

HOUSE  
COMMITTEE REPORT

(11)

Date referred: 3/24/86

FURTHER REFERRALS:

DATE: 4-11-86

The FINANCE Committee has considered HB 587

"An Act relating to municipal land entitlements; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS HB 587 (Fin) ~~same title~~  new title

and recommends Individual Recommendations

further referral to the \_\_\_\_\_ Committee

- and attaches:
- letter of intent
  - first fiscal note
  - new fiscal note 4-10-86 49.6
  - zero fiscal note

SIGNING DO PASS:

Alberto Ades  
Mike Szymanski  
Ronald J. [unclear]  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

SIGNING OTHER RECOMMENDATIONS:

Steve Rizer  
John [unclear] No REC  
John [unclear] needs further amendment  
John [unclear] no REC  
Jim Cost none  
Don [unclear]

Alberto Ades  
Chairman

**STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE**

Revision Date : 4/10/86

**REQUEST**

Bill/Resolution No. : CSHB 587 (Fin)  
 Title : Municipal land entitlements

Sponsor : Adams  
 Requestor : House Finance Committee  
 Date of Request : 4/10/86

**FISCAL DETAIL**

Agency Affected : DNR  
 BRU : Land & Water Management

Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		34.6	---	---	---	---
TRAVEL		5.0	---	---	---	---
CONTRACTUAL		10.0	---	---	---	---
SUPPLIES		0	---	---	---	---
EQUIPMENT		0	---	---	---	---
LAND & STRUCTURES		0	---	---	---	---
GRANTS, CLAIMS		0	---	---	---	---
MISCELLANEOUS		0	---	---	---	---
<b>TOTAL OPERATING</b>		<b>49.6</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>

CAPITAL			---	---	---	---
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REVENUE			---	---	---	---
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**FUNDING : (Thousands of Dollars)**

GENERAL FUND		49.6	---	---	---	---
FEDERAL FUNDS			---	---	---	---
OTHER			---	---	---	---
<b>TOTAL</b>		<b>49.6</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>

**POSITIONS :**

FULL-TIME						
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

See Attached Analysis

Prepared by : Al Adams, Chair <sup>APA</sup> Phone : 465-3706  
 Division : House Finance Committee Date : 4/10/86

Approved by Commissioner : \_\_\_\_\_ Date : \_\_\_\_\_  
 Agency : \_\_\_\_\_

Distribution (by Agency preparing fiscal note) :

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

ANALYSIS OF CS HB 587 (FIN) FISCAL NOTE

FY 87:

Personal Services

Natural Resources Technician I -- 12 months \$ 34.6  
(To coordinate duties associated with  
selecting and determining entitlements)

Travel

To meet with communities to facilitate \$ 5.0  
determination and conveyance of entitlements

Contractual

To cover cost of notification process, maps, \$ 10.0  
plats, etc. required to adjudicate land  
selections and determine entitlements

TOTAL \$ 49.6

In addition to the \$50.6 provided here, adjustments may be made to the FY 87 DNR budget. Positions that currently do land conveyance only, may also participate in the entitlement process provided for in this bill.

FUTURE FISCAL YEARS:

There will be diminishing costs in future years. The actual amount needed each year will depend on the pace of selection, determination, conveyance, etc. These costs will be determined in the annual budget process.

Original sponsor: Adams

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 587 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to general grant land entitlements;  
7 and providing for an effective date."

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

9 \* Section 1. AS 29.65 is amended by adding a new section to read:

10 Sec. 29.65.015. DETERMINATION OF ENTITLEMENTS FOR MUNICIPAL-  
11 ITIES. The general grant land entitlement of a municipality is 10  
12 percent of the maximum total acreage of vacant, unappropriated, unre-  
13 served land within its boundaries at any time between the date of its  
14 incorporation and two years after the expiration of the state's right  
15 to make selections under sec. 6(a) or (b) of the Alaska Statehood Act.  
16 By December 31 of each year the director shall determine or update the  
17 unfulfilled entitlement for each municipality under this section and  
18 certify that entitlement to that municipality.

19 \* Sec. 2. AS 29.65 is amended by adding a new section to read:

20 Sec. 29.65.025. LIMITATIONS ON ENTITLEMENTS. (a) A municipal-  
21 ity is eligible for only one general grant land entitlement. A munic-  
22 ipality that qualifies for an entitlement under AS 29.65.010 and  
23 29.65.015 shall receive the larger of the two entitlements.

24 (b) A municipality may not receive a general grant land en-  
25 titlement under AS 29.65.010 or 29.65.015 that exceeds 400,000 acres.

26 (c) The following shall be credited toward fulfillment of the  
27 general grant land entitlement of a municipality:

28 (1) conveyances of legal title to land by the state to the  
29 municipality before January 1, 1987, under a former law;

1 (2) payments for land before January 1, 1987, under former  
2 AS 29.18.208;

3 (3) conveyances of legal title to land before January 1,  
4 1987, and thereafter under AS 29.65.010;

5 (4) payments for land before January 1, 1987, and there-  
6 after under AS 29.65.080;

7 (5) disposals of land to the municipality before January 1,  
8 1987, and thereafter under AS 38.05.810 for which the state receives  
9 no consideration.

10 (d) Land classified under AS 38.05.300 for wildlife habitat only  
11 may not be selected or conveyed in fulfillment of a general grant land  
12 entitlement.

13 (e) In each conveyance of land in fulfillment of a general grant  
14 land entitlement, the state shall reserve the right to explore, enter,  
15 develop, and occupy the surface as reasonably necessary for access to  
16 the mineral estate in accordance with AS 38.05.125.

17 \* Sec. 3. AS 29.65.040 is repealed and reenacted to read:

18 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) A general grant  
19 land entitlement under former AS 29.18.201 - 29.18.202 or AS 29.65.010  
20 is a vested property right that must be fulfilled in accordance with  
21 AS 29.65.025 and 29.65.080 and former AS 29.65.060.

22 (b) A general grant land entitlement under AS 29.65.015 is a  
23 property right that vests on the date of incorporation of the munici-  
24 pality. The entitlement must be fulfilled in accordance with AS 29.-  
25 65.025.

26 \* Sec. 4. AS 29.65.060 is repealed and reenacted to read:

27 Sec. 29.65.060. SCHOOL, UNIVERSITY, AND MENTAL HEALTH LAND. (a)  
28 School land, university land, and mental health land within the bound-  
29 aries of a municipality may not be included for purposes of

1 determining the general grant land entitlement of that municipality.

2 (b) A municipality may not receive school land, university land,  
3 or mental health land in fulfillment of its general grant land en-  
4 titlement.

5 \* Sec. 5. AS 29.65.080(b) is amended to read:

6 (b) A municipality shall receive payment for its land deficiency  
7 from the municipal land account. A municipality is eligible to re-  
8 ceive payment for land deficiency if, after July 1, 1980, the amount  
9 of land selected by a municipality that is physically suitable for  
10 residential, commercial, or industrial purposes amounts to less than  
11 one-third acre per capita. Any entitlement under AS 29.65.010 that is  
12 less than one-third acre per capita will, for the purposes of this  
13 subsection, be considered a land deficiency. An unselected remaining  
14 entitlement will, for the purpose of deficiency payment under this  
15 subsection, be considered as land physically suitable for residential,  
16 commercial, or industrial purposes. A municipality eligible under  
17 this subsection is entitled to receive a payment for land deficiency  
18 equal to \$1,000 per acre for a number of acres equal to the difference  
19 between one-third of the population of the municipality less the  
20 number of acres physically suitable for residential, commercial or  
21 industrial purposes that has been selected by the municipality. For  
22 the purpose of this subsection, the population of the municipality  
23 shall be the population determined by the commissioner under former  
24 AS 43.18.010 for the program year beginning July 1, 1978, for a munic-  
25 ipality whose entitlement was determined under former AS 29.18.201 [IN  
26 ACCORDANCE WITH AS 29.65.060(f)]. No payment may be made to a munic-  
27 ipality under this subsection in excess of \$9,000,000.

28 \* Sec. 6. AS 29.65.080(g) is amended to read:

29 (g) Payments authorized by this section may only [NOT] be made

1 to a municipality [ELIGIBLE] for an entitlement under AS 29.65.010  
2 [AS 29.65.020 OR 29.65.030].

3 \* Sec. 7. AS 29.65.080 is amended by adding a new subsection to read:

4 (i) Payment under this section shall be made into a municipal  
5 land bank or trust account created by ordinance with the purpose of  
6 applying the payments toward the acquisition of land necessary for  
7 public purposes that may be otherwise unavailable to the municipality.

8 \* Sec. 8. AS 29.65.130(3) is amended to read:

9 (3) "general grant land"

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

13 (B) does not include mental health land, school land,  
14 or university land;

15 \* Sec. 9. AS 29.65.130(10) is amended to read:

16 (10) "vacant, unappropriated, unreserved land" means  
17 general grant land as defined in (3) of this section, excluding miner-  
18 als as required by sec. 6(i) of the Alaska Statehood Act, that

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

21 (B) has not been approved for patent to a municipal-  
22 ity under this chapter or former AS 29.18.190 and 29.18.200; or

23 (C) is unclassified or, if classified under AS 38.-  
24 05.300, is classified for agricultural, grazing, material, public  
25 recreation, resource management, settlement, transportation  
26 corridor, forestry, or wildlife habitat [COMMERCIAL, INDUSTRIAL,  
27 PRIVATE RECREATIONAL, RESIDENTIAL, UTILITY, OR OPEN-TO-ENTRY  
28 PURPOSES,] or is classified in accordance with an agreement  
29 between a municipality and the state providing for state

1 management of land of the municipality.

2 \* Sec. 10. AS 38.05.321(b) is amended to read:

3 (b) State land classified as agricultural land that has been  
4 selected by a municipality under former AS 29.18.190 - 29.18.200 or  
5 former AS 29.18.205(e) may be approved by the director for patent  
6 under AS 29.65 [AS 29.65.050(c)]; however, only rights in the land for  
7 agricultural purposes may be transferred and all other interests in  
8 the land will remain with the state. Agricultural land approved for  
9 patent to a municipality shall be credited, acre for acre, toward  
10 fulfillment of that municipality's entitlement under AS 29.65 [AS 29.-  
11 65.010 - 29.65.030] or former AS 29.18.201 - 29.18.203. If the direc-  
12 tor later determines it to be in the best interests of the state to  
13 transfer some or all of the additional rights in that approved or  
14 patented agricultural land, those rights shall pass without considera-  
15 tion to the municipality in which the land is located. The notice and  
16 review provisions of AS 38.05.945 are applicable to conveyance of  
17 rights under this section.

18 \* Sec. 11. AS 38.05.321(c) is amended to read:

19 (c) The provisions of this section do not apply to

20 (1) state land classified as agricultural land that has  
21 been selected by a municipality under the provisions of former AS 29.-  
22 18.190 - 29.18.200 if the selection is an approved selection before  
23 April 1, 1978 and is otherwise valid under former AS 29.65.050(b) or  
24 former AS 29.18.205(b); or

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

27 \* Sec. 12. Before January 1, 1987, the Department of Natural Resources  
28 shall consult with each municipality affected by this Act regarding classi-  
29 fications of state land within its boundaries and may assist the

1 municipality in identifying land suitable for selection in fulfillment of  
2 its general grant land entitlement.

3 \* Sec. 13. The commissioner of natural resources may negotiate with and  
4 enter into an agreement to convey state land to a borough or unified munic-  
5 ipality whose entitlement under AS 29.65.010 in the commissioner's deter-  
6 mination cannot be fulfilled on January 1, 1987, if the borough or unified  
7 municipality elects in writing before January 1, 1987, to pursue a settle-  
8 ment of that existing entitlement. The commissioner has authority under  
9 this section to convey state land located within the municipality's bound-  
10 aries without regard as to whether the land is vacant, unappropriated,  
11 unreserved land as defined under AS 29.65.130(10) if the commissioner  
12 determines, after public notice, that the land lies outside the smallest  
13 practicable tract of land actually used in connection with the adminis-  
14 tration of a state function on the effective date of this section. Land  
15 conveyed to a borough or a unified municipality under an agreement entered  
16 into under this section may constitute complete fulfillment of the  
17 municipality's general grant land entitlement as specified in the agreement  
18 and agreed to by both parties. Conveyances under an agreement entered into  
19 under this section may contain no restrictions or conditions that are not  
20 required to be imposed by law.

21 \* Sec. 14. AS 29.65.010(b), 29.65.020, 29.65.030, 29.65.050, 29.65.090  
22 and 29.65.110 are repealed.

23 \* Sec. 15. Sections 4, 12, and 13 of this Act take effect immediately  
24 in accordance with AS 01.10.070(c).

25 \* Sec. 16. Sections 1 - 3, 5 - 11, and 14 of this Act take effect  
26 January 1, 1987.

