required prior to leasing. In the interest of time, lease applicants will often conduct survey and appraisal at their own expense.
- Sec. 31 Provides a mechanism for DNR to negotiate leases for tide and submerged lands with upland land owners without competitive bidding.
- Authorizes DNR to require prequalification of bidders for surface leases. Such a procedure is currently required administratively to ensure that applicants can meet the terms of the lease.
- Sec. 32 Requires that the assessment of timber and other materials on state lands, and the recommendation for the sale of materials, take into account the supplies of and markets for materials on nearby private land.
- Sec. 33
thru 36 Technical: Substitute "commissioner" for "director".
- Sec. 37 Clarifies that land quitclaimed back to the federal government (see section 18) and land transferred to the University in its settlement agreement (see Sec. 3) is not subject to the reservation of mineral rights to the state.
- Sec. 38 Technical: substitute "commissioner" for "department", "ensure" for "insure".
- Sec. 39 Provides that easements of rights-of-way to navigable and public waters for oil and gas and mineral leases need not be made until the leases are ready to be developed.
- Sec. 40
and 41 Technical: substitute "commissioner" for "director" and "land" for "lands".
- Sec. 42 Extends the length of time that an appraisal is valid from 120 days to one year, to avoid costly reappraisals in the event of a delay in selling or leasing lands.

- Sec. 43 Conforming amendment per University settlement agreement (see Sec. 3)
- Sec. 44 Exempts land quitclaimed back to the federal government (see Sec. 18) from the restriction on sale of agricultural land.
- Sec. 45 Conforming amendment per relocation in statute of the best interest finding requirement.
- Sec. 46 Amends the public notice requirements for classification, sale, lease, and disposal of state lands to require that notice be placed in the newspaper and that one of the following methods also be used: electronic media, posting, notification of interested parties. Current statute requires use of only one of the above methods.
- Sec. 47 Clarifies that no notice need be given of negotiated sales of timber and materials.
- Sec. 48 Adds the definition of "multiple use" and "university lands" as used in AS 38.04 to AS 38.05.
- Sec. 49 Grants a 25% discount on the purchase price of state land to veterans.
- Sec. 50 Conforming amendment per University settlement agreement. (see Section 3)
- Sec. 51 Allows holders of homesite parcels to transfer rights to another individual in the event incapacitating illness or injury prevents the landholder from fulfilling residency requirements. This conforms with current homestead provisions.
- Sec. 52 Allows the purchase of a homesite parcel at fair market value within 7 years of issuance of the permit if all requirements except the ones for occupancy have been met.
- Sec. 53 Eliminates the requirement that land available for homestead entry be within one mile of a survey monument. This will allow for conversion of remote parcel lands to the homestead program. Authorizes DNR to waive the cadastral survey requirement if certain conditions are present.
- Sec. 54 Provides that the amount of land to be cleared under agricultural homesteading requirements be based on soil classifications.

- Sec. 55 Allows the purchase of a homestead parcel at fair market value within five years of issuance of the permit if all requirements except the ones for occupancy have been met.
- Sec. 56 thru 67 Amends the Alaska Coordinate System to reflect changes in the federal datum used as a base for this system.
- Sec. 68 Provides that the lessee of a pipeline right-of-way shall reimburse the state for costs not only in monitoring pipeline construction, but for processing an application and for monitoring operation, maintenance, and removal of the pipeline.
- Sec. 69 Requires legislative approval of land exchanges of more than 500 acres of state land or valued at more than \$1 million. Current statute requires legislative action on unequal value exchanges; this provision is repealed.
- Sec. 70 Extends the length of time that an appraisal for a land exchange is valid from six months to one year to permit the execution of trades which involve considerable administrative work and public review.
- Sec. 71 and 72 Conforming amendments per University settlement agreement. (see Section 3)
- Sec. 73 and 74 Streamlines the notice requirements for land exchanges involving less than 500 acres of land or appraised at less than \$100,000.
- Sec. 75 Three public hearings would be required for land exchanges of more than 500 acres or valued at more than \$1,000,000. The Commissioner maintains discretion to hold hearings for other exchanges.
- Sec. 76 Clarifies which land exchanges require legislative approval (see Section 69).
- Sec. 77 thru 80 Conforming amendments per University settlement agreement. (see Section 3)
- Sec. 81 Clarifies that when the state contracts with a municipality to conduct an auction of state lands, the municipality may retain from the proceeds of the auction capital and other expenses. This will allow for joint disposals, whereby the municipality would construct the roads on state land and recoup its costs through auction proceeds.

