

LEG. FINANCE - BILLS 1977 - 1978 986

SB 556 thru SB 562 888



RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its recon's and to dispose of the original records after microfilm reproductions have been made.

James A. Smith
Signature of Camera Operator

2/26/90
Date

THE LEGISLATURE OF THE STATE OF ALABAMA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB 556
 Title "An Act relating to medical assistance for needy persons"
 Requested by Department of Health and Social Services Date May 16, 1978

II. FISCAL DETAIL

Agency Affected Division of Public Assistance
 Program Category Affected Medicaid
 Budget Request Unit(s) Affected Physician Services

EXPENDITURES (Thousands of Dollars)

| | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 |
|--------------------------|----------|-------------|-------------|-------|-------|-------|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | | | | |
| 300 CONTRACTUAL | 0 | 43.8 | 93.7 | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | 0 | 43.8 | 93.7 | | | |

FUNDING (Thousands of Dollars)

| | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 |
|-----------------|-------|-------|-------|-------|-------|-------|
| GENERAL FUND | 0 | 21.9 | 46.8 | | | |
| FEDERAL FUND | 0 | 21.9 | 46.9 | | | |
| OTHER (Specify) | | | | | | |
| | | | | | | |

POSITIONS

| | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 |
|-----------|-------|-------|-------|-------|-------|-------|
| FULL TIME | 0 | 0 | 0 | | | |
| PART TIME | 0 | 0 | 0 | | | |
| TEMPORARY | 0 | 0 | 0 | | | |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

FY 1979 is based on average charge per visit of \$35.00, 250-day year, one chargeable call per day at 5 facilities.

FY 1980 is based on average charge per visit of \$37.50, 250-day year, one chargeable call per day at 10 facilities.

IV. DATE May 18, 1978 PREPARED BY Richard Rawls
 AGENCY Division of Public Assistance
 PHONE 465-3355
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



Official Business

Alaska State Legislature

House of Representatives

Committee on

Health, Education & Social Services

Pouch V
State Capitol
Juneau, Alaska 99811

LETTER OF INTENT FOR SENATE BILL 556

Upon review of Senate Bill 556, the House Health, Education & Social Services Committee has been informed that regulations regarding physician assistants have not been promulgated. Although AS 08.64.107 was passed in 1974 requiring the State Medical Board to adopt regulations, and there has been ample time to promulgate them, no regulations have appeared. This Committee strongly urges the State Medical Board, in conjunction with the Division of Occupational Licensing, to adopt regulations regarding the registration of physician assistants in Alaska. Copies of this letter shall be sent to the State Medical Board and the Division of Occupational Licensing.

A handwritten signature in cursive script, appearing to read "Charles H. Parr".

Charles H. Parr, Chairman
May 1978

POSITION PAPER

ON

SENATE BILL NO. 556

"An Act relating to medical assistance for needy persons; and providing for an effective date."

I. HISTORICAL PERSPECTIVE

On December 13, 1977, President Carter signed H.R. 8422 into law. The bill, now Public Law 95-210, authorizes Medicare and Medicaid coverage of rural health clinic services. Services to be covered include services and supplies that would be covered incident to physician services as well as additional services provided by physician assistants and nurse practitioners. While clinics may be covered under current federal statutory provisions, P.L. 95-210 specifically authorizes Medicare and Medicaid to pay for services not rendered directly, i.e., in the presence of a supervisory physician. The law is designed to meet a continuing and chronic problem--the lack of adequate health resources in rural areas.

Many states have already implemented coverage for rural health clinics. Before creation of a special category for rural health clinics, the Medicaid option was available to cover these clinics as well as many other types of clinic services. However, under the Medicaid program in Alaska, the clinic services option was limited to community mental health clinics. Rural health clinics, ambulatory surgical centers and other non-hospital outpatient services are not covered.

Reimbursement for services provided by rural health clinics will be determined by the federal Medicare program based on reasonable cost reimbursement. Medicaid payment will be made at the same reasonable cost level determined by Medicare for each separate clinic. No reduction in payment may be made by the state below the established Medicare rate.

Rural health care clinics must have some physician supervision and participation. However, that participation need only be periodic and not at the time that the services are provided. That is, physician supervision may be indirect rather than direct. A physician must be available to prepare necessary medical orders, refer patients and assist in medical emergencies.

This amendment has potential far-reaching effect on rural health care in Alaska. Services provided in rural areas come under four basic types:

- (1) Services provided by urban providers while visiting bush areas;

- (2) Services provided by Public Health Service (Indian Health Service);
- (3) Services provided by Regional Native Corporation Health Care organizations and other non-profit rural health clinics; and
- (4) Services provided by Alaska state public health nurses.

At the present time federal guidelines have not been published defining this program and without State regulations to define "physician assistant" and "nurse practitioner", it is impossible to predict the full impact of this program. It is certain that some state general funds currently being expended for health care in rural areas will be supplanted by federal funds especially for state public health nurses. It is also certain that some routine health care will be more readily available and probably at a savings in cost to the state because of a decreased need to refer many Medicaid patients to the urban centers for treatment. It is also certain that Medicaid billings will increase simply because health care will be available locally to many persons who either could not afford it on their own or did not seek health care because of its lack of availability.

There is also the opportunity to save Medicaid money in the most expensive area of the program--nursing home care. Currently there is little "rural" nursing care available. With the exception of small nursing facilities connected to hospitals in some rural areas (notably Nome, Cordova, Petersburg and Wrangell), the bulk of the nursing care provided in Alaska is in urban areas or towns connected by road to urban areas. Rural Alaskans who need nursing care are forced into the urban areas for that care at tremendous expense to the state (the average daily rate for Intermediate Care is about \$75.00 per day). Through rural health clinics it would be possible to provide some nursing care to persons as outpatients in their own homes. This type of service, home health care, is currently covered under Medicaid but is only being provided on limited scale in Anchorage.

"Rural", as defined by the Bureau of Census, potentially includes all areas of the State outside of Anchorage. Thus, many small communities normally thought of as "cities" in Alaska could be included in this program if clinics are certified for Medicare participation.

The earliest date that a rural health clinic could apply for Medicaid reimbursement would be July 1, 1978, if all of the certification is taken care of ahead of that date and a reimbursement rate is established by Medicare.

IV. ALTERNATES

There are three alternatives available to the State of Alaska concerning this Medicaid covered service:

- (1) Amend the Alaska Statutes to eliminate licensing of nurse practitioners and physician assistants which would prevent participation by rural health clinics in the Alaska Medicaid program.
- (2) Opt out of the Medicaid program entirely.
- (3) Establish rural health clinics as a covered service and implement regulations or amend Alaska Statutes to allow participation by nurse practitioners and physician assistants in the Alaska Medicaid program.

Rural health clinics will be certified for participation by Division of Public Health, Office of Certification and Licensing. That office is the contractor for Medicare certification in Alaska. The following is the initial list of potentially eligible rural health clinics. Other providers are likely to make applications as they become more aware of potential coverage and licensing of nurse practitioners and physician assistants by the State Division of Occupational Licensing becomes a reality (see discussion in the following paragraph).

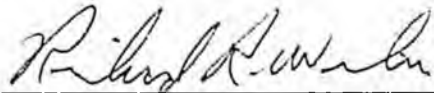
POTENTIAL RURAL HEALTH CARE CLINIC PROVIDERS

| FACILITY | LOCATION | PUBLIC ASSISTANCE DISTRICT | MARCH 1978 MEDICAID CASELOAD |
|---|-------------------|----------------------------|------------------------------|
| Copper River Native Association Inc | Copper Center | Valdez | 104 |
| Cook Inlet Native Association | Wasilla | Palmer | 198 |
| North Slope Borough Health Projects | Barrow | Barrow | 117 |
| Iliuliuk Family and Health Services | Unalaska | Aleutian Chain | 88 |
| Bristol Bay Area Health Corporation | Dillingham | Dillingham | 239 |
| Bristol Bay Area Health Corporation | King Salmon | Dillingham | 239 |
| Galena Native Health Service Corporation | Galena | Galena | 170 |
| Public Health Service-Alaska Native Health Clinic | Fort Yukon | Fort Yukon | 143 |
| Yakutat Health Center | Yakutat | Juneau | 331 |
| Craig Health Center | Craig | Ketchikan | 339 |
| Pelican Health Center | Pelican. | Juneau | 331 |
| Metlakatla Health Center | Metlakatla | Ketchikan | 339 |
| Tanana Medical and Surgical Group, Inc | Tok Junction | Tok | 110 |
| Tanana Medical and Surgical Group, Inc. | Usibelli | Minto | 126 |
| Fairbanks Medical and Surgical Clinic | Healy | Minto | 126 |
| Fairbanks Medical and Surgical Clinic | Delta Junction | Minto | 126 |
| Norton Sound Health Corporation | Nome | Nome | 335 |
| Public Health Service-Alaska Native Health Clinic | St. George Island | Aleutian Chain | 88 |
| Public Health Service-Alaska Native Health Clinic | St. Paul Island | Aleutian Chain | 88 |

Under the rural health clinic program, licensing of the facility and establishment of reimbursement rates is done by Medicare. However, in order to cover services provided in these facilities; each state is responsible for licensing physician assistants and nurse practitioners. In Alaska, the Division of Occupational Licensing is charged with licensing these occupations. Both are currently provided for in the Alaska Statutes (AS 08.14.107 and AS 08.64.170 for physician assistants and AS 08.68.410 for nurse practitioners).

As yet no administrative regulations have been promulgated for physician assistants. The administrative regulations for nurse practitioners are currently limited to midwifery. Without implementing regulations or amendment of the above statutory provisions, rural health clinics will be unable to bill for services provided without direct supervision of a physician. This would, in effect, defeat the purpose of the rural health clinic amendment proposed here.

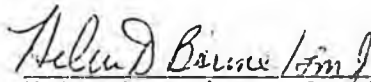
Recommended By:



Richard R. Wilson, Director
Division of Public Assistance

4-3-78
Date

Approved By:



Helen D. Beirne, Commissioner
Department of Health & Social Services

4-3-778
Date



SB 556

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
REGION X
ARCADE PLAZA BUILDING MS/605
1321 SECOND AVENUE
SEATTLE, WASHINGTON 98101

OFFICE OF THE REGIONAL DIRECTOR

MAR 8 1978

The Honorable Steve Cowper
Chairman, House Finance Committee
State of Alaska
413 Capitol Building
Juneau, Alaska 99811

Dear Mr. Cowper:

On December 13, 1977, President Carter signed into law (Public Law 95-210) a bill which provides for Medicare and Medicaid reimbursement to rural health clinics.

Many isolated rural communities have not been able to attract or retain a physician and have come to rely on clinics which do not follow the traditional model of physician delivery of medical services. These clinics are, in many instances, staffed only by specially trained nurse practitioners and physician assistants who are trained to provide medical care traditionally performed by physicians. Although there is physician supervision, it is generally indirect rather than "over the shoulder".

Unlike clinics where there is a physician present full-time, these rural health clinics had not been eligible prior to this legislation for any Medicare reimbursement. Services provided by nonphysicians to Medicare beneficiaries have either been paid for out-of-pocket by the beneficiary, picked up under a grant, or written off by the clinic as bad debts.

Reimbursement for rural health clinic services has been available under the Medicaid program, but only as an optional service. Section 2 of P.L. 95-210 amends Title XIX to require the addition of rural health clinic services as a mandatory Medicaid service if "consistent with State law permitting such services". The enclosed summary outlines the major features of the Act.

We have researched your question on the need for action by the Alaska Legislature in order to comply with the requirements of P.L. 95-210. It appears that the provision of rural health clinic services is consistent with Alaska State law. Section 2(f)(2) of P.L. 95-210 provides that where the Secretary of the Department of Health, Education and Welfare determines that State legislation is required in order to amend the State's Medicaid plan, the provisions of P.L. 95-210 will become effective at the beginning of the first quarter following the close of the first regular session of the State Legislature convening after December 13, 1977, the effective date of P.L. 95-210. AS 47.07.030 lists the medical services available under the Alaska Medicaid program and states that no additional services may be provided without approval of the Legislature. Thus it appears that state legislation would be required prior to amending the State's plan to allow for rural health clinic services.

Section 8 of Article II of the Alaska Constitution requires that the State Legislature meet annually for "regular" sessions. AS 24.05.090 provides that first "regular" sessions will be held in odd numbered years and second "regular" sessions be held in even numbered years. We understand that the Legislature convened in January 1978, for the second regular session. Therefore, the current legislative session appears to be the first session to convene after the effective date of P.L. 95-210. If the State has not implemented the new requirements of P.L. 95-210 by the first day of the first quarter after adjournment of this legislative session, it may be found out of compliance with the requirements of Title XIX of the Social Security Act, as amended by P.L. 95-210. Should the State determine that new legislation is not required, the provisions of P.L. 95-210 would apply on July 1, 1978.

I hope this information helps answer the questions you raised. Please feel free to contact me if we can be of further assistance.

Sincerely,



Bernard E. Kelly
Principal Regional Official

Enclosure

COMMITTEE REPORT
SENATE

FURTHER: _____

Date: _____

Mr. President:

The Committee on _____ has had _____

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____
- and _____ new title same title
- AND attaches a Letter of Intent New Fiscal Note
- reports it back without recommendation ^{Hess} ✓
- and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Chairman

AMENDMENT

OFFERED IN THE SENATE:

BY: SENATE HESS

TO: _____ SENATE BILL No. 556

HOUSE BILL No. _____

PAGE: _____

LINE: 12

line 12: after "clinic," add "outpatient surgical care centers,"

Introduced: ? 20/78
Referred: Health, Education &
Social Services and Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE BILL NO. 556

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to medical assistance for needy per-
7 sons; and providing for an effective date."

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

9 * Section 1. AS 47.07.030 is amended to read:

10 Sec. 47.07.030. MEDICAL SERVICES TO BE PROVIDED. Medical services
11 to be offered to eligible persons include inpatient hospital, outpatient
12 hospital, rural health clinic, laboratory and x-ray, reFractions and eye
13 examinations by ophthalmologists or optometrists, eyeglasses prescribed
14 by a physician skilled in diseases of the eye or by an optometrist, in-
15 patient psychiatric hospital for persons age 65 or older and persons
16 under age 21, skilled and intermediate nursing home, physician, home
17 health care services, early periodic screening diagnosis and treatment
18 of persons under 21 years of age, clinic services, treatment of speech,
19 hearing and language disorders, and reasonable transportation to and
20 from the point of medical care. No additional services may be provided
21 unless approved by the legislature.

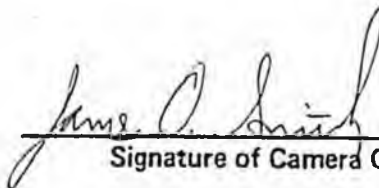
22 * Sec. 2. This Act takes effect July 1, 1978.
23
24
25
26
27
28
29



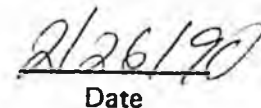
RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.



