

SB

217

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 2/18/94

FURTHER:

DATE TURNED INTO OFFICE: 3-10-94

The Finance Committee considered SENATE BILL NO. 217

"An Act relating to land of the University of Alaska and authorizing the University of Alaska to select additional state public domain land."

and recommends:

replace with CS SB 217 (FINANCE)
 or adopt previous CS ()
 attaches amendment(s)

same title
 new title
 technical title change
 (HB only)

adopts Letter of Intent
 further referral to the

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

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
University	3-9-94		\$100.0
Revenue	2-16-94	<input checked="" type="checkbox"/>	
DF & G	3-2-94		\$33.0

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal
* DNR	1-6-94		\$1,051.1
DNR	2-22-94		\$76.0

replaced
3-16-94

Appropriation No Fiscal Note

DO PASS:

OTHER RECOMMENDATIONS:

Best Mary
Alan

1. *Pruned - Do pass*

2. *replaced*

new rec'd 3-16-94

FISCAL NOTE

STATE OF ALASKA 1994 LEGISLATIVE SESSION

BILL NO. CSSB 217

Revision Date: Feb. 22, 1994
Title: An Act relating to land of the University of Alaska and authorizing the University of Alaska to select additional...
Sponsor: Senator Frank
Requestor: Senate Finance

Dept. Affected: Natural Resources
BRU: Resource Development
Component: Land Development

COMPONENT SERIAL NO. 431

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES	60.0	60.0	60.0	60.0	60.0	60.0
TRAVEL	5.0	5.0	5.0	5.0	5.0	5.0
CONTRACTUAL	5.0	5.0	5.0	5.0	5.0	5.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	71.0	71.0	71.0	71.0	71.0	71.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE:

(Thousands of Dollars)

1002 FEDERAL RECEIPTS						
1003 GF MATCH						
1004 GF						
1005 GF/PROG RECEIPTS						
1006 GF/MHTIA						
OTHER I/A Receipts	71.0	71.0	71.0	71.0	71.0	71.0
TOTAL	71.0	71.0	71.0	71.0	71.0	71.0

Estimate of any current year (FY 93) cost: \$ 0

POSITIONS

FULL-TIME	1	1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)
This fiscal note is for the minimum necessary for DNR to process land conveyances to the University of Alaska. All costs for the conveyance work will be paid by the University to DNR using Interagency Receipts. It is impossible to project the amount of revenue these conveyances will generate for the University without knowing what lands will be transferred.

Prepared By: Ron Swanson
Division: Land
Approved by Commissioner: [Signature]
Agency: Natural Resources

Phone: 762-2692
Date: February 22, 1994
Date: _____

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FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. CSSB 217(RES)

Revision Date: _____
Title: University Land Selection
Sponsor: Senator Frank
Requestor: Senate Finance

Dept. Affected: Fish and Game
BRU: Habitat and Restoration Division
Component: Natural Resources
COMPONENT SERIAL NO. 486

Expenditures/Revenues	(Thousands of Dollars)					
	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
OPERATING EXPENDITURES						
PERSONAL SERVICES	30.0	30.0	30.0	30.0	30.0	30.0
TRAVEL	1.5	1.5	1.5	1.5	1.5	1.5
CONTRACTUAL	1.0	1.0	1.0	1.0	1.0	1.0
SUPPLIES	0.5	0.5	0.5	0.5	0.5	0.5
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	33.0	33.0	33.0	33.0	33.0	33.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	-----	-----	-----	-----	-----	-----

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF	33.0	33.0	33.0	33.0	33.0	33.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	33.0	33.0	33.0	33.0	33.0	33.0

Estimate of any current year (FY 94) cost: \$ 0.0

POSITIONS						
FULL-TIME						
PART-TIME	1	1	1	1	1	1
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary) The Department of Fish and Game will require approximately one half-time habitat biologist to review university land selections and advise the Department of Natural Resources on the effects of conveyance to fish and wildlife resources, public uses of fish and wildlife and, potentially for management and use of legislatively designated state game refuges, critical habitat areas, and game sanctuaries. Additionally, as university land selections are made, existing state land management and Special Area plans the habitat biologist requested will have to be revised to reflect the changes in land management. This function would also be performed by habitat biologist, who would advise the Department of Natural Resources on their revised land management plans and revise the Department of Fish and Game's Special Area plans as needed.

As there are no deadlines in the bill on the university selection or the appeals that are likely to occur, it is anticipated that these additional personnel costs will recur annually for the foreseeable future.

Prepared By: Frank Rue Phone: 465-4105
Division: Habitat and Restoration Date: 03/02/94
Approved by Commissioner: _____ Date: _____
Agency: Alaska Department of Fish and Game Date: 03/02/94

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2-17-94
5(Rob)
TIC

FISCAL NOTE

STATE OF ALASKA
1994 LEGISLATIVE SESSION

BILL NO. SB 217

Revision Date: _____ Dept. Affected: Revenue
 Title: An Act relating to land of the University of Alaska BRU: Revenue Operations
authorizing selection of state public domain land Component: Treasury Management
 Sponsor: Senator Frank
 Requestor: Senate Resources Committee COMPONENT SERIAL NO. 121

Expenditures/Revenues: (Thousands of Dollars)

	FY95	FY96	FY97	FY98	FY99	FY00
OPERATING						
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL						
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REVENUE FUND SOURCE:	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY94) impact: \$ 0

ANALYSIS: (Attach a separate page if necessary.)

This legislation would not affect operating costs. However, potential General Fund revenues resulting from development of land granted to the University would accrue to the benefit of the University of Alaska Trust Fund rather than the General Fund.

Prepared by: Laraine L. Derr, Deputy Commissioner Phone: 465-4880
 Division: Treasury Date: 2/16/94
 Approved by Commissioner: Darrel J. Rexwinkel Date: 2/16/94
 Agency: Department of Revenue

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FISCAL NOTE

**STATE OF ALASKA
1994 LEGISLATIVE SESSION**

BILL NO. SB217

Revision Date:
Title: Land grant to the University

Department Affected: **University of Alaska**
BRU: Statewide Programs and Services
Component: Statewide Services

Sponsor: Frank
Requestor:

COMPONENT SERIAL NO.

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	100.0	100.0	100.0	100.0	100.0	100.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	100.0	100.0	100.0	100.0	100.0	100.0

CAPITAL						
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REVENUE FD SOURCE						
--------------------------	--	--	--	--	--	--

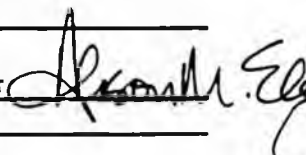
FUNDING: (Thousands of Dollars)						
1002 FEDERAL FUNDS						
1003 GF MATCH						
1004 GENERAL FUND						
1006 GF/MHTLA						
1048 University Receipts	100.0	100.0	100.0	100.0	100.0	100.0
TOTAL FUNDING	100.0	100.0	100.0	100.0	100.0	100.0

POSITIONS:						
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

<p>ANALYSIS: (Attach a separate page if necessary.)</p> <p>The costs identified are for a contract with the Department of Natural Resources for land conveyance costs. Costs could exceed those identified if land conveyance can be done more quickly than is currently anticipated. Any additional expenses will be covered from the land grant trust fund, identified as University Receipts. Additional receipt and expenditure authority would be requested at that time. Additional land will generate additional revenue. However, without specific identification of land we are unable to quantify the potential for revenue generation.</p>	<p>The costs identified are for a contract with the Department of Natural Resources for land conveyance costs. Costs could exceed those identified if land conveyance can be done more quickly than is currently anticipated. Any additional expenses will be covered from the land grant trust fund, identified as University Receipts. Additional receipt and expenditure authority would be requested at that time. Additional land will generate additional revenue. However, without specific identification of land we are unable to quantify the potential for revenue generation.</p>
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Prepared by: Wendy Matheny, Budget Analyst Phone: 463-3086
Division: Statewide Budget Office Date: _____

Approved by: Alison Elgee, Associate Director  Date: 3/19/94
Agency: Statewide Budget Office

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

A M E N D M E N T

OFFERED IN THE SENATE

TO: CSSB 217(RES)

Page 3, line 4, after "AS 14.40.365":

Insert ", except as provided in AS 14.40.368(2)"

Page 6, line 11:

Delete "AS 14.40.368"

Insert "AS 14.40.368(1)"

SENATE FINANCE
COMMITTEE

Amendment Number: (1)

Bill Number: SB 217

Sponsor: FRANK Date: _____

Logged In By: (M)

Page 6, line 29, through page 7, line 7:

Delete all material and insert:

"(i) The university shall bear all costs of selection, platting, surveying, and conveyance of the land that it selects under this section and, subject to appropriation, shall reimburse the Department of Natural Resources for the reasonable costs incurred by that department relating to that selection, platting, surveying, and conveyance. As to land due the university under (c) of this section because it has not been disapproved under (d) of this section,

(1) if the land has been surveyed, the boundaries of the land conveyed must conform to the public land subdivisions established by the approved survey;

(2) if the land is unsurveyed, the commissioner shall survey the exterior boundaries of the land to be conveyed without interior subdivision, and shall issue patent in terms of the exterior boundary survey.

(j) For land due the university under (c) of this section that is unsurveyed, pending the survey of exterior boundaries and issuance of patent, the commissioner of natural resources shall prepare and provide to the university a document of interim conveyance for the land to be conveyed.

(k) Except as provided in AS 14.40.368(2), management of land conveyed to

the university by patent or by a document of interim conveyance vests with the university from the date of execution of the patent or document of interim conveyance."

Page 8, lines 12 - 21:

Delete all material and insert:

"Sec. 14.40.368. MANAGEMENT AND DISPOSITION OF INCOME FROM EXISTING ENCUMBRANCES. For the land selected by and conveyed to the University of Alaska under AS 14.40.365 that is subject to a lease, contract, claim, sale, permit, or right-of-way identified in AS 14.40.365(a)(4)

(1) the state is entitled to receive the income obtained from the lease, contract, claim, sale, permit, or right-of-way for the duration of the term of the lease, contract, claim, sale, permit, or right-of-way, and during any renewal of it that is authorized by the lease, contract, claim, sale, permit, or right-of-way, or by law;

(2) the responsibility for the management of the land vests with the University of Alaska only upon conclusion of the term of the lease, contract, claim, sale, permit, or right-of-way, and any renewal authorized by the lease, contract, claim, sale, permit, or right-of-way, by law."

AMENDMENT

Sen.
To read
MOVED
ADOPTED

IN THE SENATE

BY FRANK

TO SB 217 (RES):

Page 5, line 7, after "selected."

insert: "(d) Once a selection has been made by the University under this section, the land is segregated from further entry until the application has been approved or rejected by the Department."

Renumber the following sections accordingly.

SENATE FINANCE
COMMITTEE
Amendment Number: REVISID #2
Bill Number: SB 217
Sponsor: FRANK Date: 3/11/72
Logged In By: [Signature]

SENATE AMENDMENT

By Rieger

#3
~~Conceptual~~

To: SSB 217 (RES)

SENATE BILL No. _____

To: _____

HOUSE BILL No. _____

MOVED by
Sen Rieger
ADOPTED

PAGE:

LINE:

Page 7, Line 22 after "(2)" insert "(A)"

Page 7, Line 23 after "or" insert "(B)"

Page 7, Line 25 after "38.05.134" insert:

" but the commissioner may not withhold
under this subparagraph the conveyance of
title to land selected by the university
longer than three years" ~~██████████~~

[Handwritten signature]

DEPARTMENT OF FISH AND GAME POSITION PAPER

BILL NO: CSSB 217 (RES)

SPONSOR: Senator Frank

DIVISION: Habitat and Restoration

DEPARTMENT POSITION:

The Department of Fish and Game opposes this bill in its present form. By allowing for additional university selections from the public domain, CSSB 217 creates a new land selection and entitlement program which would: 1) increase demands on the state's land management agency at a time of declining resource agency budgets, 2) potentially negate work in existing land use plans that has been subjected to considerable state agency and public involvement, 3) potentially convey lands to the university for revenue production from legislatively and administratively designated fish and wildlife areas, and 4) create additional confusion and uncertainties about the future management of state lands.

The state has expended considerable resources to acquire, manage, and develop its land base. State land management plans which are in effect for most public domain land have analyzed the various resource values and, through an extensive public process, have classified and adopted guidelines and policies that allow for multiple uses of public lands while balancing competing and occasionally conflicting uses and demands. Land management plans have identified lands for disposal (e.g. leasing, sale, conveyance) and for retention (e.g. wildlife habitat, public recreation, access, watershed). By authorizing the university to select additional public domain land for revenue generation, this bill fails to acknowledge the extensive investment that the state has made in the future management of its land base.

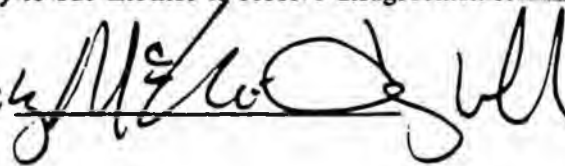
If this bill moves forward, it should be amended to:

- # of ~~amend~~ *amend* →
1. Allow university selections only in areas where an existing state management plan has identified lands as suitable for disposal (~~e.g. oil and gas leasing, land sale, timber sale, mineral leasing, etc.~~). *did not pass*
 2. Specifically disallow university selections in legislatively designated special areas including state game refuges, critical habitat areas, and game sanctuaries.

H6

COMMISSIONER'S SIGNATURE

Uron



DATE 3/3/94

02/22/94

Page 1 of 1

make Gov.'s decision

Fin
CS FOR SENATE BILL NO. 217(~~RES~~)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 2/18/94
Referred: Finance

Sponsor(s): SENATORS FRANK, Kerttula, Miller, Rieger, Taylor, Sharp

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the University of Alaska and university land, authorizing the
2 University of Alaska to select additional state public domain land, and defining
3 net income from the University of Alaska's endowment trust fund as 'university
4 receipts' subject to prior legislative appropriation; and providing for an effective
5 date."

