

HB 134

# SENATE FINANCE COMMITTEE REPORT

DATE: 5/18/91

FURTHER:

DATE TURNED INTO OFFICE: 5/20/91

The Finance Committee considered CS FOR HOUSE BILL NO. 134 (RESOURCES)

"An Act relating to the effective date of the veterans' land discount applicable to state land and to land discounts allowed under that program; and providing for an effective date."

and recommended:

- replace with \_\_\_\_\_ CS \_\_\_\_\_  same title
- or adopt \_\_\_\_\_ CS \_\_\_\_\_  new title
- attached amendment(s)  technical title change (HB only)
- \_\_\_\_\_ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to \_\_\_\_\_

ATTACHES NEW FISCAL NOTE(S):

Dept/Date:

fiscal note(s) \_\_\_\_\_

\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

\_\_\_\_\_

APPROVES PREVIOUS:

Dept/Date:

fiscal note(s) HFA/DAIR 12.04/15/91

\_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

\_\_\_\_\_

appropriation-no fiscal note

SIGNING DO PASS:

OTHER RECOMMENDATIONS:

*Al Adams*  
 \_\_\_\_\_  
*John Hoffman*  
 \_\_\_\_\_  
*Paul D. [unclear]*  
 \_\_\_\_\_  
*Jim Decker*  
 \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

1. *Pat [unclear]* 2. *[unclear]* Do pass  
 Co-Chairs: Signatures and Recommendations

FISCAL NOTE

No. 2

Bill Version: CSHB 134 (RES)

(H) Publish Date: 4/17/91

STATE OF ALASKA  
1991 LEGISLATIVE SESSION

Revision Date: 4/15/91 Department Affected: Natural Resources  
 Title: Veterans Land Discount BRU: Land & Water Management  
Applicable to state land Component: Land & Water Management  
 Sponsor: House Military & Veteran Affairs  
 Requestor: HOUSE FINANCE COMMITTEE COMPONENT SERIAL NO. 

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	12.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>12.0</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL</b>	-0-	-0-	-0-	-0-	-0-	-0-
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<b>REVENUE</b>	-0-	-0-	-0-	-0-	-0-	-0-
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FUNDING: (Thousands of Dollars)

GENERAL FUND	12.0	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>	<b>12.0</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact:

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Representative Mike Navarre, Co-Chair *Mike Navarre* 465-3706  
Representative Eileen MacLean, Co-Chair *Eileen MacLean* Phone: 465-3722  
 Division: HOUSE FINANCE COMMITTEE Date: April 15, 1991

Approved by Commissioner: \_\_\_\_\_ Date: April 15, 1991  
 Agency: \_\_\_\_\_

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

CS FOR HOUSE BILL NO. 134 (RESOURCES)  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
SEVENTEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered: 3/15/91  
Referred: Finance

Sponsor(s): HOUSE SPECIAL COMMITTEE ON MILITARY AND VETERANS' AFFAIRS

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the effective date of the veterans' land discount applicable to state  
2 land and to land discounts allowed under that program; and providing for an effective  
3 date."

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

5 \* Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

6 (1) AS 38.05.058, enacted by sec. 6, ch. 181, SLA 1978, established a land discount  
7 program. The state's land discount program authorized a progressively reduced purchase price for state  
8 land acquired for residential use based on the applicant's number of years of residence in the state. The  
9 program established a maximum discount on the purchase price of the land that an applicant might claim.

10 (2) In 1979, the state's land discount program authorized by AS 38.05.058 was amended  
11 by secs. 23 - 25, ch. 85, SLA 1979, to increase the maximum discount that an applicant who was a  
12 qualified veteran could claim under that program.

13 (3) In *Gilman v. Martin*, 662 P.2d 120 (Alaska 1983), the Alaska Supreme Court  
14 considered the granting of a land discount by a municipal ordinance based on the applicant's length of

1 residence. Applying the conclusion reached in Zobel v. Williams, 457 U.S. 55, 102 S.Ct. 2309,  
2 72 L.Ed.2d 672 (1982), the court determined that the municipal ordinance establishing a land discount  
3 program was unconstitutional as a violation of the equal protection clauses of the United States and  
4 Alaska Constitutions. The decision, published April 1, 1983, did not involve the examination of the  
5 analogous state land discount statute, AS 38.05.058.

6 (4) Following publication of the opinion, the Department of Natural Resources, acting  
7 on advice from the Department of Law, determined that the state's residential land discount provisions  
8 of AS 38.05.058, including the veterans' land discount provision, would no longer be implemented.

