

LEG. FINANCE - BILLS 1979 - 1980 1310

SB 223am cont., thru SB 223

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 223 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the disposal and use of state land;  
7 relating to the membership and duties of the Soil  
8 Conservation Board; annulling 11 AAC 53.450(c); and  
9 providing for an effective date."

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

11 \* Section 1. During the fiscal year ending June 30, 1981, the commis-  
12 sioner of natural resources shall make available for private ownership at  
13 least 100,000 acres of state land contained in the land disposal bank estab-  
14 lished in AS 38.04.020 which is suitable for the uses listed in AS 38.04.-  
15 020(a)(1) - (4). However, the amount of disposals of land for private owner-  
16 ship by municipalities under AS 29.48.260 made during the fiscal year ending  
17 June 30, 1981, may be added to disposals from the land disposal bank in order  
18 to meet the 100,000 acre requirement of this section.

19 \* Sec. 2. AS 29.18.204(c) is amended to read:

20 (c) Land may be selected or nominated for selection by a munici-  
21 pality to satisfy a general grant land entitlement under AS 29.18.201  
22 and 29.18.202 at any time before October 1, 1980. However, if a muni-  
23 cipal selection or nomination or a part of a municipal selection or  
24 nomination is rejected by the director, the municipality may, not later  
25 than 90 days after receipt of the director's rejection, select additional  
26 state land of equal area to satisfy its entitlement.

27 \* Sec. 3. AS 38.04.005(b) is amended to read:

28 (b) In classifying state land for private use and settlement  
29 purposes, the director shall make adequate provision for public open

1 space which is accessible to communities so that natural areas are  
2 easily reached from all communities and settled areas. The amount of  
3 that land shall be sufficient to meet existing and projected needs for  
4 accessible public recreation land. Public access to navigable or pub-  
5 lic waters of the state shall be preserved as provided in AS 38.05.127.  
6 Special care shall be taken to preserve public access to public water  
7 and to retain state ownership of sufficient land which combine high  
8 value for recreation and other public purposes with accessibility to  
9 settled areas. This classification for public purposes does not consti-  
10 tute dedication to open space, but the division's management of land so  
11 classified shall be in a manner to preserve the identified values.

12 \* Sec. 4. AS 38.04.020(a) is amended to read:

13 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall  
14 establish a land disposal bank which contains state land that is avail-  
15 able for disposal for private ownership. The [BY JULY 1, 1979, THE]  
16 land disposal bank shall contain [AT LEAST 250,000 ACRES OF] state land  
17 which is available for

- 18 (1) use as remote cabin sites under AS 38.05.079;
- 19 (2) disposal for recreational and residential use;
- 20 (3) disposal for commercial use; [AND]
- 21 (4) disposal for industrial use; and
- 22 (5) disposal for agricultural use.

23 \* Sec. 5. AS 38.04.020(d) is amended to read:

24 (d) [DURING THE FISCAL YEAR ENDING JUNE 30, 1981, AND DURING EACH  
25 FISCAL YEAR THEREAFTER, THE COMMISSIONER SHALL MAKE AVAILABLE FOR PRI-  
26 VATE OWNERSHIP AT LEAST 100,000 ACRES OF STATE LAND CONTAINED IN THE  
27 LAND DISPOSAL BANK WHICH IS SUITABLE FOR A VARIETY OF USES.] If, after  
28 January 1, 1981, the land disposal bank contains less than 500,000 acres  
29 of land which is available for the purposes listed in (a)(1) - (4) of

1 this section, the commissioner shall classify state land located outside  
2 municipalities until at least 500,000 acres are available for those  
3 purposes.

4 \* Sec. 6. AS 38.04.040 is amended to read:

5       Sec. 38.04.040. AVAILABILITY OF [SCHOOL LAND AND] UNIVERSITY LAND.  
6 University [SCHOOL LAND AND UNIVERSITY] land may be made available at  
7 fair market value for private use under the purposes of this chapter;  
8 however, any action to do so shall be in accordance with statutes per-  
9 taining to these lands and the authority of [THE BOARD OF EDUCATION AND]  
10 the Board of Regents of the University of Alaska.

11 \* Sec. 7. AS 38.04.045(b) is amended to read:

12       (b) Before the conveyance of surface rights to state land, an  
13 [AND] official cadastral survey shall be accomplished, unless a com-  
14 parable, acceptable survey exists that has been conducted by the federal  
15 Bureau of Land Management. The rectangular survey section corner posi-  
16 tions shall be monumented and shown on a cadastral survey plat approved  
17 by the state. However, for those areas where the state may wish to  
18 convey surface estate outside of an official cadastral survey grid, the  
19 director may waive monumentation of all individual section corner posi-  
20 tions and substitute an official control survey with control points  
21 being monumented at approximately three-mile [TWO-MILE] intervals and  
22 shown on control survey plats approved by the state. No portion of land  
23 to be conveyed may be located more than three [TWO] miles from such a  
24 survey control monument. The lots and tracts in state subdivisions  
25 shall be monumented and the cadastral survey and plats for the subdivi-  
26 sion shall be approved by the state. Where land is located within a  
27 municipality with planning, platting, and zoning powers, plats for state  
28 subdivisions shall comply with local ordinances and regulations in the  
29 same manner and to the same extent as plats for subdivisions by other

1 landowners. State subdivisions shall be filed in the district recorder's  
2 office. The requirements of this section do not apply to land made  
3 available through a cabin permit system, material sales, or short-term  
4 leases; however, for short-term leases the lessee must comply with local  
5 subdivision ordinances unless waived by the municipality under procedures  
6 specified by ordinance.

7 \* Sec. 8. AS 38.05.047(e) is amended to read:

8 (e) If the land is suitable for residential use, the department  
9 shall survey and subdivide the land in a survey district established  
10 under 'c) of this section into parcels which may not exceed five acres.  
11 However, a parcel may exceed five acres if a municipal ordinance or a  
12 regulation adopted by the Department of Environmental Conservation re-  
13 quires larger parcels to prevent water pollution. The commissioner  
14 shall give priority to surveying those survey districts which contain  
15 land that is in the vicinity of existing access roads and may be de-  
16 veloped immediately for residential use at the least cost to the state  
17 and potential purchasers. The commissioner shall issue a written finding  
18 which describes land in a survey district which he determines is not  
19 suitable for residential use. The written finding shall include the  
20 reasons for the commissioner's determination and shall be kept on file  
21 in the office of the commissioner and in the district office of the  
22 department located nearest to the municipality in which the land is  
23 located.

24 \* Sec. 9. AS 38.05.050 is repealed and re-enacted to read:

25 Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR PRIVATE  
26 OWNERSHIP. The commissioner, upon recommendation of the director, shall  
27 determine the land to be disposed of for private use. The director  
28 shall determine the time and place of disposal. An auction sale, a  
29 lottery sale, or a disposal of land for homesites under AS 38.08 must be

1 held in the recording district in which the land is located. However,  
2 the director may hold the disposal in a recording district other than  
3 the recording district in which the land is located if the place of  
4 disposal is more convenient for the attendance of persons living in the  
5 vicinity of the land.

6 \* Sec. 10. AS 38.05.055 is amended to read:

7       Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method  
8 of sale is required under this chapter, under AS 38.07, or under [EXCEPT  
9 AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.08, the sale of  
10 state land shall be made at public auction to the highest qualified  
11 bidder as determined by the director. A bidder must appear in person at  
12 the auction. However, a bidder may be represented by an attorney or  
13 agent at the auction if the land offered for disposal is commercial,  
14 industrial, or agricultural land. An aggrieved bidder may appeal to the  
15 commissioner within five days after the sale for a review of the direc-  
16 tor's determination. The sale shall be conducted by the director or his  
17 representative, and at the time of sale the successful bidder shall  
18 deposit an amount equal to five percent [ONE-TENTH] of the purchase  
19 price, or if the purchaser elects to use land discounts granted under  
20 AS 38.05.058, five percent of the amount bid after deduction of the  
21 discount. The director or his representative shall immediately issue a  
22 receipt containing a description of the land or property purchased, the  
23 price bid, the amount deposited, and the amount of any discount allowed  
24 [TERMS OF SALE], which receipt shall be acknowledged in writing by the  
25 bidder. [A CONTRACT OF SALE ON A FORM APPROVED BY THE ATTORNEY GENERAL  
26 SHALL BE SIGNED BY THE PURCHASER AND, AFTER APPROVAL OF THE COMMIS-  
27 SIONER, THE CONTRACT SHALL ALSO BE SIGNED BY THE DIRECTOR ON BEHALF OF  
28 THE STATE.]

29 \* Sec. 11. AS 38.05.057(a) is amended to read:

1 (a) The commissioner may dispose of land, including land limited  
2 to use for agricultural purposes, by lottery. The purchase price of  
3 land sold by lottery shall be the fair market value of the land as  
4 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,  
5 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-  
6 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner shall  
7 [MAY] sell land by lottery for less than the fair market value of the  
8 land if he determines that scarcity of land for private use in the area  
9 of the land to be sold has resulted in unrealistic land values. Before  
10 the commissioner determines the purchase price for land which is located  
11 in a municipality and which is to be sold under this section, he shall  
12 consult with the assessor of the municipality. The lottery shall be  
13 conducted in public by the commissioner or his representative and an ap-  
14 applicant may not be selected to purchase land unless he is present on the  
15 date and at the place that the lottery is conducted. However, an appli-  
16 cant may be represented by an agent on the day of the lottery if the land  
17 offered for sale is commercial, industrial, or agricultural land. On  
18 [, AND AT] the day of the lottery [TIME OF SIGNING A CONTRACT OF SALE] a  
19 purchaser selected by lot shall deposit an amount equal to five percent  
20 of the purchase price, or if the purchaser elects to use land discounts  
21 granted under AS 38.05.058, five percent of the [DISCOUNT] purchase  
22 price after deduction of the discount.

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

24 Sec. 38.05.064. SALES PREFERENCE TO HOLDERS OF MINING CLAIMS. (a)  
25 An individual who has established a mining claim on state land before  
26 January 1, 1900, is entitled to a preference right to acquire the surface  
27 estate to a parcel of land within the boundaries of his mining claim if  
28 (1) the surface estate to the land is offered for disposal to the public  
29 under AS 38.05.045 - 38.05.069, 38.05.077, or AS 38.08; (2) he satisfies

1 the eligibility requirements of the land disposal program under which  
2 the land is offered; and (3) he submits proof satisfactory to the com-  
3 missioner that the mining claim is valid. A parcel acquired under this  
4 section may only include the amount of land that the individual has  
5 actually used in connection with his mining claim before January 1,  
6 1980, and may not exceed 10 acres.

7 (b) After the director determines that state land will be offered  
8 for disposal to the public under AS 38.05.045 - 38.05.069, 38.05.077, or  
9 AS 38.08, he shall determine if there is an individual who holds a  
10 preference right to that land as provided by (a) of this section by  
11 notifying by certified mail each individual who holds a recorded mining  
12 claim of his right to acquire the surface estate to land within the  
13 boundaries of his mining claim. The notice required by this subsection  
14 shall be sent not later than 60 days before public notice of a proposed  
15 land disposal is given under AS 38.05.345 and must include

16 (1) a statement of the terms and conditions under which the  
17 surface estate to the land will be offered for disposal to the public;

18 (2) a description of the parcels within the boundaries of the  
19 mining claim that will be offered to the public; and

20 (3) the requirements imposed by (a) of this section for the  
21 grant of a preference right under this section.

22 (c) An individual who claims a preference right under this section  
23 shall provide the necessary proof to assert his preference right not  
24 later than 90 days after the notice under (b) of this section is sent to  
25 him by the department.

26 (d) Not later than 15 days before the date set for disposal of the  
27 land to the public, the director shall either grant or reject a pre-  
28 ference right claimed under this section. If the preference right is  
29 granted, the holder of the preference right may purchase the parcel

1 for either the high bid received by the department at the public auction,  
2 or under the terms and conditions to be offered to the public if the  
3 land is disposed of by a method other than by public auction. If a  
4 deposit is required, the claimant shall deposit five percent of the  
5 appraised fair market value of the parcel, and if the holder of the  
6 preference right fails to sign the contract of sale within 30 days after  
7 it is sent to him by the department the deposit shall be forfeited.

8 (e) If a mining claim is held jointly by two or more individuals,  
9 the individuals may not exercise the preference right provided in this  
10 section unless they either jointly exercise the preference right or  
11 agree in writing which of them is entitled to exercise the preference  
12 right.

13 (f) An individual may only exercise the preference right provided  
14 in this section one time during his lifetime.

15 (g) In this section,

16 (1) "individual" means a natural person; and

17 (2) "mining claim" means a mining property established under  
18 AS 38.05.185 - 38.05.280 and does not include a mineral lease or permit  
19 for the extraction of minerals or resources under AS 38.05.135 - 38.05.-  
20 184.

21 \* Sec. 13. AS 38.05.065(b) is amended to read:

22 (b) The contract of sale for land sold under this chapter [THE  
23 PROCEDURES SPECIFIED IN AS 38.05.057 (LOTTERY DISPOSALS)] shall require  
24 the remainder of the purchase price be paid in monthly, quarterly, or  
25 annual installments over a period of not more than 20 years. The con-  
26 tract of sale must provide that the interest on the unpaid principal  
27 is calculated for payment of the installments in advance and that the  
28 interest accrues beginning 30 days after the contract is mailed by the  
29 department to the purchaser for his execution. Installment payments

1 plus interest shall be set on the level-payment basis. The interest  
2 rate to be charged on installment payments is the prevailing rate for  
3 real estate mortgage loans made by the federal land bank for the farm  
4 credit district for Alaska at the time the contract is signed.

