

SB

16

STATE OF ALASKA



Handwritten signatures and initials, including "TK" and "HK".

SENATE JUDICIARY COMMITTEE

#2

SEN. JAY KERTTULA
SEN. ARLISS STURGULEWSKI
SEN. RICK HALFORD
SEN. JOE JOSEPHSON
SEN. PAT RODEY

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3717
(907) 465-3771

2-3-87

MEMO: TO SENATE JUDICIARY COMMITTEE MEMBERS

FROM: SENATE JUDICIARY COUNSEL

RE: CSSB-16 AS RE-DRAFTED 2-3-87

There are four changes to CSSB-16 as drafted 1-27-87.

1. Section 1 is changed back to original statute form except for a drafting error. This is simply a section to tell people where to look in the statutes to find information and the statute will be clearer if substantive information is put in one place. There is a drafting error in the statute and that has been changed in the CS.
2. The time in which DNR has to act on escheated property has been cut down from 180 days to 90. DNR Director Tom Hawkins says that this is the minimum time in which DNR can act given notice requirements.
3. Instead of writing a new notice requirement as the original CS did this CS will require notice as given in AS 38.05.945. It should be noted that notice is required under the State Constitution, Article 8, Sec. 10.
4. A section has been added to change AS 38.05.945 to note that it now applies to escheated property and to note that when notice under it is given concerning escheated property the exceptions to the notice requirement (sections e and f, covering mining) do not apply.

5-0098B

Bannister

2/3/87

#2

Original sponsor: Faiks

Passed out of Judiciary
 Recommendation
 2-3-87

1 IN THE SENATE

BY THE JUDICIARY COMMITTEE

2 CS FOR SENATE BILL NO. 16 (Judiciary)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the disposition of unclaimed real
 7 property interests."

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

9 * Section 1. AS 13.16.381 is amended to read:

10 Sec. 13.16.381. DISPOSITION OF UNCLAIMED ESTATE BY PERSONAL
 11 REPRESENTATIVE. When there is no taker of an intestate estate, or if
 12 an heir, devisee, or claimant cannot be found and the missing person
 13 has no conservator, the personal representative shall handle the

14 (1) unclaimed personal property of the estate in accordance
 15 with AS 34.45.280 - 34.45.780; and

16 (2) unclaimed real property of the estate in accordance
 17 with AS 38.95 [AS 38.05].

18 * Sec. 2. AS 38.05.945(a) is amended to read:

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

21 (1) classification or reclassification of state land under
 22 AS 38.05.300 and the closing of land to mineral leasing or entry under
 23 AS 38.05.185;

24 (2) zoning of land under applicable law;

25 (3) a decision under AS 38.05.035(e) regarding the sale,
 26 lease, or disposal of an interest in state land or resources; [AND]

27 (4) a competitive disposal of an interest in state land or
 28 resources after final decision under AS 38.05.035(e); and

29 (5) proposed transfer of escheated real property by the

1 department under AS 38.95.230.

2 * Sec. 3. AS 38.05.945 (e) is amended to read:

3 (e) Except for (a)(5) of this section, the [THE] provisions of
4 this section do not apply to a lease issued under AS 38.05.205.

5 * Sec. 4. AS 38.05.945(f) is amended to read:

6 (f) Except for (a)(5) of this section, the [THE] provisions of
7 this section do not apply to a production license issued under AS
8 38.05.207.

9 * Sec. 5. AS 38.95.230 is repealed and reenacted to read:

10 Sec. 38.95.230. TRANSFER OF ESCHEATED REAL PROPERTY BY DEPART-
11 MENT. Within 90 days after a judgment of escheat under AS 38.95.220
12 and after notice has been given as required under AS 38.05.945, the
13 department shall sell, lease, exchange, or otherwise transfer the
14 escheated real property unless the department issues a written finding
15 that the sale, lease, exchange, or other transfer is not in the best
16 interest of the state.