Signature of Camera Operator



Date

COMMITTEE REPORT
SENATE

FURTHER: _____

Date: _____

Mr. President:

The Committee on FINANCE has had 12 1977
limited collection in supplementary transfers

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____

and _____ new title same title

AND attaches a Letter of Intent New Fiscal Note

reports it back without recommendation

and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

_____ Chairman

STATE OF ALASKA

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

JAY S. HAMMOND, GOVERNOR

POUCH 5 - JUNEAU 99911

March 29, 1978

The Honorable George Hohman
 Chairman
 Senate Judiciary Committee
 Alaska State Legislature
 Court Office Building - Room 630-3
 Juneau, Alaska

Re: Senate Bill No. 558

Dear Senator Hohman:

Senate Bill No. 558, an Act relating to the marital deduction in testamentary transfers, was introduced in the Senate on March 21, 1978 and was referred to the Senate Judiciary and Finance Committees.

For the consideration of the Senate Judiciary Committee, I am enclosing a memorandum prepared by Mr. Gary L. Jenkins, Director, Audit Division, Department of Revenue concerning the proposed legislation.

Very truly yours,

R. D. Stevenson
 Special Assistant

Enclosure

cc: The Honorable John C. Sackett
Chairman
Senate Finance Committee
Alaska State Legislature
State Capitol Building
Juneau, Alaska

John Messenger
 Deputy Commissioner
 Department of Revenue

Gary L. Jenkins, Director
 Audit Division
 Department of Revenue

STATE
of ALASKA

MEMORANDUM

TO: R. D. Stevenson
Special Assistant
Department of Revenue

DATE: March 29, 1978

FILE NO:

TELEPHONE NO:

FROM: Gary L. Jenkins
Director
Audit Division

SUBJECT: Senate Bill No. 558

The referenced bill provides for a cross reference to the Internal Revenue Code to define the amount of marital deduction which might be given as a testamentary gift via an individual's Will. This provision would be an addition to Title 13 of Alaska Statutes and would have no effect on any tax statute enforced by the Department of Revenue.

Introduced: 3/21/78
Referred: Judiciary and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE
BY REQUEST

2 SENATE BILL NO. 558

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the marital deduction in testamen-
7 tary transfers."

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

9 * Section 1. AS 13.11 is amended by adding a new section to read:

10 Sec. 13.11.277. MARITAL DEDUCTION. A provision or reference in
11 any testamentary gift relating to the marital deduction provided for in
12 the federal Internal Revenue Code and regulations under it is construed
13 to contemplate the maximum marital deduction allowable under the
14 Internal Revenue Code and regulations on the date of the death of the
15 cedent making the gift.

Introduced: 3/21/78
Referred: Judiciary and
Finance

1 IN THE SENATE

BY THE RULES COMMITTEE
BY REQUEST

2 SENATE BILL NO. 558

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

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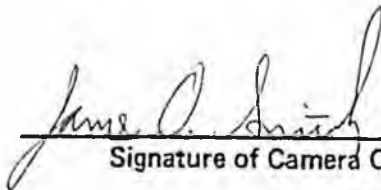
10 Sec. 13.11.277. MARITAL DEDUCTION. A provision or reference in
11 any testamentary gift relating to the marital deduction provided for in
12 the federal Internal Revenue Code and regulations under it is construed
13 to contemplate the maximum marital deduction allowable under the
14 Internal Revenue Code and regulations on the date of the death of the
15 decedent making the gift.



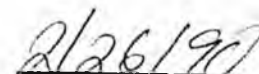
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Signature of Camera Operator



Date

COMMITTEE REPORT
SENATE

4/25/78

FURTHER: _____

Date: May 15, 1978

Mr. President:

The Committee on FINANCE has had SB 562
Alaska land policy

under consideration and (a majority of the committee) (the committee reports it back as follows)

- () recommends it do pass () recommends it do not pass
- () recommends it do pass with attached amendment(s)
- () recommends it be replaced with CS for _____

and _____ () new title () same title

() AND attaches a Letter of Intent () New Fiscal Note

(X) reports it back without recommendation

() and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

C. Tilkon

OTHER RECOMMENDATIONS:

John [unclear] - No rec.
[unclear] [unclear] - No rec.
[unclear] [unclear] - No rec.
[unclear] [unclear] - No rec.

[unclear]
Chairman

COMMITTEE REPORT
SENATE

FURTHER: _____

Date: _____

Mr. President:

The Committee on SENATE has had 30 302
Alaska Law Police

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass recommends it do not pass
- recommends it do pass with attached amendment(s)
- recommends it be replaced with CS for _____
- and _____ new title same title
- AND attaches a Letter of Intent New Fiscal Note
- reports it back without recommendation
- and recommends it be referred to the _____ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

Chairman

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 904 and SB 562

Title Alaska Land Policy

Requested by _____

Date 3/30/78

II. FISCAL DETAIL

Agency Affected Natural Resources

Program Category Affected NRMEC

Budget Request Unit(s) Affected Land & Water Management; Cadastral Engineering; Management and Administration (Lands); District Operations (Lands)

EXPENDITURES (Thousands of Dollars)

| | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 |
|--------------------------|-------|--------------|-------|-------|-------|-------|
| 100 PERSONAL SERVICES | | 1,266 | | | | |
| 200 TRAVEL | | 98 | | | | |
| 300 CONTRACTUAL | | 2,919 | | | | |
| 400 COMMODITIES | | 56 | | | | |
| 500 EQUIPMENT | | 87 | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | 5,008 | | | | |

FUNDING (Thousands of Dollars)

| | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 |
|-----------------|-------|-------|-------|-------|-------|-------|
| GENERAL FUND | | 5,008 | | | | |
| FEDERAL FUNDS | | | | | | |
| OTHER (Specify) | | | | | | |
| | | | | | | |

POSITIONS

| | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 | FY 83 |
|-----------|-------|-------|-------|-------|-------|-------|
| FULL TIME | | 69 | | | | |
| PART TIME | | | | | | |
| TEMPORARY | | | | | | |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Detailed analysis and breakdown not yet completed. Will be completed and submitted on April 3, 1978. (See attached sheet for general breakdown)

N.B.

This fiscal note must be read in conjunction with the fiscal note for HB 905 (Land Disposal Act) since \$4,579,631 in costs are identical in both bills (i.e. each bill mandates disposal of the same 50,000 acres). The additional cost of this bill, if HB 905 passes, is only \$426,233.

Present municipal subdivision laws generally require actual construction of road access before sale of parcels under 40 acres in size. Unless the State is released from such requirements, the additional fiscal impact could be quite severe.

IV. DATE 3/30/78

PREPARED BY Douglas Mutter *DMM*

AGENCY DIR, Planning & Research Section

PHONE 274-2542

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

50,000 acres disposal

COST SUMMARY
LAND POLICY ACT

| <u>DNR/ADL Section</u> | <u>Personal Services</u> | <u>Travel</u> | <u>Contractual</u> | <u>Commodity</u> | <u>Equipment</u> | <u>Totals</u> |
|-------------------------|--------------------------|-----------------|---------------------|------------------|------------------|--------------------|
| Planning/Classification | (9) \$ 262,554 | \$17,300 | \$ 74,764 | \$ 3,100 | \$ 3,900 | \$ 361,618 |
| Survey/Records | (15) 426,610 | 30,000 | 2,055,760 | 35,000 | 40,000 | 2,587,370 |
| Land & Water Management | (27) 734,761 | 30,000 | 530,000 | 8,100 | 27,000 | 1,330,061 |
| Administration | (8) 162,188 | 2,874 | 126,440 | 3,040 | 6,040 | 300,582 |
| TOTALS | (59) \$1,586,113 | \$80,174 | \$ 2,786,964 | \$49,240 | \$76,940 | \$4,579,631 |

Land inventory/assessment

| <u>Agency</u> | <u>Personal Services</u> | <u>Travel</u> | <u>Contractual</u> | <u>Commodity</u> | <u>Equipment</u> | <u>Totals</u> |
|---------------|--------------------------|---------------|--------------------|------------------|------------------|---------------|
| DNR | (10) \$ 279,873 | \$17,200 | \$ 131,960 | \$ 6,200 | \$10,200 | \$ 423,233 |

| | | | | | | |
|---------------------|-------------------------|-----------------|---------------------|-----------------|-----------------|--------------------|
| Grand Totals | (69) \$1,856,986 | \$97,374 | \$ 2,918,924 | \$55,440 | \$87,140 | \$5,007,864 |
|---------------------|-------------------------|-----------------|---------------------|-----------------|-----------------|--------------------|

Land Policy Act

(Front-end)

Minus

reimbursable survey costs
(contractual only) \$1,815,760

fair market value for land
(average \$500 per acre) 25,000,000

Net Profit
(long term) \$21,807,896

*25-15-000
1/10/00*

Preliminary

Estimated State Implementation Costs

Alaska Land Policy Act -- HB904, SB562

This preliminary statement analyzes the costs of implementing (1) the 50,000 acre minimum per year disposal directive and (2) the administration of the land inventory, assessment, coordination, etc. efforts. This is basically a first year cost analysis because Section 38.04.020 of the bill provides for an annual program as part of the administration's budget (at the 50,000 acre minimum level an estimated 5 percent inflationary factor could be added for each succeeding year).

1. 50,000 acre disposal TOTAL COST = \$4,579,631/TOTAL PERSONNEL = 59 full time

The following acreages from the state's three principal disposal programs are assumed to comprise the first year's offerings (costs do not include provision of roads or services at sites):

| <u>Program</u> | <u>No. Sites</u> | <u>Acres/Site</u> | <u>Total Acres</u> |
|----------------------------------|--------------------|-------------------|---------------------|
| Homesite | 1,000 | 5 | 5,000 |
| Open-to-entry | 1,000 | 5 | 5,000 |
| Agriculture and general sales | 500 | 20 | 10,000 |
| | 250 | 40 | 10,000 |
| | 50 | 160 | 8,000 |
| | 25 | 320 | 8,000 |
| | 7 | 640 | 4,480 |
| TOTALS | <u>2,830 sites</u> | | <u>50,480 acres</u> |

The following activities are assumed for any disposal program: (1) site identification and evaluation, (2) public information and community coordination, (3) subdivision and layout, (4) survey and records, (5) appraisal, (6) disposal and accounting, (7) administration, and (8) follow-up monitoring.

A. Estimated costs for (1) site identification and evaluation, (2) public information and community coordination, and (3) subdivision layout: \$361,618/
9 full time.

Personal Services (including 26% benefits)

| <u>Title</u> | <u>No. Positions</u> | <u>Grade</u> | <u>Amount</u> |
|-------------------------|----------------------|--------------|-------------------------------|
| Planning Supervisor | 1 | 21 | \$ 39,282 |
| Land Mgmt. Officer III | 4 | 18 | 124,659 |
| Public Info. Officer II | 1 | 17 | 29,242 |
| Cartographer III | 1 | 16 | 27,186 |
| Planning Assistant | 1 | 15 | 25,220 |
| Clerk Typist IV | 1 | 9 | 16,965 |
| | <u>TOTAL</u> | <u>9</u> | <u>TOTAL</u> <u>\$262,554</u> |

Travel

| | |
|----------------|-----------------|
| per diem | \$ 7,200 |
| transportation | 10,100 |
| <u>TOTAL</u> | <u>\$17,300</u> |

Contractual

| | |
|--------------------|-----------------|
| Media | \$ 2,500 |
| Community Land | 30,000 |
| Market Analyses | |
| Advertising | 800 |
| Communication | 2,200 |
| Printing | 5,000 |
| Equipment Rental | 600 |
| Aerial Photography | 22,000 |
| Space* | 11,664 |
| <u>TOTAL</u> | <u>\$74,764</u> |

Commodities

| | |
|-----------------------|----------------|
| Cartographic supplies | \$2,300 |
| Other supplies | 800 |
| <u>TOTAL</u> | <u>\$3,100</u> |

Equipment

| | |
|-------------------------|----------------|
| six desks @ 350 each | \$2,100 |
| seven chairs @ 140 each | 1,000 |
| one drafting table | 700 |
| one drafting chair | 100 |
| TOTAL | <u>\$3,900</u> |

*Space (includes janatorial, electric, telephone, and is included in totals as a contractual). Standard Formula: 80 ft.²/person X \$1.35/ft.²/mo. X 12 = cost/year

B. Estimated costs for (4) survey and records: \$2,587,370/15 full time

Personal Services (including 26% benefits)

| <u>Title</u> | <u>No. Positions</u> | <u>Grade</u> | <u>Amount</u> |
|------------------------------------|--|--------------|------------------|
| Cadastral Surveyor (Dist. offices) | 3 | 20 | \$109,362 |
| Cadastral Surveyor | 1 | 20 | 43,848 |
| Cartographer (Dist. offices) | 3 | 15 | 75,660 |
| Cartographer | 1 | 15 | 30,240 |
| Surveyor | 1 | 19 | 33,914 |
| Surveyor | 2 | 16 | 54,372 |
| Drafting Technician | 1 | 14 | 23,451 |
| Land Mgmt. Technician | 1 | 12 | 20,533 |
| Drafting Technician | 1 | 11 | 19,278 |
| typist | 1 | 8 | 15,952 |
| TOTAL | 15 (includes a surveyor & cartographer in each district) | | <u>\$426,610</u> |

Travel

| | |
|------------------------------------|--------------|
| per diem (200 man-days @ \$50/day) | \$10,000 |
| travel | 18,000 |
| miscellaneous transportation | <u>2,000</u> |
| TOTAL | \$30,000 |

Contractual

Professional Services

- o \$600/5 acre tract for survey for 2,000 tracts = \$1,200,000
- o \$25/acre for agricultural lands for survey 20 acre tract or smaller for 500 tracts = \$250,000

- \$12/acre for agricultural lands survey for tracts larger than 20 acres for 332 tracts = \$365,760

| | |
|-------------------------|--------------------|
| Space | \$ 40,000 |
| Data processing/records | 200,000 |
| TOTAL | <u>\$2,055,760</u> |

Commodities - TOTAL \$35,000 (supplies, survey monuments, scientific/professional supplies, etc.)

| | |
|---|-----------------|
| <u>Equipment</u> - Office (chairs, desks) | \$20,000 |
| Field | 20,000 |
| TOTAL | <u>\$40,000</u> |

C. Estimated costs for (5) appraisal, (6) disposal and accounting, and (8) follow-up monitoring: \$1,330,061/27 full time.