5 \* Sec. 14. AS 38.05.065(c) is amended to read:

6 (c) The commissioner [DIRECTOR] shall, for contracts under [(a)  
7 OR] (b) of this section, set for each sale the period for the payment of  
8 installments and the total purchase price plus interest. The [DIRECTOR,  
9 WITH THE CONSENT OF THE] commissioner [,] may also include in contracts  
10 under this section conditions, limitations and terms which he considers  
11 necessary and proper to protect the interest of the state. The con-  
12 tract of sale shall be on a form approved by the attorney general and  
13 shall be signed by the purchaser and the commissioner on behalf of the  
14 state. The purchaser shall sign and return the contract of sale not  
15 later than 30 days after the contract is mailed to him by the department.  
16 The commissioner shall sign the contract within 30 days after receiving  
17 the contract from the purchaser. If the purchaser fails to sign a con-  
18 tract of sale containing the terms and conditions recited in the receipt,  
19 the deposit made by the purchaser shall be retained by the department as  
20 liquidated damages to repay the state for the cost of selling the land  
21 to another purchaser. Violations of any provision of this chapter or  
22 the terms of the contract of sale subject the purchaser to appropriate  
23 administrative and legal action, including but not limited to specific  
24 performance, foreclosure, ejectment, or other legal remedies in accord-  
25 ance with applicable state law.

26 \* Sec. 15. AS 38.05.069(c) is amended by adding a new paragraph to read:

27 (6) the holder of a grazing lease on state land has a prefer-  
28 ence to purchase an interest in that land for agricultural purposes  
29 offered under this subsection for the amount of the high bid received at

1 public auction; the preference allowed under this paragraph extends only  
2 to an amount of the land leased for grazing purposes that is no larger  
3 than the largest parcel offered for disposal by the director within the  
4 boundaries of the grazing lease.

5 \* Sec. 16. AS 38.05.070 is amended by adding a new subsection to read:

6 (d) A grazing lease other than a negotiated grazing lease may not  
7 be issued for a period of less than 10 years.

8 \* Sec. 17. AS 38.05.077(a) is amended to read:

9 (a) The commissioner shall, under the procedures required by  
10 AS 38.05.300 and 38.05.305, classify state land which is suitable for  
11 disposal as remote parcels. The commissioner shall designate remote  
12 parcel selection areas consisting of land classified under this section.  
13 [THE COMMISSIONER SHALL SET THE NUMBER OF REMOTE PARCELS THAT MAY BE  
14 SELECTED IN EACH REMOTE PARCEL SELECTION AREA.] A remote parcel may not  
15 exceed 40 acres. [THE COMMISSIONER SHALL DETERMINE FOR EACH REMOTE  
16 PARCEL SELECTION AREA, THE AMOUNT OF LAND IN EACH REMOTE PARCEL THAT MAY  
17 BE USED FOR RESIDENTIAL PURPOSES. LAND WHICH MAY BE USED FOR RESIDEN-  
18 TIAL PURPOSES IN A REMOTE PARCEL MAY NOT BE LESS THAN TWO ACRES AND MAY  
19 NOT EXCEED FIVE ACRES.]

20 \* Sec. 18. AS 38.05.077(c) is amended to read:

21 (c) A person who is qualified under (g) of this section may apply  
22 [UNDER THE PROCEDURES SET OUT IN AS 38.05.057] to lease a remote parcel  
23 in a parcel selection area designated by the commissioner under (a) of  
24 this section if he has staked the exterior boundaries of the remote par-  
25 cel in accordance with the parcel selection procedures established under  
26 (b) of this section during an entry period established by the commis-  
27 sioner. A [EACH] person [WHO IS ENTITLED TO SELECT A REMOTE PARCEL] may  
28 enter a remote parcel selection [THE] area [FOR WHICH HE APPLIED] to  
29 stake the boundaries of a remote parcel. A person shall select a remote

1 parcel in person and may not be represented by an attorney or agent.

2 \* Sec. 19. AS 38.05.077(d)(3) is amended to read:

3 (3) a rental payment shall be paid annually and shall be \$10  
4 for each acre in the remote parcel [\$150 A YEAR FOR FIVE ACRES OR LESS  
5 PLUS \$50 FOR EACH ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES].

6 \* Sec. 20. AS 38.05.077 is amended by adding a new subsection to read:

7 (g) To qualify to select a remote parcel under this section, a  
8 person shall

9 (1) at the time of application have attained the age of 18;

10 (2) submit proof, as required by regulation, that he has been  
11 a resident of the state for not less than one year immediately preceding  
12 the date his application was submitted; and

13 (3) certify that he has not leased a remote parcel in the  
14 state within eight years immediately preceding the date of selection of  
15 a remote parcel.

16 \* Sec. 21. AS 38.05.078(a) is amended to read:

17 (a) A lessee of a remote parcel may purchase [THE LAND USED FOR  
18 RESIDENTIAL PURPOSES IN] a remote parcel if, before the expiration of  
19 the lease or a renewal of the lease, he surveys the [RESIDENTIAL] land  
20 and erects a habitable dwelling on the land.

21 \* Sec. 22. AS 38.05.078(c) is amended to read:

22 (c) A lessee of a remote parcel may purchase land in a remote  
23 parcel under the terms specified in AS 38.05.065(b). The purchase price  
24 of land sold under this section shall be its fair market value as deter-  
25 mined by the commissioner. The valuation date for determining the fair  
26 market value of land sold under this section is the date that the remote  
27 parcel lease was first executed by the lessee who purchases the land  
28 [PLAT OF SURVEY IS APPROVED BY THE COMMISSIONER].

29 \* Sec. 23. AS 38.05 is amended by adding new sections to read:

1           Sec. 38.05.083. CLASSIFICATION AND USE OF GRAZING LEASE LAND. (a)  
2 The commissioner shall classify as grazing land all state land leased  
3 for grazing and all state land which has been inventoried under AS 38.-  
4 04.060 and found suitable for grazing.

5           (b) A lessee of state grazing land shall prepare a range con-  
6 servation and development plan and submit the plan to the department for  
7 approval.

8           (c) A lessee of state grazing land may grow and harvest crops on  
9 the leased land for his own needs. The commissioner may issue regu-  
10 lations authorizing the sale of crops grown on land in a grazing lease  
11 if the sale of the crops is incidental to the use of the land for  
12 grazing livestock.

13           Sec. 38.05.101. RENEWAL OF GRAZING LEASE. At the expiration of a  
14 grazing lease under AS 38.05.070 - 38.05.100 the commissioner shall  
15 review the classification of the land in the leasehold. If the com-  
16 missioner determines that the land should remain available for lease for  
17 grazing, the lessee has an option to renew the lease for at least 10  
18 years if he has complied with the terms of the original lease.

19 \* Sec. 24. AS 38.05 is amended by adding a new section to read:

20           Sec. 38.05.084. OCCUPANT LEASE PREFERENCE. (a) A person who  
21 occupies a permanent dwelling on state land without the right to own or  
22 possess the land is entitled to receive an offer to lease the land from  
23 the state before it is offered to the public for disposal for private  
24 use if

25           (1) the person pays \$250 a year for each year that he used  
26 the land without legal authority, not to exceed \$1,000;

27           (2) the dwelling was constructed on the land between June 1,  
28 1973, and January 1, 1978;

29           (3) the dwelling is the person's permanent and principal

1 place of abode; and

2 (4) the person applies to the department before January 1,  
3 1981.

4 (b) A lease issued under (a) of this section

5 (1) may not exceed a term of 55 years;

6 (2) shall provide that the lessee shall pay the state a fixed  
7 annual rent not to exceed five percent of the appraised value of the  
8 land;

9 (3) is nontransferable and expires upon the death of the  
10 lessee and the lessee's spouse;

11 (4) may be terminated at any time by request of the lessee.

12 (c) A lessee under (a) of this section is ineligible for state  
13 land disposals under AS 38.05.057, 38.05.058, 38.05.078, or 38.05.079.

14 (d) Land leased under (a) of this section shall be limited to the  
15 minimum acreage possible within the range of land disposals in the  
16 general vicinity of the lease, but may not be less than two acres or  
17 more than five acres in size.

18 \* Sec. 25. AS 38.05.095(a) is amended to read:

19 (a) A [EXCEPT AS PROVIDED IN (b) OF THIS SECTION, A] lessee may  
20 sublease or assign the land or portion of it upon which he has a lease  
21 if, after application to the director, the director issues a permit.  
22 The director may issue a permit if he finds that it is in the best  
23 interest of the state to do so.

24 \* Sec. 26. AS 38.05.127 is amended by adding new subsections to read:

25 (d) Notwithstanding the requirements of (a) and (b) of this sec-  
26 tion, the director may, at the request of a municipality having platting  
27 powers, patent land to the municipality to satisfy a general grant land  
28 entitlement under AS 29.18 without reserving public access to navigable  
29 or public waters if, before the municipality sells, leases, grants,

1 or otherwise disposes of an interest in the land, the municipality

2 (1) determines whether the land to be offered for disposal  
3 contains navigable or public waters; and

4 (2) provides for reservation of easements or rights-of-way,  
5 or both, reasonably necessary to insure free access to and along a body  
6 of water determined to be navigable or public.

7 (e) A municipality may limit, vacate, or modify an easement for  
8 public access to navigable or public waters contained in municipal land  
9 conveyed to the municipality by the department under AS 29.18 if the  
10 municipality determines that the limitation, vacation, or modification  
11 of the easement for public access is necessary for the protection of  
12 other beneficial uses or public purposes.

13 (f) A determination or reservation under (d)(1) and (2) of this  
14 section or a limitation, vacation, or modification of an easement for  
15 public access under (e) of this section shall be made by the borough  
16 assembly, city council, or other municipal agency or officer designated  
17 by the assembly or council to act on its behalf. Before the assembly,  
18 council, municipal agency, or officer takes an action under (d)(1), (2),  
19 or (e) of this section, a public hearing shall be held. Notice of the  
20 hearing shall be delivered to the commissioner not less than two weeks  
21 before the hearing. The commissioner may overrule an action taken by a  
22 municipality under (d)(1), (2), or (e) of this section by notifying the  
23 municipality of his decision within 30 days after the assembly, council,  
24 municipal agency, or officer makes a determination to reserve a right-of-  
25 way or limit or restrict public access to municipal land. If the commis-  
26 sioner fails to overrule the action of the municipality within the  
27 30-day period, the action of the municipality is approved by the com-  
28 missioner.

29 (g) Management authority over navigable waters, public waters,

1 easements and rights-of-way reserved or designated by the department in  
2 a conveyance to a municipality, including the power to vacate or other-  
3 wise modify those easements or rights-of-way, remains with the depart-  
4 ment unless exercise of all or a part of that authority has been offered  
5 to and accepted by the municipality to which the land is conveyed.

6 (h) Management authority over easements and rights-of-way reserved  
7 by a municipality under this section remains with the municipality.

8 (i) Upon application by a municipality, the department may vacate  
9 or release, under the procedures specified in (d) and (f) of this sec-  
10 tion, easements and rights-of-ways for public access to or along navi-  
11 gable or public waters reserved by the department in any patent issued  
12 under AS 29.18 before the effective date of this section or for which  
13 the first public notice of the proposed conveyance was given before the  
14 effective date of this section.

15 \* Sec. 27. AS 38.05.305(c) is repealed and re-enacted to read:

16 (c) A public notice of an action for which notice or review is  
17 required under this section shall be published as provided in AS 38.05.-  
18 345. The notice shall include the date and time of a public hearing if  
19 scheduled, or a closing date for the receipt of comments in writing from  
20 the public and the address to which the comments may be directed.

21 \* Sec. 28. AS 38.05.315(b) is amended to read:

22 (b) Notwithstanding AS 38.05.070 - 38.05.080 and [,] 38.05.095,  
23 [AND AS 38.05.100 OF THIS CHAPTER] the director, upon application filed  
24 by an applicant eligible under (b) - (d) of this section, may, by nego-  
25 tiation and without public auction in the manner prescribed in (b) - (d)  
26 of this section, lease state land for a term of not more than 55 years.  
27 Before leasing, the director shall prepare a land use plan and a land  
28 classification to insure that the proposed use is compatible with area  
29 utilization. Before the land may be leased under (b) - (d) of this

1 section, it must be shown to the satisfaction of the director that the  
2 land is to be used for an established or definitely proposed project,  
3 and that the eligible applicant has the financial ability to carry out  
4 the project. The commissioner may establish limitations on the acreage  
5 which may be leased under (b) - (d) of this section to an applicant.

6 \* Sec. 29. AS 38.05.315(d) is amended to read:

7 (d) The director may lease the land to an eligible applicant at a  
8 reasonable annual rental, taking into consideration the purposes for  
9 which the land is to be used and the financial resources of the appli-  
10 cant. The [, BUT IN NO CASE MAY THE] rental may not be less than one  
11 percent of the fair market value on lands acquired primarily for develop-  
12 ment, or less than five percent of the fair market value on [SCHOOL,]  
13 university [, MENTAL HEALTH,] or acquired lands, except that an eligible  
14 applicant is exempt from the payment of annual rent on state land leased  
15 for a youth encampment as defined by the commissioner by regulation.

16 Renewal leases may be issued at the discretion of the director upon the  
17 expiration of a primary or renewal term. Each lease shall contain a  
18 provision for its termination as to all or part of the lands upon a  
19 finding by the director that the land or a part of it has not been used  
20 by the lessee for the purpose specified in the lease for a period of two  
21 years. No lease may be assigned or subleased except with the consent of  
22 the director, and in any case may only be transferred to an applicant  
23 eligible under (b) - (d) of this section. A lessee may not change the  
24 use specified in the lease to another or additional use except with the  
25 consent of the director. If, at any time after the land is leased, the  
26 lessee attempts to assign the lease or transfer control over the land to  
27 another, or if the land is devoted to a use other than that for which  
28 the land was leased without the consent of the director, the lease  
29 automatically terminates.

1 \* Sec. 30. AS 38.05.345(a) is amended to read:

2 Sec. 38.05.345. PUBLICATION OF NOTICES. (a) Publication of public  
3 [PUBLIC] notice of a sale, lease or other disposal of land or interest  
4 in it when required by statute shall be substantially as follows.