17 * Sec. 6. AS 38.95.240 is repealed and reenacted to read:

18 Sec. 38.95.240. CLAIMS TO ESCHEATED REAL PROPERTY. (a) Within
19 seven years after a judgment of escheat under AS 38.95.220, a person
20 who is not a party to the escheat proceeding may bring an action in
21 the superior court to prove the person's claim to the real property.
22 If the plaintiff establishes the claim and that the plaintiff had no
23 knowledge of the prior escheat proceeding, the court shall award the
24 plaintiff

25 (1) the property if the state still owns the property; or

26 (2) an amount equal to the

27 (A) net proceeds from the sale of the real property
28 under AS 38.95.230;

29 (B) the appraised fair market value of the property

1 less the expenses of appraisal, if the property has been trans-
2 ferred other than by sale or lease.

3 (b) A person who is awarded property under (a) of this section
4 is not entitled to the rents, profits, interest, or dividends that
5 accrue to the state during the state's possession of the property.

6 (c) The time limitation of seven years does not apply to a minor
7 or an incapacitated person, but the person must bring an action to
8 prove the person's claim to the real property within one year after
9 the person reaches the age of eighteen years or the incapacity ceases.
10 In this subsection, "incapacitated person" has the meaning given in
11 AS 13.26.005.

12 (d) This section does not prevent the state from transferring
13 escheated real property to a person who provides proof satisfactory to
14 the department that the person is the owner of the real property, if

15 (1) the department determines the transfer to be appropri-
16 ate; and

17 (2) the transfer occurs within seven years after the judg-
18 ment of escheat under AS 38.95.220.

19 * Sec. 7. AS 38.95.250 is repealed and reenacted to read:

20 Sec. 38.95.250. PROCEEDS OF SALE. The department shall deposit
21 the net proceeds from the sale of real property in an escheated real
22 property trust account. The department shall maintain the proceeds in
23 the account for a period of at least seven years after the date of the
24 judgment of escheat. The department may use money in the trust ac-
25 count to pay claims made under AS 38.95.240.

26 * Sec. 8. AS 38.95.270 is amended to read:

27 Sec. 38.95.270. DEFINITIONS. In AS 38.95.200 - 38.95.270[,]

28 (1) "department" means the Department of Natural Resources;

29 (2) "net proceeds" means the proceeds from a sale under

1 AS 38.95.230 after deduction of the costs of the sale, including
2 attorney fees and publication costs;

3 (3) "real property" includes an interest in real property.

4 * Sec. 9. This Act applies to real property that is the subject of an
5 escheat proceeding begun on or after the effective date of this Act.
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STATE OF ALASKA



SENATE JUDICIARY COMMITTEE

SEN. JAY KERTTULA
SEN. ARLISS STURGULEWSKI
SEN. RICK HALFORD
SEN. JOE JOSEPHSON
SEN. PAT RODEY

P.O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3717
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Jan. 27, 1987

#1

To: Senate Judiciary Members
From: Senate Judiciary Counsel
Re: CS for SB-16 "An Act Relating to the disposition of unclaimed real property interests"

During the first hearing on SB-16 a number of concerns were raised by Committee members and witnesses. We have sought to address these concerns in a proposed Committee Substitute, which is attached for your perusal and comment.

There are four changes in the CS.

First (Page 1, Lines 16-21): This section adds a requirement that the personal representative of an unclaimed estate notify not only DNR, but also notify the BIA, the municipality where the property is located, and, if applicable, the CR&A office that handles municipal trust land. This change was made to cover the concerns expressed by Mr. Michael DeMan, Principal Planner of SEACAP.

Second (Page 1, Lines 22-28): This section manifests an intent that DNR sell the land as proposed by the original bill, but also sets a 180-day time limit in which DNR must act (proposed by Senator Halford) and allows an historic exception along with a "best interest" exception as requested by the Commissioner of DNR.

Third (Page 2, Lines 12-14): This section was added to deal with the situation that could arise if an unknown heiress" shows up and her property has been disposed of other than by sale or lease. It requires an appraisal so the heiress can get her fair market value out of the state. This was a drafting change-not a committee suggestion.

Fourth (Page 2, Line 29-Page 3, Line 1): This section incorporates Senator Faiks' suggestion that there be a time limit on how long DNR has in which to transfer escheated real property to an unknown heiress. (Note-under the current law there is no time limit on this with DNR while there is a seven-year limit on the courts-therefore the law actually gives DNR significantly more lee-way than the courts in transferring land to an unknown heiress.)