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

7 * Section 1. FINDINGS AND PURPOSE. The legislature finds that

8 (1) as the beneficiary under the provisions of the Acts of August 30, 1890, and
9 March 4, 1907, designating the Alaska Agricultural College and School of Mines as
10 beneficiary, and of March 4, 1915, 38 Stat. 1214, transferring certain land for its location and
11 support, the University of Alaska is a land grant university;

12 (2) under the Acts of March 4, 1915, 38 Stat. 1214, and January 21, 1929, 45
13 Stat. 1091, the Congress of the United States granted to the Territory of Alaska certain federal

1 land to be held in trust for the benefit of the predecessor of the University of Alaska;

2 (3) the Territory was unable to receive most of the land conveyed by the Act
3 of March 4, 1915, before repeal of that Act by sec. 6(k) of the Alaska Statehood Act (P.L. 85-
4 508, 72 Stat. 339);

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

7 (5) the land selection rights embodied in the Alaska Statehood Act reflect in
8 part congressional recognition that the state would need the land to support its government and
9 programs, and the Congress assumed that the State of Alaska would in turn devote some of
10 the land or the income from it for the use and benefit of the University of Alaska;

11 (6) most land grant colleges in the western United States have obtained a larger
12 land grant from the federal government than the University of Alaska has received;

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

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

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

20 (a) The Board of Regents shall

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

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

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

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

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

28 (B) land

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

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

3 **(ii) selected by the university and conveyed to it by**
4 **the commissioner of natural resources under AS 14.40.365;**

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

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

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

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

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

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

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

27 * Sec. 3. AS 14.40.291 is amended to read:

28 Sec. 14.40.291. LAND OF THE UNIVERSITY OF ALASKA NOT PUBLIC
29 DOMAIN LAND. Notwithstanding any other provision of law, university-grant land,
30 state replacement land that becomes university-grant land on conveyance to the
31 university, **land selected by and conveyed to the university under AS 14.40.365,** and

1 any other land owned by the University of Alaska is not and may not be treated as
2 state public domain land. Title to or interest in [TO] land described in this section
3 may not be acquired by adverse possession, prescription, or in any other manner except
4 by conveyance from the university. The land is subject to condemnation for public
5 purpose in accordance with law.

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

7 Sec. 14.40.365. UNIVERSITY LAND FROM STATEHOOD ACT LAND
8 SELECTION CONVEYANCES. (a) The University of Alaska may select and is
9 entitled to receive the conveyance of 1,000,000 acres of land conveyed to the state
10 under sec. 6(b) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 339) that, on the
11 date of its selection by the university,

12 (1) has not been conveyed by the state;

13 (2) has not been reserved by law from the public domain;

14 (3) is not land

15 (A) included in a five-year proposed oil and gas leasing
16 program under AS 38.05.180(b); or

17 (B) leased under, or for which a lease application is pending
18 under, AS 38.05.180(d);

19 (4) is not subject to a possessory interest or encumbrance other than

20 (A) a lease that is not an oil or gas lease;

21 (B) a timber contract;

22 (C) a mining claim;

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

24 (E) a land use permit or right-of-way issued by the Department
25 of Natural Resources under AS 38.05;

26 (5) is not necessary to carry out the purpose of an interagency land
27 management agreement; or

28 (6) is not subject to conveyance under a land exchange or land
29 settlement agreement.

30 (b) Notwithstanding AS 38.05.125(a), the transfer of ownership and
31 management of land from the Department of Natural Resources to the Board of

1 Regents of the University of Alaska under this section includes the interest of the state
2 in the oil, gas, coal, ores, minerals, fissionable materials, geothermal resources, and
3 fossils which may be in or on the land.

4 (c) When the University of Alaska selects the land to which it is entitled under
5 this section, unless the commissioner of natural resources determines under (d) of this
6 section that title to the land should not be conveyed, the commissioner of natural
7 resources shall convey title to the land selected.

8 (d) The commissioner of natural resources may not convey title to any land
9 selection made by the university under this section if the commissioner determines that
10 the proposed selection

11 (1) includes land for which, at the time of its selection under this
12 section,

13 (A) a municipality has made a selection under AS 29.65, unless
14 the land selection is, at a later date, rejected by the commissioner of natural
15 resources or relinquished by the municipality; or

16 (B) the commissioner reasonably believes may be selected by
17 a municipality under AS 29.65.030, but the commissioner may not withhold
18 under this subparagraph the conveyance of title to land selected by the
19 university for more than three years after the date of the municipality's
20 incorporation;

21 (2) is not in the best interests of the state; in making a determination
22 under this paragraph as to whether a selection by the university is in the best interests
23 of the state, the commissioner shall consider

24 (A) the interest of the general public in retention of the land in
25 state ownership;

26 (B) ensuring an appropriate diversity in the character of land
27 owned by the state and by the university;

28 (C) the public benefits achieved by conveyance of the land to
29 the university;

30 (D) the probable potential for the development of the land and
31 its resources and the probable income to the university from the conveyance of

1 the land;

2 (E) benefits to the university from the conveyance of the land

3 to it; and

4 (F) the efficiency of the management of the land resulting from

5 the conveyance of the land.

6 (e) The Board of Regents may appeal to the superior court a decision of the

7 commissioner of natural resources not to convey to the university land selected by it

8 under this section.

9 (f) When land is conveyed to the university under this section, the university

10 takes the land subject to any possessory interest held by another person on the

11 effective date of the conveyance. Except as provided in AS 14.40.368, the university

12 is entitled to receive the consideration due under that interest for the duration of the

13 interest.

14 (g) In conveying land to the university under this section, the commissioner

15 of natural resources shall give public notice under AS 38.05.945(b) and (c) and provide

16 for access under AS 38.05.127, but other provisions of AS 38.04 and AS 38.05 do not

17 apply.

18 (h) Land transferred or conveyed to the university under this section

19 (1) is subject to

20 (A) section 6(i) of the Alaska Statehood Act (P.L. 85-508, 72

21 Stat. 339);

22 (B) art. IX of the state constitution;

23 (C) AS 19.10.010; and

24 (D) the rights of the state under former 43 U.S.C. 932 (sec. 8,

25 Act of July 26, 1866, 14 Stat. 253);

26 (2) excludes any interest transferred to the state by quit claim deed

27 dated June 30, 1959, under authority of the Alaska Omnibus Act, P.L. 86-70, 73 Stat.

28 141.

29 (i) The university shall bear all costs of selection and conveyance of the land

30 that it selects under this section and, subject to appropriation, shall reimburse the

31 Department of Natural Resources for the reasonable costs of expenses incurred by that

1 department relating to that selection and conveyance. If land selected by the university
2 is unsurveyed at the time of conveyance, the commissioner shall survey, or may
3 approve the university's survey of, the exterior boundaries of an approved selection
4 without interior subdivision, and shall issue patent in terms of the exterior boundary
5 survey. If land selected by the university has been surveyed at the time of
6 conveyance, the boundaries must conform to the public land subdivisions established
7 by the approved survey.

8 * Sec. 5. AS 14.40.365(d) is repealed and reenacted to read:

9 (d) The commissioner of natural resources may not convey title to any land
10 selection made by the university under this section if the commissioner determines that
11 the proposed selection

12 (1) includes land for which, at the time of its selection under this
13 section,

14 (A) a municipality has made a selection under AS 29.65, unless
15 the land selection is, at a later date, rejected by the commissioner of natural
16 resources or relinquished by the municipality; or

17 (B) the commissioner reasonably believes the land may be
18 selected by a municipality under AS 29.65.030, but the commissioner may not
19 withhold under this subparagraph the conveyance of title to land selected by the
20 university longer than three years after the date of the municipality's
21 incorporation;

22 (2) includes land that, at the time of its selection under this section, is
23 subject to an oil and gas exploration license, or that the commissioner reasonably
24 believes will be made part of, an oil and gas exploration license issued under
25 AS 38.05.131 - 38.05.134;

26 (3) is not in the best interests of the state; in making a determination
27 under this paragraph as to whether a selection by the university is in the best interests
28 of the state, the commissioner shall consider

29 (A) the interest of the general public in retention of the land in
30 state ownership;

31 (B) ensuring an appropriate diversity in the character of land

1 owned by the state and by the university;

2 (C) the public benefits achieved by conveyance of the land to
3 the university;

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

7 (E) benefits to the university from the conveyance of the land
8 to it; and

9 (F) the efficiency of the management of the land resulting from
10 the conveyance of the land.

11 * Sec. 6. AS 14.40 is amended by adding a new section to read:

12 Sec. 14.40.368. DISPOSITION OF INCOME FROM EXISTING
13 ENCUMBRANCES. The state is entitled to receive the income from land selected by
14 and conveyed to the University of Alaska under AS 14.40.365 that is subject to a
15 lease, contract, claim, sale, permit, or right-of-way identified in AS 14.40.365(a)(4) for
16 the duration of the term of the lease, contract, claim, sale, permit, or right-of-way, and
17 during any renewal of it that is authorized by the lease, contract, claim, sale, permit,
18 or right-of-way, or by law. The equitable title to and responsibility for the
19 management of the land selected vests with the University of Alaska only upon
20 conclusion of the term of the lease, contract, claim, sale, permit, or right-of-way, and
21 any renewal authorized by law.

22 * Sec. 7. AS 14.40.400(a) is amended to read:

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

29 * Sec. 8. AS 14.40.400(e) is amended to read:

30 (e) Subject to legislative appropriation, the [THE] Department of
31 Administration shall disburse the net income from the trust fund upon vouchers

1 approved by the president and treasurer of the University of Alaska specifying the
2 purpose for which the money is to be used and showing it is to be used in conformity
3 with this section.

4 * Sec. 9. AS 14.40.491 is amended to read:

5 Sec. 14.40.491. DEFINITION OF UNIVERSITY RECEIPTS. In AS 14.40.120
6 - 14.40.491, "university receipts" includes

- 7 (1) student fees, including tuition;
- 8 (2) receipts from university auxiliary services;
- 9 (3) recovery of indirect costs of university activities;
- 10 (4) the net income of the trust fund established in AS 14.40.400 and
11 receipts from sales and rentals of university property;
- 12 (5) federal receipts;
- 13 (6) gifts, grants, and contracts; and
- 14 (7) receipts from sales, rentals, and the provision of services of
15 educational activities.

16 * Sec. 10. AS 29.45.030(a) is amended to read:

- 17 (a) The following property is exempt from general taxation:
 - 18 (1) municipal property, including property held by a public corporation
19 of a municipality, or state property, except that
 - 20 (A) a private leasehold, contract, or other interest in the
21 property is taxable to the extent of the interest;
 - 22 (B) notwithstanding any other provision of law, property
23 acquired by an agency, corporation, or other entity of the state through
24 foreclosure or deed in lieu of foreclosure and retained as an investment of a
25 state entity is taxable; this subparagraph does not apply to federal land granted
26 to the University of Alaska under AS 14.40.380 or 14.40.390, or to other land
27 granted to the university by the state to replace land that had been granted
28 under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the
29 university under AS 14.40.365;
 - 30 (C) an ownership interest of a municipality in real property
31 located outside the municipality acquired after December 31, 1990, is taxable

1 by another municipality; however, a borough may not tax an interest in real
2 property located in the borough and owned by a city in that borough;

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

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

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

11 (5) money on deposit;

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

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

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

20 (9) natural resources in place including coal, ore bodies, mineral
21 deposits, and other proven and unproven deposits of valuable materials laid down by
22 natural processes, unharvested aquatic plants and animals, and timber.

23 * **Sec. 11. APPLICABILITY OF UNIVERSITY SELECTION RIGHTS UNDER**
24 **AS 14.40.365 TO LAND.** In addition to the land that, under AS 14.40.365(d), the
25 commissioner of natural resources may not convey to the University of Alaska, the
26 commissioner of natural resources may not convey land that, at the time of its selection by
27 the university,

28 (1) is subject to designation for conveyance or conveyance to the Alaska
29 Mental Health Trust Authority under sec. 54, ch. 66, SLA 1991;

30 (2) is land that the commissioner of natural resources reasonably believes
31 should be designated for conveyance or conveyed to the Alaska Mental Health Trust Authority

1 under sec. 55, ch. 66, SLA 1991, as compensation to that trust for original mental health trust
2 land not available for return to the corpus of the trust; or

3 (3) is land described in sec. 56, ch. 66, SLA 1991, as listed in "Lands
4 Hypothecated to the Mental Health Trust, May 1991" located in the office of the director of
5 the division of lands, Department of Natural Resources, in Anchorage, Alaska, that has been
6 hypothecated to secure reconstitution of the mental health trust; however, as the reconstitution
7 of the mental health trust is accomplished and the hypothecated land is released on a pro rata
8 basis, the University of Alaska may select the land and the commissioner may convey it.

9 * **Sec. 12. LEGISLATIVE INTENT.** It is the intent of the legislature that, if sec. 11 of
10 this Act has not taken effect on or before the effective date of secs. 1 - 4 and 6 - 10 of this
11 Act, the commissioner of natural resources reject, as inconsistent with the best interests of the
12 state, selections of land by the University of Alaska under AS 14.40.365, added by sec. 4 of
13 this Act, of land described in sec. 11 of this Act.

14 * **Sec. 13.** Section 5 of this Act takes effect on the effective date of a version of House Bill
15 199 or Senate Bill 150 of the Eighteenth Alaska State Legislature authorizing oil and gas
16 exploration licensing on state land that is passed by the Eighteenth Alaska State Legislature.

17 * **Sec. 14.** Section 11 of this Act takes effect on the effective date of ch. 66, SLA 1991.

A M E N D M E N T

OFFERED IN THE SENATE

TO: Draft CSSB 217()

Page 4, following line 13:

Insert a new paragraph to read:

"(3) is not land

(A) included in a five-year proposed oil and gas leasing
program under AS 38.05.180(b); or

(B) leased under, or for which a lease application is pending
under, AS 38.05.180(d);"

Renumber the following paragraphs accordingly.

Page 8, line 5:

Delete "AS 14.40.365(a)(3)"

Insert "AS 14.40.365(a)(4)"

AMENDMENT

*did not
was not
offered.*

OFFERED IN THE SENATE
TO: CSSB 217(RES)

Page 11, following line 13:

Insert a new bill section to read:

"* Sec. 13. STATUS OF UNIVERSITY SELECTED LAND SUBJECT TO ENTRY TO ACQUIRE CERTAIN EXPLORATION AND MINING RIGHTS. (a) Notwithstanding any other provision of law, except to enforce an obligation due the state, the commissioner of natural resources may not take action on a mining claim filed under AS 38.05.185 - 38.05.275 on land selected by the University of Alaska under AS 14.40.365, added by sec. 4 of this Act.

(b) The provisions of (a) of this section apply from the date of selection until the earlier of

(1) a determination by the commissioner of natural resources under AS 14.40.365(d) not to convey title and the expiration of the opportunity for judicial review of that decision under AS 14.40.365(e); or

(2) conveyance of title to the land selected under AS 14.40.365(f) - (i)."

Renumber the following bill sections accordingly.