5 \* Sec. 31. AS 38.05.345(b) is amended to read:

6 (b) Notice of a public auction shall be published once a week for  
7 four consecutive weeks preceding the time of sale stated in the notice,  
8 in newspapers of general circulation in the state and by the electronic  
9 media covering the region of the state in which the land is located. If  
10 there is no newspaper of general circulation in the vicinity of the land  
11 offered for sale, notices shall be posted not later than four weeks  
12 before the public auction is to be held in three public places near the  
13 land to be sold or leased. The public auction shall be held not less  
14 than 45 days after publication of the first notice and not more than  
15 five weeks following the last appearance of the published notice.

16 \* Sec. 32. AS 38.05.345 is amended by adding a new subsection to read:

17 (h) Notice of a disposal of land other than a public auction under  
18 (b) of this section or a disposal under (e) of this section shall be by  
19 publication for three consecutive weeks in a newspaper of general circu-  
20 lation in the state or a newspaper circulated in the vicinity of the  
21 proposed land disposal.

22 \* Sec. 33. AS 38.08.010(b) is amended to read:

23 (b) Land classified as homesite entry land shall be divided into  
24 parcels not exceeding five acres in reasonably compact form, with bound-  
25 aries conforming as nearly as practicable to natural geologic and topo-  
26 graphic features. However, a parcel may exceed five acres if a municipi-  
27 pal ordinance or a regulation adopted by the Department of Environmental  
28 Conservation requires larger parcels to prevent water pollution.

29 \* Sec. 34. AS 38.08.040(b) is amended to read:

1 (b) If the number of applicants qualified for homesite entry  
2 exceeds the number of available homesites offered, or if several appli-  
3 cants apply and qualify for the same homesite, priority in award of an  
4 entry permit shall be accorded to that applicant showing proof of the  
5 longest residency in the state. An applicant shall present his proof of  
6 residency to the department in person at the time and place designated by  
7 the director.

8 \* Sec. 35. AS 41.10.040 is amended to read:

9 Sec. 41.10.040. SOIL CONSERVATION BOARD. The district is governed  
10 by the Alaska Soil Conservation Board composed of five [THREE] members.

11 \* Sec. 36. AS 41.10 is amended by adding a new section to read:

12 Sec. 41.10.115. DUTIES OF BOARD. The board shall

13 (1) receive and review reports concerning the use of soil  
14 resources in the state;

15 (2) hold public hearings and meetings to determine if land in  
16 the state is being used in a manner consistent with sound soil conserva-  
17 tion practice;

18 (3) furnish the commissioner of natural resources with re-  
19 ports of findings and make recommendations for specific action necessary  
20 to provide for the effective and orderly development of farming and  
21 grazing land in the state; and

22 (4) meet at the request of the commissioner of natural re-  
23 sources to advise him in the exercise of his powers, duties and func-  
24 tions.

25 \* Sec. 37. AS 38.05.065(a), 38.05.077(b)(2), 38.05.078(b) and (d)(1); and  
26 AS 41.10.100 are repealed.

27 \* Sec. 38. AS 38.05.095(b) and 38.05.097 are repealed.

28 \* Sec. 39. 11 AAC.53,450(c) is annulled.

29 \* Sec. 40. A person who selected a remote parcel or acquired a right to

1 select a remote parcel before July 1, 1980, is entitled to convert his remote  
2 parcel lease agreement to a new lease agreement which contains terms and  
3 conditions consistent with AS 38.05.077(a) and (d)(3), 38.05.078(a) and (c)  
4 and the repeal of AS 38.05.078(b) and (d)(1) enacted in secs. 17, 19, 21, 22  
5 and 37 of this Act. The director of the division of lands, Department of  
6 Natural Resources, shall prepare and distribute new lease forms to persons  
7 described in this section.

8 \* Sec. 41. The governor is requested to appoint two additional members to  
9 the Alaska Soil Conservation Board by October 1, 1980. The initial terms of  
10 the additional members shall be two and three years respectively.

11 \* Sec. 42. Sections 25, 28, 29, and 38 of this Act are retroactive to  
12 July 1, 1978.

13 \* Sec. 43. Section 22 of this Act is retroactive to July 1, 1979.

14 \* Sec. 44. Sections 1, 2, 4 - 11, 13 - 21, 23, 27, 30 - 37, 40, and 41 of  
15 this Act take effect July 1, 1980.

16 \* Sec. 45. Sections 3, 12, 22, 25, 26, 28, 29, 38, 39, and 42 - 45 of  
17 this Act take effect immediately in accordance with AS 01.10.070(c).

proposed amendment to HCS SB 223 (Resources

page <sup>4</sup>/~~3~~, after line <sup>6</sup>/~~20~~ insert new section to read:

\* Sec. \_\_\_\_\_ AS 38.05 is amended by adding a new section to read:

Sec. 38.05.028. OCCUPANT PREFERENCE. (a) A person who occupies a permanent dwelling on state land without the right to own or possess the land is entitled to receive an offer to lease the land from the state before it is offered to the public for disposal for private use if

(1) The person pays \$250 a year for each year that he used the land without legal authority, not to exceed \$1000;

(2) the dwelling was constructed on the land <sup>between June 1, 1973 +</sup> before January 1, 1978;

(3) the dwelling is the person's permanent <sup>+ principal</sup> place of abode; and

(4) the person makes application to the department before January 1, 1981.

(b) A lease issued under (a) of this section

(1) shall not exceed a term of 55 years;

(2) shall provide that the lessee shall pay the state a fixed annual rent not to exceed 5 percent of the appraised value of the land;

(3) is non-transferrable and expires upon the death of the lessee;

(4) may be terminated at any time by request of the lessee.

+ the lessee's spouse;

(c) A lessee under (a) of this section is ineligible for state land disposals under AS 38.05.057, 38.05.058, 38.05.078 or 38.05.079.

(d) Land leased under (a) of this section shall be limited to the minimum acreage possible within the range of land disposals in the general vicinity of the lease, but may not be <sup>no</sup> less than 2 acres nor more than <sup>1</sup>/~~3~~ acres in size.

n.o (amend not accepted)

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House CS for SB 223 (Resources)

Title "An Act relating to the disposal and use of State land"

Requested by House Resources Committee

Date 5/25/80

II. FISCAL DETAIL

Agency Affected Department of Natural Resources

Program Category Affected NRMEC

BRU, Program, or Subprogram(s) Affected Land Management / Fee Title

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	0	130.3				
200 TRAVEL		52.5				
300 CONTRACTUAL		44.0				
400 COMMODITIES		12.2				
500 EQUIPMENT		4.2				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		247.8	262.8	289.8	319.6	352.6

FUNDING (Thousands of Dollars)

GENERAL FUND		247.8	262.8	289.8	319.6	52.6
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		4	4	4	4	4
PART TIME						
TEMPORARY						

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

See Attached Memorandum

FY 82 - FY 85 inflated at 10%/year. All costs are continuous, except for the one time cost of regulations.

IV. DATE 5/26/80

PREPARED BY Jeff Haynes, Deputy Commissioner

AGENCY Department of Natural Resources

PHONE 465-2400

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

## MEMORANDUM

State of Alaska

TO: Bill Miles, Chairman  
House Resources Committee

DATE: May 25, 1980

FILE NO:

TELEPHONE NO:

FROM: Jeff Haynes *JH*  
Deputy Commissioner  
Department of Natural Resources

SUBJECT: Fiscal Note/CS SB 223  
Land Bill

I apologize that the Division of Forest, Land and Water Management did not submit a fiscal note on Saturday for the land bill. None of the principals from that Division can be reached by us today (Sunday). Consequently, we have made the best estimate possible in the Commissioner's office. The earlier figure (312,000) submitted by Ted Smith was calculated, we believe, before the amendment to the remote parcel section of the law; this reduces the number of sales which would have to be held, and we have reduced the fiscal note figure to that listed below. The formal fiscal note is attached. The basis for calculation is as follows:

<u>Item</u>	<u>Purpose</u>	<u>Amount</u>
Land Mgt. Officer II (Fairbanks District Office)	Conduct Sales	36,215 (S&B)
Land Mgt. Officer II (Anchorage District Office)	Conduct Sales	32,639 (S&B)
Land Mgt. Officer II (Anchorage Central Office)	Supervise Scheduling of Sales	32,639 (S&B)
Acct. Tech. II (Anchorage)	Supervise Collection of Funds and Accts.	28,793 (S&B)
<u>Travel</u>		
Average \$350 travel/perdiem X 5 people X 30 sales		52,500
<u>Contractual</u>		
Additional printing costs for local brochures		25,000
Advertisements, more concentrated at the local level than at present		9,000
New Regulations (including advertisements and hearings)		10,000
<u>Commodities</u>		
Office supplies		5,000
Office space at 150 sq. ft. X 4 persons X \$1 / ft.		7,200
<u>Equipment</u>		
Office equipment for new employees		4,800

Representative Bill Miles

Page 2

Total

\$247,786 .

February 13, 1979

The Honorable Clem Tillion  
President of the Senate  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a homestead bill. This bill provides an equitable method for Alaskans who wish to acquire land by investing the sweat of their brows to do so without the state as a whole incurring the adverse consequences of the 1978 Homestead Initiative. Key points of the bill are:

1. The amount of land to be included in the homestead program annually is included in the program submitted to the legislature as part of the budget process.

2. Land is made available first during a 30-day simultaneous filing period, after which it is available on a first-come, first-served basis.

3. Land is paid for at fair market value except that unsurveyed land is sold at an estimated fair market value which may not be less than \$200/acre for full fee title. This minimum price will escalate in accord with the Consumer Price Index.

4. Payments may be made by money, by use of residency credits, and by credits for land improvements ("sweat equity"). For example, if a 40 acre parcel were acquired by a 10 year resident at the minimum price of \$200/acre, he could make the initial payment of 10% of the purchase price or \$800, receive credit of \$4,000 by use of his resident credit, and pay the remainder of \$3,200 by making improvements to the land such as clearing, roads, structures, etc.

5. The sale contract will require a continuing payment in place of taxes for those parcels located outside local taxing authorities. The payment will be 0.1% of the sale price but will provide that property taxes may be deducted as a credit against it, and that it will terminate with inclusion of the area in an incorporated or organized municipality.

6. Net proceeds, exclusive of administrative and development costs, will be deposited in the permanent fund.

In summary, the bill preserves the concept of land as the heritage of all Alaskans by providing that payment for land acquired must be either in cash to the permanent fund or by improvements to the land itself. It provides that those who wish to build a rural home on state land may do so with a minimal cash investment. Finally, it recognizes that "there is no free lunch" by providing a continuing payment to offset the cost to the state of providing those services (such as fire and police protection, planning and zoning, and access) normally provided by local government.

Sincerely,

*JSH*

Jay S. Hammond  
Governor

THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. 56223  
 Title The Real New Homestead Act  
 Requested by Governor Date 2/13/79

II. FISCAL DETAIL

Agency Affected Department of Natural Resources  
 Program Category Affected NRMEC  
 Budget Request Unit(s) Affected Land, Forest and Water Management

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		-0-	-0-	-0-	-0-	

FUNDING (Thousands of Dollars)

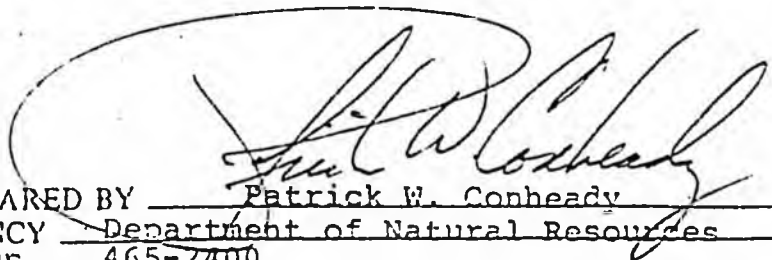
	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
FULL TIME						
PART TIME						
TEMPORARY						

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

Fiscal impact resultant from this legislation will be an integral part of the land disposal program presented to the legislature under Chapter 181, SLA 1978. No additional fiscal impact ensues.



IV. DATE 2/13/79 PREPARED BY Patrick W. Conheady  
 AGENCY Department of Natural Resources  
 PHONE 465-2400  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Original sponsor: Rules/Governor

Offered: 5/26/80  
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 223 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the disposal and use of state land;  
7 relating to the membership and duties of the Soil  
8 Conservation Board; annulling 11 AAC 53.450(c); and  
9 providing for an effective date."

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

11 \* Section 1. During the fiscal year ending June 30, 1981, the commis-  
12 sioner of natural resources shall make available for private ownership at  
13 least 100,000 acres of state land contained in the land disposal bank estab-  
14 lished in AS 38.04.020 which is suitable for the uses listed in AS 38.04.-  
15 020(a)(1) - (4). However, the amount of disposals of land for private owner-  
16 ship by municipalities under AS 29.48.260 made during the fiscal year ending  
17 June 30, 1981, may be added to disposals from the land disposal bank in order  
18 to meet the 100,000 acre requirement of this section.

19 \* Sec. 2. AS 29.18.204(c) is amended to read:

20 (c) Land may be selected or nominated for selection by a municipi-  
21 pality to satisfy a general grant land entitlement under AS 29.18.201  
22 and 29.18.202 at any time before October 1, 1980. However, if a muni-  
23 cipal selection or nomination or a part of a municipal selection or  
24 nomination is rejected by the director, the municipality may, not later  
25 than 90 days after receipt of the director's rejection, select additional  
26 state land of equal area to satisfy its entitlement.

27 \* Sec. 3. AS 38.04.005(b) is amended to read:

28 (b) In classifying state land for private use and settlement  
29 purposes, the director shall make adequate provision for public open

1 space which is accessible to communities so that natural areas are  
2 easily reached from all communities and settled areas. The amount of  
3 that land shall be sufficient to meet existing and projected needs for  
4 accessible public recreation land. Public access to navigable or pub-  
5 lic waters of the state shall be preserved as provided in AS 38.05.127.  
6 Special care shall be taken to preserve public access to public water  
7 and to retain state ownership of sufficient land which combine high  
8 value for recreation and other public purposes with accessibility to  
9 settled areas. This classification for public purposes does not consti-  
10 tute dedication to open space, but the division's management of land so  
11 classified shall be in a manner to preserve the identified values.

