

SB

108

SFIN

FILE

Details of fiscal impact for CSSB 108 (RES)

April 1, 1998

Travel:

Assuming travel to two land sales in FY99, one in FY00, and none in remaining years.

Contractual:

Postage at current rates for:

Bills: 750 in FY99, 1,250 in FY00 and subsequent years.

Defaults: 70 in FY99, 63 in FY00 and subsequent years. A default rate of 5% was used.

Statements of Account: 750 in FY99, 1250 in FY00 and subsequent years.

IRS Forms 1098: 712 in FY99, 1188 in FY00 and subsequent years. Approximately 95% of those receiving statements receive forms 1098.

Supplies:

Billing Notice, Defaulting, Statement of Account, and Form 1098 Stock to accommodate the increases described above, and general supplies.

FISCAL NOTE

STATE OF ALASKA
1998 LEGISLATIVE SESSION

BILL NO. CSSB108(RES)

Revision Date: 3/31/98 Dept Affected: Natural Resources
 Title: An Act relating to the disposal of state land BRU: Management and Administration
and interests in state land... Component: Information Resource Management
 Sponsor: Senator Taylor
 Requestor: (S)FIN Component Serial No. 27

Expenditures/Revenues (Thousands of Dollars)

| | FY99 | FY00 | FY01 | FY02 | FY03 | FY04 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| OPERATING EXPENDITURES | | | | | | |
| PERSONAL SERVICES | 220.0 | 220.0 | 220.0 | 220.0 | 220.0 | 220.0 |
| TRAVEL | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| CONTRACTUAL | 80.0 | 50.0 | 50.0 | 50.0 | 50.0 | 50.0 |
| SUPPLIES | 20.0 | 8.0 | 8.0 | 8.0 | 8.0 | 8.0 |
| EQUIPMENT | | | | | | |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 326.0 | 284.0 | 284.0 | 284.0 | 284.0 | 284.0 |
| CAPITAL EXPENDITURES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CHANGE IN REVENUES (fund code) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

FUND SOURCE (Thousands of Dollars)

| | FY99 | FY00 | FY01 | FY02 | FY03 | FY04 |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | 326.0 | 284.0 | 284.0 | 284.0 | 284.0 | 284.0 |
| 1005 GF/Program Receipts | | | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other (Specify Type) | | | | | | |
| TOTAL | 326.0 | 284.0 | 284.0 | 284.0 | 284.0 | 284.0 |

Estimate of any current year (FY98) cost: \$ None

POSITIONS

| | FY99 | FY00 | FY01 | FY02 | FY03 | FY04 |
|-----------|------|------|------|------|------|------|
| FULL-TIME | 3 | 3 | 3 | 3 | 3 | 3 |
| PART-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| TEMPORARY | 0 | 0 | 0 | 0 | 0 | 0 |

ANALYSIS: (Attach a separate page if necessary)

SB 108 requires DNR to dispose of thousands of land parcels using "over-the-counter" (OTC) and open-to-entry (OTE) disposal programs. The DNR Land Administration System (LAS) would require changes to meet the needs of the Division of Land and the Financial Services Section. The Land Information systems will require notation of the applications, relinquishments, and patents to the graphic record. This program would be ongoing and require additional labor every year. Costs include two full-time programmers and 1 cartographic position to modify the LAS via an Automated Land Platting System, develop new case types and transactions in the LAS, provide LAS user training, modify the Revenue and Billing System, generate base information to support Division of Land mapping efforts, extend network services to additional employees via the computer network, include data processing chargeback and other contractual fees. Subsequent funding would provide database programming, computerized mapping support, plat updates on disposals and surveys, continued data processing chargeback, and software and network services fees.