Personal Services

| <u>Title</u> | <u>No. Positions</u> | <u>Grade</u> | <u>Amount</u> |
|------------------------------|----------------------|--------------|------------------|
| LAND SECTION | | | |
| Land Management Officer III | 1 | 18 | \$ 32,464 |
| Land Management Officer II | 3 | 16 | 84,939 |
| Land Management Officer I | 1 | 14 | 24,725 |
| Clerk/Typist III | 1 | 8 | 16,315 |
| SUB-TOTAL | 6 For 12 months each | | <u>\$158,443</u> |
| WATER SECTION | | | |
| Land Management Officer III | 1 | 18 | \$32,464 |
| Land Management Officer II | 1 | 16 | 28,313 |
| SUB-TOTAL | 2 For 12 months each | | <u>\$60,777</u> |
| FORESTRY SECTION | | | |
| Forester III | 1 | 18 | \$ 32,464 |
| Forester I | 3 | 14 | 74,175 |
| Clerk/Typist III | 1 | 8 | 16,315 |
| SUB-TOTAL | 5 For 12 months each | | <u>\$122,954</u> |
| NORTHCENTRAL DISTRICT OFFICE | | | |
| Land Management Officer II | 3 | 16 | \$ 90,090 |
| Land Management Officer I | 1 | 14 | 28,313 |
| Clerk/Typist III | 1 | 8 | 22,500 |
| SUB-TOTAL | 5 For 12 months each | | <u>\$140,903</u> |

| <u>Title</u> | <u>No. Positions</u> | <u>Grade</u> | <u>Amount</u> |
|------------------------------|----------------------|--------------|------------------|
| SOUTHCENTRAL DISTRICT OFFICE | | | |
| Land Management Officer III | 2 | 18 | \$ 64,928 |
| Land Management Officer II | 2 | 16 | 56,626 |
| Land Management Officer I | 1 | 14 | 24,725 |
| Clerk/Typist III | 1 | 8 | 16,315 |
| SUB-TOTAL | 6 For 12 months each | | <u>\$162,594</u> |
| SOUTHEAST DISTRICT OFFICE | | | |
| Land Management Officer III | 1 | 18 | \$32,464 |
| Land Management Officer II | 2 | 14 | 56,626 |
| SUB-TOTAL | 3 For 12 months each | | <u>\$89,090</u> |
| TOTALS | 27 | | <u>\$734,761</u> |

Travel

| | |
|------------------|-----------------|
| Land Section | \$ 2,000 |
| Water Section | 3,000 |
| Forestry Section | 2,000 |
| Northcentral | 10,000 |
| Southcentral | 10,000 |
| Southeast | 3,000 |
| TOTAL | <u>\$30,000</u> |

Contractual

| | |
|------------------|------------------|
| Land Section | \$ 30,000 |
| Water Section | 50,000 |
| Forestry Section | 15,000 |
| Northcentral | 175,000 |
| Southcentral | 175,000 |
| Southeast | 150,000 |
| Space Rental | 35,000 |
| TOTAL | <u>\$530,000</u> |

Note: includes air charter, review appraisals, appraisals, forms, printing, advertising, communications, equipment rental, studies, computer terminal use, etc.

Commodities

| | |
|------------------|----------------|
| Land Section | \$1,800 |
| Water Section | 600 |
| Forestry Section | 1,500 |
| Northcentral | 1,500 |
| Southcentral | 1,800 |
| Southeast | 900 |
| TOTAL | <u>\$8,100</u> |

Equipment

| | |
|------------------|-----------------|
| Land Section | \$ 6,000 |
| Water Section | 2,000 |
| Forestry Section | 5,000 |
| Northcentral | 5,000 |
| Southcentral | 6,000 |
| Southeast | 3,000 |
| TOTAL | <u>\$27,000</u> |

Note: includes tables, chairs, desks, calculators, typewriters, filing cabinets, etc.

D. Estimated costs for (7) administration: \$300,582/8 full time.

Personal Services (including 26% benefits)

| <u>Title</u> | <u>No. Positions</u> | <u>Grade</u> | <u>Amount</u> |
|------------------------|----------------------|--------------|------------------|
| Clerk Typist | 4 | 8 | \$ 65,800 |
| Upgrade WPC Supervisor | | | 3,024 |
| Personnel Technician I | 1 | 12 | 21,181 |
| Accounting Clerk II | 2 | 8 | 37,969 |
| Accountant III Upgrade | | | 6,000 |
| Supply Officer I | 1 | 16 | 28,214 |
| TOTAL | <u>8</u> | | <u>\$162,188</u> |

Travel

| | |
|----------------|----------------|
| Transportation | \$1,578 |
| Per diem | 1,296 |
| TOTAL | <u>\$2,874</u> |

Contractual

| | |
|------------------------|------------------|
| Computer programming | \$ 58,000 |
| Computer time | 25,000 |
| Space | 8,640 |
| State vehicle | 4,800 |
| Office equipment lease | 30,000 |
| TOTAL | <u>\$126,440</u> |

Commodities - TOTAL \$3,040

Equipment

| | |
|------------------------------|--------------|
| 8 desks @ 350 each | \$2,800 |
| 8 filing cabinets @ 175 each | 1,400 |
| 3 calculators @ 240 each | 720 |
| 8 chairs @ 140 each | <u>1,120</u> |
| TOTAL | \$6,040 |

2. State land inventory/assessment TOTAL COST = \$428,233/TOTAL PERSONNEL = 10 full tim

Personal Services (including 26% benefits)

| <u>Title</u> | <u>No. Positions</u> | <u>Grade</u> | <u>Amount</u> |
|----------------------------|----------------------|--------------|---------------|
| Principal Planner | 1 | 21 | \$ 39,282 |
| Systems Analyst | 1 | 20 | 36,454 |
| Senior Planner | 1 | 19 | 33,914 |
| Land Mgmt. Officer III | 1 | 18 | 31,480 |
| Publications Specialist II | 1 | 16 | 27,186 |
| Assistant Planner | 1 | 15 | 25,220 |
| Clerk Typist IV | 2 | 9 | 33,930 |
| Research Analyst | 1 | 16 | 27,186 |
| Cartographer II | 1 | 15 | <u>25,221</u> |
| TOTAL | <u>10</u> | | \$279,873 |

Travel

| | |
|----------------|---------------|
| per diem | \$ 7,100 |
| transportation | <u>10,100</u> |
| TOTAL | \$17,200 |

Contractual

| | |
|---|---------------|
| Land inventory, socio-economic analysis, air photos, field survey, printing, media, etc. | \$119,000 |
| Space | <u>12,960</u> |
| TOTAL | \$131,960 |

Commodities - TOTAL \$6,200

Equipment - TOTAL \$10,200

AMENDMENTS

Section 33.04.020 -- Second sentence: Change fiscal year to calendar year.

Section 33.04.020 -- at end add: Where the State and a municipality have entered into an agreement for state management of municipal lands, any disposals made pursuant to such an agreement shall be included in this annual acreage requirement.

LAND POLICY BILL

Suggested Amendments

- A. Page 6, line 6, suggested substitution for section .040.

AVAILABILITY OF MENTAL HEALTH LAND, SCHOOL LAND, AND UNIVERSITY LAND. Under the purposes of this chapter, mental health land, school land, and university land may be made available for private use in accordance with statutes governing such lands. In their capacity as trustee for such lands, the Mental Health Board, the Board of Education, and the Board of Regents of the University of Alaska shall, within 120 days from the date of this act, define goals and objectives for the management and disposition of lands under their trusteeship. In accordance with these goals and objectives and in consultation with the municipalities in which such lands are located, the director shall prepare an annual program for sale or lease offerings of selected mental health lands, school lands, and university lands. This program shall accompany the annual land availability programs submitted to the Legislature in accordance with section .020 of this chapter.

- B. Page 7, line 11, substitute for last sentence.

The requirements of this section do not apply to land made available through a cabin permit system, material sales, or short-term leases; provided, however, that for short-term leases a municipality may require compliance with local subdivision ordinances.

- C. Page 9, line 27, added sentence to paragraph (e).

The classification process must include notice and review requirements of existing statutes.

- D. Page 10, line 5, added sentence to paragraph (g).

Where a local zoning ordinance or other land use regulation is in effect, the provisions of AS 35.30.020 and AS 35.30.030 shall apply.

TESTIMONY
REGARDING LAND POLICY BILL
PRESENTED BY
JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA
APRIL, 1978

The Commission wants to speak in support of Senate Bill 562 establishing an Alaskan land policy. We have been studying State land policy for several years and participated with the Administration in preparing this bill. As we reviewed the existing statutes governing the State's public domain and studied the State's land programs as they have operated over the past 15 years, we found that Alaska has very little statutory guidance to govern the Administration's decisions about disposal or retention of State lands. The existing constitutional and statutory requirement that State lands be managed for "maximum use and benefit consistent with the public interest" gives us an excellent basic goal, but is not specific enough to guide the administrator who is deciding where and how much State lands to make available for private use. As evidence of this statutory lack, we have seen the State's land program shift from large tract disposal practices in the late 1960's and early 1970's to the minimal disposal of recent years.

Members of the Legislature have recognized this problem, and, last year, Senator Poland requested the Commission to study the subject and prepare recommendations to this Legislature. We presented initial recommendations to members of the Senate and House Resources Committees this

January. The land policy bill represents a refinement of those sections of the Commission's recommendations dealing with policy matters.

The land policy bill before you accomplishes these purposes through three articles:

- (1) Article 1 covers policy for public and private use. Essentially, this section makes it clear that the State's overall land policy is to provide lands for both private and public use purposes and to allocate suitable lands for each purpose. Special emphasis is placed on maintaining a balance of public and private lands near communities so that natural areas are easily reached by all people, and not just those who can afford to travel long distances. Two parallel subsections set forth the public purpose in making lands available for private use and the public purpose in retaining State lands in public ownership for recreation, mining, resource development, and other purposes. The policy statement recognizes the essential role of local governments in the process of arriving at decisions about State lands.
- (2) Article 2 provides guidelines to the Administration for making land available for private use. The first section on timing and amount is identical to the first section of the land credit bill which Governor Hammond introduced. This section mandates that the Administration make a quantity of State

lands available on an annual basis for private use purposes. A minimum of 50,000 acres is set for the first year, no more than 10% of which may be leased land. Thereafter, the amount is set annually by the Legislature. The basic orientation of this section is towards making land available for direct, individual use in locations and in parcel sizes that best meet differing needs in different areas as determined through an inventory process.

The bill sets forth a State policy for making land available at fair market value, particularly in close-in locations with high real estate values; but the criteria provide room for use of homesiting and open-to-entry in appropriate locations. To prevent misuse of leasing, as has occurred in past years, the bill lists the types of special circumstances where leasing would be an appropriate method of making land available. Provision is also made for recreation cabin permitting in isolated locations on State lands. A section on availability of trust lands is included, and standards for surveying and subdivision as well as for adequate access are set forth. On page 7 there is a strong provision requiring State subdivisions to conform with local platting authority.

- (3) Article 3 covers inventory planning and classification. This section draws from existing scattered and partial statutory direction for land inventory, planning and classification to

establish in one statute a clear, simple and unified program for analyzing the value and use potential of State lands. All lands must be inventoried and their appropriate use designated. As part of this process, the advise of local governments must be obtained.

The section establishes a new State management system for multiple use lands, called the "State Public Reserve System." There is also a new section on wild and scenic rivers giving the State the option of designated selected rivers in State ownership as part of the National Wild and Scenic Rivers System to be managed by the State in accordance with national guidelines. The Legislature retains its existing authority to approve any designation of more than 640 acres which would close the land to multiple use.

In summary, much of what is included in the land policy bill are generally accepted principles of good land management. The bill acknowledges the public desire to acquire State land for private use and mandates an active program in this direction. However, it does so in a responsible manner without sacrificing the many other valid uses of State land. We feel that adoption of this bill will clarify the State's position as a land manager, and will help in establishing this fact at a national level.

Municipality
of
Anchorage



POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR

April 17, 1978

The Honorable Kay Pollard
Alaska State Senator
Pouch V
Juneau, Alaska 99811

Dear Senator Pollard:

Senate Bill No. 562 will come before the Natural Resource Committee on Monday, April 17, 1978. There are three sections of this Bill which may adversely affect the Municipality of Anchorage. We would like to share our concerns with you regarding these sections before the Bill is heard by your committee.

Proposed section 38.04.045 (b) deals with the survey and subdivision of State land to be conveyed to private ownership. This section mandates compliance with local planning and platting ordinances. However, this section exempts from these ordinances land made available through mineral sales or a cabin permit system.

We object to the exemption provision for two reasons. First, it would be detrimental to the Municipality's planning program because under it large segments of land within the Municipality would not be subject to our planning and platting ordinances. If certain segments of land are not subject to the Municipality's planning and platting ordinances, then the ordinances become ineffective because they are designed to regulate all the land within the Municipality.

Second, the exemption provision conflicts with the policy contained in A.S. 09.55.275 which requires that any agency of the State must comply with local platting regulations in the same manner as private land owners when the State seeks to acquire property. This policy logically applies to the converse, i.e. when the State seeks to dispose of property. Providing for a partial exemption when the State seeks to dispose of property appears to serve no purpose. For the foregoing reasons, we suggest that the exemption provision be deleted.

The Honorable Kay Pollard

April 17, 1978

Page 2

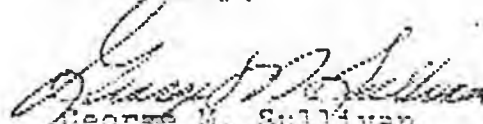
Proposed section 38.04.065 deals with State Land Use Planning and Classification. Subsection (s) requires that State land use plans be consistent with local plans only to the extent that the Commissioner determines the local plan to be consistent with State interests.

We object to this subsection because it seems to conflict with A.S. 35.10.020 entitled "Consultation with Municipal Planning and Zoning Commissions". This section requires the State to comply with all local planning and zoning ordinances in the same manner as private land owners unless a State agency can "clearly demonstrate an overriding State interest". When a State agency makes such a showing, a specific waiver must be granted by the Governor.

We suggest that subsection (g) be made consistent with the language in A.S. 35.10.020 by amending the latter to require State land use plans to be consistent with Municipal plans unless a gubernatorial waiver is granted upon a "clear showing of an overriding State interest".

Proposed Section 38.04.065 would involve the State in regional land use planning in areas which now have local planning. The Municipality of Anchorage has actively engaged in a land use planning program and intends to maintain this effort. Until the degree of State involvement in local land use management is clarified, we cannot support this proposed section.