12 \* Sec. 4. AS 38.04.020(a) is amended to read:

13 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall  
14 establish a land disposal bank which contains state land that is avail-  
15 able for disposal for private ownership. The [BY JULY 1, 1979, THE]  
16 land disposal bank shall contain [AT LEAST 250,000 ACRES OF] state land  
17 which is available for

- 18 (1) use as remote cabin sites under AS 38.05.079;
- 19 (2) disposal for recreational and residential use;
- 20 (3) disposal for commercial use; [AND]
- 21 (4) disposal for industrial use; and
- 22 (5) disposal for agricultural use.

23 \* Sec. 5. AS 38.04.020(d) is amended to read:

24 (d) [DURING THE FISCAL YEAR ENDING JUNE 30, 1981, AND DURING EACH  
25 FISCAL YEAR THEREAFTER, THE COMMISSIONER SHALL MAKE AVAILABLE FOR PRI-  
26 VATE OWNERSHIP AT LEAST 100,000 ACRES OF STATE LAND CONTAINED IN THE  
27 LAND DISPOSAL BANK WHICH IS SUITABLE FOR A VARIETY OF USES.] If, after  
28 January 1, 1981, the land disposal bank contains less than 500,000 acres  
29 of land which is available for the purposes listed in (a)(1) - (4) of

this section, the commissioner shall classify state land located outside municipalities until at least 500,000 acres are available for those purposes.

\* Sec. 6. AS 38.04.040 is amended to read:

Sec. 38.04.040. AVAILABILITY OF [SCHOOL LAND AND] UNIVERSITY LAND. University [SCHOOL LAND AND UNIVERSITY] land may be made available at fair market value for private use under the purposes of this chapter; however, any action to do so shall be in accordance with statutes pertaining to these lands and the authority of [THE BOARD OF EDUCATION AND] the Board of Regents of the University of Alaska.

\* Sec. 7. AS 38.04.045(b) is amended to read:

(b) Before the conveyance of surface rights to state land, an [AND] official cadastral survey shall be accomplished, unless a comparable, acceptable survey exists that has been conducted by the federal Bureau of Land Management. The rectangular survey section corner positions shall be monumented and shown on a cadastral survey plat approved by the state. However, for those areas where the state may wish to convey surface estate outside of an official cadastral survey grid, the director may waive monumentation of all individual section corner positions and substitute an official control survey with control points being monumented at approximately three-mile [TWO-MILE] intervals and shown on control survey plats approved by the state. No portion of land to be conveyed may be located more than three [TWO] miles from such a survey control monument. The lots and tracts in state subdivisions shall be monumented and the cadastral survey and plats for the subdivision shall be approved by the state. Where land is located within a municipality with planning, platting, and zoning powers, plats for state subdivisions shall comply with local ordinances and regulations in the same manner and to the same extent as plats for subdivisions by other

1 landowners. State subdivisions shall be filed in the district recorder's  
2 office. The requirements of this section do not apply to land made  
3 available through a cabin permit system, material sales, or short-term  
4 leases; however, for short-term leases the lessee must comply with local  
5 subdivision ordinances unless waived by the municipality under procedures  
6 specified by ordinance.

7 \* Sec. 8. AS 38.05.047(e) is amended to read:

8 (e) If the land is suitable for residential use, the department  
9 shall survey and subdivide the land in a survey district established  
10 under (c) of this section into parcels which may not exceed five acres.  
11 However, a parcel may exceed five acres if a municipal ordinance or a  
12 regulation adopted by the Department of Environmental Conservation re-  
13 quires larger parcels to prevent water pollution. The commissioner  
14 shall give priority to surveying those survey districts which contain  
15 land that is in the vicinity of existing access roads and may be de-  
16 veloped immediately for residential use at the least cost to the state  
17 and potential purchasers. The commissioner shall issue a written finding  
18 which describes land in a survey district which he determines is not  
19 suitable for residential use. The written finding shall include the  
20 reasons for the commissioner's determination and shall be kept on file  
21 in the office of the commissioner and in the district office of the  
22 department located nearest to the municipality in which the land is  
23 located.

24 \* Sec. 9. AS 38.05.050 is repealed and re-enacted to read:

25 Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR PRIVATE  
26 OWNERSHIP. The commissioner, upon recommendation of the director, shall  
27 determine the land to be disposed of for private use. The director  
28 shall determine the time and place of disposal. An auction sale, a  
29 lottery sale, or a disposal of land for homesites under AS 38.08 must be

1 held in the recording district in which the land is located. However,  
2 the director may hold the disposal in a recording district other than  
3 the recording district in which the land is located if the place of  
4 disposal is more convenient for the attendance of persons living in the  
5 vicinity of the land.

6 \* Sec. 10. AS 38.05.055 is amended to read:

7       Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method  
8 of sale is required under this chapter, under AS 38.07, or under [EXCEPT  
9 AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.08, the sale of  
10 state land shall be made at public auction to the highest qualified  
11 bidder as determined by the director. A bidder must appear in person at  
12 the auction. However, a bidder may be represented by an attorney or  
13 agent at the auction if the land offered for disposal is commercial,  
14 industrial, or agricultural land. An aggrieved bidder may appeal to the  
15 commissioner within five days after the sale for a review of the direc-  
16 tor's determination. The sale shall be conducted by the director or his  
17 representative, and at the time of sale the successful bidder shall  
18 deposit an amount equal to five percent [ONE-TENTH] of the purchase  
19 price, or if the purchaser elects to use land discounts granted under  
20 AS 38.05.058, five percent of the amount bid after deduction of the  
21 discount. The director or his representative shall immediately issue a  
22 receipt containing a description of the land or property purchased, the  
23 price bid, the amount deposited, and the amount of any discount allowed  
24 [TERMS OF SALE], which receipt shall be acknowledged in writing by the  
25 bidder. . [A CONTRACT OF SALE ON A FORM APPROVED BY THE ATTORNEY GENERAL  
26 SHALL BE SIGNED BY THE PURCHASER AND, AFTER APPROVAL OF THE COMMISS-  
27 SIONER, THE CONTRACT SHALL ALSO BE SIGNED BY THE DIRECTOR ON BEHALF OF  
28 THE STATE.]

29 \* Sec. 11. AS 38.05.057(a) is amended to read:

1 (a) The commissioner may dispose of land, including land limited  
2 to use for agricultural purposes, by lottery. The purchase price of  
3 land sold by lottery shall be the fair market value of the land as  
4 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,  
5 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-  
6 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner shall  
7 [MAY] sell land by lottery for less than the fair market value of the  
8 land if he determines that scarcity of land for private use in the area  
9 of the land to be sold has resulted in unrealistic land values. Before  
10 the commissioner determines the purchase price for land which is located  
11 in a municipality and which is to be sold under this section, he shall  
12 consult with the assessor of the municipality. The lottery shall be  
13 conducted in public by the commissioner or his representative and an ap-  
14 plicant may not be selected to purchase land unless he is present on the  
15 date and at the place that the lottery is conducted. However, an appli-  
16 cant may be represented by an agent on the day of the lottery if the land  
17 offered for sale is commercial, industrial, or agricultural land. On  
18 [, AND AT] the day of the lottery [TIME OF SIGNING A CONTRACT OF SALE] a  
19 purchaser selected by lot shall deposit an amount equal to five percent  
20 of the purchase price, or if the purchaser elects to use land discounts  
21 granted under AS 38.05.058, five percent of the [DISCOUNT] purchase  
22 price after deduction of the discount.

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

24 Sec. 38.05.064. SALES PREFERENCE TO HOLDERS OF MINING CLAIMS. (a)  
25 An individual who has established a mining claim on state land before  
26 January 1, 1980, is entitled to a preference right to acquire the surface  
27 estate to a parcel of land within the boundaries of his mining claim if  
28 (1) the surface estate to the land is offered for disposal to the public  
29 under AS 38.05.045 - 38.05.069, 38.05.077, or AS 38.08; (2) he satisfies

1 the eligibility requirements of the land disposal program under which  
2 the land is offered; and (3) he submits proof satisfactory to the com-  
3 missioner that the mining claim is valid. A parcel acquired under this  
4 section may only include the amount of land that the individual has  
5 actually used in connection with his mining claim before January 1,  
6 1980, and may not exceed 10 acres.

7 (b) After the director determines that state land will be offered  
8 for disposal to the public under AS 38.05.045 - 38.05.069, 38.05.077, or  
9 AS 38.08, he shall determine if there is an individual who holds a  
10 preference right to that land as provided by (a) of this section by  
11 notifying by certified mail each individual who holds a recorded mining  
12 claim of his right to acquire the surface estate to land within the  
13 boundaries of his mining claim. The notice required by this subsection  
14 shall be sent not later than 60 days before public notice of a proposed  
15 land disposal is given under AS 38.05.345 and must include

16 (1) a statement of the terms and conditions under which the  
17 surface estate to the land will be offered for disposal to the public;

18 (2) a description of the parcels within the boundaries of the  
19 mining claim that will be offered to the public; and

20 (3) the requirements imposed by (a) of this section for the  
21 grant of a preference right under this section.

22 (c) An individual who claims a preference right under this section  
23 shall provide the necessary proof to assert his preference right not  
24 later than 90 days after the notice under (b) of this section is sent to  
25 him by the department.

26 (d) Not later than 15 days before the date set for disposal of the  
27 land to the public, the director shall either grant or reject a pre-  
28 ference right claimed under this section. If the preference right is  
29 granted, the holder of the preference right may purchase the parcel

1 for either the high bid received by the department at the public auction,  
2 or under the terms and conditions to be offered to the public if the  
3 land is disposed of by a method other than by public auction. If a  
4 deposit is required, the claimant shall deposit five percent of the  
5 appraised fair market value of the parcel, and if the holder of the  
6 preference right fails to sign the contract of sale within 30 days after  
7 it is sent to him by the department the deposit shall be forfeited.

8 (e) If a mining claim is held jointly by two or more individuals,  
9 the individuals may not exercise the preference right provided in this  
10 section unless they either jointly exercise the preference right or  
11 agree in writing which of them is entitled to exercise the preference  
12 right.

13 (f) An individual may only exercise the preference right provided  
14 in this section one time during his lifetime.

15 (g) In this section,

16 (1) "individual" means a natural person; and

17 (2) "mining claim" means a mining property established under  
18 AS 38.05.185 - 38.05.280 and does not include a mineral lease or permit  
19 for the extraction of minerals or resources under AS 38.05.135 - 38.05.-  
20 104.

21 \* Sec. 13. AS 38.05.065(b) is amended to read:

22 (b) The contract of sale for land sold under this chapter [THE  
23 PROCEDURES SPECIFIED IN AS 38.05.057 (LOTTERY DISPOSALS)] shall require  
24 the remainder of the purchase price be paid in monthly, quarterly, or  
25 annual installments over a period of not more than 20 years. The con-  
26 tract of sale must provide that the interest on the unpaid principal  
27 is calculated for payment of the installments in advance and that the  
28 interest accrues beginning 30 days after the contract is mailed by the  
29 department to the purchaser for his execution. Installment payments

1 plus interest shall be set on the level-payment basis. The interest  
2 rate to be charged on installment payments is the prevailing rate for  
3 real estate mortgage loans made by the federal land bank for the farm  
4 credit district for Alaska at the time the contract is signed.

5 \* Sec. 14. AS 38.05.065(c) is amended to read:

6 (c) The commissioner [DIRECTOR] shall, for contracts under [(a)  
7 OR] (b) of this section, set for each sale the period for the payment of  
8 installments and the total purchase price plus interest. The [DIRECTOR,  
9 WITH THE CONSENT OF THE] commissioner [,] may also include in contracts  
10 under this section conditions, limitations and terms which he considers  
11 necessary and proper to protect the interest of the state. The con-  
12 tract of sale shall be on a form approved by the attorney general and  
13 shall be signed by the purchaser and the commissioner on behalf of the  
14 state. The purchaser shall sign and return the contract of sale not  
15 later than 30 days after the contract is mailed to him by the department.  
16 The commissioner shall sign the contract within 30 days after receiving  
17 the contract from the purchaser.. If the purchaser fails to sign a con-  
18 tract of sale containing the terms and conditions recited in the receipt,  
19 the deposit made by the purchaser shall be retained by the department as  
20 liquidated damages to repay the state for the cost of selling the land  
21 to another purchaser. Violations of any provision of this chapter or  
22 the terms of the contract of sale subject the purchaser to appropriate  
23 administrative and legal action, including but not limited to specific  
24 performance, foreclosure, ejectment, or other legal remedies in accord-  
25 ance with applicable state law.

6 \* Sec. 15. AS 38.05.069(c) is amended by adding a new paragraph to read:

7 (5) the holder of a grazing lease on state land has a prefer-  
8 ence to purchase an interest in that land for agricultural purposes  
9 offered under this subsection for the amount of the high bid received at

1 public auction; the preference allowed under this paragraph extends only  
2 to an amount of the land leased for grazing purposes that is no larger  
3 than the largest parcel offered for disposal by the director within the  
4 boundaries of the grazing lease.

5 \* Sec. 16. AS 38.05.070 is amended by adding a new subsection to read:

6 (d) A grazing lease other than a negotiated grazing lease may not  
7 be issued for a period of less than 10 years.

