

BILLS 1981 - 1982  
HB 31 cont. - SSHB 37

Law. Fin. 1415  
1415

1 of sale is authorized under this chapter, under AS 38.07, or under  
2 [EXCEPT AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.08, the  
3 sale of state land shall be made at public auction to the highest  
4 qualified bidder as determined by the director. A bidder must appear  
5 in person at the auction unless medical reasons or military service  
6 outside the state prevent attendance. A bidder may be represented by  
7 an attorney or agent at the auction if the land offered for disposal  
8 is classified as commercial, industrial, or agricultural land. An  
9 aggrieved bidder may appeal to the commissioner within five days after  
10 the sale for a review of the director's determination. The sale shall  
11 be conducted by the director or his representative, and at the time of  
12 sale the successful bidder shall deposit an amount equal to five per-  
13 cent [ONE-TENTH] of the purchase price, or if the purchaser elects to  
14 use land discounts granted under AS 38.05.058, five percent of the  
15 amount bid after deduction of the discount. The director or his repre-  
16 sentative shall immediately issue a receipt containing a description of  
17 the land or property purchased, the price bid, the amount deposited,  
18 and the amount of any discount allowed [TERMS OF SALE], which receipt  
19 shall be acknowledged in writing by the bidder. [A CONTRACT OF SALE ON  
20 A FORM APPROVED BY THE ATTORNEY GENERAL SHALL BE SIGNED BY THE PURCHASER  
21 AND, AFTER APPROVAL OF THE COMMISSIONER, THE CONTRACT SHALL ALSO BE  
22 SIGNED BY THE DIRECTOR ON BEHALF OF THE STATE.]

23 \* Sec. 10. AS 38.05.057(a) is amended to read:

24 (a) The commissioner may dispose of land, including land limited  
25 to use for agricultural purposes, by lottery. The purchase price of  
26 land sold by lottery shall be the fair market value of the land as  
27 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,  
28 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-  
29 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner

1        shall [MAY] sell land by lottery for less than the fair market value of  
2        the land if he determines that scarcity of land for private use in the  
3        area of the land to be sold has resulted in unrealistic land values.  
4        Before the commissioner determines the purchase price for land which is  
5        located in a municipality and which is to be sold under this section,  
6        he shall consult with the assessor of the municipality. The lottery  
7        shall be conducted in public by the commissioner or his representative,  
8        and an applicant may not be selected to purchase land unless he is pre-  
9        sent on the date and at the place that the lottery is conducted unless  
10       medical reasons or military service outside the state prevent attend-  
11       ance. An applicant may be represented by an agent on the day of the  
12       lottery if the land offered for sale is classified as commercial, in-  
13       dustrial, or agricultural land. On the day of the lottery [AT THE TIME  
14       OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot shall deposit  
15       an amount equal to five percent of the purchase price, or if the pur-  
16       chaser elects to use land discounts granted under AS 38.05.058, five  
17       percent of the [DISCOUNT] purchase price after deduction of the dis-  
18       count.

19       \* Sec. 11. AS 38.05.067(d) is repealed and reenacted to read:

20                (d) In this section "veteran" means a person with 90 days or more  
21        of active service in the armed forces of the United States who has been  
22        honorably discharged.

23       \* Sec. 12. AS 38.05.077(a) is amended to read:

24                (a) The commissioner shall, under the procedures required by  
25        AS 38.04.020, AS 38.05.300, [AND] 38.05.305, and 38.05.345, classify  
26        state land which is suitable for disposal as remote parcels. The  
27        commissioner shall designate remote parcel selection areas consisting  
28        of land classified under this section. The commissioner may [SHALL] set  
29        the number of remote parcels that may be selected in each remote parcel

1 selection area. A remote parcel may not exceed 40 acres. [THE COMMIS-  
2 SIONER SHALL DETERMINE FOR EACH REMOTE PARCEL SELECTION AREA, THE  
3 AMOUNT OF LAND IN EACH REMOTE PARCEL THAT MAY BE USED FOR RESIDENTIAL  
4 PURPOSES. LAND WHICH MAY BE USED FOR RESIDENTIAL PURPOSES IN A REMOTE  
5 PARCEL MAY NOT BE LESS THAN TWO ACRES AND MAY NOT EXCEED FIVE ACRES.]

6 \* Sec. 13. AS 38.05.077(c) is amended to read:

7 (c) A person who qualifies under (g) of this section may apply  
8 [UNDER THE PROCEDURES SET OUT IN AS 38.05.057] to lease a remote parcel  
9 in a parcel selection area designated by the commissioner under (a) of  
10 this section if he has staked the exterior boundaries of the remote  
11 parcel in accordance with the parcel selection procedures established  
12 under (b) of this section during an entry period established by the  
13 commissioner. A [EACW] person [WHO IS ENTITLED TO SELECT A REMOTE  
14 PARCEL] may enter a remote parcel selection [THE] area [FOR WHICH HE  
15 APPLIED] to stake the boundaries of a remote parcel. A person shall  
16 select a remote parcel in person and may not be represented by an  
17 attorney or agent.

18 \* Sec. 14. AS 38.05.077(d) is amended to read:

19 (d) Not later than 15 days after [SELECTION AND] staking the  
20 exterior boundaries of a remote parcel, the person who staked [SELECTED]  
21 the parcel shall file a sketch plat with the department which shows the  
22 location of the remote parcel [AND THE LOCATION OF THE LAND IN THE  
23 PARCEL THAT HE INTENDS TO USE FOR RESIDENTIAL PURPOSES]. At the time  
24 of filing the sketch plat, the person who staked [SELECTED] the parcel  
25 shall apply to lease the land. An application to lease the land shall  
26 be on a standard form prepared by the department. The annual rental  
27 payment for the first year of the lease shall be submitted to the  
28 department with the application. After the application to lease a  
29 remote parcel is approved, the commissioner shall offer to lease the

1 land to the person who staked [SELECTED] the remote parcel. A lease  
2 granted under this section shall contain the following terms:

3 (1) a remote parcel may be leased for five years;

4 (2) a remote parcel lease may be renewed at the option of  
5 the lessee for a second five-year period under the same terms as pro-  
6 vided for the first five-year period of the remote parcel lease; [AND]

7 (3) a rental payment shall be paid annually and shall be  
8 \$10 for each acre [\$150 A YEAR FOR FIVE ACRES OR LESS PLUS \$50 FOR EACH  
9 ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES.]

10 (4) unless the land is surveyed, the lessee shall, within  
11 one year of approval of the lease application and continuously for the  
12 lease period, physically delineate the boundaries of the parcel by  
13 brushing a line so that they are readily visible from the ground.

14 \* Sec. 15. AS 38.05.077 is amended by adding a new subsection to read:

15 (g) To qualify to lease a remote parcel under this section, a  
16 person shall

17 (1) at the time of application be 18 years of age or older:

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

21 (3) certify that he has not previously leased a remote  
22 parcel from the state within eight years immediately preceding the date  
23 of staking a remote parcel.

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

25 (a) A lessee of a remote parcel may purchase the land leased  
26 [USED FOR RESIDENTIAL PURPOSES IN A REMOTE PARCEL] if, before the  
27 expiration of the lease or [A RENEWAL OF THE] lease renewal, he pays  
28 a deposit to the department equal to five percent of the fair market  
29 value of the land under (c) of this section, surveys the [RESIDENTIAL]

1 land, and erects a habitable dwelling on the land. The lessee of a  
2 remote parcel may prove the existence and the location of a habitable  
3 dwelling by executing an affidavit as to its existence and location  
4 and including with the affidavit a clear photo and an accurate drawing  
5 prepared, signed, and dated by the lessee and described with refer-  
6 ence to one or more survey corners of the remote parcel.

7 \* Sec. 17. AS 38.05.078(c) is amended to read:

8 (c) A lessee of a remote parcel may purchase land in the [A]  
9 remote parcel under the terms specified in AS 38.05.065(b). The purchase  
10 price of land sold under this section shall be its fair market value as  
11 determined by the commissioner, less the total amount paid to the  
12 department in annual rental fees under AS 38.05.077(d)(3). The valuation  
13 date for determining the fair market value of land sold under this  
14 section is the date that the remote parcel was first leased to the  
15 purchaser of the land [PLAT OF SURVEY IS APPROVED BY THE COMMISSIONER].

16 \* Sec. 18. AS 38.08.010(b) is amended to read:

17 (b) Land classified as homesite entry land shall be divided into  
18 parcels not exceeding five acres in reasonably compact form, with  
19 boundaries conforming as nearly as practicable to natural geologic and  
20 topographic features. A parcel may exceed five acres if the director  
21 determines that a larger size is necessary to permit the design of a  
22 viable subdivision because of topographical features, soil conditions,  
23 on-site sewage disposal requirements, or water drainage or supply con-  
24 siderations that are unique to the subdivision.

25 \* Sec. 19. AS 38.08.040(b) is amended, to read:

26 (b) If the number of applicants qualified for homesite entry  
27 exceeds the number of available homesites offered [,] or if several  
28 applicants apply and qualify for the same homesite, priority in award  
29 of an entry permit shall be accorded to that applicant showing proof of

1 the longest residency in the state. An applicant shall present his  
2 proof of residency to the director in person at the time and place  
3 designated by the director unless medical reasons or military service  
4 outside the state prevent attendance.

5 \* Sec. 20. AS 40.15.190(2) is amended to read:

6 (2) "subdivision"

7 (A) means the division of a tract or parcel of land  
8 into two or more lots, sites, or other divisions for the purpose,  
9 whether immediate or future, of sale or building development, and  
10 includes resubdivision and, when appropriate to the context,  
11 relates to the process of subdividing or to the land or areas  
12 subdivided;

13 (B) does not include cadastral plats, cadastral control  
14 plats, open-to-entry plats, or remote parcel plats created by or  
15 on behalf of the state regardless of whether these plats include  
16 easements or other public dedications.

17 \* Sec. 21. AS 41.17.020(a) is amended to read:

18 (a) The governor shall establish, within the Department of Natural  
19 Resources, a division of forestry [FOREST, LAND, AND WATER MANAGEMENT]  
20 to carry out this chapter and other appropriate duties designated by  
21 the governor. The division shall be headed by a director who shall be  
22 the state forester, appointed to the partially exempt service in accor-  
23 dance with law [BY THE COMMISSIONER, FROM A LIST OF TWO OR MORE CANDI-  
24 DATES SUBMITTED BY THE BOARD. THE COMMISSIONER MAY REJECT ALL CANDI-  
25 DATES, IN WHICH CASE THE BOARD SHALL SUBMIT A NEW LIST]. The state  
26 forester shall be a natural resources land manager with generally  
27 accepted educational credentials, familiar and experienced with the  
28 renewable and nonrenewable resources and values of forest land and the  
29 products, benefits, and services obtained from them.

1 \* Sec. 22. A person who selected a remote parcel or acquired a right to  
2 select a remote parcel before July 1, 1981, may convert his remote parcel  
3 lease agreement to a new lease agreement which contains terms and conditions  
4 consistent with AS 38.05.077(d) and 38.05.078(a) and (c) as amended in secs.  
5 14, 16, and 17 of this Act. The commissioner of natural resources shall  
6 prepare and distribute new lease forms to persons described in this section.

7 \* Sec. 23. Land disposals conducted by the commissioner of natural  
8 resources for fiscal year 1982 shall be in accordance with appropriations to  
9 the Department of Natural Resources for that purpose.

10 \* Sec. 24. AS 38.05.047, 38.05.065(a), 38.05.077(b)(2), and 38.05.078(b)  
11 are repealed.

12 \* Sec. 25. This Act takes effect July 1, 1981.

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4/16/81

Motion to  
rescind  
action on  
reporting  
bill out.

COMMITTEE REPORT

HOUSE

3/27/81

FURTHER:

(11)

Date: April 9 1981

Mr. Speaker:

The Committee on FINANCE has had HB 31

"An Act relating to the management and use of state, municipal, and private land; annulling 11 AAC 53.450(c); and providing for an effective date."

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for HB 31 (Fin)  same title  
 new title
- and recommends do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

Freeman  
Wain  
Haugen  
Miner  
Malone  
Jan

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

Do Not Pass  
Do NOT PASS  
Do pass Resources CS

Jan  
CHAIRMAN

4/7/81

Freeman

4/2/81  
Failed 4-5

New Section -

AS 40.15.010 is amended by adding a new subsection to read:

(b) Notwithstanding (a) of this section, AS 29.33.190, 38.04.-045(b), 40.15.070, and 40.15.200, subdivisions of state land classified for disposal under AS 38.05 and AS 38.08 need not show the approval of the platting board or other subdivision authority having jurisdiction in order to file the plat for record in the office of the recorder. However, state subdivision plats must be submitted to the platting authority for review in compliance with ~~AS 29.33.160(b)~~ this subsection and AS 29.33.-160(c) and recorded before the sale of any lots or tracts in the subdivision.

Dave Rogers  
DNR  
re: 2 typos in HB31

L M ->

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
Bill/Resolution No. CS HB 31  
Title \_\_\_\_\_  
Requested by House Finance Date 4/9/81

II. FISCAL DETAIL  
Agency Affected DNR  
Program Category Affected NRMEC  
BRU, Program, or Subprogram(s) Affected Land Management/Land Disposals 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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES		346.2	346.2	346.2	346.2	346.2
200 TRAVEL		31.5	25.0	25.0	25.0	25.0
300 CONTRACTUAL		352.4	152.4	152.4	152.4	152.4
400 COMMODITIES		10.0	10.0	10.0	10.0	10.0
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

TOTAL CAPITAL <sup>2,000.</sup> 12400.0

FUNDING (Thousands of Dollars) 13140.1  
2,740.0

GENERAL FUND		13140.1				
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME		9	9	9	9	9
PART TIME						
TEMPORARY						

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

Negotiation with boroughs on 20% retained for land bank.  
Division of Forestry creation.  
Field inspection/remote parcels.  
Appriaisals/remote parcels.  
Conversion of existing remote parcel leases to new terms.  
Conducting lotteries in local areas.  
*Survey municipal entitlements (CAPITAL)*

IV. DATE 4/9/81 PREPARED BY Jeff Haynes  
AGENCY DNR  
PHONE 465-2400  
Original: Legislative Finance  
cc. Budget and Management  
Prime Sponsor (First Legislator Named)

Original Sponsors: Freeman, Gardiner  
and Halford

Offered: 3/27/81  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 31 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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

9 \* Section 1. AS 29.18.204(c) is amended to read:

10 (c) Land may be selected or nominated for selection by a munici-  
11 pality to satisfy a general grant land entitlement under AS 29.18.201  
12 and 29.18.202 at any time before October 1, 1980. If a municipal  
13 selection or nomination or a part of a municipal selection or nomina-  
14 tion is rejected by the director, the municipality may select addi-  
15 tional state land of equal area to satisfy its entitlement not later  
16 than 90 days after receipt of the director's rejection.