5-0098B
Bannister
1/27/87

#1

Original sponsor: Faiks

1 IN THE SENATE BY THE JUDICIARY COMMITTEE
 2 CS FOR SENATE BILL NO. 16 (Judiciary)
 3 IN THE LEGISLATURE OF THE STATE OF ALASKA
 4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the disposition of unclaimed real
7 property interests."

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

9 * Section 1. AS 13.16.381 is amended to read:

10 Sec. 13.16.381. DISPOSITION OF UNCLAIMED ESTATE BY PERSONAL
 11 REPRESENTATIVE. When there is no taker of an intestate estate, or if
 12 an heir, devisee, or claimant cannot be found and the missing person
 13 has no conservator, the personal representative shall

14 (1) handle the [(1)] unclaimed personal property of the
 15 estate in accordance with AS 34.45.280 - 34.45.780; and

16 (2) report the unclaimed real property of the estate to the
 17 Department of Natural Resources, the federal Bureau of Indian Affairs
 18 office that handles trust land, each municipality where the property
 19 is located, and, if applicable, the state Department of Community and
 20 Regional Affairs office that handles municipal trust land [IN ACCOR-
 21 DANCE WITH AS 38.05].

22 * Sec. 2. AS 38.95.230 is repealed and reenacted to read:

23 Sec. 38.95.230. TRANSFER OF ESCHEATED REAL PROPERTY BY DEPART-
 24 MENT. Within 180 days after a judgment of escheat under AS 38.95.220,
 25 the department shall sell, lease, exchange, or otherwise transfer the
 26 escheated real property unless the department issues a written finding
 27 that the sale, lease, exchange, or other transfer is not in the best
 28 interest of the state.

29 * Sec. 3. AS 38.95.240 is repealed and reenacted to read:

Handwritten notes:
 18-20: }
 24: interests
 25: shall
 26: unless
 27: that
 28: interest
 29: *
 30: all
 31: better
 32: the
 33: interest of state

1 Sec. 38.95.240. CLAIMS TO ESCHEATED REAL PROPERTY. (a) Within
 2 seven years after a judgment of escheat under AS 38.95.220, a person
 3 who is not a party to the escheat proceeding may bring an action in
 4 the superior court to prove the person's claim to the real property.
 5 If the plaintiff establishes the claim and that the plaintiff had no
 6 knowledge of the prior escheat proceeding, the court shall award the
 7 plaintiff

8 (1) the property if the state still owns the property; or

9 (2) an amount equal to the

10 (A) net proceeds from the sale of the real property

11 under AS 38.95.230;

12 (B) the appraised fair market value of the property

13 less the expenses of appraisal, if the property has been trans-
 14 ferred other than by sale or lease.

15 (b) A person who is awarded property under (a) of this section
 16 is not entitled to the rents, profits, interest, or dividends that
 17 accrue to the state during the state's possession of the property.

18 (c) The time limitation of seven years does not apply to a minor
 19 or an incapacitated person, but the person must bring an action to
 20 prove the person's claim to the real property within one year after
 21 the person reaches the age of eighteen years or the incapacity ceases.
 22 In this subsection, "incapacitated person" has the meaning given in
 23 AS 13.26.005.

24 (d) This section does not prevent the state from transferring
 25 escheated real property to a person who provides proof satisfactory to
 26 the department that the person is the owner of the real property, if

27 (1) the department determines the transfer to be appropri-

28 ate; and

29 (2) the transfer occurs within seven years after the

*Added to
 AS 38.95.240
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 AS 38.95.240*

*suggestion
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 changes
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 AS 38.95.240*

1 judgment of escheat under AS 38.95.220.

2 * Sec. 4. AS 38.95.250 is repealed and reenacted to read:

3 Sec. 38.95.250. PROCEEDS OF SALE. The department shall deposit
4 the net proceeds from the sale of real property in an escheated real
5 property trust account. The department shall maintain the proceeds in
6 the account for a period of at least seven years after the date of the
7 judgment of escheat. The department may use money in the trust ac-
8 count to pay claims made under AS 38.95.240.

9 * Sec. 5. AS 38.95.270 is amended to read:

10 Sec. 38.95.270. DEFINITIONS. In AS 38.95.200 - 38.95.270[,]

11 (1) "department" means the Department of Natural Resources;

12 (2) "net proceeds" means the proceeds from a sale under
13 AS 38.95.230 after deduction of the costs of the sale, including
14 attorney fees and publication costs;

15 (3) "real property" includes an interest in real property.