Prepared by: Richard McMahon Phone: 269-8833
 Division: Support Services Division, Land Records Information Section Date: 31-Mar-98
 Approved by Commissioner: [Signature] Date: _____
 Agency: Natural Resources

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

FISCAL NOTE

No. 3

BILL

Bill Version: CSSB108 (RES)

(S) Publish Date: 3-30-98

**STATE OF ALASKA
1998 LEGISLATIVE SESSION**

| | | | |
|----------------|---|----------------------|----------------------|
| Revision Date: | 27-Mar-98 | Dept Affected: | Natural Resources |
| Title: | An Act relating to the disposal of state land by lottery | BRU: | Resource Development |
| Sponsor: | TAYLOR | Component: | Land Development |
| Requestor: | SFIN | Component Serial No. | 431 |

Expenditures/Revenues (Thousands of Dollars)

| OPERATING EXPENDITURES | FY99 | FY00 | FY01 | FY03 | FY04 | FY05 |
|----------------------------------|--------------|----------------|----------------|----------------|----------------|----------------|
| PERSONAL SERVICES | 395.0 | 991.0 | 991.0 | 991.0 | 991.0 | 991.0 |
| TRAVEL | 40.0 | 22.0 | 22.0 | 22.0 | 22.0 | 22.0 |
| CONTRACTUAL | 190.0 | 190.0 | 140.0 | 140.0 | 140.0 | 140.0 |
| SUPPLIES | 16.0 | 18.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| EQUIPMENT | 42.0 | 42.0 | 18.0 | 18.0 | 18.0 | 18.0 |
| LAND & STRUCTURES | | | | | | |
| GRANTS, CLAIMS | | | | | | |
| MISCELLANEOUS | | | | | | |
| TOTAL OPERATING | 683.0 | 1,263.0 | 1,189.0 | 1,189.0 | 1,189.0 | 1,189.0 |
| CAPITAL EXPENDITURES | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CHANGE IN REVENUES (1005) | 675.0 | 1,025.0 | 845.0 | 965.0 | 1,085.0 | 1,205.0 |

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|--------------------------|--------------|----------------|----------------|----------------|----------------|----------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | 615.5 | 1,160.5 | 1,104.5 | 1,092.5 | 1,080.5 | 1,068.5 |
| 1005 GF/Program Receipts | 67.5 | 102.5 | 84.5 | 96.5 | 108.5 | 120.5 |
| 1037 GF/Mental Health | | | | | | |
| Other | | | | | | |
| TOTAL | 683.0 | 1,263.0 | 1,189.0 | 1,189.0 | 1,189.0 | 1,189.0 |

Estimate of any current year (FY98) cost: \$ None

POSITIONS

| | | | | | | |
|-----------|-----|------|------|------|------|------|
| FULL-TIME | 8.0 | 19.0 | 19.0 | 19.0 | 19.0 | 19.0 |
| PART-TIME | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| TEMPORARY | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

ANALYSIS:

(Attach a separate page if necessary)

FY 99 expenditures include Over-the-Counter (OTC) sales program. FY 00 and others are for Open to Entry (OTE) program. OTC expenditures include compiling detailed parcel lists, title reviews, identifying access, preparing maps and brochures, conducting the filing period and lottery/sales, record keeping, appraisal reviews, and contract and patent issuance. Revenue projection assumes 3000 OTC parcels offered in FY 99 and 2,000 in FY 00, 25% sold, \$5000/parcel, average 10 years to pay off contracts. OTE program expenditures include developing regulations, parcel identification, title services, identifying access, preparing maps and brochures, preparing mineral closing orders, public notice, conducting the filing period and lottery, record keeping, resolving staking conflicts, appraisal and survey review, and patent issuance. Revenue projection assumes 3000 parcels/year, \$300/acre, but only 20% (40,000 acres) follow through with survey and appraisal, and they take an average of 10 years from staking to purchase (bill has no deadlines for individuals to act, and there is no interim rent/fee provision). SEE DETAIL ON SEPARATE SHEETS

| | | | |
|---------------------------|--------------------------------|--------|-----------|
| Prepared by: | Jane Angvik <i>[Signature]</i> | Phone: | 269-8503 |
| Division: | Land | Date: | 27-Mar-98 |
| Approved by Commissioner: | <i>[Signature]</i> | Date: | 3-27-98 |
| Agency: | Natural Resources | | |

Details of fiscal impact for CSSB 108 (RES)
March 27, 1998

Note: Preparation of this fiscal note for a new land disposal program with relatively few guidelines requires the drafter to make a lot of assumptions. A 200,000 acre land disposal program would be larger than any past state land disposal program. For comparison, programs offered in the late 1970s and early 1980's, when the targets were to offer about 100,000 acres for several years, required annual budgets ranging from \$10-20 million (in FY 78-82 dollars, not adjusted). This program is assumed to be significantly less costly because we are not surveying or appraising the land.