9 (5) The First Session of the Thirteenth Alaska State Legislature substantially revised state  
10 laws that were based on residency and residence requirements. In sec. 19, ch. 67, SLA 1983, the  
11 legislature eliminated the land discount program, repealing AS 38.05.058 effective July 16, 1983.

12 (6) The Second Session of the Thirteenth Alaska State Legislature established the current  
13 veterans' land discount benefit, AS 38.05.940, by sec. 48, ch. 152, SLA 1984. The provision took effect  
14 July 6, 1984.

15 (7) Taken together, the court opinion, administrative decision of the Department of  
16 Natural Resources, and legislative revision of the veterans' land discount left certain veterans without  
17 the opportunity to claim a land discount benefit provided by state law.

18 (b) The purpose of this Act is to ensure that all veterans are treated equally and that the veterans  
19 who purchased land from the state after March 31, 1983, and before July 6, 1984, are not denied the  
20 veterans' discount that was available to all other veterans purchasing land from the state. Granting this  
21 retroactive discount serves the public purpose of making clear to those who contemplate joining the  
22 nation's armed forces in the future that the state will honor their sacrifice on behalf of the nation and  
23 grant benefits to them in the same manner that it has granted benefits to other veterans.

24 (c) The effect of this Act is to provide the benefit of the veterans' land discount of current law  
25 to certain veterans who did not receive a discount under the former land discount program due to the  
26 administrative decision of the Department of Natural Resources based on the decision in Gilman v.  
27 Martin. The provision is particularly intended to apply to veterans who had submitted applications  
28 claiming the veterans' land discount of former law, including but not limited to persons who were unable  
29 to claim the benefit of the veterans' land discount on land offered for sale at the June 4, 1983, lottery  
30 sale.

31 \* Sec. 2. AS 38.05.940, as enacted by sec. 48, ch. 152, SLA 1984, is retroactive to April 1, 1983.

1 \* Sec. 3. APPLICABILITY. (a) This Act applies only to persons who qualified for the veterans'  
2 land discount of AS 38.05.940, enacted by sec. 48, ch. 152, SLA 1984, and made retroactive to April 1,  
3 1983, by sec. 2 of this Act, and who, after March 31, 1983, and before July 6, 1984, purchased from  
4 the state land for which the discount may apply.

5 (b) For land that a person purchased from the state after March 31, 1983, and before July 6,  
6 1984, to which the veterans' land discount of AS 38.05.940, enacted by sec. 48, ch. 152, SLA 1984, and  
7 made retroactive to April 1, 1983, by sec. 2 of this Act, applies, a person may not claim both the benefit  
8 of the maximum land discount authorized to veterans by the provisions of former AS 38.05.058, enacted  
9 by secs. 23 - 25, ch. 85, SLA 1979, and the benefit of the veterans' land discount of AS 38.05.940.

10 (c) The Department of Natural Resources shall credit, without interest, to the account of a person  
11 who qualifies for the veterans' land discount under sec. 2 of this Act an amount equal to the difference  
12 between the amount of the original purchase price of the land and an amount equal to that purchase price  
13 with application of the discount authorized by AS 38.05.940. If the amount of the credit exceeds the  
14 persons's remaining payment obligation to the state, or if the person does not have a remaining payment  
15 obligation to the state, the Department of Natural Resources shall pay, without interest, to the person the  
16 amount in excess of the person's remaining payment obligation.

17 (d) The veterans' land discount authorized by the retroactive application of AS 38.05.940,  
18 authorized by sec. 2 of this Act, applies to land transferred to the University of Alaska. As to the  
19 application of the discount to this land,

20 (1) the University of Alaska shall provide the credit authorized by (c) of this section to  
21 persons who qualify for it; and

22 (2) the commissioner of natural resources shall reimburse the University of Alaska for  
23 the total amount of all credits allowed for persons under (1) of this subsection.

24 (e) The provisions of this Act do not apply to a person who

25 (1) obtained land using a veterans' land discount under former AS 38.05.058 or under  
26 AS 38.05.940 whether the person obtained the discount directly or by assignment;

27 (2) obtained land for which the discount authorized by this Act may apply if the person  
28 has relinquished the land or the land has been the subject of default or foreclosure; or

29 (3) obtains land by assignment.

30 \* Sec. 4. IMPLEMENTATION OF THIS ACT. (a) The commissioner of natural resources shall  
31 publish, at least once a week for at least four successive weeks in newspapers of general circulation

1 within the state, a notice of the availability of the veterans' land discount authorized by sec. 2 of this  
2 Act.