17 \* Sec. 2. AS 38.04.020 is repealed and reenacted to read:

18 Sec. 38.04.020. LAND DISPOSAL BANK. (a) The commissioner shall  
19 establish a land disposal bank containing state land suitable for  
20 disposal by fee simple title into private ownership.

21 (b) The land disposal bank does not include

22 (1) land nominated for selection or selected by a munici-  
23 pality to satisfy a general grant land entitlement under AS 29.18.201 -  
24 29.18.213;

25 (2) land retained in state ownership for multiple-use  
26 management;

27 (3) land where less than a fee simple title has been con-  
28 veyed;

29 (4) land retained in state ownership under an enactment of

1 the legislature or by the governor or a state agency under authority of  
2 law.

3 (c) Land to be retained in state ownership may be classified by  
4 the commissioner into multiple-use management categories under AS 38.-  
5 05.300. Land within a municipality retained in state ownership consists  
6 of land classified for retention in state ownership as of December 31,  
7 1980. Land outside a municipality to be retained in state ownership  
8 consists of land classified for retention in state ownership by the  
9 commissioner by July 1, 1983. Land conveyed to the state by the federal  
10 government which is to be retained in state ownership consists of land  
11 classified by the commissioner within two years of receipt of tentative  
12 approval or patent, whichever occurs first. State land not classified  
13 for retention in state ownership under this section shall be classified  
14 and included in the land disposal bank. The commissioner shall ensure  
15 that the bank includes at least 500,000 acres.

16 (d) On January 15 of each year, the commissioner shall report to  
17 the legislature on the status of land in the land disposal bank under  
18 the following categories:

- 19 (1) land suitable for remote parcel disposal;  
20 (2) land suitable for subdivision disposal; and  
21 (3) land suitable for agricultural, commercial, or industrial  
22 disposal.

23 (e) The commissioner shall annually submit to the governor an  
24 appropriation request necessary for the disposal of state land in the  
25 land disposal bank which shall be included in the budget submitted to  
26 the legislature by the governor. The request shall include an estimate  
27 of the amount necessary

- 28 (1) for survey and disposal of land proposed to be made  
29 available for remote parcel staking for the succeeding fiscal year,

1 with the general location of the land;

2 (2) for survey and disposal of land to be offered as agri-  
3 cultural, commercial, or industrial land under AS 38.05.055 or 38.-  
4 05.057 during the succeeding fiscal year, with the general location of  
5 the land.

6 (3) for the survey and disposal of land proposed to be  
7 offered as subdivisions, with the general location of the land;

8 (4) for preliminary feasibility studies, engineering design  
9 work, and construction of access roads and capital improvements required  
10 by municipal subdivision ordinance or regulation of the platting board  
11 under AS 29.33.150; if an accurate determination of the amounts neces-  
12 sary for access roads or capital improvements cannot be made at the  
13 time the estimate is submitted, a schedule for obtaining the estimates,  
14 constructing the access roads or capital improvements, and disposing of  
15 the land shall be submitted;

16 (5) for identification of land which will be proposed for  
17 disposal under this subsection in future fiscal years.

18 (f) The request of the commissioner under (e) of this section  
19 shall be based on an assessment by the commissioner of the current  
20 needs and anticipated uses of state land in the different regions of  
21 the state and developed in consultation with municipalities. The  
22 assessment must be completed each year in writing. It must identify  
23 areas where land values are artificially inflated and include a survey  
24 of the supply of land in private ownership currently on the market,  
25 plans for the disposal of municipal land, and the amount of federal  
26 land available for disposal through sales, leases, or permits for  
27 specific activities. The assessment of needs and anticipated uses for  
28 state land shall be based on an analysis of demand for land offered for  
29 a variety of purposes under terms equivalent to those available under

1 comparable state land disposal programs. The assessment must include  
2 findings regarding the amount of state land which is necessary to meet  
3 the statewide demand for three fiscal years immediately after the year  
4 in which the assessment is made. The assessment must also include the  
5 general location of land to be disposed of and recommendations for the  
6 methods of disposal and terms under which the land will be offered to  
7 the public.

8 (g) After July 1 of each year, the commissioner shall direct the  
9 expenditure of money appropriated for the disposal of land in response  
10 to requests made under (f) of this section for the following:

11 (1) land designated as suitable for remote parcel disposal  
12 shall be classified and surveyed under this chapter and AS 38.05 and  
13 made available for staking and lease under AS 38.05.077.

14 (2) land designated as suitable for subdivision disposal  
15 shall be surveyed, subdivided, classified, and disposed of as follows:

16 (A) up to 80 percent of the parcels shall be sold under  
17 the lottery sale procedures established in AS 38.05.057 and 38.05.  
18 065;

19 (B) at least 10 percent of the parcels shall be disposed  
20 of as homesites under AS 38.08; and

21 (C) at least an additional 10 percent of the parcels  
22 shall be disposed of as homesites under AS 38.08 except that,  
23 notwithstanding AS 38.08.040(b), parcels offered under this sub-  
24 paragraph shall be offered by lottery under AS 38.05.057.

25 (3) land designated agricultural, commercial, or industrial  
26 shall be sold under AS 38.05.055 or 38.05.057.

27 (h) Individual parcels disposed of in subdivisions may not exceed  
28 five acres unless the commissioner determines that a larger size is  
29 necessary to permit the design of a viable subdivision because of

1 topographical features, soil conditions, on-site sewage disposal re-  
2 quirements, or water drainage or supply considerations that are unique  
3 to the subdivision.

4 (i) Nothing in this section prevents the disposal of interests in  
5 land not in the land disposal bank by the commissioner under

- 6 (1) AS 38.05.055;
- 7 (2) AS 38.05.057;
- 8 (3) AS 38.05.070;
- 9 (4) AS 38.05.079;
- 10 (5) AS 38.08; or
- 11 (6) other law.

12 (j) A person or an agency of the state may nominate land retained  
13 in state ownership for inclusion in the land disposal bank or may  
14 nominate land in the land disposal bank for retention in state owner-  
15 ship. The commissioner shall hold public hearings semiannually to take  
16 nominations under this subsection. A transfer of land from retention  
17 in state ownership to the land disposal bank or from the land disposal  
18 bank to retention in state ownership shall be accomplished through a  
19 classification order under AS 38.05.300 and notice under AS 38.05.345.  
20 The commissioner shall make a written determination within six months  
21 after receipt of a nomination if he determines that land nominated will  
22 not be classified or reclassified as requested.

23 (k) The commissioner may withdraw from the land disposal bank  
24 state land that has been offered for disposal but not conveyed within  
25 five years after inclusion in the land disposal bank. State land  
26 withdrawn from the land disposal bank under this section must be reclas-  
27 sified under AS 38.04.065.

28 \* Sec. 3. AS 38.04 is amended by adding a new section to read:

29 Sec. 38.04.021. IDENTIFICATION AND DISPOSAL OF MUNICIPAL ENTITLE-

1       MENT LAND. (a) Notwithstanding AS 29.18.201 - 29.18.213, the commis-  
2       sioner shall refrain from issuing patents to municipalities for approved  
3       selections under AS 29.18.201 - 29.18.213 except in accordance with the  
4       procedures established in this section.

5       (b) The commissioner shall initiate with each municipality  
6       entitled to receive land under AS 29.18 a review of selections for  
7       which patent has not been issued as of the effective date of this Act.  
8       By July 1, 1982, the commissioner and each municipality shall jointly  
9       designate 20 percent of the selections for which patents have not been  
10      issued as of the effective date of this Act, which are most suitable  
11      for disposal into private ownership. A municipality may substitute  
12      land patented as of the effective date of this Act with the concurrence  
13      of the commissioner. If, by July 1, 1982, the commissioner and a  
14      municipality cannot agree on land to be designated, the commissioner  
15      shall make the designation. By September 1, 1982, the commissioner  
16      shall certify the legal descriptions of the land designated and include  
17      it as a special category of land in the land disposal bank. The land  
18      shall be made available for disposal in accordance with AS 38.04.020(d)-  
19      (h), except that none of the land may be proposed for remote parcel  
20      disposal and the land is not subject to AS 38.04.020(j). A municipality  
21      may submit a recommended disposal schedule for land designated under  
22      this subsection.

23      (c) By January 15 of each year, the commissioner shall submit to  
24      the governor an appropriation request sufficient to survey all approved  
25      selections not patented, not designated under (b) of this section, and  
26      requiring survey under AS 29.18.207. The request shall be submitted by  
27      the governor to the legislature with the budget. Upon receipt of an  
28      appropriation for this purpose, the commissioner shall survey the land  
29      and issue the patents as expeditiously as possible. For approved

1 selections not designated under (b) of this section and not in need of  
2 survey under AS 29.18.207, the commissioner shall issue patents by  
3 September 1, 1982. Patents may not be issued until land suitable for  
4 disposal into private ownership has been designated under (b) of this  
5 section.

6 (d) Upon disposal of land designated under (b) of this section,  
7 the commissioner shall make a partial assignment to the municipality in  
8 which the land is situated of receipts from the land sale contract  
9 relating to the value of the land without improvements.

10 (e) Notwithstanding (a) - (d) of this section, the commissioner  
11 may issue patents for approved selections otherwise in conformity with  
12 AS 29.18.201 - 29.18.213 if

13 (1) the land to be patented is for an essential public  
14 facility or purpose for which there is an immediate need as determined  
15 by the commissioner;

16 (2) the land has been scheduled and formally advertised for  
17 disposal by a municipality under its land disposal program; or

18 (3) the amount of land patented to a municipality is less  
19 than 10 percent of its entitlement as of the effective date of this Act  
20 and the municipality requests an amount of patented land sufficient to  
21 bring it to the 10 percent level.

22 \* Sec. 4. AS 38.04.055 is amended by adding a new subsection to read:

23 (b) An easement or right-of-way reserved under this section may  
24 include established trails traditionally used for commerce, recreation,  
25 or transportation.

26 \* Sec. 5. AS 38.05.035(a)(14) is amended to read:

27 (14) when he makes a written finding that the interests of  
28 the state will be best served, he may, with the consent of the commis-  
29 sioner, approve contracts for the sale, lease, or other disposal of

1 available lands, resources, property or interest in them, and in addi-  
2 tion to the conditions and limitations imposed by law, he may impose  
3 additional conditions or limitations in the contracts as he, with the  
4 consent of the commissioner, determines will best serve the interests  
5 of the state; and no contract for the sale, lease, or other disposal of  
6 available lands or interests in them, is legally binding on the state  
7 until the commissioner formally records his consent to the contract;  
8 but if the appraised value is not greater than \$50,000 [\$10,000] in the  
9 case of the sale of land or an interest in land, or \$5,000 [\$1,000] in  
10 the case of the annual rental of land or interest in land, the director  
11 may approve and issue the contract without the consent or approval of  
12 the commissioner; the written finding shall be available to the public  
13 upon request; before a public hearing, if held, or in any case no less  
14 than 21 days before the sale, lease, or other disposal of available  
15 land, property, resources, or interests in them, the director shall  
16 make available to the public a written decision in which he sets out  
17 the facts and applicable law upon which he based his determination that  
18 the sale, lease, or other disposal will best serve the interests of the  
19 state; a written finding is not required before the approval of

20 (A) a contract for a negotiated sale authorized by  
21 AS 38.05.115;

22 (B) issuance of a permit under AS 38.05.330; or

23 (C) the lease of land for a shore fishery site under  
24 AS 38.05.082.

25 \* Sec. 6. AS 38.05.035(b) is amended by adding new paragraphs to read:

26 (7) convey to an adjoining landowner a parcel of land created  
27 by a highway right-of-way alignment or realignment or a parcel created  
28 by the vacator of a state-owned right-of-way if

29 (A) he determines that it is in the interest of the

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state;

(B) the parcel does not exceed one acre; and

(C) the director and the platting authority having land use planning jurisdiction agree that conveyance of the parcel to the adjoining landowner will result in boundaries which are convenient for the use of the land by the landowner and compatible with municipal land use plans;

(8) for good cause extend the time for rental or installment payments by a lessee or purchaser of state land under this chapter if reasonable penalties and interest set by the director are paid.

\* Sec. 7. AS 38.05.035 is amended by adding a new subsection to read:

(c) A parcel of land may be conveyed under (b)(7) of this section without classification or reclassification under AS 38.05.300 but the parcel must be sold at its fair market value as determined by the director on the basis of an appraisal under AS 38.05.310. Nothing in this subsection prevents the sale of land to a person not qualifying as an adjoining landowner if the adjoining land owner declines to purchase under (b)(7) of this section.

\* Sec. 8. AS 38.05.050 is repealed and reenacted to read:

Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR PRIVATE OWNERSHIP. The commissioner, upon recommendation of the director, shall determine the land to be disposed of for private use. The director shall determine the time and place of disposal. An auction sale, a lottery sale, or a disposal of land for homesites under AS 38.08 must be held in the municipality that is closest to the land to be sold or disposed of and in which regular sessions of the superior court are held.