There are two aspects of this program, a short term Over-the-Counter (OTC) sale consisting of primarily existing surveyed lots and a long term Open-to-Entry (OTE) program.

This fiscal note is based upon the following schedule (which is established by Section 4 of CSSB 108):

FY 99

July 1, 1998 - program starts (funds authorized)

October 1, 1998 - make first 15,000 acres available OTC

April 1, 1999 - make next 15,000 acres available OTC

FY 00

October 1, 1999 - make next 20,000 acres available OTC

April 1, 2000 - make 200,000 acres available for OTE

FY 01

April 1, 2001 - make next 200,000 acres available for OTE, and every April 1 thereafter.

Expenditures - Over the Counter Program - FY 99 and continue into FY 00

OTC expenditures include compiling detailed parcel lists, title reviews, identifying access, preparing maps and brochures, conducting the filing period and lottery/sales, record keeping, appraisal reviews, and contract and patent issuance.

Staff. Specific staff and what they do follows:

Project manager - coordinate the project, project budget, hire and supervise staff

1 Natural Resource Manager (NRM) II

Disposal Project Staff - identify parcels, title checks, review project and individual parcel files for all previously offered parcels (approx 5000), identify access, coordinate mapping, prepare brochure that explains to public the land for sale, prepare application materials, prepare public notice, assist with distribution of parcel information, assist public information offices with public inquiries (expect over 5,000 inquiries for EACH

offering), prepare contracts or sale agreements, enter all parcel and sale information into DNR records.

- 1 Natural Resource Officer (NRO) II
- 1 NRO I
- 2 Natural Resource Technicians (NRT) II

Public Information Staff - Assist with brochure preparation and distribution, answer public inquiries, assist applicants, process applications, receive money. Staff will be in Anchorage and Fairbanks PIC. Prior to Oct 1 offering, assist disposal project staff with preparations.

- 1 Natural Resource Officer (NRO) II
- 1 NRO I

Graphics/Technical Staff - Prepare brochures with maps and other parcel information, including information on access, general location maps, subdivision plats. Prepare application forms. Supervise printing. Expect to need over 5000 copies of the general information brochure.

- 1 Cartographer II

Assume no additional appraisal, contract, or survey staff in first year.

Budget

Personal Services

| | |
|---|-------------|
| 1 Natural Resource Manager (NRM) II | 67.4 |
| 2 Natural Resource Officer (NRO) II | 104.2 |
| 2 NRO I | 92.2 |
| 2 Natural Resource Technician (NRT)II | 82.4 |
| 1 Cartographer II | <u>48.8</u> |
| Total - personal services | 395.0 |
| Travel - inspect certain parcels, set-up sales in local areas | 40.0 |
| Contractual | |
| print 2 brochures - at \$50,000 each | 100.0 |
| print applications and other forms | 50.0 |
| newspaper notices, mailouts | 20.0 |
| other (xerox, phones, etc) | <u>20.0</u> |
| Total - contractual | 190.0 |
| Supplies - general office supplies for staff of 8 | 16.0 |
| Equipment (includes computers for project staff (FY 99/00 only) | 42.0 |
| TOTAL - FY 99 | 683.0 |

Expenditures - Open to Entry (OTE) Program - FY 00 and following years

OTE program expenditures include parcel identification, title services, identifying access, preparing maps and brochures, preparing mineral closing orders, public notice, conducting the filing period and lottery, record keeping, resolving staking conflicts, appraisal and survey review, and patent issuance. During the first few months of FY 00, staff will also continue preparations for final OTC offering.

Staff. Specific staff and what they do follows:

Project manager - coordinate the project, project budget, hire and supervise staff

1 Natural Resource Manager (NRM) II

Disposal Project Staff - identify areas, describe parcels or staking areas by aliquot parts, title checks, review files for previous disposals, identify all existing 3rd party interests, identify and reserve access routes to and through OTE areas, coordinate mapping, brochure preparation, prepare application materials, prepare public notice, assist with distribution of parcel information and assist public information offices with public inquiries (expect over 10,000 inquiries for EACH offering), resolve staking conflicts, prepare contracts or sale agreements, enter all parcel and sale information into DNR records.