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* Sec. 6. This Act applies to real property that is the subject of an
escheat proceeding begun on or after the effective date of this Act.

Alaska State Legislature



PRESIDENT
907-465-3755

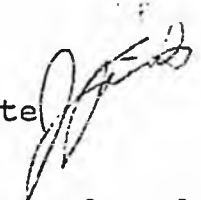
JAN FAIKS
POST OFFICE BOX V
JUNEAU, ALASKA 99811

Senate

January 22, 1987

MEMORANDUM

TO: Senator Jay Kerttula, Chairman
Senate Judiciary Committee

FROM: Jan Faiks, President of the Senate 

SUBJECT: Background on Senate Bill 16
An Act relating to the disposition of unclaimed
real property

Senate Bill 16 has been referred to your committee for consideration. This bill seeks to simplify the procedures for the disposition of escheated real property by requiring the State to sell such property, thereby creating revenue for the State and returning property to the private sector.

The Fourteenth Legislature adopted House Bill 182 relating to a Uniform Unclaimed Property Act. The Governor subsequently signed the bill and it became Chapter 133 of the Session Laws of 1986. This legislation is now codified in AS 13.16.381, and AS 38.95.200-270.

This bill, and the statutes it seeks to replace, concern escheated real property. "Escheat" refers to property which reverts to the State in situations where there is no one to inherit it.

AS 13.16.381 concerns the disposition of unclaimed estates by personal representatives. That statute currently specifies that where there is no taker of an intestate estate, or if an heir, devisee, or claimant cannot be found and the missing person has no conservator, the personal representative shall handle the ...unclaimed real property of the estate in

OUT OF SESSION

6060 YUKON DRIVE ANCHORAGE, ALASKA 99516 907-274-6611

accordance with AS 38.05. [Note: This statute contains a typographical error. The statute should properly refer to AS 38.95.]

AS 38.95.200-270 concern real property escheated to the State, and enumerate the steps which must be followed by the Department of Natural Resources (herein after referred to as the Department). My concern is that these steps are inefficient and costly. The steps are as follows:

1. The Department must first be informed or have reason to believe that real property has escheated to the State. (AS 38.95.210)
2. The Department must then bring an action in Superior Court to establish whether the property has escheated to the State, or it may maintain an action to recover the possession of escheated property, or the enforcement of the State's right to the property. (AS 38.95.210)
3. The Department must then get a court judgment of escheat. (AS 38.95.220)
4. The Department has two years from the judgment of escheat to determine the proper disposition of the property by making a "best interest finding". The Department may, at its option, sell, lease, exchange, assign, or otherwise manage the property. (AS 38.95.230) The method of disposition selected determines the procedures to be followed by the Department.
5. A series of procedural and valuation steps must then be consulted in the event that a claim to the property is filed within seven years from the judgment of escheat. (AS 38.95.240)

Senate Bill 16 has two significant effects on these statutes. First, it facilitates the disposition of escheated real property by requiring the Department to sell it. By eliminating the disposition options currently available, several procedural and valuation steps are also eliminated. Specifically, the two-year lag period for disposition, need for a written "best interest" finding, and the property appraisal requirements of AS 38.95.230 would be eliminated. Awards to plaintiffs would also be simplified by eliminating the present variables of AS 38.95.240, since the courts could award the property or an amount equal to the net proceeds of the sale.

Additionally, since the Department must then sell the escheated property by public auction, the property is returned to the private sector and revenue is created for the State. The current system allows the State, at its option, to sell, lease, exchange, assign, or otherwise manage the property, thus taking more time for disposition, costing more money to maintain, and not effectively utilizing the property.

Since this bill was pre-filed, further research was conducted by my staff. I ask that the committee consider these additional changes to the current statute which are of concern.

AS 38.95.240 (d) needs to either be amended or eliminated altogether. This section allows the State to transfer escheated real property to a person who provides proof satisfactory to the Department that the person is the owner of the real property. This gives the Department the opportunity and responsibility to determine the rightful ownership of real property, a function which I feel would be better served by an action in Superior Court.

