

**SB**

**6**

# Alaska State Legislature

*Chairman,*  
Judiciary Committee

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*Senator Robin L. Taylor*

## **SPONSOR STATEMENT** **SENATE BILL 6**

**"An Act Relating To The Disposal Of State Land."**

Senate Bill 6 is basically a housekeeping measure to provide the Department of Natural Resources, Division of Lands, with the tools necessary to offer for sale, land that has been previously sold and returned to the state or previously been offered for sale.

Currently, there is approximately 50,000 acres of land that has been subdivided and surveyed, that the Division of Lands feels it cannot make available for purchase because of stale dated appraisals and the lack of funds to obtain new appraisals.

The language contained in SB 6 was suggested last year by the Division of Lands last year as a means to once again make this land available for purchase. The bill allows the Division to require an applicant to post a deposit to pay for an updated appraisal or to provide an appraisal at the applicant's expense if the director considers that a change in value has occurred since the last appraisal.

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SENATOR TAYLOR asked the Department what volume of acreage they already have identified, surveyed, and have old appraisals on.

MS. ANGVIK answered that the Department has approximately 5,000 parcels of land that have been previously surveyed and offered for sale which has been returned to the State and will require an appraisal to prepare them for disposal, again.

SENATOR TAYLOR asked how many parcels have also been prepared, but have never been placed up for sale.

MS. ANGVIK replied none.

SENATOR TAYLOR asked what the total acreage was for the 5,000 parcels.

MR. MYLIUS answered that they average around 10 acres; so around 50,000 acres.

Number 500

SENATOR TAYLOR asked if they just had to do an appraisal, then, on 5,000 parcels before they would be ready.

MR. MYLIUS said that was correct.

SENATOR SHARP said he waited two and a half years for an appraisal once and he didn't know if this was doable.

MS. ANGVIK said if it was the intent for the Department to take the 5,000 parcels they have today and appraise them for a sale by November 1, 1998, they would not be able to meet that deadline. She has talked to Senator Taylor's staff about the possibility of having the individual purchaser pay for and arrange for an appraisal which would relieve the Department of the money problem, but they would still have the logistics problem of directing traffic.

SENATOR TAYLOR asked why they even need an appraisal with an outcry auction.

MS. ANGVIK explained that a fair market value has to be set before hand.

SENATOR TAYLOR responded that's because this law establishing a \$100 minimum hasn't been passed yet.

MR. MYLIUS replied that is a minimum; the Department is still required to sell the land at fair market value and so they need to find what that is. The \$100 is essentially the minimum for the auction price. They do not want to offer a water front lot in Southeast Alaska for \$100.

SENATOR TAYLOR said that an appraisal is only someone's theory about what something is worth. It is based on comparable sales of which there are probably none. So they are paying a lot for someone's speculation about what the value may be. This is why they have 50,000 acres no one wants to buy right now. We should go out and sell it for a lesser price. He asked if he comes up to the counter to buy a piece of land, does he have to pay the price that no one bid on.

MS. ANGVIK replied yes.

SENATOR TAYLOR said with a system like that, they would end up with a whole lot of land around.

MS. ANGVIK responded that that figure is set by the market; the Department does not make up that number.

SENATOR TAYLOR parried that it is only someone's theory about a value; it may be close to, above, or far below what the true market value is. Market value is determined by a willing buyer and a willing seller. He thought the State might not understand that concept, but it works that way in the rest of the world.

CHAIRMAN HALFORD said he didn't know what Senator Taylor wanted to do at this point.

SENATOR TAYLOR said he felt like putting it into the PFD distribution, have the computer do a random selection, and getting rid of every bit of land in one six-month period.

# SENATE COMMITTEE REPORT

## First Committee of Referral

DATE: 1/19/99

FURTHER: Finance

Date of 5-Day Notice: 1/21/99  
(in accordance with Uniform Rule 23)

DATE TURNED  
IN TO OFFICE: 1/25/99

Resources Committee considered      SENATE BILL NO. 6

"An Act relating to the disposal of state land."

and recommends:

- be replaced with \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- adopt previous \_\_\_\_\_ CS \_\_\_\_\_ (\_\_\_\_\_)
- attached amendment(s)
- adopt Letter of Intent by \_\_\_\_\_ Committee
- further referral to the \_\_\_\_\_ Committee

- Senate Bill:**
- same title
  - new title
- House Bill:**
- same title
  - technical title
  - new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>[Signature]</i>	X	<i>[Signature]</i>	✓		
<i>Allen R. Parrell</i>	X				
<i>Adrian L. Taylor</i>	X				
<i>Linda Hagan</i>	✓				
<i>Bob Kobby</i>	✓				
<i>[Signature]</i>					
CHAIR: <i>Kick Halford</i>	✓	CHAIR:			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
DNR	1/25	✓	

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill

# FISCAL NOTE

**STATE OF ALASKA**  
**1999 LEGISLATIVE SESSION**

**BILL NO. SB6**

Revision Date: \_\_\_\_\_ Dept Affected: Natural Resources  
 Title: An Act relating to the disposal of state land. BRU: Land Development  
 Component: Land Development  
 Sponsor: Senator Taylor  
 Requestor: (S) Resources Component Serial No. #431

Expenditures/Revenues (inflation not included unless otherwise noted below)

(Thousands of Dollars)

OPERATING EXPENDITURES	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

<b>CAPITAL EXPENDITURES</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
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<b>CHANGE IN REVENUES (fund code)</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>
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FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
<b>TOTAL</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>

Estimate of any current year (FY99) cost: \$ none

POSITIONS

POSITIONS	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005
FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS:

(Attach a separate page if necessary)

There is no fiscal impact anticipated with implementation of this legislation.

Prepared by: Dick LeFebvre, Acting Director Phone: 269-8502  
 Division: Land Date: 25-Jan-99  
 Approved by Commissioner: *Arval Chiswell* Date: 1/25/99  
 Agency: Natural Resources

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