\* Sec. 9. AS 38.05.055 is amended to read:

Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method

1 of sale is authorized under this chapter, under AS 38.07, or under  
2 [EXCEPT AS PROVIDED IN AS 38.05.057, 38.05.315(d), AND] AS 38.08, the  
3 sale of state land shall be made at public auction to the highest  
4 qualified bidder as determined by the director. A bidder must appear  
5 in person at the auction unless medical reasons or military service  
6 outside the state prevent attendance. A bidder may be represented by  
7 an attorney or agent at the auction if the land offered for disposal  
8 is classified as commercial, industrial, or agricultural land. An  
9 aggrieved bidder may appeal to the commissioner within five days after  
10 the sale for a review of the director's determination. The sale shall  
11 be conducted by the director or his representative, and at the time of  
12 sale the successful bidder shall deposit an amount equal to five per-  
13 cent [ONE-TENTH] of the purchase price, or if the purchaser elects to  
14 use land discounts granted under AS 38.05.058, five percent of the  
15 amount bid after deduction of the discount. The director or his repre-  
16 sentative shall immediately issue a receipt containing a description of  
17 the land or property purchased, the price bid, the amount deposited,  
18 and the amount of any discount allowed [TERMS OF SALE], which receipt  
19 shall be acknowledged in writing by the bidder. [A CONTRACT OF SALE ON  
20 A FORM APPROVED BY THE ATTORNEY GENERAL SHALL BE SIGNED BY THE PURCHASER  
21 AND, AFTER APPROVAL OF THE COMMISSIONER, THE CONTRACT SHALL ALSO BE  
22 SIGNED BY THE DIRECTOR ON BEHALF OF THE STATE.]

23 \* Sec. 10. AS 38.05.057(a) is amended to read:

24 (a) The commissioner may dispose of land, including land limited  
25 to use for agricultural purposes, by lottery. The purchase price of  
26 land sold by lottery shall be the fair market value of the land as  
27 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,  
28 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-  
29 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner

1 shall [MAY] sell land by lottery for less than the fair market value of  
2 the land if he determines that scarcity of land for private use in the  
3 area of the land to be sold has resulted in unrealistic land values.  
4 Before the commissioner determines the purchase price for land which is  
5 located in a municipality and which is to be sold under this section,  
6 he shall consult with the assessor of the municipality. The lottery  
7 shall be conducted in public by the commissioner or his representative,  
8 and an applicant may not be selected to purchase land unless he is pre-  
9 sent on the date and at the place that the lottery is conducted unless  
10 medical reasons or military service outside the state prevent attend-  
11 ance. An applicant may be represented by an agent on the day of the  
12 lottery if the land offered for sale is classified as commercial, in-  
13 ustrial, or agricultural land. On the day of the lottery [AT THE TIME  
14 OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot shall deposit  
15 an amount equal to five percent of the purchase price, or if the pur-  
16 chaser elects to use land discounts granted under AS 38.05.058, five  
17 percent of the [DISCOUNT] purchase price after deduction of the dis-  
18 count.

19 \* Sec. 11. AS 38.05.067(d) is repealed and reenacted to read:

20 (d) In this section "veteran" means a person with 90 days or more  
21 of active service in the armed forces of the United States who has been  
22 honorably discharged.

23 \* Sec. 12. AS 38.05.077(a) is amended to read:

24 (a) The commissioner shall, under the procedures required by  
25 AS 38.04.020, AS 38.05.300, [AND] 38.05.305, and 38.05.345, classify  
26 state land which is suitable for disposal as remote parcels. The  
27 commissioner shall designate remote parcel selection areas consisting  
28 of land classified under this section. The commissioner may [SHALL] set  
29 the number of remote parcels that may be selected in each remote parcel

1 selection area. A remote parcel may not exceed 40 acres. [THE COMMIS-  
2 SIONER SHALL DETERMINE FOR EACH REMOTE PARCEL SELECTION AREA, THE  
3 AMOUNT OF LAND IN EACH REMOTE PARCEL THAT MAY BE USED FOR RESIDENTIAL  
4 PURPOSES. LAND WHICH MAY BE USED FOR RESIDENTIAL PURPOSES IN A REMOTE  
5 PARCEL MAY NOT BE LESS THAN TWO ACRES AND MAY NOT EXCEED FIVE ACRES.]

6 \* Sec. 13. AS 38.05.077(c) is amended to read:

7 (c) A person who qualifies under (g) of this section may apply  
8 [UNDER THE PROCEDURES SET OUT IN AS 38.05.057] to lease a remote parcel  
9 in a parcel selection area designated by the commissioner under (a) of  
10 this section if he has staked the exterior boundaries of the remote  
11 parcel in accordance with the parcel selection procedures established  
12 under (b) of this section during an entry period established by the  
13 commissioner. A [EACH] person [WHO IS ENTITLED TO SELECT A REMOTE  
14 PARCEL] may enter a remote parcel selection [THE] area [FOR WHICH HE  
15 APPLIED] to stake the boundaries of a remote parcel. A person shall  
16 select a remote parcel in person and may not be represented by an  
17 attorney or agent.

18 \* Sec. 14. AS 38.05.077(d) is amended to read:

19 (d) Not later than 15 days after [SELECTION AND] staking the  
20 exterior boundaries of a remote parcel, the person who staked [SELECTED]  
21 the parcel shall file a sketch plat with the department which shows the  
22 location of the remote parcel [AND THE LOCATION OF THE LAND IN THE  
23 PARCEL THAT HE INTENDS TO USE FOR RESIDENTIAL PURPOSES]. At the time  
24 of filing the sketch plat, the person who staked [SELECTED] the parcel  
25 shall apply to lease the land. An application to lease the land shall  
26 be on a standard form prepared by the department. The annual rental  
27 payment for the first year of the lease shall be submitted to the  
28 department with the application. After the application to lease a  
29 remote parcel is approved, the commissioner shall offer to lease the

1 land to the person who staked [SELECTED] the remote parcel. A lease  
2 granted under this section shall contain the following terms:

3 (1) a remote parcel may be leased for five years;

4 (2) a remote parcel lease may be renewed at the option of  
5 the lessee for a second five-year period under the same terms as pro-  
6 vided for the first five-year period of the remote parcel lease; [AND]

7 (3) a rental payment shall be paid annually and shall be  
8 \$10 for each acre [\$150 A YEAR FOR FIVE ACRES OR LESS PLUS \$50 FOR EACH  
9 ACRE BY WHICH THE REMOTE PARCEL EXCEEDS FIVE ACRES.]

10 (4) unless the land is surveyed, the lessee shall, within  
11 one year of approval of the lease application and continuously for the  
12 lease period, physically delineate the boundaries of the parcel by  
13 brushing a line so that they are readily visible from the ground.

14 \* Sec. 15. AS 38.05.077 is amended by adding a new subsection to read:

15 (g) To qualify to lease a remote parcel under this section, a  
16 person shall

17 (1) at the time of application be 18 years of age or older;

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

21 (3) certify that he has not previously leased a remote  
22 parcel from the state within eight years immediately preceding the date  
23 of staking a remote parcel.

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

25 (a) A lessee of a remote parcel may purchase the land leased  
26 [USED FOR RESIDENTIAL PURPOSES IN A REMOTE PARCEL] if, before the  
27 expiration of the lease or [A RENEWAL OF THE] lease renewal, he pays  
28 a deposit to the department equal to five percent of the fair market  
29 value of the land under (c) of this section, surveys the [RESIDENTIAL]

1 land, and erects a habitable dwelling on the land. The lessee of a  
2 remote parcel may prove the existence and the location of a habitable  
3 dwelling by executing an affidavit as to its existence and location  
4 and including with the affidavit a clear photo and an accurate drawing  
5 prepared, signed, and dated by the lessee and described with refer-  
6 ence to one or more survey corners of the remote parcel.

7 \* Sec. 17. AS 38.05.078(c) is amended to read:

8 (c) A lessee of a remote parcel may purchase land in the [A]  
9 remote parcel under the terms specified in AS 38.05.065(b). The purchase  
10 price of land sold under this section shall be its fair market value as  
11 determined by the commissioner, less the total amount paid to the  
12 department in annual rental fees under AS 38.05.077(d)(3). The valuation  
13 date for determining the fair market value of land sold under this  
14 section is the date that the remote parcel was first leased to the  
15 purchaser of the land [PLAT OF SURVEY IS APPROVED BY THE COMMISSIONER].

16 \* Sec. 18. AS 38.08.010(b) is amended to read:

17 (b) Land classified as homesite entry land shall be divided into  
18 parcels not exceeding five acres in reasonably compact form, with  
19 boundaries conforming as nearly as practicable to natural geologic and  
20 topographic features. A parcel may exceed five acres if the director  
21 determines that a larger size is necessary to permit the design of a  
22 viable subdivision because of topographical features, soil conditions,  
23 on-site sewage disposal requirements, or water drainage or supply con-  
24 siderations that are unique to the subdivision.

25 \* Sec. 19. AS 38.08.040(b) is amended to read:

26 (b) If the number of applicants qualified for homesite entry  
27 exceeds the number of available homesites offered [,] or if several  
28 applicants apply and qualify for the same homesite, priority in award  
29 of an entry permit shall be accorded to that applicant showing proof of

1 the longest residency in the state. An applicant shall present his  
2 proof of residency to the director in person at the time and place  
3 designated by the director unless medical reasons or military service  
4 outside the state prevent attendance.

5 \* Sec. 20. AS 40.15.190(2) is amended to read:

6 (2) "subdivision"

7 (A) means the division of a tract or parcel of land  
8 into two or more lots, sites, or other divisions for the purpose,  
9 whether immediate or future, of sale or building development, and  
10 includes resubdivision and, when appropriate to the context,  
11 relates to the process of subdividing or to the land or areas  
12 subdivided;

13 (B) does not include cadastral plats, cadastral control  
14 plats, open-to-entry plats, or remote parcel plats created by or  
15 on behalf of the state regardless of whether these plats include  
16 easements or other public dedications.

17 \* Sec. 21. AS 41.17.020(a) is amended to read:

18 (a) The governor (shall) establish, within the Department of Natural  
19 Resources, a division of forestry [FOREST, LAND, AND WATER MANAGEMENT]  
20 to carry out this chapter and other appropriate duties designated by  
21 the governor. The division shall be headed by a director who shall be  
22 the state forester, appointed to the partially exempt service in accor-  
23 dance with law [BY THE COMMISSIONER, FROM A LIST OF TWO OR MORE CANDI-  
24 DATES SUBMITTED BY THE BOARD. THE COMMISSIONER MAY REJECT ALL CANDI-  
25 DATES, IN WHICH CASE THE BOARD SHALL SUBMIT A NEW LIST]. The state  
26 forester shall be a natural resources land manager with generally  
27 accepted educational credentials, familiar and experienced with the  
28 renewable and nonrenewable resources and values of forest land and the  
29 products, benefits, and services obtained from them.

1 \* Sec. 22. A person who selected a remote parcel or acquired a right to  
2 select a remote parcel before July 1, 1981, may convert his remote parcel  
3 lease agreement to a new lease agreement which contains terms and conditions  
4 consistent with AS 38.05.077(d) and 38.05.078(a) and (c) as amended in secs.  
5 14, 16, and 17 of this Act. The commissioner of natural resources shall  
6 prepare and distribute new lease forms to persons described in this section.

7 \* Sec. 23. Land disposals conducted by the commissioner of natural  
8 resources for fiscal year 1982 shall be in accordance with appropriations to  
9 the Department of Natural Resources for that purpose.

10 \* Sec. 24. AS 38.05.047, 38.05.065(a), 38.05.077(b)(2), and 38.05.078(b)  
11 are repealed.

12 \* Sec. 25. This Act takes effect July 1, 1981.

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Introduced: 2/4/81  
Referred: Resources and  
Finance

BY FREEMAN, GARDINER AND  
HALFORD

1 IN THE HOUSE

2 HOUSE BILL NO. 31

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the management and use of state,  
7 municipal, and private land; annulling 11 AAC 53.-  
8 450(c); and providing for an effective date."

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

10 \* Section 1. By March 15, 1982, each municipality with a land entitle-  
11 ment under AS 29.18.201 shall prepare and submit to the Second Session of  
12 the Twelfth Legislature a plan for the disposal of municipal land for the  
13 period beginning July 1, 1982, through June 30, 1987. The plan shall contain

14 (1) an estimate of the number of acres of municipal land to be  
15 disposed of by the municipality each fiscal year during the period beginning  
16 July 1, 1982, through June 30, 1987;

17 (2) a description of the method to be used for the disposal of  
18 the municipal land;

19 (3) a description of the municipal land to be disposed of; and

20 (4) a statement of the terms under which the municipal land will  
21 be offered to the public.

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

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

1 \* Sec. 3. AS 29.48.260 is amended by adding a new subsection to read:

2 (g) A municipality may lease municipal land for a term of not  
3 more than 55 years to a nonprofit corporation, association, club or  
4 society organized and operated exclusively for charitable, religious,  
5 scientific, or educational purposes, or for the promotion of social  
6 welfare. Municipal land leased under this subsection may not be used  
7 for commercial development. Before municipal land may be leased under  
8 this subsection, the proposed lessee shall demonstrate to the satis-  
9 faction of the assembly or council that it is exempt from federal  
10 income taxation, that all of the land requested is to be used for an  
11 established or proposed project, and that the applicant is financially  
12 able to carry out the project. A lease may not be granted under this  
13 subsection unless the project for which the municipal land is leased is  
14 open for use by the public. The provisions of (c) of this section do  
15 not apply to a lease under this subsection.

16 \* Sec. 4. AS 38.04.005(b) is amended to read:

17 (b) In classifying state land for private use and settlement  
18 purposes, the director shall make adequate provision for public open  
19 space which is accessible to communities so that natural areas are  
20 easily reached from all communities and settled areas. The amount of  
21 that land shall be sufficient to meet existing and projected needs for  
22 accessible public recreation land. Public access to navigable or pub-  
23 lic waters of the state shall be preserved under AS 38.05.127. Special  
24 care shall be taken to preserve public access to public water and to  
25 retain state ownership of sufficient land which combine high value for  
26 recreation and other public purposes with accessibility to settled  
27 areas. This classification for public purposes does not constitute  
28 dedication to open space, but the division's management of land so  
29 classified shall be in a manner to preserve the identified values.

1 \* Sec. 5. AS 38.04.020(a) is amended to read:

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

- 7 (1) use as remote cabin sites under AS 38.05.079;  
8 (2) disposal for recreational and residential use;  
9 (3) disposal for commercial use; [AND]  
10 (4) disposal for industrial use; and  
11 (5) disposal for agricultural use.