SENATE FINANCE
COMMITTEE:
Amendment Number:
Bill Number: 217
Sponsor: FINANCE Date:
Logged In By:

final

CS FOR SENATE BILL NO. 217(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATORS FRANK, Kerttula, Miller, Rieger, Taylor, Sharp

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the University of Alaska and university land, authorizing the
 2 University of Alaska to select additional state public domain land, and defining
 3 net income from the University of Alaska's endowment trust fund as 'university
 4 receipts' subject to prior legislative appropriation; and providing for an effective
 5 date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1. FINDINGS AND PURPOSE.** The legislature finds that

8 (1) as the beneficiary under the provisions of the Acts of August 30, 1890, and
 9 March 4, 1907, designating the Alaska Agricultural College and School of Mines as
 10 beneficiary, and of March 4, 1915, 38 Stat. 1214, transferring certain land for its location and
 11 support, the University of Alaska is a land grant university;

12 (2) under the Acts of March 4, 1915, 38 Stat. 1214, and January 21, 1929, 45
 13 Stat. 1091, the Congress of the United States granted to the Territory of Alaska certain federal

1 land to be held in trust for the benefit of the predecessor of the University of Alaska;

2 (3) the Territory was unable to receive most of the land conveyed by the Act
3 of March 4, 1915, before repeal of that Act by Sec. 6(k) of the Alaska Statehood Act (P.L.
4 85-508, 72 Stat. 339);

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

7 (5) the land selection rights embodied in the Alaska Statehood Act reflect in
8 part congressional recognition that the state would need the land to support its government and
9 programs, and the Congress assumed that the State of Alaska would in turn devote some of
10 the land or the income from it for the use and benefit of the University of Alaska;

11 (6) most land grant colleges in the western United States have obtained a larger
12 land grant from the federal government than the University of Alaska has received;

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

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

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

20 (a) The Board of Regents shall

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

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

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

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

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

28 (B) land

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

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

3 (ii) selected by the University of Alaska and conveyed
4 to it by the commissioner of natural resources under AS 14.40.365,
5 except as provided in AS 14.40.368(2);

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

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

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

14 (8) provide public notice of sales, leases, exchanges, and transfers of
15 the land of 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
17 regular session of the legislature on the expenditures made during the preceding fiscal
18 year from the funds of the University of Alaska that are derived from sales, leases,
19 exchanges, or transfers of the land of the university or of interests in land of the
20 university

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

26 (B) that were selected by and conveyed to the University of
27 Alaska under AS 14.40.365.

28 * Sec. 3. AS 14.40.291 is amended to read:

29 Sec. 14.40.291. LAND OF THE UNIVERSITY OF ALASKA NOT PUBLIC
30 DOMAIN LAND. Notwithstanding any other provision of law, university-grant land,
31 state replacement land that becomes university grant land on conveyance to the

1 university, land selected by and conveyed to the University of Alaska under
2 AS 14.40.365, and any other land owned by the University of Alaska is not and may
3 not be treated as state public domain land. Title to or interest in [FO] land described
4 in this section may not be acquired by adverse possession, prescription, or in any other
5 manner except by conveyance from the university. The land is subject to
6 condemnation for public purpose in accordance with law.

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

8 Sec. 14.40.365. UNIVERSITY LAND FROM STATEHOOD ACT LAND
9 SELECTION CONVEYANCES. (a) The University of Alaska may select and is
10 entitled to receive the conveyance of 1,000,000 acres of land conveyed to the state
11 under Sec. 6(b) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 339) that, on the
12 date of its selection by the university,

13 (1) has not been conveyed by the state;

14 (2) has not been reserved by law from the public domain;

15 (3) is not land

16 (A) included in a five-year proposed oil and gas leasing
17 program under AS 38.05.180(b); or

18 (B) leased under, or for which a lease application is pending
19 under, AS 38.05.180(d);

20 (4) is not subject to a possessory interest or encumbrance other than

21 (A) a lease that is not an oil or gas lease;

22 (B) a timber contract;

23 (C) a mining claim;

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

25 (E) a land use permit or right-of-way issued by the Department
26 of Natural Resources under AS 38.05;

27 (5) is not necessary to carry out the purpose of an interagency land
28 management agreement; or

29 (6) is not subject to conveyance under a land exchange or land
30 settlement agreement.

31 (b) Notwithstanding AS 38.05.125(a), the transfer of ownership and

1 management of land from the Department of Natural Resources to the Board of
2 Regents of the University of Alaska under this section includes the interest of the state
3 in the oil, gas, coal, ores, minerals, fissionable materials, geothermal resources, and
4 fossils which may be in or on the land.

5 (c) When the University of Alaska selects the land to which it is entitled under
6 this section, unless the commissioner of natural resources determines under (e) of this
7 section that title to the land should not be conveyed, the commissioner of natural
8 resources shall convey title to the land selected.

9 (d) When a selection has been made by the University of Alaska under (c) of
10 this section, the land selected is closed to entry until the land selected has been
11 conveyed or the selection has been rejected by the commissioner of natural resources.

12 (e) The commissioner of natural resources may not convey title to any land
13 selection made by the University of Alaska under this section if the commissioner
14 determines that the proposed selection

15 (1) includes land for which, at the time of its selection under this
16 section,

17 (A) a municipality has made a selection under AS 29.65, unless
18 the land selection is, at a later date, rejected by the commissioner of natural
19 resources or relinquished by the municipality; or

20 (B) the commissioner reasonably believes may be selected by
21 a municipality under AS 29.65.030, but the commissioner may not withhold
22 under this subparagraph the conveyance of title to land selected by the
23 University of Alaska for more than three years after the date of the
24 municipality's incorporation;

25 (2) is not in the best interests of the state; in making a determination
26 under this paragraph as to whether a selection by the University of Alaska is in the
27 best interests of the state, the commissioner shall consider

28 (A) the interest of the general public in retention of the land in
29 state ownership;

30 (B) ensuring an appropriate diversity in the character of land
31 owned by the state and by the University of Alaska;

1 (C) the public benefits achieved by conveyance of the land to
2 the University of Alaska;

3 (D) the probable potential for the development of the land and
4 its resources and the probable income to the University of Alaska from the
5 conveyance of the land;

6 (E) benefits to the University of Alaska from the conveyance
7 of the land to it; and

8 (F) the efficiency of the management of the land resulting from
9 the conveyance of the land.

10 (f) If the Board of Regents of the University of Alaska disagrees with a
11 decision of the commissioner of natural resources not to convey to the University of
12 Alaska land selected by it under this section, the Board of Regents and the
13 commissioner of natural resources shall submit the matter to the governor, who shall
14 make the decision. The decision of the governor is final.

15 (g) When land is conveyed to the University of Alaska under this section, the
16 University of Alaska takes the land subject to any possessory interest held by another
17 person on the effective date of the conveyance. Except as provided in
18 AS 14.40.368(1), the University of Alaska is entitled to receive the consideration due
19 under that interest for the duration of the interest.

20 (h) In conveying land to the University of Alaska under this section, the
21 commissioner of natural resources shall give public notice under AS 38.05.945(b) and
22 (c) and provide for access under AS 38.05.127, but other provisions of AS 38.04 and
23 AS 38.05 do not apply.

24 (i) Land transferred or conveyed to the University of Alaska under this section

25 (1) is subject to

26 (A) section 6(i) of the Alaska Statehood Act (P.L. 85-508, 72
27 Stat. 339);

28 (B) art. IX of the state constitution;

29 (C) AS 19.10.010; and

30 (D) the rights of the state under former 43 U.S.C. 932 (sec. 8,
31 Act of July 26, 1866, 14 Stat. 253);

1 (2) excludes any interest transferred to the state by quit claim deed
2 dated June 30, 1959, under authority of the Alaska Omnibus Act, P.L. 86-70, 73 Stat.
3 141.

4 (j) The University of Alaska shall bear all costs of selection, platting,
5 surveying, and conveyance of the land that it selects under this section and, subject to
6 appropriation, shall reimburse the Department of Natural Resources for the reasonable
7 costs incurred by that department relating to that selection, platting, surveying, and
8 conveyance. As to land due the University of Alaska under (c) of this section because
9 it has not been disapproved under (e) of this section,

10 (1) if the land has been surveyed, the boundaries of the land conveyed
11 must conform to the public land subdivisions established by the approved survey;

12 (2) if the land is unsurveyed, the commissioner shall survey the exterior
13 boundaries of the land to be conveyed without interior subdivision, and shall issue
14 patent in terms of the exterior boundary survey.

15 (k) For land due the University of Alaska under (c) of this section that is
16 unsurveyed, pending the survey of exterior boundaries and issuance of patent, the
17 commissioner of natural resources shall prepare and provide to the University of
18 Alaska a document of interim conveyance for the land to be conveyed.

19 (l) Except as provided in AS 14.40.368(2), management of land conveyed to
20 the University of Alaska by patent or by a document of interim conveyance vests with
21 the University of Alaska from the date of execution of the patent or document of
22 interim conveyance.

23 (m) The University of Alaska may not make a land selection under this section
24 after December 31, 2009.

25 * Sec. 5. AS 14.40.365(e) is repealed and reenacted to read:

26 (e) The commissioner of natural resources may not convey title to any land
27 selection made by the University of Alaska under this section if the commissioner
28 determines that the proposed selection

29 (1) includes land for which, at the time of its selection under this
30 section,

31 (A) a municipality has made a selection under AS 29.65, unless

1 the land selection is, at a later date, rejected by the commissioner of natural
2 resources or relinquished by the municipality; or

3 (B) the commissioner reasonably believes the land may be
4 selected by a municipality under AS 29.65.030, but the commissioner may not
5 withhold under this subparagraph the conveyance of title to land selected by the
6 university longer than three years after the date of the municipality's
7 incorporation;

8 (2) includes land that, at the time of its selection under this section,

9 (A) is subject to an oil and gas exploration license; or

10 (B) the commissioner reasonably believes will be made part of,
11 an oil and gas exploration license issued under AS 38.05.131 - 38.05.134; the
12 commissioner may not refuse to convey title to land to the University of Alaska
13 under this subparagraph for more than three years after its first selection by the
14 University of Alaska;

15 (3) is not in the best interests of the state; in making a determination
16 under this paragraph as to whether a selection by the University of Alaska is in the
17 best interests of the state, the commissioner shall consider

18 (A) the interest of the general public in retention of the land in
19 state ownership;

20 (B) ensuring an appropriate diversity in the character of land
21 owned by the state and by the University of Alaska;

22 (C) the public benefits achieved by conveyance of the land to
23 the University of Alaska;

24 (D) the probable potential for the development of the land and
25 its resources and the probable income to the University of Alaska from the
26 conveyance of the land;

27 (E) benefits to the University of Alaska from the conveyance
28 of the land to it; and

29 (F) the efficiency of the management of the land resulting from
30 the conveyance of the land.

31 * Sec. 6. AS 14.40 is amended by adding a new section to read:

1 Sec. 14.40.368. MANAGEMENT AND DISPOSITION OF INCOME FROM
2 EXISTING ENCUMBRANCES. For the land selected by and conveyed to the
3 University of Alaska under AS 14.40.365 that is subject to a lease, contract, claim,
4 sale, permit, or right-of-way identified in AS 14.40.365(a)(4)

5 (1) the state is entitled to receive the income obtained from the lease,
6 contract, claim, sale, permit, or right-of-way for the duration of the term of the lease,
7 contract, claim, sale, permit, or right-of-way, and during any renewal of it that is
8 authorized by the lease, contract, claim, sale, permit, or right-of-way, or by law;

9 (2) the responsibility for the management of the land vests with the
10 University of Alaska only upon conclusion of the term of the lease, contract, claim,
11 sale, permit, or right-of-way, and any renewal authorized by the lease, contract, claim,
12 sale, permit, or right-of-way, by law.

13 * Sec. 7. AS 14.40.400(a) is amended to read:

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

20 * Sec. 8. AS 14.40.400(e) is amended to read:

21 (e) Subject to legislative appropriation, the [THE] Department of
22 Administration shall disburse the net income from the trust fund upon vouchers
23 approved by the president and treasurer of the University of Alaska specifying the
24 purpose for which the money is to be used and showing it is to be used in conformity
25 with this section.

26 * Sec. 9. AS 14.40.491 is amended to read:

27 Sec. 14.40.491. DEFINITION OF UNIVERSITY RECEIPTS. In
28 AS 14.40.120 - 14.40.491, "university receipts" includes

- 29 (1) student fees, including tuition;
30 (2) receipts from university auxiliary services;
31 (3) recovery of indirect costs of university activities;

- 1 (4) the net income of the trust fund established in AS 14.40.400 and
2 receipts from sales and rentals of university property;
3 (5) federal receipts;
4 (6) gifts, grants, and contracts; and
5 (7) receipts from sales, rentals, and the provision of services of
6 educational activities.

7 * Sec. 10. AS 29.45.030(a) is amended to read:

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

9 (1) municipal property, including property held by a public corporation
10 of a municipality, or state property, except that

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

13 (B) notwithstanding any other provision of law, property
14 acquired by an agency, corporation, or other entity of the state through
15 foreclosure or deed in lieu of foreclosure and retained as an investment of a
16 state entity is taxable; this subparagraph does not apply to federal land granted
17 to the University of Alaska under AS 14.40.380 or 14.40.390, or to other land
18 granted to the university by the state to replace land that had been granted
19 under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the
20 University of Alaska under AS 14.40.365;

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

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

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

29 (4) property of a nonbusiness organization composed entirely of persons
30 with 90 days or more of active service in the armed forces of the United States whose
31 conditions of service and separation were other than dishonorable, or the property of

1 an auxiliary of that organization;

2 (5) money on deposit;

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

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

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

11 (9) natural resources in place including coal, ore bodies, mineral
12 deposits, and other proven and unproven deposits of valuable materials laid down by
13 natural processes, unharvested aquatic plants and animals, and timber.

14 * **Sec. 11. APPLICABILITY OF UNIVERSITY SELECTION RIGHTS UNDER**
15 **AS 14.40.365 TO LAND.** In addition to the land that, under AS 14.40.365(e), the
16 commissioner of natural resources may not convey to the University of Alaska, the
17 commissioner of natural resources may not convey land that, at the time of its selection by
18 the university,

19 (1) is subject to designation for conveyance or conveyance to the Alaska
20 Mental Health Trust Authority under sec. 54, ch. 66, SLA 1991;

21 (2) is land that the commissioner of natural resources reasonably believes
22 should be designated for conveyance or conveyed to the Alaska Mental Health Trust Authority
23 under sec. 55, ch. 66, SLA 1991, as compensation to that trust for original mental health trust
24 land not available for return to the corpus of the trust; or

25 (3) is land described in sec. 56, ch. 66, SLA 1991, as listed in "Lands
26 Hypothecated to the Mental Health Trust, May 1991" located in the office of the director of
27 the division of lands, Department of Natural Resources, in Anchorage, Alaska, that has been
28 hypothecated to secure reconstitution of the mental health trust; however, as the reconstitution
29 of the mental health trust is accomplished and the hypothecated land is released on a pro rata
30 basis, the University of Alaska may select the land and the commissioner may convey it.

