

LEG. FINANCE - BILLS 1983 - 1984 2104

CSSB 375 cont.

2104

Sec. 75: The requirement to hold at least three public hearings for each proposed land exchange will cause increased travel and contractual costs.

Land and Water Management:

200	7.0	(Travel to meetings and hearings)
300	2.5	(Rental of hearings materials and places)
<u>Total</u>	<u>9.5</u>	

Sec. 88: The retroactive veterans' discount will cause the Department to contact each land recipient in the past 14 months, to confirm the validity of applications for the discount under law, and to amend some contracts as legally appropriate. These contracts for land purchases must be handled separately by a manual system. Thus administrative costs will rise. We also anticipate that there will be a displacement of potential revenue from the enactment of a retroactive discount. This will total about \$1.66 million in direct lost revenue (on about 1600 parcels sold since the end of March 1983, with about 40% veterans' participation), and loss of another \$2.5 in interest charges.

Land and Water Management:

100	40.6	(Natural Resource Technician II, Contract Administration office)
	28.7	(Document Processing Clerk III, Contract Administration office)
300	7.0	(New contracts, registered mailings)
400	2.5	(Office)
<u>Total</u>	<u>78.8</u>	

Offered: 5/5/84  
Referred: Finance

Original sponsors: Fahrenkamp and Ziegler

1 IN THE SENATE BY THE RESOURCES COMMITTEE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 375 (Resources)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA  
4 THIRTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL

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

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

9 \* Section 1. AS 38.04.005(b) is amended to read:

10 (b) In classifying and making state land available for private  
11 use and settlement purposes, the director shall consider the natural  
12 resources and conditions present on the land and shall seek to mini-  
13 mize the adverse effect of private settlement on wildlife, fishery,  
14 mineral, timber, and other significant resources of the land; the  
15 director shall also make adequate provision for public open space  
16 which is accessible to communities so that natural areas are easily  
17 reached from all communities and settled areas. The amount of that  
18 land shall be sufficient to meet existing and projected needs for  
19 accessible public recreation land. Special care shall be taken to  
20 preserve public access to public water and to retain state ownership  
21 of sufficient land which combine high value for recreation and other  
22 public purposes with accessibility to settled areas. This classifica-  
23 tion for public purposes does not constitute dedication to open space,  
24 but the division's management of land so classified shall be in a  
25 manner to preserve the identified values.

26 \* Sec. 2. AS 38.04.005(e) is repealed and reenacted to read:

27 (e) The involvement of a proximately located municipality and of  
28 local residents is essential in classifying and making state land  
29 available for private use and settlement. The director shall, when

1 appropriate, hold public meetings in the communities most affected by  
2 the disposal to solicit the views of the residents of the communities  
3 affected.

4 \* Sec. 3. AS 38.04.005 is amended by adding a new subsection to read:

5 (f) Land owned by the Board of Regents of the University of  
6 Alaska is not subject to the provisions of this chapter.

7 \* Sec. 4. AS 38.04.010(b) is amended to read:

8 (b) State land which is located beyond the range of existing  
9 schools and other necessary public services, or which is located where  
10 development of sources of employment is improbable, may be made avail-  
11 able for seasonal recreational purposes or for low density settlement.  
12 The seasonal recreation use or low density settlement shall have [  
13 WITH] sufficient separation between residences so that public services  
14 will not be necessary or expected. The availability of timber, fire-  
15 wood, fishery and water resources shall be considered in determining  
16 separation between residences.

17 \* Sec. 5. AS 38.04.020(e) as amended by sec. 3, ch. 103, SLA 1983 is  
18 amended to read:

19 (e) The commissioner shall annually submit to the governor an  
20 appropriation request for funding estimated to be necessary for the  
21 next two years to allow [NECESSARY FOR THE DISPOSAL OF STATE LAND IN  
22 THE LAND DISPOSAL BANK THAT SHALL BE INCLUDED IN THE BUDGET SUBMITTED  
23 TO THE LEGISLATURE BY THE GOVERNOR. FOR EACH FISCAL YEAR, THE REQUEST  
24 SHALL INCLUDE AN ESTIMATE OF THE AMOUNT NECESSARY]

25 (1) [FOR] survey and disposal of land proposed to be made  
26 available for homestead staking, with the general location of the  
27 land;

28 (2) [FOR] survey and disposal of land to be offered as  
29 agricultural, commercial, industrial, or other uses under AS 38.05.055

1 or 38.05.057, with the general location of the land;

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

4 (4) [FOR] preliminary feasibility studies, engineering  
5 design work, right-of-way acquisition, and construction of access  
6 roads and capital improvements required by municipal subdivision  
7 ordinance or regulation of the platting board under AS 29.33.150; [IF  
8 AN ACCURATE DETERMINATION OF THE AMOUNTS NECESSARY FOR ACCESS ROADS OR  
9 CAPITAL IMPROVEMENTS CANNOT BE MADE AT THE TIME THE ESTIMATE IS SUB-  
10 MITTED, A SCHEDULE FOR OBTAINING THE ESTIMATES, CONSTRUCTING THE  
11 ACCESS ROADS OR CAPITAL IMPROVEMENTS, AND DISPOSING OF THE LAND SHALL  
12 BE SUBMITTED;]

13 (5) [FOR] identification of land that will be proposed for  
14 disposal under this subsection in future fiscal years.

15 \* Sec. 6. AS 38.04.020(f) is amended to read:

16 (f) The request of the commissioner under (e) of this section  
17 shall include an analysis and an assessment of the market demand for  
18 the land proposed for disposal [BE BASED ON AN ANNUAL WRITTEN ASSES-  
19 MENT BY THE COMMISSIONER OF THE MARKET FOR STATE LAND IN THE DIFFERENT  
20 REGIONS OF THE STATE. IF THE STATE LAND IS IN OR ADJACENT TO MUNICI-  
21 PALITIES OR UNINCORPORATED COMMUNITIES, THE ASSESSMENT SHALL BE DE-  
22 VELOPED IN CONSULTATION WITH THE MUNICIPALITIES OR UNINCORPORATED  
23 COMMUNITIES. THE ASSESSMENT MUST INCLUDE A SURVEY OF THE SUPPLY OF  
24 PRIVATELY OWNED LAND OFFERED FOR SALE, MUNICIPAL LAND FOR WHICH A  
25 DISPOSAL PLAN HAS BEEN COMPLETED, AND FEDERAL LAND AVAILABLE FOR SALE,  
26 LEASE, OR PERMIT FOR SPECIFIC ACTIVITIES. THE ASSESSMENT OF THE  
27 MARKET FOR STATE LAND SHALL BE BASED ON AN ANALYSIS OF THE AMOUNT OF  
28 PRIVATE, MUNICIPAL, AND FEDERAL LAND AVAILABLE FOR DISPOSAL ON TERMS  
29 EQUIVALENT TO THOSE USED IN COMPARABLE STATE LAND DISPOSAL PROGRAMS

1 AND SHALL INCLUDE THE LENGTH OF TIME LAND REMAINS ON THE MARKET BEFORE  
2 IT IS SOLD. THE ASSESSMENT MUST INCLUDE FINDINGS REGARDING THE AMOUNT  
3 AND GENERAL LOCATION OF STATE LAND, IN ADDITION TO LAND OFFERED BY  
4 PRIVATE LANDOWNERS OR AVAILABLE FROM A MUNICIPAL GOVERNMENT OR THE  
5 FEDERAL GOVERNMENT, THAT IS NECESSARY TO MEET THE STATEWIDE DEMAND FOR  
6 AT LEAST FIVE FISCAL YEARS IMMEDIATELY AFTER THE YEAR IN WHICH THE  
7 ASSESSMENT IS MADE. THE ASSESSMENT MUST ALSO STATE THE GENERAL LOCA-  
8 TION OF LAND PROPOSED FOR DISPOSAL IN THE NEXT FISCAL YEAR AND RECOM-  
9 MENDATIONS FOR THE METHOD OF DISPOSAL UNDER WHICH THE LAND WILL BE  
10 OFFERED TO THE PUBLIC].

