

# SENATE FINANCE COMMITTEE REPORT

DATE: 5/9/92

FURTHER:

Date of 5-Day Notice: \_\_\_\_\_  
(in accordance with Uniform Rule 23)

DATE TURNED  
INTO OFFICE: \_\_\_\_\_

The Finance Committee considered SB 476

Land of the Univ. of Alaska; authorizing the Univ. of Alaska to select additional state public domain land; directing the governor to use best efforts and appropriate means to persuade the United States Congress to grant additional federal land to the Univ. of Alaska.

and recommends:

- replace with \_\_\_\_\_ CS \_\_\_\_\_ (FINANCE)  same title
- or  adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_ )  new title
- attaches amendment(s)  technical title change (HB only)

adopts \_\_\_\_\_ Letter of Intent

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

**Died**

- do pass
- do not pass
- no recommendation
- individual recommendations

**NEW FISCAL NOTES:** Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes \_\_\_\_\_

appropriation--no fiscal note

**PREVIOUS FISCAL NOTES:** Dept/Date

zero fiscal notes \_\_\_\_\_

fiscal notes \_\_\_\_\_

**DO PASS:**

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

**OTHER RECOMMENDATIONS:**

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

1. \_\_\_\_\_  
Co-Chair: Signature/Recommendation

2. \_\_\_\_\_  
Co-Chair: Signature/Recommendation

## SENATE BILL NO. 476

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced: 5/9/92  
 Referred: Finance

## A BILL

## FOR AN ACT ENTITLED

1 "An Act relating to land of the University of Alaska; authorizing the University of Alaska  
 2 to select additional state public domain land; and directing the governor to use best efforts  
 3 and all appropriate means to persuade the United States Congress to grant additional  
 4 federal land to the University of Alaska."

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

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

7 (1) as the beneficiary under the provisions of the Acts of August 30, 1890, and March 4,  
 8 1906, designating the Alaska Agricultural College and School of Mines as beneficiary, and of March 4,  
 9 1915, 38 Stat. 1214, transferring certain land for its location and support, the University of Alaska is a  
 10 land grant university;

11 (2) under the Acts of March 4, 1915, 38 Stat. 1214, and January 21, 1929, 45 Stat. 1091,  
 12 the Congress of the United States granted to the Territory of Alaska certain federal land to be held in  
 13 trust for the benefit of the predecessor of the University of Alaska;

14 (3) the Territory was unable to receive most of the land conveyed by the Act of March 4,

1 1915, before repeal of that Act by sec. 6(k) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 339);

2 (4) the Congress of the United States granted the State of Alaska the right to select  
3 102,500,000 acres of federal land under sec. 6(b) of the Alaska Statehood Act;

4 (5) the land selection rights embodied in the Alaska Statehood Act reflect in part  
5 congressional recognition that the state should be partially compensated for the loss of land grants  
6 occasioned by the repeal of the Act of 1915, and the Congress assumed that the State of Alaska would  
7 in turn devote some of the land selected under the Statehood Act for the use and benefit of the  
8 University of Alaska to provide income for its support;

9 (6) most land grant colleges in the western United States have obtained a far greater  
10 number of acres of land from the federal government through federal land grants than the University of  
11 Alaska has received;

12 (7) an academically strong and financially secure state university system is a cornerstone  
13 to the long-term development of a stable population and to a healthy, diverse economy in the state; and

14 (8) it is in the best interests of the state and the University of Alaska that the university  
15 take ownership to a significant and substantial portfolio of income producing land in order to provide  
16 income for the support of public higher education in the state.

17 (b) It is the purpose of this Act to provide for transfer a significant and substantial portfolio of  
18 income producing state land, including the land's subsurface mineral estate, in order to provide income  
19 for the support of public higher education in the state.