8 \* Sec. 17. AS 38.05.077(a) is amended to read:

9 (a) The commissioner shall, under the procedures required by  
10 AS 38.05.300 and 38.05.305, classify state land which is suitable for  
11 disposal as remote parcels. The commissioner shall designate remote  
12 parcel selection areas consisting of land classified under this section.  
13 [THE COMMISSIONER SHALL SET THE NUMBER OF REMOTE PARCELS THAT MAY BE  
14 SELECTED IN EACH REMOTE PARCEL SELECTION AREA.] A remote parcel may not  
15 exceed 40 acres. [THE COMMISSIONER SHALL DETERMINE FOR EACH REMOTE  
16 PARCEL SELECTION AREA, THE AMOUNT OF LAND IN EACH REMOTE PARCEL THAT MAY  
17 BE USED FOR RESIDENTIAL PURPOSES. LAND WHICH MAY BE USED FOR RESIDEN-  
18 TIAL PURPOSES IN A REMOTE PARCEL MAY NOT BE LESS THAN TWO ACRES AND MAY  
19 NOT EXCEED FIVE ACRES.]

20 \* Sec. 18. AS 38.05.077(c) is amended to read:

21 (c) A person who is qualified under (a) of this section may apply  
22 [UNDER THE PROCEDURES SET OUT IN AS 38.05.057] to lease a remote parcel  
23 in a parcel selection area designated by the commissioner under (a) of  
24 this section if he has staked the exterior boundaries of the remote par-  
25 cel in accordance with the parcel selection procedures established under  
26 (b) of this section during an entry period established by the commis-  
27 sioner. A [EACH] person [WHO IS ENTITLED TO SELECT A REMOTE PARCEL] may  
28 enter a remote parcel selection [THE] area [FOR WHICH HE APPLIED] to  
29 stake the boundaries of a remote parcel. A person shall select a remote

1 parcel in person and may not be represented by an attorney or agent.

2 \* Sec. 19. AS 38.05.077(d)(3) is amended to read:

3 (3) a rental payment shall be paid annually and shall be \$10  
4 for each acre in the remote parcel [\$150 A YEAR FOR FIVE ACRES OR LESS  
5 PLUS \$50 FOR EACH ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES].

6 \* Sec. 20. AS 38.05.077 is amended by adding a new subsection to read:

7 (g) To qualify to select a remote parcel under this section, a  
8 person shall

9 (1) at the time of application have attained the age of 18;

10 (2) submit proof, as required by regulation, that he has been  
11 a resident of the state for not less than one year immediately preceding  
12 the date his application was submitted; and

13 (3) certify that he has not leased a remote parcel in the  
14 state within eight years immediately preceding the date of selection of  
15 a remote parcel.

16 \* Sec. 21. AS 38.05.078(a) is amended to read:

17 (a) A lessee of a remote parcel may purchase [THE LAND USED FOR  
18 RESIDENTIAL PURPOSES IN] a remote parcel if, before the expiration of  
19 the lease or a renewal of the lease, he surveys the [RESIDENTIAL] land  
20 and erects a habitable dwelling on the land.

21 \* Sec. 22. AS 38.05.078(c) is amended to read:

22 (c) A lessee of a remote parcel may purchase land in a remote  
23 parcel under the terms specified in AS 38.05.065(b). The purchase price  
24 of land sold under this section shall be its fair market value as deter-  
25 mined by the commissioner. The valuation date for determining the fair  
26 market value of land sold under this section is the date that the remote  
27 parcel lease was first executed by the lessee who purchases the land  
28 [PLAT OF SURVEY IS APPROVED BY THE COMMISSIONER].

29 \* Sec. 23. AS 38.05 is amended by adding new sections to read:

1           Sec. 38.05.083. CLASSIFICATION AND USE OF GRAZING LEASE LAND. (a)  
2 The commissioner shall classify as grazing land all state land leased  
3 for grazing and all state land which has been inventoried under AS 38.-  
4 04.060 and found suitable for grazing.

5           (b) A lessee of state grazing land shall prepare a range con-  
6 servation and development plan and submit the plan to the department for  
7 approval.

8           (c) A lessee of state grazing land may grow and harvest crops on  
9 the leased land for his own needs. The commissioner may issue regu-  
10 lations authorizing the sale of crops grown on land in a grazing lease  
11 if the sale of the crops is incidental to the use of the land for  
12 grazing livestock.

13           Sec. 38.05.101. RENEWAL OF GRAZING LEASE. At the expiration of a  
14 grazing lease under AS 38.05.070 - 38.05.100 the commissioner shall  
15 review the classification of the land in the leasehold. If the com-  
16 missioner determines that the land should remain available for use for  
17 grazing, the lessee has an option to renew the lease for at least 10  
18 years if he has complied with the terms of the original lease.

19 \* Sec. 24. AS 38.05.095(a) is amended to read:

20           (a) A [EXCEPT AS PROVIDED IN (b) OF THIS SECTION, A] lessee may  
21 sublease or assign the land or portion of it upon which he has a lease  
22 if, after application to the director, the director issues a permit.  
23 The director may issue a permit if he finds that it is in the best  
24 interest of the state to do so.

25 \* Sec. 25: AS 38.05.127 is amended by adding new subsections to read:

26           (d) Notwithstanding the requirements of (a) and (b) of this sec-  
27 tion, the director may, at the request of a municipality having platting  
28 powers, patent land to the municipality to satisfy a general grant land  
29 entitlement under AS 29.18 without reserving public access to navigable

1 or public waters if, before the municipality sells, leases, grants,  
2 or otherwise disposes of an interest in the land, the municipality

3 (1) determines whether the land to be offered for disposal  
4 contains navigable or public waters; and

5 (2) provides for reservation of easements or rights-of-way,  
6 or both, reasonably necessary to insure free access to and along a body  
7 of water determined to be navigable or public.

8 (e) A municipality may limit, vacate, or modify an easement for  
9 public access to navigable or public waters contained in municipal land  
10 conveyed to the municipality by the department under AS 29.18 if the  
11 municipality determines that the limitation, vacation, or modification  
12 of the easement for public access is necessary for the protection of  
13 other beneficial uses or public purposes.

14 (f) A determination or reservation under (d)(1) and (2) of this  
15 section or a limitation, vacation, or modification of an easement for  
16 public access under (e) of this section shall be made by the borough  
17 assembly, city council, or other municipal agency or officer designated  
18 by the assembly or council to act on its behalf. Before the assembly,  
19 council, municipal agency, or officer takes an action under (d)(1), (2),  
20 or (e) of this section, a public hearing shall be held. Notice of the  
21 hearing shall be delivered to the commissioner not less than two weeks  
22 before the hearing. The commissioner may overrule an action taken by a  
23 municipality under (d)(1), (2), or (e) of this section by notifying the  
24 municipality of his decision within 30 days after the assembly, council,  
25 municipal agency, or officer makes a determination to reserve a right-of-  
26 way or limit or restrict public access to municipal land. If the commis-  
27 sioner fails to overrule the action of the municipality within the  
28 30-day period, the action of the municipality is approved by the com-  
29 missioner.

1 (g) Management authority over navigable waters, public waters,  
2 easements and rights-of-way reserved or designated by the department in  
3 a conveyance to a municipality, including the power to vacate or other-  
4 wise modify those easements or rights-of-way, remains with the depart-  
5 ment unless exercise of all or a part of that authority has been offered  
6 to and accepted by the municipality to which the land is conveyed.

7 (h) Management authority over easements and rights-of-way reserved  
8 by a municipality under this section remains with the municipality.

9 (i) Upon application by a municipality, the department may vacate  
10 or release, under the procedures specified in (d) and (f) of this sec-  
11 tion, easements and rights-of-ways for public access to or along navi-  
12 gable or public waters reserved by the department in any patent issued  
13 under AS 29.18 before the effective date of this section or for which  
14 the first public notice of the proposed conveyance was given before the  
15 effective date of this section.

16 \* Sec. 26. AS 38.05.305(c) is repealed and re-enacted to read:

17 (c) A public notice of an action for which notice or review is  
18 required under this section shall be published as provided in AS 38.05.-  
19 345. The notice shall include the date and time of a public hearing if  
20 scheduled, or a closing date for the receipt of comments in writing from  
21 the public and the address to which the comments may be directed.

22 \* Sec. 27. AS 38.05.315(b) is amended to read:

23 (b) Notwithstanding AS 38.05.070 - 38.05.080 and [,] 38.05.095,  
24 [AND AS 38.05.100 OF THIS CHAPTER] the director, upon application filed  
25 by an applicant eligible under (b) - (d) of this section, may, by nego-  
26 tiation and without public auction in the manner prescribed in (b) - (d)  
27 of this section, lease state land for a term of not more than 55 years.  
28 Before leasing, the director shall prepare a land use plan and a land  
29 classification, to insure that the proposed use is compatible with area

1 utilization. Before the land may be leased under (b) - (d) of this  
2 section, it must be shown to the satisfaction of the director that the  
3 land is to be used for an established or definitely proposed project,  
4 and that the eligible applicant has the financial ability to carry out  
5 the project. The commissioner may establish limitations on the acreage  
6 which may be leased under (b) - (d) of this section to an applicant.

7 \* Sec. 28. AS 38.05.315(d) is amended to read:

8 (d) The director may lease the land to an eligible applicant at a  
9 reasonable annual rental, taking into consideration the purposes for  
10 which the land is to be used and the financial resources of the appli-  
11 cant. The [, BUT IN NO CASE MAY THE] rental may not be less than one  
12 percent of the fair market value on lands acquired primarily for develop-  
13 ment, or less than five percent of the fair market value on [SCHOOL,]  
14 university [, MENTAL HEALTH,] or acquired lands, except that an eligible  
15 applicant is exempt from the payment of annual rent on state land leased  
16 for a youth encampment as defined by the commissioner by regulation.

17 Renewal leases may be issued at the discretion of the director upon the  
18 expiration of a primary or renewal term. Each lease shall contain a  
19 provision for its termination as to all or part of the lands upon a  
20 finding by the director that the land or a part of it has not been used  
21 by the lessee for the purpose specified in the lease for a period of two  
22 years. No lease may be assigned or subleased except with the consent of  
23 the director, and in any case may only be transferred to an applicant  
24 eligible under (b) - (d) of this section. A lessee may not change the  
25 use specified in the lease to another or additional use except with the  
26 consent of the director. If, at any time after the land is leased, the  
27 lessee attempts to assign the lease or transfer control over the land to  
28 another, or if the land is devoted to a use other than that for which  
29 the land was leased without the consent of the director, the lease

1. automatically terminates.

2. \* Sec. 29. AS 38.05.345(a) is amended to read:

3. Sec. 38.05.345. PUBLICATION OF NOTICES. (a) Publication of public  
4. [PUBLIC] notice of a sale, lease or other disposal of land or interest  
5. in it when required by statute shall be substantially as follows.

6. \* Sec. 30. AS 38.05.345(b) is amended to read:

7. (b) Notice of a public auction shall be published once a week for  
8. four consecutive weeks preceding the time of sale stated in the notice,  
9. in newspapers of general circulation in the state and by the electronic  
10. media covering the region of the state in which the land is located. If  
11. there is no newspaper of general circulation in the vicinity of the land  
12. offered for sale, notices shall be posted not later than four weeks  
13. before the public auction is to be held in three public places near the  
14. land to be sold or leased. The public auction shall be held not less  
15. than 45 days after publication of the first notice and not more than  
16. five weeks following the last appearance of the published notice.

17. \* Sec. 31. AS 38.05.345 is amended by adding a new subsection to read:

18. (h) Notice of a disposal of land other than a public auction under  
19. (b) of this section or a disposal under (e) of this section shall be by  
20. publication for three consecutive weeks in a newspaper of general circu-  
21. lation in the state or a newspaper circulated in the vicinity of the  
22. proposed land disposal.

23. \* Sec. 32. AS 38.08.010(b) is amended to read:

24. (b) Land classified as homesite entry land shall be divided into  
25. parcels not exceeding five acres in reasonably compact form, with bound-  
26. aries conforming as nearly as practicable to natural geologic and topo-  
27. graphic features. However, a parcel may exceed five acres if a municipi-  
28. pal ordinance or a regulation adopted by the Department of Environmental  
29. Conservation requires larger parcels to prevent water pollution.

1 \* Sec. 33. AS 38.08.040(b) is amended to read:

2 (b) If the number of applicants qualified for homesite entry  
3 exceeds the number of available homesites offered, or if several appli-  
4 cants apply and qualify for the same homesite, priority in award of an  
5 entry permit shall be accorded to that applicant showing proof of the  
6 longest residency in the state. An applicant shall present his proof of  
7 residency to the department in person at the time and place designated by  
8 the director.

9 \* Sec. 34. AS 41.10.040 is amended to read:

10 Sec. 41.10.040. SOIL CONSERVATION BOARD. The district is governed  
11 by the Alaska Soil Conservation Board composed of five [THREE] members.

12 \* Sec. 35. AS 41.10 is amended by adding a new section to read:

13 Sec. 41.10.115. DUTIES OF BOARD. The board shall

14 (1) receive and review reports concerning the use of soil  
15 resources in the state;

16 (2) hold public hearings and meetings to determine if land in  
17 the state is being used in a manner consistent with sound soil conserva-  
18 tion practice;

19 (3) furnish the commissioner of natural resources with re-  
20 ports of findings and make recommendations for specific action necessary  
21 to provide for the effective and orderly development of farming and  
22 grazing land in the state; and

23 (4) meet at the request of the commissioner of natural re-  
24 sources to advise him in the exercise of his powers, duties and func-  
25 tions.

26 \* Sec. 36. AS 38.05.065(a), 38.05.077(b)(2), 38.05.078(b) and (d)(1); and  
27 AS 41.10.100 are repealed.

\* Sec. 37. AS 38.05.095(b) and 38.05.097 are repealed.

\* Sec. 38. 11 AAC.53.450(c) is annulled.

1 \* Sec. 39. A person who selected a remote parcel or acquired a right to  
2 select a remote parcel before July 1, 1980, is entitled to convert his remote  
3 parcel lease agreement to a new lease agreement which contains terms and  
4 conditions consistent with AS 38.05.077(a) and (d)(3), 38.05.078(a) and (c)  
5 and the repeal of AS 38.05.078(b) and (d)(1) enacted in secs. 17, 19, 21, 22  
6 and 36 of this Act. The director of the division of lands, Department of  
7 Natural Resources, shall prepare and distribute new lease forms to persons  
8 described in this section.

