

HB

38



Representative Tom Brice

ALASKA STATE LEGISLATURE

119 N. Cushman, Ste. 206
Fairbanks, AK 99701
907-456-7423 / Fax: 451-9293
While in Juneau
State Capitol
Juneau, AK 99801-1182
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HOUSE BILL 38

Relating to land conveyances to boroughs and unified municipalities

SECTIONAL SUMMARY

As a preliminary statement, please note that a sectional summary is not an authoritative interpretation of a bill. The bill itself is the best statement of its contents.

Section 1 HB 38 has only one section, which amends AS 29.60 to provide that a borough or unified municipality (hereafter "the borough") may select an additional 50,000 acres of land conveyed to the State under the Alaska Statehood Act. It can be divided into five subsections that (A) list the terms and conditions of selectable land, and lists the rights of the State (B) when approving land selections, (C) during the interim process, (D) upon conveyance, and (E) to reclaim the land.

Subsection A places the following contingencies on selectable land. Selectable land must be:

- 1) selected by the year 2012 A.D.;
- 2) in parcels of at least 40 acres, unless the Commissioner finds it necessary to convey smaller parcels;
- 3) subject to costs of surveying, platting, and selection payable by the borough; and
- 4) located within the boundaries of the borough; and must not be:
- 5) already conveyed by the state;
- 6) reserved by law from the public domain;
- 7) currently selected under AS 29.65, the General Land Grant Program;
- 8) included in a five-year oil and gas lease program under AS 38.05.180, be otherwise leased, or have such lease pending;
- 9) subject to any other outside interest involving state leases or contracts;
- 10) necessary to carry out the purpose of an interagency land management agreement; and
- 11) subject to conveyance under a land exchange or land settlement agreement;

Subsection B establishes the rights of the State to reject selections if the land may be:

- 1) selected by a newly incorporated city, unless three years have passed since the city's incorporation;
- 2) made part of an oil and gas exploration license, unless three years have passed since licensing; and
- 3) held for purposes in the best interest of the state.

Subsection C establishes that, prior to conveyance:

- 1) the state may enter into contract and conveyance may be subject to said contracts, provided the borough agrees;
- 2) 90% of contract proceeds shall be awarded to the borough upon conveyance of the land; and
- 3) the borough is responsible for managing said contract(s) thereafter.

Subsection D establishes that the State shall:

- 1) give public notice of the conveyance;
- 2) provide access in instances of navigable or public water;
- 3) hold all rights and benefits from oil, gas, and minerals contracts; and
- 4) hold all rights applicable under the AK Omnibus Act, the AK Statehood Act, and under former 43 U.S.C. 932.

Subsection E delineates the right of the State to re-enter and reclaim title to conveyed land if:

- 1) after ten years the borough is not using land for income, unless litigation prevents or delays such income; and
- 2) before the year 2012 the land holder attempts to convey the land to the U.S., in which case the borough can no longer make land selections under this program.

Section 1 is concluded by making this program exclusive of any entitlements under the Alaska General Grant Land Program (AS 29.65) for which a borough or unified municipality may be eligible.



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Sponsor Statement

House Bill 38

Borough and Municipal Land Conveyances

HB 38 would supplement AS 29.65, the General Grant Land program. Our state faces declining revenues and is forced to restrict its financial support of local government. Providing boroughs and unified municipalities with more land is one way we can promote their long-term prosperity. This approach would most likely not provide benefit in the near future. But, in the long run it will help put more lands into private hands and expand the property tax base for municipalities.

HB 38 would give boroughs and unified municipalities up to an additional 50,000 acres with which to secure a revenue base and greater independence from future state funding.





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MEMORANDUM

TO: Representative Ivan, Chair
House Community and Regional Affairs Committee

FROM: Representative Brice *TB*

DATE: April 18, 1997

RE: Request for hearing HB 38

I am requesting a hearing be held for HB 38, relating to land conveyances to boroughs and unified municipalities. It would give boroughs and unified municipalities up to an additional 50,000 acres with which to secure a revenue base and greater independence from future state funding. Thank you.



FISCAL NOTE

Revision Date: _____ Dept. Affected: Community & Regional Affairs
 Title: An Act relating to Statehood Act land BRU: none
selection conveyances to boroughs ... Component: none
 Sponsor: Rep. Brice
 Requestor: House CRA Committee COMPONENT SERIAL NO. _____

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE FUND SOURCE:						
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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	0.0	0.0	0.0

POSITIONS:

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

Estimate of current (FY97) impact \$ none

ANALYSIS: (Attach a separate page if necessary)

This legislation would have no fiscal impact on the department.