Sincerely,


George M. Sullivan
Mayor



Michael J. Meahan
Director of Planning

/sw

*bill was
R/o of SFC
on 5/15/78*

HOUSE JOURNAL
SUPPLEMENT

June 9, 1978 Friday No. 52

FISCAL NOTE

HCSSB
562

I. REQUEST
 Bill/Resolution No. HCS SB 562
 Title Relating to Ak. land policy & creating Wood-Tikchik State Park.
 Requested by _____ Date 6/08/78

II. FISCAL DETAIL
 Agency Affected Department of Natural Resources
 Program Category Affected HRMFC
 Budget Request Unit(s) Affected Park Development

EXPENDITURES (Thousands of Dollars)

| | FY 77 | FY 78 | FY 79 | FY 80 | FY 81 | FY 82 |
|--------------------------|-------|-------|--------|-------|-------|-------|
| 100 PERSONAL SERVICES | | | | | | |
| 200 TRAVEL | | | \$15.0 | | | |
| 300 CONTRACTUAL | | | | | | |
| 400 COMMODITIES | | | | | | |
| 500 EQUIPMENT | | | | | | |
| 600 LAND & STRUCTURES | | | | | | |
| 700 GRANTS, CLAIMS, ETC. | | | | | | |
| TOTAL | | | | | | |

FUNDING (Thousands of Dollars)

| | | | | | |
|-----------------|--|--|--------|--|--|
| GENERAL FUND | | | \$15.0 | | |
| FEDERAL FUNDS | | | | | |
| OTHER (Specify) | | | | | |

POSITIONS

| | | | | | |
|-----------|--|--|--|--|--|
| FULL TIME | | | | | |
| PART TIME | | | | | |
| TEMPORARY | | | | | |

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

\$15.0 amount to provide for travel and per diem for members of the Wood-Tikchik State Park Management Council.



Steve Cowper, Chairman, House Finance Committee

IV. DATE 6/08/78 PREPARED BY Robert L. Grogan, Fiscal Analyst
 AGENCY Legislative Finance Division
 PHONE 465-3795
 cc: Original: Legislative Finance
 Budget and Management
 Prime Sponsor (First Legislator Named)

Original sponsor: Resources Committee

Offered: 4/25/78
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 562

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to Alaska land policy; and providing
7 for an effective date."

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

9 * Section 1. PURPOSE. Alaska's Constitution directs that the state
10 "encourage the settlement of its land and the development of its resources by
11 making them available for maximum use consistent with the public interest"
12 (art. VIII, sec. 1), and to "provide for the utilization, development, and
13 conservation of all natural resources belonging to the State, including land
14 and waters, for the maximum benefit of its people" (art. VIII, sec. 2). The
15 constitution also directs that "Fish, forests, wildlife, grasslands, and all
16 other replenishable resources belonging to the State shall be utilized,
17 developed, and maintained on the sustained yield principle, subject to pre-
18 ferences among beneficial uses" (art. VIII, sec. 4). The purpose of this Act
19 is to implement these broad constitutional goals through establishment of
20 policies for use of state land surface and to express these policies in
21 sufficient detail to guide the administrative decisions which govern the use
22 and management of state-owned land.

23 * Sec. 2. AS 38 is amended by adding a new chapter to read:

24 CHAPTER 4. POLICY FOR USE AND CLASSIFICATION
25 OF STATE LAND SURFACE.

26 ARTICLE 1. PUBLIC AND PRIVATE LAND USE.

27 Sec. 38.04.005. POLICY. (a) In order to provide for maximum use
28 of state land consistent with the public interest, it is the policy of
29 the State of Alaska to plan and manage state-owned land to establish a

1 balanced combination of land available for both public and private
2 purposes. The choice of land best suited for public and private use
3 shall be determined through the inventory, planning, and classification
4 processes set out in secs. 60 and 70 of this chapter.

5 (b) In classifying state land for private use and settlement
6 purposes, the director shall make adequate provision for public open
7 space which is accessible to communities so that natural areas are
8 easily reached from all communities and settled areas. The amount of
9 such land shall be sufficient to meet existing and projected needs for
10 accessible public recreation land. Special care shall be taken to
11 preserve public access to public water and to retain state ownership of
12 sufficient land which combine high value for recreation and other public
13 purposes with accessibility to settled areas. This classification for
14 public purposes does not constitute dedication to open space, but the
15 division's management of land so classified shall be in a manner to
16 preserve the identified values.

17 (c) In allocating land for private use and public retention, the
18 requirements of future generations shall be considered. To this end, a
19 supply of state land of a variety of types and locations shall be re-
20 served to provide an opportunity for future decisions.

21 (d) Private land use rights are integral to the material well-
22 being of the people of Alaska and our society.

23 (e) Involvement of municipalities and local residents is essential
24 in the decision-making process which leads to making state land avail-
25 able for private use.

26 Sec. 38.04.010. PUBLIC INTEREST IN MAKING LAND AVAILABLE FOR
27 PRIVATE USE. (a) The primary public interest in conveying rights to
28 state land surface to private parties is to make them available to
29 individuals and other persons for direct use in areas classified as

1 suitable for these purposes. In making state land available for private
2 use, the director shall seek to guide year-round settlement to areas
3 where public services already exist, or can be extended with reasonable
4 economy, or where development of a viable economic base is probable.

5 (b) State land which is located beyond the range of existing
6 schools and other necessary public services, or which is located where
7 development of sources of employment is improbable, may be made avail-
8 able for seasonal recreational purposes or for low density settlement,
9 with sufficient separation between residences so that public services
10 will not be necessary or expected.

11 Sec. 38.04.015. PUBLIC INTEREST IN RETAINING STATE LAND IN PUBLIC
12 OWNERSHIP. The primary public interests in retaining areas of state
13 land surface in public ownership are:

14 (1) to make them available on a sustained-yield basis for a
15 variety of beneficial uses including subsistence, forestry, grazing,
16 sport hunting and fishing, hiking, snowmobiling, skiing, and other
17 activities of a type which can generally be made available to more
18 people and conducted more successfully if the land is in public rather
19 than private ownership;

20 (2) to facilitate mining and mineral leasing by managing
21 appropriate public land for surface uses which are compatible with
22 subsurface uses;

23 (3) to protect critical wildlife habitat and areas of special
24 scenic, recreational, scientific, or other environmental concern;

25 (4) to restrict development in floodplains, avalanche zones,
26 and other hazardous locations; and

27 (5) to guide the location of settlement and development to
28 minimize public costs and maximize social and economic benefits.

29 ARTICLE 2. LAND AVAILABILITY FOR PRIVATE USE.

1 Sec. 38.04.020. TIMING AND AMOUNT. On a continuing or annual
2 basis, the director shall make available for private use an array of
3 state land suitable for a variety of uses. During fiscal year 1979, the
4 director shall make available a minimum of 50,000 acres, not more than
5 10 per cent of which may be made available for leasing. Annually
6 thereafter, the following three options for the state land availability
7 program shall be submitted to the legislature along with the admini-
8 stration's budget: an increased-level program, a current-level program,
9 and a reduced-level program. At least one option shall include at least
10 50,000 acres.

11 Sec. 38.04.025. VARIETY OF USES. In making state land available
12 for private use, the director shall endeavor to accommodate persons with
13 a current need and anticipated use for the land. To this end, the
14 director shall assess the nature of the supply and demand for state land
15 in different regions and locations of the state, taking into account the
16 supply of available land under other ownership, and shall make land
17 available in locations and under programs suited to the differing needs
18 of prospective users throughout the state.

19 Sec. 38.04.030. LAND AVAILABILITY PROGRAMS. Programs which may be
20 used by the director to make the state's land surface available for
21 private use under this section include sale of whole or partial rights
22 to the fee simple estate, including conveyance of agricultural use
23 rights; leasing; open-to-entry; homesiting; homesteading; permitting for
24 construction and occupation of cabins in isolated locations on land
25 retained in state ownership; and other methods as provided by law.

26 Sec. 38.04.035. CRITERIA FOR PROGRAM SELECTION. In determining
27 which land availability program is appropriate for state lands in dif-
28 ferent locations, the director shall be guided by the following cri-
29 teria:

1 (1) To cover public costs associated with private land use
2 and to provide the public with a fair return for publicly owned pro-
3 perty, conveyance of state land to private parties should be at fair
4 market value except where otherwise authorized by statute, or by an
5 administrative regulation the adoption of which is specifically per-
6 mitted by statute.

7 (2) Sale or lease programs should be employed where land is
8 readily accessible to a major community center or where, because of a
9 prime location on waterfront or a transportation route or some other
10 location characteristic, land has relatively high real estate value.

11 (3) Lease programs should be employed

12 (A) where special land use controls are required and
13 there is a high public interest in having certain types of land
14 used for particular purposes;

15 (B) when the intended use is a temporary one;

16 (C) in commercial or industrial situations when a lease-
17 hold can provide cash flow advantages to the lessee;

18 (D) when a unique location with special public values is
19 involved, as in a deep water port; and

20 (E) where current demand for private use is high, but
21 projections suggest that, in the future, the land may be more
22 valuable for public use, as in accessible waterfront recreation
23 areas.

24 (4) For enabling isolated cabin development in remote loca-
25 tions where survey and conveyance is impractical, a system for cabin
26 permits on public land should be used.

27 (5) Limited or conditional title may be granted when the
28 state's best interest so dictates. Among other things, title limita-
29 tions may include grants of agricultural interest only, retention of

1 development rights, and retention of scenic or other easements. A
2 conditional title may be tied to a development schedule or other stan-
3 dards of performance.

4 Sec. 38.04.040. AVAILABILITY OF MENTAL HEALTH LAND, SCHOOL LAND,
5 AND UNIVERSITY LAND. Mental health land, school land, and university
6 land may be made available at fair market value for private use under
7 the purposes of this chapter; however, any such action shall be in
8 accordance with statutes pertaining to these lands and the authority of
9 the mental health land board, the Board of Education, and the Board of
10 Regents of the University of Alaska.

11 Sec. 38.04.045. SURVEY AND SUBDIVISION. (a) State land to be
12 conveyed in fee simple or less than fee simple estate shall be sub-
13 divided so that lots and tracts are of a size which fits the require-
14 ments of individual users and reflects the physical characteristics of
15 the land, except that in locations where there is an inadequate margin
16 between the demand for and the supply of vacant land, the state may make
17 land available for private acquisition in parcels that are larger than
18 required for individual use.

19 (b) Before the conveyance of surface rights to state land, an
20 official cadastral survey shall be accomplished, unless a comparable,
21 acceptable survey exists that has been conducted by the Federal Bureau
22 of Land Management. The rectangular survey section corner positions
23 shall be monumented and shown on a cadastral survey plat approved by the
24 state. However, for those areas where the state may wish to convey
25 surface estate outside of an Official Cadastral Survey grid, the direc-
26 tor may waive monumentation of all individual section corner positions
27 and substitute an official control survey with control points being
28 monumented at approximately two-mile intervals and shown on control
29 survey plats approved by the state. No portion of land to be conveyed

1 may be located more than two miles from such a survey control monument.
2 The lots and tracts in state subdivisions shall be monumented and the
3 cadastral survey and plats for the subdivision shall be approved by the
4 state. Where land is located within a municipality with planning,
5 platting, and zoning powers, plats for state subdivisions shall comply
6 with local ordinances and regulations in the same manner and to the same
7 extent as plats for subdivisions by other landowners. State subdivi-
8 sions shall be filed in the district recorder's office. The require-
9 ments of this section do not apply to land made available through a
10 cabin permit system, material sales, or short-term leases; however, for
11 short-term leases a municipality may require compliance with local
12 subdivision contracts.

13 Sec. 38.04.050. ACCESS TO PRIVATE USE AREAS. Wherever state land
14 is surveyed for purposes of private use, adequate rights-of-way and
15 easements shall be reserved as necessary for access and, where appro-
16 priate, for power and telephone service to each parcel of land. Where
17 necessary and appropriate for the use intended, the director shall
18 arrange for the development of surface access as part of the land avail-
19 ability program. The direct cost of local access development shall be
20 borne by the recipient of the land unless otherwise provided by state
21 statutes or regulations.

22 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director
23 shall reserve easements and rights-of-way on and across land which is
24 made available for private use as necessary to reach or use public water
25 and public and private land.

26 ARTICLE 3. INVENTORY, PLANNING, AND CLASSIFICATION.

27 Sec. 38.04.060. INVENTORY. (a) The commissioner shall prepare
28 and maintain on a continuing basis an inventory of all state land and
29 water and their resource and other values, giving priority to areas of

1 potential settlement and of critical environmental concern. This in-
2 ventory shall be kept current so as to reflect changes in conditions and
3 to identify new and emerging resource and other values.

4 (b) The commissioner's inventory shall include land and water
5 under interagency assignment of land management authority and land and
6 water proposed for such an assignment. That land and water must be
7 reviewed at regular intervals to analyze current and proposed uses as
8 these uses relate to alternative uses for all or part of the land and to
9 determine the uses which best provide for the public interest.

10 (c) As funds and manpower are made available, the commissioner
11 shall provide local and federal governments and major private landowners
12 with data from the inventory for the purpose of planning and managing
13 the uses of land in proximity to state land.

14 Sec. 38.04.065. LAND USE PLANNING AND CLASSIFICATION. (a) The
15 commissioner shall, with local governmental and public involvement,
16 develop, maintain and, when appropriate, revise land use plans which
17 provide, by regions or areas, for the use of the state-owned land.

18 (b) In the development and revision of land use plans, the commis-
19 sioner shall

20 (1) use and observe the principles of multiple use and sus-
21 tained yield;

22 (2) use a systematic interdisciplinary approach to achieve
23 integrated consideration of physical, economic, and social factors
24 affecting the region or area;

25 (3) give priority to planning and classification in areas of
26 potential settlement and critical environmental concern;

27 (4) rely, to the extent that it is available, on the inven-
28 tory of the state land, its resources, and other values;

29 (5) consider present and potential uses of state land;

1 (6) consider the supply, resources, and present and potential
2 use of land under other ownership within the area or region of concern;

3 (7) weigh long-term benefits to the public against short-term
4 benefits;

5 (8) plan for compatible surface and mineral land use classi-
6 fications; and

7 (9) provide for meaningful participation in the planning
8 process by affected local governments, state and federal agencies,
9 adjacent landowners, and the general public.

10 (c) As a basis for more detailed land use planning and classifi-
11 cation, the commissioner shall develop regional land use plans for the
12 use of all state land. These regional plans shall identify and de-
13 lineate

14 (1) areas of settlement and settlement impact, where land must
15 be classified for various private uses and for public recreation, open
16 space, and other public uses desirable in and around settlement; and

17 (2) areas which must be retained in state ownership and
18 planned and classified for various uses and purposes in accordance with
19 sec. 15 of this chapter.

20 (d) Official regional or area plans and subsequent amendments
21 adopted by the commissioner after public and local governmental parti-
22 cipation shall be signed and dated by the commissioner. Land classifi-
23 cations shall be made in accordance with these official plans.

24 (e) Land shall be classified before being made available for pri-
25 vate use or included in the management systems described in sec. 70 of
26 this chapter.