In the alternative, this statute should be amended to place a limit on the time period in which an individual could present a claim to the Department. The current statute provides that claims brought in Superior Court must be within seven years from judgment of escheat, yet no time restraint is placed on those claims which are brought before the Department.

STATE OF ALASKA
THE LEGISLATURE

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

LEGISLATIVE AFFAIRS AGENCY

MEMORANDUM

January 21, 1987

SUBJECT: Sectional analysis of SB 16

TO: Senator Jay Kerttula, Chair
Senate Judiciary Committee

FROM: Theresa L. Bannister *TB*
Legislative Counsel

You have requested a sectional analysis of the above described bill.

As a preliminary matter, please note that a sectional analysis or summary of a bill should not be considered an authoritative interpretation of the bill, and the bill itself is the best statement of its contents.

Section 1 requires the personal representative of an intestate estate to report the unclaimed real property of the estate to the Department of Natural Resources.

Section 2 requires the Department of Natural Resources to sell escheated real property by public auction in the manner provided by the auction sale procedures in AS 38.05.055.

Section 3. Sec. 38.95.240(a) establishes certain procedures and criteria for bringing and maintaining a claim to real property that has escheated to the state, and indicates the types of awards that the court may make.

Sec. 38.95.240(b) states that a successful claimant under Sec. 38.95.240(a) is not entitled to certain benefits that accrue to the state from the real property during the state's possession of the property.

Sec. 38.95.240(c) establishes a special time frame within which minors and incapacitated persons may assert a claim to escheated real property, and defines "incapacitated person".

Senator Kerttula
January 21, 1987
Page 2

Sec. 38.95.240(d) states that the other provisions of sec. 3 don't prevent the state from transferring escheated real property when appropriate to a person who proves to be the owner.

Section 4 requires the Department of Natural Resources to deposit and maintain the net proceeds from the sale of escheated real property in a trust account for seven years after the judgment of escheat, and allows the department to use the money in the trust account to pay escheated real property claims.

Section 5 defines "net proceeds".

Section 6 states the real property to which the bill applies.

If I can be of further assistance, please advise.

TLB:mkr
m8/032

38.95.080

reference of
§ 12 ch 45

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12 (1984)

§ 38.95.200

PUBLIC LANDS

§ 38.95.230

1936

Article 5. Real Property Escheated to State.

Section

200. Real property subject to escheat
210. Enforcement of rights by department
220. Judgment of escheat
230. Management of escheated real prop-
erty by department
240. Time within which to claim es-
cheated real property

Section

250. Proceeds of sale or redemption
260. Disposition of sale proceeds seven
years after the judgment of escheat
270. Definition

Sec. 38.95.200. Real property subject to escheat. (a) Real property in an intestate estate for which no taker can be found and real property devised by will for which no devisee, heir, or other claimant can be found escheats to the state.

(b) Real property of a defunct organization or corporation, for which no proceeding for distribution instituted has been instituted within four years after the organization becomes defunct, escheats to the state. (§ 12 ch 133 SLA 1986)

Sec. 38.95.210. Enforcement of rights by department. (a) When the Department of Natural Resources is informed or has reason to believe that real property has escheated to the state, the department shall bring an action in superior court to establish whether the property has escheated to the state.

(b) The department may maintain an action to recover the possession of escheated property, or for the enforcement of the state's right to the property. (§ 12 ch 133 SLA 1986)

Sec. 38.95.220. Judgment of escheat. (a) If the superior court determines that the real property has escheated to the state, the superior court shall issue a judgment of escheat.

(b) A court order approving settlement of an estate that distributes real property to the state is a judgment of escheat. (§ 12 ch 133 SLA 1986)

MAIN CHANGE W/ SB 16

Sec. 38.95.230. Management of escheated real property by department. (a) After a judgment of escheat under AS 38.95.220, the department may sell, lease, exchange, assign, or otherwise manage real property that has escheated to the state. In determining the proper disposition of escheated real property the department shall, within two years after the judgment of escheat under AS 38.95.220, make a written finding that it is in the best interests of the state either to

(1) obtain an appraisal of the fair market value of the real property and sell, lease, exchange, assign, or otherwise manage the property, including retention in state management; or

(2) retain the real property in state management without obtaining an appraisal.