31 * **Sec. 12. LEGISLATIVE INTENT.** It is the intent of the legislature that, if sec. 11 of

1 this Act has not taken effect on or before the effective date of secs. 1 - 4 and 6 - 10 of this
2 Act. the commissioner of natural resources reject, as inconsistent with the best interests of the
3 state, selections of land by the University of Alaska under AS 14.40.365, added by sec. 4 of
4 this Act, of land described in sec. 11 of this Act.

5 * Sec. 13. Section 5 of this Act takes effect on the effective date of a version of House Bill
6 199 or Senate Bill 150 of the Eighteenth Alaska State Legislature authorizing oil and gas
7 exploration licensing on state land that is passed by the Eighteenth Alaska State Legislature.

8 * Sec. 14. Section 11 of this Act takes effect on the effective date of ch. 66, SLA 1991.

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

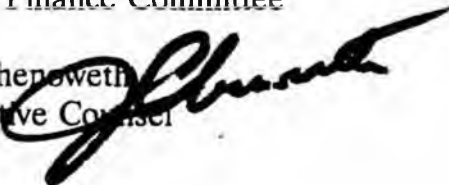
130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

March 10, 1994

SUBJECT: CSSB 217 (Finance): notes to the draft (Work Order No. 8-LS0468\X)

TO: Senator Drue Pearce, Co-Chair
Senate Finance Committee

FROM: Jack Chenoweth
Legislative Counsel 

The measure accompanying this memo:

- (1) incorporates amendment U.1 in its entirety;
- (2) incorporates, at proposed AS 14.40.365(d), an amendment offered by Senator Frank relating to closure of the selected land to entry; the amendment spoke in terms of the land being "segregated from further entry" but "segregated" isn't the operative concept and, after checking with Director Swanson and with his approval, I recast the language to "close to entry." I made other word changes to conform the idea to the current language of the measure;
- (3) adds, in proposed AS 14.40.365(e)(2)(B), added by bill section 5, a variant of Senator Rieger's amendment limiting the opportunity of the commissioner of natural resources to refuse conveyance of lands that may be part of an oil or gas exploration license to three years after first selection by the university;
- (4) provides, in AS 14.40.365(m), at the end of bill section 4, that the selection rights provided by that section terminate December 31, 2009, or approximately 15 years after the bill takes effect;
- (5) scraps the judicial review provision of what had been AS 14.40.365(e) with language, set out in AS 14.40.365(f), that puts the burden on the governor to sort out disputes over land selections; the concept draws from AS 29.60.510(b) (resolution of disputes over "470 fund" supported grants to municipalities) and AS 16.05.270 (resolution of certain game disputes by the governor).

Senator Drue Pearce, Co-Chair

March 10, 1994

Page 2

In addition, AS 14.40.250 - 14.40.491 provides no definition for "university" but makes reference throughout to "University of Alaska." I have made that change in this bill in all the permanent law changes where it had not already been done.

JBC:pl:gc
94-189.plm

cc: Senator Steve Frank
ATTN: Rick Solie

University of Alaska

Statewide System

SB 217 EXPANDING UNIVERSITY OF ALASKA LAND GRANT

By Senators Frank, Kerttula, Miller, Rieger, Taylor, Sharp

The University of Alaska is called a "Land Grant University" in the tradition of American land grant universities, providing teaching, research and public service to the people of Alaska. While the University has attempted to mold itself in the land grant tradition, one piece of that tradition is lacking -- a sufficient land grant.

In 1915, Congress provided a land grant of approximately 250,000 acres -- every section 33 in the Tanana Valley -- to support the Territorial Agricultural College and School of Mines, together with a site for the institution itself. In 1929 Congress granted an additional 100,000 acres of public lands for the use and benefit of the Agricultural College and School of Mines.

In 1959, the Alaska Statehood act extinguished the University's right to receive the unsurveyed sections 33 of the Tanana Valley, leaving the University with 100,000 acres. Congress so acted because its land grant to the state was by far the most generous of all state land grants. Supporters of the extinguishment said the state clearly was receiving enough land that it could provide necessary land to support the University. The State of Alaska has never kept this moral obligation to the University of Alaska.

Forty-nine of the states received land grants to support their universities. In all but one, the universities received more land than the University of Alaska, notwithstanding the fact that Alaska's state land grant is 16 times the size of the average state land grant. In eighteen of the lower 48 states, the entire federal land grants -- 100% -- went to support the universities. In Alaska, less than one percent -- 0.11% -- went to the University.

The State of Alaska did not manage what land the University received well. In 1978, following legislative appropriation of the University's most valuable acreage, the University sued, eventually winning a legislative settlement that reconstituted the University land trust. Later litigation brought replacement land for the legislatively-appropriated acreage. The University's total land grant holdings today total 140,000 acres. Still, nearly 50,000 acres of limited timber cutting rights west of Icy Bay remains tied up in litigation.

Alaskans look to the University of Alaska to provide for some of its financial needs by earning income from the federal land grant, yet Alaskans do not realize the paucity of lands managed by the university.

If the University of Alaska received the average percentage of the total federal grant to the state -- 42.01% of the State of Alaska grant -- the University would be managing 43 million acres, and would probably need no further state support. If the University of Alaska received a proportional share of the total federal grant to universities -- 5.09% of the State of Alaska grant -- the University would be managing 5.3 million acres. Even bringing the University of Alaska's federal grant up to the average of the smaller states -- 340,000 -- would triple the size of the University's federal grant.

Passage of this legislation will allow expansion of the University of Alaska land grant, and allow the University to generate additional revenue in support of its programs. The lands would be responsibly managed to generate income. The University is currently involved in a wide range of projects including commercial leasing, development and sale of residential and remote subdivisions, oil and gas lease sales, timber and gravel sales and mineral leasing.

contact:

Wendy Redman
University Relations
463-3086/474-7582

State Land Grant Rankings

Ranked by the amount of federal land given to Land Grant University Systems	
1	New Mexico 1,346,546
2	Oklahoma 1,050,000
3	New York 990,000
4	Arizona 849,197
5	Pennsylvania 780,000
6	Ohio 699,120
7	Utah 556,141
8	Illinois 526,080
9	Indiana 436,080
10	Montana 388,721
11	Idaho 386,686
12	Alabama 383,785
13	Missouri 376,080
14	South Dakota 366,080
15	Massachusetts 360,000
16	Mississippi 348,240
17	Washington 336,080
18	North Dakota 336,080
19	Wisconsin 332,160
20	Kentucky 330,000
21	Tennessee 300,000
22	Virginia 300,000
23	Iowa 286,080
24	Michigan 286,080
25	Georgia 270,000
26	North Carolina 270,000
27	Louisiana 256,292
28	Minnesota 212,160
29	Maine 210,000
30	Maryland 210,000
31	New Jersey 210,000
32	California 196,080
33	Arkansas 196,080
34	Florida 182,160
35	Connecticut 180,000
36	South Carolina 180,000
37	Texas 180,000
38	Kansas 151,270
39	New Hampshire 150,000
40	Vermont 150,000
41	West Virginia 150,000
42	Colorado 138,040
43	Oregon 136,165
44	Nevada 136,080
45	Nebraska 136,080
46	Wyoming 136,080
47	Rhode Island 120,000
48	Alaska 112,064
49	Delaware 90,000
50	Hawaii 0
TOTAL 16,707,787	

Average 334,156

Ranked by the percentage of the state grant given to Land Grant University Systems	
1	New York 100.00%
2	Pennsylvania 100.00%
3	Massachusetts 100.00%
4	Tennessee 100.00%
5	Virginia 100.00%
6	Georgia 100.00%
7	North Carolina 100.00%
8	Maine 100.00%
9	Maryland 100.00%
10	New Jersey 100.00%
11	Connecticut 100.00%
12	South Carolina 100.00%
13	Texas 100.00%
14	New Hampshire 100.00%
15	Vermont 100.00%
16	West Virginia 100.00%
17	Rhode Island 100.00%
18	Delaware 100.00%
19	Kentucky 93.06%
20	Oklahoma 33.92%
21	Ohio 25.34%
22	Washington 11.04%
23	Indiana 10.79%
24	South Dakota 10.66%
25	North Dakota 10.62%
26	New Mexico 10.52%
27	Idaho 9.09%
28	Illinois 8.44%
29	Arizona 8.05%
30	Alabama 7.67%
31	Utah 7.41%
32	Montana 6.52%
33	Mississippi 5.71%
34	Missouri 5.07%
35	Nevada 4.99%
36	Nebraska 3.93%
37	Iowa 3.55%
38	Wisconsin 3.26%
39	Wyoming 3.13%
40	Colorado 3.09%
41	Michigan 2.36%
42	Louisiana 2.24%
43	California 2.22%
44	Kansas 1.94%
45	Oregon 1.94%
46	Arkansas 1.64%
47	Minnesota 1.29%
48	Florida 0.75%
49	Alaska 0.11%
50	Hawaii 0.00%
TOTAL 5.09%	

Average 42.01%

Ranked by the amount of federal land given to the States	
1	Alaska 104,569,251
2	Florida 24,214,366
3	Minnesota 16,422,051
4	New Mexico 12,794,718
5	Michigan 12,142,846
6	Arkansas 11,936,834
7	Louisiana 11,441,343
8	Arizona 10,543,753
9	Wisconsin 10,179,804
10	California 8,825,508
11	Iowa 8,061,262
12	Kansas 7,794,669
13	Utah 7,501,737
14	Missouri 7,417,022
15	Oregon 7,032,847
16	Illinois 6,234,655
17	Mississippi 6,097,997
18	Montana 5,963,338
19	Alabama 5,006,883
20	Colorado 4,471,604
21	Wyoming 4,342,520
22	Idaho 4,254,448
23	Indiana 4,040,518
24	Nebraska 3,458,711
25	South Dakota 3,435,373
26	North Dakota 3,163,552
27	Oklahoma 3,095,760
28	Washington 3,044,471
29	Ohio 2,758,862
30	Nevada 2,725,226
31	New York 990,000
32	Pennsylvania 780,000
33	Massachusetts 360,000
34	Kentucky 354,607
35	Tennessee 300,000
36	Virginia 300,000
37	Georgia 270,000
38	North Carolina 270,000
39	Maine 210,000
40	Maryland 210,000
41	New Jersey 210,000
42	Connecticut 180,000
43	South Carolina 180,000
44	Texas 180,000
45	New Hampshire 150,000
46	Vermont 150,000
47	West Virginia 150,000
48	Rhode Island 120,000
49	Delaware 90,000
50	Hawaii 0
TOTAL 228,426,536	

Average 6,568,531

DEPARTMENT OF FISH AND GAME POSITION PAPER

BILL NO: CSSB 217 (RES)

SPONSOR: Senator Frank

DIVISION: Habitat and Restoration

3-10-94

Post-It™ brand fax transmittal memo 7671		# of pages ▶ 1
To <i>Lorraine Derr</i>	From <i>Senate Finance</i>	
Co.	Co.	
Dept. <i>DOR</i>	Phone # <i>465-2618</i>	
Fax # <i>465-2389</i>	Fax # <i>465-2187</i>	

11:05am

DEPARTMENT POSITION:

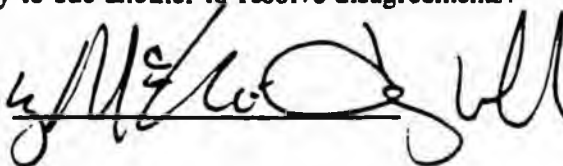
The Department of Fish and Game opposes this bill in its present form. By allowing for additional university selections from the public domain, CSSB 217 creates a new land selection and entitlement program which would: 1) increase demands on the state's land management agency at a time of declining resource agency budgets, 2) potentially negate work in existing land use plans that has been subjected to considerable state agency and public involvement, 3) potentially convey lands to the university for revenue production from legislatively and administratively designated fish and wildlife areas, and 4) create additional confusion and uncertainties about the future management of state lands.

The state has expended considerable resources to acquire, manage, and develop its land base. State land management plans which are in effect for most public domain land have analyzed the various resource values and, through an extensive public process, have classified and adopted guidelines and policies that allow for multiple uses of public lands while balancing competing and occasionally conflicting uses and demands. Land management plans have identified lands for disposal (e.g. leasing, sale, conveyance) and for retention (e.g. wildlife habitat, public recreation, access, watershed). By authorizing the university to select additional public domain land for revenue generation, this bill fails to acknowledge the extensive investment that the state has made in the future management of its land base.

If this bill moves forward, it should be amended to:

1. Allow university selections only in areas where an existing state management plan has identified lands as suitable for disposal (~~e.g. oil and gas leasing, land sale, timber sale, mineral leasing, etc.~~).
2. Specifically disallow university selections in legislatively designated special areas including state game refuges, critical habitat areas, and game sanctuaries.
3. Place a ten-year deadline on university selections.
4. Remove the provision [Sec. 14.40.365 (e)] that allows the university to appeal land conveyance decisions made by the Department of Natural Resources to the Superior Court. State statutes should not encourage one state entity to sue another to resolve disagreements.

COMMISSIONER'S SIGNATURE



DATE

3/3/94

Alaska State Legislature

STEVE FRANK

119 N. Cushman, Rm. 213
Fairbanks, Alaska 99701
(907) 452-3421



While in Juneau
P.O. Box 5
Juneau, Alaska 99811
(907) 465-3409
Capitol Rm. 417

Senate

TO: Senator Drue Pearce, Co-Chair
Senate Finance Committee

FROM: Senator Steve Frank

RE: Request for Hearing: CSSB 217(RES) - Increase Land
Grant to the University of Alaska

DATE: February 23, 1994

I am writing to request a hearing for SB 217 in the Finance Committee at your earliest convenience.

The legislation, would allow the University of Alaska to select up to one million acres of land from the State of Alaska, and the income produced from those lands would be available for university programs.

Under the Congressional Morrill Act of 1862, each state was entitled to receive a grant for public lands, the income from which would provide the financial base of operation for at least one college or university. The University of Alaska received about 112,000 acres of land, less than any other western public land state and less than the national average entitlement of over 300,000 acres with New Mexico and Oklahoma receiving about one million.