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

12 (2) Land designated as suitable for subdivision and home-  
13 site disposal shall be surveyed, subdivided, classified, and disposed  
14 of under this chapter, AS 38.05, and AS 38.08 [AS FOLLOWS:

15 (A) UP TO 80 PERCENT OF THE PARCELS SHALL BE SOLD  
16 UNDER THE LOTTERY SALE PROCEDURES ESTABLISHED IN AS 38.05.057 AND  
17 38.05.065;

18 (B) AT LEAST 10 PERCENT OF THE PARCELS SHALL BE DIS-  
19 POSED OF AS HOMESITES UNDER AS 38.08.010 - 38.08.120; AND

20 (C) AT LEAST AN ADDITIONAL 10 PERCENT OF THE PARCELS  
21 SHALL BE DISPOSED OF AS HOMESITES UNDER AS 38.08.010 - 38.08.120  
22 EXCEPT THAT, NOTWITHSTANDING AS 38.08.040(b), PARCELS OFFERED  
23 UNDER THIS SUBPARAGRAPH SHALL BE OFFERED BY LOTTERY UNDER AS 38.-  
24 05.057].

25 \* Sec. 8. AS 38.04.020(h) is amended to read:

26 (h) Individual parcels disposed of in subdivisions may not  
27 exceed five acres unless the commissioner determines that a larger  
28 size is necessary to comply with municipal [ZONING] ordinances, [OR]  
29 to permit the design of a viable subdivision because of topographical

1 features, soil conditions, on-site sewage disposal requirements, or  
2 water drainage or supply considerations that are unique to the sub-  
3 division, to minimize adverse effect on wildlife, fishery, public  
4 recreation, timber, or other significant resources in the area, or to  
5 minimize adverse effect on other residential uses in the area.

6 \* Sec. 9. AS 38.04 is amended by adding a new section to read:

7 Sec. 38.04.022. FUNDS FOR LAND DISPOSAL. (a) The revenue from  
8 the sale of state land shall be deposited in a special state land  
9 disposal income account in the state general fund. The legislature  
10 may appropriate money from the special state land disposal income  
11 account for expenditure by the Department of Natural Resources for  
12 necessary costs incurred by the commissioner in the implementation of  
13 state land disposal programs authorized under this title and for  
14 implementation of AS 38.04.021.

15 (b) Within 30 days after the legislature convenes in regular  
16 session the Department of Natural Resources shall submit a report  
17 reflecting all money deposited in the fund established under (a) of  
18 this section during the prior fiscal year.

19 \* Sec. 10. AS 38.04.035(4) is amended to read:

20 (4) or enabling isolated cabin development in remote  
21 locations where survey and conveyance is impractical, or where dis-  
22 posal of land would cause potential conflicts with other resources and  
23 uses require additional conditions, or where a long-range interest in  
24 public ownership and use exist, a system for cabin permits on public  
25 land may be used.

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

27 (b) Before the conveyance of surface rights to state land, an  
28 official cadastral survey shall be accomplished, unless a comparable,  
29 acceptable survey exists that has been conducted by the federal Bureau

1 of Land Management. The rectangular survey section corner positions  
2 shall be monumented and shown on a cadastral survey plat approved by  
3 the state. However, for those areas where the state may wish to  
4 convey surface estate outside of an official cadastral survey grid,  
5 the director may waive monumentation of all individual section corner  
6 positions and substitute an official control survey with control  
7 points being monumented [AT APPROXIMATELY TWO-MILE INTERVALS] and  
8 shown on control survey plats approved by the state. No portion of  
9 land to be conveyed may be located more than two miles from such a  
10 survey control monument except that the commissioner may waive this  
11 requirement on a determination that topographic features, diffuse  
12 settlement, or the public interest do not justify the requirement.  
13 The lots and tracts in state subdivisions shall be monumented and the  
14 cadastral survey and plats for the subdivision shall be approved by  
15 the state. Where land is located within a municipality with planning,  
16 platting, and zoning powers, plats for state subdivisions shall comply  
17 with local ordinances and regulations in the same manner and to the  
18 same extent as plats for subdivisions by other landowners. State  
19 subdivisions shall be filed in the district recorder's office. The  
20 requirements of this section do not apply to land made available  
21 through a cabin permit system, material sales, or short-term leases;  
22 however, for short-term leases the lessee must comply with local  
23 subdivision ordinances unless waived by the municipality under proce-  
24 dures specified by ordinance.

25 \* Sec 12. AS 38.04.050 is amended to read:

26 Sec. 38.04.050. ACCESS TO PRIVATE USE AREAS. Wherever state  
27 land is surveyed for purposes of private use, legal [ADEQUATE] rights-  
28 of-way and easements shall be reserved [AS NECESSARY] for access and,  
29 where appropriate, for utility services [POWER AND TELEPHONE SERVICE]

1 to each parcel of land. A right-of-way or easement shall be located  
2 to assure adequate and feasible access for the purposes for which the  
3 right-of-way or easement was intended. Where necessary and appropri-  
4 ate for the use intended or where required by local subdivision ordi-  
5 nances, the director shall arrange for the development of surface  
6 access as part of the land availability program. The direct cost of  
7 local access development shall be borne by the recipient of the land  
8 unless otherwise provided by state statutes or regulations.

9 \* Sec. 13. AS 38.04.055 is amended to read:

10 Sec. 38.04.055 ACCESS THROUGH PRIVATE USE AREAS. The director  
11 shall reserve easements and rights-of-way on and across land which is  
12 made available for private use as necessary to reach or use public  
13 water and public and private land. An easement or right-of-way re-  
14 served under this section may include [ESTABLISHED] trails that have  
15 an established history of use [TRADITIONALLY USED] for commerce,  
16 recreation, or transportation.

17 \* Sec. 14. AS 38.04 is amended by adding a new section to Article 2 to  
18 read:

19 Sec. 38.04.058. RESTRICTIONS ON EASEMENT OR RIGHT-OF-WAY USE.  
20 The director may, under terms agreed to in writing by a grantee,  
21 lessee, or interest holder of state land, restrict the use of an  
22 easement or right-of-way reserved under AS 38.04.050 - 38.04.055 or  
23 other law in order to protect public safety or property.

24 \* Sec. 15. AS 38.05.020(b) is amended to read:

25 (b) The commissioner may  
26 (1) establish reasonable procedures and adopt reasonable  
27 [RULES AND] regulations necessary to carry out this chapter and [MAY],  
28 whenever necessary, issue directives or orders to the director to  
29 carry out specific functions and duties; [ALL RULES AND] regulations

1        adopted by the commissioner shall be adopted under the Administrative  
2        Procedure Act (AS 44.62); orders by the commissioner classifying land,  
3        [LANDS] issued after January 3, 1959, are not required to be adopted  
4        under the Administrative Procedure Act (AS 44.62);

5                (2) enter into agreements considered [WHICH HE CONSIDERS]  
6        necessary to carry out the purposes of this chapter, including agree-  
7        ments with federal and state agencies;

8                (3) review any order or action of the director;

9                (4) exercise the powers and do the acts necessary to carry  
10       out the provisions and objectives of this chapter;

11               (5) notwithstanding the provisions of any other section of  
12       this chapter, grant an extension of the time within which payments due  
13       on any lease or sale of state land, minerals, or materials may be  
14       made, including payment of rental and royalties, on a finding [IF HE  
15       FINDS] that compliance with the requirements is or was prevented by  
16       reason of war, riots, or acts of God; [.]