3 Natural Resource Officer (NRO) II

2 NRO I

2 Natural Resource Technician (NRT) I

Public Information Staff - Assist with brochure preparation and distribution, answer public inquiries, assist applicants, process applications, receive money. Staff will be in Anchorage and Fairbanks PIC.

1 Natural Resource Officer (NRO) II

2 NRO I

Contracts Administration and Deed preparation - draft, approve, records, monitor, collect fees, and process assignments for contracts, and issue deeds when paid off

1 NRO II

1 NRO I

Appraisals and Surveys - issue instructions, review, and approve several hundred individual appraisals and surveys each year. Respond to numerous inquiries from public and surveyors/appraisers.

2 NRM I (appraisals)

2 Land Surveyor I

Graphics/Technical Staff - Prepare brochures with maps and other parcel information, including information on access, general location maps, subdivision plats. Some/most

amps may be computer generated (GIS). Expect to need over 10,000 copies of the general information brochure. Set-up and maintain several large data bases to track sales, per person acreages, parcel availability, etc.

- 1 Cartographer II
- 1 Analyst Programmer III

Budget - FY 00 and following years

Personal Services

| | |
|---------------------------------------|-------------|
| 1 Natural Resource Manager (NRM) II | 67.4 |
| 2 NRM I (appraisals) | 119.4 |
| 5 Natural Resource Officer (NRO) II | 260.5 |
| 5 NRO I | 230.5 |
| 2 Natural Resource Technician (NRT) I | 82.4 |
| 2 Land Surveyors I | 126.5 |
| 1 Cartographer II | 48.9 |
| 1 Analyst/Programmer II | <u>55.4</u> |
| Total - personal services | 991.0 |

Travel - field inspections (few), other 22.0

Contractual

| | |
|---|-------------|
| print 1 brochure (2 in FY 00 - OTE and OTC offerings) | 50.0 |
| print applications and other forms | 30.0 |
| newspaper notices, mailouts | 20.0 |
| other (xerox, phones, etc) | <u>40.0</u> |
| Total - contractual | 140.0 |

Supplies - general office supplies for staff of 18 18.0

Equipment 18.0
(FY 00 equipment budget includes computers)

TOTAL 1189.0

Revenue Projections

OTC Revenue projection assumes 3000 OTC parcels offered in FY 99 and 2,000 in FY 00, 25% are actually sold, \$5000/ parcel, average 10 years to pay off contracts.

Revenue FY 99 OTC = 3000 parcels x .25 = 750 parcels sold x \$5000/parcel = \$3,750,000 total sale value divided by 10 years = \$375,000 per/year revenue from FY 99 sales; plus application fees of \$100x3000 parcels = 300,000.

Revenue FY 00 OTC = 2000 parcels x .25 = 500 parcels sold x \$5000/parcel = \$2,500,000 total sale value divided by 10 years = \$250,000 per/year revenue from FY 00 sales; plus application fees of \$100x2000 parcels = 200,000.

OTE Revenue projection assumes that of 200,000 acres offered, 20% (40,000 acres) follow through with survey and appraisal, and they take an average of 10 years from staking to purchase (bill has no deadlines for individuals to act, and there is no interim rent/fee provision). Average value assumed at \$300/acre. 40,000 acres x \$300/acre = \$12,000,000. Assume average payoff of 10 years (bill allows up to 15 years), or \$1,200,000 per year. HOWEVER, the bill does not allow for any fee/rent from time of staking to completion of survey and appraisal. Past remote and OTE programs allowed ten years (but required an annual fee), so DNR assumes that this program will allow ten years. Assume that most people will not complete survey and appraisal at start of program, only 10%/year, hence net revenues of \$120,000 per year (will increase after ten years (FY 2010)).

Revenue from OTE filing fee assumes 2000 applicants first year (\$200,000), but anticipate interest will taper off rapidly and assume 1000 applicants second year (\$100,000) and every year thereafter.

Revenue Summary

| SOURCE | INCOME by FY | | | | | |
|------------------------|--------------|------|-----|-----|------|------|
| | 99 | 00 | 01 | 02 | 03 | 04 |
| revenue from FY 99 OTC | 375 | 375 | 375 | 375 | 375 | 375 |
| revenue from FY 00 OTC | 0 | 250 | 250 | 250 | 250 | 250 |
| revenue from OTC fees | 300 | 200 | 0 | 0 | 0 | 0 |
| revenue from OTE sales | 0 | 0 | 120 | 240 | 360 | 480 |
| revenue from OTE fees | 0 | 200 | 100 | 100 | 100 | 100 |
| Total for FY | 675 | 1025 | 845 | 965 | 1085 | 1205 |

Fund Source

Section 2 of CSSB 108(RES) expresses legislative intent that DNR can use only 10 percent of program receipts to implement the program. Therefore, fiscal note shows remainder of funds coming from General Fund.