I believe that an additional grant of land would bring Alaska up to the level of other western states and follows through with the original purpose of land grant colleges.

Thank you for your consideration.

Alaska Farmers & Stockgrowers

Association, Inc.

"THE ALASKA FARM BUREAU"

FEB 18 1994

February 14, 1994

Senator Drue Pearce
Capitol Rm. 508
Juneau, Alaska 99801

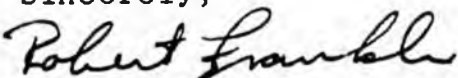
Dear Senator,

The University of Alaska Fairbanks, as well as the other campuses, as a Land Grant University are entitled to land to sell, rent, lease or manage as they see fit for the financial support of all activities. Lands in the past have not been provided for this purpose and the results have taken monies out of the general fund to provide finances for them to operate.

The research and education the university provides is important to the agricultural community and so the Alaska Farm Bureau is in strong support of "Senate Bill 217" so the university can be more self supporting.

We encourage all legislators to sponsor this important issue, and press for it's passage in this session.

Sincerely,


Robert Franklin, President
Alaska Farm Bureau
P.O. BOX 75184
Fairbanks, Alaska 99707

*Put in my
bee file*

DIVISION OF LEGAL SERVICES

**LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA**

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

130 Seward Street, Suite 409
Juneau, Alaska 99801-2105


MEMORANDUM

February 1, 1994

SUBJECT: Amendment to Draft CSSB 217 () (Work Order No. 8LS-0468J.1)

TO: Senator Steve Frank
ATTN: Rick Solie

FROM: Jack Chenoweth
Legislative Counsel



Per request, the amendment adds the exclusion of land included in the state's five-year oil and gas leasing plan.

AS 38.05.180(b) cross-references two other subsections, AS 38.05.180(d) and 38.05.180(w).

AS 38.05.180(d) identifies related land:

(d) The commissioner may issue oil and gas leases in an area that has not been included in a leasing program submitted, in accordance with (b) of this section, to the legislature if

(1) the land to be leased was previously subject to a valid state or federal oil and gas lease; or

(2) the land to be leased is contiguous to land already under state, federal or private lease and the commissioner makes a written finding, after hearing, that leasing of the land would result in a substantial probability of early evaluation and development of the land to be leased; or

(3) the land to be leased is adjacent to land owned or controlled by another party on which a discovery of commercial quantities of oil or gas has been made, and the commissioner finds, after hearing, that there is a reasonable probability that the land to be leased contains oil or gas in communication with the oil or gas discovered on the land of the other party; or

(4) the land to be leased is adjacent to land included in the federal five-year Outer Continental Shelf leasing program under 43

Senator Steve Frank
February 1, 1994
Page 2

U.S.C. 1344, and the commissioner makes a written finding, after hearing, that coordinated or simultaneous leasing with the federal government is in the public interest.

Because the land described in subsection (d) includes land formerly in the five-year plan and land of likely high value, I thought to make it part of the exclusion. If you don't want it added, tell me to take it out.

I also considered, but rejected, adding to the exclusion the land in AS 38.05-180(w) ^{1/}, land formerly offered for lease for which there were no bidders. I opted to omit it largely because I thought that a lack of interest probably indicated a professional conclusion that the land is not likely to contain significant quantities of commercially producible oil and gas. If you want it added, tell me to do so.

JBC:gc
94-072.glc

Enclosure

^{1/} (w) Notwithstanding any other provisions of this section, land which has been offered for lease within the previous five years and which received no bids at competitive sale or for which no bid was accepted may be, at the discretion of the commissioner, immediately offered for lease, under regulations adopted by the commissioner, upon terms appearing most advantageous to the state; however, noncompetitive leasing is prohibited. The commissioner shall establish a royalty determined to be in the public interest but not less than 12 1/2 percent. A lease must provide for payment to the state or rental but need not adhere to the rental schedule in (n) of this section nor to the 5,760-acres-per-lease limitation in (m) of this section. The lease term may not exceed 10 years, except as provided in (o) of this section.

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Mail Stop 3101


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 29, 1994

SUBJECT: Draft CSSB 217 () (Work Order No. 8-LS0468)

TO: Senator Steve Frank
ATTN: Rick Solie

FROM: Jack Chenoweth
Legislative Counsel 

The enclosed draft is based on the instructions you provided early Friday morning. Let me try to walk you through the bill pointing out how I have handled each item.

Item 1 -- Remove reference to "mineral estate" and substitute specific reference to the elements of the subsurface estate that are conveyed: At the end of proposed AS 14.40.365(b), I substitute the exact language--"fossils" included--of the reserved mineral estate from AS 38.05.125(a). (If you wanted to drive the point home, we could, additionally, amend AS 38.05.125(c) to insert a reference to "AS 14.40.365.")

Item 2 -- the University takes the land as a state agency: I think you are already covered by proposed AS 14.40.365(h)(1).

Item 3 -- oil and gas exploration license land: I address this in the revision of proposed AS 14.40.365(d)(2) contained in the bill's section 5 and, in bill section 13, give the provision a contingent effective date.

Item 4 -- disposition of income: Since the committee adopted Senator Sharp's motion to adopt Brian Rogers amendment, I started with that--you'll see it set out as bill section 6--but adapted the language, and also made an "Except as provided in . . ." insert to the second sentence of proposed AS 14.40.365(f).

Item 5 -- municipal land selection: This is addressed in proposed AS 14.40.365(d)(1)(A) and (B), in both section 4 and section 5. I did not prepare language setting a limitation in the number of years that a municipality was given to select under AS 29.65, nor did I set a limitation on the number of years that the University

Senator Steve Frank
January 31, 1994
Page 2

had to select. See if these provisions cover the problems of selections both by the current municipalities and by any newly-incorporated ones.

Item 6 -- the University to cover the costs, probably under reimbursable service agreements, of department handling of selections and conveyances: Is the language of proposed AS 14.40.365(i) sufficient?

I also had a note that reference to "conveyance" in the mental health trust land provision should be expanded to say "designation" and have made that addition in the bill's section 11(1).

You asked me if I couldn't redraft proposed AS 14.40.365(a)(1) to avoid the "is subject to only" language. I have expanded (a)(1) into (a)(1) - (3) and tried to restate the proposition in paragraph (a)(3).

The committee adopted amendments that I prepared at your request, identified as E.1 and E.2, also have been incorporated into the draft.

Is there anything omitted?

JBC:gc
94-067.glc

Enclosure

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

January 27, 1994

The Honorable Steve Reiger
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

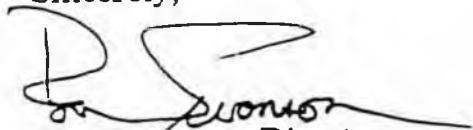
Dear Senator Reiger:

As you requested yesterday, attached is a copy of the testimony I gave on Senate Bill 217.

The amendments that were proposed would alliviate most but not all of our concerns that were expressed in my testimony.

Please feel free to contact me if you have any further questions.

Sincerely,



Ron Swanson, Director
Division of Land

attachment

cc: Senator Frank w/attachment
Brian Rodgers w/attachment
Jerry Gallagher

DIVISION OF LEGAL SERVICES

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130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

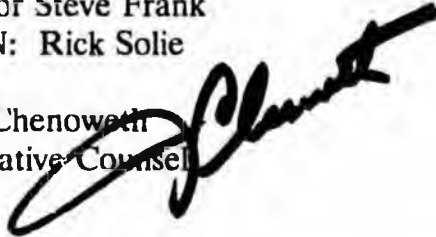
MEMORANDUM

January 26, 1994

SUBJECT: Amendments E.1 and E.2 to Senate Bill 217 (Work Order Nos. 8-LS0468\E.1 and E.2)

TO: Senator Steve Frank
ATTN: Rick Solie

FROM: Jack Chenoweth
Legislative Counsel



E.1: Assistant Revenue Commissioner Rod Mourant checked with former Assistant Natural Resources Commissioner Carol Wilson, and related to me that (1) AS 14.40.400's trust fund predates Statehood, (2) the trust fund is managed independently by the University, and (3) the income is not subject to prior legislative appropriation as a "university receipt." This amendment reverses the exception by including the income as part of the definition of "university receipts" in AS 14.40.491, a reference which is picked up in the Fiscal Procedures Act in AS 37.05.146 and, by cross-reference, incorporates the reference into the Executive Budget Act, AS 37.05.

E.2: My attempt to respond to your request insofar as University selections may compete with land that would be available to fulfill reconstitution of the mental health trust, identified as sec. 7 of the amendment, respects the fact that ch. 66, SLA 1991, has not yet taken effect. The approach set out in sec. 8 is intended to indicate to the commissioner of natural resources the legislative intent that the obligation to restore the mental health trust land has priority over University selections in the period pending the taking effect of ch. 66, SLA 1991. In light of Judge Greene's recent long decision in which she challenges, among other provisions, the degree of security provided by the hypothecation section, the provision of this bill that speaks to hypothecated lands, paragraph (3) of section 7 of the amendment, may have to be redrafted.

JBC:gc
94-058.glc

Enclosure

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

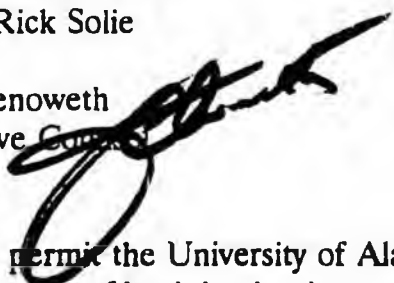
MEMORANDUM

January 21, 1994

SUBJECT: Senate Bill 217 -- Sectional analysis (Work Order No. 8-LS0468\E)

TO: Senator Steve Frank
ATTN: Rick Solie

FROM: Jack Chenoweth
Legislative Counsel



The measure proposes (1) to permit the University of Alaska to select and receive the conveyance of one million acres of land that has been selected by the state under the provisions of section 6(b) of the Alaska Statehood Act and (2) to hold the land selected in trust as part of the University endowment.

Specifically--

Bill section 4, proposing a new section, AS 14.40.365, would authorize selection of, and conveyance of, state land by the University: —

-- Subsection (a) sets the total amount of land the University may select and describes the kind of land that is available to the University to complete its selection, tying the description of the kind of land that may be selected to its status on the date the land is selected.

-- Subsection (b) sets aside the effect of AS 38.05.125(a) to allow the state to pass the mineral estate in the land selected to the University.

-- Subsection (c) mandates conveyance of University selections "unless the commissioner [of natural resources] determines under [subsection (d)] that the title should not be conveyed," but places all costs of survey of the land on the University.

-- Subsection (d) precludes the commissioner of natural resources from conveying land if the conveyance of the proposed selection is not in the state's best interests, and identifies six factors that the commissioner is to consider.

-- Subsection (e) authorizes appeals to the courts of a decision by the commissioner under (d) not to convey land.

-- Subsection (f) declares that the University takes land conveyed to it subject to any outstanding possessory interest--any outstanding interest in the party held or asserted by a third party--but gives to the University the right to any consideration otherwise due the state for that possessory interest from date of conveyance to termination of the possessory interest.

-- Subsection (g), applicable to the land conveyances, imposes on the commissioner of natural resources the duty to provide notice and allow access.

-- Subsection (h) subjects the land that is transferred or conveyed to the University to certain laws:

-- section 6(i) of the Statehood Act, reserving to the state--under subsection (b), presumably to the University the mineral estate;

-- article IX of the state constitution, addressing, generally, matters of finance and taxation;

-- AS 19.10.010, a provision relating to the reservation of state land for public highway purposes; and

-- the rights of the state under former 43 U.S.C. 932--more commonly known as RS 2477, rights-of-way over unreserved public land for public highway construction;

but it excludes from selection by and conveyance to the University certain lands obtained by the state under the Alaska Omnibus Act, P.L. 96-70. —

Bill section 2 amends AS 14.40.170(a) to add to the duties of the Board of Regents responsibility for the land selected and conveyed to the University under AS 14.40.365, and requires the Regents to include within their required annual report a discussion of the earnings of that land.

Bill section 3 adds "land selected by and conveyed to the University [of Alaska] under AS 14.40.365" as land that is not to be treated as part of the state public domain land.

Bill section 5: A key provision, this amendment of AS 14.40.400(a) amends the provision that directs the University to establish an endowment trust fund for land conveyed to it under the 1929 grant to the Territory of Alaska for the benefit of the University to require deposit into the trust the land selected by the University and conveyed by the state under AS 14.40.365. The land selections made under bill section 4 would be managed under applicable trust principles.

Senator Steve Frank
January 21, 1994
Page 3

Bill section 6: This amendment of AS 29.45.030(a) would extend to the land selected by the University and conveyed to it under AS 14.40.365 the exemption from municipal taxation that is provided to other land granted by the federal or state governments to the University for land grant purposes, by extending to this selected land the exception to an exemption of state land held for purposes of investment.

Bill section 1 incorporates into proposed findings and a statement of purpose a brief statement of the history of University land transactions and a justification for this measure.

JBC:mi
94-009.mai

SENATE BILL 217

An Act relating to the University of Alaska and authorizing them to select additional state public domain land.

We support in principal the University having more land to support its various educational programs. We are concerned about short term availability of suitable land. We also have some concerns serious concerns on timing.

Presently we are under a court order to reconstitute the Mental Health Trust Lands. Guidance on how do that is contained in Chapter 66, SLA 1991. This statute requires us to complete that task by December 1994. Presently we are evaluating the 500,000 - 600,000 acres of land that the Mental Health plaintiffs believe is suitable replacement land.

Also during the next year we have an obligation to certify entitlements for 4 municipalities and begin the process to convey at least 580,000 acres of land to 19 communities throughout the state.

Creating another obligation and more conflicts on top of these obligations that we already have will have a major impact on the departments already serious backlog. There is also the possibility of more extended litigation like we are already experiencing with Mental Health land.

We are finding from our work on re-constituting the Mental Health Trust and fulfilling municipal entitlements that the state has minimal suitable land available that can generate short term revenues. For example, we have only been able to identify 142,895 acres of surface values (residential, commercial, industrial) and 20,636 acres of forestry values for a combined worth of \$220.2 million. Identifying land for possible long term (50 - 100 years) potential is easier but no guaranteed.