17               (6) classify tracts for agricultural uses and require the  
18       prequalification, including the submission of conservation plans,  
19       development plans, or other plans, schedules, or programs, of persons  
20       who apply to participate in an agricultural development project under  
21       AS 44.33.475;

22               (7) waive, postpone, or otherwise modify the development  
23       requirements of a contract for the sale of agricultural land if the  
24       land is inaccessible by road or transportation, marketing, and devel-  
25       opment costs render the required development uneconomic.

26       \* Sec. 16. AS 38.05.030(c) is amended to read:

27               (c) In addition to the requirements specified in AS 38.50.090,  
28       the agencies referred to in [(a) AND] (b) of this section and other  
29       state agencies with authority to acquire or dispose of land shall give

1 written notification of the fact of acquisition, lease, disposal, or  
2 exchange to the commissioner [DIVISION OF LANDS] within three months  
3 after the date that they make the acquisition, lease, disposal, or  
4 exchange.

5 \* Sec. 17. AS 38.05.030(d) is amended to read:

6 (d) Real property acquired by [,] and under the management of  
7 [,] the agencies referred to in [(a) AND] (b) of this section that [,  
8 WHICH] is no longer needed for its intended use [,] shall be trans-  
9 ferred [RETURNED] to the commissioner [JURISDICTION OF THE DIVISION OF  
10 LANDS], except that the Department of Transportation and Public Facili-  
11 ties [HIGHWAYS] may dispose of real property acquired by it under  
12 AS 19.05.040(2) and AS 19.05.080 - 19.05.120.

13 \* Sec. 18. AS 38.05.030 is amended by adding a new subsection to read:

14 (f) Land owned by the Board of Regents of the University of  
15 Alaska is not subject to this chapter.

16 \* Sec. 19. AS 38.05.035(b) is amended to read:

17 (b) The director may

18 (1) delegate the administrative duties, functions or powers  
19 imposed upon the director [HIM] to a responsible employee in the  
20 division;

21 (2) grant preference rights for the lease or purchase of  
22 state land without competitive bid in order to correct [THE PAST OR  
23 FUTURE] errors or omissions of a state or federal administrative  
24 agency when inequitable detriment would otherwise result to a diligent  
25 claimant or applicant due to situations over which the claimant or  
26 applicant had no control; the exercise of this discretionary power  
27 operates only to divest the state of its title to or interests in land  
28 and may be exercised only

29 (A) with the express approval of the commissioner; and

1                   (B) if the application for the preference right is  
2 filed with the director within five years from

3                   (i) the occurrence of the error or omission;

4                   (ii) the date of acquisition by the state of the  
5 land; or

6                   (iii) the date of a court decision or settlement  
7 nullifying a disposal of state land;

8           (3) grant a preference right to a claimant who shows bona  
9 fide improvement of state land [,] or of federal land subsequently  
10 acquired by the state [,] and who has in good faith sought to obtain  
11 title to the land but who, through error or omission of others occur-  
12 ring within the three years before the application for the preference  
13 right, has been denied title to it; upon a showing satisfactory to the  
14 commissioner, the claimant may lease or purchase the land at the price  
15 set on the date of original entry on the land or, if a price was not  
16 set at that time at a price determined by the director [DIVISION] to  
17 fairly represent the value of unimproved land at the time the claim  
18 was established, but in no event less than the cost of administration  
19 including survey; the error or omission of a predecessor in interest  
20 or an agent, administrator, or executor which has clearly prejudiced  
21 the claimant may be the basis for granting a preference right;

22           (4) sell land [LANDS] by lottery for less than the [THEIR]  
23 appraised value when, in the [HIS] judgment of the director, past  
24 scarcity of land suitable for private ownership in any particular area  
25 has resulted in unrealistic land values;

26           (5) when the director [HE] determines it is in the best  
27 interest of the state and will avoid injustice to a person or the  
28 [HIS] heirs or devisees of a person, dispose of land, by direct nego-  
29 tiation to that person who presently uses and who used and made

1 improvements to that land before January 3, 1959 or to the [HIS] heirs  
2 or devisees of the person; the amount paid for the land shall be its  
3 fair market value on the date that the person first entered the land,  
4 as determined by the director; a parcel of land disposed of under this  
5 paragraph shall be of a size consistent with the person's prior use,  
6 but may not exceed five acres;

7 (6) dispose of [AN INTEREST IN] land limited to use for  
8 agricultural purposes by lottery;

9 (7) convey to an adjoining landowner for its fair market  
10 value a remnant of land that the director considers unmanageable or a  
11 parcel of land created by a highway right-of-way alignment or realig-  
12 ment, or a parcel created by the vacation of a state-owned right-of-  
13 way if

14 (A) the director [HE] determines that it is in the  
15 best interests of the state;

16 (B) the parcel does not exceed the minimum lot size  
17 under an applicable zoning code; and

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

23 (8) for good cause extend for up to 90 days the time for  
24 rental or installment payments by a lessee or purchaser of state land  
25 under this chapter if reasonable penalties and interest set by the  
26 director are paid;

27 (9) quitclaim land or an interest in land to the federal  
28 government on a determination that the land or the interest in land  
29 was wrongfully or erroneously conveyed by the federal government to

1        the state.

2        \* Sec. 20. AS 38.05.035 is amended by adding new subsections to read:

3            (e) Upon a written finding that the interests of the state will  
4        be best served, the director may, with the consent of the commis-  
5        sioner, approve contracts for the sale, lease, or other disposal of  
6        available land, resources, property or interests in them, and, in  
7        addition to the conditions and limitations imposed by law, may impose  
8        additional conditions or limitations in the contracts as the director  
9        determines, with the consent of the commissioner, will best serve the  
10       interests of the state. A contract for the sale, lease, or other  
11       disposal of available land or an interest in land is not legally  
12       binding on the state until the commissioner approves the contract but  
13       if the appraised value is not greater than \$50,000 in the case of the  
14       sale of land or an interest in land, or \$5,000 in the case of the  
15       annual rental of land or interest in land, the director may execute  
16       the contract without the approval of the commissioner. Before a  
17       public hearing, if held, or in any case no less than 21 days before  
18       the sale, lease, or other disposal of available land, property, re-  
19       sources, or interests in them, the director shall make available to  
20       the public a written finding that sets out the facts and applicable  
21       law upon which the determination that the sale, lease, or other dis-  
22       posal will best serve the interests of the state was based. A written  
23       finding is not required before the approval of

24            (1) a contract for a negotiated sale authorized under  
25        AS 38.05.115;

26            (2) a lease of land for a shore fishery site under AS 38.-  
27        05.082; or

28            (3) a permit or other authorization revocable by the com-  
29        missioner.

1           (f) The director shall grant a preference right to the purchase  
2 or lease without competitive bid of up to five acres of state land to  
3 an individual who has erected a building on the land and used the land  
4 for bona fide business purposes for five or more years under a federal  
5 permit or without the need for a permit and, after selection by the  
6 state, under a state use permit or lease, if the business produced no  
7 less than 25 percent of the total income of the applicant for the five  
8 years preceding the application to purchase or lease the land. The  
9 director shall sell or lease the land at a price determined by the  
10 director to represent the current fair market value of the unimproved  
11 land but in no event less than the cost of administration including  
12 survey if required. If the director determines in a written finding  
13 that the purchase or lease of the land would interfere with public use  
14 by residents of the area, the director may condition the purchase or  
15 lease to mitigate the adverse effects on the public use or may reject  
16 the application for the preference right. A lease granted under this  
17 subsection may not be for a period in excess of 50 years. In this  
18 subsection, "business purposes" means a purpose permitted under the  
19 classification of the land at the time the land was entered.