(b) The appraised value of property handled under (a)(1) of this section, or the selling price from a sale under AS 38.05.055 if it is lower, less the expenses of sale or appraisal, is the established value of the property for purposes of redemption by an heir or other taker under AS 38.95.240(c).

(c) Seven years after the judgment of escheat, real property that has not been otherwise disposed of by the department becomes general state land for classification, disposal, and use. (§ 12 ch 133 SLA 1986)

Sec. 38.95.240. Time within which to claim escheated real property. (a) Within seven years after a judgment of escheat under AS 38.95.220, a person who is not a party to the escheat proceeding may bring an action in the superior court to prove the person's claim to the real property. If the plaintiff establishes the claim and establishes that the plaintiff had no knowledge of the prior escheat proceeding, the court shall award the plaintiff the property if it has been managed under AS 38.95.230(a)(2), or the appraised value of the property under AS 38.95.230(b) if the property has been managed under AS 38.95.230(a)(1).

(b) If it is determined that the plaintiff is entitled to the property, the department shall deliver the property to the plaintiff. The rents, profits, interest, or dividends that accrue to the state during its possession of the property are the property of the state and may not be recovered.

(c) If it is determined that the plaintiff is entitled to the appraised value of property that has been disposed of under AS 38.95.230(a)(1), at the department's discretion it may offer to the plaintiff land owned by the state and available for disposal that is of comparable value to the appraised value under AS 38.95.230(a)(1). If the department does not offer land of comparable value, or if the plaintiff refuses the department's offer, the plaintiff is entitled to the established value of the property under AS 38.95.230(b).

(d) The time limitation of seven years does not apply to a minor or an incapacitated person as defined by AS 13.26.005, but such a person must bring an action to prove the person's claim to the real property within one year after the incapacity ceases.

(e) This section does not prevent the state from transferring escheated real property to a person who provides proof satisfactory to the department that the person is the owner of the real property when the department determines the transfer to be appropriate. (§ 12 ch 133 SLA 1986)

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

STEVE COWPER, GOVERNOR

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801
PHONE: (907) 465-2400

January 22, 1987

The Honorable Jalmar Kerttula
Chair, Senate Judiciary Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Kerttula:

Subject: SB 16 relating to the management of unclaimed real property or escheat land.

Response: Generally okay with me. I would appreciate an inch of leeway to make some exceptions for historic sites or other extraordinary reasons.

Background: During the 13th Session of the Legislature the state's escheat real property statutes were amended to accomplish two primary objectives: (1) management authority was transferred from the Department of Revenue to the Department of Natural Resources. This transfer consolidated land management functions with resultant cost savings. (2) the legislation subjected management proposals for escheated land to a written best interest finding to establish highest and best use.

A telling point in the testimony received during consideration of the legislation was recognition that the Legislature was appropriating funds to purchase land from itself.

On December 31, 1986 the department listed nine escheat properties in its inventory with an approximate value of \$215,000 (see Appendix). Eventual sale of some or all of these parcels may be appropriate. However, as the Legislature recognized last year, the escheat process does turn up parcels that may be more appropriately kept in public ownership. For instance, the Harry C. Robb tract is a 8,000 square foot acre parcel in Talkeetna containing an historic log cabin that has been nominated to the Historic Register by the local community. Sale of this parcel may well not be in the public interest.

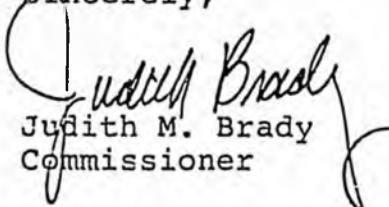
The Honorable Jalmar Kerttula -2-

January 22, 1987

Recommendation: Specifically, the department endorses Sections 1, 4, 5 and 6 of SB 16. We would request that Section 2 be redrafted to state that the legislative intent would be to return these once privately owned parcels to private ownership, but that the Commissioner would retain the discretion to determine when such an action would not be in the public interest. The department supports Section 3 in the main, but again requests that the Commissioner be allowed the discretion to offer substitute parcels of comparable value when appropriate.

Please let me know if I can provide further information or assistance.