3 (b) A person who at the time of purchase of state land was eligible for the veterans' land  
4 discount authorized by sec. 2 of this Act

5 (1) shall apply to the Department of Natural Resources for the discount;

6 (2) may not obtain the veterans' land discount authorized by sec. 2 of this Act unless the  
7 person submits a complete application for the veterans' land discount not later than one year after the  
8 effective date of this Act.

9 \* Sec. 5. This Act takes effect immediately under AS 01.10.070(c).

**STATE OF ALASKA  
1991 LEGISLATIVE SESSION**

BILL NO. CS HB 134 (Res)

Revision Date: May 17, 1991 Department Affected: Natural Resources  
 Title: Veterans Land Discount Applicable BRU: Land & Water Management  
 to state land Components: Land & Water Management  
 Sponsor: House Military & Veterans Affairs  
 Requestor: Senate Finance COMPONENT SERIAL NO. 431

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	14.2	21.3				
TRAVEL						
CONTRACTUAL	12.0					
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	26.2	21.3	0.0	0.0	0.0	0.0
CAPITAL	50.0					
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	26.2	21.3				
FEDERAL FUNDS						
OTHER						
TOTAL	26.2	21.3	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY	1.0	1.0				

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)  
 See Attached

Prepared by: Ron Swanson Phone: 762-2680  
 Division: Land & Water Management Date: Feb. 25, 1991  
 Approved by Commissioner: Harold Heinze Date: Feb. 25, 1991  
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Fiscal Note for CS HB 134 (Res) , continued

Approximately 850 parcels of land were sold by the department between April 1, 1983 and July 6, 1984, the period of retroactivity established by this bill. Based on the results of past state land sales, approximately 35% of the 850 parcels could have been sold to veterans.

This fiscal note will allow the hire of a temporary Natural Resource Officer I (pay range 14) for 4 months in FY 92 and 6 months in FY 93. During FY 92, this person would prepare advertisements for display in newspapers throughout the state, as well as veteran's publications, and work with the Department of Military and Veterans Affairs to ensure that eligible veterans are notified about this retroactive land discount program. In FY 92 and FY 93, this person will process and adjudicate applications, and provide refunds to those who qualify for the program.

The contractual monies (300) will pay for the display ads in newspapers.

The capital funding will be used to refund the excess amounts paid by applicants for the veteran's land discount who retroactively qualify for the program under this bill.

# Alaska State Legislature

## House of Representatives

Rep. Ivan, Chair  
Rep. Davidson  
Rep. Foster  
Rep. Gruenberg  
Rep. M.W. Miller



P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-4527

### Special Committee on Military & Veterans Affairs

#### M E M O R A N D U M

TO: Senator Jay Kerttula, Co-Chair  
Senator Pat Pourchot, Co-Chair  
Senate Finance Committee

FROM: Representative Ivan M. Ivan, Chair  
House Special Committee on Military  
and Veterans Affairs

DATE: May 15, 1991

RE: House Bill 134

Please consider this request to hear (pending referral) CSHB 134 (Res) at your earliest possible convenience.

CSHB 134 (Res) is an act relating to the effective date of the veterans land discount applicable to state land and to land discounts allowed under that program.

The original discount for veterans on state land purchases was enacted by the legislature in 1978. Residency discounts were also made available in 1979. The residency discounts were challenged and ruled unconstitutional by the Alaska Supreme Court on April 1, 1983. As a result of the court's ruling, and based on advice from the Attorney General's office, the Commissioner of Natural Resources discontinued all discounts as of April 1, 1983.

The legislature subsequently established a new veterans land discount program which took effect on July 6, 1984. CSHB 134 (Res) would allow veterans, who were not permitted to claim the veterans discount between April 1, 1983, and July 6, 1984, to retroactively claim that discount.

Thank you for your consideration of my request. Back-up material will be forthcoming. If you have any questions or need additional information, please do not hesitate to contact me or Tom Wright of my staff.

IMI:tw

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

WALTER J. HICKEL, GOVERNOR

400 WILLOUGHBY AVENUE  
JUNEAU, ALASKA 99801-1796  
PHONE: (907) 465-2400  
FACSIMILE: (907) 586-2754

May 14, 1991

The Honorable Lloyd Jones, Chair  
Senate Resources Committee  
P.O. Box V  
Juneau, AK 99811

Dear Senator Jones:

Subject: CSHB 134 (Res), which relates to the effective date for a state veteran's land discount program.

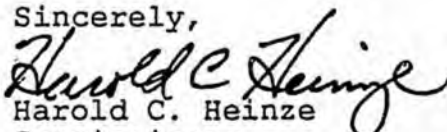
Position: The Department of Natural Resources supports this bill.