STATE OF ALASKA  
THE LEGISLATURE

POUCH Y. STATE CAPITOL  
JUNEAU, ALASKA 99811  
907-465-3800

LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

April 11, 1986

SUBJECT: General Grant Land Entitlements  
(CSHB 587(Fin))

TO: Representative Al Adams, Chair  
House Finance Committee

FROM: Tamara Brandt Cook *TBC*  
Director  
Division of Legal Services

Section 1. The general grant land entitlement of a municipality, either city or borough, is 10 percent of the maximum acreage of vacant, unappropriated, unreserved land in its boundaries between the date of incorporation and two years after the expiration of the state's right to make selections under sec. 9(a) or (b) of the Alaska Statehood Act. Each year the entitlement for each municipality is determined or updated. Under existing law the entitlement for cities formerly eligible to receive general grant land under repealed laws is 10 percent of the vacant, unappropriated, unreserved land in its boundaries between the date of incorporation and July 1, 1978. The entitlement for newer municipalities is 10 percent of that land in its boundaries on the date of incorporation. Both these entitlement provisions are replaced by the entitlement provided in sec. 1.

Sec. 2. A municipality is eligible for only one general grant land entitlement. A municipality that qualifies for an entitlement under AS 29.65.010 (setting out the amount of acreage boroughs are entitled to) and under the sec. 1 10 percent formula receives the larger of the two entitlements. No municipality may receive more than 400,000 acres. Conveyances and payments for land deficiencies under existing or former laws as itemized are credited toward fulfillment of the general grant land entitlement. Land classified for wildlife habitat may not be selected or conveyed. The state shall reserve the right in each conveyance to explore, enter, develop and occupy the surface as reasonably necessary for access to the mineral estate.

Sec. 3. After the effective date of the Act a general grant land entitlement under AS 29.65.010 (setting out acreage amounts for boroughs) is a vested property right that must be fulfilled, through conveyance of land subject to the limitations under sec. 2, or through land deficiency payments. An entitlement under section 1 is a property right that vests on the date of incorporation and must be fulfilled, through grants of land subject to the limitations under sec. 2.

Sec. 4. School land, university land, and mental health land within the boundaries of a municipality may not be included for purposes of determining the general grant land entitlement of a municipality. This is not a change from existing law. (AS 29.65.060(b)) A municipality may not receive school land, university land, or mental health land in fulfillment of its entitlement. Existing law permits the selection of vacant school or mental health land in certain cases.

Sec. 5. The reference to AS 29.65.060(f), repealed in this Act, is deleted and the substantive material from that subsection is enacted in this section as a technical amendment.

Sec. 6. Payments for land deficiency may only be made to municipalities for entitlements under AS 29.65.010 (setting out acreage amounts for boroughs). Existing law permits land deficiency payment only to boroughs eligible for entitlements under that section.

Sec. 7. The definition of "general grant land" does not include mental health land or school land. The existing definition only mentions university land as being excluded.

Sec. 8. The definition of "vacant, unappropriated, unreserved land" is amended to add certain classifications under AS 38.05.300 and delete others. These classifications are established by the Department of Natural Resources.

Sec. 9. References to repealed sections are deleted and replaced with citations to the entire general grant land entitlement chapter.

Sec. 10. This is another technical amendment adding the word "former" before a reference to a section repealed by this Act.

Representative Al Adams  
Page 3  
April 11, 1986

Sec. 11. Before the effective date of most of this Act the Department of Natural Resources is required to consult with each municipality affected by the Act regarding classifications of land within its boundaries and may assist in identifying land suitable for selection.

Sec. 12. Certain provisions are repealed including the section on determination of entitlement for cities and that for determination of entitlements for newly formed municipalities. The entitlement in section 1 of the bill replaces these. The section on fulfillment of land entitlements is deleted and replaced with the provisions under section 2 of the bill. The sections authorizing land exchanges and the section on election of benefits (requiring municipalities engaged in litigation regarding a claim to state land under former laws to elect to obtain the benefits under the new general grant land chapter or pursue the litigation and waive benefits) have been repealed.

Sec. 13. The section dealing with mental health land, university land, and school land and the temporary law section requiring action before the effective date of the main portions of the Act take effect immediately.

Sec. 14. The rest of the Act takes effect January 1, 1987.

TBC:mkr  
m4/098

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL CHEFFIELD, GOVERNOR

POUCH M  
JUNEAU, ALASKA 99811  
PHONE: 907-465-2400

March 17, 1986

The Honorable Edna B. DeVries, Chair  
Community and Regional Affairs Committee  
Alaska State Senate  
P.O. Box V  
Juneau, AK 99811

Dear Senator DeVries:

In response to questions posed last Tuesday by you and other members of the Community and Regional Affairs Committee regarding the Sponsor Substitute for Senate Bill 414, an act relating to municipal land entitlements, the department has assembled pertinent information.

First, attached for your review is a sectional analysis of SSSB 414. This analysis was prepared by the department in consultation with the Department of Community and Regional Affairs (DCRA).

Second, I have also attached several charts which should help explain the effect of this bill on existing and proposed municipalities. State land status records for the area within the existing and proposed boroughs were analyzed to determine which boroughs will likely be affected by the proposed legislation. This analysis involved the identification of the approximate acreage of vacant, unappropriated and unreserved general grant land within each existing borough which would be available for municipal entitlement calculations and selection.

As a result of this analysis, it appears that the Matanuska-Susitna, Fairbanks North Star, North Slope, Haines, Bristol Bay and proposed Northwest Arctic Boroughs would be the primary beneficiaries. The remaining boroughs would likely not be eligible for additional entitlement acreage because the existing entitlement under AS 29.65.010(a) exceeds the amount of available land pursuant to the proposed legislation. As a result, their entitlements will remain the same.

March 17, 1986

The effect of SSSB 414 on each of Alaska's 149 cities is much more difficult to determine. As you may be aware, by virtue of there being no available state land within their municipal boundaries, 125 cities received a zero entitlement as a result of the 1978 municipal entitlement legislation. Most of the zero entitlement municipalities will likely still not benefit under SSSB 414 because no state land exists, or will be conveyed, within their municipal boundaries. However, the bill will likely benefit several of the zero entitlement municipalities because the state has since been conveyed land, or will be conveyed land, within their municipal boundaries (i.e. Anderson). In addition, an undetermined number of municipalities may receive additional entitlement acreage by virtue of past and future annexation actions (i.e. Seward).

SSSB 414 will not affect existing land exchanges, settlements of litigation or other agreements. As proposed, the bill allows municipalities to select only vacant, unappropriated and unreserved (vul) general grant land. As presently defined in 29.65.030(10) and amended by the bill, vuul land includes general grant land (excluding minerals) which has been conveyed to the state under Section 6(a) and (b) of the Alaska Statehood Act and is appropriately classified (or unclassified). Thus, land acquired by the state or required to be transferred by the state, as a result of exchanges, settlements, agreements, etc. will be ineligible for municipal selection. This includes land acquired or to be transferred to the state or Cook Inlet Region, Inc. as a result of the 1976 Cook Inlet Land Trade.

I have also outlined briefly below the existing process used by the department to process municipal land selections. It should be noted that, to date, the department has not adopted regulations regarding the municipal entitlement program. However, policies and procedures have been adopted by the Division of Land and Water Management (DLWM) which serve to implement the existing law.

Selections made by municipalities are received and processed by the DLWM. This process initially involves land status checks, public notice and agency consultation. Thereafter, a proposed decision is prepared and sent to the affected municipality for review. The municipality then has 30 days to concur with, or appeal, the proposed decision. If the selection is approved, a final decision is then issued and the land is transferred to the municipality. The approved selection is followed by survey and patent. An approved selection thus constitutes a transfer of all right to title, including management responsibility.

The Honorable Edna B. DeVries -3-

March 17, 1986

The proposed decision identifies any associated rights-of-ways, easements or other reservations in the conveyance. The department may also reject a municipal selection, based upon a state or public purpose. However, for the most part, any potential conflicts are negotiated and resolved with affected municipalities prior to the issuance of the proposed decision.

The department is available and prepared to explain the department's municipal entitlement program to the committee in greater detail. It is my intention that appropriate department staff be present during committee hearings to help answer any associated questions and clarify matters.

Sincerely,



Esther C. Wunnicke  
Commissioner

Attachments

ESTIMATED BOROUGH ENTITLEMENT ACREAGE UNDER SSSB 414  
Based on March, 1986 Land Status

<u>BOROUGH</u>	<u>SSSB 414 ENTITLEMENT</u>	<u>1978 ENTITLEMENT</u>	<u>APPROXIMATE ADDITIONAL ENTITLEMENT</u>
Ketchikan Gateway	1,470	11,593	0
Sitka	490	10,500	0
Juneau	430	19,584	0
Haines	13,300	2,200	10,500
Bristol Bay	4,900	2,898	2,000
Kodiak Island	41,200	58,787	0
Kenai Peninsula	76,200	155,780	0
Anchorage	1,700	44,893	0
Matanuska-Susitna	400,000	355,210	44,800
Fairbanks-North Star	223,200	112,000	111,000
North Slope	400,000	89,850*	400,000
NW Arctic (Proposed)	230,000	n.a.	<u>230,000</u>
TOTAL			798,300

\* Received zero entitlement pursuant to election  
of benefits in AS 29.65.110.

DNR Division of Land and Water Management  
Land Management Section  
March 19, 1986

DEPARTMENT OF  
NATURAL RESOURCES

MAR 21 1986

COMMISSIONER'S OFFICE  
JUNEAU

ESTIMATED BIRTHRIGHT ENTITLEMENT ACRAGE UNDER SSSB 414  
Based on March, 1986 Land Status

	<u>KETCHIKAN</u> <u>GATEWAY</u>	<u>SITKA</u>	<u>JUNEAU</u>	<u>WAINES</u>	<u>BRISTOL</u> <u>RAY</u>	<u>KODIAK</u> <u>ISLAND</u>	<u>KENAI</u> <u>PENINSULA</u>	<u>ANCHORAGE</u>	<u>MATANUSKA</u> <u>SUSITNA</u>	<u>FAIRBANKS</u> <u>NORTH STAR</u>	<u>NORTH</u> <u>SLOPE</u>	<u>THE ARCTIC</u> <u>(PROPOSED)</u>
Total 6(a) and 6(b) Statehood Land Conveyed to State	26,900	15,600	25,000	165,000	51,500	482,000	2,019,000	521,000	9,334,000	3,231,000	7,513,000	2,300,000
Less: Legislatively Designated Units	0	0	800	27,500	0	11,200	580,000	483,000	2,603,600	614,600	0	0
Less: Non-Selectable Classifications	0	0	0	27	0	0	267,000	0	956,000	110,700	7,031	0
Less: Previous Conveyances												
- Borough	11,402	10,500	19,584	2,800	2,519	58,787	99,393	20,676	355,703	90,572	0	0
- City	0	0	0	0	0	1	806	0	406	15	0	0
- Disposals	750	200	300	2,000	0	415	17,000	200	262,800	175,000	0	0
- Land Ex/Agmt.	0	0	0	0	0	0	292,965	0	185,590	0	0	0
Total Land Unavailable	12,200	10,700	20,700	32,000	2,500	70,000	1,257,000	504,000	4,364,000	999,000	7,000	0
Available Selectable Land	14,700	4,900	4,300	133,000	49,000	412,000	762,000	17,000	4,970,000	2,232,000	7,506,000	2,300,000
SSSB 414 Entitlement (10% of WU)	1,470	490	430	13,300	4,900	41,200	76,200	1,700	400,000*	223,200	400,000*	230,000
1978 Entitlement	11,593	10,500	19,584	2,800	2,898	58,787	155,700	44,893	355,210	112,000	89,850**	n.a.

\* Entitlement not to exceed 400,000 acres under SSSB 414.

\*\* Received zero entitlement pursuant to election of benefits in AS 29.65.110.