- Sec. 82 Amends the definition section in Title 29 to clarify that the University has management responsibility for certain state lands. (see Section 3)
- Sec. 83
and 84 Requires compliance with local subdivision ordinances which require capital improvements.
- Sec. 85 Specifies that the contract foreclosure procedure added in Section 22 applies only to contracts entered into after the effective date of this act.
- Sec. 86 Exempts from compliance with local subdivision ordinances those plats submitted to the platting board before the effective date of the Act. (see Sec. 84)
- Sec. 87 Repealers:
AS 29.33.150(e) Conforming amendment requiring compliance with local subdivision ordinances.
AS 38.04.025 Requires demand assessment, redundant to .04.020(f)
AS 38.04.040 Authorizes sale of University lands. Obsolete with passage of SB 41 in 1983.
AS 38.04.045(a) Conflicts with subdivision parcel size limitations in .04.020(h).
AS 38.05.030(a) Sale of University lands - obsolete per passage of SB 41 AS
38.05.035(a)(14) Embodied in .05.035 (best interest finding).
AS 38.05.069(b) Agricultural preference option - embodied in 05.069(a).
AS 38.05.321(a) Agricultural interests section replaced by AS 38.05.059 (fee simple conditional title)
AS 38.05.362 Classification of 650,000 acres of agricultural land by 9/79 completed.
AS 38.05.365(20) Definition of University lands.
- Sec. 88 Provides that the veterans' discount (see Sec. 49) is retroactive to the time of repeal of the State's general discount program.
- Sec. 89 Immediate effective date for Sections 19, 37 and 44.
- Sec. 90 July 1, 1984 effective date for remainder of bill.

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ROBERT H. ZIEGLER, SR., Vice Chairman
DICK ELIASON
PAUL FISCHER
VIC FISCHER
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Senate

Committee on Resources

May 11, 1984

Al Adams, Chairman
House Finance Committee
Pouch V
Juneau, AK 99811

Dear Al:

As prime sponsor of SB 375, An Act relating to land disposal and management, I have closely monitored its progress since it received Senate Resources Committee approval in late February. This bill, which is a product of the Committee's interim work on the State's land statutes, and received extensive public review before being acted upon by the Senate, was substantially amended by the House Resources Committee. While I applaud the House Committee members for their interest in this important piece of legislation, and support many provisions they adopted as improvements to the bill, I ask that you consider the following:

AS 38.04.010(b) (Section 4) addresses settlement beyond the range of public services, and provides criteria for determining density of residences. The Senate version of the bill, which asks that the Department consider the availability of timber, water and firewood resources in determining density, is intended to ensure that resources critical to remote living are present. An amendment in House Resources added "fisheries" as a criteria. Aside from the practical and financial problems with requiring that fisheries availability be considered, the availability of any food source, particularly one in isolation from the entire food chain, is uncertain and not critical to one's ability to live in a remote area.

AS 38.04.035(4) (Sec. 10) is intended to encourage use of the state's remote cabin program. Such use is currently limited to situations where survey and conveyance are impractical. I believe that the House language added on page 5, line 21, furthers this intent, but the sentence is now poorly structured. I suggest deleting "require additional conditions" on line 23.

AS 38.50.020(a) (Sec. 69) provides for the exchange of state land for other lands to be based on equal appraised values, or if not, to be submitted to the legislature for review. The House version of SB 375 would mandate legislative approval for each exchange, whether of equal or unequal value, above a specified threshold (500 acres or more than \$1 million). While I agree that legislative oversight is important, and support the current statutory provision that requires notice to legislators of exchange actions, I feel that setting an arbitrary threshold and mandating legislative approval will merely complicate an already lengthy process involving sensitive negotiations. I maintain that the greatest need for legislative oversight is in exchanges for lands of unequal value, and would support restoring this language to its current statutory form.

Current statute authorizes the Commissioner to require a development plan for sales of state agricultural land. AS 38.05.020(b)(7) (Sec. 15) would allow the Commissioner to modify agricultural development requirements under specified conditions. My understanding is that this language is intended to address the recipients of agricultural land in Gustavus who because of their isolated location and lack of transportation to markets are unable to economically develop their farms. As drafted, however, this language could apply to any state agricultural project in its developmental stages. I would support amending this section (page 8, line 24) to read "...if the land is inaccessible by road and [or] transportation, marketing, and development costs render the required development.."

AS 38.05.059 (Sec. 23) has been amended to provide for issuance of a fee simple conditional title for agricultural land. I do not feel this approach is consistent with the state's current agriculture policy. I am aware that under the "agricultural rights" title currently issued by the State, private financing for home construction has been difficult to obtain (land purchase and development loans are available from the state), but I am not convinced that fee simple title is the solution. The bank's willingness to loan is affected also by the state's position as primary lienholder, and the credit worthiness of purchasers who have large clearing and development loans outstanding to the State. The Senate Resources Committee is looking at the financing problems in a separate bill, HB 458, and I feel this concept is complex enough to require consideration on its own merits. A hearing is scheduled on HB 458 for Monday, May 14th. I urge deletion of Section 23 from SB 375, and ask that the following conforming amendments also be made:

Page 11, line 6. Restore to current language.