20 \* Sec. 21. AS 38.05.050 is amended to read:

21           Sec. 38.05.050. DISPOSAL OF LAND FOR PRIVATE OWNERSHIP. The  
22 commissioner [, UPON THE RECOMMENDATION OF THE DIRECTOR,] shall deter-  
23 mine the land to be disposed of for private use. The commissioner  
24 [DIRECTOR] shall determine the time and place of disposal. An auction  
25 sale, a lottery sale, or a disposal of land for homesites shall [UNDER  
26 AS 38.04.020(g)(2)(C) MUST] be held in a community [THE MUNICIPALITY]  
27 that is near [CLOSEST TO] the land to be sold or disposed of [AND IN  
28 WHICH REGULAR SESSIONS OF A COURT OF THE STATE ARE HELD].

29 \* Sec. 22. 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]  
3 AS 38.08, the sale of state land shall be made at public auction to  
4 the highest qualified bidder as determined by the director. The dir-  
5 ector may accept bids and sell state land under this section at no  
6 less than 70 percent of the appraised fair market value of the land.  
7 A bidder must appear in person at the auction unless medical reasons,  
8 attendance at school, or military service outside the state prevent  
9 attendance. A bidder may be represented by an attorney or agent at  
10 the auction if the land offered for disposal is commercial, industri-  
11 al, or agricultural land. An aggrieved bidder may appeal to the com-  
12 missioner within five days after the sale for a review of the direc-  
13 tor's determination. The sale shall be conducted by the director [OR  
14 HIS REPRESENTATIVE,] and at the time of sale the successful bidder  
15 shall deposit an amount equal to five percent of the purchase price [,  
16 OR IF THE PURCHASER ELECTS TO USE LAND DISCOUNTS GRANTED UNDER AS 38.-  
17 05.058, FIVE PERCENT OF THE AMOUNT BID AFTER DEDUCTION OF THE DIS-  
18 COUNT]. The director [OR HIS REPRESENTATIVE] shall immediately issue  
19 a receipt containing a description of the land or property purchased,  
20 the price bid, and the amount deposited [, AND THE AMOUNT OF ANY DIS-  
21 COUNT ALLOWED]. The receipt shall be acknowledged in writing by the  
22 bidder.

23 \* Sec. 23. AS 38.05.059 is repealed and reenacted to read:

24           Sec. 38.05.059. LIMITATIONS AND CONDITIONS ON SALE OR LEASE OF  
25 AGRICULTURAL LAND. (a) During any eight-year period, a person may  
26 purchase from the state not more than one parcel of land that is part  
27 of an agricultural development project under AS 44.33.475.

28           (b) In a sale or other disposal of state land classified as  
29 agricultural land, the use of the land shall be restricted. The

1 commissioner shall convey a fee simple conditional title to the sur-  
2 face estate subject to a condition subsequent that the land be used  
3 only for agricultural purposes. The commissioner shall reserve a  
4 right of reentry after notice and an opportunity for a hearing if the  
5 land is used for other than agricultural purposes. A reversion of  
6 title upon reentry does not affect the validity of a prior lien or  
7 security interest on the land.

8 (c) The lessee of state agricultural land shall receive a lease-  
9 hold interest in the surface estate subject to the condition that the  
10 land leased be used only for agricultural purposes.

11 (d) As a condition to the issuance of a lease or a contract of  
12 sale of state land classified as agricultural land, the commissioner  
13 may require a farm development agreement and the submission of a  
14 conservation plan that establish reasonable requirements based on the  
15 economic feasibility of development and sound agricultural principles.

16 (e) The commissioner may not convey title under (b) of this  
17 section to a person who

18 (1) is in arrears on the purchase or lease of agricultural  
19 land; or

20 (2) has not complied with a farm development agreement or  
21 conservation plan required by the commissioner.

22 (f) In this section, "agricultural purposes" includes farming,  
23 ranching, grazing, and storage or control of agricultural crops or  
24 livestock, and the construction of the farm residence of the grantee  
25 or lessee and other buildings commonly needed for agricultural pur-  
26 poses on not more than 20 acres of the land transferred under this  
27 section.

28 \* Sec. 24. AS 38.05.065(c) is amended to read:

29 (c) The director shall, for contracts under (a) or (b) of this

1 section, set out in the contract for each sale the period for the  
2 payment of installments and the total purchase price plus interest.  
3 The director, with the consent of the commissioner, may also include  
4 in contracts under this section conditions, limitations and terms  
5 considered [WHICH HE CONSIDERS] necessary and proper to protect the  
6 interest of the state. Violations of any provision of AS 38.05.005 -  
7 38.05.370 or the terms of the contract of sale subject the purchaser  
8 to appropriate administrative and legal action, including but not  
9 limited to the provisions of (d) - (f) of this section [SPECIFIC  
10 PERFORMANCE, FORECLOSURE, EJECTMENT, OR OTHER LEGAL REMEDIES IN ACCOR-  
11 DANCE WITH APPLICABLE STATE LAW].

12 \* Sec. 25. AS 38.05.065 is amended by adding new subsections to read:

13 (d) If a contract for a sale of state land has been breached,  
14 the director may exercise a right retained in the contract to fore-  
15 close the contract on terms stated in the contract if the director has  
16 complied with the notice requirements of (e) of this section.

17 (e) Not less than 30 days after the breach and not less than  
18 three months before a sale the director shall record in the office of  
19 the recorder of the recording district in which the state land is  
20 located a notice of breach setting out (1) the book and page where the  
21 contract of sale is recorded, (2) a description of the state land, (3)  
22 a statement that a breach of the contract of sale has occurred, (4)  
23 the nature of the breach, (5) the sum owing on the contract, (6) the  
24 election of the director to sell the property to satisfy the contract,  
25 (7) and the date, time and place of the sale. At any time before the  
26 sale, if the breach has arisen by failure to make payments required by  
27 the contract, the breach may be cured by payment of the sum in default  
28 other than the principal that would not then be due if no breach had  
29 occurred, plus costs actually incurred by the director due to the

1 breach. If under the same contract notice of breach under this sub-  
2 section has been recorded two or more times previously and the breach  
3 has been cured under this subsection, the director may elect to refuse  
4 payment.

5 (f) Within 10 days after recording the notice of breach, the  
6 director shall mail a copy of the notice by certified mail to the last  
7 known address of each of the following persons or their legal repre-  
8 sentatives (1) the purchaser under the contract of sale; (2) any  
9 person in possession of or occupying the property; (3) any person  
10 having a lien or interest subsequent to the interest of the state in  
11 the state land, where the lien or interest appears of record or where  
12 the state has actual notice of the lien or interest. The notice may  
13 be delivered personally instead of by mail.

14 \* Sec. 26. AS 38.05.069(a) is amended to read:

15 (a) On a determination [IF THE DIRECTOR DETERMINES] that the  
16 highest and best use of unoccupied land is for agricultural purposes  
17 [,] and [IF HE DETERMINES] that it is in the best interests of the  
18 state to sell or lease the land, the commissioner [HE] shall grant to  
19 an Alaskan resident owning and using or leasing and using land for  
20 agricultural purposes a [60-DAY] first option at [AFTER THE DATE OF]  
21 the auction to purchase or lease the unoccupied land situated adjacent  
22 to land presently held by the Alaskan resident [OR IN THE APPROXIMATE  
23 VICINITY OF HIS PRESENTLY HELD LAND] for the amount of the high bid  
24 received at public auction. If more than one Alaskan resident qual-  
25 ifies for a first option under this section, eligibility for the first  
26 option shall be determined by lot and the option must be exercised on  
27 the conclusion of the public auction. A parcel of agricultural land  
28 sold under this section may not be less than 20 acres and a parcel of  
29 agricultural land that [WHICH] is acquired by exercise of the option

1 granted in this subsection may not exceed 320 acres. Agricultural  
2 land that [WHICH] is acquired under this section must be used for  
3 agricultural purposes as required by law.

4 \* Sec. 27. AS 38.05.069(c) is amended to read.