12 \* Sec. 6. AS 38.04.020(d) is amended to read:

13 (d) During the fiscal year ending June 30, 1981, [AND DURING EACH  
14 FISCAL YEAR THEREAFTER,] the commissioner shall make available for  
15 private ownership at least 100,000 acres of state land contained in the  
16 land disposal bank which is suitable for the uses listed in AS 38.04.-  
17 020(a)(1) - (4) [A VARIETY OF USES]. During the fiscal year ending  
18 June 30, 1982, and during each following fiscal year, the commissioner  
19 of natural resources shall make available for private ownership at least  
20 60,000 acres of state land contained in the land disposal bank estab-  
21 lished in AS 38.04.020 which is suitable for the uses listed in AS 38.-  
22 04.020(a)(1) - (4). However, the amount of land offered for private  
23 ownership by municipalities under AS 29.48.260 made after January 1,  
24 1980, may be added to disposals from the land disposal bank in order to  
25 meet the annual quota for the disposal of land imposed by this section.  
26 If, after January 1, 1981, the land disposal bank contains less than  
27 500,000 acres of land which is available for the purposes listed in  
28 (a)(1) - (4) of this section, the commissioner shall classify state  
29 land located outside municipalities until at least 500,000 acres are

1 available for those purposes.

2 \* Sec. 7. AS 38.04.020(f) is amended to read:

3 (f) The commissioner shall annually submit to the governor three  
4 alternative financing requests for the disposal of state land in the  
5 land disposal bank. The alternate requests for each fiscal year shall  
6 be submitted with the budget submitted to the legislature by the gover-  
7 nor. The alternate requests must specify the amount of land to be  
8 offered for private ownership under each alternative, the location of  
9 the land, and the disposal program under which the land will be offered  
10 The alternatives submitted shall include

11 (1) an estimate of the appropriations required to finance  
12 the disposal of the land identified for disposal during the fiscal  
13 year;

14 (2) an estimate of the appropriations required to finance  
15 the disposal of 50 percent of [ONE-HALF] the land identified for dis-  
16 posal during the fiscal year; and

17 (3) an estimate of the appropriations required to finance  
18 the disposal of twice the amount of [50 PERCENT MORE] land [THAN]  
19 identified for disposal during the fiscal year.

20 \* Sec. 8. AS 38.04.040 is amended to read:

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

27 \* Sec. 9. AS 38.04.055 is amended to read:

28 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director  
29 shall reserve easements and rights-of-way on and across land which is

1 made available for private use as necessary to reach or use public  
2 water and public and private land. An easement or right-of-way reserved  
3 under this section may include established trails traditionally used  
4 for commerce, recreation, or transportation.

5 \* Sec. 10. AS 38.05.035(a)(14) is amended to read:

6 (14) when he makes a written finding that the interests of  
7 the state will be best served, he may, with the consent of the commis-  
8 sioner, approve contracts for the sale, lease, or other disposal of  
9 available lands, resources, property or interests in them, and, in ad-  
10 dition to the conditions and limitations imposed by law, he may impose  
11 additional conditions or limitations in the contracts as he, with the  
12 consent of the commissioner, determines will best serve the interests  
13 of the state; and no contract for the sale, lease, or other disposal of  
14 available lands or interests in them, is legally binding on the state  
15 until the commissioner formally records his consent to the contract;  
16 but if the appraised value is not greater than \$50,000 [\$10,000] in the  
17 case of the sale of land or an interest in land, or \$5,000 [\$1,000] in  
18 the case of the annual rental of land or interest in land, the director  
19 may approve and issue the contract without the consent or approval of  
20 the commissioner; the [. THE] written finding shall be available to  
21 the public upon request; before [. BEFORE] a public hearing, if held,  
22 or in any case no less than 21 days before the sale, lease, or other  
23 disposal of available land, property, resources, or interests in them,  
24 the director shall make available to the public a written decision in  
25 which he sets out the facts and applicable law upon which he based his  
26 determination that the sale, lease, or other disposal will best serve  
27 the interests of the state; a written finding is not required before the  
28 approval of (A) a contract for a negotiated sale authorized by AS 38.-  
29 05.115, (B) issuance of a permit under AS 38.05.330, or (C) the lease of

1 land for a shore fishery site under AS 38.05.082.

2 \* Sec. 11. AS 38.05.035(b)(5) is amended to read:

3 (5) When he determines it is in the best interest of the  
4 state and will avoid injustice to a person or his heirs or devisees,  
5 dispose of land, by direct negotiation to that person who presently  
6 uses and who used and made improvements to that land before January 3,  
7 1959 or his heirs or devisees; the amount paid for the land shall be  
8 its fair market value on the date that the person first entered the land  
9 [AS OF THAT DATE], as determined by the director; a parcel of land  
10 disposed of under this paragraph shall be of a size consistent with the  
11 person's prior use, but may not exceed five acres; [.]

12 \* Sec. 12. AS 38.05.035(b) is amended by adding new paragraphs to read:

13 (7) convey to an adjoining land owner a parcel of land  
14 created by a highway right-of-way alignment or realignment or a parcel  
15 created by the vacation of a state-owned right-of-way if

16 (A) he determines that it is in the interests of the  
17 state;

18 (B) the parcel does not exceed one acre; and

19 (C) the director and the platting authority having land  
20 use planning jurisdiction agree that conveyance of the parcel to  
21 the adjoining land owner will result in boundaries which are con-  
22 venient for the use of the land by the landowner and compatible  
23 with municipal land use plans.

24 (8) for good cause extend the time for rental or installment  
25 payments by a lessee or purchaser of state land under this chapter if  
26 reasonable penalties and interest set by the director are paid.

27 \* Sec. 13. AS 38.05.035 is amended by adding a new subsection to read:

28 (c) a parcel of land may be conveyed under (b)(7) of this section  
29 without classification or reclassification under AS 38.05.300 but the

1 parcel must be sold at its fair market value as determined by the  
2 director on the basis of an appraisal completed under AS 38.05.310.

3 \* Sec. 14. AS 38.05.047(e) is amended to read:

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

20 \* Sec. 15. AS 38.05.050 is repealed and reenacted to read:

21 Sec. 38.05.050. DETERMINATIONS BEFORE DISPOSAL OF LAND FOR PRIVATE  
22 OWNERSHIP. The commissioner, upon recommendation of the director,  
23 shall determine the land to be disposed of for private use. The  
24 director shall determine the time and place of disposal. An auction  
25 sale, a lottery sale, or a disposal of land for homesites under AS 38.08  
26 must be held in the municipality that is closest to the land to be sold  
27 or disposed of and in which regular sessions of the superior court are  
28 held.

29 \* Sec. 16. AS 38.05.055 is amended to read:

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

23 \* Sec. 17. AS 38.05.057(a) is amended to read:

24           (a) The commissioner may dispose of land, including land limited  
25 to use for agricultural purposes, by lottery. The purchase price of  
26 land sold by lottery shall be the fair market value of the land as  
27 determined by the commissioner [BUT MAY NOT BE LESS THAN \$400 PER ACRE,  
28 OR, IF THE LAND IS LIMITED TO USE FOR AGRICULTURAL PURPOSES, THE PUR-  
29 CHASE PRICE MAY NOT BE LESS THAN \$100 PER ACRE]. The commissioner

1        shall [MAY] sell land by lottery for less than the fair market value of  
2        the land if he determines that scarcity of land for private use in the  
3        area of the land to be sold has resulted in unrealistic land values.  
4        Before the commissioner determines the purchase price for land which is  
5        located in a municipality and which is to be sold under this section,  
6        he shall consult with the assessor of the municipality. The lottery  
7        shall be conducted in public by the commissioner or his representative  
8        and an applicant may not be selected to purchase land unless he is  
9        present on the date and at the place that the lottery is conducted.  
10       However, an applicant may be represented by an agent on the day of the  
11       lottery if the land offered for sale is classified as commercial,  
12       industrial, or agricultural land. On [, AND AT] the day of the lottery  
13       [TIME OF SIGNING A CONTRACT OF SALE] a purchaser selected by lot shall  
14       deposit an amount equal to five percent of the purchase price, or if  
15       the purchaser elects to use land discounts granted under AS 38.05.058,  
16       five percent of the [DISCOUNT] purchase price after deduction of the  
17       discount.

18       \* Sec. 18. AS 38.05 is amended by adding a new section to read:

19                Sec. 38.05.064. SALES PREFERENCE TO HOLDERS OF MINING CLAIMS.

20        (a) An individual who has established a mining claim on state land  
21        before January 1, 1980, has a preference right to acquire the surface  
22        estate to a parcel of land within the boundaries of his mining claim if  
23        the surface estate to the land is offered for disposal to the public  
24        under AS 38.05.045 - 38.05.069, 38.05.077, or AS 38.08; he satisfies  
25        the eligibility requirements of the land disposal program under which  
26        the land is offered; and he submits proof satisfactory to the com-  
27        missioner that the mining claim is valid. A parcel acquired under this  
28        section may include only the amount of land that the individual has  
29        actually used in connection with his mining claim before January 1,

1 1980, and may not exceed 10 acres.

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

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

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

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

17 (c) An individual who claims a preference right under this section  
18 shall provide the necessary proof to assert the preference right within  
19 90 days after the notice under (b) of this section is sent to him by  
20 the department.

21 (d) The director shall either grant or reject a preference right  
22 claimed under this section not later than 15 days before the date set  
23 for disposal of the land to the public. If the preference right is  
24 granted, the holder of the preference right may purchase the parcel for  
25 either the high bid received by the department at the public auction or  
26 under the terms and conditions to be offered to the public if the land  
27 is disposed of by a method other than by public auction. If a deposit  
28 is required, the claimant shall deposit five percent of the appraised  
29 fair market value of the parcel, and if the holder of the preference

1 right fails to sign the contract of sale within 30 days after it is  
2 sent to him by the department the deposit shall be forfeited.

3 (e) If a mining claim is held jointly by two or more individuals,  
4 the individuals may not exercise the preference right provided in this  
5 section unless they either jointly exercise the preference right or  
6 agree in writing which of them is entitled to exercise the preference  
7 right.

8 (f) An individual may exercise a preference right under this  
9 section only one time during his lifetime.

10 (g) In this section,

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

12 (2) "mining claim" means a mining property established under  
13 AS 38.05.185 - 38.05.280 and does not include a mineral lease or permit  
14 for the extraction of minerals or resources under AS 38.05.135 -  
15 38.05.184.

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

17 (b) The contract of sale for land sold under this chapter [THE  
18 PROCEDURES SPECIFIED IN AS 38.05.057 (LOTTERY DISPOSALS)] shall require  
19 the remainder of the purchase price be paid in monthly, quarterly, or  
20 annual installments over a period of not more than 20 years. The con-  
21 tract of sale must provide that the interest on the unpaid principal  
22 is calculated for payment of the installments in advance and that the  
23 interest accrues beginning 30 days after the purchaser receives the  
24 contract from the department for his execution. Installment payments  
25 plus interest shall be set on the level-payment basis. The interest  
26 rate to be charged on installment payments is the prevailing rate for  
27 real estate mortgage loans made by the federal land bank for the farm  
28 credit district for Alaska at the time the contract is signed.

29 \* Sec. 20. AS 38.05.065(c) is amended to read:

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

21 \* Sec. 21. AS 38.05.069(c) is amended by adding a new paragraph to read:

22 (6) the holder of a grazing lease on state land has a  
23 preference to purchase an interest in that land for agricultural  
24 purposes offered under this subsection for the amount of the high bid  
25 received at public auction; the preference allowed under this paragraph  
26 extends only to an amount of the land leased for grazing purposes that  
27 is no larger than the largest parcel offered for disposal by the  
28 director within the boundaries of the grazing lease.

29 \* Sec. 22. AS 38.05.070 is amended by adding a new subsection to read:

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

3 \* Sec. 23. AS 38.05.070(b) is amended to read:

4 (b) The director, with the approval of the commissioner, shall  
5 determine the land to be leased and the limitations, conditions and  
6 terms of the lease. If the appraised value of the transaction is  
7 \$1,000 [\$250] a year or less the director may negotiate a lease without  
8 advertisement for a period not to exceed five years, and on the limita-  
9 tions, conditions and terms which he considers are in the best interests  
10 of the state.

11 \* Sec. 24. AS 38.05.077(a) is amended to read:

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

23 \* Sec. 25. AS 38.05.077(c) is amended to read:

24 (c) A person who qualifies under (g) of this section may apply  
25 [UNDER THE PROCEDURES SET OUT IN AS 38.05.057] to lease a remote parcel  
26 in a parcel selection area designated by the commissioner under (a) of  
27 this section if he has staked the exterior boundaries of the remote  
28 parcel in accordance with the parcel selection procedures established  
29 under (b) of this section during an entry period established by the

1 commissioner. A [EACH] person [WHO IS ENTITLED TO SELECT A REMOTE  
2 PARCEL] may enter a remote parcel selection [THE] area [FOR WHICH HE  
3 APPLIED] to stake the boundaries of a remote parcel. A person shall  
4 select a remote parcel in person and may not be represented by an  
5 attorney or agent.

6 \* Sec. 26. AS 38.05.077(d)(3) is amended to read:

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

10 \* Sec. 27. AS 38.05.077 is amended by adding a new subsection to read:

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

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

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

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

20 \* Sec. 28. AS 38.05.078(a) is amended to read:

21 (a) A lessee of a remote parcel may purchase [THE LAND USED FOR  
22 RESIDENTIAL PURPOSES IN] a remote parcel if, before the expiration of  
23 the lease or a renewal of the lease, he

24 (1) pays a deposit to the commissioner equal to five percent  
25 of the fair market value of the land as determined under (c) of this  
26 section;

27 (2) surveys the [RESIDENTIAL] land; and

28 (3) erects a habitable dwelling on the land.