DNR Division of Land and Water Management  
Land Management Section  
March 19, 1986

30-35 will get it  
near forso much - plc

Region	Municipality	Muni- Type	Incorp. Date	Popula- tion	Source of Estima- tion	Area Determination
E	Adiqtut	2	1975	0	Ltr	8/7/78
E	City & Borough of Juneau	B	1970	19,584	Statute	
E	City & Borough of Sitka	B	1971	10,500	Statute	
E	Craig	1	1922	0	Ltr	8/7/78
E	Haines	1	1910	0	Ltr	8/7/78
E	Haines Borough	B	1968	2,800	Statute	
E	Hoonah	1	1946	15	Ltr	8/7/78
E	Hydaburg	1	1927	0	Ltr	8/7/78
E	Kake	1	1952	0	Ltr	8/7/78
E	Kasaan	2	1976	0	Ltr	8/7/78
E	Ketchikan	H	1900	0.5	Ltr	8/7/78
F	Ketchikan Gateway Borough	B	1963	11,593	Statute	
E	Klawock	1	1929	0	Ltr	8/7/78
E	Kupreanof	2	1975	0	Ltr	8/7/78 120 ac.
E	Metlakatla	F	1944 (Federal)			
E	Pelican	1	1943	0	Ltr	8/7/78 10 ac.
E	Petersburg	H	1910	0	Ltr	8/7/78 461 ac.
E	Port Alexander	2	1974	0	Ltr	8/7/78
E	Saxman	2	1930	0	Ltr	8/7/78
E	Skagway	1	1900	35	Ltr	8/7/78
E	Tenakee Springs	2	1971	0	8/7/78	2,958 ac.
E	Thorne Bay	2	1982	612	OTS	Revision
E	Trangell	H	1903	0	Ltr	8/7/78 310 ac.
E	Yakutat	1	1948	75	Ltr	8/7/78
N	Alakanuk	2	1969	0	Ltr	8/7/78
N	Allakaket	2	1975	0	Ltr	8/7/78
N	Ambler	2	1971	0	Ltr	8/7/78
N	Anaktuvuk Pass	2	1957	0	Ltr	8/7/78
N	Anderson	2	1962	0	Ltr	8/7/78
N	Atkasuk	2	1982	0	Ltr	8/7/78
N	Barrow	1	1959	0	Ltr	8/7/78
N	Brevig Mission	2	1969	40	Ltr	8/7/78
N	Buckland	2	1966	0	Ltr	8/7/78
N	Deering	2	1970	0	Ltr	8/7/78
N	Delta Junction	2	1960	400	Ltr	8/7/78
N	Dionede	2	1970	0	Ltr	8/7/78
N	Eagle	2	1901	0	Ltr	8/7/78
N	Elin	2	1970	0	Ltr	8/7/78
N	Fairbanks	H	1903	15	Ltr	8/7/78
N	Fairbanks North Star Boro	B	1964	112,000	Statute	
N	Fort Yukon	2	1959	0	Ltr	8/7/78
N	Galena	1	1971	0	Ltr	8/7/78
N	Gamble	2	1963	0	Ltr	8/7/78
N	Golovin	2	1971	0	Ltr	8/7/78
N	Hughes	2	1973	0	Ltr	8/7/78
N	Huslia	2	1969	0	Ltr	8/7/78
N	Kaktovik	2	1971	0	Ltr	8/7/78
N	Kaltay	2	1969	0	Ltr	8/7/78
N	Kiana	2	1964	0	Ltr	8/7/78
N	Kivalina	2	1969	0	Ltr	8/7/78
N	Kobuk	2	1973	0	Ltr	8/7/78
N	Kotzebue	2	1958	0	Ltr	8/7/78
N	Koyuk	2	1970	0	Ltr	8/7/78
N	Koyukuk	2	1973	0	Ltr	8/7/78

Region	Municipality	Year Type	incorp. Date	Acres Entitle- ment	Source of Entitle- ment Determination
N	Kenana		1921	0	Ltr 8/7/78
N	Kone		1901	0	Ltr 8/7/78
N	Noorvik		1964	0	Ltr 8/7/78
N	North Pole	H	1953	0.5	Ltr 8/7/78
N	North Slope Borough	B	1972	89,850	Statute Redet.
N	Nulato		1963	0	Ltr 8/7/78
N	Point Hope		1966	0	Ltr 8/7/78
N	Ruby		1973	0	Ltr 8/7/78
N	Saint Michael		1969	0	Ltr 8/7/78
N	Savoonga		1969	0	Ltr 8/7/78
N	Selawik		1977	0	Ltr 8/7/78
N	Shaktolik		1969	0	Ltr 8/7/78
N	Shishmaref		1969	0	Ltr 8/7/78
N	Shungnak		1967	0	Ltr 8/7/78
N	Stebbins		1969	0	Ltr 8/7/78
N	Tanana		1982	0	Ltr 8/7/78
N	Teller		1963	0	Ltr 8/7/78
N	Unalakleet		1974	0	Ltr 8/7/78
N	Wainwright		1962	0	Ltr 8/7/78
N	Wales		1964	0	Ltr 8/7/78
N	White Mountain		1969	0	Ltr 8/7/78
N	Whittier		1969	0	600 ac. grant
S	Akhiok		1974	0	Ltr 8/7/78
S	Akiachak		1974	0	Ltr 8/7/78
S	Akiak		1970	0	Ltr 8/7/78
S	Akutan		1979	0	Rec. 5 ac under 810
S	Aleknagik		1973	0	Ltr 8/7/78
S	Angoon		1963	0	Ltr 8/7/78
S	Aniak		1972	0	Ltr 8/7/78
S	Anvik		1969	0	Ltr 8/7/78
S	Atnautluak		1976	0	Ltr 8/7/78
S	Bethel		1957	0	Ltr 8/7/78
S	Pristol Bay Borough	B	1962	2,898	Statute
S	Chefornak		1972	0	Ltr 8/7/78
S	Chevak		1967	0	Ltr 8/7/78
S	Chignik		1983	0	Ltr
S	Chuathbaluk		1975	0	Ltr 8/7/78
S	Clark's Point		1971	0	Ltr 8/7/78
S	Cold Bay		1981	0	DTS Decision
S	Cordova	H	1909	235	Ltr 8/7/78
S	Dillingham		1963	1.0	Ltr 8/7/78
S	Eek		1970	0	Ltr 8/7/78
S	Ekvok		1974	0	Ltr 8/7/78
S	Emmonak		1962	0	Ltr 8/7/78
S	Fortuna Ledge		1970	0	Ltr 8/7/78
S	Goodnews Bay		1970	0	Ltr 8/7/78
S	Grayling		1969	0	Ltr 8/7/78
S	Holy Cross		1968	0	Ltr 8/7/78
S	Honer		1964	16	Ltr 8/7/78
S	Hooper Bay		1966	0	Ltr 8/7/78
S	Houston		1966	405	Ltr 8/7/78
S	Kachemak		1961	0	Ltr 8/7/78
S	Kasigluk		1982	0	Ltr
S	Kenai	H	1960	30	Ltr 8/7/78

Re- gion	Municipality	Muni- Type	Incorp. Date	Acres Entitle- ment	Source of Entitle- ment Determination
S	Kenai Peninsula Borough	H	1964	155,780	Statute
S	King Cove	I	1947	0	Ltr 8/7/78
S	Kodiak	H	1940	20	Ltr 8/7/78
S	Kodiak Island Borough	B	1963	56,500	Statute
S	Kotlik	2	1970	0	Ltr 8/7/78
S	Kwethluk	2	1975	0	Ltr 8/7/78
S	Larsen Bay	2	1974	0	Ltr 8/7/78
S	Lower Kalskag	2	1969	0	Ltr 8/7/78
S	Manokotak	2	1970	0	Ltr 8/7/78
S	Katanuska-Susitna	B	1974	355,210	Statute
S	McGrath	2	1975	0	Ltr 8/7/78
S	Nekoryuk	2	1969	0	Ltr 8/7/78
S	Mountain Village	2	1967	0	Ltr 8/7/78
S	Municipality of Anch.	H	1975	44,893	Statute
S	Napakiaik	2	1970	0	Ltr 8/7/78
S	Napaskiak	2	1971	0	Ltr 8/7/78
S	New Stuyahok	2	1972	0	Ltr 8/7/78
S	Newhalen	2	1971	0	Ltr 8/7/78
S	Newtok	2	1976	0	Ltr 8/7/88
S	Nightmute	2	1974	0	Ltr 8/7/83
S	Nikolai	2	1970	0	Ltr 8/7/78
S	Nondalton	2	1971	0	Ltr 8/7/78
S	Nunapitchuk	2	1969	0	
S	Old Harbor	2	1966	0	Ltr 8/7/78
S	Ouzinkie	2	1967	240	Ltr 8/7/78
S	Palmer	H	1951	0	Ltr 8/7/78
S	Pilot Station	2	1969	0	Ltr 8/7/78
S	Platinum	2	1975	0	Ltr 8/7/78
S	Port Heiden	2	1972	0	Ltr 8/7/78
S	Port Lions	2	1966	35	Ltr 8/7/78
S	Quinhagak	2	1975	0	Ltr 8/7/78
S	Russian Mission	2	1970	0	Ltr 8/7/78
S	Saint George	2	1983	0	Ltr
S	Saint Mary's	1	1967	0	Ltr 8/7/78
S	Saint Paul	2	1971	0	Ltr 8/7/78
S	Sand Point	1	1973	0	Ltr 8/7/78
S	Scammon Bay	2	1967	0	Ltr 8/7/78
S	Seldovia	1	1945	0	Ltr 8/7/78
S	Seward	H	1912	240	Ltr 8/7/78
S	Shageluk	2	1970	0	Ltr 8/7/78
S	Sheldon Point	2	1974	0	Ltr 8/7/78
S	Soldotna	1	1967	10	Ltr 8/7/78
S	Togiak	2	1969	0	Ltr 8/7/78
S	Toksook Bay	2	1972	0	Ltr 8/7/78
S	Tuluksak	2	1970	0	Ltr 8/7/78
S	Tununak	2	1975	0	Ltr 8/7/78
S	Unalaska	1	1942	0	DTS
S	Upper Kalskag	2	1975	0	Ltr 8/7/78
S	Valdez	H	1901	4,805	Ltr 8/7/78
S	Wasilla	2	1974	0	Ltr 8/7/78

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date: 3/13/86

**REQUEST**

Bill/Resolution No. HB 587 (FIA)  
 Title: An Act..Municipal land entitlements & effective date  
 Sponsor: Rep. Adams  
 Requestor: \_\_\_\_\_  
 Date of Request: \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected: Community & Regional Affairs  
 BRU: Local Government Assistance  
 Components: Training & Development

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING : (Thousands of Dollars)**

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS :**

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

Prepared by: Doug Griffin, Deputy Director  
 Division: Municipal & Regional Assistance

Phone: 465-4750  
 Date: 3/13/86

Approved by Commissioner: [Signature]  
 Agency: Community & Regional Affairs

Date: 3/13/86

Distribution (by Agency preparing fiscal note):

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

**DEPT. OF COMMUNITY & REGIONAL AFFAIRS**

OFFICE OF THE COMMISSIONER

March 13, 1986

POSITION PAPER

RE: HB 587

SPONSOR: Representative Adams

Program Effects of Bill

The bill would, by broadening the definition to "municipalities", extend to boroughs the right to select 10% of vacant unappropriated and unreserved State land within their boundaries.

The bill would also extend the determination of land selection date from "within six months of July 1, 1978" (or "six months from date of incorporation" for municipalities incorporated after July 1, 1978) to "two years after the expiration of the State's right to make selections". This revision would allow municipalities the right to make selections from all State land, rather than just the land available at a particular time. It would also allow municipalities to select State land in newly annexed areas.

In addition, Section 4 of the bill would change the definition of "vacant, unappropriated and unreserved land" to include land categories currently utilized by the State. Land extensive categories such as "resource management, forestry, wildlife habitat and water resources" would be specifically included.

Comments

The Department of Community and Regional Affairs supports the proposed legislation because of its beneficial effect on municipalities. The political subdivisions of the State should be entitled to share the benefits of increased State land within their boundaries whenever the increase occurs. The proposed legislation allows municipalities to share the good fortunes of the State whenever the State receives additional land within the municipal boundaries. Beneficiaries of the proposed legislation would include the proposed Northwest Arctic Borough, the Matanuska-Susitna Borough, the City of Anderson, the North Slope Borough, and cities such as Yakutat that may be annexing State land in the future.

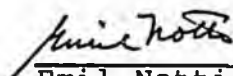
POUCH B  
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ANCHORAGE, ALASKA 99508  
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HB 587  
March 13, 1986  
Page Two

One of the Department's goals is to support the formation of local governments when it is desired by residents of the area. Under current laws, the municipal land entitlement is based on the amount of State land within the municipal boundaries at the time of incorporation. Thus, the decision to incorporate a local government at a particular time may be significantly influenced by whether or not the State has received land in the area being considered for incorporation. Because the proposed legislation allows the municipal land entitlement to be determined as the State receives land, the amount of State land in the area proposed for incorporation becomes less of a factor in the decision to incorporate. Local residents can concentrate more debate on the need for and desirability of local government rather than on the timing of State land selections. Moreover, the proposed legislation would allow municipalities to increase their entitlements when annexing areas containing State land, consistent with the overall intent of the entitlement program. It would also serve to institute a consistent framework for entitlements, rather than continue the piecemeal approach that had been followed in the past when the Legislature addressed the issue of entitlements for the cities of Pelican and Whittier.

The Department urges that the Legislature adopt the amendments to AS 29.65.130(10)(C) contained in Section 4 of the bill as introduced. The municipal land entitlement is based on the amount of land considered to be "vacant, unappropriated and unreserved". Under AS 29.65.130(10)(C) the State land classifications, which are considered "vacant, unappropriated and unreserved" for purposes of determining municipal land entitlements, are listed. Many future boroughs, and to some extent future cities, are expected to contain significant amounts of State land classified as forestry or wildlife habitat. Therefore it is of particular importance that the State land classifications of forestry and wildlife habitat remain in the list of classifications considered "vacant, unappropriated and unreserved" for purposes of determining municipal land entitlements.



\_\_\_\_\_  
Emil Notti, Commissioner

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH M  
JUNEAU, ALASKA 99811  
PHONE: 907-465-2400

March 11, 1986

The Honorable Edna DeVries  
Chair, Community and Regional  
Affairs Committee  
Alaska State Senate  
P.O. Box V  
Juneau, AK 99811

Dear Senator DeVries:

I am writing with regard to SB 414, relating to municipal entitlements. The Department supports the concept of this bill and approves of changes made in the sponsor substitute. The bill now serves the interests of both increasing municipal entitlement opportunities in Alaska and cleaning up language in the existing statute.