Another concern is by splitting up what is available we are adding to overhead management costs and creating further conflicts between land owners. An example of this is Yakataga where the potential for four land owners exists (Mental Health, University, Municipal and State). The result is that the formula for figuring sustained yield for timber sales is lowered to a point so that no one can harvest timber in an economical manner. If there was only one land owner, however, timber could be cut, the money put in the general fund, and allocated by the legislature to appropriate programs including university and mental health.

In the same light, general fund revenues will decrease by the same amount university revenues would increase if a million acres of high-value land are conveyed to the university. For example, I would expect the University to select all the land where we have existing leases and contracts. These contracts have a net worth to the state of between \$25 to \$30 million depending on pay off dates. No accurate cost projection can be made, however, for additional land they may select without knowing the

location of the land to be conveyed.

Lastly, the bill exempts the conveyance process from utilizing AS 38.04 and 38.05 process although it does require the department to make a "best interest finding." As we are experiencing with Mental Health, every action we take proves to be very controversial which leads to numerous administrative and judicial appeals.

AMENDMENTS PROPOSED

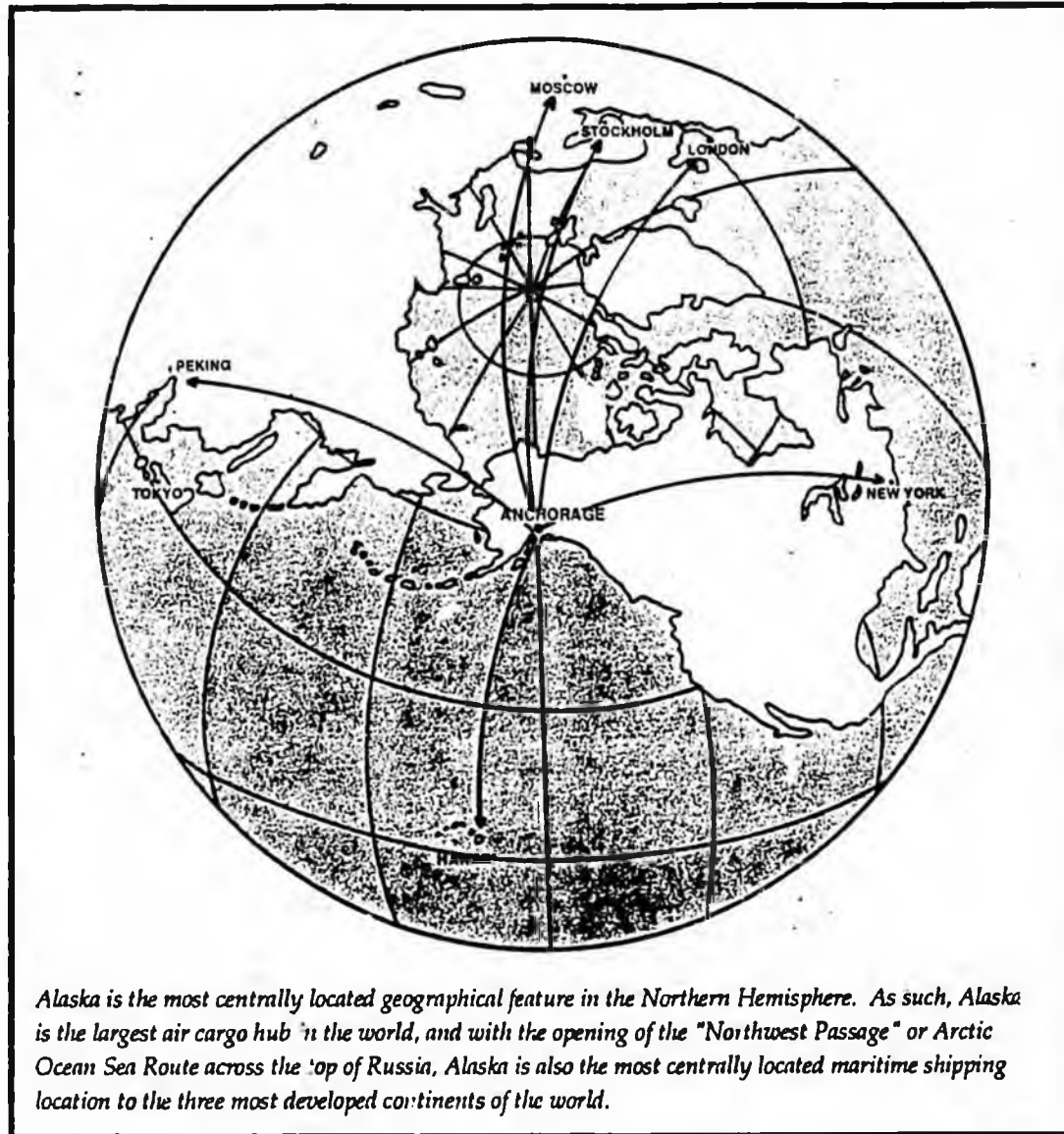
Establish a selection deadline thus eliminating an open ended situation for land use planning and conflicts with other disposal programs. Specify at what point management changes, allowing DNR to issue quit-claim deeds, or interim conveyances prior to land surveys being completed but allowing adequate public protection so title conflicts, wild deeds and third-party conflicts do not result.

It would be beneficial for the legislature to define what types of land they want us to convey by classification type. For example, is the intent to include oil and gas and coal in the definition of mineral. The University has always sought the conveyance of land valuable for oil and gas - a position we have always refuted. If the legislature wants us to include more than minerals it should change the wording in Section 4 to state "including mineral, oil, gas and coal."

It should also be noted that the bill conveys "mineral estates", which could cause legal problems under Section 6(i) of the Statehood Act. The University often states that is a public agency, not private. On the other hand they have also argued with DNR that under the Forest Practices Act they should be considered a private land owner and not a state owner. This problem could be easily fixed by stating that any land obtained by the University under this Act shall be considered as state land and that Section 6 (i) applies.

A STRATEGIC PLAN

"INTO THE 21ST CENTURY"



VISION

Lead Alaska into the 21st century in response to the economic, social, and cultural needs of our people. Fulfill the Statehood Compact and pioneer effective leadership of the Owners' State. Raise public awareness that Alaska's natural resources are the basic assets of our economy. Stimulate and encourage resource-based, value-added economic activity, while conserving Alaska's wild and scenic values.

October 1992

Capital Investment - Leverage amount of investment for cost forgiveness of capital investment.
Conversion or Upgrading - Encourage the harvest of a very low-value renewable resource so a higher value renewable resource can be developed.

Goal D

Improve the business investment climate in Alaska.

Necessary Action

- **Streamline** authority to enable the Department of Natural Resources to negotiate and finalize large transactions such as land exchanges, water sales, and royalty oil and gas sales.
- **Inform** the business community of DNR's strategic and tactical plans to encourage resource development.
- **Prepare** sales prospectuses and establish schedules for resource development.

Goal E

Structure development and settlement activities to increase the overall asset value to the state.

Necessary Action

- **Structure** timber sales in the southcentral and northern basins to support local forest-product manufacturing.
- **Actively market** state lands for onshore fish processing sites.
- **Delineate** and **offer** public land disposals that promote trade and local industry.
- **Offer** state land for sale or lease to Alaskans for settlement and recreation.
- **Complete** the transfer of state land grants to cities and boroughs.
- **Market** appropriate state land for year-round recreation resorts.
- **Acquire** undeveloped former state land disposals that cause conflict with forest-product harvesting.
- **Bring** the University of Alaska into parity with other land grant universities by transferring more state land to the University.
- **Actively solicit** buyers for state water.
- **Explore** increasing the acreage of state land grants to municipalities with requirements that the land selected be converted to a value-added use within a specific time frame.

Goal F

Capitalize state assets to stimulate and underwrite venture capital investment.

Necessary Action

- **Identify** prevailing market values for both undeveloped and developed resources.
- **Obtain** appraisals of key resources with high probability of investment that should result in value-added industries.

Goal G

Develop and implement a short-term and long-term transportation infrastructure plan in cooperation with ARR, AIDEA, DOTPF, CRA.

Necessary Action

- **Ensure** that transportation corridor identification and selection is a priority in final state land selections.
- **Assert** and **defend** RS 2477 rights-of-ways.
- **Develop** partnerships with federal agencies, native corporations, and private land owners to link corridors.
- **Establish** a statewide stream-gaging network in cooperation with USGS (federal/state/private land areas).
- **Secure** public easements with sensitivity to federal government land grants to ANCSA corporations.
- **Establish** easements across uplands and along public waters before the state conveys land.
- **Prioritize** and **acquire** easements necessary to restore public access to landlocked state parcels.
- **Assure** access to Alaska's coastal lands via land and water routes.

Goal H

Explore with the Department of Commerce and AIDEA, the cost benefits of establishing a state insurance corporation for bonding Alaskan developments.

Goal I

Utilize the University of Alaska Northern Research Center and other post secondary institutions to research northern and arctic issues.

Necessary Action

- **Develop** and implement cooperative agreements with institutions establishing research partnerships in the development of oil and gas, minerals, timber, water, agriculture and recreation.
- **Utilize** the University of Alaska Water Research Center.

The University of Alaska a "Land Grant" University

The University of Alaska calls itself a "Land Grant University" in the tradition of American land grant universities, providing teaching, research and public service to the people of Alaska. While the university has attempted to mold itself to the land grant tradition, one piece of that tradition is lacking — a sufficient land grant.

In 1915, Congress provided a land grant of approximately 250,000 acres — every section 33 in the Tanana Valley — to support the Territorial agricultural college and school of mines, together with a site for the institution itself. In 1929 Congress granted an additional 100,000 acres of public lands for the exclusive use and benefit of the Agricultural College and School of Mines.

In 1959, the Alaska Statehood Act extinguished the university's right to receive the unsurveyed sections 33 of the Tanana Valley. Congress so acted because its land grant to the state was by far the most generous of all state land grants. Supporters of the extinguishment said the state clearly was receiving enough land that it could provide necessary land to support the university. The State of Alaska has never kept this moral obligation to the University of Alaska.

Forty-nine of the states received land grants to support their universities. In all but one, the universities received more land than the University of Alaska, notwithstanding the fact that Alaska's state land grant is 16 times the size of the average state land grant. In eighteen of the lower 48 states, the entire federal land grants — 100% — went to support the universities. In Alaska, less than one percent — 0.11% — went to the university.

The State of Alaska did not manage what land the university received well. In 1978, following legislative appropriation of the university's most valuable acreage, the university sued, eventually winning a legislative settlement that reconstituted the university land trust. Later litigation brought replacement land for the legislatively-appropriated acreage. Still, nearly one-quarter of the university's original and replacement land grant — 50,000 acres of limited timber cutting rights in the Gulf Coast — remains tied up in litigation.

Alaskans look to the University of Alaska to provide for some of its financial needs by "managing the ranch" — earning income from the federal land grant, yet Alaskans do not realize the paucity of lands managed by the university.

If the University of Alaska received the average percentage of the total federal grant to the state — 42.01% of the State of Alaska grant — the university would be managing 43 million acres, and would probably need no further state support. If the University of Alaska received a proportional share of the total federal grant to universities — 5.79% of the State of Alaska grant — the university would be managing 5.3 million acres. Even bringing the University of Alaska's federal grant up to the average of the smaller states — 340,000 acres — would triple the size of the university's federal grant.

Under existing laws (the Act of 1929 and the Alaska National Interest Lands Conservation Act of 1978), the university has the right to select several thousand additional acres of federal land. Under the state's moral obligation, the university should have the right to select somewhere between several hundred thousand and several million acres of state land. It is time for the State of Alaska to help the University of Alaska to receive its land inheritance.

State Land Grant Rankings

Ranked by the amount of federal land given to Higher Education	
1	New Mexico 1,346,546
2	Oklahoma 1,050,000
3	New York 990,000
4	Arizona 848,187
5	Pennsylvania 780,000
6	Ohio 699,120
7	Utah 588,141
8	Illinois 526,080
9	Indiana 436,084
10	Montana 388,721
11	Idaho 386,680
12	Alabama 363,780
13	Missouri 376,080
14	South Dakota 366,080
15	Massachusetts 360,000
16	Mississippi 348,240
17	Washington 338,080
18	North Dakota 336,080
19	Wisconsin 332,160
20	Kentucky 330,000
21	Tennessee 300,000
22	Virginia 300,000
23	Iowa 288,080
24	Michigan 288,080
25	Georgia 270,000
26	North Carolina 270,000
27	Louisiana 258,288
28	Minnesota 212,160
29	Maine 210,000
30	Maryland 210,000
31	New Jersey 210,000
32	California 198,080
33	Arkansas 198,080
34	Florida 182,160
35	Connecticut 180,000
36	South Carolina 180,000
37	Texas 180,000
38	Kansas 161,270
39	New Hampshire 150,000
40	Vermont 150,000
41	West Virginia 150,000
42	Colorado 136,040
43	Oregon 136,166
44	Nevada 136,080
45	Nebraska 136,080
46	Wyoming 136,080
47	Rhode Island 120,000
48	Alaska 112,084
49	Delaware 90,000
50	Hawaii 0
TOTAL 16,707,767	

Average 334,156

Ranked by the percentage of the state grant given to Higher Education	
1	New York 100.00%
2	Pennsylvania 100.00%
3	Massachusetts 100.00%
4	Tennessee 100.00%
5	Virginia 100.00%
6	Georgia 100.00%
7	North Carolina 100.00%
8	Maine 100.00%
9	Maryland 100.00%
10	New Jersey 100.00%
11	Connecticut 100.00%
12	South Carolina 100.00%
13	Texas 100.00%
14	New Hampshire 100.00%
15	Vermont 100.00%
16	West Virginia 100.00%
17	Rhode Island 100.00%
18	Delaware 100.00%
19	Kentucky 99.06%
20	Oklahoma 39.92%
21	Ohio 25.34%
22	Washington 11.04%
23	Indiana 10.78%
24	South Dakota 10.66%
25	North Dakota 10.62%
26	New Mexico 10.52%
27	Idaho 9.68%
28	Illinois 8.44%
29	Arizona 8.05%
30	Alabama 7.67%
31	Utah 7.41%
32	Montana 6.52%
33	Mississippi 6.71%
34	Missouri 5.07%
35	Nevada 4.99%
36	Nebraska 3.83%
37	Iowa 3.55%
38	Wisconsin 3.26%
39	Wyoming 3.13%
40	Colorado 3.09%
41	Michigan 2.36%
42	Louisiana 2.24%
43	California 2.22%
44	Kansas 1.84%
45	Oregon 1.84%
46	Arkansas 1.84%
47	Minnesota 1.29%
48	Florida 0.75%
49	Alaska 0.11%
50	Hawaii 0.00%
TOTAL 5.06%	