29 \* Sec. 29. AS 38.05.078(c) is amended to read:

1 (c) A lessee of a remote parcel may purchase land in a remote  
2 parcel under the terms specified in AS 38.05.065(b). The purchase  
3 price of land sold under this section shall be its fair market value as  
4 determined by the commissioner. The valuation date for determining the  
5 fair market value of land sold under this section is the date that the  
6 remote parcel lease was first executed by the lessee who purchases the  
7 land [PLAT OF SURVEY IS APPROVED BY THE COMMISSIONER].

8 \* Sec. 30. AS 38.05.078 is amended by adding new subsections to read:

9 (g) If a person selects a remote parcel in good faith but includes  
10 land in his parcel which was previously claimed by another person eli-  
11 gible to select a remote parcel, the commissioner shall approve that  
12 part of the later selection which does not conflict with the earlier  
13 selection and allow the person to select additional land in the remote  
14 parcel selection area.

15 (h) If a person selects a remote parcel in good faith but in-  
16 cludes land in his parcel which is outside the remote parcel selection  
17 area, the commissioner shall either disapprove the selection of land  
18 outside the remote parcel selection area and allow the person to select  
19 additional land in the remote parcel selection area or he may approve  
20 the selection of the land outside the remote parcel selection area.

21 \* Sec. 31. AS 38.05.082(a) is amended to read:

22 (a) The director, with the approval of the commissioner, may  
23 lease riparian, tide, and submerged lands for fisheries development.  
24 Fisheries development includes the utilization of shore gill nets or  
25 set nets for the taking of fish. Each [EVERY] lease issued under this  
26 section shall reserve to the public a right-of-way for access to navi-  
27 gable waters and other tide and submerged lands.

28 \* Sec. 32. AS 38.05 is amended by adding new sections to read:

29 Sec. 38.05.083. CLASSIFICATION AND USE OF GRAZING LEASE LAND.

1 (a) The commissioner shall classify as grazing land all state land  
2 leased for grazing and all state land which has been inventoried under  
3 AS 38.04.060 and found most suitable for grazing.

4 (b) A lessee of state grazing land shall prepare and submit to  
5 the department for approval a range conservation and development plan.

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

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

17 \* Sec. 33. AS 38.05.095(a) is amended to read:

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

23 \* Sec. 34. AS 38.05.127 is amended by adding new subsections to read:

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



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

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

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

14 \* Sec. 35. AS 38.05.305(c) is repealed and reenacted to read:

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

20 \* Sec. 36. AS 38.05.315(b) is amended to read:

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

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

6 \* Sec. 37. 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  
12 development, or less than five percent of the fair market value on  
13 [SCHOOL,] university [, MENTAL HEALTH,] or acquired lands, except that  
14 an eligible applicant is exempt from the payment of annual rent on state  
15 land leased for a youth encampment as defined by the commissioner by  
16 regulation. Renewal leases may be issued at the discretion of the  
17 director upon the expiration of a primary or renewal term. Each lease  
18 shall contain a provision for its termination as to all or part of the  
19 lands upon a finding by the director that the land or a part of it has  
20 not been used by the lessee for the purpose specified in the lease for  
21 a period of two years. No lease may be assigned or subleased except  
22 with the consent of the director, and in any case may only be trans-  
23 ferred to an applicant eligible under (b) - (d) of this section. A  
24 lessee may not change the use specified in the lease to another or  
25 additional use except with the consent of the director. If, at any  
26 time after the land is leased, the lessee attempts to assign the lease  
27 or transfer control over the land to another, or if the land is devoted  
28 to a use other than that for which the land was leased without the  
29 consent of the director, the lease automatically terminates.

1 \* Sec. 38. AS 38.05.330(a) is amended to read:

2 (a) The director, without the prior approval of the commissioner,  
3 may issue permits, rights-of-way or easements on state land for solid  
4 waste disposal sites, grazing, roads, trails, ditches, field gathering  
5 lines or transmission and distribution pipelines not subject to AS 38.-  
6 35, telephone or electric transmission and distribution lines, log  
7 storage, oil well drilling sites and production facilities for the pur-  
8 poses of recovering minerals from adjacent lands under valid lease, and  
9 other similar uses or improvements, or for the limited personal use of  
10 timber or materials. The commissioner, upon recommendation of the  
11 director, shall establish a reasonable rate or fee schedule to be  
12 charged for these uses, subject to the exception for nonprofit coopera-  
13 tive associations specified in (b) of this section. In the granting,  
14 suspension or revocation of a permit or easement of lands, the director  
15 shall give preference to that use of the land which will be of greatest  
16 economic benefit to the state and the development of its resources.  
17 However, first preference shall be granted to the upland owner for the  
18 use of a tract of tideland, or tideland and contiguous submerged land,  
19 which is seaward of the upland property of the upland owner and which  
20 is needed by the upland owner for any of the purposes for which the use  
21 may be granted.

22 \* Sec. 39. AS 38.05.345(a) is amended to read:

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

27 \* Sec. 40. AS 38.05.345(b) is amended to read:

28 (b) Notice of a public auction shall be published once a week for  
29 four consecutive weeks preceding the time of sale stated in the notice,

1 in newspapers of general circulation in the state and by the electronic  
2 media covering the region of the state in which the land is located.  
3 If there is no newspaper of general circulation in the vicinity of the  
4 land offered for sale, notices shall be posted not later than four  
5 weeks before the public auction is to be held in three public places  
6 near the land to be sold or leased. The public auction shall be held  
7 not less than 45 days after publication of the first notice and not  
8 more than five weeks following the last appearance of the published  
9 notice.

10 \* Sec. 41. AS 38.05.345 is amended by adding a new subsection to read:

11 (h) Notice of a disposal of land or interest in land other than a  
12 public auction under (b) of this section or a disposal under (e) of  
13 this section shall be by publication for three consecutive weeks in a  
14 newspaper of general circulation in the state or a newspaper circulated  
15 in the vicinity of the proposed land disposal.

16 \* Sec. 42. AS 38.08.010(b) is amended to read:

17 (b) Land classified as homesite entry land shall be divided into  
18 parcels not exceeding five acres in reasonably compact form, with  
19 boundaries conforming as nearly as practicable to natural geologic and  
20 topographic features. However, a parcel may exceed five acres if a  
21 municipal ordinance or a regulation adopted by the Department of  
22 Environmental Conservation requires larger parcels to prevent water  
23 pollution.

24 \* Sec. 43. AS 38.08.040(b) is amended to read:

25 (b) If the number of applicants qualified for homesite entry  
26 exceeds the number of available homesites offered, or if several appli-  
27 cants apply and qualify for the same homesite, priority in award of an  
28 entry permit shall be accorded to that applicant showing proof of the  
29 longest residency in the state. An applicant shall present his proof of

1 residency to the department in person at the time and place designated  
2 by the director.

3 \* Sec. 44. AS 41.10.040 is amended to read:

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

6 \* Sec. 45. AS 41.10 is amended by adding a new section to read:

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

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

10 (2) hold public hearings and meetings to determine if land  
11 in the state is being used in a manner consistent with sound soil  
12 conservation practice;

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

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

20 \* Sec. 46. AS 41.17 is amended by adding a new section to read:

21 Sec. 41.17.125. ACQUISITION OF TIMBER RIGHTS. (a) If requested  
22 by the commissioner of fish and game, the commissioner of natural re-  
23 sources may acquire for the state the right to cut and remove timber  
24 from private forest land if

25 (1) the timber is on land which is adjacent to a river,  
26 lake, or stream specified under AS 16.05.870 as important to the spawn-  
27 ing, rearing, or migration of anadromous fish;

28 (2) the commissioner of fish and game finds that the timber  
29 cutting would be hazardous to the spawning, rearing or migration of

1           anadromous fish; and

2                       (3) the owner of the timber agrees to convey to the state  
3 his right to cut and remove the timber for a term of not less than 30  
4 years or more than 150 years, which term shall be the period required  
5 for regrowth of the timber after cutting as determined by the commis-  
6 sioner of natural resources based on site and soil characteristics and  
7 comparable periods for regrowth of timber in adjacent areas or in other  
8 areas with similar geography and climate.

9                       (b) The consideration offered for timber cutting rights under  
10 this section shall equal the fair market value of the timber cutting  
11 rights as determined by the commissioner of natural resources and the  
12 owner of the timber, or if they cannot agree, then the fair market  
13 value shall be determined by a third person selected by both parties.

14                      (c) The commissioner of fish and game shall regularly, or when  
15 requested by the owner of the land or by the grantor of the timber  
16 cutting rights or his heirs, reevaluate the importance of the adjacent  
17 waters for, or the hazardous nature of cutting timber acquired under  
18 this section to, the spawning, rearing, or migration of anadromous  
19 fish. If, upon reevaluation, the commissioner of fish and game deter-  
20 mines that the timber cutting activity is no longer hazardous to the  
21 spawning, rearing, or migration of anadromous fish or that the adjacent  
22 waters are no longer important to the spawning, rearing or migration of  
23 anadromous fish, the former owner of the timber is entitled to re-  
24 purchase the timber cutting rights from the Department of Natural  
25 Resources for an amount equal to the value paid by the Department of  
26 Natural Resources for the timber cutting rights with annual interest at  
27 a reasonable rate as determined by the commissioner of natural re-  
28 sources.

29                      (d) The commissioner of natural resources may acquire privately

1 owned timber cutting rights under this section by

2 (1) paying money;

3 (2) exchanging state land or an interest in state land;

4 (3) purchasing private or public land to exchange that land  
5 for the timber rights; and

6 (4) using any combination of the methods described in (1) -  
7 (3) of this subsection.

8 (e) The commissioner of natural resources shall

9 (1) advise the commissioner of fish and game on the perfor-  
10 mance of his duties under this section;

11 (2) at least 120 days before the acquisition of timber cut-  
12 ting rights under this section, determine the consideration to be paid  
13 for those rights; and

14 (3) give public notice of the proposed exchange of state  
15 land in the manner specified in AS 38.05.345 for the sale of state land  
16 by public auction.

17 (f) AS 38.50 does not apply to an exchange of state land under  
18 this section.

19 (g) If the value of a proposed acquisition of privately owned  
20 timber cutting rights under (d) of this section exceeds \$1,000,000, the  
21 timber cutting rights may not be acquired until acquisition is approved  
22 by the legislature by concurrent resolution.

23 (h) This section does not authorize a state department or agency  
24 to exercise the power of eminent domain to acquire land or timber cut-  
25 ting rights for the protection of waters important to the spawning or  
26 migration of anadromous fish.

27 (i) In this section,

28 (1) "owner of the timber" means a person who owns the right  
29 to cut or harvest standing timber that may be acquired under this sec-

1 tion even if the person holds no other interest in the land on which  
2 the timber is located;

3 (2) "timber cutting rights" or "right to cut or harvest  
4 timber" means an assignable license together with an interest in the  
5 standing timber held by the owner of the timber which allows the owner  
6 of the timber or his assignee to enter upon the land on which the  
7 timber is located to cut and remove the timber of commercial value.

8 \* Sec. 47. AS 38.05.065(a), 38.05.077(b)(2), 38.05.078(b) and (d)(1);  
9 and AS 41.10.100 are repealed.

10 \* Sec. 48. AS 38.05.095(b) and 38.05.097 are repealed.

11 \* Sec. 49. 11 AAC.53.450(c) is annulled.

12 \* Sec. 50. A person who selected a remote parcel or acquired a right to  
13 select a remote parcel before July 1, 1980, is entitled to convert his  
14 remote parcel lease agreement to a new lease agreement which contains terms  
15 and conditions consistent with AS 38.05.077(a) and (d)(3), 38.05.078(a) and  
16 (c) and the repeal of AS 38.05.078(b) and (d)(1) enacted in secs. 24, 26,  
17 28, 29, and 47 of this Act. The commissioner of natural resources shall  
18 prepare and distribute new lease forms to persons described in this section.

19 \* Sec. 51. The governor is requested to appoint two additional members  
20 to the Alaska Soil Conservation Board by October 1, 1981. The initial terms  
21 of the additional members shall be two and three years respectively.

22 \* Sec. 52. (a) The commissioner of natural resources may not dispose of  
23 state land before July 1, 1981, if

24 (1) the land is occupied on the effective date of this section by  
25 a person who does not have the right to own or possess the land; and

26 (2) a permanent dwelling has been constructed on the state land  
27 which is the permanent and principal place of abode of a person described in  
28 (1) of this subsection who has continuously resided in the dwelling since  
29 January 1, 1978.

1 (b) The Department of Natural Resources shall, before January 15,  
2 1981, prepare and submit a report to the First Session of the Twelfth  
3 Legislature. The report shall describe state land which is occupied by  
4 persons who are doing so without the right to own or possess the land. The  
5 report shall include findings concerning the reasons for the initial un-  
6 authorized use of the state land and recommendations for legislation to  
7 resolve the problems in the best interest of the state and the persons who  
8 occupy the state land.

9 \* Sec. 53. Sections 33, 36, 37, and 48 of this Act are retroactive to  
10 July 1, 1978.

11 \* Sec. 54. Section 29 of this Act is retroactive to July 1, 1979.

12 \* Sec. 55. Sections 1, 3, 5 - 17, 19 - 28, 30, 31, 32, 35, 38 - 47, 50,  
13 and 51 of this Act take effect July 1, 1981.

14 \* Sec. 56. Sections 2, 4, 18, 29, 33, 34, 36, 37, 48, 49, and 52 - 54 of  
15 this Act take effect immediately in accordance with AS 01.10.070(c).  
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## KETCHIKAN GATEWAY BOROUGH

344 FRONT STREET  
KETCHIKAN, ALASKA 99901

March 18, 1981

Representative Samuel R. Cotten  
Chair, House Finance Committee  
Pouch V  
State Capitol  
Juneau, Alaska 99811

Dear Representative Cotten:

Last week the House Resources Committee met and took action on a draft committee substitute for House Bill 31, An Act Relating to the Sale of State Lands. This bill will be before you shortly. While the entire draft is worthy of discussion, to keep this brief I wish to address only our major concern: Section 38.04.021 CONVEYANCE AND DISPOSAL OF MUNICIPAL ENTITLEMENT LANDS. If this section passes, the Alaska State Legislature will have greatly compromised our local lands program - a program we feel is better prepared to meet the land use needs of the Ketchikan community than the State's program has been historically or can be in the future.