20 \* Sec. 2. AS 14.40.170(a) is amended to read:

21 (a) The Board of Regents shall

22 (1) appoint the president of the university by a majority vote of the whole board,  
23 and the president may attend meetings of the board;

24 (2) fix the compensation of the president of the university, all heads of  
25 departments, professors, teachers, instructors and other officers;

26 (3) confer such appropriate degrees as it may determine and prescribe;

27 (4) have the care, control, and management of

28 (A) all the real and personal property of the university; and

29 (B) land

30 (i) conveyed to the Board of Regents by the commissioner of  
31 natural resources in the settlement of the claim of the University of Alaska to land

1 granted to the state in accordance with the Act of March 4, 1915 (38 Stat. 1214),  
2 as amended, and in accordance with the Act of January 21, 1929 (45 Stat. 1091),  
3 as amended; and

4 (ii) selected by the university and conveyed to it by the  
5 commissioner of natural resources under AS 14.40.365:

6 (5) keep a correct and easily understood record of the minutes of every meeting  
7 and all acts done by it in pursuance of its duties;

8 (6) under procedures to be established by the commissioner of administration, and  
9 in accordance with existing procedures for other state agencies, have the care, control, and  
10 management of all money of the university and keep a complete record of all money received  
11 and disbursed;

12 (7) adopt reasonable rules for the prudent trust management and the long-term  
13 financial benefit to the university of the land of the university;

14 (8) provide public notice of sales, leases, exchanges and transfers of the land of  
15 the university or of interests in land of the university;

16 (9) report each year within the first 10 days of the convening of a regular session  
17 of the legislature on the expenditures made during the preceding fiscal year from the funds of  
18 the University of Alaska that are derived from sales, leases, exchanges, or transfers of the land  
19 of the university or of interests in land of the university

20 (A) that were conveyed to the University of Alaska in settlement of the  
21 claim of the University of Alaska to land granted to the state in accordance with the Act  
22 of March 4, 1915 (38 Stat. 1214), as amended, and in accordance with the Act of  
23 January 21, 1929 (45 Stat. 1091), as amended; and

24 (B) that were selected by and conveyed to the university under  
25 AS 14.40.365.

26 \* Sec. 3. AS 14.40.291 is amended to read:

27 Sec. 14.40.291. LAND OF THE UNIVERSITY OF ALASKA NOT PUBLIC DOMAIN  
28 LAND. Notwithstanding any other provision of law, university-grant land, state replacement land  
29 that becomes university-grant land on conveyance to the university, land selected by and  
30 conveyed to the university under AS 14.40.365, and any other land owned by the University  
31 of Alaska is not and may not be treated as state public domain land. Title or interest to land

1 described in this section may not be acquired by adverse possession, prescription, or in any other  
2 manner except by conveyance from the university. The land is subject to condemnation for  
3 public purpose in accordance with law.

4 \* Sec. 4. AS 14.40 is amended by adding a new section to read:

5 Sec. 14.40.365. UNIVERSITY LAND FROM STATEHOOD ACT LAND SELECTION  
6 CONVEYANCES. (a) The University of Alaska may select and is entitled to receive the  
7 conveyance of 300,000 acres of state land, including its subsurface estate, that, on the effective  
8 date of this Act,

9 (1) has not been conveyed or encumbered by the state, or reserved by law from  
10 the public domain;

11 (2) is subject to only one or more of the following:

12 (A) an oil or gas lease, coal lease, or other lease;

13 (B) a timber contract;

14 (C) a mining claim;

15 (D) a sale of materials under AS 38.05.110 - 38.05.120;

16 (E) a land use permit or right-of-way issued by the Department of Natural

17 Resources under AS 38.05;

18 (3) is not necessary to carry out the purpose of an interagency land management  
19 agreement; or

20 (4) was selected by a municipality under AS 29.65 or under former  
21 AS 29.18.190 - 29.18.200 and the selection of which, on the effective date of this Act, has been  
22 neither approved nor disapproved by the director.

23 (b) When the University of Alaska selects the land to which it is entitled under this  
24 section, unless the commissioner determines under (c) of this section that title to the land should  
25 not be conveyed, the commissioner of natural resources shall expeditiously convey title to the  
26 land selected.

27 (c) Notwithstanding AS 38.05.125(a), the transfer of ownership and management of land  
28 from the Department of Natural Resources to the Board of Regents of the University of Alaska  
29 under this section includes the mineral estate of the state in the land.