5 (c) Under this section

6 (1) the director may transfer state land classified for  
7 agriculture [CONVEY OR LEASE AN INTEREST IN THE LAND] only for agri-  
8 cultural purposes [, AND ALL OTHER INTERESTS IN THE LAND REMAIN IN THE  
9 STATE];

10 (2) the sale or lease shall be at public auction [;

11 (2) THE REMAINING INTERESTS MAY SUBSEQUENTLY BE CONVEYED OR  
12 LEASED BY THE DIRECTOR ONLY UPON THE REQUEST OF THE GRANTEE OR LESSEE  
13 OR HIS ASSIGNS AND THE DETERMINATION OF THE DIRECTOR, WITH THE WRITTEN  
14 CONCURRENCE OF THE COMMISSIONER, THAT THE CONVEYANCE OR LEASE IS IN  
15 THE PUBLIC INTEREST;

16 (3) THE CONVEYANCE OR LEASE OF THE REMAINING INTERESTS  
17 SHALL BE AT PUBLIC AUCTION; THE ORIGINAL GRANTEE OR LESSEE OR HIS  
18 ASSIGNS HAVE A PREFERENCE RIGHT TO MEET THE HIGH BID WITHIN 30 DAYS  
19 AFTER THE DAY OF THE AUCTION; IF THE RIGHT IS EXERCISED, THE VALUE OF  
20 IMPROVEMENTS OWNED BY THE HOLDER OF THE PREFERENCE RIGHT, INCLUDED  
21 WITH THE REMAINING INTERESTS SOLD, SHALL BE DEDUCTED FROM THE PURCHASE  
22 PRICE;

23 (4) BY REQUESTING THE CONVEYANCE OR LEASE OF THE REMAINING  
24 INTEREST, THE ORIGINAL GRANTEE OR LESSEE OR HIS ASSIGNS

25 (A) CONSENTS TO THE SALE OR LEASE, AND

26 (B) IF THE PREFERENCE RIGHT PROVIDED BY (3) OF THIS  
27 SUBSECTION IS NOT EXERCISED, CONSENTS TO SELL AT FAIR MARKET  
28 VALUE THE IMPROVEMENTS RELATED TO THE REMAINING INTEREST, AS  
29 APPRAISED BY THE DIRECTOR;

1 (5) THE REMAINING INTERESTS IN THE LAND MAY NOT BE CONVEYED  
2 OR LEASED FOR LESS THAN THEIR APPRAISED VALUE TOGETHER WITH IMPROVE-  
3 MENTS EXCEPT FOR THE DEDUCTION ALLOWED BY (3) OF THIS SUBSECTION].

4 \* Sec. 28. AS 38.05.070(b) is amended to read:

5 (b) The director, with the approval of the commissioner, shall  
6 determine the land to be leased and the limitations, conditions and  
7 terms of the lease. The director shall preserve reasonable and tradi-  
8 tional access to state land and water. If the appraised value of the  
9 transaction is \$5,000 [\$250] a year or less the director may negotiate  
10 a lease [WITHOUT ADVERTISEMENT] for a period not to exceed 10 [FIVE]  
11 years, and on the limitations, conditions and terms that the director  
12 [WHICH HE] considers are in the best interests of the state. A lease  
13 negotiated under this subsection is not eligible for a preference  
14 under AS 38.05.102.

15 \* Sec. 29. AS 38.05.070(c) is amended to read:

16 (c) A lease may be issued for a period up to 55 years, if the  
17 commissioner determines it [APPEARS] to be in the best interests of  
18 the state. The commissioner shall consider the useful life of any  
19 improvements proposed and approved under AS 38.05.075 in determining  
20 the term of the lease [AND IF THE COMMISSIONER APPROVES]. If the  
21 commissioner determines that the land or a part of it which is the  
22 subject of a grazing lease is not being used for the purpose issued,  
23 the lease may be declared void. [HOWEVER, A NONRENEWABLE LEASE FOR  
24 SCHOOL LANDS MAY BE ISSUED FOR A PERIOD NOT TO EXCEED 99 YEARS.]

25 \* Sec. 30. AS 38.05.075 is amended to read:

26 Sec. 38.05.075. LEASING PROCEDURES. Except as provided in  
27 AS 38.05.087 and this section, leasing [THE LEASING] shall be made at  
28 public auction to the highest qualified bidder as determined by the  
29 commissioner [DIRECTOR]. An aggrieved bidder may appeal to the

1 commissioner within five days for a review of the [DIRECTOR'S] deter-  
2 mination. [WHEN A VALID EXISTING FEDERAL GRAZING LEASE IS CANCELLED  
3 TO ALLOW STATE SELECTION OF THE AREA UNDER LEASE, THE LESSEE OF THE  
4 LANDS HAS THE PREFERENCE RIGHT TO LEASE THE LANDS WITHOUT COMPETITIVE  
5 BIDDING FOR A TERM EQUAL TO THAT ORIGINALLY GRANTED IN THE CANCELLED  
6 FEDERAL LEASE AND UPON TERMS AS FAVORABLE TO THE LESSEE AS THOSE  
7 CONTAINED IN THE CANCELLED FEDERAL LEASE.] The leasing shall be  
8 conducted by the commissioner [DIRECTOR, OR HIS REPRESENTATIVE,] and  
9 the successful bidder shall deposit at the auction the first year's  
10 rental [,] or that portion of it that [WHICH] the commissioner re-  
11 quires [,] in accordance with the [HIS] bid. The commissioner shall  
12 require qualified bidders to deposit a sum equal to any survey or  
13 appraisal costs reasonably incurred by another qualified bidder acting  
14 in accordance with the regulations of the commissioner. If a bidder  
15 making a deposit of survey or appraisal costs is determined by the  
16 commissioner to be the highest qualified bidder under this subsection,  
17 the deposit shall be paid to the unsuccessful bidder who incurred  
18 those costs. Any survey or appraisal costs reasonably incurred by a  
19 qualified bidder under the regulations of the commissioner or de-  
20 posited under this subsection must be credited under the first and  
21 then subsequent years' rentals. All costs for survey and appraisal  
22 shall be approved in advance in writing by the commissioner. The  
23 commissioner [DIRECTOR OR HIS REPRESENTATIVE] shall immediately issue  
24 a receipt containing a description of the land or interest leased, the  
25 price bid, [AND] terms of the lease, and the amount of any credit for  
26 survey and appraisal costs to the successful qualified bidder. If the  
27 [THE] receipt is not accepted [SHALL BE ACKNOWLEDGED] in writing by  
28 the bidder under this subsection, the commissioner may offer the land  
29 for lease again under this subsection. A lease, on a form approved by

1 the attorney general, shall be signed by the successful bidder and  
2 [LESSEE AND, UPON APPROVAL] by the commissioner within 30 days after  
3 the auction [, SHALL BE SIGNED BY THE DIRECTOR].

4 \* Sec. 31. AS 38.05.075 is amended by adding new subsections to read:

5 (b) When a valid existing federal grazing lease is cancelled to  
6 allow state selection of the area under lease, the lessee of the land  
7 has the preference right to lease the land without competitive bidding  
8 for a term equal to that originally granted in the cancelled federal  
9 lease and upon terms as favorable to the lessee as those contained in  
10 the cancelled federal lease.

11 (c) The owner or lessee of land that fronts on tide or submerged  
12 land of the state is entitled to acquire a lease for the tide and  
13 submerged land without competitive bidding if the director determines  
14 that

15 (1) the lease of the tide or submerged land is necessary to  
16 facilitate water transportation of goods, services, or resources to or  
17 from the owned or leased upland or for another water-dependent pur-  
18 pose;

19 (2) the proposed use of the tide or submerged land is  
20 compatible with the classification of the land and with any applicable  
21 land use plan adopted under AS 38.04.065; and

22 (3) issuance of the lease to the tide or submerged land  
23 will not interfere with prior existing rights to the leased land.

24 (d) If the commissioner issues a lease under (c) of this sec-  
25 tion, the right of access to the tide and submerged land shall be  
26 nonexclusive in the lessee unless the commissioner grants the lessee  
27 the exclusive right to use the tide and submerged land.