9 \* Sec. 40. The governor is requested to appoint two additional members to  
10 the Alaska Soil Conservation Board by October 1, 1980. The initial terms of  
11 the additional members shall be two and three years respectively.

12 \* Sec. 41. Sections 24, 27, 28, and 37 of this Act are retroactive to  
13 July 1, 1978.

14 \* Sec. 42. Section 22 of this Act is retroactive to July 1, 1979.

15 \* Sec. 43. Sections 1, 2, 4 - 11, 13 - 21, 23, 26, 29 - 36, 39, and 40 of  
16 this Act take effect July 1, 1980.

17 \* Sec. 44. Sections 3, 12, 22, 24, 25, 27, 28, 37, 38, and 41 - 44 of  
18 this Act take effect immediately in accordance with AS 01.10.070(c).

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Original sponsor: Rules/Governor

Offered: 4/26/79  
Referred: Rules

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2

HOUSE CS FOR SENATE BILL NO. 223

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

ELEVENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the management and disposal of  
state land; and providing for an effective date."

7

8

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

9

\* Section 1. AS 29.33.150 is amended by adding a new subsection to read:

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(b) The regulations adopted under (a) of this section apply to  
subdivision plats of state land filed for approval with the platting  
board, except that the platting board may not require the state to  
construct access roads or capital improvements on state land included in  
the subdivision plat before approval of the plat.

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\* Sec. 2. AS 29.33.160 is amended by adding a new subsection to read:

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(c) If a municipality has adopted a subdivision ordinance which  
requires the submission of preliminary or sketch subdivision plats  
during the platting procedure, the platting board of the municipality  
shall approve or conditionally approve a preliminary or sketch subdivi-  
sion plat submitted by the state which contains land to be disposed of  
for residential use under AS 38.05 or AS 38.08, not later than 60 days  
after the preliminary or sketch subdivision plat is filed with the  
platting board of the municipality.

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\* Sec. 3. AS 29.63.090(a) is amended to read:

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(a) Service areas to provide special services within a borough may  
be established, operated, altered or abolished by the assembly by ordi-  
nance. Special services include services not provided on an areawide  
basis within the borough or the borough area outside cities or a higher  
or different level of service than that provided on an areawide basis or

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1 in the borough area outside cities. In a first class borough the  
2 assembly may exercise within a service area any power granted a first  
3 class city by general law. Except as provided in (f) of this section, a  
4 [; IN A] second class borough may [AN] exercise [OF] the powers granted  
5 a first class city by general law but the exercise of the powers must be  
6 approved by a majority of the qualified voters residing within the ser-  
7 vice area and voting on the question at a regular or special election.

8 \* Sec. 4. AS 29.63.090 is amended by adding a new subsection to read:

9 (f) A second class borough may establish a service area by ordi-  
10 nance which may include only vacant, unappropriated and unreserved land  
11 owned by the municipality. A second class borough may establish a  
12 service area, with the concurrence of the commissioner of natural re-  
13 sources, which may include only vacant, unappropriated and unreserved  
14 land owned by the state and classified for disposal to individuals. A  
15 second class borough may provide those services in a service area estab-  
16 lished under this subsection necessary to develop state or municipal  
17 land as required by AS 40.15.200. Exercise of the powers authorized by  
18 this subsection shall be by ordinance.

19 \* Sec. 5. AS 37.10.065(a) is amended to read:

20 (a) The Alaska Permanent Fund consists of 25 per cent of the  
21 proceeds from the sale of state land, all mineral lease rentals, royalti-  
22 ties, royalty sale proceeds, federal mineral revenue sharing payments  
23 and bonuses received by the state. The commissioner of revenue shall  
24 deposit in the Alaska Permanent Fund 25 per cent of the receipts from  
25 these sources at least once each month. The commissioner of revenue  
26 shall invest the money in the Alaska Permanent Fund in income-producing  
27 investments of the following types:

28 (1) obligations of, or obligations insured or guaranteed by,  
29 the United States or agencies or instrumentalities of the United States;

1 (2) obligations secured by reserves paid in by the United  
2 States or agencies or instrumentalities of the United States or obliga-  
3 tions of corporations in which the United States is a shareholder or  
4 member;

5 (3) certificates of deposits issued by United States domestic  
6 banks which are members of the Federal Deposit Insurance Corporation and  
7 secured as to the payment of principal and interest in accordance with  
8 Alaska law;

9 (4) corporate investment-grade securities;

10 (5) bankers' acceptance drawn on and accepted by United  
11 States banks which each have a combined capital and surplus aggregating  
12 at least \$100,000,000;

13 (6) repurchase agreements, the securities underlying the  
14 agreements being any of the items in (1) - (5) of this subsection;

15 (7) deposits of federally insured savings and loan associa-  
16 tions not to exceed 10 per cent of each savings and loan association's  
17 deposits exclusive of federal, state, and municipal deposits;

18 (8) fixed-term certificates of debentures of federally in-  
19 sured credit unions not to exceed 10 per cent of each credit union's  
20 shares.

21 \* Sec. 6. AS 38.05.045 is amended to read:

22 Sec. 38.05.045. GENERALLY. All lands owned in fee by the state or  
23 to which the state may become entitled, excepting tide, submerged or  
24 shorelands, and timber or grazing lands, may be sold as provided in  
25 AS 38.05.045 - 38.05.069 and AS 38.08. However, this section does not  
26 prevent the disposition of lands as provided in AS 38.05.300 - 38.05.-  
27 348.

28 \* Sec. 7. AS 38.05 is amended by adding new sections to art. 2 to read:

29 Sec. 38.05.047. CLASSIFICATION AND SALE OF STATE LAND IN MUNICI-

1 PALITIES. (a) Notwithstanding the provisions of AS 38.04, before  
2 September 1, 1980, the commissioner shall classify all state land in a  
3 municipality which he determines is best suited for

4 (1) designation by the legislature as a state park, recrea-  
5 tion area, game refuge or sanctuary, or a fish and game critical habitat  
6 area;

7 (2) designation by the governor as a state monument or his-  
8 toric site under the authority granted by AS 41.35.030;

9 (3) designation by the commissioner of natural resources and  
10 the commissioner of transportation and public facilities as wilderness  
11 trails and campsites under the authority granted by AS 41.20.080 and as  
12 roadside rests and recreational beaches under the authority granted in  
13 AS 41.20.050;

14 (4) designation by the commissioner as trails and footpaths  
15 which may be granted to a municipality or managed in cooperation with a  
16 municipality as a part of the program established in AS 41.20.355 -  
17 41.20.375; and

18 (5) management by the state after July 1, 1980, for the  
19 following purposes:

20 (A) sale of remote parcels to individuals under AS 38.-  
21 05.053;

22 (B) use by individuals as remote cabin sites under  
23 AS 38.05.078;

24 (C) disposal for agricultural use;

25 (D) disposal for commercial use;

26 (E) harvest of timber in commercial quantities;

27 (F) use by individuals for livestock grazing under a  
28 permit program;

29 (G) establishment of greenbelts along public roads

1 and highways;

2 (H) disposal for industrial use;

3 (I) extraction of materials;

4 (J) extraction of minerals, including oil and gas;

5 (K) retention in state ownership for public recreation

6 use;

7 (L) protection of watershed land;

8 (M) protection of wildlife habitat;

9 (N) easements for public utility facilities and pipe-  
10 lines for the transportation of oil and gas; and

11 (O) construction of airstrips and transportation facili-  
12 ties.

13 (b) Notwithstanding the provisions of AS 38.04, state land in a  
14 municipality which has not been classified for one or more of the pur-  
15 poses specified in (a)(1) - (5) of this section before September 1,  
16 1980, or which has not been nominated for selection or selected by a  
17 municipality to satisfy a general grant land entitlement under AS 29.18.  
18 201 - 29.18.203 before September 1, 1980, is available for disposal  
19 under (f) of this section.

20 (c) Before September 1, 1979, the commissioner shall identify  
21 state land in a municipality which may be suitable for classification  
22 for the purposes set out in (a)(1) - (5) of this section. State land in  
23 a municipality which is not identified for a purpose listed in (a)(1) -  
24 (5) of this section or which has not been nominated for selection or  
25 selected by a municipality to satisfy a general grant land entitlement  
26 under AS 29.18.201 - 29.18.203 before September 1, 1979, is available  
27 for sale to individuals as provided in (f) of this section. After  
28 September 1, 1979, the commissioner shall divide all state land in a  
29 municipality that is not identified for a purpose set out in (a)(1) -

1 (5) of this section into survey districts with boundaries that conform  
2 to natural geologic and topographic features and shall make the land  
3 available for disposal to individuals as required by (f) of this section.

4 (d) All state land in a municipality which is selected by the  
5 state under section 6(a) or (b) of the Alaska Statehood Act (P.L. 85-508)  
6 and tentatively approved for patent to the state after the effective  
7 date of this section shall be classified by the commissioner in accor-  
8 dance with (a) of this section not later than two years after the land  
9 is tentatively approved for patent to the state. All state land which  
10 is nominated for selection by a municipality to satisfy a general grant  
11 land entitlement under AS 29.18.201 - 29.18.203 shall be classified in  
12 accordance with (a) of this section not later than two years after the  
13 commissioner either disapproves the municipality's selection of the  
14 land, or releases the land from consideration for selection by the  
15 municipality. State land in a municipality which is not classified  
16 before the time required by this section is available for disposal under  
17 (f) of this section.

18 (e) If the land is suitable for residential use, the department  
19 shall survey and subdivide the land in a survey district established  
20 under (c) of this section into parcels which may not exceed five acres.  
21 The commissioner shall give priority to surveying those survey districts  
22 which contain land that may be developed immediately for residential use  
23 at the least cost to the state and potential purchasers. The commis-  
24 sioner shall issue a written finding which describes land in a survey  
25 district which he determines is not suitable for residential use. The  
26 written finding shall include the reasons for the commissioner's deter-  
27 mination and shall be kept on file in the office of the commissioner and  
28 in the district office of the department located nearest to the munic-  
29 pality in which the land is located.

(1)

1 (f) After a subdivision plat developed under (e) of this section  
2 is recorded, the commissioner shall offer

3 (1) 80 per cent of the parcels in a survey district for sale  
4 under the procedures specified in AS 38.05.057 and 38.05.065(b) (lottery  
5 sales);

6 (2) 10 per cent of the parcels in a survey district for  
7 homesites under AS 38.08; and

8 (3) an additional 10 per cent of the parcels in a survey  
9 district for homesites under AS 38.08, except that notwithstanding  
10 AS 38.08.040(b) parcels offered under this paragraph may be the subject  
11 of a lottery sale under the procedures specified in AS 38.05.057 if more  
12 than one eligible person applies for the same homesite.

13 Sec. 38.05.053. CLASSIFICATION AND SALE OF REMOTE PARCELS. (a)  
14 The commissioner shall, under the procedures required by AS 38.05.300  
15 and 38.05.305, classify state land which is suitable for sale as remote  
16 parcels. The commissioner shall designate areas of land classified  
17 under this section in which he shall set the number of remote parcels  
18 that may be sold in the area.

19 (b) The commissioner shall prescribe parcel selection procedures  
20 for each area designated under (a) of this section. The parcel selec-  
21 tion procedures prescribed by the commissioner may include

22 (1) minimum distance between parcels in the area;

23 (2) parcel dimensions, configuration, orientation and other  
24 parcel design requirements;

25 (3) a description of land within the area that may not be  
26 included in a parcel;

27 (4) a requirement that landmarks, monuments or other points  
28 be used as points of reference for the measurement of distances within  
29 an area; and

1 (5) specifications for the type of stakes to use to mark the  
2 corners of a parcel.

3 (c) A person may apply under the procedures set out in AS 38.05.-  
4 057 (lottery sales) to purchase a remote parcel in an area of state land  
5 designated by the commissioner under (a) of this section. Each person  
6 who is entitled to select a remote parcel may enter the area for which  
7 he applied to survey or to stake a remote parcel which may not exceed 40  
8 acres. The commissioner shall allow each person to select a remote  
9 parcel in the same order that his name was drawn by lottery.

10 (d) A remote parcel of state land shall be offered for sale under  
11 the terms required for lottery sales under AS 38.05.065(b).

12 (e) A purchaser or his heirs or assigns may not subdivide a remote  
13 parcel before 10 years after the plat of survey is approved by the  
14 authority having platting powers as prescribed in AS 40.15.

15 Sec. 38.05.078. REMOTE CABIN PERMIT. (a) For a fee of \$100 a  
16 year, the commissioner may issue a permit for the construction of a  
17 cabin on remote state land. The commissioner shall establish regula-  
18 tions which specify the application procedures for and the terms and  
19 conditions of a remote cabin permit. A permit may not be for a term of  
20 less than 25 years, and may be assigned by the original permittee during  
21 the term of the permit.

22 (b) A remote cabin permit may be terminated by the commissioner  
23 before the expiration of the term of the permit if a permittee fails to  
24 use the land under permit in the manner required by the terms of the  
25 permit. After termination of a remote cabin permit, improvements or  
26 personal property on the land subject to the permit shall be managed in  
27 the same manner as required by AS 38.05.090.

28 (c) If land subject to a remote cabin permit is offered for sale  
29 or long-term lease, the commissioner shall first offer to sell or lease

1 the land to the permittee or his assigns. The land shall be sold for  
2 its fair market value.