I ask that as you reflect on your upcoming Committee vote on the substitute for HB 31, you do so in light of the following three considerations:

1. *Ketchikan Gateway Borough's land program is being designed to meet Ketchikan's unique land use needs.* From the City of Ketchikan north to the end of the highway there are an average of 23 privately-owned lots standing vacant per mile of road; driving south there is an average of 26 vacant lots per mile. Then why do Ketchikan residents complain there is no residential land available? Because for all practical purposes there isn't. With Ketchikan's population increasing by about 300 people per year and the supply of developable land remaining essentially constant, holding onto vacant, developable land is a most promising investment. State land sales, without provisions for road access, do not compete with these vacant parcels along the road system. Such sales do little to improve Ketchikan's residential land supply. The State's 1980 Mud Bight sale, where only 66 of the 117 lots offered sold, is a good example.

This is only one of the many unique land use needs for which the Ketchikan Gateway Borough's land program is being designed to address. Our objectives are to make land in our area available to meet our residential land use needs, to offer land for sale at prices just covering the cost of marketing (not to make a profit to subsidize Borough taxpayers), and to make the program eventually self-sufficient (not requiring subsidy by local tax-payers).

2. *Unlike the northern and central municipalities, Ketchikan Gateway Borough has not received title to any of its land selections to date.* Our land entitlement as well as the amount of State land available for selection in our area were minimal until the 1978 Legislature took action to enlarge our entitlement to 11,593 acres and to free-up Mental Health Trust Lands for municipal selections. Ketchikan Gateway Borough actively lobbied for both pieces of legislation. Because of the lack of suitable, available lands in our area, the Borough selected only 100 acres in 1969 under the Mandatory Borough Act; we received tentative approval to this land just nine months ago and have yet to receive title. Although the Borough has not received patent to any of the over 8,000 acres we've selected under the Borough Entitlement Act, we are actively engaged in developing a comprehensive land disposal ordinance; we have created a land trust fund to finance the land sale program; and we are planning our first subdivision sale targeted for later this year.

3. *Ketchikan Gateway Borough has already given the State first choice of residential land in the Ketchikan area.* In accordance with the Borough Assembly's policy to not interfere with the planning and scheduling of State land sales in the Ketchikan area, the Borough did not nominate or select lands proposed by the State for future residential sales. These include the Mud Bight, Mountain Point, and South Saxman subdivisions, totalling over 1200 acres of State land within the settled portion of the Borough. These 1200 acres constitute 26% of all developable state-owned or TA'd lands within our borough's road system. If the substitute for HB 31 passes, the State will be taking another 2,319 acres of developable land from our entitlement - the equivalent of nine more subdivisions the size of the 1980 Mud Bight sale.

The Borough's research of local demand for land supports Representative Freeman's contention that there is a pressing need for residential land disposals in the Ketchikan area. We've found that land prices are increasing on an average of 20% per year - every four years the price of a residential lot in Ketchikan doubles. The issue is who can best meet Ketchikan's residential land demand: the Legislature in Juneau working through a statewide land disposal formula or the Ketchikan Gateway Borough Assembly through a program designed under local scrutiny with the input of Borough residents to address our community's specific land use needs. The Borough Assembly will be held accountable throughout the implementation of its land sale program and for years to come by both the local taxpayers and those residents participating in the land sales. We contend this is where the accountability belongs.

On behalf of the Ketchikan Gateway Borough Assembly, I ask you to give thoughtful consideration to the appropriateness of a locally directed, locally accountable land disposal program for the Ketchikan community in your deliberations on the House Resources Committee substitute for HB 31.

Sincerely,



Carroll G. Fader  
Borough Mayor

cc: Representative Oral Freeman

# League of Women Voters



of Juneau, Alaska

April 9, 1981

The Honorable Samuel F. Cotten  
Chairman, House Finance Committee  
Alaska State House of Representatives  
Pouch V  
Juneau, Alaska 99811

Dear Mr. Chairman:

The League of Women Voters supports the basic thrust of HB 31 which is to remove the fixed quota of State land which the Department of Natural Resources must dispose of each year. Replacing the quota with a demand assessment is a prudent approach to land disposal.

However, the League of Women Voters strongly opposes two features of CSHB 31 (Resources):

1. Section 3, which adds a new section 38.04.021 IDENTIFICATION AND DISPOSAL OF MUNICIPAL ENTITLEMENT LAND. This new section requires municipalities to designate 20% of their selections for which patents have not been issued as suitable for disposal into private ownership. The designated land would then be placed in the land disposal bank for disposal by the State. We oppose this section because it removes from municipalities land management responsibility for municipal entitlement lands and places it in the hands of the State.
2. There is no provision to repeal AS 29.33.150(b) which deprives municipalities of their authority to disapprove State subdivision plats under certain conditions.

The League of Women Voters bases this testimony on its position relative to land use, which includes the following provisions:

1. "...put responsibility for making and enforcing land use decisions on the lowest level of government immediately concerned with the land question."
2. "...coordination and compliance with State and local land use plans (and) subdivision requirements..."

We would appreciate your consideration of the League of Women Voters testimony on HB 31. Thank you.

Sincerely,

Margaret Holland  
Action Chairperson

A M E N D M E N T

OFFERED IN THE HOUSE:

BY: Representative Moss

TO: Finance HOUSE BILL No. \_\_\_\_\_

SENATE BILL No. \_\_\_\_\_

PAGE: 25

LINE: 8, Section 47

\* Section 47. AS 38.05 is amended by adding a new section to read:  
Sec. 38.05.064. AGRICULTURAL LAND IMPROVEMENT CREDITS. (a) The commissioner shall allow as a credit toward the sale price of land classified for agricultural purposes and sold under this section an amount approved by the commissioner and spent by the purchaser for the following improvements to the land;

- (1) \$90 per acre for land brought to cultivation, including clearing and drainage when necessary;
- (2) \$7 per hundred feet of fencing;
- (3) \$9 per square foot, not to exceed \$5,600 for permanent family dwellings;
- (4) \$5 per square foot, not to exceed \$5,600 for farm buildings;
- (5) \$11 per foot of a well producing water for domestic use;
- (6) \$1,700 per mile, not to exceed \$11,200 for access roads;
- (7) 50 percent of the purchaser's actual costs, not to exceed \$2,800 for the installation of electrical service lines.

(b) The total land improvement credits granted under this section may not exceed 50 percent of the sale price. Land improvement credits in excess of a payment may be credited to a future payment.

(c) To receive a land improvement credit under this section the purchaser shall certify under oath to the commissioner

- (1) the nature and extent of completion of the improvement;
- (2) the cost of the improvement not including labor provided by the purchaser, the spouse of the purchaser, or dependents of the purchaser.

(d) A purchaser may not receive a credit under this section which duplicates an entitlement under a federal or state farm conservation program.

*Freeman*

AS 40.15.010 is amended by adding a new subsection to read:

(b) Notwithstanding (a) of this section, AS 29.33.190, 38.04.-045(b), 40.15.070, and 40.15.200, subdivisions of state land classified for disposal under AS 38.05 and AS 38.08 need not show the approval of the platting board or other subdivision authority having jurisdiction in order to file the plat for record in the office of the recorder. However, state subdivision plats must be submitted to the platting authority for review in compliance with this subsection and AS 29.33.-160(c) and recorded before the sale of any lots or tracts in the subdivision.

# COMMITTEE REPORT

## HOUSE

FURTHER:

3/6/81

(11)

Date: April 16, 1981

Mr. Speaker:

The Committee on FINANCE has had SSHB 32

"An Act relating to undergraduate and graduate scholarship loans; and providing for an effective date."

under consideration and reports it back as follows:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for SSHB 32 (Fin)  same title  
 new title
- and recommends do pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]

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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

no recom.

unltd amended

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CHAIRMAN

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSSHB 32  
 Title Amending State Student Loan Program  
 Requested by House Finance Date April 16, 1981

II. FISCAL DETAIL

Agency Affected Education  
 Program Category Affected Commission on Postsecondary Education  
 BRU, Program, or Subprogram(s) Affected Student Loan Program  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	N.A.	4,658.6	5,615.9	7,039.4	8,982.1	11,206.8
<b>TOTAL</b>	N.A.	4,658.6	5,615.9	7,039.4	8,982.1	11,206.8

FUNDING (Thousands of Dollars)

GENERAL FUND	N.A.	4,658.6	5,615.9	7,039.4	8,982.1	11,206.8
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	N.A.	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

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

Fiscal impact of raising loan limits is based upon the following assumptions:

- current mix of 11% graduate, 89% undergraduate will continue
- current borrowing pattern will continue with slight increase upward, i.e.
 

Undergraduate:	27.5%	\$50-1,950	Graduate:	465.5%	\$50-\$4,950
	29.3%	\$2,000-\$2,950		53.5%	\$5,000
	41.2%	\$3,000			
- of those borrowing the maximum, if maximums are increased,
 

Undergraduate:	8%	\$6,000	55%	\$7,000
	52%	\$4,500-\$5,950	25%	\$6,000-\$6,950
	35%	\$3,050-\$4,450	20%	\$5,000-\$5,950
	5%	\$3,000		

IV. DATE April 16, 1981 PREPARED BY Kerry D. Romesburg  
 AGENCY Commission on Postsecondary Education  
 PHONE 465-2854

Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

Chenoweth ✓

Original sponsors: Gardiner, Miller,  
Rogers, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 32 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to undergraduate and graduate scholar-  
7 ship loans; and providing for an effective date."

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

9 \* Section 1. AS 14.40.759 is amended to read:

10 Sec. 14.40.759. UNDERGRADUATE LOANS. The committee may make a  
11 loan, not to exceed \$6,000 [\$3,000] in any one school year, to an  
12 undergraduate student eligible under AS 14.40.765.

13 \* Sec. 2. AS 14.40.761 is amended to read:

14 Sec. 14.40.761. GRADUATE LOANS. The committee may make a loan,  
15 not to exceed \$7,000 [\$5,000] in any one school year, to a graduate  
16 student who is eligible under AS 14.40.765 and is pursuing an advanced  
17 degree.

18 \* Sec. 3. AS 14.40.763(c) is amended to read:

19 (c) To maintain a loan the student must continue to be enrolled  
20 as a full-time student in good standing in a career education program,  
21 college or university designated under (b) of this section. The com-  
22 mission shall adopt regulations defining "good standing" for purposes  
23 of this subsection.

24 \* Sec. 4. AS 14.40.763(d) is amended to read:

25 (d) Scholarship loans may not be made to a student

26 (1) for more than five years of undergraduate study;

27 (2) for more than five years of graduate study;

28 (3) for more than a total of eight [SIX] years of under-  
graduate and graduate study.

1 \* Sec. 5. AS 14.40.763(g) is repealed and reenacted to read:

2 (g) Unless the commission and the student agree to a different  
3 repayment schedule, repayment of the principal and interest on the loan  
4 begins no earlier than nine months nor later than one year after the  
5 student terminates his studies. The loan shall provide for repayment  
6 of the total amount owed in periodic installments in not less than five  
7 nor more than 10 years from the commencement of repayment, except as  
8 provided in (k) and (m) of this section. If the commission and the  
9 student agree to a different repayment schedule, the student shall  
10 repay the loan in accordance with the agreement. A student may make  
11 payments earlier than required by this subsection.

12 \* Sec. 6. AS 14.40.763(i) is amended to read:

13 (i) If a loan is in default, the commission shall [MAY] notify  
14 the borrower [STUDENT] that repayment of the remaining balance is  
15 accelerated and due by sending the borrower [STUDENT] a notice by  
16 registered or certified mail.

17 \* Sec. 7. AS 14.40.763(j) is amended to read:

18 (j) A portion of a loan shall be paid on behalf of the borrower  
19 by the state if, upon completion of the course of study for which the  
20 loan was granted, the borrower resides in the state for [SPENDS] at  
21 least three years [EMPLOYED IN THE STATE]. The portion of the loan  
22 which shall be paid by the state shall be the following percentages of  
23 the total loan received plus interest for up to a total of 40 percent  
24 of the total loan:

- 25 (1) [TWO -] three years residency, 20 [10] percent;  
26 (2) [THREE -] four years residency, an additional 10 percent;

27 and

- 28 (3) [FOUR -] five years residency, an additional 10 percent

29 [;

(4) OVER FIVE YEARS RESIDENCY, AN ADDITIONAL 10 PERCENT].

\* Sec. 8. AS 14.40.763(m) is amended to read:

(m) In case of hardship, the committee may extend repayment of a loan for an additional period of up to five years in increments no longer than 12 [SIX] months each [, WITHIN THE 15-YEAR REQUIREMENT OF (g) OF THIS SECTION].

\* Sec. 9. AS 14.40.763(n) is amended to read:

(n) Each year spent attending a college or university in Alaska qualifies as a year of [EMPLOYMENT AND] residency under (j) of this section, if the borrower resides no less than three years in Alaska after completion of the course for which the loan was granted, and has a total Alaskan residency of 10 years time.

\* Sec. 10. AS 14.40.763 is amended by adding a new subsection to read:

(o) The provisions of (j) of this section do not apply to a loan to a borrower named in a complaint as a defendant in an action by the state or by the commission to secure payment of the unpaid balance of a loan made under AS 14.40.759 or 14.40.761.

\* Sec. 11. This Act takes effect July 1, 1981.

DRAFT

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DRAFT

DRAFT

LETTER OF INTENT

Option #1

It is the intent of the Committee that in negotiating the loan repayment schedules for student loan borrowers under AS 14.40.763(g) and (j), the Student Financial Aid Committee shall establish a regular ten-year schedule based upon 60% of the total loan. These terms, except for deferment and hardship provisions, shall continue throughout the first six years of repayment. The terms for the seventh through the tenth years of repayment shall be adjusted as necessary to reflect any forgiveness benefits accrued under AS 14.40.763(j).

---

LETTER OF INTENT

Option #2

It is the intent of the Committee that loan forgiveness established under AS 14.40.763(j) occur before the end of the repayment cycle. Under the current practice, students cannot perceive the benefits of the forgiveness provisions of the statute during the first years of repayment. For the loan forgiveness to be a truly effective incentive, benefits should be realized as they are earned.