28 (e) The commissioner may require prequalification of bidders for  
29 a lease to be issued under AS 38.05.070. If the commissioner

1 determines to require prequalification, the procedures established by  
2 this section and the notice including pre-qualification requirements  
3 required to be given under AS 38.05.345 shall be completed within 75  
4 days of the receipt of the first lease application unless the commis-  
5 sioner grants additional time for the completion of the procedures.  
6 Within the 75-day period or the additional time granted by the commis-  
7 sioner, the commissioner shall complete

8 (1) classification under AS 38.05.300;

9 (2) the procedures required by AS 38.05.035(e);

10 (3) any other action required by law for the disposal of  
11 the lease to a bidder except survey, appraisal, and the auction.

12 (f) The commissioner may issue a lease without competitive  
13 bidding at the approved, appraised market value of the land determined  
14 under AS 38.05.310 if, after completion of the procedures required by  
15 (e) of this section, the commissioner determines that there is only  
16 one qualified bidder. The commissioner may establish terms and con-  
17 ditions for entry to the land pending survey and appraisal of the  
18 land. The commissioner shall issue the lease as soon as is practi-  
19 cable following the survey and appraisal of the land subject to the  
20 provisions of AS 38.05.035(e).

21 (g) Notice of an auction required under this section shall be  
22 made by certified mail to all prequalified bidders.

23 (h) A person aggrieved by a decision of the commissioner under  
24 this section may appeal to the commissioner within five days of the  
25 prequalification decision. The decision of the commissioner under  
26 this subsection or under AS 38.05.035(e) may be appealed to the supe-  
27 rior court.

28 \* Sec. 32. AS 38.05.110 is amended to read:

29 § 38.05.110. SALE OF TIMBER AND MATERIALS. The commissioner

1 [DIRECTOR] shall provide for cruises of timber and appraisals of other  
2 materials in or upon state land and shall assess the supply of and  
3 current markets for timber on and other materials in privately owned  
4 land in close proximity to state land to determine [LANDS AND TRANSMIT  
5 THIS DATA TO THE COMMISSIONER, TOGETHER WITH HIS RECOMMENDATIONS WITH  
6 RESPECT TO]

7 (1) the timber and other materials that [WHICH] should be  
8 offered for sale, and

9 (2) the terms of sale of the timber or other materials.

10 \* Sec. 33. AS 38.05.115(a) is amended to read:

11 (a) The commissioner [, UPON RECOMMENDATION OF THE DIRECTOR,]  
12 shall determine the timber and other materials to be sold, and the  
13 limitations, conditions and terms of sale. The limitations, condi-  
14 tions and terms shall include the utilization, development and mainte-  
15 nance of the sustained yield principle, subject to preference among  
16 other beneficial uses. The commissioner [DIRECTOR] may negotiate  
17 sales of timber or materials without advertisement and on the limita-  
18 tions, conditions, and terms that are considered to be [WHICH HE  
19 CONSIDERS ARE] in the best interests of the state [, SUBJECT TO THE  
20 APPROVAL OF THE COMMISSIONER]. However, not more than 500 M.B.M. or  
21 equivalent other measure of timber or more than 25,000 cubic yards of  
22 materials may be sold by nonadvertised, negotiated sale to the same  
23 purchaser within a one-year period.

24 \* Sec. 34. AS 38.05.118(a) is amended to read:

25 (a) Notwithstanding any other provision of AS 38.05.110 - 38.-  
26 05.120, the commissioner [DIRECTOR, WITH THE APPROVAL OF THE COMMIS-  
27 SIONER,] may negotiate a sale of timber to a local manufacturer at  
28 appraised value. The period of a contract for a sale of timber nego-  
29 tiated under this section may not exceed 25 years. The contract shall

1 provide that the appraised value of timber remaining to be harvested  
2 under the provisions of the contract shall be redetermined at least  
3 once every five years.

4 \* Sec. 35. AS 38.05.118(c) is amended to read:

5 (c) A [NO] sale of timber may not be negotiated by the commis-  
6 sioner [DIRECTOR] under this section except on a finding [UNLESS HE  
7 FIRST FINDS] that, within an area proximate to the business site which  
8 the manufacturer may economically serve, there exists

- 9 (1) a high level of local unemployment;
- 10 (2) an underutilized timber manufacturing capacity; and
- 11 (3) an underutilized allowable cut of state timber.

12 \* Sec. 36. AS 38.05.120 is amended to read:

13 Sec. 38.05.120. DISPOSAL PROCEDURE. Timber and other materials  
14 shall be sold either by sealed bids or public auction, depending on  
15 which method is determined by the commissioner to be in the best  
16 interests of the state, to the highest qualified bidder as determined  
17 by the commissioner [DIRECTOR]. An aggrieved bidder may appeal to the  
18 commissioner within five days after the sale for a review of the  
19 [DIRECTOR'S] determination. The sale shall be conducted by the com-  
20 missioner [DIRECTOR OR HIS REPRESENTATIVE], and at the time of sale  
21 the successful bidder shall deposit the amount specified in the terms  
22 of sale. The means by which the amount of deposit is determined shall  
23 be prescribed by appropriate regulation. The commissioner [DIRECTOR  
24 OR HIS REPRESENTATIVE] shall immediately issue a receipt containing a  
25 description of the timber or materials purchased, the price bid, and  
26 the terms of sale. The receipt shall be accepted [ACKNOWLEDGED] in  
27 writing by the bidder. A contract of sale, on a form approved by the  
28 attorney general, shall be signed by the purchaser and [, FOLLOWING  
29 THE APPROVAL OF THE COMMISSIONER,] the contract shall be signed by the

171

1        commissioner [DIRECTOR] on behalf of the state.    The commissioner  
2        [DIRECTOR, WITH THE APPROVAL OF THE COMMISSIONER,] may impose condi-  
3        tions, limitations, and terms considered [WHICH HE CONSIDERS] neces-  
4        sary and proper to protect the interests of the state.    Violation of  
5        any provision of this chapter or the terms of the contract of sale  
6        subjects the purchaser to appropriate legal action.

7        \* Sec. 37. AS 38.05.125 is amended by adding new subsections to read:

8                (b) The provisions of (a) of this section do not apply to a  
9        quitclaim of land or a transfer of an interest in land made under  
10       AS 38.05.035(b)(9).

11               (c) Notwithstanding (a) of this section, the transfer of owner-  
12       ship and management of University of Alaska trust land from the De-  
13       partment of Natural Resources to the Board of Regents of the Univer-  
14       sity of Alaska under ch. 22, SLA 1983 includes the mineral estate of  
15       the state in the land.

16        \* Sec. 38. AS 38.05.127(a) is amended to read:

17               (a) Before the sale, lease, grant, or other disposal of any  
18       interest in state land adjacent to a body of water or waterway, the  
19       commissioner [DEPARTMENT OF NATURAL RESOURCES] shall,

20                        (1) [UNDER REGULATIONS,] determine if the body of water or  
21       waterway is navigable water, public water, or neither;

22                        (2) upon finding that the body of water or waterway is  
23       navigable or public water, provide for the specific easements or  
24       rights-of-way [, OR BOTH, REASONABLY] necessary to ensure [INSURE]  
25       free access to and along the body of water, unless the commissioner  
26       [DEPARTMENT] finds that regulating or limiting access is necessary for  
27       other beneficial uses or public purposes.

28        \* Sec. 39. AS 38.05.127 is amended by adding a new subsection to read:

29               (e) The establishment of easements or rights-of-way for oil and

1 gas and mineral leases under (a) of this section need not be made  
2 until the leases are ready to be developed.