3 \* Sec. 8. AS 38.05.055 is amended to read:

4 Sec. 38.05.055. SALE PROCEDURES. Except as provided in AS 38.05.-  
5 053, 38.05.057, [AND] 38.05.315(d), and AS 38.08, the sale of state land  
6 shall be made at public auction to the highest qualified bidder as  
7 determined by the director. An aggrieved bidder may appeal to the  
8 commissioner within five days after the sale for a review of the direc-  
9 tor's determination. The sale shall be conducted by the director or his  
10 representative, and at the time of sale the successful bidder shall  
11 deposit an amount equal to one-tenth of the purchase price. The direc-  
12 tor or his representative shall immediately issue a receipt containing a  
13 description of the land or property purchased, the price bid, and the  
14 terms of sale, which receipt shall be acknowledged in writing by the  
15 bidder. A contract of sale on a form approved by the attorney general  
16 shall be signed by the purchaser and, after approval of the commissioner  
17 the contract shall also be signed by the director on behalf of the  
18 state.

19 \* Sec. 9. AS 38.05.057(a) is amended to read:

20 (a) The commissioner [DIRECTOR] may sell land, including land  
21 limited to use for agricultural purposes, by lottery. The purchase  
22 price of surveyed land sold by lottery shall be the fair market value as  
23 determined by the commissioner. However, the commissioner may sell  
24 land by lottery for less than the fair market value of the land if he  
25 determines that scarcity of land for private use in the area of the land  
26 to be sold has resulted in unrealistic land values. Before the commis-  
27 sioner determines the purchase price for land which is located in a  
28 municipality and which is to be sold under this section, he shall con-  
29 sult with the board of equalization of the municipality. The purchase

1 price of unsurveyed land sold by lottery may not be less than \$250 per  
2 acre, or, if the land may be used only for agricultural purposes, the  
3 purchase price for the land may not be less than \$50 per acre [MAY NOT  
4 BE LESS THAN THE FAIR MARKET VALUE OF THAT LAND UNLESS THE SALE IS  
5 CONDUCTED UNDER THE PROVISIONS OF AS 38.05.035(b)(4)]. The lottery  
6 shall be conducted in public by the commissioner [DIRECTOR] or his  
7 representative, and at the time of signing a contract of sale a pur-  
8 chaser selected by lot shall deposit [WITH THE PERSON CONDUCTING THE  
9 LOTTERY] an amount equal to five per cent of the purchase price, or if  
10 the purchaser elects to use land discounts granted under AS 38.05.058,  
11 five per cent of the discount purchase price.

12 \* Sec. 10. AS 38.05.057(b)(2) is amended to read:

13 (2) submit proof, as required by regulation, that he has been  
14 a resident of the state for not less than one year [THREE YEARS] immedi-  
15 ately preceding the date his application was submitted; and

16 \* Sec. 11. AS 38.05.057(d)(2) is amended to read:

17 (2) pay a nonrefundable application fee of not more than \$25  
18 [\$10] for each application.

19 \* Sec. 12. AS 38.05.057(e)(1) is amended to read:

20 (1) the application period may not be less than 45 [30] days;

21 \* Sec. 13. AS 38.05.057(e)(3) is amended to read:

22 (3) notice of the application period and the date of the  
23 lottery shall be given in accordance with AS 38.05.345(e) [AS 38.05.-  
24 345(b)]; and

25 \* Sec. 14. AS 38.05.057(f) is repealed and re-enacted to read:

26 (f) If only one application for a parcel is received, the commis-  
27 sioner shall sell the parcel to the applicant who applied for the parcel  
28 if the applicant is qualified to purchase the land. If more than one  
29 application is received for a parcel, or if more applications are re-

1        ceived for the right to select a remote parcel offered under AS 38.05.-  
2        053 than the number of remote parcels authorized, the commissioner shall  
3        select the applicant who is entitled to purchase the land by lottery.  
4        If the commissioner does not receive an application for a parcel of  
5        state land or if a purchaser fails to sign a contract of sale or to pay  
6        the deposit required by (a) of this section, the parcel shall be sold to  
7        the first eligible person to apply to purchase the parcel under the  
8        terms required by AS 38.05.065(b), or, if the parcel was designated as a  
9        homesite and offered to the public under AS 38.05.047(f), the parcel  
10       shall be disposed of under the terms required by AS 38.08.

11 \* Sec. 15. AS 38.05.058(a) is amended to read:

12        (a) The director shall grant to eligible persons a discount on the  
13        purchase price of land sold which is classified for any use other than  
14        commercial or industrial [FOR RESIDENTIAL USE] under this chapter at the  
15        rate of five per cent of the purchase price of the land purchased for  
16        each full year that the purchaser is a resident of the state after the  
17        first full year of residency. A discount granted under this section may  
18        not exceed 50 per cent of the total purchase price of the land or a  
19        value of \$25,000, whichever amount is less, except that an eligible  
20        veteran is entitled to receive a discount under this section which may  
21        not exceed 75 per cent of the total purchase price of the land or  
22        \$37,500, whichever amount is less. A discount may be used by an  
23        eligible veteran to purchase land offered at a restricted sale under  
24        AS 38.05.067.

25 \* Sec. 16. AS 38.05.058 is amended by adding a new subsection to read:

26        (f) In this section, "eligible veteran" means a person who satis-  
27        fies the eligibility requirements of (b) of this section and the eligi-  
28        bility requirements set out in AS 26.15.130 for the veterans' loan  
29        program.

1 \* Sec. 17. AS 38.05.058(d) is amended to read:

2 (d) A person is entitled to not more than one discount on the  
3 purchase price of land under this section in his lifetime. A discount  
4 granted under this section may be applied only to the acquisition of  
5 surface rights to state land. A discount may not be applied to costs  
6 such as survey costs, road development costs, utility assessments, or  
7 other costs as determined by the director which are reimbursable to the  
8 state. In all cases, a cash down payment of at least five per cent of  
9 the discounted purchase price of the land shall be made at the time of  
10 sale [ACQUISITION].

11 \* Sec. 18. AS 38.05.065(a) is amended to read:

12 (a) The contract of sale for land sold at public auction shall  
13 require the remainder of the purchase price to be paid in monthly,  
14 quarterly or annual installments over a period of 10 years, with inter-  
15 est at the prevailing rate for real estate mortgage loans made by the  
16 federal land bank for the farm credit district for Alaska at the time the  
17 contract is signed [OF NOT LESS THAN FIVE PER CENT A YEAR]. Installment  
18 payments plus interest shall be set on the level-payment basis.

19 \* Sec. 19. AS 38.05.065(b) is amended to read:

20 (b) The contract of sale for land sold under the procedures speci-  
21 fied in AS 38.05.057 (lottery sales) [BY LOTTERY] shall require the  
22 remainder of the purchase price to be paid in monthly, quarterly, or  
23 annual installments over a period of not more than 20 years. Install-  
24 ment payments plus interest shall be set on the level-payment basis.  
25 The interest rate to be charged on installment payments is the pre-  
26 vailing rate for real estate mortgage loans made by the federal land  
27 bank for the farm credit district for Alaska [ON SIMILAR LAND TRANSAC-  
28 TIONS,] at the time the contract is signed [, AS DETERMINED BY THE  
29 DIRECTOR, BUT IN NO CASE MAY IT BE BELOW FIVE PER CENT A YEAR OR ABOVE

1 THE CURRENT USURY RATE AS SET BY AS 45.45.010(b) AND (d)].

2 \* Sec. 20. AS 38.05.065 is amended by adding a new subsection to read:

3 (d) In addition to the terms required by (a) - (c) of this sec-  
4 tion, a contract of sale for state land which is unsurveyed before the  
5 date of the sale must

6 (1) describe the land by aliquot parts or by metes and bounds  
7 using cardinal directions and must provide that the purchaser will  
8 survey the land at his expense not later than five years after the land  
9 is offered for sale, according to instructions issued by the commis-  
10 sioner; and

11 (2) provide that the contract description of the land will be  
12 amended to conform to the survey after the survey plat is approved by  
13 the authority having jurisdiction as prescribed by AS 40.15.

14 \* Sec. 21. AS 38.05.067(a) is amended to read:

15 (a) Except as provided in (e) of this section, before [BEFORE]  
16 offering to the general public any unoccupied residential lands, the  
17 director shall offer the land at a restricted sale at which only veterans  
18 may buy.

19 \* Sec. 22. AS 38.05.067 is amended by adding a new subsection to read:

20 (e) This section does not apply to the sale of state land under  
21 AS 38.05.047(f) and 38.05.053.

22 \* Sec. 23. AS 38.05.300 is amended to read:

23 Sec. 38.05.300. CLASSIFICATION OF LANDS. (a) The commissioner  
24 [DIRECTOR] shall classify [MAKE A PRELIMINARY CLASSIFICATION] for surface  
25 use [OF ALL] lands in areas where he considers it necessary and proper  
26 [FOR FUTURE DEVELOPMENT. THE CLASSIFICATION, TOGETHER WITH A LAND USE  
27 PLAN, SHALL BE TRANSMITTED TO THE COMMISSIONER FOR HIS APPROVAL, MODIFI-  
28 CATION, OR REJECTION]. This section does not prevent reclassification  
29 of lands where the public interest warrants reclassification, nor does

1 it preclude multiple purpose use of lands whenever different uses are  
2 compatible. No state land, water, or land and water area shall, except  
3 by act of the state legislature, be closed to multiple purpose use, if  
4 the area involved contains more than 640 acres.

5 \* Sec. 24. AS 38.05.300 is amended by adding a new subsection to read:

6 (b) Not later than February 1 of each year, the commissioner shall  
7 submit a report to each house of the legislature which describes and  
8 shows the location of all classifications of state land made under (a)  
9 of this section during the preceding year.

10 \* Sec. 25. AS 38.05.310 is amended to read:

11 Sec. 38.05.310. APPRAISAL. (a) No land may be sold or leased, or  
12 a renewal lease issued, except in the case of an oil or gas or mineral  
13 lease, unless it has been appraised within 120 days before the date  
14 fixed for the sale or lease. When land is offered at public sale but is  
15 not sold and is available at private sale, no reappraisal is required  
16 unless the director considers that a change in value of the lands may  
17 have occurred. A grazing lease may be granted to a lessee of federal  
18 grazing lands without prior appraisal, if his federal lease was can-  
19 celled to allow the state to select the lands under lease. No land may  
20 be sold or leased for less than the approved, appraised market value,  
21 except as provided in AS 38.05.315, [AND] 38.05.320, 38.05.057, 38.05.-  
22 075 - 38.05.085 and 38.05.097.

23 \* Sec. 26. AS 38.05.310 is amended by adding a new subsection to read:

24 (b) Appraisals required by this section may be made by employees  
25 of the department who are qualified to determine the value of land under  
26 standards set by the commissioner.

27 \* Sec. 27. AS 38.05.345(b) is amended to read:

28 (b) Notice shall be published once a week for four [THREE] con-  
29 secutive weeks preceding the time of disposal [SALE] stated in the

1 notice, in newspapers [AT LEAST ONE NEWSPAPER] of general circulation in  
2 the state and by the electronic media covering the region of the state in  
3 which the land is located [VICINITY IN WHICH THE LAND, PROPERTY OR  
4 INTEREST IN IT IS TO BE SOLD, LEASED OR DISPOSED OF]. If [WHERE] there  
5 is no newspaper of general circulation in the vicinity of the land  
6 offered for disposal, notices shall be posted not later than four weeks  
7 before the public auction is to be held in three public places near the  
8 land to be sold or [,] leased [OR OTHERWISE DISPOSED OF]. The public  
9 auction [SALE, LEASE OR DISPOSAL OF LANDS] shall be held not less than  
10 45 [30] days after publication of the first notice and not more than  
11 five weeks following the last appearance of the published notice. [THE  
12 NOTICE SHALL CONTAIN A DESCRIPTION OF THE LAND AND INTEREST TO BE SOLD,  
13 LEASED OR DISPOSED OF AND THE TIME, PLACE, AND GENERAL TERMS OF THE  
14 SALE, LEASE OR DISPOSAL.]

15 \* Sec. 28. AS 38.05.345 is amended by adding new subsections to read:

16 (e) The director shall publish a public notice of each sale of  
17 state land offered for disposal under the procedures specified in AS 38.-  
18 05.057 and AS 38.08 in newspapers of general circulation in the state  
19 and by the electronic media covering the region of the state in which  
20 the land is located. The notice shall be published once each week for  
21 four consecutive weeks before the beginning date of an application  
22 period.

23 (f) If there is no newspaper of general circulation in the general  
24 vicinity of land offered for disposal, notices required by (e) of this  
25 section shall be posted not later than four weeks before the land is  
26 offered in three public places near the land.

27 (g) A notice under this section shall contain

28 (1) a description of the land sufficient for identification  
29 by the public;

1 (2) the date of the auction or the beginning of the applica-  
2 tion period;

3 (3) a statement that a purchaser of the land offered is  
4 responsible for the construction of access roads and capital improve-  
5 ments that may be required by an authority having land use planning  
6 jurisdiction; and

7 (4) the location and address of places where the public may  
8 obtain information concerning the land offered for disposal.

9 \* Sec. 29. AS 38.08.020 is amended to read:

10 Sec. 38.08.020. PUBLIC NOTICE [OFFERING OF LAND FOR HOMESITE  
11 ENTRY]. The director shall publish notice of the availability of the  
12 land in the same manner as provided in AS 38.05.345(e) [FOR AT LEAST  
13 THREE CONSECUTIVE WEEKS THROUGH THE ELECTRONIC MEDIA AND IN AT LEAST  
14 THREE NEWSPAPERS OF GENERAL CIRCULATION IN THE STATE, AT LEAST ONE OF  
15 WHICH, IF POSSIBLE, SHALL BE A NEWSPAPER OF GENERAL CIRCULATION IN THE  
16 VICINITY OF THE AVAILABLE LAND].

17 \* Sec. 30. AS 38.08.030(a) is repealed and re-enacted to read:

18 (a) To qualify for a homesite an applicant shall

19 (1) be 18 years of age at the time of application; and

20 (2) submit proof acceptable to the commissioner that

21 (A) he is a resident of the state at the time of appli-  
22 cation;

23 (B) he has been a resident of the state for not less  
24 than three years immediately before the date his application was  
25 submitted; and

26 (C) he has not received patent to homesite land under  
27 this chapter before the date his application was submitted.