Municipal land entitlements serve a variety of public policy goals. They increase the ability of local government to advance local purposes such as economic development or land conservation. They reduce the state's management responsibilities and role within organized areas, shifting some of the costs, difficulties, and benefits of land management from the state to local governments. They also can serve as an incentive for the organization or new boroughs and cities, to the long-term benefit of Alaska's citizens.

The proposed bill is expected to provide state lands to between ten and twenty communities which received a zero entitlement under the last municipal entitlement rewrite in 1978. Another ten to twenty communities will receive state land before 1996. A few communities which have already received land will see their existing entitlements increase. Our staff are not able to quantify the amount of state acreage that would be conveyed under SB 414, nor have we been able to identify conclusively the communities which will benefit; these tasks would require some very detailed and expensive work on the status plats. However, I am attaching some general information on the amount of state land in classifications which might be available for selection under SB 414, and a summary of municipal entitlement conveyances made to date.

The Hon. Edna Devries

- 2 -

March 11, 1986

As you can see from the enclosures, about 67.8 million acres of state land are classified in categories that would be open for selection. We do not know how much of this land is within city or borough boundaries, nor do we know how much of it is within the boundaries of communities which have already received all or most of their entitlement under previous entitlement programs.

Please contact me if you have questions or comments on the department's position on the bill. Thank you.

Sincerely,

*Esther C. Wunnicke*  
f. Esther C. Wunnicke  
Commissioner

Attachments

cc: Senator Ferguson

ATTACHMENT ONE  
Municipal conveyances (2/86)

<u>Municipality</u>	<u>Acreage</u>
Ketchikan	0.5
North Pole	0.5
Dillingham	1.0
Soldotna	14.0
Fairbanks, City	15.0
Hoonah	15.0
Homer	16.0
Kodiak	32.0
Port Lions	35.0
Bethel	40.0
Yakutat	75.0
Kupreanof	180.0
Cordova	235.0
Ouzinkie	240.0
Kenai	307.0
Wrangell	310.0
Delta Junction	400.0
Houston	405.0
Petersburg	461.0
Skagway	500.0
Seward	562.0
Whittier	600.0
Thorne Bay	612.0
Haines Borough	2,800.0
Bristol Bay Borough	2,898.0
Tenakee Springs	2,958.1
Valdez	4,805.0
Sitka, City and Borough	10,500.0
Ketchikan Gateway Borough	11,593.0
Juneau, City and Borough	19,584.0
Anchorage, Municipality	44,893.0
Kodiak Island Borough	56,500.0
Fairbanks Northstar Borough	112,000.0
Kenai Peninsula Borough	155,780.0
Matanuska-Susitna Borough	355,210.0

ATTACHMENT TWO  
State Land Classifications (12/85)

<u>State land in categories open to selection:</u>	<u>Acreeage:</u>
Unclassified	11,200,000
Agriculture	629,000
Grazing	152,750
Material	5,100
Public recreation	1,400,000
Resource management	39,800,000
Settlement	2,900,000
Transportation corridor	0
Forestry	3,200,000
Wildlife habitat	1,900,000
Water resources	127,500
Wildlife habitat/Public recreation	6,200,000
Forestry/Wildlife habitat	283,000
Wildlife habitat/Water resources	55,000
<b>TOTAL STATE ACREAGE IN AVAILABLE CATEGORIES</b>	<b>67,852,350</b>

<u>State land not in categories open to selection:</u>	<u>Acreeage:</u>
Legislatively designated areas	8,000,000
Minerals	83,750
Minerals/Wildlife habitat/Public recreation	2,100,000
Oil and gas/Wildlife habitat	352,000
Oil and gas/Wildlife habitat/Public recreation	2,400,000
Reserved use	600,000
Coal	2,500
Resource assessment	150,000
<b>TOTAL STATE ACREAGE NOT IN AVAILABLE CATEGORIES</b>	<b>13,688,250</b>

§ 29.60.410

§ 29.60.420

MUNICIPAL GOVERNMENT

29.60.440

Sec. 29.60.420. Powers and duties of the commissioner. (a) The commissioner of commerce and economic development shall provide an annual report to the legislature about grants made under AS 29.60.400.

(b) The commissioner of commerce and economic development shall adopt regulations to carry out the purposes of AS 29.60.400 — 29.60.440. (§ 16 ch 74 SLA 1985)

Sec. 29.60.430. Allocation of money. If the amount of money appropriated by the legislature for grants under AS 29.60.400 is not adequate to satisfy amounts required for approved grant applications, money shall be allocated on the basis of priority established by regulations of the Department of Commerce and Economic Development. (§ 16 ch 74 SLA 1985)

Sec. 29.60.440. Limitation. AS 29.60.400 — 29.60.440 does not require that a recipient of a grant for a feasibility study must proceed with construction of the project, regardless of whether the project is determined to be feasible. (§ 16 ch 74 SLA 1985)

### Chapter 63. Special Assessments and Service Areas.

*[Repealed, § 88 ch 74 SLA 1985, effective January 1, 1986.]*

### Chapter 65. General Grant Land.

Section	Section
10. Determination of entitlement of boroughs and unified municipalities	60. School and mental health land
20. Determination of entitlement for cities	70. Selection and conveyance procedure
30. Determination of entitlement for newly incorporated municipalities	80. Payment for land deficiency
40. Status of entitlements	90. Authorization for land exchanges
50. Fulfillment of land entitlements	100. Public purpose and expansion needs
	110. Election of benefits
	120. Administration
	130. Definitions
	140. Application

Effective date of chapter. — Section 90, ch. 74, SLA 1985 provides: "This Act takes effect January 1, 1986."

**Sec. 29.65.010. Determination of entitlement of boroughs and unified municipalities.** (a) The general grant land entitlement of each of the municipalities in this section is the amount set out opposite each:

- (1) Municipality of Anchorage — 44,893 acres;
- (2) City and Borough of Juneau — 19,584 acres;
- (3) City and Borough of Sitka — 10,500 acres;
- (4) Bristol Bay Borough — 2,898 acres;
- (5) Fairbanks North Star Borough — 112,000 acres;
- (6) Haines Borough — 2,800 acres;
- (7) Kenai Peninsula Borough — 155,780 acres;
- (8) Ketchikan Gateway Borough — 11,593 acres;
- (9) Kodiak Island Borough — 56,500 acres;
- (10) Matanuska-Susitna Borough — 355,210 acres;
- (11) North Slope Borough — 89,850 acres.

(b) This section is a continuation of the provisions of former AS 29.18.201 and does not grant additional entitlements. (§ 17 ch 74 SLA 1985)

**Sec. 29.65.020. Determination of entitlement for cities.** (a) The general grant land entitlement of a city formerly eligible to receive general grant land under the provisions of former AS 29.18.190 and 29.18.200 is 10 percent of the maximum total acreage of vacant, unappropriated, unreserved land in the boundaries of each city at any time between the initial date of eligibility under former AS 29.18.190 and 29.18.200 and July 1, 1978. Within six months after July 1, 1978, the director shall determine the entitlement for each city eligible to receive general grant land under former AS 29.18.202 and certify that entitlement to the city.

(b) This section is a continuation of the provisions of former AS 29.18.203 and does not grant additional entitlements to cities incorporated before January 1, 1986. (§ 17 ch 74 SLA 1985)

**Sec. 29.65.030. Determination of entitlement for newly incorporated municipalities.** (a) The general grant land entitlement of a municipality incorporated after July 1, 1978, is 10 percent of the total acreage of vacant, unappropriated, unreserved land within the boundaries of the municipality on the date of its incorporation.

(b) Within six months after the date of incorporation of a municipality that is incorporated after July 1, 1978, the director shall determine the entitlement of each municipality eligible to receive general grant land under (a) of this section and certify the entitlement to the municipality.

boroughs and entitlement of mount set out

(c) This section is a continuation of the provisions of former AS 29.18.203 and does not grant additional entitlements to municipalities incorporated before January 1, 1986. (§ 17 ch 74 SLA 1985)

**Sec. 29.65.040. Status of entitlements.** (a) After July 1, 1978, general grant land entitlements provided in former AS 29.18.201 and former AS 29.18.202 are vested property rights that must be fulfilled as provided in AS 29.65.050 or 29.65.080.

(b) General grant land entitlements provided by AS 29.65.030 are property rights that vest on the date of incorporation of the municipality. The entitlement must be fulfilled as provided in AS 29.65.050.

(c) Land may be selected or nominated for selection by a municipality to satisfy a general grant land entitlement under former AS 29.18.201 and 29.18.202 at any time before October 1, 1980. However, if a municipal selection or nomination or a part of a municipal selection or nomination is rejected by the director, the municipality may, not later than 90 days after receipt of the rejection, select additional state land as necessary to satisfy its entitlement.

(d) Land may be selected by a municipality to satisfy a general grant land entitlement under AS 29.65.030 at any time within one year after the director certifies the entitlement to the municipality.

(e) The time limitations imposed by (c) and (d) of this section for exercising a vested general grant land entitlement do not apply to

(1) the portion of an entitlement that cannot be satisfied by that date because of a shortage of land suitable for residential, commercial, and industrial purposes that is vacant, unappropriated, unreserved land;

(2) payments for land deficiency under AS 29.65.080;

(3) the portion of an entitlement that cannot be satisfied because the land selected by a municipality has been selected by a party entitled to select land owned by the United States or the state; or

(4) the portion of an entitlement that cannot be satisfied because the land nominated for selection by the municipality is not tentatively approved for patent to the state. (§ 17 ch 74 SLA 1985)

**Sec. 29.65.050. Fulfillment of land entitlements.** (a) The acreage of each municipality's land selections for which patent has been issued before July 1, 1978, shall be credited toward fulfillment of the entitlement of that municipality.

(b) All approved selections under former AS 29.18.190 and 29.18.200 for which patent has not been issued to a municipality on July 1, 1978, shall be reviewed by the director within nine months after July 1, 1978. Any approved selection of land that was vacant,

of former AS 17 ch 74 SLA

cities. (a) The able to receive 29.18.190 and ge of vacant, ch city at any AS 29.18.190 July 1, 1978, ity eligible to nd certify that

of former AS nts to cities 35)

newly incor- titlement of a nt of the total within the ation.

of a muni- lirector shall le to receive e entitlement

unappropriated, or unreserved on the date of selection is valid as of the date of the approval under former AS 29.18.190 and 29.18.200, and a patent shall be issued to the municipality within three months after approval by the director of a plat of survey. The acreage shall be credited toward fulfillment of the municipality's entitlement. A municipality is not entitled to receive patent under this chapter to more than its entitlement determined under AS 29.65.010 — 29.65.030. Any prior approval by the director of municipal selections for land that was not vacant, unappropriated, or unreserved on the date of selection shall be rescinded, and patent may not be issued except when disposal to a third party by sale or lease has occurred. Transfers of land to municipalities under this chapter are subject to AS 38.05.321. Classification actions as reflected on the land status records of the Department of Natural Resources are determinative of land classification status for purposes of this chapter.

(c) The director shall approve each selection for patent within nine months of its selection by a municipality, and a patent shall be issued to the municipality for land selected in satisfaction of a general grant land entitlement vested under AS 29.65.010 — 29.65.030 within three months after approval by the director of a plat of survey. (§ 17 ch 74 SLA 1985)

**Sec. 29.65.060. School and mental health land.** (a) If an entitlement determined under AS 29.65.010 or 29.65.020 results in a per capita entitlement for the municipality of less than one and one-half acre, the municipality may select vacant school or mental health land in the municipality in partial fulfillment of its land entitlement under this chapter. School or mental health land may be selected notwithstanding the fact that this land is not unappropriated and unreserved within the meaning of this chapter and under former AS 29.18.190 and 29.18.200, but each selection of school or mental health land by a municipality must be vacant, unappropriated, or unreserved land as defined in this chapter, except that it need not be general grant land.

(b) The acreage of school, university or mental health land, if any, in a municipality may not be included in the determination of entitlement under AS 29.65.010 or 29.65.020.

(c) Land conveyed under this section will be credited against a municipality's remaining land entitlement under this chapter.

(d) Within six months after approval of a municipal selection of school or mental health land, the director shall identify state general grant land of approximately equal value to the land requested by the municipality and shall propose the replacement land for the concurrence of the appropriate board. If a proposal by the director is rejected by the board, the director shall meet with the board as often as

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necessary to determine the type and amount of equal value replacement land that would be required to obtain the board's concurrence, and shall propose the replacement land for consideration by the board. The replacement land shall thereafter be managed for the purposes for which the land selected by the municipality was acquired by the Territory and State of Alaska.

(e) The notice provisions of AS 38.05.945 apply to the designation of other general grant land as school, university or mental health land in replacement of land selected under this section. The provisions of AS 38.50 do not apply to such designations under this section.