3 \* Sec. 40. AS 38.05.205(c) is amended to read:

4 (c) A mining lease shall be for any period up to 55 years, and  
5 the lessee has a right to a new lease at the end of each lease period.  
6 The commissioner may make reasonable adjustments of the rental rate at  
7 the end of each 20 year period, based upon changed conditions in  
8 production costs and markets. A valid mining claim located and held  
9 under AS 38.05.195 may be converted to a lease at any time upon appli-  
10 cation by the owner, and issuance by the commissioner [DIRECTOR]. No  
11 rights granted by a mining lease may be exercised until the lease has  
12 been filed for record in the recording district where the land is  
13 located.

14 \* Sec. 41. AS 38.05.300(a) is amended to read:

15 (a) The commissioner shall classify for surface use land [LANDS]  
16 in areas considered [WHERE HE CONSIDERS IT] necessary and proper.  
17 This section does not prevent reclassification of land [LANDS] where  
18 the public interest warrants reclassification nor does it preclude  
19 multiple purpose use of land [LANDS] whenever different uses are  
20 compatible. State [NO STATE] land, water, or land and water area may  
21 not, [SHALL] except by act of the state legislature, be closed to  
22 multiple purpose use [,] if the area involved contains more than 640  
23 acres.

24 \* Sec. 42. AS 38.05.310(a) is amended to read:

25 (a) No land may be sold or leased, or a renewal lease issued,  
26 except in the case of an oil or gas or mineral lease, unless it has  
27 been appraised within one year [120 DAYS] before the date fixed for  
28 the sale or lease. When land is offered at public sale but is not  
29 sold and is available at private sale, no reappraisal is required

1 unless the director considers that a change in value of the land  
2 [LANDS] may have occurred. A grazing lease may be granted to a lessee  
3 of federal grazing land [LANDS] without prior appraisal, if the [HIS]  
4 federal lease was cancelled to allow the state to select the land  
5 [LANDS] under lease. No land may be sold or leased for less than the  
6 approved, appraised market value, except as provided in AS 38.05.055,  
7 38.05.057, 38.05.075 - 38.05.085, 38.05.097, 38.05.315, and 38.05.320.

8 \* Sec. 43. AS 38.05.315(d) is amended to read:

9 (d) The director may lease the land to an eligible applicant at  
10 a reasonable annual rental, taking into consideration the purposes for  
11 which the land is to be used and the financial resources of the appli-  
12 cant. The rental may not be less than one percent of the fair market  
13 value on land [LANDS] acquired primarily for development, or less than  
14 five percent of the fair market value on [UNIVERSITY OR] acquired land  
15 [LANDS]. Rent may not be charged for state land leased for a youth  
16 encampment. For the purposes of this subsection, "youth encampment"  
17 shall be defined by the commissioner by regulation. Renewal leases  
18 may be issued at the discretion of the director upon the expiration of  
19 a primary or renewal term. Each lease shall contain a provision for  
20 its termination as to all or part of the land [LANDS] upon a finding  
21 by the director that the land or a part of it has not been used by the  
22 lessee for the purpose specified in the lease for a period of two  
23 years. No lease may be assigned or subleased except with the consent  
24 of the director, and in any case may only be transferred to an appli-  
25 cant eligible under (b) - (d) of this section. A lessee may not  
26 change the use specified in the lease to another or additional use  
27 except with the consent of the director. If, at any time after the  
28 land is leased, the lessee attempts to assign the lease or transfer  
29 control over the land to another, or if the land is devoted to a use

1 other than that for which the land was leased without the consent of  
2 the director, the lease automatically terminates.

3 \* Sec. 44. AS 38.05.321(c) is amended to read:

4 (c) The provisions of this section do not apply

5 (1) to state land classified as agricultural land that  
6 [WHICH] has been selected by a municipality under the provisions of  
7 AS 29.18.190 - 29.18.200 if the selection is an approved selection  
8 before April 1, 1978 and is otherwise valid under AS 29.18.205(b); or

9 (2) a quitclaim of the interest of the state to the federal  
10 government under AS 38.05.035(b)(9).

11 \* Sec. 45. AS 38.05.345(a) is amended to read:

12 (a) This section establishes the requirements for notice given  
13 by the department for the following actions:

14 (1) classification or reclassification of state land under  
15 AS 38.05.300 and the closing of land to mineral leasing or entry under  
16 AS 38.05.185;

17 (2) zoning of land under applicable law;

18 (3) a decision under AS 38.05.035(e) [AS 38.05.035(a)(14)]  
19 regarding the sale, lease, or disposal of an interest in state land or  
20 resources; and

21 (4) a competitive disposal of an interest in state land or  
22 resources after final decision under AS 38.05.035(e) [AS 38.05.035-  
23 (a)(14)].

24 \* Sec. 46. AS 38.05.345(b) is amended to read:

25 (b) Notice of one or more actions described in (a) of this  
26 section shall be given at least 30 days before the action by [(1)]  
27 publication in newspapers of statewide circulation and in newspapers  
28 [A NEWSPAPER] of general circulation in the vicinity of the proposed  
29 action and one or more of the following methods: (1) [, (2)]

1 publication through public service announcements on the electronic  
2 media serving the area affected by the action, (2) [(3)] posting in a  
3 conspicuous location in the vicinity of the action, (3) [(4)] noti-  
4 fication of parties known or likely to be affected by the action, or  
5 (4) [(5)] another method calculated to reach affected persons. A  
6 notice shall contain sufficient information in commonly understood  
7 terms to inform the public of the nature of the action and the oppor-  
8 tunity of the public to comment on the action.

9 \* Sec. 47. AS 38.05.345(d) is amended to read:

10 (d) Notice is not required under this section for [FOR PURPOSES  
11 OF THIS SECTION AN "INTEREST IN STATE LAND OR RESOURCES" DOES NOT  
12 INCLUDE

13 (1)] a permit or other authorization revocable by the de-  
14 partment [; OR

15 (2) NEGOTIATED SALES UNDER AS 38.05.115].

16 \* Sec. 48. AS 38.05.365 is amended to read:

17 Sec. 38.05.365. DEFINITIONS. In this chapter, unless the con-  
18 text otherwise requires,

19 (1) "acquired land [LANDS]" means land [LANDS] belonging to  
20 the state including tide, submerged and shoreland [SHORELANDS] which  
21 has [HAVE] been obtained by escheat, purchase, or any means other than  
22 by general land grant;

23 (2) "agricultural land [LANDS]" means land [LANDS] chiefly  
24 valuable for agricultural purposes;

25 (3) "commissioner" means the commissioner [CF THE DEPART-  
26 MENT] of natural resources;

27 (4) "department" means the Department of Natural Resources;

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

1           (6) "industrial and commercial land [LANDS]" means land  
2 [LANDS] chiefly valuable for industrial trade, manufacturing or busi-  
3 ness use;

4           (7) "lieu and indemnity land [LANDS]" means land [LANDS]  
5 which the state is entitled to select under the provisions of 38 Stat.  
6 1214, as amended (48 USC 353) or a similar statute to compensate for  
7 land [LANDS] in place of surveyed rectangulars, which have been lost  
8 to the state by reason of deficient sections, prior rights, claims,  
9 withdrawals, reservations and other appropriations;

10           [(8) Repealed]

11           (8) [(9)] "mineral land [LANDS]" means land [LANDS] pro-  
12 spectively valuable for mineral deposits;

13           (9) "multiple use" has the meaning given in AS 38.04.910;

14           (10) "park and recreation land [LANDS]" means land [LANDS]  
15 chiefly valuable for public park and recreation use;

16           (11) "preference right forest lease" means a lease granted  
17 to a lessee whose United States Forest Service term special use permit  
18 was cancelled to allow the land under permit to be selected by the  
19 state;

20           (12) "preference right grazing lease" means a grazing lease  
21 granted to a lessee whose federal grazing lease was cancelled to allow  
22 the land under lease to be selected by the state;