0-LS0353AM
Luckhaupt
4/15/98

CS FOR SENATE BILL NO. 108()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTIETH LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

Sponsor(s): SENATOR TAYLOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the disposal of state land and interests in state land; and**
2 **providing for an effective date."**

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

4 * **Section 1. FINDINGS.** The State of Alaska, through the Alaska Statehood Act, is
5 entitled to over 105,000,000 acres of land. Alaska is one of the smallest states by population.
6 Because of its small population, the state has been overly influenced by ephemeral riches from
7 nonrenewable oil wealth. The state should envision its future without the presence of
8 petroleum as the principal source of revenue. Land is the state's most secure and permanent
9 resource. In recent years, federal and state government agencies have acquired private land
10 to place into parks and preserves in a state that already has an abundance of acreage in similar
11 land classifications. The legislature desires to reverse this trend and resuscitate the
12 entrepreneurial spirit that was achieved before and at the beginning of statehood. Alaska is
13 made up of major land holdings owned by federal, state, and local governments with relatively
14 minor portions held privately by ANCSA corporations and individuals. There is little that can

1 be done to foster a private economy without sufficient privately held land capital. Private
2 ownership of land has historically benefited people and assisted in promoting the economic
3 development of our country. The legislature therefore finds that the distribution of land to
4 citizens annually will stimulate economic development and benefit residents today and in the
5 future.

6 * Sec. 2. AS 38.04.020(a) is amended to read:

7 (a) The commissioner shall establish a land disposal bank for disposal of land
8 into private ownership. Except as provided in (b) of this section, the land disposal
9 bank includes all [CONTAINING] state land that is classified settlement or
10 agricultural [FOR DISPOSAL INTO PRIVATE OWNERSHIP].

11 * Sec. 3. AS 38.04.020(c) is amended to read:

12 (c) Land to be retained in state ownership may be classified by the
13 commissioner into multiple-use management categories under AS 38.04.065 and
14 AS 38.05.300. Land [OUTSIDE A MUNICIPALITY] to be retained in state
15 ownership consists of land classified into multiple-use management categories [FOR
16 RETENTION IN STATE OWNERSHIP] by the commissioner [BY JULY 1, 1985.
17 LAND CONVEYED TO THE STATE BY THE FEDERAL GOVERNMENT THAT
18 IS TO BE RETAINED IN STATE OWNERSHIP CONSISTS OF LAND
19 CLASSIFIED BY THE COMMISSIONER WITHIN TWO YEARS OF RECEIPT OF
20 TENTATIVE APPROVAL OR PATENT, WHICHEVER OCCURS FIRST]. State
21 land not classified into multiple-use categories for retention in state ownership or
22 selected by a municipality [UNDER THIS SECTION] shall be classified and included
23 in the land disposal bank. The commissioner shall ensure that the bank includes at
24 least 500,000 acres.

25 * Sec. 4. AS 38.04.020(d) is repealed and reenacted to read:

26 (d) By the first day of each regular session of the legislature, the commissioner
27 shall submit to the legislature a report on the total acreage in the land disposal bank.

28 * Sec. 5. AS 38.04.020(e) is amended to read:

29 (e) The commissioner shall annually prepare a three-year land disposal
30 schedule identifying land proposed for disposal during the three fiscal years
31 immediately following the present year. The commissioner shall include the

1 disposal schedule with the report submitted to the legislature under (d) of this
2 section. The disposal schedule must identify at least 5,000 acres of land for
3 disposal in each fiscal year covered by the schedule. The disposal schedule must
4 set out an estimate of [SUBMIT TO THE GOVERNOR AN APPROPRIATION
5 REQUEST FOR] funding [ESTIMATED TO BE] necessary [FOR THE NEXT TWO
6 YEARS] to allow

7 (1) survey and disposal of land proposed to be offered [MADE
8 AVAILABLE] for remote recreational cabin site [HOMESTEAD] staking, with the
9 general location of the land;