Average 42.01%

Ranked by the amount of federal land given to the States	
1	Alaska 104,569,251
2	Florida 24,214,366
3	Minnesota 18,422,051
4	New Mexico 12,784,718
5	Michigan 12,142,846
6	Arkansas 11,636,534
7	Louisiana 11,441,343
8	Arizona 10,543,753
9	Wisconsin 10,179,804
10	California 8,825,508
11	Iowa 8,081,282
12	Kansas 7,794,669
13	Utah 7,501,737
14	Missouri 7,417,022
15	Oregon 7,032,847
16	Illinois 6,234,655
17	Mississippi 6,097,997
18	Montana 5,963,338
19	Alabama 5,006,683
20	Colorado 4,471,604
21	Wyoming 4,342,520
22	Idaho 4,254,448
23	Indiana 4,040,518
24	Nebraska 3,458,711
25	South Dakota 3,435,379
26	North Dakota 3,163,562
27	Oklahoma 3,085,760
28	Washington 3,044,471
29	Ohio 2,758,862
30	Nevada 2,725,226
31	New York 990,000
32	Pennsylvania 780,000
33	Massachusetts 360,000
34	Kentucky 354,607
35	Tennessee 300,000
36	Virginia 300,000
37	Georgia 270,000
38	North Carolina 270,000
39	Maine 210,000
40	Maryland 210,000
41	New Jersey 210,000
42	Connecticut 180,000
43	South Carolina 180,000
44	Texas 180,000
45	New Hampshire 180,000
46	Vermont 150,000
47	West Virginia 150,000
48	Rhode Island 120,000
49	Delaware 90,000
50	Hawaii 0
TOTAL 328,426,536	

Average 6,568,531

CS FOR SENATE BILL NO. 217(HES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

Offered: 2/4/94
Referred: RES, FIN

Sponsor(s): SENATORS FRANK, Kerttula, Miller, Rieger, Taylor, Sharp

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the University of Alaska and university land, authorizing the
2 University of Alaska to select additional state public domain land, and defining
3 net income from the University of Alaska's endowment trust fund as 'university
4 receipts' subject to prior legislative appropriation; and providing for an effective
5 date."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1. FINDINGS AND PURPOSE.** The legislature finds that

8 (1) as the beneficiary under the provisions of the Acts of August 30, 1890, and
9 March 4, 1907, designating the Alaska Agricultural College and School of Mines as
10 beneficiary, and of March 4, 1915, 38 Stat. 1214, transferring certain land for its location and
11 support, the University of Alaska is a land grant university;

12 (2) under the Acts of March 4, 1915, 38 Stat. 1214, and January 21, 1929, 45
13 Stat. 1091, the Congress of the United States granted to the Territory of Alaska certain federal

1 land to be held in trust for the benefit of the predecessor of the University of Alaska;

2 (3) the Territory was unable to receive most of the land conveyed by the Act
3 of March 4, 1915, before repeal of that Act by sec. 6(k) of the Alaska Statehood Act (P.L. 85-
4 508, 72 Stat. 339);

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

7 (5) the land selection rights embodied in the Alaska Statehood Act reflect in
8 part congressional recognition that the state would need the land to support its government and
9 programs, and the Congress assumed that the State of Alaska would in turn devote some of
10 the land or the income from it for the use and benefit of the University of Alaska;

11 (6) most land grant colleges in the western United States have obtained a larger
12 land grant from the federal government than the University of Alaska has received;

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

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

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

20 (a) The Board of Regents shall

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

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

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

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

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

28 (B) land

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

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

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

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

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

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

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

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

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

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

27 * Sec. 3. AS 14.40.291 is amended to read:

28 Sec. 14.40.291. LAND OF THE UNIVERSITY OF ALASKA NOT PUBLIC
29 DOMAIN LAND. Notwithstanding any other provision of law, university-grant land,
30 state replacement land that becomes university-grant land on conveyance to the
31 university, land selected by and conveyed to the university under AS 14.40.365, and

1 any other land owned by the University of Alaska is not and may not be treated as
2 state public domain land. Title to or interest in [TO] land described in this section
3 may not be acquired by adverse possession, prescription, or in any other manner except
4 by conveyance from the university. The land is subject to condemnation for public
5 purpose in accordance with law.

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

7 Sec. 14.40.365. UNIVERSITY LAND FROM STATEHOOD ACT LAND
8 SELECTION CONVEYANCES. (a) The University of Alaska may select and is
9 entitled to receive the conveyance of 1,000,000 acres of land conveyed to the state
10 under sec. 6(b) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 339) that, on the
11 date of its selection by the university,

12 (1) has not been conveyed or encumbered by the state;

13 (2) has not been reserved by law from the public domain;

14 (3) is not subject to a possessory interest or encumbrance other than

15 (A) a lease that is not an oil or gas lease;

16 (B) a timber contract;

17 (C) a mining claim;

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

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

20 of Natural Resources under AS 38.05;

21 (4) is not necessary to carry out the purpose of an interagency land
22 management agreement; or

23 (5) is not subject to conveyance under a land exchange or land
24 settlement agreement.

25 (b) Notwithstanding AS 38.05.125(a), the transfer of ownership and
26 management of land from the Department of Natural Resources to the Board of
27 Regents of the University of Alaska under this section includes the interest of the state
28 in the oil, gas, coal, ores, minerals, fissionable materials, geothermal resources, and
29 fossils which may be in or on the land.

30 (c) When the University of Alaska selects the land to which it is entitled under
31 this section, unless the commissioner of natural resources determines under (d) of this

1 section that title to the land should not be conveyed, the commissioner of natural
2 resources shall convey title to the land selected.

3 (d) The commissioner of natural resources may not convey title to any land
4 selection made by the university under this section if the commissioner determines that
5 the proposed selection

6 (1) includes land for which, at the time of its selection under this
7 section,

8 (A) a municipality has made a selection under AS 29.65, unless
9 the land selection is, at a later date, rejected by the commissioner of natural
10 resources or relinquished by the municipality; or

11 (B) the commissioner reasonably believes may be selected by
12 a municipality under AS 29.65.030, but the commissioner may not withhold
13 under this subparagraph the conveyance of title to land selected by the
14 university for more than three years after the date of the municipality's
15 incorporation;

16 (2) is not in the best interests of the state; in making a determination
17 under this paragraph as to whether a selection by the university is in the best interests
18 of the state, the commissioner shall consider

19 (A) the interest of the general public in retention of the land in
20 state ownership;

21 (B) ensuring an appropriate diversity in the character of land
22 owned by the state and by the university;

23 (C) the public benefits achieved by conveyance of the land to
24 the university;

25 (D) the probable potential for the development of the land and
26 its resources and the probable income to the university from the conveyance of
27 the land;

28 (E) benefits to the university from the conveyance of the land
29 to it; and

30 (F) the efficiency of the management of the land resulting from
31 the conveyance of the land.

1 (e) The Board of Regents may appeal to the superior court a decision of the
2 commissioner of natural resources not to convey to the university land selected by it
3 under this section.

4 (f) When land is conveyed to the university under this section, the university
5 takes the land subject to any possessory interest held by another person on the
6 effective date of the conveyance. Except as provided in AS 14.40.368, the university
7 is entitled to receive the consideration due under that interest for the duration of the
8 interest.

9 (g) In conveying land to the university under this section, the commissioner
10 of natural resources shall give public notice under AS 38.05.945(b) and (c) and provide
11 for access under AS 38.05.127, but other provisions of AS 38.04 and AS 38.05 do not
12 apply.

13 (h) Land transferred or conveyed to the university under this section

14 (1) is subject to

15 (A) section 6(i) of the Alaska Statehood Act (P.L. 85-508, 72
16 Stat. 339);

17 (B) art. IX of the state constitution;

18 (C) AS 19.10.010; and

19 (D) the rights of the state under former 43 U.S.C. 932 (sec. 8,
20 Act of July 26, 1866, 14 Stat. 253);

21 (2) excludes any interest transferred to the state by quit claim deed
22 dated June 30, 1959, under authority of the Alaska Omnibus Act, P.L. 86-70, 73 Stat.
23 141.

24 (i) The university shall bear all costs of selection and survey of the land that
25 it selects for conveyance under this section and, subject to approval by law, shall
26 reimburse the Department of Natural Resources for the reasonable costs of expenses
27 incurred by that department relating to selection of land and its conveyances, not to
28 exceed \$1,000,000.

29 * Sec. 5. AS 14.40.365(d) is repealed and reenacted to read:

30 (d) The commissioner of natural resources may not convey title to any land
31 selection made by the university under this section if the commissioner determines that

1 the proposed selection

2 (1) includes land for which, at the time of its selection under this
3 section,

4 (A) a municipality has made a selection under AS 29.65, unless
5 the land selection is, at a later date, rejected by the commissioner of natural
6 resources or relinquished by the municipality; or

7 (B) the commissioner reasonably believes the land may be
8 selected by a municipality under AS 29.65.030, but the commissioner may not
9 withhold under this subparagraph the conveyance of title to land selected by the
10 university longer than three years after the date of the municipality's
11 incorporation;

12 (2) includes land that, at the time of its selection under this section, is
13 subject to an oil and gas exploration license, or that the commissioner reasonably
14 believes will be made part of, an oil and gas exploration license issued under
15 AS 38.05.131 - 38.05.134;

16 (3) is not in the best interests of the state; in making a determination
17 under this paragraph as to whether a selection by the university is in the best interests
18 of the state, the commissioner shall consider

19 (A) the interest of the general public in retention of the land in
20 state ownership;

21 (B) ensuring an appropriate diversity in the character of land
22 owned by the state and by the university;

23 (C) the public benefits achieved by conveyance of the land to
24 the university;

25 (D) the probable potential for the development of the land and
26 its resources and the probable income to the university from the conveyance of
27 the land;

28 (E) benefits to the university from the conveyance of the land
29 to it; and

30 (F) the efficiency of the management of the land resulting from
31 the conveyance of the land.

1 * Sec. 6. AS 14.40 is amended by adding a new section to read:

2 Sec. 14.40.368. DISPOSITION OF INCOME FROM EXISTING
3 ENCUMBRANCES. The state is entitled to receive the income from land selected by
4 and conveyed to the University of Alaska under AS 14.40.365 that is subject to a
5 lease, contract, claim, sale, permit, or right-of-way identified in AS 14.40.365(a)(3) for
6 the duration of the term of the lease, contract, claim, sale, permit, or right-of-way, and
7 during any renewal of it that is authorized by the lease, contract, claim, sale, permit,
8 or right-of-way, or by law. The equitable title to the land selected vests with the
9 University of Alaska only upon conclusion of the term of the lease, contract, claim,
10 sale, permit, or right-of-way, and any renewal authorized by law.

11 * Sec. 7. AS 14.40.400(a) is amended to read:

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

18 * Sec. 8. AS 14.40.400(e) is amended to read:

19 (e) Subject to legislative appropriation, the [THE] Department of
20 Administration shall disburse the net income from the trust fund upon vouchers
21 approved by the president and treasurer of the University of Alaska specifying the
22 purpose for which the money is to be used and showing it is to be used in conformity
23 with this section.

24 * Sec. 9. AS 14.40.491 is amended to read:

25 Sec. 14.40.491. DEFINITION OF UNIVERSITY RECEIPTS. In AS 14.40.120
26 - 14.40.491, "university receipts" includes

- 27 (1) student fees, including tuition;
- 28 (2) receipts from university auxiliary services;
- 29 (3) recovery of indirect costs of university activities;
- 30 (4) the net income of the trust fund established in AS 14.40.400 and
31 receipts from sales and rentals of university property;

- 1 (5) federal receipts;
- 2 (6) gifts, grants, and contracts; and
- 3 (7) receipts from sales, rentals, and the provision of services of
- 4 educational activities.

5 * Sec. 10. AS 29.45.030(a) is amended to read:

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

7 (1) municipal property, including property held by a public corporation

8 of a municipality, or state property, except that

9 (A) a private leasehold, contract, or other interest in the

10 property is taxable to the extent of the interest;

11 (B) notwithstanding any other provision of law, property

12 acquired by an agency, corporation, or other entity of the state through

13 foreclosure or deed in lieu of foreclosure and retained as an investment of a

14 state entity is taxable; this subparagraph does not apply to federal land granted

15 to the University of Alaska under AS 14.40.380 or 14.40.390, or to other land

16 granted to the university by the state to replace land that had been granted

17 under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the

18 university under AS 14.40.365;

19 (C) an ownership interest of a municipality in real property

20 located outside the municipality acquired after December 31, 1990, is taxable

21 by another municipality; however, a borough may not tax an interest in real

22 property located in the borough and owned by a city in that borough;

23 (2) household furniture and personal effects of members of a

24 household;

25 (3) property used exclusively for nonprofit religious, charitable,

26 cemetery, hospital, or educational purposes;

27 (4) property of a nonbusiness organization composed entirely of persons

28 with 90 days or more of active service in the armed forces of the United States whose

29 conditions of service and separation were other than dishonorable, or the property of

30 an auxiliary of that organization;

31 (5) money on deposit;

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

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

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

9 (9) natural resources in place including coal, ore bodies, mineral
10 deposits, and other proven and unproven deposits of valuable materials laid down by
11 natural processes, unharvested aquatic plants and animals, and timber.

12 * **Sec. 11. APPLICABILITY OF UNIVERSITY SELECTION RIGHTS UNDER**
13 **AS 14.40.365 TO LAND.** In addition to the land that, under AS 14.40.365(d), the
14 commissioner of natural resources may not convey to the University of Alaska, the
15 commissioner of natural resources may not convey land that, at the time of its selection by
16 the university,

17 (1) is subject to designation for conveyance or conveyance to the Alaska
18 Mental Health Trust Authority under sec. 54, ch. 66, SLA 1991;

19 (2) is land that the commissioner of natural resources reasonably believes
20 should be designated for conveyance or conveyed to the Alaska Mental Health Trust Authority
21 under sec. 55, ch. 66, SLA 1991, as compensation to that trust for original mental health trust
22 land not available for return to the corpus of the trust; or

23 (3) is land described in sec. 56 ch. 66, SLA 1991, as listed in "Lands
24 Hypothecated to the Mental Health Trust, May 1991" located in the office of the director of
25 the division of lands, Department of Natural Resources, in Anchorage, Alaska, that has been
26 hypothecated to secure reconstitution of the mental health trust; however, as the reconstitution
27 of the mental health trust is accomplished and the hypothecated land is released on a pro rata
28 basis, the University of Alaska may select the land and the commissioner may convey it.