(f) For purposes of determining the per capita entitlement under (a) of this section, the population of a municipality shall be the population determined by the commissioner under former AS 43.18.010 for the program year beginning July 1, 1978, for a municipality whose entitlement was determined under former AS 29.18.201 or 29.18.202. (§ 17 ch 74 SLA 1985)

**Sec. 29.65.070. Selection and conveyance procedure.** (a) If land selected by a municipality is unsurveyed at the time of approval, the director shall survey, or may approve the municipality's survey of, the exterior boundaries of an approved selection without interior subdivision, and shall issue patent in terms of the exterior boundary survey. The cost of the survey shall be borne by the municipality. If land selected by a municipality has been surveyed at the time of its selection, the boundaries shall conform to the public land subdivisions established by the approved survey.

(b) The director may approve municipal selections of land that have been tentatively approved or patented to the state by the federal government but may not issue patent to a municipality until the land has first been patented to the state. After approval of a selection by the director, but before patent to a municipality, the municipality may execute conditional leases and make conditional sales only with the consent of the director. Conditional sales and conditional leases made before July 1, 1978, do not require the consent of the director.

(c) Nothing in this chapter affects a valid existing claim, location, or entry under the laws of the state or the United States whether for homestead, mineral, right-of-way, or other purposes. Nothing in this chapter affects the rights of an owner, claimant, locater, or entryman to the full use and enjoyment of the land so occupied. (§ 17 ch 74 SLA 1985)

**Sec. 29.65.080. Payment for land deficiency.** (a) The Alaska municipal land account is established in the general fund for the following purposes:

(1) providing payment to the boroughs and unified municipalities designated in AS 29.65.010 for a deficiency of land physically suitable for residential, commercial, or industrial purposes; or

(2) providing payment to the boroughs and unified municipalities designated in AS 29.65.010 for certain general grant lands selected by the state and conveyed to a Native corporation under the provisions of the Alaska Native Claims Settlement Act.

(b) A municipality shall receive payment for its land deficiency from the municipal land account. A municipality is eligible to receive payment for land deficiency if, after July 1, 1980, the amount of land selected by the municipality that is physically suitable for residential, commercial, or industrial purposes amounts to less than one-third acre per capita. Any entitlement under AS 29.65.010 that is less than one-third acre per capita will, for the purposes of this subsection, be considered a land deficiency. An unselected remaining entitlement will, for the purpose of deficiency payment under this subsection, be considered as land physically suitable for residential, commercial, or industrial purposes. A municipality eligible under this subsection is entitled to receive a payment for land deficiency equal to \$1,000 per acre for a number of acres equal to the difference between one-third of the population of the municipality less the number of acres physically suitable for residential, commercial or industrial purposes that has been selected by the municipality. For the purpose of this subsection, the population of the municipality shall be the population determined in accordance with AS 29.65.060(f). No payment may be made to a municipality under this subsection in excess of \$9,000,000.

(c) If a municipality selected vacant, unappropriated, unreserved land on or before December 18, 1971, to which the state had received tentative approval or patent, and that land was also selected by a Native corporation organized under the Alaska Native Claims Settlement Act (P.L. 92-203), and title to that land is ultimately vested in that Native corporation, the municipality may, at its option, request payment for land deficiency from the municipal land account. The acceptance of payment under this subsection by a municipality constitutes a relinquishment of any other right, title, or claim to the land by that municipality. The total payment to a municipality under this subsection may not exceed \$1,000 per acre to a maximum of 8,000 acres.

(d) The governor shall annually submit to the legislature a request for an appropriation to the municipal land account for the municipalities that have elected to receive payments under (b) and (c) of this section. The request for appropriation shall distinguish between amounts necessary to make payments for land deficiency under (b) of

this section and those required to make payments for land deficiency under (c) of this section.

(e) For purposes of fulfilling entitlements under this section, the legislature is authorized to appropriate

(1) not more than \$4,000,000 per fiscal year, and not more than \$12,000,000 in total, for the purpose of paying entitlements under (b) of this section;

(2) not more than \$1,000,000 per fiscal year, and not more than \$8,000,000 in total, for the purpose of paying entitlements under (c) of this section.

(f) If an annual appropriation is not sufficient to meet the amount due to all municipalities that have elected to accept payment for land deficiency under (b) or (c) of this section, the governor shall apportion the appropriation among the municipalities in proportion to the payment calculated for each municipality for that year. When a distribution of payments is made under (c) of this section, the remaining entitlement of a municipality to which payment is made shall be reduced in an amount equal to the number of acres for which payment was received. An appropriation made under this section is in addition to other grants and entitlements authorized to eligible municipalities.

(g) Payments authorized by this section may not be made to a municipality eligible for an entitlement under AS 29.65.020 or 29.65.030.

(h) Payments made under this section shall be used by a municipality that levies property taxes to reduce the levy in proportion to the amount of state payments received by the municipality for a given fiscal year. The governing body of each municipality shall furnish a notice with the tax statement describing the effect on property tax levies of payments received under this section. (§ 17 ch 74 SLA 1985)

**Sec. 29.65.090. Authorization for land exchanges.** The director, and a municipality are authorized to exchange land or interests in land when it is in the public interest. Land or interests in land exchanged under this section must be of approximately equal value, including the nonmonetary value of public benefits. Exchange procedures shall comply with applicable law and municipal ordinances. The notice and review provisions of AS 38.05.945 apply to exchanges of land under this section. The provisions of AS 38.50 do not apply to exchanges of land under this section. (§ 17 ch 74 SLA 1985)

**Sec. 29.65.100. Public purpose and expansion needs.** (a) Consistent with the best interests of the state, if a municipality does not contain and cannot reasonably acquire sufficient nonfederal land within its boundaries to meet its legitimate needs for public or private settlement or development, it is the policy of the state to select federal land reasonably necessary to meet the needs of the municipality and to make the land selected available to the municipality under AS 38.05.810 or (b) of this section.

(b) The state may contract with a municipality to act as its agent in an auction of state land under applicable statutes. When a municipality acts as the agent of the state in an auction, the municipality may retain from the proceeds of the auction the capital and other expenses that the director determines to be necessary and reasonable.

(c) Nothing in this chapter limits or impairs the authority of the director to transfer land to municipalities, without limit or consideration, for public purposes in accordance with AS 38.05.810. If there is a remaining entitlement of the municipality, land transferred under AS 38.05.810 shall be credited toward fulfillment of the entitlement. (§ 17 ch 74 SLA 1985)

**Sec. 29.65.110. Election of benefits.** (a) A municipality that on July 1, 1978, was engaged in litigation, or that becomes engaged in litigation, regarding a claim to state land under former AS 29.18.190 or 29.18.200 shall elect either to obtain the benefits provided in this chapter or to pursue the litigation and waive any claim to entitlement under this chapter. An election shall be made by filing a motion for dismissal with prejudice in the court in which the litigation is pending. If the claim involves a municipality identified in AS 29.65.010, the municipality shall file its motion for dismissal within 60 days after July 1, 1978. If a claim involves a city eligible to receive an entitlement under AS 29.65.020, the city shall file its motion for dismissal within 60 days after receiving the certificate of entitlement provided by the director under AS 29.65.020. Failure of the municipality to file a motion for dismissal during the time period provided in this subsection is considered a waiver of entitlement under this chapter.

(b) A municipality that was eligible to file land selections under former AS 29.18.190 or 29.18.200 and that does not enter into litigation over a claim to rights under those sections before the expiration of the time period within which it could make an election under (a) of this section is considered to have elected to receive benefits under this chapter and to have waived any claim that might have been raised under former AS 29.18.190 or 29.18.200.

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(c) The provisions of this chapter do not affect the rights of a party to litigation regarding former AS 29.18.190, 29.18.200 or 29.18.420 maintained by a municipality that has elected not to obtain the benefits provided by this chapter. (§ 17 ch 74 SLA 1985)

**Sec. 29.65.120. Administration.** The commissioner of natural resources may adopt regulations in accordance with the Administrative Procedure Act (AS 44.62) necessary to carry out the purposes of this chapter. (§ 17 ch 74 SLA 1985)

**Sec. 29.65.130. Definitions.** In this chapter, unless the context otherwise requires,

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

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

(3) "general grant land"

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

(B) does not include university land;

(4) "mental health land" means land granted under Title II, sec. 202 of P.L. 84-830, as amended before or after July 1, 1978;

(5) "municipal land selection" means a request by a municipality, filed in writing with the director under authority of former AS 29.18.190 and 29.18.200 or under this chapter for vacant, unappropriated, unreserved general grant land within its municipal boundaries in partial fulfillment of its municipal entitlement;

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

(7) "remaining entitlement" means the general grant land entitlement determined in accordance with this chapter, reduced by the total acreage of approved selections, including both patented and unpatented parcels;

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

(9) "university land" has the meaning given in AS 38.05.365;

(10) "vacant, unappropriated, unreserved land" means general grant land as defined in (3) of this section, excluding minerals as required by sec. 6(i) of the Alaska Statehood Act, that

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

(B) has not been approved for patent to a municipality under this chapter or former AS 29.18.190 and 29.18.200; or

(C) is unclassified or, if classified under AS 38.05.300, is classified for agricultural, grazing, commercial, industrial, private recreational, residential, utility, or open-to-entry purposes, or is classified in accordance with an agreement between a municipality and the state providing for state management of land of the municipality. (§ 17 ch 74 SLA 1985)

**Sec. 29.65.140. Application.** This chapter applies to home rule and general law municipalities. (§ 17 ch 74 SLA 1985)

**Chapter 68. Alteration of Boundaries.**

**Section**  
10 — 80. [Repealed]  
90. Election  
100 — 560. [Repealed]

**Section**  
570. Election  
580. [Repealed]

*Secs. 29.68.010 — 29.68.080. Annexation and exclusion; Merger and consolidation. [Repealed, § 88 ch 74 SLA 1985, effective January 1, 1986.]*

**Sec. 29.68.090. Election [Repealed effective January 1, 1986].**

(a) The Local Boundary Commission shall immediately notify the director of elections of its acceptance of a merger or consolidation petition. Within 30 days after notification, the director shall order an election within the area to be included in the new municipality to determine whether the voters desire merger or consolidation. The election is held not less than 30 nor more than 90 days after the election order.

(b) A voter who is a resident of the area to be included within the proposed municipality may vote.

(c) The director of elections shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15). The state shall pay all election costs.

(d) The director of elections shall certify the election results. If merger or consolidation is approved, the director shall, within 10 days, set a date for election of officers of the new municipality under AS 29.18.120. The election date is not less than 60 nor more than 90 days after the election order. This date is the effective date for the merger or consolidation. (§ 2 ch 118 SLA 1972; am § 50 ch 21 SLA 1985; r § 88 ch 74 SLA 1985)

**Sec. 38.05.300. Classification of lands.** (a) The commissioner shall classify for surface use land in areas considered necessary and proper. This section does not prevent reclassification of land where the public interest warrants reclassification, nor does it preclude multiple purpose use of land whenever different uses are compatible. State land, water, or land and water area may not, except by act of the state legislature, be closed to multiple purpose use if the area involved contains more than 640 acres.

(b) Not later than February 1 of each year, the commissioner shall submit a written report to each house of the legislature which describes and shows the location of all classifications of state land made under (a) of this section during the preceding year. (§ 1 art III ch 169 SLA 1959; am § 2 ch 31 SLA 1964; am §§ 33, 34 ch 85 SLA 1979; am § 40 ch 152 SLA 1984)

**Cross references.** — For state land and water restricted to use as public recreation areas and state parks, see AS 41.21.

**Effect of amendments.** — The 1984 amendment made a series of technical changes throughout subsection (a).

#### NOTES TO DECISIONS

**Department of Natural Resources agricultural classification of lottery parcels proper.** — The requirement that an act of the legislature is required where multiple purposes are closed in parcels exceeding 640 acres applied to the management of retained state land, not the disposal of it; thus, Department of Nat-

ural Resources agricultural classification of lottery parcels was proper, even though it did foreclose multiple purposes. *State v. Weidner*, Sup. Ct. Op. No. 2788 (File Nos. 6220, 6240, 6272), P.2d (1984).

Quoted in *Southeast Alaska Conservation Council, Inc. v. State*, Sup. Ct. Op. No. 2662 (File No. 5855), P.2d (1983).

**Sec. 38.05.305. Notice and review.** [Repealed, § 45 ch 113 SLA 1981. For current law see AS 38.05.945.]

**Sec. 38.05.321. Restriction on sale, lease or other disposal of agricultural land.** (a) The sale, lease or other disposal of state land classified as agricultural land transfers only rights for agricultural purposes, and all other interests in the land remain with the state unless otherwise required by law.