Page 52, line 11. Delete repeal of 38.05.321(a).

AS 38.05.940 establishes a 25% discount on land purchases to qualified veterans. The House version (Sec. 88) makes the discount retroactive to March 31, 1983, the date of the court's ruling on the unconstitutionality of the State's general discount program. If this retroactive provision is enacted, the Department

of Natural Resources estimates a loss to the state of \$2.1 million in principal payments and \$3.1 million in interest payments over the next 20 years, plus a cost of \$283,500 for contract conversions required by the amendment. While I agree that there are compelling reasons to grant a discount to our veterans, I am concerned that the costs the State would incur through this retroactive provision are substantial enough to justify that the discount be prospective only.

AS 38.95.080(a) directs the Commissioner to issue a trapping cabin permit to any applicant with an established trapline of sufficient length to justify cabin construction. The Senate version of SB 375 made this authority discretionary. I have no objection to the issuance of trapping cabin permits for serious trappers when needed, but the current statute (which is maintained in the House version) prohibits the Commissioner from denying a permit when resource or use conflicts may occur, or when the furbearer population is unable to sustain the intensive

trapping brought about through cabin use. I support giving the Commissioner an opportunity to review each permit application, and urge restoring this provision to a discretionary authority.

Section 82 adds a definition of "exchange" to Title 29, Municipal Government. This section should be deleted. In addition to being inappropriately located, current statute (AS 38.50) adequately specifies what constitutes an exchange. This is not an instance when a term is used so broadly or vaguely as to require definition.

Section 85 of the House version incorrectly references "Sec. 22". The reference should be to "Sec. 25".

SB 222, which also addresses Title 38, was prepared by the revisor of statutes. Generally, the bill reflects changes in drafting style ("commissioner" rather than "director", "department" rather than "division", "land" rather than "lands") and deletes obsolete references (to repealed statutes and to "university lands" per passage of 1983 legislation giving the university management authority over its lands). In addition, the Senate Finance Committee substitute authorizes DNR to contract for construction of firewood access roads, a function currently held by DOT. SB 222 has been reviewed by our legal division to ensure that the technical changes it proposes to Title 38 are consistent with the changes proposed in SB 375. Passage of both will facilitate work currently being done in preparation for the reprinting of the Title 38 pamphlet this summer.

I would like to call your attention to the attached information regarding conversion of leases that I provided to the House Resources Committee during their deliberations on SB 222. I cannot support any amendment which provides such benefits to anyone at the expense to the State.

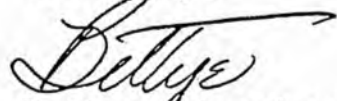
Representative Al Adams

SB 375

Page 4

I would appreciate your scheduling a hearing on both SB 375 and SB 222. I have attached information on the bills and will be happy to discuss them with you at your convenience.

Sincerely,



Bettye Fahrenkamp
Chairman

BF:ss

Proposed amendment to S.B. 222 Dealing with lessee preference

The amendment requires that the Department of Natural Resources shall offer for sale or lease renewal current leases upon the request of the lessee or upon termination of the lease. The amendment further states that the commissioner of the department may, upon a best interest finding offer the lease for sale to the current leasee for its appraised fair market value of the state's equity.

PROBLEM

Most of the leases which would be affected by this amendment were obtained in 1974 at 1971 prices. The average payment on a lease of 160 acres was \$300.00 per year. The legislature responded in 1975 or 76 by requiring that the Department only use appraisals which were current to 120 days. The concern was that too many people had benefitted by the Department's action. The Legislature acted to assure that this not occur in the future. However, the Legislature during a new session passed the Lease Conversion Act. The thrust of the bill was to allow for state leases to be converted to sales. However, they changed the lease terms by only allowing a reappraisal after the first 25 years of the lease had passed and subsequent appraisals could not occur before 10 years. The effect was to take the fair market return requirement from the Department. The result has been that the Department does not enter into many leases because the terms are too adverse to the state.

FURTHER COMPLICATION

Last year the Legislature passed Senate Bills 40 and 41 which gave the University of Alaska the exclusive control and management of their trust lands and appropriated over 26 million dollars to the University in land and cash as a settlement for not maximizing the return on these lands for the benefit of the University. They used the earlier actions of the Department and the Legislature as substantial reasons for their action. The Legislature last year bought these leases from the University at fair market value. In 1982 the Legislature paid \$500,000 to have these leases appraised. So, the figures are current to last spring.

AFFECT OF THE PROPOSED AMENDMENT