Prepared by: Remond Henderson, Director *Remond Henderson* Phone: 465-4708
 Division: Division of Administrative Services Date: 4/22/97
 Approved by Commissioner: *Mike Arnesen* Date: 4/22/97
 Agency: Community & Regional Affairs

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FISCAL NOTE

STATE OF ALASKA
1997 LEGISLATIVE SESSION

BILL NO. HB 38

Revision Date: _____ Dept Affected: Natural Resources
 Title: An Act relating to Statehood Act land selection BRU: Resource Development
conveyance to boroughs and unified municipalities Component: Land Development
 Sponsor: Rep Brice
 Requestor: (H)CRA Component Serial No. 491

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY98	FY99	FY00	FY01	FY02	FY03
PERSONAL SERVICES	469.4	423.9	423.9	423.9	423.9	423.9
TRAVEL	25.0	25.0	25.0	25.0	25.0	25.0
CONTRACTUAL	25.0	25.0	25.0	25.0	25.0	25.0
SUPPLIES	30.0	30.0	30.0	30.0	30.0	30.0
EQUIPMENT	50.0	20.0	20.0	20.0	20.0	20.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	599.4	523.9	523.9	523.9	523.9	523.9
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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	75.9					
1005 GF/Program Receipts	523.9	523.9	523.9	523.9	523.9	523.9
1037 GF/Mental Health						
Other						
TOTAL	599.4	523.9	523.9	523.9	523.9	523.9

Estimate of any current year (FY97) cost: \$ none

POSITIONS

FULL-TIME	8	7	7	7	7	7
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS:

(Attach a separate page if necessary)

Bill would give boroughs and home rule municipalities an additional land grant of 50,000 acres. Sixteen municipalities qualify; total commitment is 800,000 acres. Munis have 15 years to select. Assume conveyance over 30 years, approximately 26,500 acres/year. Existing municipal entitlement staff of 3 1/2 fulltime positions conveys about 15,000 acres/year. Approximately 5 fulltime positions could do 800,000 acres in 30 years, plus survey, title document staff. First year also requires setup of entirely new tracking, records, financial system, as this program is significantly different from existing entitlement program in AS 29.65. All costs, except start-up, assumed as program receipts due to requirement that municipalities pay all costs in HB 38.

Prepared by: Jane Angvik Phone: 269-8532
 Division: Land Date: 22-Apr-97
 Approved by Commissioner: [Signature] Date: 4-22-97
 Agency: Natural Resources

THE FOLLOWING PAGES MAY
NOT FILM LEGIBLY BECAUSE OF
THE POOR QUALITY OF THE ORIGINAL

BOROUGH AND UNIFIED MUNICIPALITIES LAND ENTITLEMENTS - AS 29.65

Municipality	Original Entitlement	Acres Remaining 12/31/2015
Aleutians East Borough	7,633	5,790
Municipality of Anchorage	44,893	273
Bristol Bay Borough	2,898	349
Denali Borough	49,789	49,784
Fairbanks North Star Borough	112,000	177
Ilisaus Borough	2,500	40
City and Borough of Juneau	19,564	248
Kenai Peninsula Borough	155,750	45,000 [ⓐ]
Ketchikan Gateway Borough	11,593	0
Kodiak Island Borough	55,500	0
Leise and Pechanga Borough	125,000	124,955
Matanuska-Susitna Borough	355,210	0 [ⓐ]
North Slope Borough	44,820	54,745
Northwest Arctic Borough	265,435	265,438
City and Borough of Sitka	10,500	0
City and Borough of Yakutat	241	138
Total	1,329,709	601,987

[ⓐ]-approximate

The above figures do not include lands conveyed under AS 35.05.925 (tidelands) or former AS 35.05.320 (tidelands), and only include land conveyed under AS 35.05.810 (public uses) if it could be charged against an AS 29.65 entitlement.

prepared by Department of Natural Resources, Division of Land, 2/25/97

B. LAND SELECTION

1. **Easements:** The League supports a state policy of preserving needed and specific rights-of-way and easements that provide for present and future public access to public waterways and resources. Concurrence of affected municipalities is essential. The League supports the program to survey these easements in an expeditious manner. However, actual surveys should not delay conveyance. (am 11/96)