10 (2) survey and disposal of land proposed to be offered for [AS]
11 agricultural, commercial, industrial, homestead, or other uses under AS 38.05.055,
12 [OR] 38.05.057, or AS 38.09, with the general location of the land;

13 (3) [THE] survey and disposal of land proposed to be offered as
14 subdivisions, with the general location of the land;

15 (4) preliminary feasibility studies, engineering design work, right-of-
16 way acquisition, and construction of access roads and capital improvements required
17 by municipal subdivision ordinance or regulation of the platting authority;

18 (5) cooperative agreements to be entered into under (l) of this
19 section for the purposes of developing land for disposal [IDENTIFICATION OF
20 LAND THAT WILL BE PROPOSED FOR DISPOSAL UNDER THIS SUBSECTION
21 IN FUTURE FISCAL YEARS].

22 * Sec. 6. AS 38.04.020(f) is repealed and reenacted to read:

23 (f) The estimate of funding included in the disposal schedule under (e) of this
24 section must identify

25 (1) the total cost to develop and market each proposed project,
26 including tract layout, identification of access and utility easements, public notice,
27 survey, appraisal, sale administration, and issuance of purchase contracts; and

28 (2) the revenue to the state expected to be produced by each project if
29 offered and disposed of as proposed.

30 * Sec. 7. AS 38.04.020(g) is amended to read:

31 (g) The [AFTER JULY 1 OF EACH YEAR, THE] commissioner shall direct

1 the expenditure of money appropriated under AS 38.04.022 for the disposal of land
2 as provided in the disposal schedule [RESPONSE TO REQUESTS MADE UNDER
3 (e) AND (f) OF THIS SECTION] for the following:

4 (1) land [LAND] designated as suitable for homestead disposal shall
5 be [CLASSIFIED AND] surveyed under this chapter [AND AS 38.05] and made
6 available for entry [STAKING AND LEASE] under AS 38.09; [.]

7 (2) land [LAND] designated as suitable for subdivision and homesite
8 disposal shall be surveyed, subdivided, [CLASSIFIED,] and disposed of under this
9 chapter, AS 38.05, and AS 38.08; [.]

10 (3) land [LAND] designated as suitable for [AGRICULTURAL,]
11 commercial, industrial, or [SUITABLE FOR] other disposal shall be surveyed under
12 this chapter and sold under AS 38.05.055 or 38.05.057;

13 (4) land designated as suitable for remote recreational cabin sites
14 shall be made available for staking, lease, and sale under AS 38.05.600(b) or
15 surveyed under this chapter and made available for sale under AS 38.05.600(a);

16 (5) land designated as suitable for agricultural disposal shall be
17 surveyed if required under this chapter and sold under AS 38.05.055, 38.05.057,
18 or 38.05.321.

19 * Sec. 8. AS 38.04.020 is amended by adding new subsections to read:

20 (l) The commissioner may enter a cooperative agreement with a person under
21 AS 38.05.027 for the purposes of developing land for disposal. The agreement may
22 require a person (1) to be the successful bidder for the land, and (2) secure an
23 appraisal of the land at the person's expense, in exchange for being granted the right
24 to purchase the land for development. If the person chooses to purchase the land, the
25 person must first complete a survey of the land that complies with the requirements
26 of the department.

27 (m) In this section, "disposal schedule" means the disposal schedule required
28 to be prepared under (e) of this section.

29 * Sec. 9. AS 38.04.022 is amended to read:

30 **Sec. 38.04.022. Funds for land disposal.** (a) The revenue from the sale or
31 lease of state land shall be deposited in a special state land disposal income account

1 in the state general fund. The legislature may appropriate money from the special state
2 land disposal income account for expenditure by the Department of Natural Resources
3 for necessary costs incurred by the commissioner in the implementation of state land
4 disposal programs authorized under this title. Nothing in this subsection creates a
5 dedicated fund.

6 (b) By the first day of each regular session of the legislature [WTTIN 30
7 DAYS AFTER THE LEGISLATURE CONVENES IN REGULAR SESSION], the
8 Department of Natural Resources shall provide [NOTIFY] the legislature [THAT] a
9 summary of [REPORT REFLECTING] all money deposited in the fund established
10 under (a) of this section during the prior fiscal year [IS AVAILABLE].