It is the intent of the Committee that forgiveness benefits be provided to the borrower in the form of annual refunds as eligibility is established. Under this policy, the borrower remaining in the state will get 10% loan forgiveness at the end of each of the first four years of repayment.

Original sponsors: Gardiner, Miller,  
Rogers, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 32 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to undergraduate and graduate scholar-  
7 ship loans; and providing for an effective date."

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

9 \* Section 1. AS 14.40.759 is amended to read:

10 Sec. 14.40.759. UNDERGRADUATE LOANS. The committee may make a  
11 loan, not to exceed an amount determined in accordance with AS 14.40.-  
12 762 [\$3,000] in any one school year, to an undergraduate student eli-  
13 gible under AS 14.40.765.

14 \* Sec. 2. AS 14.40.761 is amended to read:

15 Sec. 14.40.761. GRADUATE LOANS. The committee may make a loan,  
16 not to exceed an amount determined in accordance with AS 14.40.762  
17 [\$5,000] in any one school year, to a graduate student who is eligible  
18 under AS 14.40.765 and is pursuing an advanced degree.

19 \* Sec. 3. AS 14.40 is amended by adding a new section to read:

20 Sec. 14.40.762. LOAN LIMITS AND ADJUSTMENTS. (a) For the fiscal  
21 year ending June 30, 1982, the committee may make a loan

22 (1) to an undergraduate student under AS 14.40.759 in an  
23 amount not exceeding ~~\$4,500~~; *6,000 Rogers*

24 (2) to a graduate student under AS 14.40.761 in an amount  
25 not exceeding ~~\$5,500~~. *7,000*

26 (b) For each fiscal year after the fiscal year ending June 30,  
27 1982, the maximum amount of a loan shall be adjusted by the commission  
28 by applying ~~a~~ *delete* cost-of-living index to the amounts set out in (a) of  
this section. The method of calculating the cost-of-living index and

1 the manner of applying it shall be determined by the commission by  
2 regulation.

3 \* Sec. 4. AS 14.40.763(c) is amended to read:

4 (c) To maintain a loan the student must continue to be enrolled  
5 as a full-time student in good standing in a career education program,  
6 college or university designated under (b) of this section. The com-  
7 mission shall adopt regulations defining "good standing" for purposes  
8 of this subsection.

9 \* Sec. 5. AS 14.40.763(d) is amended to read:

10 (d) Scholarship loans may not be made to a student  
11 (1) for more than five years of undergraduate study;  
12 (2) for more than five years of graduate study;  
13 (3) for more than a total of eight [SIX] years of under-  
14 graduate and graduate study.

15 \* Sec. 6. AS 14.40.763(g) is repealed and reenacted to read:

16 (g) Unless the commission and the student agree to a different  
17 repayment schedule, repayment of the principal and interest on the loan  
18 begins no earlier than nine months nor later than one year after the  
19 student terminates his studies. The loan shall provide for repayment  
20 of the total amount owed in periodic installments in not less than five  
21 nor more than 10 years from the commencement of repayment or more than  
22 15 years from the date of execution of the original promissory note  
23 evidencing the disbursement of the loan, except as provided in (k) and  
24 (m) of this section. If the commission and the student agree to a  
25 different repayment schedule, the student shall repay the loan in  
26 accordance with the agreement. Notwithstanding the provisions of this  
27 subsection, a student may make payments earlier than required by this  
28 subsection.

\* Sec. 7. AS 14.40.763(i) is amended to read:

1 (i) If a loan is in default, the commission shall [MAY] notify  
2 the borrower [STUDENT] that repayment of the remaining balance is  
3 accelerated and due by sending the borrower [STUDENT] a notice by  
4 registered or certified mail.

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6 (j) A portion of a loan shall be paid on behalf of the borrower  
7 by the state if, upon completion of the course of study for which the  
8 loan was granted, the borrower resides in the state for [SPENDS] at  
9 least three years [EMPLOYED IN THE STATE]. The portion of the loan  
10 which shall be paid by the state shall be the following percentages of  
11 the total loan received plus interest for up to a total of 40 percent  
12 of the total loan:

- 13 (1) [TWO -] three years residency, <sup>20</sup>10 percent;  
14 (2) [THREE -] four years residency, an additional 10 percent;  
15 (3) [FOUR -] five years residency, an additional 10 percent;

16 and

17 *Delete* (4) six [OVER FIVE] years residency, an additional 10 per-  
18 cent. }

19 \* Sec. 9. AS 14.40.763 is amended by adding a new subsection to read:

20 (o) The provisions of (j) of this section do not apply to a loan  
21 to a borrower named in a complaint as a defendant in an action by the  
22 state or by the commission to secure payment of the unpaid balance of a  
23 loan made under AS 14.40.759 or 14.40.761.

24 \* Sec. 10. This Act takes effect July 1, 1981.  
25  
26  
27  
28

Chenoweth ✓

Original sponsors: Gardiner, Miller,  
Rogers, et al

1 IN THE HOUSE BY THE FINANCE COMMITTEE  
2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 32 (Finance)  
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16 student who is eligible under AS 14.40.765 and is pursuing an advanced  
17 degree.

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19 (c) To maintain a loan the student must continue to be enrolled  
20 as a full-time student in good standing in a career education program,  
21 college or university designated under (b) of this section. The com-  
22 mission shall adopt regulations defining "good standing" for purposes  
23 of this subsection.

24 \* Sec. 4. AS 14.40.763(d) is amended to read:

25 (d) Scholarship loans may not be made to a student  
26 (1) for more than five years of undergraduate study;  
27 (2) for more than five years of graduate study;  
28 (3) for more than a total of eight [SIX] years of under-  
29 graduate and graduate study.

1 \* Sec. 5. AS 14.40.763(g) is repealed and reenacted to read:

2 (g) Unless the commission and the student agree to a different  
3 repayment schedule, repayment of the principal and interest on the loan  
4 begins no earlier than nine months nor later than one year after the  
5 student terminates his studies. The loan shall provide for repayment  
6 of the total amount owed in periodic installments in not less than five  
7 nor more than 10 years from the commencement of repayment, except as  
8 provided in (k) and (m) of this section. If the commission and the  
9 student agree to a different repayment schedule, the student shall  
10 repay the loan in accordance with the agreement. A student may make  
11 payments earlier than required by this subsection.

12 \* Sec. 6. AS 14.40.763(i) is amended to read:

13 (i) If a loan is in default, the commission shall [MAY] notify  
14 the borrower [STUDENT] that repayment of the remaining balance is  
15 accelerated and due by sending the borrower [STUDENT] a notice by  
16 registered or certified mail.

17 \* Sec. 7. AS 14.40.763(j) is amended to read:

18 (j) A portion of a loan shall be paid on behalf of the borrower  
19 by the state if, upon completion of the course of study for which the  
20 loan was granted, the borrower resides in the state for [SPENDS] at  
21 least three years [EMPLOYED IN THE STATE]. The portion of the loan  
22 which shall be paid by the state shall be the following percentages of  
23 the total loan received plus interest for up to a total of 40 percent  
24 of the total loan:

- 25 (1) [TWO -] three years residency, 20 [10] percent;  
26 (2) [THREE -] four years residency, an additional 10 percent;

27 and

- 28 (3) [FOUR -] five years residency, an additional 10 percent

29 [;

(4) OVER FIVE YEARS RESIDENCY, AN ADDITIONAL 10 PERCENT].

\* Sec. 8. AS 14.40.763(m) is amended to read:

(m) In case of hardship, the committee may extend repayment of a loan for an additional period of up to five years in increments no longer than 12 [SIX] months each [, WITHIN THE 15-YEAR REQUIREMENT OF (g) OF THIS SECTION].

\* Sec. 9. AS 14.40.763(n) is amended to read:

(n) Each year spent attending a college or university in Alaska qualifies as a year of [EMPLOYMENT AND] residency under (j) of this section, if the borrower resides no less than three years in Alaska after completion of the course for which the loan was granted, and has a total Alaskan residency of 10 years time.

\* Sec. 10. AS 14.40.763 is amended by adding a new subsection to read:

(o) The provisions of (j) of this section do not apply to a loan to a borrower named in a complaint as a defendant in an action by the state or by the commission to secure payment of the unpaid balance of a loan made under AS 14.40.759 or 14.40.761.

\* Sec. 11. This Act takes effect July 1, 1981.

Original sponsors: Gardiner, Miller,  
Rogers, et al

Offered: 3/6/81  
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION  
AND SOCIAL SERVICES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 32 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to undergraduate and graduate scholar-  
7 ship loans; and providing for an effective date."

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

9 \* Section 1. AS 14.40.759 is amended to read:

10 Sec. 14.40.759. UNDERGRADUATE LOANS. The committee may make a  
11 loan, not to exceed \$6,000 [\$3,000] in any one school year, to an  
12 undergraduate student eligible under AS 14.40.765.

13 \* Sec. 2. AS 14.40.761 is amended to read:

14 Sec. 14.40.761. GRADUATE LOANS. The committee may make a loan,  
15 not to exceed \$8,500 [\$5,000] in any one school year, to a graduate  
16 student who is eligible under AS 14.40.765 and is pursuing an advanced  
17 degree.

18 \* Sec. 3. AS 14.40.763(d) is amended to read:

19 (d) Scholarship loans may not be made to a student

20 (1) for more than five years of undergraduate study;

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1 (j) A portion of a loan shall be paid on behalf of the borrower  
2 by the state if, upon completion of the course of study for which the  
3 loan was granted, the borrower spends at least three years employed in  
4 the state. The portion of the loan which shall be paid by the state  
5 shall be the following percentages of the total loan received plus  
6 interest for up to a total of 50 [40] percent of the total loan:

7 (1) two - three years residency, 10 percent;

8 (2) three - four years residency, an additional 10 percent;

9 (3) four - five years residency, an additional 10 percent;

10 (4) [OVER] five - six years residency, an additional 10  
11 percent; and

12 (5) over six years residency, an additional 10 percent.

13 \* Sec. 6. AS 14.40.763 is amended by adding a new subsection to read:

14 (o) The provisions of (j) of this section do not apply to a loan  
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16 appear as a defendant in an action by the state or by the commission to  
17 secure payment of the unpaid balance of a loan made under AS 14.40.759  
18 or 14.40.761.

19 \* Sec. 7. This Act takes effect July 1, 1981.  
20  
21  
22  
23  
24  
25  
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29

## Alaska Student Loan Program

### Fact Sheet

1. Total Loans 1971-72 through 1979-80:

Undergraduate	16,359	\$ 30.4 million
Graduate	<u>2,210</u>	<u>7.4 million</u>
Total	18,569	\$ 37.8 million

2. Current Year

(1980-81, as of 1/14/81):                      5,880 loans    \$ 16.0 million

3. Percent Loans In-State/Out-of-State (1979-80):

	<u>In-State</u>	<u>Out-of-State</u>
Undergraduate	36.1 (43.5)	63.9 (56.5)
Graduate	12.3 (19.0)	87.7 (81.0)

4. Loan Collections (per month average):

1974-75	\$ 19,623
1975-76	38,794
1976-77	95,122
1977-78	99,321
1978-79	115,970
1979-80	133,620
1980-81 (est.)	170,000

5. Loan Cancellations (per month average):

1974-75	\$        59
1975-76	3,686
1976-77	5,396
1977-78	26,192
1978-79	37,165
1979-80	34,125
1980-81 (est.)	45,000

6. Individuals in Repayment

Account Status	October		November		December		January	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Current	4,121	9,833,332	4,168	10,179,865	4,115	10,214,971	4,257	10,736,864
31-60 days	484	1,171,102	478	1,032,186	547	1,174,413	508	1,053,685
61-90	204	451,853	268	649,596	288	585,991	295	585,775
91-120	180	505,039	178	389,083	188	463,252	193	385,664
120+	878	1,981,084	909	2,038,126	954	2,096,983	927	2,154,220
TOTAL	5,867	13,942,409	6,001	14,288,857	6,092	14,535,610	6,250	14,916,209
Default Rate	11.2%		11.2%		11.3%		11.3%	

7. Current Year (as of 1/14/81)

	<u>In-State</u>	<u>Out-of-State</u>	<u>Total</u>
Freshman	864 (46.0)	1,014 (54.0)	1,878
Sophomore	512 (41.1)	734 (58.9)	1,246
Junior	399 (41.0)	575 (59.0)	974
Senior	327 (46.0)	384 (54.0)	711
Vocational	173 (40.9)	250 (59.1)	423
Sub-Total	2,275 (43.5)	2,957 (56.5)	5,232
Graduate	123 (19.0)	525 (81.0)	648
TOTAL	2,398 (40.8)	3,482 (58.2)	5,880

8. Raising Loan Limits

Undergraduate	\$3,500	\$4,500	\$5,000	\$4,500
Graduate	\$6,000	\$7,500	\$7,000	\$5,500
1981-82 Cost	\$1,575,700	\$3,619,600	\$4,041,704	\$3,377,600

9. Other Issues

- a. Adding a section which states that if a person allows the loan to become default (120+ days past due), all cancellation benefits are forfeited.
- b. Providing additional cancellation for in-state attendance, for example, an additional 5% per year of attendance, for up to a maximum of 20%.
- c. Providing additional cancellation for maintaining a "B" grade average for undergraduates, for example, an additional 5% upon graduation.
- d. Providing grant provisions for Alaskan borrowers age 60 and over.