Sincerely,



Judith M. Brady
Commissioner

cc: Senator Jan Faiks

DIVISION OF LAND AND WATER MANAGEMENT
ESCHEAT REAL PROPERTY QUARTERLY REPORT
AS OF DECEMBER 31, 1988

INVENTORY REPORT

<u>ESC #</u>	<u>JUDGEMENT DATE</u>	<u>REGION</u>	<u>FUND CATEGORY</u>	<u>BEST INTEREST REFERRAL DATE</u>	<u>BEST INTEREST FINDING DATE¹</u>	<u>APPRAISAL</u>	<u>COMMENTS</u>
018	8-11-37	NRO	GENERAL ²	NONE ³	NONE	NONE	16 Ac. patented M/C Nome area.
034	5-23-58	SERO	GENERAL ²	NONE ³	NONE	NONE	1/3 interest unpatented Federal M/C
036	9-16-64	NRO	GENERAL ²	NONE ³	NONE	NONE	15 Ac. patented M/C Fairbanks area.
038	6-30-65	SCRO	GENERAL ²	NONE ³	NONE	NONE	City of Seldovia substandard lot.
043	2- 6-78	SCRO	GENERAL ²	NONE ³	NC.	NONE	Talkeetna Townsite lot.
046	1- 3-80	SCRO	TRUST	12- 1-86			Powder Island.
051	3- 6-85	NRO	TRUST	11- 7-86			80 acres Fairbanks area
052	8- 4-86	SERO	TRUST	NONE ⁴	NONE	NONE	House and lot in Sitka.
053	12-11-86	SCRO	TRUST				8 Ac. patented M/C Kenai Peninsula.

¹ AS 38.95.230(a) requires a written best interest finding within two years after judgement of escheat obtained under AS 38.95.220.

² AS 38.95.230(c) identifies escheated real property not otherwise disposed of after seven years of the judgement of escheat as general State land for classification, disposal, and use.

³ None of these properties were obtained under AS 38.95.220 and all had exceeded the seven year limit before DNR given management responsibility.

⁴ An Agreement of Sale was signed for this property on 8-27-75. State succeeded deceased as seller. Purchasers pay \$300/month to Department of Revenue through NBA escrow account.

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____

Bill Version: SB 16
Publish Date: _____

Revision Date: _____
Title: Unclaimed real property
managements

Agency Affected: Natural Resources
BRU: Land & Water Public Use

Sponsor: Faiks
Requestor: Senate Judiciary

Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		0	0	0	0	0

CAPITAL						
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REVENUE		50.0 (?)	50.0 (?)	50.0 (?)	50.0 (?)	50.0 (?)
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Improves existing management of unclaimed real property.
Under aggressive management the program could yield annual revenues in the neighborhood of \$50,000 and the existing inventory has value of approximately \$215,000. Current level of effort is low.

Prepared by: Tom Hawkins
Division: Land and Water Management

Phone: 762-4355
Date: 1/22/87

Approved by Commissioner: *Judith M. Brady*
Agency: Natural Resources

Date: _____

- Distribution (by preparer):
- Legislative Finance
 - Legislative Sponsor
 - Requestor
 - Office of Management and Budget
 - Impacted Agency(ies)
 - Senate Secretary



Senator Kerttula, Chairman
Senate Judiciary Committee
Alaska State Senate
431 N Franklin Street
Hand Delivered

Dear Senator Kerttula:

January 22, 1987

Thank you and the members of the Judiciary Committee for allowing me to present an amendment to SB 16 at the hearing earlier this afternoon. As always your courtesy in Chairing a committee is appreciated. The text of our amendment which includes Sen. Halford's suggestion is as follows.

Title page, line 17Department of Natural Resources, the Bureau of Indian Affairs, Trust Office, the municipality in whose jurisdiction the property lies and the Municipal Trustee if applicable.

The rationale for the notifications is to allow other parties to intercede in these proceedings further where the basic land ownership itself may be the subject of unresolved administrative adjudication, or subject to interest external to the Department of Natural Resources. In addition the notice is inexpensive, especially compared to the cost of resolving a new ownership conflict brought on by further land transfer.

Sincerely,

A handwritten signature in cursive script that reads "Michael".

Michael DeMan
Principal Planner

Juneau Center, 130 Seward Street, Suite 311, Juneau, Alaska 99801

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