28 \* Sec. 31. AS 38.08.030(b) is amended to read:

29 (b) Fees for filing an application may not exceed \$25 [\$10].

1 \* Sec. 32. AS 38.08.040 is repealed and re-enacted to read:

2 Sec. 38.08.040. SELECTION OF PERSON TO RECEIVE PATENT. (a) The  
3 commissioner shall grant a patent to a person who applies for a homesite  
4 and who is qualified under AS 38.08.030. Except as provided in AS 38.-  
5 05.047(e)(3), if the number of qualified persons who submit applications  
6 for homesites exceeds the number of available homesites offered, or if  
7 several qualified persons apply for the same homesite, the commissioner  
8 shall grant a patent to the homesite to the person who submits proof  
9 acceptable to the commissioner of the longest residency in the state.

10 \* Sec. 33. AS 38.08.060 is repealed and re-enacted to read:

11 Sec. 38.08.060. GRANT OF PATENT. (a) A patent to homesite land  
12 must contain the following conditions:

13 (1) the grantee of the patent shall occupy the homesite for a  
14 cumulative total of 35 months within the five-year period immediately  
15 after conveyance of the patent or, if the grantee is a veteran, he shall  
16 occupy the homesite for a cumulative total of 21 months within the  
17 five-year period immediately after conveyance of the patent; and

18 (2) the grantee of the patent shall erect a permanent, habit-  
19 able dwelling on the homesite which meets all applicable state and local  
20 regulations before five years after the grant of the patent.

21 (b) If a grantee fails to comply with the conditions of a homesite  
22 patent, the grantee shall forfeit title to the homesite land. The  
23 commissioner shall request the attorney general to bring an action to  
24 eject the grantee from the homesite land and to declare the right of  
25 reentry of the state.

26 (c) The commissioner may waive a failure to erect a habitable  
27 dwelling in accordance with a condition of a homesite patent if he  
28 determines that the grantee has substantially completed the erection of  
29 a habitable dwelling and that progress toward completion is being made

1 at the expiration of the time required.

2 \* Sec. 34. AS 38.08 is amended by adding a new section to read:

3 Sec. 38.08.065. SURVEY AND PLATTING COSTS. The grantee of a  
4 homesite patent shall reimburse the state for the survey and platting of  
5 the homesite. The commissioner may adopt regulations which allow a  
6 grantee of a homesite patent to pay in monthly, quarterly or annual  
7 installments the cost of survey and platting required by this chapter.

8 \* Sec. 35. AS 38.08.120 is amended by adding a new paragraph to read:

9 (4) "veteran" means a person who satisfies the eligibility  
10 requirements of AS 38.08.030(a) and the eligibility requirements set out  
11 in AS 26.15.130 for the veterans' loan program.

12 \* Sec. 36. AS 38.08.120(2) is amended to read:

13 (2) "habitable dwelling" means a single-family dwelling [OF A  
14 PERMANENT NATURE], together with fixtures and facilities, including  
15 sanitary facilities, required or customary in the vicinity of the home-  
16 site land and does not include a mobile home unless it is placed on a  
17 permanent foundation [MADE AVAILABLE FOR HOMESITE ENTRY];

18 \* Sec. 37. AS 38.04.020 is repealed.

19 \* Sec. 38. AS 29.33.090(d), AS 38.05.050, 38.05.325, AS 38.08.010(c),  
20 38.08.050, 38.08.070, 38.08.080 and 38.08.100 are repealed.

21 \* Sec. 39. Section 37 of this Act takes effect July 1, 1979.

22 \* Sec. 40. Sections 1 - 36 and 38 of this Act take effect immediately in  
23 accordance with AS 01.10.070(c).

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Introduced: 2/13/79  
Referred: Resources

1 IN THE SENATE

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 223 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to homestead entry; and providing  
7 for an effective date."

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

9 \* Section 1. AS 38.05.325 is repealed and re-enacted to read:

10 Sec. 38.05.325. HOMESTEAD ENTRY. (a) The commissioner, in  
11 accordance with the criteria set out in AS 38.04.035, shall authorize  
12 homestead entry on state land classified for that purpose or for other  
13 disposal purposes under AS 38.05.300. The amount of land to be avail-  
14 able for homestead entry is to be determined by the director on an  
15 annual basis and reported to the legislature as part of the annual  
16 state land availability program required by AS 38.04.020. Parcels may  
17 not be over 40 acres, except that parcels of agricultural land may be  
18 larger.

19 (b) The commissioner shall accept applications during a simul-  
20 taneous application period of 60 consecutive days following each  
21 notice period under AS 38.05.345. The commissioner shall make home-  
22 stead application forms available to the public at least 30 days  
23 before each application period. Homestead entry land for which no  
24 applications are received during the simultaneous filing period remains  
25 available over the counter until an application is received or the  
26 land is withdrawn by the commissioner. Applications must be accompanied  
27 by a fee of \$25. An applicant may apply for any number of parcels, but  
28 may submit only one application per parcel. Once entry by an applicant  
29 upon a parcel is approved, he is not eligible to apply for or receive

1 another parcel under this section. To be eligible for homestead entry,  
2 an applicant must:

- 3 (1) be at least 18 years of age,
- 4 (2) have maintained a permanent and principal place of  
5 residence in Alaska for at least 24 months before application,
- 6 (3) have received no other entry under this program.

7 (c) After the end of each application period, the commissioner  
8 shall determine the eligibility of each applicant according to the  
9 criteria set out in (b) of this section. If there is more than one  
10 eligible applicant applied for a particular parcel, the commissioner  
11 shall award the parcel by lottery. The commissioner shall then send  
12 each successful applicant a contract of sale including provisions  
13 consistent with this section. Failure of the applicant to execute and  
14 return the contract within 30 days of receipt together with the payment  
15 required in (d)(2) of this section voids and terminates the application.  
16 Upon execution of the contract by the commissioner, the applicant's  
17 entry upon the homestead parcel is approved.

18 (d) A contract of sale for homestead land must provide for payment  
19 as follows:

20 (1) The purchase price of homestead land may not be less  
21 than the appraised or, in the case of unsurveyed land, the estimated  
22 fair market value of the land. In no case may the price of homestead  
23 land be less than \$200 per acre for full fee title or \$50 per acre for  
24 agricultural rights only. These minimum prices must be adjusted  
25 according to the Anchorage Consumer Price Index but must be fixed  
26 before each application period.

27 (2) A first payment of not less than 10 per cent of the  
28 purchase price must be made in advance of approval of entry.

29 (3) The remainder of the purchase price must be paid in not

1 more than nine annual cash payments, due on the anniversary of approval  
2 of entry, or in land discounts under AS 38.05.058, or in improvement  
3 credits under AS 38.05.059, according to regulations adopted by the  
4 commissioner.

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19 bounds and must provide that the purchaser will survey the land  
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22 (B) provide that the contract description of the land  
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25 (C) provide that no improvements may be constructed on  
26 the land until the survey is completed and approved by the com-  
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10 under this section may not exceed 50 per cent of the total purchase  
11 price of the land or a value of \$25,000, whichever amount is less. A  
12 discount may be used by an eligible veteran to purchase land offered  
13 at a restricted sale under AS 38.05.067 [SEC. 67 OF THIS CHAPTER].

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17 purchase price of land disposals under this chapter.

18 \* Sec. 4. This Act takes effect immediately in accordance with AS  
19 01.10.070(c).



# 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.

James O. Smith  
Signature of Camera Operator

3/23/90  
Date

COMMITTEE REPORT  
SENATE

3/13/79

FURTHER:

Date: March 15, 1979

Mr. President:

The Committee on FINANCE has had SB 223

relating to homestead entry

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for \_\_\_\_\_  same title  
 new title
- and recommends \_\_\_\_\_
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back ~~with recommendation~~ without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*John Dickett*  
*William*  
*Wardsworth*  
*Sumner*  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*John Dickett*  
 CHAIRMAN

AMENDMENT

OFFERED IN THE SENATE:

By: Finance Committee

To: \_\_\_\_\_ SENATE BILL No. 223

HOUSE BILL No. \_\_\_\_\_

PAGE: 1

LINE: 20, 22, and 27

Line 20 -

Delete "30 consecutive days" and insert "60 consecutive days"

Line 22 -

Delete "three weeks" and insert "30 days"

Line 27 -

Delete "set by the commissioner" and insert "of \$25."

Introduced: 2/13/79  
Referred: Resources

*Amend*

BY THE RULES COMMITTEE BY  
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO. 223

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to homestead entry; and providing  
7 for an effective date."

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

9 \* Section 1. AS 38.05.325 is repealed and re-enacted to read:

10 Sec. 38.05.325. HOMESTEAD ENTRY. (a) The commissioner, in  
11 accordance with the criteria set out in AS 38.04.035, shall authorize  
12 homestead entry on state land classified for that purpose or for other  
13 disposal purposes under AS 38.05.300. The amount of land to be avail-  
14 able for homestead entry is to be determined by the director on an  
15 annual basis and reported to the legislature as part of the annual  
16 state land availability program required by AS 38.04.020. Parcels may  
17 not be over 40 acres, except that parcels of agricultural land may be  
18 larger.

19 (b) The commissioner shall accept applications during a simul-  
20 taneous application period of ~~30~~<sup>60</sup> consecutive days following each  
21 notice period under AS 38.05.345. The commissioner shall make home-  
22 stead application forms available to the public at least ~~three weeks~~<sup>30 days</sup>  
23 before each application period. Homestead entry land for which no  
24 applications are received during the simultaneous filing period remains  
25 available over the counter until an application is received or the  
26 land is withdrawn by the commissioner. Applications must be accompanied  
27 by a fee ~~set by the commissioner~~<sup>of \$25.</sup> An applicant may apply for any  
28 number of parcels, but may submit only one application per parcel.  
29 Once entry by an applicant upon a parcel is approved, he is not eligible

1 to apply for or receive another parcel under this section. To be  
2 eligible for homestead entry, an applicant must:

- 3 (1) be at least 18 years of age,  
4 (2) have maintained a permanent and principal place of  
5 residence in Alaska for at least 12 months before application,  
6 (3) have received no other entry under this program.

7 (c) After the end of each application period, the commissioner  
8 shall determine the eligibility of each applicant according to the  
9 criteria set out in (b` of this section. If more than one eligible  
10 applicant applied for a particular parcel, the commissioner shall  
11 award the parcel by lottery. The commissioner shall then send each  
12 successful applicant a contract of sale including provisions consistent  
13 with this section. Failure of the applicant to execute and return the  
14 contract within 30 days of receipt together with the payment required  
15 in (d)(2) of this section voids and terminates the application. Upon  
16 execution of the contract by the commissioner, the applicant's entry  
17 upon the homestead parcel is approved.

18 (d) A contract of sale for homestead land must provide for  
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20 (1) The purchase price of homestead land may not be less  
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22 fair market value of the land. In no case may the price of homestead  
23 land be less than \$200 per acre for full fee title or \$50 per acre for  
24 agricultural rights only. These minimum prices must be adjusted  
25 according to the Anchorage Consumer Price Index but must be fixed  
26 before each application period.

27 (2) A first payment of not less than 10 per cent of the  
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THE LEGISLATURE OF THE STATE OF ALASKA  
ELEVENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. 56223  
 Title The Real New Homestead Act  
 Requested by Governor Date 2/13/79

II. FISCAL DETAIL

Agency Affected Department of Natural Resources  
 Program Category Affected NRNEC  
 Budget Request Unit(s) Affected Land, Forest and Water Management

EXPENDITURES (Thousands of Dollars)

	FY 79	FY 80	FY 81	FY 82	FY 83	FY 84
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
<b>TOTAL</b>		-0-	-0-	-0-	-0-	

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Fiscal impact resultant from this legislation will be an integral part of the land disposal program presented to the legislature under Chapter 181, SLA 1978. No additional fiscal impact ensues.

IV. DATE 2/13/79 PREPARED BY Patrick W. Conheady  
 AGENCY Department of Natural Resources  
 PHONE 465-2400  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

February 13, 1979

The Honorable Clem Tillion  
President of the Senate  
Alaska State Legislature  
Juneau, Alaska 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a homestead bill. This bill provides an equitable method for Alaskans who wish to acquire land by investing the sweat of their brows to do so without the state as a whole incurring the adverse consequences of the 1978 Homestead Initiative. Key points of the bill are:

1. The amount of land to be included in the homestead program annually is included in the program submitted to the legislature as part of the budget process.

2. Land is made available first during a 30-day simultaneous filing period, after which it is available on a first-come, first-served basis.

3. Land is paid for at fair market value except that unsurveyed land is sold at an estimated fair market value which may not be less than \$200/acre for full fee title. This minimum price will escalate in accord with the Consumer Price Index.

4. Payments may be made by money, by use of residency credits, and by credits for land improvements ("sweat equity"). For example, if a 40 acre parcel were acquired by a 10 year resident at the minimum price of \$200/acre, he could make the initial payment of 10% of the purchase price or \$800, receive credit of \$4,000 by use of his resident credit, and pay the remainder of \$3,200 by making improvements to the land such as clearing, roads, structures, etc.

5. The sale contract will require a continuing payment in place of taxes for those parcels located outside local taxing authorities. The payment will be 0.1% of the sale price but will provide that property taxes may be deducted as a credit against it, and that it will terminate with inclusion of the area in an incorporated or organized municipality.

6. Net proceeds, exclusive of administrative and development costs, will be deposited in the permanent fund.

In summary, the bill preserves the concept of land as the heritage of all Alaskans by providing that payment for land acquired must be either in cash to the permanent fund or by improvements to the land itself. It provides that those who wish to build a rural home on state land may do so with a minimal cash investment. Finally, it recognizes that "there is no free lunch" by providing a continuing payment to offset the cost to the state of providing those services (such as fire and police protection, planning and zoning, and access) normally provided by local government.

Sincerely,

*JSH*

Jay S. Hammond  
Governor

Introduced: 2/13/79  
Referred: Resources

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