27 (f) Decisions about the location of easements and rights-of-way,
28 other than for minor access, shall be integrated with land use planning
29 and classification for the appropriate area or region.

1 (g) Land use plans adopted by the commissioner under this section
2 shall be consistent with local governmental land use plans to the maxi-
3 mum extent he determines to be consistent with the state interests and
4 the purposes of this chapter.

5 Sec. 38.04.070. MANAGEMENT SYSTEMS. (a) State land classified
6 for uses and purposes involving retention in public ownership may be
7 included in the following management systems:

8 (1) State Public Reserve System: areas of public land to be
9 managed for a wide variety of compatible uses and purposes in accordance
10 with the principles of multiple use and sustained yield; land designated
11 to this system may include, but need not be limited to, state forest
12 reserves and state wildlife reserves as well as land classified for
13 public purposes within settlement impact areas;

14 (2) State Park System: areas with special recreational,
15 scenic, cultural, historical, wilderness, or similar values, to be
16 managed primarily for the public use and enjoyment of these values;

17 (3) State Trail System: a system of public historic or
18 recreational trails;

19 (4) Wild and Scenic River Systems: a system of rivers with
20 special natural, scenic, and recreational values designated by the state
21 to be managed as part of the national system of wild and scenic rivers
22 in accordance with the federal Wild and Scenic Rivers Act (82 Stat. 906;
23 16 U.S.C. 1271 et seq.);

24 (5) State Public Domain: land within areas designated on
25 regional plans as settlement and settlement impact which are not part of
26 the management systems listed in (1) - (4) of this subsection; through
27 classification, this land may be made available for private use, settle-
28 ment, and development as well as for public uses associated with settle-
29 ment and development.

1 (b) State land classified in accordance with sec. 65 of this
2 chapter may be included in the State Public Reserve System by procla-
3 mation of the governor.

4 (c) State land classified in accordance with sec. 65 of this
5 chapter may be included in the State Park System, State Trail System or
6 the Wild and Scenic River System by proclamation of the governor.
7 However, no state land, water, or combination of land and water may,
8 except by Act of the state legislature, be closed to multiple purpose
9 use if the area involved contains more than 640 acres.

10 ARTICLE 4. GENERAL PROVISIONS.

11 Sec. 38.04.900. REGULATIONS. The commissioner may adopt under the
12 Administrative Procedure Act (AS 44.62) regulations he believes are
13 necessary to carry out the purposes of this chapter. Within 120 days
14 after the effective date of this Act, the director shall submit to the
15 commissioner draft regulations implementing this chapter and revising
16 regulations in effect on the effective date of this Act pertaining to
17 planning, classification, management, and disposal of the state's sur-
18 face estate in land. New and revised regulations shall be integrated in
19 a single comprehensive draft compatible with the structure of the Alaska
20 Administrative Code. In preparing this draft, the director shall seek
21 to simplify and clarify regulations governing land planning, classifi-
22 cation, management, and disposal.

23 Sec. 38.04.910. DEFINITIONS. In this chapter, unless the context
24 otherwise requires,

25 (1) "commissioner" means the commissioner of the Department
26 of Natural Resources;

27 (2) "director" means the director of the division of lands of
28 the Department of Natural Resources;

29 (3) "fair market value" means the price at which a willing

1 seller and a willing buyer will trade;

2 (4) "multiple use" means the management of state land and its
3 various resource values so that it is used in the combination that will
4 best meet the present and future needs of the people of Alaska, making
5 the most judicious use of the land for some or all of these resources or
6 related services over areas large enough to provide sufficient latitude
7 for periodic adjustments in use to conform to changing needs and condi-
8 tions; it includes

9 (A) the use of some land for less than all of the re-
10 sources, and

11 (B) a combination of balanced and diverse resource uses
12 that takes into account the short-term and long-term needs of
13 present and future generations for renewable and nonrenewable
14 resources, including, but not limited to, recreation, range, tim-
15 ber, minerals, watershed, wildlife and fish, and natural scenic,
16 scientific, and historic values;

17 (5) "official cadastral survey" means a United States public
18 land survey or a survey executed under survey instructions issued by the
19 division for the purpose of preparing a cadastral survey plat, and
20 approved and accepted by the division for the state's official records;

21 (6) "official control survey" means a position marked on the
22 ground by triangulation or traverse stations established in conformity
23 with standards adopted by United States Coastal and Geodetic Survey for
24 first, second and third order work, whose geodetic positions have been
25 rigidly adjusted on the North American datum of 1927 and approved by the
26 division;

27 (7) "short-term lease" means a lease for a term of five years
28 or less;

29 (8) "state park" means an area of state land designated by

1 proclamation of the governor or by statute to be managed for public use
2 and enjoyment of recreational, scenic, cultural, historical, wilderness,
3 and similar values, including but not limited to areas designated under

4 (A) AS 41.20.050 - 41.20.060, roadside rests and recrea-
5 tional beaches;

6 (B) AS 41.20.130 - 41.20.160, 41.20.330 - 41.20.345, ch.
7 61 SLA 1966, and ch. 26 SLA 1967, state recreation areas:

8 (C) AS 41.20.170 - 41.20.320, state parks; and

9 (D) AS 41.35.030, state monuments and historic sites;

10 (9) "state trail" means an area designated by proclamation of
11 the governor or by statute to be managed as a public historic or recrea-
12 tional trail including but not limited to

13 (A) trails designated under AS 41.20.070 - 41.20.120,
14 wilderness trails and campsites; and

15 (B) trails and footpaths designated under AS 41.20.355 -
16 41.20.375;

17 (10) "state wild and scenic river" means any free-flowing
18 river or stream so designated by the state in accordance with the cri-
19 teria set out in the Federal Wild and Scenic Rivers Act (82 Stat. 906;
20 16 U.S.C, 1271-1287);

21 (11) "sustained yield" means the achievement and maintenance
22 in perpetuity of a high level annual or regular periodic output of the
23 various renewable resources of the state lands consistent with multiple
24 use.

25 * Sec. 3. AS 38.05.300 is repealed.

26 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
27 10.070(c).

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29

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Hayle

73562
April, 1978

SECTION BY SECTION ANALYSIS
LAND POLICY BILL
HOUSE BILL NO. 204/SENATE BILL NO. 562

Sec. .005. This section sets forth basic intent and purpose regarding state-owned lands. Paragraphs (a) through (e) are purposely worded in the form of general policy directives rather than in the form of specific binding legal requirements. The last sentence in (b), lines 13-16, page 2, needs some explanation. Such a statement is necessary if lands classified for open space purposes are to qualify as the matching share for federal funds under the Land and Water Conservation Program.

Sec. .010. Under this statement, the basic orientation of State land disposal is towards the needs of individuals and other parties who will actually use the land. The Commission recommended this policy after finding that state land sales in the late 1960's and 1970's had primarily benefited land companies and wealthy individuals who could afford large tract purchases, rather than individuals who were looking for cabin or house sites. To change this orientation, land should be made available in individually sized parcels.

This section also includes a directive that state land availability programs concentrate in areas where public services already exist or can be extended, or where a viable economic base could be developed. This policy would not prohibit remote land disposal but, rather, direct that in such areas disposal would be mainly for recreation cabin sites with seasonal road or water access. Another method of fulfilling this directive might be through a rural cabin permit system, meeting the needs of people who want real isolation with several miles of separation between sites.

Sec. .015. This section lists the various reasons for retaining some state lands in public ownership, and is generally self-explanatory.

Sec. .020. This paragraph is identical to the first paragraph of the Governor's land credit proposal. An annual determination of acreage to be available for private use gives the legislature the flexibility to respond to changes in circumstances over the years. An annual determination is consistent with the basic thrust of the policy bill which is to make lands available where they are most needed and with consideration of local supply and demand factors. We would note that, in terms of meeting people's needs, it is not the gross acreage of land that is important but, rather, location, access, and tract size.

Sec. .025. This section is simply additional direction to base the land availability programs on an assessment of the differing needs for land of different types in various parts of the state, and to tailor state land programs accordingly.

Sec. .030. This section summarizes the variety of land availability programs within existing statutes and regulations and adds, in lines 25, 26, and 27, authority for a cabin permit system to be used in isolated locations on state-owned lands. To enable private use of remote isolated lands, the state must have a program which does not require land survey. In isolated locations a survey can cost as much as \$4,000, often exceeding the market value of the land. A permit system which, unlike a conveyance program, would not entail land survey.

Sec. .035. The fair market value criterion set forth in (1) is self-explanatory. Besides the reasons included in the paragraph, the Commission recommends this approach because grant programs tend to invite public abuse, and are very difficult to administer in a fair and evenhanded manner. It should be noted that most of the participants at the Alaska Public Forum favored a market value approach to state land disposal. However, item (1) allows the use of less than fair market value programs as authorized by statute or administrative regulation and thus would enable the continuation of the homesite, homestead, and open-to-entry programs.

Paragraph (2) is self-explanatory.

Paragraph (3) spells out specific and detailed criteria for the choice of areas where lease programs would be used. This is an important addition to the state's body of land law. In the past lease programs have often been used where sale programs would have been more suitable.

Paragraph (4) gives direction for the use of cabin permitting in isolated, remote areas.

Paragraph (5) refers to the director's existing statutory authority to grant conditional title in special situations such as agricultural areas where the state wishes to ensure agricultural development, or in areas where the state may wish to preserve scenic easements, while making the land available for private uses compatible with this purpose.

Sec. .040. This section is self-explanatory. As a result of our discussion with the Community and Regional Affairs Committee, we are proposing a substitute paragraph (A in the list of suggested amendments) that would establish a more aggressive program for trust land availability.

Sec. .045. Under this section, the state would set survey control markers so that individual private surveys, tied to these markers, would mesh and not overlap. In the western states where areas were surveyed separately by private citizens, without an overlying set of control points, there were serious problems with overlapping and contradictory surveys. As a result, citizens were saddled with title problems, unusable property, etc. Through this section, we hope to avoid or minimize such problems in Alaska.

Sec. .050. This section requires the state to provide adequate access to private use areas. Lines 18 through 20 gives direction for the integration of state road development programs with land availability programs in appropriate locations. If state land is actually to be made available for individual use, it is important to strengthen the state's role in development of local access roads associated with state land use programs.

Sec. .055. Self-explanatory.

Sec. .060. A regular, updated inventory of the land suitability should be the foundation of the state's land management program. The state already has a good start in this direction through the land selection inventory.

Paragraph (b) of this section directs the division to reassess holdings of other state agencies, such as the Division of Aviation, to see if the land amount is excessive or inadequate in relation to current needs and alternative uses of the property. Such a program is especially important in small communities where excessive agency holdings occasionally preempt lands that are vitally needed for other community uses.

Sec. .065. Paragraphs (a) and (b) provide guidelines and standards for the development of land use plans for state lands.

Paragraph (c) directs the commissioner to prepare regional land use plans for all of the state-owned land. These would be of simple "first-cut" plans separating areas of settlement and settlement impact from areas of public use and ownership.

Paragraph (d) provides a formal method of identifying the official plan so that the public and the administration knows which document to rely on, and makes the important requirement that land classification be based on the official plan.

Paragraph (e) is self-explanatory.

Paragraph (f) establishes a needed tie between transportation planning and general land planning.

Paragraph (g) requires state planning to be consistent with local governmental planning.

Sec. .070. This section adds a state multiple use management system to the existing state park and trail systems. Lands may be designated to this new system, the "State Public Reserve System" by proclamation of the governor. The legislature retains its existing power to approve any designation of land to a system closed to multiple purpose use for an area of over 640 acres.

Paragraph (4) gives the state the option of designating rivers or portions of rivers to be managed by the state under the guidelines of the National Wild and Scenic Rivers System. Such authority may be desirable in some areas where segments of a river are owned by the federal and state governments. If a whole river-trip area can be managed under one set of guidelines, overall recreation benefits may be increased.

Sec. 900. This section includes a requirement that the director adopt, within 120 days, a comprehensive revision of the regulations affecting planning, classification, management, and disposal of state lead surface. The administration has long recognized the need for this overall rewrite, and work on a revision is in process.

*Sec. 3. The repealed section 38.05.300 deals with classification and with the authority of the legislature to approve single-use designation for more than 640 acres. This bill spells out the classification and planning process more completely, and section 38.05.300 should be deleted to avoid confusion. The legislature's control over single-use designation of more than 640 acres is included in section .070(c) of this bill (page 8, lines 8-10).

Introduced: 3/22/78
Referred: Community & Regional
Affairs, Resources and Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 SENATE BILL NO. 562

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to Alaska land policy; and providing
7 for an effective date."

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

9 *Section 1. PURPOSE. Alaska's Constitution directs that the state
10 "encourage the settlement of its land and the development of its resources
11 by making them available for maximum use consistent with the public interest"
12 (art. VIII, sec. 1), and to "provide for the utilization, development, and
13 conservation of all natural resources belonging to the State, including
14 land and waters, for the maximum benefit of its people" (art. VIII, sec.
15 2). The constitution also directs that "Fish, forests, wildlife, grasslands,
16 and all other replenishable resources belonging to the State shall be
17 utilized, developed, and maintained on the sustained yield principle,
18 subject to preferences among beneficial uses" (art. VIII, sec. 4). The
19 purpose of this Act is to implement these broad constitutional goals through
20 establishment of policies for use of state land surface and to express
21 these policies in sufficient detail to guide the administrative decisions
22 which govern the use and management of state-owned land.

23 * Sec. 2. AS 38 is amended by adding a new chapter to read:

24 CHAPTER 4. POLICY FOR USE AND CLASSIFICATION
25 OF STATE LAND SURFACE.

26 ARTICLE 1. PUBLIC AND PRIVATE LAND USE.

27 Sec. 38.04.005. POLICY. (a) In order to provide for maximum
28 use of state land consistent with the public interest, it is the
29 policy of the State of Alaska to plan and manage state-owned land to

1 suitable for these purposes. In making state land available for
2 private use, the director shall seek to guide year-round settlement to
3 areas where public services already exist, or can be extended with
4 reasonable economy, or where development of a viable economic base is
5 probable.

6 (b) State land which is located beyond the range of existing
7 schools and other necessary public services, or which is located where
8 development of sources of employment is improbable, may be made avail-
9 able for seasonal recreational purposes or for low density settlement,
10 with sufficient separation between residences so that public services
11 will not be necessary or expected.