(b) State land classified as agricultural land which has been selected by a municipality under former AS 29.18.190 — 29.18.200 or 29.18.205(e) may be approved by the director for patent under AS 29.18.205(f); however, only rights in the land for agricultural purposes may be transferred and all other interests in the land will remain with the state. Agricultural land approved for patent to a municipality under AS 29.18.205(f) shall be credited, acre for acre, toward fulfillment of that municipality's entitlement under AS 29.18.201 — 29.18.203. If the director later determines it to be in the best interests of the state to transfer some or all of the additional rights in that approved or patented agricultural land, those rights shall pass without

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(d) The department may sell, lease, exchange, or encumber the land when specifically authorized to do so by law and under the terms and conditions established by the law. (1983 Initiative Proposal No. 5, § 1)

**Sec. 38.05.502. Property of the people.** Subject to valid existing rights of applicants for land, upon February 21, 1983, all land in the state and all minerals not previously appropriated are the exclusive property of the people of the state and the state holds title to the land and minerals in trust for the people of the state. (1983 Initiative Proposal No. 5, § 1)

**Sec. 38.05.503. Treaties and compacts.** Land in the state which has been administered by the United States under international treaties and interstate compacts will continue to be administered by the state in conformity with those treaties and compacts. (1983 Initiative Proposal No. 5, § 1)

**Sec. 38.05.504. Proceeds to the general fund.** The proceeds of sales, fees, rents, royalties or other receipts from the land paid to the state under the provisions of AS 38.05.500 — 38.05.505 shall be deposited in the general fund, and the legislature may provide for payments in lieu of taxes to local governments. (1983 Initiative Proposal No. 5, § 1)

**Sec. 38.05.505. Exclusive enforcement.** (a) The state has exclusive jurisdiction to enforce the provisions of AS 38.05.500 — 38.05.505.

(b) An individual may institute a civil action to recover damages for injury or loss sustained as the result of a violation of the provisions of AS 38.05.500 — 38.05.505 or for the failure of the state to enforce its trust responsibilities to the people of the state. (1983 Initiative Proposal No. 5, § 1)

**Article 13. Miscellaneous Provisions.**

Section	Section
810. Public and charitable use	840. Appraisal
820. Occupied tide and submerged land	850. Permits
821. Terrestrial lands seaward of public recreational sites	860. Deposits
830. Land disposal in the unorganized borough	870. Grants of land after natural disaster
	872. Disposition of state land for flood control projects

**Sec. 38.05.810. Public and charitable use.** (a) The lease, sale, or other disposal of state land or resources may be made to a state or federal agency or political subdivision, or the lease, sale, or disposal of coal deposits suitable for mining may be made to a utility owned and operated by a government agency or nonprofit cooperative association organized to participate under the Federal Rural Electrification Act for the purpose of generating electric power and energy or the production of process steam, or both, for less than the appraised value as deter-

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mined by the director and approved by the commissioner to be fair and proper and in the best interests of the public, with due consideration given to the nature of the public services or function rendered by the agency, subdivision, or utility making application, and of the terms of the grant under which the land was acquired by the state.

(b) Notwithstanding AS 38.05.070 — 38.05.080 and 38.05.095, the director, upon application filed by an applicant eligible under (b) — (d) of this section, may, by negotiation and without public auction in the manner prescribed in (b) — (d) of this section, lease state land for a term of not more than 55 years. Before leasing, the director shall prepare a land use plan and a land classification to insure that the proposed use is compatible with area utilization. Before the land may be leased under (b) — (d) of this section, it must be shown to the satisfaction of the director that the land is to be used for an established or definitely proposed project, and that the eligible applicant has the financial ability to carry out the project. The commissioner may establish limitations on the acreage which may be leased under (b) — (d) of this section to an applicant.

(c) Eligible applicants under (b) — (d) of this section are limited to nonprofit corporations, associations, clubs, or societies organized and operated exclusively for charitable, religious, scientific, or educational purposes, or for the promotion of social welfare, if the project for which the land is desired conforms to those objectives and not commercial development. No lease of land may be granted under this section for a project closed to the use and enjoyment of the general public. In every case the applicant shall submit evidence that it is exempt from payment of federal income tax. As a condition of and in consideration of the rights acquired under a lease granted under (b) — (d) of this section, each eligible organization and its parent or subsidiary organizations shall (1) maintain and preserve books, accounts, and records that the director prescribes by regulation as necessary and appropriate; and (2) accord at all reasonable times to the state and its authorized agents and auditors the right of access to those books, accounts and records for the purpose of inspecting, examining and copying them. Any information provided the state in the course of an audit becomes a matter of public record.

(d) The director may lease the land to an eligible applicant at a reasonable annual rental, taking into consideration the purposes for which the land is to be used and the financial resources of the applicant. The rental may not be less than one percent of the fair market value on land acquired primarily for development, or less than five percent of the fair market value on acquired land. Rent may not be charged for state land leased for a youth encampment. For the purposes of this subsection, "youth encampment" shall be defined by the commissioner by regulation. Renewal leases may be issued at the discretion of the director upon the expiration of a primary or renewal term. Each lease shall contain a provision for its termination as to all or part

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of the land upon a finding by the director that the land or a part of it has not been used by the lessee for the purpose specified in the lease for a period of two years. No lease may be assigned or subleased except with the consent of the director, and in any case may only be transferred to an applicant eligible under (b)-(d) of this section. A lessee may not change the use specified in the lease to another or additional use except with the consent of the director. If, at any time after the land is leased, the lessee attempts to assign the lease or transfer control over the land to another, or if the land is devoted to a use other than that for which the land was leased without the consent of the director, the lease automatically terminates.

(e) The lease, sale, or other disposal of state land at appraised fair market value may be negotiated with a licensed public utility or a licensed common carrier by the director with the approval of the commissioner if the utility or carrier reasonably requires the land for the conduct of its business under its license.

(f) The commissioner shall lease state land for telephone or electric transmission and distribution lines for less than the appraised value of the land if the lessee is a nonprofit cooperative association organized under AS 10.25. The commissioner may lease state land that is not located within the boundary of a municipality for the disposal of garbage, refuse, trash, or other waste material for less than the appraised value of the land if the lessee is a licensed public utility authorized to collect and dispose of garbage, refuse, trash, or other waste material outside the boundaries of a municipality. Before determining the annual rental, the commissioner shall consider the nature of the public service rendered by the nonprofit cooperative association or licensed public utility and the terms of the grant under which the land was acquired by the state. A nonprofit cooperative association may not construct improvements other than transmission or distribution lines and substations on land leased under this subsection. A licensed public utility may not construct permanent improvements on land leased under this subsection that are not related to the purpose of the lease. (§ 4 art III ch 169 SLA 1959; am § 1 ch 155 SLA 1960; am § 1 ch 137 SLA 1962; am § 1 ch 36 SLA 1976; am § 12 ch 257 SLA 1976; am § 1 ch 76 SLA 1980; am §§ 34, 35 ch 113 SLA 1981; am § 1 ch 86 SLA 1984; am § 42 ch 152 SLA 1984)

Revisor's notes. — Formerly AS 38.05.315. Renumbered in 1984.

Cross references. — For reservation to which contracts for sale, lease or grant of state land and deeds to state land, properties or interest to state land are subject, see AS 38.05.125.

Effect of amendments. — The 1980 amendment added subsection (f).

The 1981 amendment added "and" preceding "38.05.095" and deleted "and AS

38.05.100" preceding "the director" in the first sentence of subsection (b). In subsection (d), the amendment substituted "the" for "but in no case may the" preceding "rental," added "may not" preceding "be less than one," deleted "school" preceding "university" and deleted "mental health" preceding "or acquired lands" in the second sentence and added the present third and fourth sentences.

The first 1984 amendment, in subsec-

tion (f), inserted the second sentence, added the last sentence, and, in the third sentence, substituted "determining" for "he determines" and inserted "or licensed public utility."

The second 1984 amendment, in subsec-

tion (d), substituted "land" for "lands" in the sixth sentence and, in the second sentence, substituted "land" for "lands" in the first place it occurs and "acquired land" for "university or acquired lands."

#### NOTES TO DECISIONS

Cited in *Moore v. State*, Sup. Ct. Op. No. 1284 (File Nos. 2551, 2587), 553 P.2d 8 (1976); *State v. Bering Strait Regional*

*Educ. Attendance Area School Dist.*, Sup. Ct. Op. No. 2625 (File No. 6381), 658 P.2d 784 (1983).

**Sec. 38.05.820. Occupied tide and submerged land.** (a) It is the policy of the state to allow preference rights for the acquisition of tide and submerged land occupied or developed for municipal business, residential or other beneficial purposes on or before the date of admission of Alaska into the Union. Nothing in this section vests the right in a person to acquire the land until a conveyance from the state is delivered to the grantee.

(b) Home rule cities and cities of the first class incorporated on or before April 1, 1964, may apply, in the manner prescribed by the director, and in accordance with such regulations as the director may adopt, for a conveyance to them of all land seaward of the home rule cities and cities of the first class which is between the mean high tide line in, or forming the boundary of, the home rule cities and cities of the first class, and a line to be shown on a plat made a part of the application which shall be the pierhead line established under the Act of September 7, 1957, or the harbor line established under the Act of March 3, 1899, or if no pierhead line or harbor line is established then a line subject to approval by the director, with the concurrence of the commissioner, which shall be seaward of all tide and submerged land occupied or suitable for occupation and development without unreasonable interference with navigation. The director shall convey that tide and submerged land to home rule cities and cities of the first class. Applications by preference right claimants filed with the director before June 30, 1964, shall continue to be processed to a final determination and conveyance, if any, by the director, if such preference right claimants are entitled to a conveyance from the director under the laws existing previous to July 22, 1964.

(1) Each home rule city and city of the first class granted a conveyance shall prepare an official subdivision plat of the area conveyed showing all structures and improvements and the boundaries of each tract occupied or developed, together with the name of the owner or claimant. The subdivisional plat shall include within the boundaries of each tract occupied or developed such surrounding tide and submerged land as is reasonably necessary in the opinion of the governing body of the home rule cities and cities of the first class for the use and enjoyment of the structures and improvements by the owner or claimant, but

*land classification  
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(30) "state" means State of Alaska;

(31) "timber land" means those lands which, because of physical, climatic and vegetative conditions, are presently or potentially chiefly valuable for the production of timber and other forest products;

(32) the masculine gender includes the feminine and the neuter;

(33) the singular number includes the plural;

(34) "unclassified lands" means all lands not otherwise classified;

(35) "university lands" means all Sections 33 reserved to the University under 38 Stat. 1214, as amended (48 U.S.C. 353), and all lands presently or hereafter reserved for the benefit of the University of Alaska;

(36) "vendee" shall mean the purchaser;

(37) "vendor" shall mean the State of Alaska;

(38) "open-to-entry lands" means those lands which meet the criteria as established by AS 38.05.077;

(39) "resource management lands" means those lands containing an association of surface and/or subsurface resources which are especially suited to multiple-use management. Such management may be accomplished in whole or in part pursuant to an inter-agency agreement. (Eff. 7/1/60, Reg. 1; am 8/15/64, Reg. 18; am 3/22/69, Reg. 28)

Authority: AS 38.05.020  
AS 38.05.035  
AS 41.20.020

**ARTICLE 4.  
HOMESITES**  
Repealed 5/13/79.

**ARTICLE 5.  
OPEN-TO-ENTRY**  
Repealed 5/13/79.

**CHAPTER 55.  
LAND PLANNING AND CLASSIFICATION**

Section

- 10. Application of chapter
- 20. Planning and classification
- 30. Land use plan
- 40. Classification
- 50. Agricultural land
- 55. Coal land
- 60. (Repealed)
- 70. Forest land
- 75. Geothermal land
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- 95. Heritage resources land
- 100. (Repealed)
- 110. (Repealed)
- 120. Material land
- 130. Mineral land
- 135. Oil and gas land
- 140. (Repealed)
- 150. (Repealed)
- 160. Public recreation land
- 170. Reserved use land
- 180. (Repealed)
- 190. (Repealed)
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- 202. Settlement land
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- 240. Reclassification
- 250. Notice
- 260. No effect on valid existing rights
- 270. Proposing classifications
- 272. Effective date
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11 AAC 55.010. APPLICATION OF CHAPTER. This chapter deals with the planning and classification of all land under the management authority of the department, as well as land that has been selected or is otherwise to be acquired by the state and managed by the department. The intent of this chapter is to establish a system of land classification based on a land use planning process that recognizes the varied resources of the state and the many competing demands for those resources. The planning process will provide for the balanced use,

(4) land use designations that set out primary and secondary uses and land classifications, whether the land is to be disposed of in fee or retained in state ownership and, for land to be retained in state ownership, a discussion as to whether it is to be made available for lease or other less-than-fee disposal, timber or material sale, or the issuance of remote cabin permits;

(5) consideration of mineral potential to include, at a minimum, identification of areas that will be closed to mineral entry or restricted to leasehold locations under the criteria set out in AS 38.05.185, existing or potential conflicts and, if mineral leasing is intended, stipulations for future leases; and

(6) management guidelines and stated management intent, representing department policies to guide the actions of the department when making land use decisions, directing land management and ensuring compatibility among competing land uses.

(d) For the purposes of this section, a "management plan" is a planning document, generally more detailed than an area plan, displayed at a scale of 1:63,360 or finer that describes how resource decisions will be implemented.