30 (d) The commissioner may not convey title to any land selection made by the university  
31 under this section if the commissioner determines that the proposed selection is not in the best

1 interests of the state. In making a determination as to whether a selection by the university under  
2 this section is in the best interests of the state, the commissioner shall consider

3 (1) ensuring an appropriate diversity in the character of land owned by the state  
4 and by the university;

5 (2) the probable potential for the development of the land and its resources and  
6 the probable income to the university from the conveyance of the land;

7 (3) the interest of the general public in retention of the land in state ownership;

8 (4) the public benefits achieved by conveyance of the land to the university;

9 (5) benefits to the university from the conveyance of the land to it; and

10 (6) the efficiency of the management of the land resulting from the conveyance  
11 of the land.

12 (e) When land is conveyed to the university under this section, the university takes the  
13 land subject to any possessory interest held by another person on the effective date of the  
14 conveyance. The university is entitled to receive the consideration due under that interest for the  
15 duration of the interest.

16 (f) The Board of Regents may appeal to the superior court a decision of the  
17 commissioner of natural resources not to convey to the university land selected by it under this  
18 section. The superior court

19 (1) shall conduct a de novo hearing and make a determination concerning the  
20 selection and conveyance by application of the criteria of (b) of this section; and

21 (2) may order the relief it determines to be necessary.

22 (g) In conveying land to the university under this section, the commissioner of natural  
23 resources shall give public notice under AS 38.05.945(b) and (c), but other provisions of  
24 AS 38.04 and AS 38.05 do not apply.

25 \* Sec. 5. AS 14.40.400(a) is amended to read:

26 (a) The Department of Revenue shall establish a separate endowment trust fund in which  
27 all net income derived from the sale or lease of the land granted under the Act of Congress  
28 approved January 21, 1929, and the land selected by and conveyed to the university under  
29 AS 14.40.365, and in which all monetary gifts, bequests or endowments made to the University  
30 of Alaska for the purpose of the fund, shall be held in trust.

31 \* Sec. 6. AS 29.45.030(a) is amended to read:

1 (a) The following property is exempt from general taxation:

2 (1) municipal or state property, except that

3 (A) a private leasehold, contract, or other interest in the property is taxable  
4 to the extent of the interest;

5 (B) notwithstanding any other provision of law, property acquired by an  
6 agency, corporation, or other entity of the state through foreclosure or deed in lieu of  
7 foreclosure and retained as an investment of a state entity is taxable; this subparagraph  
8 does not apply to federal land granted to the University of Alaska under AS 14.40.380  
9 or 14.40.390, [OR] to other land granted to the university by the state to replace land that  
10 had been granted under AS 14.40.380 or 14.40.390, or to land conveyed by the state  
11 to the university under AS 14.40.365;

12 (C) an ownership interest of a municipality in real property located outside  
13 the municipality acquired after December 31, 1990, is taxable by another municipality;  
14 however, a borough may not tax an interest in real property located in the borough and  
15 owned by a city in that borough;

16 (2) household furniture and personal effects of members of a household;

17 (3) property used exclusively for nonprofit religious, charitable, cemetery,  
18 hospital, or educational purposes;

19 (4) property of a nonbusiness organization composed entirely of persons with 90  
20 days or more of active service in the armed forces of the United States whose conditions of  
21 service and separation were other than dishonorable, or the property of an auxiliary of that  
22 organization;

23 (5) money on deposit;

24 (6) the real property of certain residents of the state to the extent and subject to  
25 the conditions provided in (e) of this section;

26 (7) real property or an interest in real property that is exempt from taxation under  
27 43 U.S.C. 1620(d), as amended;

28 (8) property of a political subdivision, agency, corporation, or other entity of the  
29 United States to the extent required by federal law; except that a private leasehold, contract, or  
30 other interest in the property is taxable to the extent of that interest.

31 \* Sec. 7. ADDITIONAL GRANT OF FEDERAL LAND. The governor shall use best efforts and

1 all appropriate means to persuade the United States Congress to grant the University of Alaska an  
2 additional 600,000 acres of federal land to compensate for the loss of university grant land under the Act  
3 of March 4, 1915, 38 Stat. 1214, repealed by sec. 6(k) of the Alaska Statehood Act (P.L. 85-508, 72  
4 Stat. 339).