12 Sec. 38.04.015. PUBLIC INTEREST IN RETAINING STATE LAND IN
13 PUBLIC OWNERSHIP. The primary public interests in retaining areas of
14 state land surface in public ownership are:

15 (1) to make them available on a sustained yield basis for a
16 variety of beneficial uses including subsistence, forestry, grazing,
17 sport hunting and fishing, hiking, snowmobiling, skiing, and other
18 activities of a type which can generally be made available to more
19 people and conducted more successfully if the land is in public rather
20 than private ownership;

21 (2) to facilitate mining and mineral leasing by managing
22 appropriate public land for surface uses which are compatible with
23 subsurface uses;

24 (3) to protect critical wildlife habitat and areas of
25 special scenic, recreational, scientific, or other environmental
26 concern;

27 (4) to restrict development in floodplains, avalanche
28 zones, and other hazardous locations; and

29 (5) to guide the location of settlement and development to

CORRECTION

**THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY**

Introduced: 3/22/78
Referred: Community & Regional
Affairs, Resources and Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

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28 use of state land consistent with the public interest, it is the
29 policy of the State of Alaska to plan and manage state-owned land to

1 establish a balanced combination of land available for both public and
2 private purposes. The choice of land best suited for public and
3 private use shall be determined through the inventory, planning, and
4 classification processes set out in secs. 60 and 70 of this chapter.

5 (b) In classifying state land for private use and settlement
6 purposes, the director shall make adequate provision for public open
7 space which is accessible to communities so that natural areas are
8 easily reached from all communities and settled areas. The amount of
9 such land must be sufficient to meet existing and projected needs for
10 accessible public recreation land. Special care shall be taken to
11 preserve public access to public water and to retain state ownership
12 of sufficient land which combine high value for recreation and other
13 public purposes with accessibility to settled areas. This classifica-
14 tion for public purposes does not constitute dedication to open space,
15 but the division's management of land so classified shall be in a
16 manner to preserve the identified values.

17 (c) In allocating land for private use and public retention, the
18 requirements of future generations must be considered. To this end, a
19 supply of state land of a variety of types and locations must be
20 reserved to provide an opportunity for future decisions.

21 (d) Private land use rights are integral to the material well-
22 being of the people of Alaska and our society.

23 (e) Involvement of municipalities and local residents is essen-
24 tial in the decision making process which leads to making state land
25 available for private use.

26 Sec. 38.04.010. PUBLIC INTEREST IN MAKING LAND AVAILABLE FOR
27 PRIVATE USE. (a) The primary public interest in conveying rights to
28 state land surface to private parties is to make them available to
29 individuals and other persons for direct use in areas classified as

1 suitable for these purposes. In making state land available for
2 private use, the director shall seek to guide year-round settlement to
3 areas where public services already exist, or can be extended with
4 reasonable economy, or where development of a viable economic base is
5 probable.

6 (b) State land which is located beyond the range of existing
7 schools and other necessary public services, or which is located where
8 development of sources of employment is improbable, may be made avail-
9 able for seasonal recreational purposes or for low density settlement,
10 with sufficient separation between residences so that public services
11 will not be necessary or expected.

12 Sec. 38.04.015. PUBLIC INTEREST IN RETAINING STATE LAND IN
13 PUBLIC OWNERSHIP. The primary public interests in retaining areas of
14 state land surface in public ownership are:

15 (1) to make them available on a sustained yield basis for a
16 variety of beneficial uses including subsistence, forestry, grazing,
17 sport hunting and fishing, hiking, snowmobiling, skiing, and other
18 activities of a type which can generally be made available to more
19 people and conducted more successfully if the land is in public rather
20 than private ownership;

21 (2) to facilitate mining and mineral leasing by managing
22 appropriate public land for surface uses which are compatible with
23 subsurface uses;

24 (3) to protect critical wildlife habitat and areas of
25 special scenic, recreational, scientific, or other environmental
26 concern;

27 (4) to restrict development in floodplains, avalanche
28 zones, and other hazardous locations; and

29 (5) to guide the location of settlement and development to

1 minimize public costs and maximize social and economic benefits.

2 ARTICLE 2. LAND AVAILABILITY FOR PRIVATE USE.

3 Sec. 38.04.020. TIMING AND AMOUNT. On a continuing or annual
4 basis, the director shall make available for private use an array of
5 state land suitable for a variety of uses. During fiscal year 1979,
6 the director shall make available a minimum of 50,000 acres, not more
7 than 10 per cent of which may be made available for leasing. Annually
8 thereafter, the following three options for the state land availability
9 program must be submitted to the legislature along with the admini-
10 stration's budget: an increased-level program, a current-level program,
11 and a reduced-level program. At least one option must include at
12 least 50,000 acres.

13 Sec. 38.04.025. VARIETY OF USES. In making state land available
14 for private use, the director shall endeavor to accommodate persons
15 with a current need and anticipated use for the land. To this end,
16 the director shall assess the nature of the supply and demand for
17 state land in different regions and locations of the state, taking
18 into account the supply of available land under other ownership, and
19 shall make land available in locations and other programs suited to
20 the differing needs of prospective users throughout the state.

21 Sec. 38.04.030. LAND AVAILABILITY PROGRAMS. Programs which may
22 be used by the director to make the state's land surface available for
23 private use under this section include sale of whole or partial rights
24 to the fee simple estate, including conveyance of agricultural use
25 rights; leasing; open-to-entry; homesiting; homesteading; permitting
26 for construction and occupation of cabins in isolated locations on
27 land retained in state ownership; and other methods as provided by
28 law.

29 Sec. 38.04.035. CRITERIA FOR PROGRAM SELECTION. In determining

1 which land availability program is appropriate for state lands in
2 different locations, the director shall be guided by the following
3 criteria:

4 (1) To cover public costs associated with private land use
5 and to provide the public with a fair return for publicly owned pro-
6 perty, conveyance of state land to private parties should be at fair
7 market value except where otherwise authorized by statute or by admini-
8 strative regulation.

9 (2) Sale or lease programs should be employed where land is
10 readily accessible to a major community center or where, because of a
11 prime location on waterfront or a transportation route or some other
12 location characteristic, land has relatively high real estate value.

13 (3) Lease programs should be employed

14 (A) where special land use controls are required and
15 there is a high public interest in having certain types of land
16 used for particular purposes;

17 (B) when the intended use is a temporary one;

18 (C) in commercial or industrial situations when a
19 leasehold can provide cash flow advantages to the lessee;

20 (D) when a unique location with special public values
21 is involved, as in a deep water port; and

22 (E) where current demand for private use is high, but
23 projections suggest that, in the future, the land may be more
24 valuable for public use, as in accessible waterfront recreation
25 areas.

26 (4) For enabling isolated cabin development in remote
27 locations where survey and conveyance is impractical, a system for
28 cabin permits on public land should be used.

29 (5) Limited or conditional title may be granted when the

1 state's best interest so dictates. Among other things, title limita-
2 tions may include grants of agricultural interest only, retention of
3 development rights, and retention of scenic or other easements. A
4 conditional title may be tied to a development schedule or other
5 standards of performance.

6 Sec. 38.04.040. AVAILABILITY OF MENTAL HEALTH LAND, SCHOOL LAND,
7 AND UNIVERSITY LAND. Mental health land, school land, and university
8 land may be made available at fair market value for private use under
9 the purposes of this chapter; however, any such action must be in
10 accordance with statutes pertaining to these lands and the authority
11 of the mental health land board, the Board of Education, and the Board
12 of Regents of the University of Alaska.

13 Sec. 38.04.045. SURVEY AND SUBDIVISION. (a) State land to be
14 conveyed in fee simple or less than fee simple estate must be sub-
15 divided so that lots and tracts are of a size which fits the require-
16 ments of individual users and reflects the physical characteristics of
17 the land, except that in locations where there is an inadequate margin
18 between the demand for and the supply of vacant land, the state may
19 make land available for private acquisition in parcels that are larger
20 than required for individual use.

21 (b) Before the conveyance of surface rights to state land, an
22 official cadastral survey must be accomplished, unless a comparable,
23 acceptable survey exists that has been conducted by the Federal Bureau
24 of Land Management. The rectangular survey section corner positions
25 must be monumented and shown on a cadastral survey plat approved by
26 the state. However, for those areas where the state may wish to
27 convey surface estate outside of an Official Cadastral Survey grid,
28 the director may waive monumentation of all individual section corner
29 positions and substitute an official control survey with control

1 points being monumented at approximately two-mile intervals and shown
2 on control survey plats approved by the state. No portion of land to
3 be conveyed may be located more than two suitable miles from such a
4 survey control monument. The lots and tracts in state subdivisions
5 must be monumented and the cadastral survey and plats for the sub-
6 division must be approved by the state. Where land is located within
7 a municipality with planning, platting, and zoning powers, plats for
8 state subdivisions must comply with local ordinances and regulations
9 in the same manner and to the same extent as plats for subdivisions by
10 other landowners. State subdivisions must be filed in the district
11 recorder's office. The requirements of this section do not apply to
12 land made available through material sales or a cabin permit system,
13 or under short-term leases.

14 Sec. 38.04.050. ACCESS TO PRIVATE USE AREAS. Wherever state
15 land is surveyed for purposes of private use, adequate rights-of-way
16 and easements must be reserved as necessary for access and, where
17 appropriate, for power and telephone service to each parcel of land.
18 Where necessary and appropriate for the use intended, the director
19 shall arrange for the development of surface access as part of the
20 land availability program. The direct cost of local access development
21 must be borne by the recipient of the land unless otherwise provided
22 by state statutes or regulations.

23 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director
24 shall reserve easements and rights-of-way on and across land which is
25 made available for private use as necessary to reach or use public
26 water and public and private land.

27 ARTICLE 3. INVENTORY, PLANNING, AND CLASSIFICATION.

28 Sec. 38.04.060. INVENTORY. (a) The commissioner shall prepare
29 and maintain on a continuing basis an inventory of all state land and

1 water and their resource and other values, giving priority to areas of
2 potential settlement and of critical environmental concern. This
3 inventory must be kept current so as to reflect changes in conditions
4 and to identify new and emerging resource and other values.

5 (b) The commissioner's inventory must include land and water
6 under interagency assignment of land management authority and land and
7 water proposed for such an assignment. That land and water must be
8 reviewed at regular intervals to analyze current and proposed uses as
9 these uses relate to alternative uses for all or part of the land and
10 to determine the uses which best provide for the public interest.

11 (c) As funds and manpower are made available, the commissioner
12 shall provide local and federal governments and major private land-
13 owners with data from the inventory for the purpose of planning and
14 managing the uses of land in proximity to state land.

15 Sec. 38.04.065. LAND USE PLANNING AND CLASSIFICATION. (a) The
16 commissioner shall, with local governmental and public involvement,
17 develop, maintain and, when appropriate, revise land use plans which
18 provide, by regions or areas, for the use of the state-owned land.

19 (b) In the development and revision of land use plans, the
20 commissioner shall:

21 (1) use and observe the principles of multiple use and
22 sustained yield;

23 (2) use a systematic interdisciplinary approach to achieve
24 integrated consideration of physical, economic, and social factors
25 affecting the region or area;

26 (3) give priority to planning and classification in areas
27 of potential settlement and critical environmental concern;

28 (4) rely, to the extent that it is available, on the inven-
29 tory of the state land, its resources, and other values;

1 (5) consider present and potential uses of state land;

2 (6) consider the supply, resources, and present and poten-
3 tial use of land under other ownership within the area or region of
4 concern;

5 (7) weigh long-term benefits to the public against short-
6 term benefits;

7 (8) plan for compatible surface and mineral land use classi-
8 fications; and

9 (9) provide for meaningful participation in the planning
10 process by affected local governments, state and federal agencies,
11 adjacent landowners, and the general public.

12 (c) As a basis for more detailed land use planning and classifi-
13 cation, the commissioner shall develop regional land use plans for the
14 use of all state land. These regional plans must identify and delineate
15 (1) areas of settlement and settlement impact, where land must be
16 classified for various private uses and for public recreation, open
17 space, and other public uses desirable in and around settlement; and
18 (2) areas which must be retained in state ownership and planned and
19 classified for various uses and purposes in accordance with sec. 15 of
20 this chapter.

21 (d) Official regional or area plans and subsequent amendments
22 adopted by the commissioner after public and local governmental parti-
23 cipation must be signed and dated by the commissioner. Land classifi-
24 cations must be made in accordance with these official plans.

25 (e) Land must be classified before being made available for pri-
26 vate use or included in the management systems described in sec. 70 of
27 this chapter.

28 (f) Decisions about the location of easements and rights-of-way,
29 other than for minor access, must be integrated with land use planning

1 and classification for the appropriate area or region.

2 (g) Land use plans adopted by the commissioner under this section
3 must be consistent with local governmental land use plans to the
4 maximum extent he determines to be consistent with the state interests
5 and the purposes of this chapter.

6 Sec. 38.04.070. MANAGEMENT SYSTEMS. (a) State land classified
7 for uses and purposes involving retention in public ownership may be
8 included in the following management systems:

9 (1) State Public Reserve System: areas of public land to
10 be managed for a wide variety of compatible uses and purposes in
11 accordance with the principles of multiple use and sustained yield;
12 land designated to this system may include, but need not be limited
13 to, state forest reserves and state wildlife reserves as well as land
14 classified for public purposes within settlement impact areas;

15 (2) State Park System: areas with special recreational,
16 scenic, cultural, historical, wilderness, or similar values, to be
17 managed primarily for the public use and enjoyment of these values;

18 (3) State Trail System: a system of public historic or
19 recreational trails;

20 (4) Wild and Scenic River Systems: a system of rivers with
21 special natural, scenic, and recreational values designated by the
22 state to be managed as part of the national system of wild and scenic
23 rivers in accordance with the federal Wild and Scenic Rivers Act (82
24 Stat. 906; 16 U.S.C. 1271 et seq.);

25 (5) State Public Domain: land within areas designated on
26 regional plans as settlement and settlement impact which are not part
27 of the management systems listed in (1) -- (4) of this subsection;
28 through classification, this land may be made available for private
29 use, settlement, and development as well as for public uses associated

1 with settlement and development.

2 (b) State land classified in accordance with sec. 65 of this
3 chapter may be included in the State Public Reserve System by procla-
4 mation of the governor.

5 (c) State land classified in accordance with sec. 65 of this
6 chapter may be included in the State Park System, State Trail System
7 or the Wild and Scenic River System by proclamation of the governor.
8 However, no state land, water, or combination of land and water may,
9 except by Act of the state legislature, be closed to multiple purpose
10 use, if the area involved contains more than 640 acres.

11 ARTICLE 4. GENERAL PROVISIONS.

12 Sec. 38.04.900. REGULATIONS. The commissioner may adopt under
13 the Administrative Procedure Act (AS 44.62) regulations he believes
14 are necessary to carry out the purposes of this chapter. Within 120
15 days after the effective date of this Act, the director shall submit
16 to the commissioner draft regulations implementing this chapter and
17 revising regulations in effect on the effective date of this Act per-
18 taining to planning, classification, management, and disposal of the
19 state's surface estate in land. New and revised regulations must be
20 integrated in a single comprehensive draft compatible with the struc-
21 ture of the Alaska Administrative Code. In preparing this draft, the
22 director shall seek to simplify and clarify regulations governing land
23 planning, classification, management, and disposal.