(e) For the purposes of this section, a "land planning report" is a brief, site-specific planning document prepared in the absence of an area or management plan, and which contains those items required of an area plan under (c)(1) - (6) of this section. (Eff. 11/12/78, Reg. 68; am 10/14/79, Reg. 72; am 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020  
AS 38.04.900 AS 38.05.300

**11 AAC 55.040. CLASSIFICATION.** (a) A classification reflects surface impacts of surface or subsurface uses, or both.

(b) Surface resource classifications include agricultural, coal, forest, geothermal, grazing, heritage resources, material, mineral, oil and gas, public recreation, reserved use, resource management, settlement, transportation corridor, water resources, and wildlife habitat land.

(c) A classification identifies the primary use for which the land will be managed. All other

uses are initially presumed as compatible with the primary use. However, if the department determines that a use conflict exists and that activities attendant to a secondary use are incompatible with the primary use, the secondary user shall either cease his activity or modify the use to enable the department to determine that the incompatibility no longer exists. The secondary user may also request that the land be reclassified under 11 AAC 55.270 to identify the secondary use as the primary use.

(d) On any parcel of land, up to three classifications may be used where the dominance of a particular use cannot be determined.

(e) All land classified after September 7, 1983 is open to mineral entry and location unless the land is closed by statute or by a mineral closing order prepared in conformance with AS 38.05.185. State land may not be closed to mineral entry and location unless the commissioner finds that mineral entry and location is incompatible with significant surface uses, including those associated with other leasable mineral development. This finding may be made through an area plan. A mineral closing order will state the grounds for closing the lands to mineral entry. No land classified after September 7, 1983 is restricted to mining under leasehold location unless the commissioner makes the determination required by AS 38.05.185 and issues a leasehold location order. The determination may be made through an area plan.

(f) Unless closed to mineral entry by statute or by a mineral closing order, land classified before September 7, 1983 as commercial, greenbelt, industrial, public recreation, reserved use, resource management, watershed, or wildlife habitat land has been and remains available for leasehold locations under AS 38.05.205. The leasing requirement remains in effect until the land is reclassified. At that time the land will

(1) be opened to mineral entry, in which case leasehold locations previously made will no longer be subject to the leasing requirement although the miner may retain the location as a leasehold location;

(2) be closed to mineral entry by a mineral closing order in accordance with AS 38.05.185,

**11 AAC 55.095. HERITAGE RESOURCES LAND.** Land classified heritage resources is land where there is active preservation of, or research for, significant historical, prehistoric, paleontological, or other cultural values or where there is reason to believe that these values exist. (Eff. 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.295  
AS 38.04.900 AS 38.05.300  
AS 38.05.020

**11 AAC 55.100. HOMESITE ENTRY LAND.** Repealed 10/14/79.

**11 AAC 55.110. INDUSTRIAL LAND.** Repealed 9/7/83.

**11 AAC 55.120. MATERIAL LAND.** Land classified material is land that is suitable for the extraction of common varieties of sand, gravel, stone, peat, clay, and other similar materials. (Eff. 11/12/78, Reg. 68; am 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020  
AS 38.04.900 AS 38.05.300

**11 AAC 55.130. MINERAL LAND.** Land classified mineral is land where known mineral resources exist and where development is occurring or is reasonably likely to occur, or where there is reason to believe that commercial quantities of minerals exist. (Eff. 11/12/78, Reg. 68; am 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020  
AS 38.04.900 AS 38.05.300

**11 AAC 55.135. OIL AND GAS LAND.** Land classified oil and gas is land where known oil and gas resources exist and where development is occurring or is reasonably likely to occur, or where there is reason to believe that commercial quantities of oil and gas exist. (Eff. 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020  
AS 38.04.900 AS 38.05.300

**11 AAC 55.140. OPEN-TO-ENTRY LAND.** Repealed 10/14/79.

**11 AAC 55.150. PRIVATE RECREATION LAND.** Repealed 9/7/83.

**11 AAC 55.160. PUBLIC RECREATION LAND.** Land classified public recreation is land that is suitable for recreation uses, waysides,

parcs, campsites, scenic overlooks, hunting, fishing or boating access sites, trail corridors, or greenbelts along bodies of water or roadways. (Eff. 11/12/78, Reg. 68; am 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.295  
AS 38.04.900 AS 38.05.300  
AS 38.05.020

**11 AAC 55.170. RESERVED USE LAND.** (a) Land classified reserved use is land that

(1) is reserved for transfer to another governmental or nongovernmental agency that is performing a public service;

(2) is reserved for transfer through land exchanges; or

(3) has been designated for a public facility.

(b) Nothing in this section requires classification of land identified for a future land exchange under AS 38.50. (Eff. 11/12/78, Reg. 68; am 10/14/79, Reg. 72; am 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020  
AS 38.04.900 AS 38.05.300

**11 AAC 55.180. RESIDENTIAL LAND.** Repealed 9/7/83.

**11 AAC 55.190. RESOURCE ASSESSMENT LAND.** Repealed 9/7/83.

**11 AAC 55.200. RESOURCE MANAGEMENT LAND.** Land classified resource management is land which is presently unaccessible and remote and may have a number of resources but where the lack of adequate resource, economic, or other relevant information combined with the unlikelihood of resource development within the next 10 years makes a specific resource allocation decision unnecessary. (Eff. 11/12/78, Reg. 68; am 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020  
AS 38.04.900 AS 38.05.300

**11 AAC 55.202. SETTLEMENT LAND.** Land classified settlement is land which is, by reason of its physical qualities and location, suitable for year-round or seasonal residential or private recreational use or for commercial or industrial development. (Eff. 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020  
AS 38.04.900 AS 38.05.300

11 AAC 55.272. **EFFECTIVE DATE.** A classification takes effect on the date the classification order is signed by the commissioner. (Eff. 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020  
 AS 38.04.900 AS 38.05.300

11 AAC 55.277. **EXISTING CLASSIFICATIONS.** Beginning September 7, 1983, land previously classified under one of the classifications in list (1) will be considered to be classified under the corresponding classification in list (2):

(1)	(2)
Commercial Land	Settlement Land
Homesite Entry Land	Settlement Land
Industrial Land	Settlement Land
Open-To-Entry Land	Settlement Land
Private Recreation Land	Settlement Land
Greenbelt Land	Public Recreation Land
Residential Land	Settlement Land
Utility Land	Settlement Land
Watershed Land	Water Resources Land
Resource Assessment Land	Resource Assessment Land until reclassified

(Eff. 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020  
 AS 38.04.900 AS 38.05.300

11 AAC 55.280. **DEFINITIONS.** In this chapter,

(1) "classification" means the designation of land according to its primary use, and in a manner that will provide maximum benefit to the people of Alaska;

(2) "commissioner" means the commissioner of the Department of Natural Resources;

(3) repealed 9/7/83;

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

(5) repealed 10/14/79;

(6) repealed 10/14/79;

(7) "disposal" means the sale, lease, grant, or exchange of land or interests in land to another person, entity, or government agency;

(8) "land" means all land, including shore, tide, and submerged land and water;

(9) repealed 9/7/83;

(10) "state land" means land that has been selected or has otherwise been or is to be acquired by the state, and includes land for which tentative approval, patent, deed, or other document of title conveyance has not yet been received. (Eff. 11/12/78, Reg. 68; am 10/14/79, Reg. 72; am 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020  
 AS 38.04.900 AS 38.05.300

Offered: 3/24/86  
Referred: Finance

Original sponsor: Adams

1 IN THE HOUSE BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 587 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to general grant land entitlements;  
7 and providing for an effective date."

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

9 \* Section 1. AS 29.65 is amended by adding a new section to read:

10 Sec. 29.65.015. DETERMINATION OF ENTITLEMENTS FOR MUNICIPAL-  
11 ITIES. The general grant land entitlement of a municipality is 10  
12 percent of the maximum total acreage of vacant, unappropriated, unre-  
13 served land within its boundaries at any time between the date of its  
14 incorporation and two years after the expiration of the state's right  
15 to make selections under sec. 6(a) or (b) of the Alaska Statehood Act.  
16 By January 1 of each year the director shall determine or update the  
17 unfulfilled entitlement for each municipality under this section and  
18 certify that entitlement to that municipality.

19 \* Sec. 2. AS 29.65 is amended by adding a new section to read:

20 Sec. 29.65.025. LIMITATIONS ON ENTITLEMENTS. (a) A municipal-  
21 ity is eligible for only one general grant land entitlement. A munic-  
22 ipality that qualifies for an entitlement under AS 29.65.010 and  
23 29.65.015 shall receive the larger of the two entitlements.

24 (b) A municipality may not receive a general grant land en-  
25 titlement under AS 29.65.010 or 29.65.015 that exceeds 400,000 acres.

26 (c) All conveyances of legal title to land by the state to a  
27 municipality under AS 29.65.010 or a former law shall be credited  
28 toward fulfillment of the entitlement for that municipality. All  
29 payments for land under AS 29.65.080 or former AS 29.18.208 shall be

1 credited toward fulfillment of the entitlement for that municipality.

2 (d) Land classified under AS 38.05.300 for wildlife habitat may  
3 not be selected or conveyed in fulfillment of a general grant land  
4 entitlement.

5 \* Sec. 3. AS 29.65.040 is repealed and reenacted to read:

6 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) After January 1,  
7 1987, a general grant land entitlement under AS 29.65.010 is a vested  
8 property right that must be fulfilled in accordance with AS 29.65.025  
9 and 29.65.080.

10 (b) A general grant land entitlement under AS 29.65.015 is a  
11 property right that vests on the date of incorporation of the munici-  
12 pality. The entitlement must be fulfilled in accordance with AS 29.-  
13 65.025.

14 \* Sec. 4. AS 29.65.060 is repealed and reenacted to read:

15 Sec. 29.65.060. SCHOOL AND MENTAL HEALTH LAND. (a) School land  
16 and mental health land within the boundaries of a municipality may not  
17 be included for purposes of determining the general grant land en-  
18 titlement of that municipality.

19 (b) A municipality may not receive school land or mental health  
20 land in fulfillment of its general grant land entitlement.

21 \* Sec. 5. AS 29.65.080(b) is amended to read:

22 (b) A municipality shall receive payment for its land deficiency  
23 from the municipal land account. A municipality is eligible to re-  
24 ceive payment for land deficiency if, after July 1, 1980, the amount  
25 of land selected by a municipality that is physically suitable for  
26 residential, commercial, or industrial purposes amounts to less than  
27 one-third acre per capita. Any entitlement under AS 29.65.010 that is  
28 less than one-third acre per capita will, for the purposes of this  
29 subsection, be considered a land deficiency. An unselected remaining

1 entitlement will, for the purpose of deficiency payment under this  
2 subsection, be considered as land physically suitable for residential,  
3 commercial, or industrial purposes. A municipality eligible under  
4 this subsection is entitled to receive a payment for land deficiency  
5 equal to \$1,000 per acre for a number of acres equal to the difference  
6 between one-third of the population of the municipality less the  
7 number of acres physically suitable for residential, commercial or  
8 industrial purposes that has been selected by the municipality. For  
9 the purpose of this subsection, the population of the municipality  
10 shall be the population determined by the commissioner under former  
11 AS 43.18.010 for the program year beginning July 1, 1978, for a munic-  
12 ipality whose entitlement was determined under former AS 29.18.201 [IN  
13 ACCORDANCE WITH AS 29.65.060(f)]. No payment may be made to a munic-  
14 ipality under this subsection in excess of \$9,000,000.

15 \* Sec. 6. AS 29.65.080(g) is amended to read:

16 (g) Payments authorized by this section may only [NOT] be made  
17 to a municipality [ELIGIBLE] for an entitlement under AS 29.65.010  
18 [AS 29.65.020 or 29.65.030].

19 \* Sec. 7. AS 29.65.130(10) is amended to read:

20 (10) "vacant, unappropriated, unreserved land" means  
21 general grant land as defined in (3) of this section, excluding miner-  
22 als as required by sec. 6(i) of the Alaska Statehood Act, that

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

25 (B) has not been approved for patent to a municipal-  
26 ity under this chapter or former AS 29.18.190 and 29.18.200; or

27 (C) is unclassified or, if classified under AS 38.-  
28 05.300, is classified for agricultural, grazing, material, public  
29 recreation, resource management, settlement, transportation

1            corridor, forestry, or wildlife habitat [COMMERCIAL, INDUSTRIAL,  
2            PRIVATE RECREATIONAL, RESIDENTIAL, UTILITY, OR OPEN-TO-ENTRY  
3            PURPOSES,] or is classified in accordance with an agreement  
4            between a municipality and the state providing for state manage-  
5            ment of land of the municipality.

6            \* Sec. 8. Before January 1, 1987, the Department of Natural Resources  
7            shall consult with each municipality affected by this Act regarding classi-  
8            fications of state land within its boundaries and shall assist the munic-  
9            ipality in identifying land suitable for selection in fulfillment of its  
10           general grant land entitlement.

11           \* Sec. 9. AS 29.65.010(b), 29.65.020, 29.65.030, 29.65.050, 29.65.090  
12           and 29.65.110 are repealed.

13           \* Sec. 10. Sections 4 and 8 of this Act take effect immediately in  
14           accordance with AS 01.10.070(c).

15           \* Sec. 11. Sections 1 - 3, 5 - 7, and 9 of this Act take effect  
16           January 1, 1987.