10. Sample Costs:

a. Single Student College-Approved Budgets (1980-81)

	<u>Undergraduate</u>	<u>Graduate</u>
University of Alaska, Anchorage	\$5,922	\$8,500
University of Alaska, Fairbanks	3,814	5,684
University of Washington	5,654	7,120
Conzaga University	7,010	7,940
Western Washington University	6,280	7,890
University of Oregon	6,940	8,120
University of Colorado	8,150	9,540
Stanford University	9,800	11,250

b. Tuition and/or Required Fees (1980-81)

	<u>Undergraduate</u>	<u>Graduate</u>
University of Alaska, Fairbanks	\$ 562	\$ 792
University of Arizona*	2,500	2,500
University of Colorado*	3,584	3,752
University of Hawaii	480	532
University of Idaho*	1,990	2,000
University of Oregon*	3,431	2,433
University of Washington*	2,394	2,736

11. Miscellaneous Information:

a. Length of Residence of 1980-81 Borrowers

<u>Student Level</u>	<u>Median Residency</u>	<u>Percent of Lifelong Residents</u>	<u>Percent of 2-year Residents</u>
Freshman	10.7 years	30.4	8.1 (152)
Sophomore	12.0 years	38.2	5.9 (74)
Junior	5.0 years	26.9	19.2 (187)
Senior	5.0 years	20.0	15.0 (107)
<u>Graduate</u>	<u>4.0 years</u>	<u>28.6</u>	<u>21.4 (91)</u>
Combined	8.6 years	30.0	10.4

b. Age of 1980-81 Borrowers

<u>Age</u>	<u>Percent Freshmen</u>	<u>Percent Sophomores</u>	<u>Percent Juniors</u>	<u>Percent Seniors</u>	<u>Percent Graduates</u>
16-18	41.0	-	-	-	-
19-21	29.2	41.2	38.5	15.8	7.1
22-25	10.4	14.7	19.2	26.3	28.6
26-30	8.3	17.6	25.1	36.8	28.6
30-60	10.8	26.3	19.2	21.1	35.6
60+	.3	.2	N.A.	N.A.	.1
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
Median Age	18.5 years	22.5 years	24.0 years	27.8 years	26.3 years

\*Non-resident

STUDENT BUDGETS (1980-81)

University of Alaska-Fairbanks

	<u>Undergraduate Single/Dorm</u>	<u>Undergraduate Single/Off Campus</u>	<u>Undergraduate Married</u>	<u>Graduate Single/Dorm</u>	<u>Graduate Single/Off Campus</u>	<u>Graduate Married</u>
Tuition & Fees	580	580	580	810	810	810
Room & Board	2,130	4,000	6,000	2,130	4,000	6,000
Books	300	300	300	300	300	300
Transportation	800	800	800	800	800	800
Personal	<u>600</u>	<u>600</u>	<u>1,200</u>	<u>600</u>	<u>600</u>	<u>1,200</u>
Total	4,410	6,280	8,880	4,640	6,510	9,110

Anchorage Community College

	<u>Undergraduate Single at Home</u>	<u>Undergraduate Single Living Away from Home</u>	<u>Undergraduate Married</u>	<u>Graduate Single at Home</u>	<u>Graduate Single Living Away from Home</u>	<u>Graduate Married</u>
Tuition & Fees	442	442	442	640	640	640
Room	1,808	2,200	3,168	1,808	2,200	3,168
Board	Included in Room	1,632	3,016	Included in Room	1,632	3,016
Books	250	250	250	250	250	250
Transportation	592	592	592	592	592	592
Personal	<u>720</u>	<u>720</u>	<u>1,432</u>	<u>720</u>	<u>720</u>	<u>1,432</u>
Total	3,812	5,836	8,900	4,010	6,034	9,098



ALASKA STUDENT LOAN PROGRAM  
 POUCH F, STATE OFFICE BUILDING  
 JUNEAU, ALASKA 99811

FOR YOUR CONSIDERATION.....

While you are planning your college education, in addition to deciding what school will best meet your needs and goals, you should also plan how you are going to meet your educational expenses.

Since 1971, we have assisted over 12,000 Alaskan residents in achieving their educational ambitions by providing financial assistance. At the same time, we also realize the pitfalls that can await student borrowers who become overburdened with debt and find repayment a real hardship.

Because of this, we urge students not to borrow any more than is absolutely necessary. Your student loan should be used to supplement other available sources of assistance such as scholarships, grants, work-study programs, parental and family aid, etc.

So that you will be aware of your future financial obligation regarding your Alaska Student Loan(s), the table below outlines what your monthly payment would be over a ten (10) year repayment cycle for various total loan amounts borrowed. In addition to the principal which must be repaid, interest accrues during the repayment period at a rate of five percent (5%) per year.

IF YOUR STUDENT LOANS TOTAL:	YOUR MONTHLY PAYMENT FOR 120 MONTHS (10 YRS.) WOULD BE:	TOTAL TO BE REPAYED:		
		5% Interest	Principal	Total
\$ 1,000.00	\$ 10.61	\$ 273.20	\$ 1,000.00	\$ 1,273.20
2,000.00	21.21	545.20	2,000.00	2,545.20
3,000.00	31.82	818.40	3,000.00	3,818.40
4,000.00	42.43	1,091.60	4,000.00	5,091.60
5,000.00	53.03	1,363.60	5,000.00	6,363.60
6,000.00	63.64	1,636.80	6,000.00	7,636.80
7,000.00	74.25	1,910.00	7,000.00	8,910.00
8,000.00	84.85	2,182.00	8,000.00	10,182.00
9,000.00	95.46	2,455.20	9,000.00	11,455.20
10,000.00	106.07	2,728.40	10,000.00	12,728.40
15,000.00	159.10	4,092.00	15,000.00	19,092.00
20,000.00	212.13	5,455.60	20,000.00	25,455.60
25,000.00	265.16	6,819.20	25,000.00	31,819.20
30,000.00	318.20	8,184.00	30,000.00	38,184.00

"Good Standing" in Alaska

1. UA-Fairbanks

Undergraduate  
Graduate

Semester and Cumulative GPA 2.0  
Semester and Cumulative GPA 3.0

2. UA-Anchorage

Cumulative GPA 2.0

3. UA-Juneau

Undergraduate  
Graduate

Semester and Cumulative GPA 2.0  
Semester and Cumulative GPA 3.0

4. Anchorage Community College

Cumulative GPA 2.0

5. Alaska Pacific University

Student Enrollment Tables

Semesters

SCH

2 or 23  
3 or 39  
4 or 49  
5 or 64  
6 or 79  
7+ or 94+

Cumulative GPA 1.75  
Cumulative GPA 1.80  
Cumulative GPA 1.85  
Cumulative GPA 1.90  
Cumulative GPA 1.95  
Cumulative GPA 2.00



# Alaska Statewide Student Association

P.O. BOX 548  
DOUGLAS, ALASKA 99824

REPRESENTING STUDENTS OF THE UNIVERSITY OF ALASKA STATEWIDE SYSTEM

## POSITION PAPER

### ALASKA STATE LOAN PROGRAM

#### CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 32

As the representatives of the organized students in the University System, we advocate the following position concerning the Alaska State Student Loan Program. The position to support CSSH32 was adopted unanimously at the conclusion of the ASSA statewide conference in Juneau on March 1, 1981.

#### Whereas:

1. The Students of the State System have identified the following areas as of importance in relation to the state loan program:
  - A. Increasing the level of the loan amounts
  - B. Extending the period of the loan
  - C. A graduated repayment plan for the loan
  - D. Increase incentives for students to return to the state
  - E. Establish incentives for students to attend in state institutions
  - D. Encouragement of Academic excellence
2. The CSSH32 favorably addresses the urgent need to increase the amount of the loan, to extend the period of the loan, and to increase incentives for students to return to the state after graduation

#### Therefore:

ASSA strongly endorses the passage of this bill as reported out of committee. The bill as modified has the unanimous backing of the organized student representatives of the University of Alaska statewide system.

# ASSA

Original sponsors: Gardiner, Miller,  
Rogers, et al

Offered: 3/6/81  
Referred: Finance

1 IN THE HOUSE

BY THE HEALTH, EDUCATION  
AND SOCIAL SERVICES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 32 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - FIRST SESSION

5 A BILL

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

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5 shall be the following percentages of the total loan received plus  
6 interest for up to a total of 50 [40] percent of the total loan:

7 (1) two - three years residency, 10 percent;

8 (2) three - four years residency, an additional 10 percent;

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11 percent; and

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18 or 14.40.761.

19 \* Sec. 7. This Act takes effect July 1, 1981.  
20  
21  
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29

20 COPIES

Back-up

HB 32

Incorrect.

FN'S

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSSSHB 32  
 Title Amending State Student Loan Program  
 Requested by House Finance Date April 14, 1981

II. FISCAL DETAIL

Agency Affected Education  
 Program Category Affected Commission on Postsecondary Education  
 BKU, Program, or Subprogram(s) Affected Student Loan Program  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	N.A.	3,377.6	4,123.2	5,349.0	6,170.6	8,002.9
<b>TOTAL</b>	N.A.	3,377.6	4,123.2	5,349.0	6,170.6	8,002.9

FUNDING (Thousands of Dollars)

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
GENERAL FUND	N.A.	3,377.6	4,123.2	5,349.0	6,170.6	8,002.9
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 81	FY 82	FY 83	FY 84	FY 85	FY 86
FULL TIME	N.A.	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

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

Fiscal impact of raising loan limits is based upon the following assumptions:

- Current mix of 11% graduate, 89% undergraduate will continue
- Current borrowing pattern will continue with slight increase upward, i.e.,
 

Undergraduate: 27.5%	\$50 - \$1,950	Graduate: 46.5%	\$50 - \$4,950
29.3%	\$2,000 - \$2,950	53.5%	\$5,000
41.2%	\$3,000		
- Of those borrowing the maximum, if maximums are increased,
 

Undergraduate: 80%	\$4,500	Graduate: 100%	\$5,500
15%	\$3,050 - \$4,450		
5%	\$3,000		

IV. DATE April 14, 1981 PREPARED BY Kerry D. Romesburg  
 AGENCY Commission on Postsecondary Education  
 Original: Legislative Finance PHONE 465-2854  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)

THE LEGISLATURE OF THE STATE OF ALASKA  
TWELFTH LEGISLATURE

FISCAL NOTE

SSHB 32

I. REQUEST  
 Bill/Resolution No. SSHB 32  
 Title Increasing Maximum Student Loan  
 Requested by HESS Date 2/17/81

II. FISCAL DETAIL  
 Agency Affected Education  
 Program Category Affected Commission on Postsecondary Education  
 BRU, Program, or Subprogram(s) Affected Student Loan Program  
 (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 81	FY 82	FY 83	FY 84	FY 85	FY 86
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.	N.A.	4,217.0	5,754.1	6,778.0	8,686.5	10,636.0
<b>TOTAL</b>	N.A.	4,217.0	5,754.1	6,778.0	8,686.5	10,636.0

FUNDING (Thousands of Dollars)

GENERAL FUND	N.A.	4,217.0	5,754.1	6,778.0	8,686.5	10,636.0
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

FULL TIME	N.A.	-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

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	29.3%	\$2,000-\$2,950		53.5%	\$5,000
	41.2%	\$3,000			
- of those borrowing the maximum, if maximums are increased,
 

Undergraduate:	8%	\$6,000	Graduate:	10%	\$8,500
	52%	\$4,500-\$5,959		40%	\$7,500-\$8,450
	35%	\$3,050-\$4,450		25%	\$6,000-\$7,450
	5%	\$3,000		25%	\$5,000-\$5,950

IV. DATE 2/17/81 PREPARED BY Kerry D. Roesburg  
 AGENCY Commission on Postsecondary Education  
 PHONE 465-2854  
 Original: Legislative Finance  
 cc: Budget and Management  
 Prime Sponsor (First Legislator Named)



Original sponsors: Randolph, Beirne and  
Bettisworth

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 37 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the motor fuel tax (AS 43.40); and  
7 providing for an effective date."

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

9 \* Section 1. AS 43.40.010 is amended by adding a new subsection to read:

10 (1) If a dealer has a reasonable belief at the time of sale or  
11 transfer that fuel that is sold or transferred is not to be used as  
12 motor fuel, the dealer need not collect the motor fuel tax. If the tax  
13 is not collected, the dealer shall obtain a certificate of use from the  
14 buyer or transferee stating that the fuel that has been or will be pur-  
15 chased or received is not intended for use as motor fuel. The Department  
16 of Revenue may not collect the motor fuel tax from a dealer for fuel for  
17 which a certificate of use has been properly obtained under this sub-  
18 section. The dealer shall retain a copy of each certificate of use  
19 obtained under this subsection for examination or audit on request by  
20 the Department of Revenue. The form of a certificate of use may be  
21 prescribed by regulation adopted by the Department of Revenue.

22 \* Sec. 2. AS 43.40.100(3) is amended to read:

23 (3) "user" means a person consuming or using motor fuel, who  
24 either

25 (A) purchases the fuel out of the state and ships it  
26 into the state for his own use within the state;

27 (B) [OR] manufactures the fuel in the state; or

28 (C) purchases or receives the fuel within the state that  
29 is not taxed at the time of purchase or receipt.

1 \* Sec. 3. The Department of Revenue may not collect the motor fuel tax  
2 from a dealer, as defined in AS 43.40.100(1), on a sale or transfer of motor  
3 fuel that occurs before the effective date of this Act if the dealer did not  
4 collect the tax from a purchaser or transferee because of a reasonable belief  
5 that the fuel was not to be used as motor fuel, as that term is defined in  
6 AS 43.40.100(2).

7 \* Sec. 4. AS 43.40 is amended by adding a new section to read:

8 Sec. AS 43.40.015. SURTAX ON AVIATION FUEL. (a) There is levied  
9 a surtax on aviation fuel, in addition to the tax imposed in AS 43.40.-  
10 010, in the following amounts:

11 (1) one-half cent a gallon on all aviation gasoline sold or  
12 otherwise transferred in the state or consumed by a user; and

13 (2) one-fourth cent a gallon on all aviation fuel other than  
14 gasoline sold or otherwise transferred in the state or consumed by a  
15 user.

16 (b) The surtax levied under this section shall be deposited in the  
17 general fund. The legislature may annually appropriate an amount equal  
18 to the proceeds of the surtax levied in this section for aviation safety  
19 training programs.

20 \* Sec. 5. AS 43.40.015 added by sec. 4 of this Act terminates on July 1,  
21 1985.

22 \* Sec. 6. This Act takes effect immediately in accordance with AS 01.10.-  
23 070(c).

*INCORPORATE  
AMENDMENT*

Original sponsors: Randolph, Beirne and Bettisworth

Offered: 3/12/82  
Referred: Finance

1 IN THE HOUSE

*FINANCE*  
BY THE ~~STATE AFFAIRS~~ COMMITTEE  
*FINANCE*

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