Background: In 1978, AS 38.05.058, which allowed residents a 5% discount on state land lottery purchases for each year of Alaska residency (up to 50% of the parcel purchase price), was enacted. In 1979, this law was amended to allow veterans an additional discount of up to 75% or \$37,500, whichever was less. The Kenai Peninsula Borough, under borough ordinance, offered a similar discount to purchasers of borough land. The borough program was challenged in court, and ruled unconstitutional by the Alaska Supreme Court on April 1, 1983. As a result of the court's ruling, and based on advice from the Attorney General, the Commissioner of Natural Resources determined that state land purchase discounts would be discontinued as of April 1, 1983.

The Legislature subsequently established a new veteran's land discount program that took effect on July 6, 1984. HB 134 would allow veterans who were not permitted to claim the veteran's discount between April 1, 1983 and July 6, 1984 to retroactively claim that discount.

Please let me know if you need additional information related to this bill.

Sincerely,

  
Harold C. Heinze  
Commissioner

cc: Committee members  
Bruce Kendall, Legislative Liaison, Office of the Governor  
Representative Ivan  
Major General Hugh L. Cox Commissioner, Department of Military  
and Veterans Affairs

# Alaska State Legislature

## House of Representatives

Rep. Ivan, Chair  
Rep. Davidson  
Rep. Foster  
Rep. Gruenberg  
Rep. M.W. Miller



P.O. Box V  
State Capitol  
Juneau, Alaska 99811/  
(907) 465-4527

### Special Committee on Military & Veterans Affairs

#### SECTIONAL ANALYSIS FOR CS FOR HB 134 (Res)

**SECTION 1:** The seven paragraphs of subsection (a) briefly recount the history of the land discount program as applicable to veterans.

Subsection (b) announces the purpose of the act: assistance to veterans who may have qualified for the benefits of the veterans land discount program by April 1, 1983, whose rights were suspended because of the administration's setting aside of the residential land discount program after issuance of the Gilman v. Martin decision of that date and who did not again eligibility for a land discount until the current program was enacted effective July 6, 1984.

Subsection (c) announces the effect of the act: provide the benefit of the veterans' land discount of current law to those veterans who did not receive a discount under the former land discount program due to the administration's suspension of land discounts.

**SECTION 2:** Makes the current veterans' land discount retroactive to April 1, 1983.

**SECTION 3:** Sets out the parameters on the applicability of the previous sections. This section also directs the commissioner of the Department of Natural Resources to compensate or allow credits to a qualified veteran who may have paid the state for land obtained during the period the discounts were not applicable. This section also details how discounts apply to university lands and how DNR and the university will apply a discount. It also establishes those who would not be eligible for a discount.

**SECTION 4:** Describes the publication and application process. Also establishes a one year period for which a veterans' land discount can be applied.

**SECTION 5:** Establishes an immediate effective date.

# Alaska State Legislature

## House of Representatives

Rep. Ivan, Chair  
Rep. Davidson  
Rep. Foster  
Rep. Gruenberg  
Rep. M.W. Miller



P.O. Box V  
State Capitol  
Juneau, Alaska 99811  
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### Special Committee on Military & Veterans Affairs

#### CS for HB 134 (Res) MAIN POINTS

- \* Allows veterans who have purchased state land between March 31, 1983, and July 6, 1984, to claim a veteran's land discount.
- \* A discount may only be used once, so if a veteran purchased land between those dates and purchased land at a later time and used the veteran's discount on the later purchased, the discount for the first purchase may not be used.
- \* Veteran's discounts were discontinued on April 1, 1983, due to a directive by the Commissioner of Natural Resources (based on a Supreme Court decision which struck down discounts based on residency). The Legislature established a new veteran's land discount on July 6, 1984. Veterans who purchased land before or after those dates were entitled to a discount while those who purchased land between those dates were not.
- \* Approximately 850 parcels were sold during the window period between April 1, 1983, and July 6, 1984. It is estimated that 35% of those parcels were sold to veterans.
- \* For those eligible for a discount, credits equal to the amount of the discount will be applied to each account. For those veterans who have a zero balance or if the balance would be less than zero after applying the discount, a cash payment would be made. This cash payment would equal the amount of the discount or the amount owed the veteran on the existing account after the balance is zeroed out.
- \* The discount under this bill is applicable for one year after enactment of this bill. Veterans must contact DNR to determine eligibility. DNR will publish in their own newsletters and in veterans publications, the availability of the discount.