Original sponsor: Adams

INCLUDES Poarchot  
amendments

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 -2nd CS FOR HOUSE BILL NO. 587 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to general grant land entitlements;  
7 and providing for an effective date."

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

9 \* Section 1. AS 29.65 is amended by adding a new section to read:

10 Sec. 29.65.015. DETERMINATION OF ENTITLEMENTS FOR MUNICIPAL-  
11 ITIES. The general grant land entitlement of a municipality is 10  
12 percent of the maximum total acreage of vacant, unappropriated, unre-  
13 served land within its boundaries at any time between the date of its  
14 incorporation and two years after the expiration of the state's right  
15 to make selections under sec. 6(a) or (b) of the Alaska Statehood Act.  
16 By December 31 of each year the director shall determine or update the  
17 unfulfilled entitlement for each municipality under this section and  
18 certify that entitlement to that municipality.

19 \* Sec. 2. AS 29.65 is amended by adding a new section to read:

20 Sec. 29.65.025. LIMITATIONS ON ENTITLEMENTS. (a) A municipal-  
21 ity is eligible for only one general grant land entitlement. A munic-  
22 ipality that qualifies for an entitlement under AS 29.65.010 and  
23 29.65.015 shall receive the larger of the two entitlements.

24 (b) A municipality may not receive a general grant land en-  
25 titlement under AS 29.65.010 or 29.65.015 that exceeds 400,000 acres.

26 (c) The following shall be credited toward fulfillment of the  
27 general grant land entitlement of a municipality:

28 (1) conveyances of legal title to land by the state to the  
29 municipality before January 1, 1987, under a former law;

1 (2) payments for land before January 1, 1987, under former  
2 AS 29.18.208;

3 (3) conveyances of legal title to land before January 1,  
4 1987, and thereafter under AS 29.65.010;

5 (4) payments for land before January 1, 1987, and there-  
6 after under AS 29.65.080;

7 (5) disposals of land to the municipality before January 1,  
8 1987, and thereafter under AS 38.05.810 for which the state receives  
9 no consideration.

10 (d) Land classified under AS 38.05.300 for wildlife habitat only  
11 may not be selected or conveyed in fulfillment of a general grant land  
12 entitlement.

13 (e) In each conveyance of land in fulfillment of a general grant  
14 land entitlement, the state shall reserve the right to explore, enter,  
15 develop, and occupy the surface as reasonably necessary for access to  
16 the mineral estate in accordance with AS 38.05.125.

17 \* Sec. 3. AS 29.65.040 is repealed and reenacted to read:

18 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) [After January 1,  
19 1987, a <sup>A</sup> general grant land entitlement under former AS 29.18.201-.202 or  
20 AS 29.65.010 is a vested  
21 property right that must be fulfilled in accordance with AS 29.65.025  
22 and 29.65.080[.] and former AS 29.65.060.

23 (b) A general grant land entitlement under AS 29.65.015 is a  
24 property right that vests on the date of incorporation of the munici-  
25 pality. The entitlement must be fulfilled in accordance with AS 29.-  
26 65.025.

27 \* Sec. 4. AS 29.65.060 is repealed and reenacted to read:

28 Sec. 29.65.060. SCHOOL, UNIVERSITY, AND MENTAL HEALTH LAND. (a)  
29 School land, university land, and mental health land within the bound-  
aries of a municipality may not be included for purposes of

1 determining the general grant land entitlement of that municipality.

2 (b) A municipality may not receive school land, university land,  
3 or mental health land in fulfillment of its general grant land en-  
4 titlement.

5 \* Sec. 5. AS 29.65.080(b) is amended to read:

6 (b) A municipality shall receive payment for its land deficiency  
7 from the municipal land account. A municipality is eligible to re-  
8 ceive payment for land deficiency if, after July 1, 1980, the amount  
9 of land selected by a municipality that is physically suitable for  
10 residential, commercial, or industrial purposes amounts to less than  
11 one-third acre per capita. Any entitlement under AS 29.65.010 that is  
12 less than one-third acre per capita will, for the purposes of this  
13 subsection, be considered a land deficiency. An unselected remaining  
14 entitlement will, for the purpose of deficiency payment under this  
15 subsection, be considered as land physically suitable for residential,  
16 commercial, or industrial purposes. A municipality eligible under  
17 this subsection is entitled to receive a payment for land deficiency  
18 equal to \$1,000 per acre for a number of acres equal to the difference  
19 between one-third of the population of the municipality less the  
20 number of acres physically suitable for residential, commercial or  
21 industrial purposes that has been selected by the municipality. For  
22 the purpose of this subsection, the population of the municipality  
23 shall be the population determined by the commissioner under former  
24 AS 43.18.010 for the program year beginning July 1, 1978, for a munic-  
25 ipality whose entitlement was determined under former AS 29.18.201 [IN  
26 ACCORDANCE WITH AS 29.65.060(f)]. No payment may be made to a munic-  
27 ipality under this subsection in excess of \$9,000,000.

28 \* Sec. 6. AS 29.65.080(g) is amended to read:

29 (g) Payments authorized by this section may only [NOT] be made

AS 29.65.080 is amended to add the following section:

(h) Compensation under this section shall be made into a municipal land bank or land trust account created by municipal ordinance, whose purpose shall be to apply such compensation in land or other receipts toward the acquisition of land necessary for public purposes, which land may be otherwise unavailable to the municipality.

to a municipality [ELIGIBLE] for an entitlement under AS 29.65.010 [AS 29.65.020 OR 29.65.030].

INSERT HERE

\* Sec. 7. AS 29.65.130(3) is amended to read:

(3) "general grant land"

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

(B) does not include mental health land, school land, or university land;

\* Sec. 8. AS 29.65.130(10) is amended to read:

(10) "vacant, unappropriated, unreserved land" means general grant land as defined in (3) of this section, excluding minerals as required by sec. 6(i) of the Alaska Statehood Act, that

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

(B) has not been approved for patent to a municipality under this chapter or former AS 29.18.190 and 29.18.200; or

(C) is unclassified or, if classified under AS 38.05.300, is classified for agricultural, grazing, material, public recreation, resource management, settlement, transportation corridor, forestry, or wildlife habitat [COMMERCIAL, INDUSTRIAL, PRIVATE RECREATIONAL, RESIDENTIAL, UTILITY, OR OPEN-TO-ENTRY PURPOSES,] or is classified in accordance with an agreement between a municipality and the state providing for state management of land of the municipality.

\* Sec. 9. AS 38.05.321(b) is amended to read:

(b) State land classified as agricultural land that has been selected by a municipality under former AS 29.18.190 - 29.18.200 or former AS 29.18.205(e) may be approved by the director for patent

1 under AS 29.65 [AS 29.65.050(c)]; however, only rights in the land for  
2 agricultural purposes may be transferred and all other interests in  
3 the land will remain with the state. Agricultural land approved for  
4 patent to a municipality shall be credited, acre for acre, toward  
5 fulfillment of that municipality's entitlement under AS 29.65 [AS 29.-  
6 65.010 - 29.65.030] or former AS 29.18.201 - 29.18.203. If the direc-  
7 tor later determines it to be in the best interests of the state to  
8 transfer some or all of the additional rights in that approved or  
9 patented agricultural land, those rights shall pass without considera-  
10 tion to the municipality in which the land is located. The notice and  
11 review provisions of AS 38.05.945 are applicable to conveyance of  
12 rights under this section.

13 \* Sec. 10. AS 38.05.321(c) is amended to read:

14 (c) The provisions of this section do not apply to

15 (1) state land classified as agricultural land that has  
16 been selected by a municipality under the provisions of former AS 29.-  
17 18.190 - 29.18.200 if the selection is an approved selection before  
18 April 1, 1978 and is otherwise valid under former AS 29.65.050(b) or  
19 former AS 29.18.205(b); or

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

22 \* Sec. 11. Before January 1, 1987, the Department of Natural Resources  
23 shall consult with each municipality affected by this Act regarding classi-  
24 fications of state land within its boundaries and may assist the munic-  
25 ipality in identifying land suitable for selection in fulfillment of its  
26 general grant land entitlement.

1 \* Section 12. The commissioner of natural resources may negotiate and enter  
2 into an agreement with a borough or unified municipality whose entitlement  
3 under AS 29.65.010 has not been fulfilled on the date of enactment of this  
4 Act, if the borough or municipality elects in writing prior to January 1,  
5 1987 to pursue a settlement of that existing entitlement. The commissioner's  
6 authority to negotiate such an agreement to convey state land within the  
7 municipality's boundaries shall be without regard to whether the land is  
8 vacant, unappropriated, unreserved land as defined under AS 29.65.130(10) if  
9 the commissioner determines, after notice and review, that the land lies  
10 outside the smallest practicable tract enclosing land actually used in  
11 connection with the administration of any state function by the holding agency  
12 on the date of enactment of this Act. Land conveyed to a borough or unified  
13 municipality under an agreement entered into under this section may constitute  
14 complete fulfillment of the municipality's general grant land entitlement.  
15 Conveyances by agreement under this section shall contain no restrictions or  
16 conditions which are not required to be imposed by statute.

17 <sup>13</sup>  
18 \* Sec. [12] AS 29.65.010(b), 29.65.020, 29.65.030, 29.65.050, 29.65.090  
19 and 29.65.110 are repealed.

20 \* Sec. [13] Sections 4, [and] <sup>14</sup> ~~11~~ <sup>AND 12</sup> of this Act take effect immediately in  
21 accordance with AS 01.10.070(c).

22 \* Sec. 15. Sections 1-3, 5-10, and 13 of this Act take effect January 1, 1987.  
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Introduced: 2/14/86  
Referred: Community & Regional  
Affairs and Finance

1 IN THE HOUSE

BY ADAMS

2 HOUSE BILL NO. 587

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 \* Section 1. AS 29.65.020(a) is amended to read:

10 Sec. 29.65.020. DETERMINATION OF ENTITLEMENT FOR MUNICIPALITIES  
11 [CITIES]. (a) The general grant land entitlement of a municipality  
12 [CITY] formerly eligible to receive general grant land under the  
13 provisions of former AS 29.18.190 and 29.18.200 is 10 percent of the  
14 maximum total acreage of vacant, unappropriated, unreserved land  
15 within [IN] the boundaries of each municipality [CITY] at any time  
16 between the initial date of eligibility under former AS 29.18.190 and  
17 29.18.200 and two years after the expiration of the state's right to  
18 make selections under Sec. 6(a) or (b) of the Alaska Statehood Act.  
19 By January 1 of each calendar year [JULY 1, 1978. WITHIN SIX MONTHS  
20 AFTER JULY 1, 1978], the director shall determine or update the en-  
21 titlement for each municipality [CITY] eligible to receive general  
22 grant land under this section [FORMER AS 29.18.202] and certify that  
23 entitlement to the municipality [CITY].

24 \* Sec. 2. AS 29.65.030(a) is amended as follows:

25 Sec. 29.65.030. DETERMINATION OF MILEAGE RATE EQUIVALENT [EN-  
26 TITLEMENT FOR NEWLY INCORPORATED MUNICIPALITIES]. (a) The general  
27 grant land entitlement of a municipality incorporated after July 1,  
28 1978, is 10 percent of the total acreage of vacant, unappropriated,  
29 unreserved land within the boundaries of the municipality at any time

1 between the date of incorporation and two years after the expiration  
2 of the state's right to make selections under Secs. 6(a) and (b) of  
3 the Alaska Statehood Act [ON THE DATE OF ITS INCORPORATION].

4 \* Sec. 3. AS 29.65.030(b) is amended to read:

5 (b) Within six months after the date of incorporation of a  
6 municipality that is incorporated after July 1, 1978, the director  
7 shall determine the entitlement of each municipality eligible to  
8 receive general grant land under (a) of this section and certify the  
9 entitlement to the municipality. The director shall thereafter update  
10 the entitlement of each eligible municipality by January 1 of each  
11 calendar year and certify that entitlement to the municipality.

12 \* Sec. 4. AS 29.65.130(10) is amended to read:

13 (10) "vacant, unappropriated, unreserved land" means  
14 general grant land as defined in (3) of this section, excluding miner-  
15 als as required by sec. 6(i) of the Alaska Statehood Act, that

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

18 (B) has not been approved for patent to a municipal-  
19 ity under this chapter or former AS 29.18.190 and 29.18.200; or

20 (C) is unclassified or, if classified under AS 38.-  
21 05.300, is classified for agricultural, grazing, material, public  
22 recreation, resource management, settlement, transportation  
23 corridor forestry, wildlife habitat and water resources, [COM-  
24 MERCIAL, INDUSTRIAL, PRIVATE RECREATIONAL, RESIDENTIAL, UTILITY,  
25 OR OPEN-TO-ENTRY PURPOSES,] or where [IS] classified in accor-  
26 dance with an agreement between a municipality and the state  
27 providing for state management of land of the municipality.

28 \* Sec. 5. AS 29.65.020(b) and AS 29.65.030(c) are repealed.

29 \* Sec. 6. This Act takes effect immediately in accordance with

1 AS 01.10.070(c).

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