29 * **Sec. 12. LEGISLATIVE INTENT.** It is the intent of the legislature that, if sec. 11 of
30 this Act takes effect after the effective date of secs. 1 - 4 and 6 - 10 of this Act, the
31 commissioner of natural resources reject, as inconsistent with the best interests of the state,

1 selections of land by the University of Alaska under AS 14.40.365, added by sec. 4 of this
2 Act, of land described in sec. 11 of this Act.

3 * Sec. 13. Section 5 of this Act takes effect on the effective date of a version of House Bill
4 199 or Senate Bill 150 of the Eighteenth Alaska Legislature authorizing oil and gas
5 exploration licensing on state land.

6 * Sec. 14. Section 11 of this Act takes effect on the effective date of ch. 66, SLA 1991.

SENATE BILL NO. 217

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY SENATORS FRANK, Kerttula, Miller, Rieger, Taylor, Sharp

Introduced: 5/11/93
Referred: HES, RES, FIN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to land of the University of Alaska and authorizing the
2 University of Alaska to select additional state public domain land."

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

4 * Section 1. FINDINGS AND PURPOSE. The legislature finds that

5 (1) as the beneficiary under the provisions of the Acts of August 30, 1890, and
6 March 4, 1907, designating the Alaska Agricultural College and School of Mines as
7 beneficiary, and of March 4, 1915, 38 Stat. 1214, transferring certain land for its location and
8 support, the University of Alaska is a land grant university;

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

12 (3) the Territory was unable to receive most of the land conveyed by the Act
13 of March 4, 1915, before repeal of that Act by sec. 6(k) of the Alaska Statehood Act (P.L. 85-
14 508, 72 Stat. 339);

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

3 (5) the land selection rights embodied in the Alaska Statehood Act reflect in
4 part congressional recognition that the state would need the land to support its government and
5 programs, and the Congress assumed that the State of Alaska would in turn devote some of
6 the land or the income from it for the use and benefit of the University of Alaska;

7 (6) most land grant colleges in the western United States have obtained a larger
8 land grant from the federal government than the University of Alaska has received;

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

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

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

16 (a) The Board of Regents shall

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

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

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

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

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

24 (B) land

25 (i) conveyed to the Board of Regents by the
26 commissioner of natural resources in the settlement of the claim of the
27 University of Alaska to land granted to the state in accordance with the
28 Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance
29 with the Act of January 21, 1929 (45 Stat. 1091), as amended; **and**

30 **(ii) selected by the university and conveyed to it by**
31 **the commissioner of natural resources under AS 14.40.365;**

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

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

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

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

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

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

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

23 * Sec. 3. AS 14.40.291 is amended to read:

24 Sec. 14.40.291. LAND OF THE UNIVERSITY OF ALASKA NOT PUBLIC
25 DOMAIN LAND. Notwithstanding any other provision of law, university-grant land,
26 state replacement land that becomes university-grant land on conveyance to the
27 university, land selected by and conveyed to the university under AS 14.40.365, and
28 any other land owned by the University of Alaska is not and may not be treated as
29 state public domain land. Title to or interest in [TO] land described in this section
30 may not be acquired by adverse possession, prescription, or in any other manner except
31 by conveyance from the university. The land is subject to condemnation for public

1 purpose in accordance with law.

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

3 Sec. 14.40.365. UNIVERSITY LAND FROM STATEHOOD ACT LAND
4 SELECTION CONVEYANCES. (a) The University of Alaska may select and is
5 entitled to receive the conveyance of 1,000,000 acres of land conveyed to the state
6 under sec. 6(b) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 339), including its
7 mineral estate, that, on the date of its selection by the university

8 (1) has not been conveyed or encumbered by the state, or reserved by
9 law from the public domain, or is subject to only one or more of the following:

10 (A) a lease other than an oil or gas lease;

11 (B) a timber contract;

12 (C) a mining claim;

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

14 (E) a land use permit or right-of-way issued by the Department
15 of Natural Resources under AS 38.05;

16 (2) is not necessary to carry out the purpose of an interagency land
17 management agreement; or

18 (3) is not subject to conveyance under a land exchange or land
19 settlement agreement.

20 (b) Notwithstanding AS 38.05.125(a), the transfer of ownership and
21 management of land from the Department of Natural Resources to the Board of
22 Regents of the University of Alaska under this section includes the mineral estate of
23 the state in the land.

24 (c) When the University of Alaska selects the land to which it is entitled under
25 this section, unless the commissioner determines under (d) of this section that title to
26 the land should not be conveyed, the commissioner of natural resources shall convey
27 title to the land selected. The university shall bear all costs of survey of the land.

28 (d) The commissioner may not convey title to any land selection made by the
29 university under this section if the commissioner determines that the proposed selection
30 is not in the best interests of the state. In making a determination as to whether a
31 selection by the university under this section is in the best interests of the state, the

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commissioner shall consider

- (1) the interest of the general public in retention of the land in state ownership;
- (2) ensuring an appropriate diversity in the character of land owned by the state and by the university;
- (3) the public benefits achieved by conveyance of the land to the university;
- (4) the probable potential for the development of the land and its resources and the probable income to the university from the conveyance of the land;
- (5) benefits to the university from the conveyance of the land to it; and
- (6) the efficiency of the management of the land resulting from the conveyance of the land.

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

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

(g) In conveying land to the university under this section, the commissioner of natural resources shall give public notice under AS 38.05.945(b) and (c) and provide for access under AS 38.05.127, but other provisions of AS 38.04 and AS 38.05 do not apply.

(h) Land transferred or conveyed to the university under this section

(1) is subject to

- (A) section 6(i) of the Alaska Statehood Act (P.L. 85-508, 72 Stat. 339);
- (B) art. IX of the state constitution;
- (C) AS 19.10.010; and
- (D) the rights of the state under former 43 U.S.C. 932 (sec. 8, Act of July 26, 1866, 14 Stat. 253);

1 (2) excludes any interest transferred to the state by quit claim deed
2 dated June 30, 1959, under authority of the Alaska Omnibus Act, P.L. 86-70, 73 Stat.
3 141.

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

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

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

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

13 (1) municipal property, including property held by a public corporation
14 of a municipality, or state property, except that

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

17 (B) notwithstanding any other provision of law, property
18 acquired by an agency, corporation, or other entity, of the state through
19 foreclosure or deed in lieu of foreclosure and retained as an investment of a
20 state entity is taxable; this subparagraph does not apply to federal land granted
21 to the University of Alaska under AS 14.40.380 or 14.40.390, or to other land
22 granted to the university by the state to replace land that has been granted
23 under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the
24 university under AS 14.40.365;

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

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

31 (3) property used exclusively for nonprofit religious, charitable,

- 1 cemetery, hospital, or educational purposes;
- 2 (4) property of a nonbusiness organization composed entirely of persons
3 with 90 days or more of active service in the armed forces of the United States; whose
4 conditions of service and separation were other than dishonorable, or the property of
5 an auxiliary of that organization;
- 6 (5) money on deposit;
- 7 (6) the real property of certain residents of the state to the extent and
8 subject to the conditions provided in (e) of this section;
- 9 (7) real property or an interest in real property that is exempt from
10 taxation under 43 U.S.C. 1620(d), as amended;
- 11 (8) property of a political subdivision, agency, corporation, or other
12 entity of the United States to the extent required by federal law; except that a private
13 leasehold, contract, or other interest in the property is taxable to the extent of that
14 interest;
- 15 (9) natural resources in place including coal, ore bodies, mineral
16 deposits, and other proven and unproven deposits of valuable materials laid down by
17 natural processes, unharvested aquatic plants and animals, and timber.

SENATE COMMITTEE REPORT

DATE: 2/4/94

FURTHER: Finance

DATE TURNED INTO OFFICE: 2.11.94

Resources Committee considered SENATE BILL NO. 217

"An Act relating to land of the University of Alaska and authorizing the University of Alaska to select additional state public domain land."

and recommends it be replaced with

and recommends:

replace with CS SB 217 (RES)

or adopt previous CS _____

attaches amendment(s)

same title
 new title
 technical title change (HB only)

and report it back as follows

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
DNR	1.25.94		↓

previous apply

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

Shank DO PASS

Lerner do p

Mike Miller DO PASS

OTHER RECOMMENDATIONS:

Steve Vance - Do Rec

Donna A. [unclear] DO PASS

Chair: Signature and Recommendation

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

Final

DATE: 5/11/93

FURTHER: RESOURCES
FINANCE

Date of 5-Day Notice: 1/20/94
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2/3/94

HES Committee considered SB 217

"An Act relating to land of the University of Alaska and authorizing the University of Alaska to select additional state public domain land."

and recommends: and a majority of the committee recommends it be replaced with

replace with _____ CS SB 217 (HES)

- same title
- new title
- technical title change (HB only)

attaches amendment(s) and do pass

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

FM

FISCAL NOTE INFORMATION

SB & CS:

Department	Date	Zero	Fiscal
Natural Resources	1/25/94		1,051.1

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:

Robert Sharp SHARP
Loren A. Lehman LEHMAN
Mike Miller MILLER

OTHER RECOMMENDATIONS:

Steve King Do Pass
Chair: Signature and Recommendation

*Replaced
3-16-94*

FISCAL NOTE

REPORTED OUT OF

Bill Version: SB 217
(S) Publish Date: 2-4-94

STATE OF ALASKA
1994 LEGISLATIVE SESSION

SFC

Revision Date: Original Dept Affected: Natural Resources
Title: "An Act relating to land of the University of BRU: Resource Development
Alaska and authorizing the University of Alaska to select additional..." Component: Land Development
Sponsor: Senator Frank
Requestor: Senator Frank Component Serial No. 431

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY95	FY96	FY97	FY98	FY99	FY00
PERSONAL SERVICES	873.6	773.6	754.6	647.4	647.4	647.4
TRAVEL	6.0	6.0	6.0	6.0	5.0	6.0
CONTRACTUAL	92.5	192.5	192.5	192.5	192.5	92.5
SUPPLIES	15.0	15.0	15.0	13.0	13.0	13.0
EQUIPMENT	64.0					
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1,051.1	987.1	968.1	858.9	858.9	758.9

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES () ** SEE NOTE IN ANALYSIS BELOW.

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1,051.1	937.1	968.1	858.9	858.9	758.9
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	1,051.1	987.1	968.1	858.9	858.9	758.9

Estimate of any current year (FY94) cost: \$ None (assume effective date 7/1/94 or later)

POSITIONS

FULL-TIME	16	14	14	12	12	12
PART-TIME	3	4	4	3	3	3
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

** Note: Transferring one million acres of the best revenue-producing land to the University would decrease the general fund by the same amount it increases revenue to the University. It is impossible to project the exact amount without knowing what lands are transferred to the University.

Prepared by: Ron Swanson, Director
Division: Land
Approved by Commissioner: [Signature]
Agency: Natural Resources

Changes in CSSB 217 (RES) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.
2/3/94 [Signature]
Comte Aide (initial)
25-Jan-94

Changes in CSSB 217 (RES) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.
2-5-94 [Signature]
date Comte Aide (initial)

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E OFFICE

BACKGROUND FOR SB217 FISCAL NOTE

Assumptions and background

- 6-year project to adjudicate the selections (takes process to the grant of management authority; need for survey and conveyance work will continue for many years)
- Staff consolidated in Anchorage for efficiency
- 640 acres average parcel size for adjudication (1,000,000 acres=166,167 acres/year=260 parcels/year=640 acres/day each year)
- No planning or selection work needed. University selections come from existing state-selected or state-owned land, and are exempt from AS 38.04.
- AS 14.40.365(c) says, "The university shall bear all costs of survey of the land." We assume this means they pay the surveyor's costs, but have included one half-time CSAII for survey instructions and plat review.
- Realty Services will prepare cost projections for title and conveyance work; LRIS will prepare cost projections for LAS, GIS, and other information services.
- Cost projections are level - no inflation is assumed
- State pays for phase 1 environmental audit.

Item	Code	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Project management and adjudication (NRMI, 1 NROI, NRTI/II)	100	263.5	263.5	263.5	263.5	263.5	263.5
Survey support (½CSAII)	100	28.0	28.0	28.0	28.0	28.0	28.0
Realty services (NROII, 3 NROI, 2 NRTI/II, CTIII, DPC) ¹	100	350.1	350.1	350.1	261.9	261.9	261.9
Business Programming (A/PIV) ²	100	75.0	38.0	19.0	0	0	0
GIS support (A/PIII) ³	100	65.0	33.0	33.0	33.0	33.0	33.0
Status graphics support (NRMI-1 mo/yr, ½NROII for year 1 only, NROI)	100	77.0	61.0	61.0	61.0	61.0	61.0
SUBTOTAL	100	858.60	773.60	754.60	647.40	647.40	647.40
Travel (Proj. mgr., adjudication, realty)	200	6.0	6.0	6.0	6.0	6.0	6.0
Public notices under AS 38.05.945	300	7.5	7.5	7.5	7.5	7.5	7.5
Realty services - BLM computer runs, etc.	300	10.0	10.0	10.0	10.0	10.0	10.0
Office space - Realty Services	300	75.0	75.0	75.0	75.0	75.0	75.0

¹Years 1-3 include all listed staff; years 4-6 assume slowdown while surveys are completed, and assume staff = NROII, 2NROI, NRTI/II, CTIII, and DPC only.

²Full-time in year 1, half-time in year 2, one-quarter time in year 3

³Full-time in year 1, half-time in years 2-6

Phase 1 environmental audit/hazardous materials survey ⁴	300	0	100.0	100.0	100.0	100.0	0
SUBTOTAL		92.50	192.50	192.50	192.50	192.50	92.50
Supplies - Adjudication and project management	400	4.0	4.0	4.0	4.0	4.0	4.0
Supplies - Realty Services	400	8.0	8.0	8.0	6.0	6.0	6.0
Supplies - LRIS	400	3.0	3.0	3.0	3.0	3.0	3.0
SUBTOTAL		15.00	15.00	15.00	13.00	13.00	13.00
Computers for adjudicators and tech	500	16.0	0	0	0	0	0
Computers for realty services	500	48.0	0	0	0	0	0
SUBTOTAL		64.00	0.00	0.00	0.00	0.00	0.00
TOTAL		1,036.10	987.10	968.10	858.90	858.90	758.90

⁴Assumes university selections would be identified in years 1-4 and surveyed for environmental hazards in years 2-5. Based on costs of environmental audit for mental health lands. Process would use primarily air photos and existing data to screen sites, with site-specific follow-up only as needed.