24 Sec. 38.04.910. DEFINITIONS. In this chapter, unless the context
25 otherwise requires,

26 (1) "commissioner" means the commissioner of the Department
27 of Natural Resources;

28 (2) "director" means the director of the division of lands
29 of the Department of Natural Resources;

1 (3) "fair market value" means the price at which a willing
2 seller and a willing buyer will trade;

3 (4) "multiple use" means the management of state land and
4 its various resource values so that it is used in the combination that
5 will best meet the present and future needs of the people of Alaska,
6 making the most judicious use of the land for some or all of these
7 resources or related services over areas large enough to provide
8 sufficient latitude for periodic adjustments in use to conform to
9 changing needs and conditions; it includes (A) the use of some land
10 for less than all of the resources, and (B) a combination of balanced
11 and diverse resource uses that takes into account the short-term and
12 long-term needs of present and future generations for renewable and
13 nonrenewable resources, including, but not limited to, recreation,
14 range, timber, minerals, watershed, wildlife and fish, and natural
15 scenic, scientific, and historic values;

16 (5) "official cadastral survey" means a United States
17 public land survey or a survey executed under survey instructions
18 issued by the division for the purpose of preparing a cadastral survey
19 plat, and approved and accepted by the division for the state's offi-
20 cial records;

21 (6) "official control survey" means a position marked on
22 the ground by triangulation or traverse stations established in con-
23 formity with standards adopted by United States Coastal and Geodetic
24 Survey for first, second and third order work, whose geodetic positions
25 have been rigidly adjusted on the North American datum of 1927 and
26 approved by the division;

27 (7) "short-term lease" means a lease for a term of five
28 years or less;

29 (8) "state park" means an area of state land designated by

1 proclamation of the governor or by statute to be managed for public
2 use and enjoyment of recreational, scenic, cultural, historical,
3 wilderness, and similar values, including but not limited to areas
4 designated under (A) AS 41.20.050 - 41.20.060, roadside rests and
5 recreational beaches; (B) AS 41.20.130 - 41.20.160, 41.20.330 -
6 41.20.345, ch. 61 SLA 1966, and ch. 26 SLA 1967, state recreation
7 areas, (C) AS 41.20.170 - 41.20.320, state parks; and (D) AS 41.35.030,
8 state monuments and historic sites;

9 (9) "state trail" means an area designated by proclamation
10 of the governor or by statute to be managed as a public historic or
11 recreational trail including but not limited to (A) trails designated
12 under AS 41.20.070 - 41.20.120, wilderness trails and campsites; and
13 (B) trails and footpaths designated under AS 41.20.355 - 41.20.375;

14 (10) "state wild and scenic river" means any free-flowing
15 river or stream so designated by the state in accordance with the
16 criteria set forth in the Federal Wild and Scenic Rivers Act (82 Stat.
17 906; 16 U.S.C, 1271-1287);

18 (11) "sustained yield" means the achievement and maintenance
19 in perpetuity of a high level annual or regular periodic output of the
20 various renewable resources of the state lands consistent with multiple
21 use.

22 * Sec. 3. AS 38.05.300 is repealed.

23 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
24 10.070(c).

Goals for State Lands

Alaska's constitution establishes "maximum use consistent with the public interest" as the guiding principle for managing and distributing rights to the surface of State-owned lands. A subsequent section directs the Legislature to "provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people." These admirable constitutional goals provide the foundation for any action affecting the State's land. In preparing recommendations to the State Legislators, the Commission has frequently reminded itself that the basic goals are maximum use and maximum benefit for all people of Alaska.

As the Commission looked for means of implementing the State's constitutional goals with policies and programs for making State lands available, several important principles have become apparent:

1. First, maximum benefit for all people means future as well as present generations. State lands must be available, not just to the citizens and others of today, but to our children and their children, on into many generations. The State holds lands in trust for all its people, but this role implies a responsibility to dispose of rights to land of various types and locations so as not to impair the opportunity of future generations to decide about land use in the light of circumstances which will only be unveiled by time. This principle also means that, where feasible and appropriate, the State should use means of conveying private land use rights which preserve the underlying ownership of land for future generations. A disposal program which simply opens all desirable lands for acquisition by Alaskans today, violates the State's responsibilities to citizens of the future whose access to both public and private lands must be assured.
2. Secondly, to truly maximize the use and availability of State lands, there must be a balanced allocation of lands for individual private use, as well as lands for use by the general public. Alaska's population is seeking many different forms of use and activity on State lands, ranging from uses associated with community development and settlement, for which private property rights are needed, to uses which can be made available to more people and conducted more successfully if the land is publicly owned rather than divided among private owners. Many forms of natural resource development, for example mining and logging, have historically been conducted most economically and successfully on large blocks of publicly owned lands. For people who wish to hunt, fish, ski, snowmobile, and trap, as well as for those who simply want to enjoy natural lands and wilderness, it is important to keep a share of State lands in public ownership. This is especially true for the average citizen who may not be able to afford the long drive or chartered airplane trip required to reach Federal lands, which are, for the most part, far more isolated and remote from Alaska's population centers.
3. Thirdly, a genuine effort to maximize benefits which all people receive from State lands will require careful consideration of local wishes and the tailoring of land disposal and retention policies and programs to reflect differing local situations. Some communities are strongly opposed to State land disposal and the added growth and local tax burden that may result. Others see more private land as a benefit. During the recent hearings to consider State selection from the national forests, several communities opposed State selections in their area. They feared land disposal would attract more people and threaten the life-style they find desirable. Our constitutional directive to manage State lands to maximize benefits for all people, is as much a directive to respect the wishes of those who don't want State land disposal in their area as it is a directive to make lands available in other areas where people have a need and use for more land. A blanket approach to State lands, which does not respect the great diversity and variety of communities within our State, is inconsistent with this mandate.

4. Fourthly, to achieve maximum use and benefit from State lands, our systems for making land available to private users must reflect the fact that different people have very different requirements for location, tract size, and conveyance method. The needs of the industrial developer, the family looking for a weekend recreation cabin, and the commercial farmer bear little comparison. To meet these and other differing needs and to maximize the use of State lands, the State should employ a diversified set of land disposal methods designed to meet varying user requirements. Simply doling out 40-acre tracts on a first-come, first-served basis, and saying that the free market will sort it all out, ignores the lessons of history. For the Matanuska colonists, the initial 40-acre limitation on tract size was a prime reason why a number of settlers failed. If the Federal government had respected the real acreage requirements for economic farming, the odds of success would have been much better. On the other hand, for a family seeking a lakefront cabin site, a 40-acre tract is far in excess of individual requirements. Large tract disposal in this situation gives a windfall to a lucky few, at the expense of others who might have been able to share a waterfront location under a smaller scale disposal system. A wholesale giveaway of State lands which ignores the very different requirements of different land users, will tend to reduce, rather than maximize the potential use and development of our State lands.

5. As a fifth guiding principle, the Commission found that maximizing public benefit means minimizing long-run public costs that follow from land disposal programs. New communities in rural areas, where there is little or no source of employment and income, can burden the general public with extreme costs for schools, roads, police protection, and other public services. With the statute requiring that a school be provided wherever there are eight elementary school children, and the recent out-of-court settlement reaffirming this statute and providing that a local secondary school program be available wherever a school attendance area includes children in that age group, the State cannot legislate away its obligation to provide such services. Thus, in making State lands available for private use, we must protect the taxpayer by avoiding the creation of new communities in locations where there is little possibility for development of a viable economic base.

One need only to look at the joblessness in existing small remote Alaskan communities to realize that viable economies seldom spring up in isolated areas. An economically strong community requires either a special location at a hub of transportation, nearby natural resources, or massive governmental investment such as construction of a new capital. In most northern countries, the trend is toward consolidation of population in existing large urban centers, rather than dispersal to smaller settlements. There is no reason to believe that Alaska will be any different from this worldwide pattern.

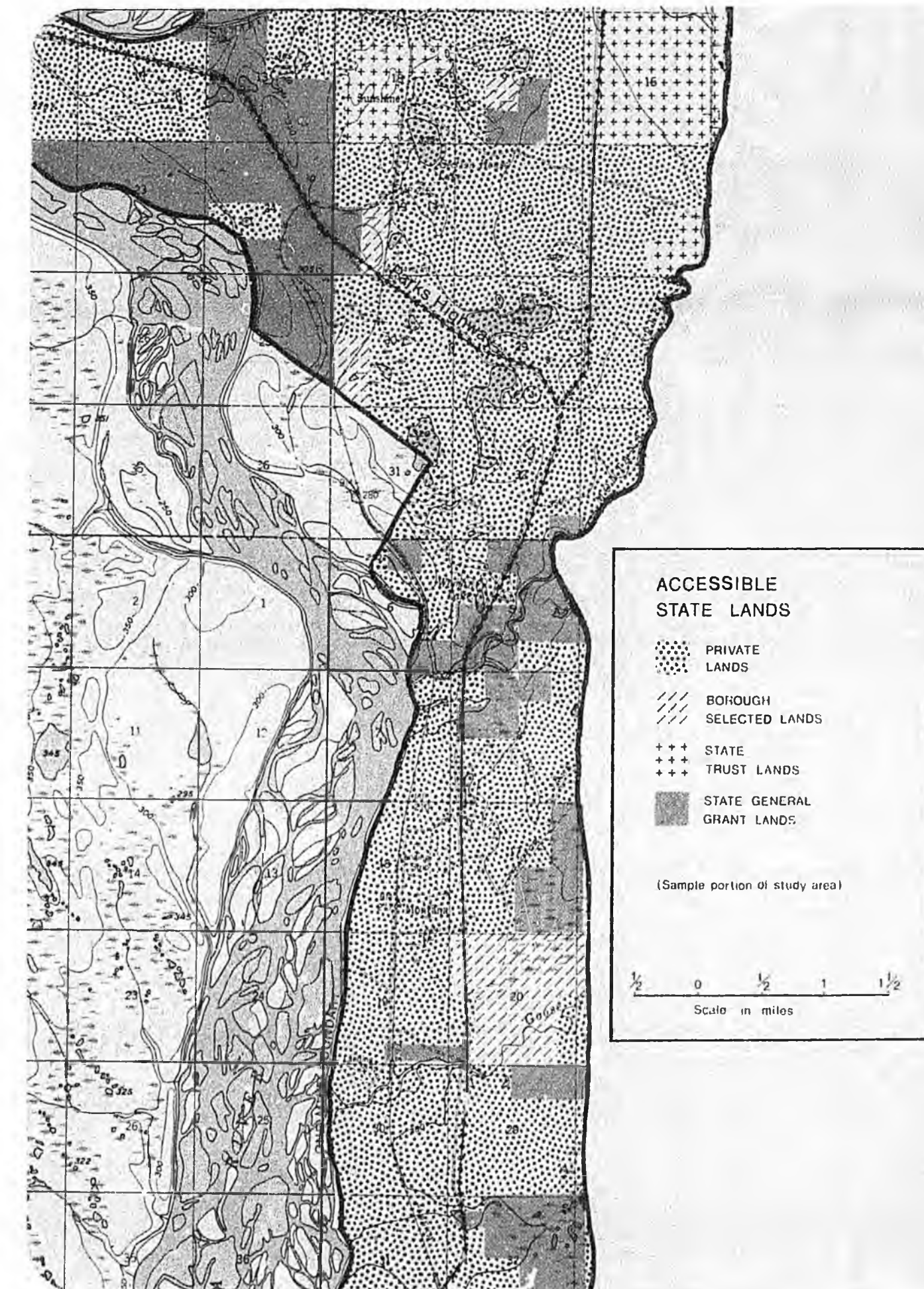
For the Commission, the principle of protecting the general public from the potential tax burden of rural settlement, indicates caution in land disposal, rather than a policy against making lands available in rural areas. To minimize costs, lands should be made available in areas where existing school bus routes could serve, or be easily extended, to include new settlers. In more remote areas, sites made available for year-round living should be sufficiently separated so that the public will not incur the costs of community development. If a dispersed population pattern is to be encouraged, it should be based on development of a local economy creating employment or jobs.

SUPPLY OF STATE LANDS

The Commission's five principles for maximizing use and benefit from State land indicate that there is no quick and easy method of accomplishing our constitutional mandate. Making wise and beneficial use of 104 million acres is inescapably a complex and lengthy process. To stand much chance of achieving our objectives with State land programs, we must have a clear picture of the nature, location, and accessibility of State lands.

The Commission recently conducted studies of the ownership of lands within an hour's driving range of several major growth centers, and the results were surprising. To someone driving along the Parks Highway, from Talkeetna to Palmer, the relatively vacant land pattern is deceptive. Many would assume that much of the area is State owned. However, in the Talkeetna-Willow-Palmer area, less than 9,000 acres (10 percent) of the lands within a mile of a road, and suitable for residential and development are general State selections. Over 82 percent of the buildable, accessible lands are already privately owned. The remaining eight percent are State trust lands or borough lands. A similar pattern exists for lands around Fairbanks. In the Anchorage bowl, where State lands are particularly scarce, there are less than 240 acres of uncommitted State lands.

Around Alaska's smaller communities the pattern is the same. Most of the accessible land within reasonable reach of the community is, or soon will be, in private rather than public ownership. The fact is that, despite existing selections of some 70 million acres and potential selections of another 34 million acres, the State has very little general grant land in locations that make it usable for community growth. Most is far too remote from centers of commerce and employment. Even considering the State's vast supply of remote lands, less than seven million acres or 10 percent of the existing supply is rated as good or fair for intensive use by the U. S. Soil Conservation Service. The rest is too steep, too wet, or subject to severe permafrost.





The Joint Federal-State Land Use Planning Commission for Alaska was created by Congress (Chapter 17, Alaska Native Claims Settlement Act) and by the Alaska Legislature (A.S. 41.40) to provide a statewide land use planning process that will ensure the economic development of the State in a manner that is compatible with the social and economic well-being of the public, their interests, and the environment. The Commission has general responsibilities for improving coordination between State, Federal and private landowners as well as specific duties to make recommendations on the designation of Federal lands and on State lands to be made available for disposal or to be retained under State ownership. Recommendations and reports of the Commission are to be addressed to the President of the United States, the Congress, the Governor of Alaska, and the Alaska Legislature.

The Commission is composed of ten members and is chaired jointly by a Federal Co-Chairman appointed by the President, and by the Governor of Alaska or his designee. Four members are appointed by the Secretary of the Interior and four by the Governor, one of whom must be an Alaskan Native. The Commissioners have been deliberately chosen to represent a broad range of interests and backgrounds. A small staff of professionals in planning, economics, energy, natural resources, transportation, and Native affairs advises the Commission in its deliberations and decisions. In actual practice, the Commission has found that the distinctions between State and Federal appointees are lost, and the merits of the issues tend to be the overriding concern.