11 * Sec. 10. AS 38.05.057(f) is amended to read:

12 (f) If only one application for a parcel is received, the commissioner shall offer
13 the parcel to the applicant who applied for the parcel if the applicant is qualified to
14 participate in the lottery. If more than one application is received for a parcel, the
15 commissioner shall select the applicant who is entitled to receive a conveyance of the
16 land by lottery. If the commissioner does not receive an application for a parcel of
17 state land or if a purchaser fails to sign or defaults on a [LEASE AGREEMENT OR]
18 contract of sale, the parcel may [SHALL] be offered to the first eligible person to
19 apply for the parcel. If the director considers that a change in value may have
20 occurred since the parcel's last appraisal, the commissioner may require the
21 preparation of an updated appraisal [PARCEL WAS DESIGNATED AS A
22 HOMESITE AND OFFERED TO THE PUBLIC UNDER FORMER AS 38.05.047(f),
23 THE PARCEL SHALL BE DISPOSED OF UNDER THE TERMS REQUIRED BY
24 AS 38.03].

25 * Sec. 11. AS 38.05.060 is amended to read:

26 Sec. 38.05.060. Rejection of bids; over-the-counter sales. Before the signing
27 of the formal conveyance by the director, the commissioner may reject all bids when
28 the best interests of the state justify this action. Land offered at public sale but not
29 sold, or for which a purchaser fails to sign or defaults on a contract of sale, may
30 be made available at private sale for not less than its appraised value. If the director
31 considers that a change in value may have occurred since the parcel's last

1 **appraisal, the commissioner may require preparation of an updated appraisal.**

2 * **Sec. 12.** AS 38.05 is amended by adding a new section to read:

3 **Sec. 38.05.064. Appraisal and survey costs.** The commissioner may require
4 a purchaser of land, whether the purchase is by auction, lottery, or other means, to

5 (1) provide at the purchaser's expense

6 (A) an appraisal of the land completed in the manner directed
7 by the commissioner;

8 (B) a survey of the land completed in the manner directed by
9 the commissioner;

10 (2) reimburse the state for the cost of

11 (A) an appraisal of the land completed by the state;

12 (B) a survey of the land completed by the state.

13 * **Sec. 13.** This Act takes effect immediately under AS 01.10.070(c).

SENATE FINANCE
COMMITTEE

Amendment Number: #1
Bill Number: SB 108
Sponsor: Torgerson Date: 4/14/98
Logged In By: Mindy

0-LS0353V.1
Luckhaupt
3/30/98

A M E N D M E N T

*moved by Torgerson
objection Adams - withdrawn
w/o objection, adopted*

OFFERED IN THE SENATE

BY SENATOR TAYLOR

TO: CSSB 108(RES)

1 Page 2, lines 27 - 29:

2 Delete "applicant to post a deposit under AS 38.05.860 to pay for an updated
3 appraisal under AS 38.05.840, or the applicant may provide the appraisal at the
4 applicant's expense following instructions provided by the department"

5 Insert "preparation of an updated appraisal"

6 Page 3, lines 9 - 12:

7 Delete "applicant to post a deposit under AS 38.05.860 to pay for an updated
8 appraisal under AS 38.05.840 or to provide the appraisal at the applicant's expense
9 following instructions provided by the department"

10 Insert "preparation of an updated appraisal"

SENATE FINANCE
COMMITTEE

Amendment Number: 2
Bill Number: CSSB108 (RES)
Sponsor: Torgerson Date: 4/15/98
Logged in By: Koltani

AMENDMENT

TO: CSSB108 (RES)

*moved Torgerson
w/o objection, adopted*

PAGE 6, LINE 19:

DELETE: "100 yards"

INSERT: "330 feet"

moved Torgerson
objection Actions - withdrawn
adopted

Amendment

Torgerson

page 8

line 1 after "municipality"
delete all material ~~line 1 and 2~~

insert " and if the person purchasing
the land applies to the Department
of Transportation and public facilities or
a municipality for the road to be included
in their maintenance program, then the
road must be constructed to the standards
set by the affected agency "

SENATE FINANCE
COMMITTEE

Amendment Number: 3

Bill Number: SB 108

Sponsor: Torgerson Date: 4/15/98

Logged In By: J. J. Lani