2. **Conveyance and Land Use:**

a. As a means to enhance local economic development opportunities through the use of municipal lands, the League supports a specific appropriation to the Department of Natural Resources to expedite the process of conveying to municipalities the lands to which they are entitled. (am 11/94)

b. The League urges the State to convey land to municipalities with a minimum of reservations, easements, and restrictions. Where reservations, restrictions, and easements are desired, they should be established by joint agreement with state and local government. (am 11/95)

The state currently issues patents for land with many reservations, e.g., for habitat, which limit the ability of municipalities to make the best use of the land.

c. The League urges the immediate conveyance to municipalities or successor entity of federal and state lands presently identified and jointly agreed upon for selection. (am 11/96)

d. The League urges a cooperative intergovernmental effort to expedite conveyance of lands not yet jointly agreed upon by considering municipal, state, and federal issues in lands affected by the land selection process. Prior to conveyance to municipalities, the state will disclose all hazardous materials and conditions. The state is required to clean up all hazardous material and conditions to EPA and ADEC standards or standards acceptable to the community consistent with the intended use of the property. (am 11/95)

e. The League urges the state to move expeditiously to complete in-lieu, cash entitlements, to convey lands to municipalities with the least amount of encumbrance and restriction, and to take whatever actions are necessary to correct existing inequities and overcome all remaining obstacles to fulfilling land entitlements. (am 11/96)

A Resolution of the Alaska Municipal League

Resolution 97-11

**A RESOLUTION SUPPORTING LEGISLATION TO PROVIDE FOR THE
CONVEYANCE OF ISOLATED TRACTS OF STATE LAND TO BOROUGHES
AND UNIFIED MUNICIPALITIES**

WHEREAS, the State of Alaska currently manages isolated tracts of land within the jurisdiction of Boroughs and Unified Municipalities which are vacant, unappropriated and unreserved; and

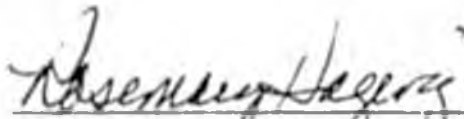
WHEREAS, many of these isolated tracts of state land are adjacent to, or in proximity to, land already owned and managed by Boroughs and Unified Municipalities; and

WHEREAS, the conveyance of certain isolated tracts of state land to Boroughs and Unified Municipalities will consolidate land ownership patterns, result in more cost effective and efficient land management, or achieve state and local government land use planning objectives; and

WHEREAS, the conveyance of additional land to municipalities will serve local interests, expand the local tax base and enhance local control during the land use decision-making process.

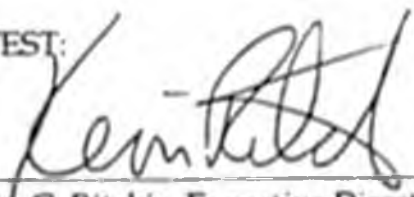
NOW, THEREFORE, BE IT RESOLVED by the Alaska Municipal League that the Alaska State Legislature is urged to pass legislation to amend AS 29.65 to provide an opportunity for the conveyance of isolated tracts of vacant, unappropriated and unreserved state land to Boroughs and Unified Municipalities upon a finding that such conveyance will be in the best interest of the state.

PASSED and APPROVED November 22, 1996.



Rosemary Hagevig, President

ATTEST:



Kevin C. Ritchie, Executive Director

Year	SRS	MA
FY 81	\$55,707,600	\$56,496,000
FY 82	\$55,707,600	\$87,920,546
FY 83	\$55,721,000	\$71,300,000
FY 84	\$60,350,000	\$81,306,800
FY 85	\$59,632,200	\$81,306,800
FY 87	\$47,879,100	\$65,858,500
FY 88	\$40,773,400	\$58,084,400
FY 89	\$40,773,400	\$58,084,400
FY 90	\$38,347,000	\$52,747,000
FY 91	\$38,347,000	\$49,103,200
FY 92	\$38,347,000	\$40,648,000
FY 93	\$35,279,200	\$42,916,200
FY 94	\$32,809,700	\$39,912,100
FY 95	\$28,240,133	\$34,364,367
FY 96	\$26,271,700	\$31,959,000
FY 97	\$24,170,000	\$29,402,300

Funding History of State Revenue Sharing and Municipal Assistance