Current members of the Joint Federal-State Land Use Planning Commission for Alaska are as follows:

Esther C. Wunnicke, Federal Co-Chairman
Walter B. Parker, State Co-Chairman
Richard A. Cooley
Joseph H. FitzGerald*
Norman Gorsuch†
Phil R. Holdsworth†
Celia M. Hunter
James J. Hurley†
George W. Rogers*
John W. Schaeffer

Former Co-Chairmen and Commissioners:

Burton W. Silcock, Federal Co-Chairman
David S. Jackman, State Co-Chairman
Joseph P. Josephson, State Co-Chairman
Jack O. Horton, Federal Co-Chairman
John E. Havelock,* State Co-Chairman
Frederick O. Eastaugh
Charles Konigsberg
Tay P. Thomas
Max C. Brewer
Charles E. Herbert
Harry E. Carter
George M. Sullivan

†State Land Subcommittee Member

*Served on an interim basis as Acting State or Federal Co-Chairmen.

A volume of Commission findings and recommendations on State land issues, together with proceedings of a workshop, and collected papers on State land issues by the staff of the Commission and the Department of Natural Resources is available from the Joint Federal-State Land Use Planning Commission, 733 West Fourth Avenue, Anchorage, Alaska 99501, Telephone: (907) 279-9565.



RECOMMENDATIONS FOR STATE LANDS

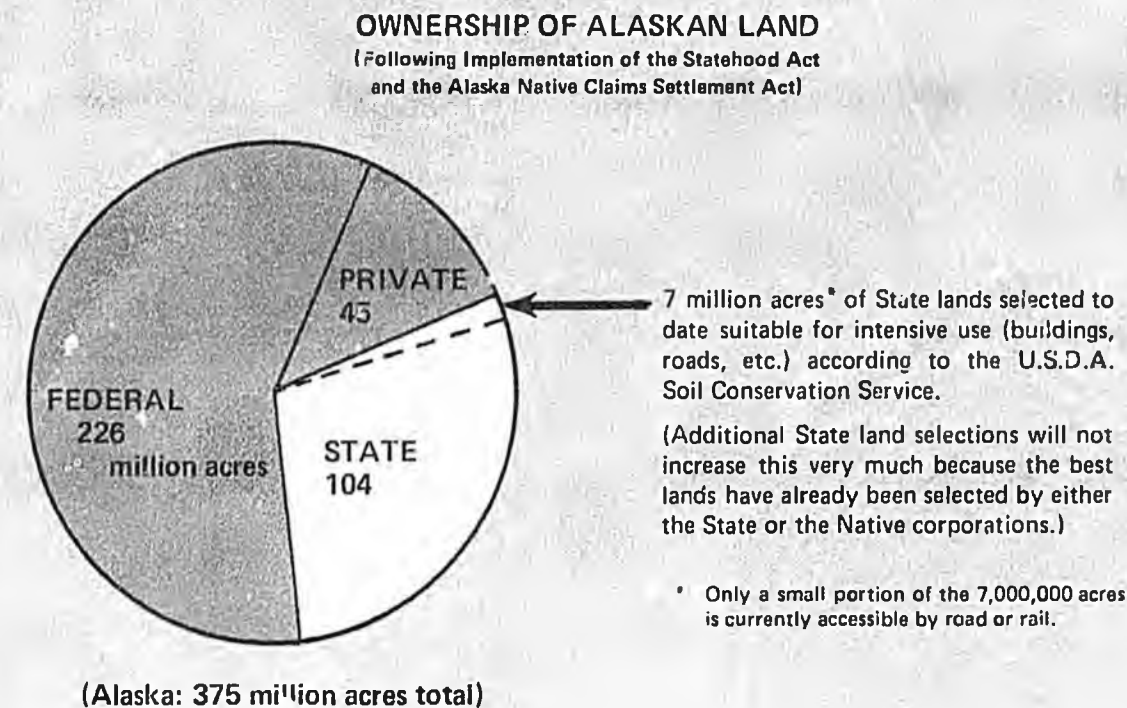
FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA

733 W. FOURTH AVE.
ANCHORAGE, ALASKA

Summary of recommendations to the Alaska Legislature on overall policy for making State-owned land available for public and private use.

JANUARY, 1978

It is natural to ask why the State has a shortage of general grant lands that are readily usable for settlement. The answer lies in the timing of Statehood rather than in the quality of land selection. Statehood and State selections came after lands had been homesteaded and private landowners had acquired properties near communities and along existing transportation systems. State general grant selections also came after prime lands had been selected for the Congressionally mandated trust programs. More recently, much of the best of the remaining State lands have been chosen by the municipalities and in the late 1960s and early 1970s the State sold 138,000 acres. Native corporation selections, which could include some State selected and tentatively approved lands, have concentrated on accessible, usable lands surrounding communities and adjacent to land and water access.



7 million acres* of State lands selected to date suitable for intensive use (buildings, roads, etc.) according to the U.S.D.A. Soil Conservation Service.

(Additional State land selections will not increase this very much because the best lands have already been selected by either the State or the Native corporations.)

* Only a small portion of the 7,000,000 acres is currently accessible by road or rail.

Many people mistakenly believe that Native-owned lands cannot be sold. On the contrary, as soon as the corporations receive their lands from the Federal government, it becomes private property and, just like any other private landowner, Native corporations, if they choose, can sell, lease, or otherwise make lands available for private use. It is probable that some corporations will choose to do so. Real estate is one of the few immediate sources of income for land-rich, cash-poor corporations. Already several corporations are planning land subdivisions. However, a number of corporations have expressed an intent to retain underlying ownership of their land by limiting any conveyance to leasehold interests and reserving much of their land for subsistence usage.

The net effect of this series of historical events has been to push the boundaries of State general grant lands farther and farther away from Alaska's centers of growth and community expansion. For the most part, the lands in Alaska that are best for community growth and settlement are now, or soon will be, in private ownership, or are held by the municipalities or by one of the three State trusts. In relation to communities, State general grant lands lie roughly midway between the private, municipal, and trust lands, which surround communities and the more remote and isolated Federal properties.

A second important fact that emerges from this history is that the State is no longer poor in terms of quantities of private land. In fact, just the opposite situation is now true. Once the Settlement Act is implemented, Alaska will have a more abundant supply of private land per capita than any other state in the nation.

Private land per capita—sample States.

| | | |
|-------------------------------------|------------|-------------|
| After Native Claims Settlement Act | Alaska | 111.9 acres |
| Before Native Claims Settlement Act | Alaska | 2.4 acres |
| | California | 2.5 acres |
| | Illinois | 3.2 acres |
| (lowest) | New Jersey | 0.66 acres |

A policy favoring users over holders would generally mean that land should be divided into parcels sized for individual use, and that State lands which are made available for settlement purposes should have access from water or, where appropriate, that the State should arrange for the development of surface access to these lands. In some local areas where there is a real scarcity of vacant land on the private market, land should be made available to subdividers. A policy of disposal in a manner which encourages use is especially important for the State's scarce supply of agricultural lands. If these lands are squandered for speculation and nonagricultural uses, economic and social values of importance to the general public will be lost.

Moving away from the broad categories, the Commission studied in more detail the different needs of individuals and corporations who may want State lands for use purposes. The Commission identified six types of potential users:

1. **The individual who wants a site for permanent residence within daily reach of employment.** Generally, this individual needs to be within regular commuting distance of a community center. For this group of users, the harsh reality is that the State has only a scant supply of suitable land to offer. Lands in far better locations are under municipal or private ownership. Some State trust lands are available, particularly in southeastern Alaska and could be sold or leased. To meet the State's trust responsibilities, such conveyances must be at fair market value.
2. **The commercial or industrial developer.** Here again, the State has little to offer from general grant lands. Most prime accessible commercial or industrial sites are privately owned lands within or near communities. Some of the State's close-in trust lands may be suitable. Leasing is a preferred method of conveyance from the point of view of the trustee, and a leasehold interest is well suited to the needs of the company seeking to minimize capital outlay. However, the current leasing statute poses a roadblock to leasing of trust lands since rental rates cannot be adjusted to reflect market value increases or even to keep up with the normal rate of inflation.
3. **The individual seeking a site for a weekend recreation cabin.** Generally, this person is looking for a waterfront location and must have fairly convenient access, either by road, airport, or water, since he doesn't want to spend more than a few hours of his weekend to reach the site. The State has a limited supply of lands of this type. Many of the State's more accessible lakefront lands near communities have already been leased or sold. To maximize use by all people, it is important that some of this land be reserved for public fishing and waterfront recreation. In the future, there may be a need to reclaim waterfront land close to urban areas to accommodate growing pressures for public recreation. This has been the pattern in other states.

An over-the-counter leasing program would serve to make lands available to people who genuinely want to use the property, and, at the same time, would preserve underlying State ownership of waterfront lands that may be needed for public recreation purposes in the future. To distribute waterfront land among as many users as possible, as well as to insure that lease rentals are in line with use values, parcel sizes should be carefully tailored to individual recreation site needs. The subdivision should be carefully designed, with consideration of topography and other site characteristics so that each lot has waterfront, view, or other recreational amenities.

Again, for such a program to work, the current leasing statute must be revised. If, as under the current statute, lease rentals are maintained below market value, speculative interests rather than users will seek out the properties. The gap between market value and State lease rental rates will be reflected by an inflated sale price for the leasehold interest. Thus, individuals will be encouraged to invest in leased land as though it were fee simple property. If this happens, termination of the lease at the end of the lease term will seem like confiscation to the leasee.

4. **The commercial farmer.** This individual needs prime agricultural land in a tract size which provides an economic farming unit for his particular form of agriculture. Required tract sizes can vary widely from 40 acres for potato farming to several thousand acres for barley farming. Reliable road access is essential for successful farming. The State has approximately 4,000,000 acres of good agricultural land under existing selection, but only a fraction of this area has suitable road access. The Legislature has already provided a statutory program for making State agricultural land available for farming purposes, and the State is developing regulations to implement this program. It is vital to successful agriculture that conveyance units be sized to meet the requirements of different types of farming.
5. **The individual looking for agricultural land primarily for residential or recreational purposes, rather than for commercial agriculture.** People in this group range from retirees to remote site construction workers, who can manage a long, but occasional, commute, to people who want to raise part of what they consume through their own efforts and have the cash to afford to do so. Large quantities of prime agricultural land are not essential to the purposes of any of these prospective users. In fact, most people in this category would be satisfied with five acres. Since these users do not need to be within daily commuting range of a community, the State has a supply of land available for their needs; but accessible land, even in more remote areas, is scarce. The existing five-acre homesite program would fit the needs of this group without squandering scarce accessible buildable lands. However, the current program, with its three-year construction requirement and built-in handicap to receiving financing, poses potential problems. Simply offering five-acre tracts for sale would probably be simpler and less costly for the State and grant more freedom and flexibility to the individual recipient.
6. **The individual who wants an opportunity to live in a remote area.** This person's primary objective is the experience of living in isolation in the Alaska wilderness. He is exemplified by some of the people who filed for land north of Talkeetna under the open-to-entry program, but who expressed dissatisfaction with the program because other people filed nearby. Typically, his wilderness experience is not a lifetime project, but would last for a year or more. Since he is removing himself from the economic mainstream, the cash resources which he can invest in land and structure are limited.

The State has an abundant supply of the remote, relatively inaccessible, lands sought by this type of individual. Accommodating his needs would be a way of extending the usability of State lands, since cabins and trails in remote areas add to the safety and the accessibility of wilderness areas.

As the most workable approach in meeting this form of land demand, the Commission recommends that the State develop a permit system which would simply give the individual the right to build and occupy a cabin on public lands. Land title is not essential to this individual's needs. It's the experience of living there, rather than ownership of the land that he is seeking. Further, the cost of surveying remote, isolated tracts is prohibitive, whether it is borne by the State or the individual. It is not unusual for survey of a remote isolated tract to cost as much as \$4,000. If the State



RECOMMENDED POLICY

Over the past 15 years, the State administration has veered from a policy of wholesale disposal of large tracts at public auctions to a policy of minimal disposal. These changes have confused the public and caused legislative dissatisfaction with the administration. But under the current body of statutes, it is not surprising that the administration has acted so freely. Other than "multiple use consistent with the public interest," the statutes provide little policy guidance for the administration when it comes to making day-to-day decisions about the extent, timing, and location of State land disposal or retention. Even the basic purposes of State land disposal or retention are left undefined.

Recognizing this lack, the Commission strongly recommends that the Legislature adopt a policy-setting statute with sufficient specificity to give the administration clear and consistent guidance about the purpose and extent of State land disposal and retention. The Commission recommends the following as major elements in such a statute:

1. A recognition that maximum use of State lands for the benefit of all people requires a balanced combination of lands for both public and private purposes; and that this balance is particularly necessary near communities, so that natural areas are easily reached from all settled areas.
2. A policy to protect the interest of future generations and give them an opportunity to decide about land use by reserving a supply of public land of the various available types and locations.
3. Direction to the administration to periodically and systematically inventory State lands, to project future uses, and to determine land classifications through a land use planning process.
4. Direction to the administration to periodically and systematically inventory the supply and quality of private and municipal lands available in all regions where the State owns land; to ascertain local wishes regarding State land retention and disposal; and to consider and reflect this information in the planning and classification of lands for disposal and retention purposes.
6. A clear statement that the primary public interest in conveying State lands rights to private parties is to make them available to individuals and corporations for direct use and construction in locations suitable for the land use intended.
7. A clear statement that the primary public interests in retaining State lands in public ownership are:
 - a. to make them available for hunting, fishing, natural area recreation, and other types of land use and resource development which generally require public rather than private ownership;
 - b. to protect areas of critical wildlife habitat and special scenic environmental or recreational value;
 - c. to restrict development in hazardous locations; and
 - d. to guide the location of settlement and development to minimize public cost and maximize social and economic benefits.
8. Direction to the administration to employ a varied set of methods of conveying land rights to private parties designed to fit the different needs of different land users. Statutory direction could further require that an array of land types under various appropriate conveyance methods be made available for private use on a continuing basis.
9. A policy recognizing that, for many private users of State lands, reliable access is essential. Accordingly, where necessary and appropriate, the State should arrange for the development of surface access as part of its land disposal program. The direct costs of access development should be borne by the recipient of the land.
10. A policy of reserving easements and rights-of-way across disposal areas as necessary to reach public waters and public and private lands beyond.
11. A policy favoring disposal at market value, except where justified by a clear public interest. In cases where the State conveys limited rights to lands, the price of the land should be adjusted to reflect reduced market value. In any case, to protect general public interests, the cost of survey and other direct costs of conveying State land to private parties should be borne by the recipient of the land.
12. A policy of avoiding land disposal in a manner that will encourage new communities to develop in areas where a viable economic base is improbable.