23           (13) "rule of approximation" is the rule which is applied in  
24 determining whether or not a lease complies with the area limits set  
25 forth in this chapter and regulations adopted under it and in keeping  
26 the boundaries of leased land [LANDS] coincidental with legal subdivi-  
27 sions; under the rule, if the area covered by a lease in excess of the  
28 permitted maximum is smaller than the area of any deficiency that  
29 would result by eliminating from the lease the smallest legal

1 subdivision covered by the lease or application for lease, the excess  
2 area will be permitted to remain in the lease; if the excess area is  
3 greater than the deficient area would be, then the smallest legal  
4 subdivision will be eliminated from the lease;

5 [(14) Repealed]

6 (14) "shoreland" [(15) "SHORELANDS"] means land [LANDS]  
7 belonging to the state which is [ARE] covered by nontidal water  
8 [WATERS] that is [ARE] navigable under the laws of the United States  
9 up to ordinary high water mark as modified by accretion, erosion, or  
10 reliction;

11 (15) [(16)] "state land [LANDS]" or "land" ["LANDS"] means  
12 all land [LANDS], including shore, tide and submerged land [LANDS], or  
13 resources belonging to or acquired by the state;

14 (16) [(17)] "submerged land [LANDS]" means land [LANDS]  
15 covered by tidal water [WATERS] between the line of mean low water and  
16 seaward to a distance of three geographical miles or further as may  
17 hereafter be properly claimed by the state;

18 (17) "tideland" [(18) "TIDELANDS"] means land [THOSE LANDS]  
19 which is [ARE] periodically covered by tidal water [WATERS] between  
20 the elevation of mean high and mean low tides;

21 (18) [(19)] "timber land [LANDS]" and "material land  
22 [LANDS]" mean state land [LANDS] chiefly valuable for materials,  
23 including, but not limited to, sand, stone, gravel, pumice, common  
24 clay, or timber and other forest products;

25 (19) [(20)] "university land [LANDS]"

26 (A) means

27 (i) all sections 33 reserved to the university  
28 under 38 Stat. 1214, as amended; [(48 USC 353) AND]

29 (ii) all land [LANDS] granted to or reserved for

1 the benefit of the university that retains its designation as  
2 university land;

3 (iii) all other land owned in fee by the University  
4 of Alaska including land transferred in fee to the Board of  
5 Regents of the University of Alaska to replace land formerly  
6 designated as university land;

7 (B) does not include former university land that has  
8 been conveyed to the Department of Natural Resources under the  
9 settlement approved by the legislature in ch. 41, SLA 1983;

10 (20) [(21)] "grazing land [LANDS]" means land [LANDS] chief-  
11 ly valuable for grazing purposes; [.]

12 (21) [(22)] "navigable water [WATERS]" means any water of  
13 the state forming a river, stream, lake, pond, slough, creek, bay,  
14 sound, estuary, inlet, strait, passage, canal, sea or ocean, or any  
15 other body of water or waterway within the territorial limits of the  
16 state or subject to its jurisdiction, that is navigable in fact for  
17 any useful public purpose, including but not limited to water suitable  
18 for commercial navigation, floating of logs, landing and takeoff of  
19 aircraft, and public boating, trapping, hunting waterfowl and aquatic  
20 animals, fishing, or other public recreational purposes;

21 (22) [(23)] "public water [WATERS]" means navigable water  
22 and all other water, whether inland or coastal, fresh or salt, that is  
23 reasonably suitable for public use and utility, habitat for fish and  
24 wildlife in which there is a public interest, or migration and spawn-  
25 ing of fish in which there is a public interest; [.]

26 (23) [(24)] "geothermal resources" means the natural heat of  
27 the earth at temperatures greater than 120 degrees Celsius, measured  
28 at the point where the highest-temperature resources encountered enter  
29 or contact a well or other resource extraction device, and includes

1 (A) the energy, including pressure, in whatever form  
2 present in, resulting from, created by, or that may be extracted  
3 from that natural heat;

4 (B) the material medium, including the geothermal  
5 fluid naturally present, as well as substances artificially  
6 introduced to serve as a heat transfer medium; and

7 (C) all dissolved or entrained minerals and gases that  
8 may be obtained from the material medium, but excluding hydrocar-  
9 bon substances and helium.

10 \* Sec. 49. AS 38.05 is amended by adding a new section to read:

11 Sec. 38.05.940. VETERANS' LAND DISCOUNT. (a) An eligible  
12 veteran is entitled to a discount of 25 percent on the purchase price  
13 of state land sold under this title and classified under AS 38.05.-  
14 005 - 38.05.270 for a use other than commercial or industrial use.

15 (b) To be eligible for a discount under this section, a veteran  
16 shall submit proof, as required by regulation, that the veteran

17 (1) is 18 years of age or older on the date of sale;

18 (2) has been a state resident for a period of not less than  
19 one year immediately preceding the date of sale;

20 (3) has served on active duty in the U.S. Armed Forces at  
21 least two years, unless tenure was shortened due to a service connect-  
22 ed disability or due to receiving an early separation upon return from  
23 a tour of duty overseas; and

24 (4) has received an honorable discharge or a general dis-  
25 charge under honorable conditions.

26 (c) A veteran is entitled to only one discount under this sec-  
27 tion during the veteran's lifetime.

28 (d) A discount under this section may be applied only to the  
29 acquisition of surface rights to state land. A discount under this

1 section may not be applied to survey costs, road development costs,  
2 utility assessments, or other costs that the commissioner determines  
3 are reimbursable to the state.

4 (e) A discount under this section may not be used toward the  
5 purchase of land offered at a restricted sale under AS 38.05.067.

6 \* Sec. 50. AS 38.07.030(c) is amended to read:

7 (c) The cost of clearing land leased from the state, including  
8 but not limited to school [, UNIVERSITY,] and mental health land,  
9 shall be borne by the state. The lessee shall repay the cost over a  
10 10-year period at five percent interest.

11 \* Sec. 51. AS 38.08.040(c) is repealed and reenacted to read:

12 (c) The permit may not be assigned, conveyed, or in any manner  
13 transferred except by testate or intestate succession, to a spouse  
14 during marriage, by order of a court as part of a divorce settlement,  
15 or to either a member of the immediate family or a grantee of the  
16 applicant in the case of an extreme emergency or illness that disables  
17 the applicant. An attempt to assign, convey, or in any manner trans-  
18 fer the permit except as permitted by this subsection is void and  
19 constitutes a substantial breach of the permit.

20 \* Sec. 52. AS 38.08.060 is amended by adding a new subsection to read:

21 (e) A permit holder who meets each of the provisions of (a) of  
22 this section except for (a)(1) and who tenders the commissioner an  
23 amount equal to five percent of the purchase price of the land within  
24 seven years of the issuance of the permit may purchase the land under  
25 AS 38.05.065. The purchase price of the land is the fair market value  
26 of the land at the time of purchase.

27 \* Sec. 53. AS 38.09.010(b) is amended to read:

28 (b) The commissioner shall complete a cadastral survey of home-  
29 stead entry state land under AS 38.04.045 before disposing of

1        [DESIGNATING THE] state land for homestead entry but the commissioner  
2        may waive the cadastral survey on a determination that topographic  
3        features, diffuse settlement, or the public interest do not justify or  
4        require the cadastral survey. [NO PORTION OF LAND MADE AVAILABLE FOR  
5        HOMESTEAD ENTRY MAY BE LOCATED MORE THAN A MILE FROM A SURVEY CONTROL  
6        MONUMENT.]

7        \* Sec. 54. AS 38.09.050(a) is amended to read:

8                (a) The commissioner shall issue a patent to homestead entry  
9        land if the permit holder

10                (1) resides and lives on the homestead entry land for not  
11        less than 25 months within five years after the issuance of the home-  
12        stead entry permit;

13                (2) completes an approved survey of the land within two  
14        years after the issuance of the permit or under AS 38.09.040(1);

15                (3) erects a habitable, permanent dwelling on the homestead  
16        within three years after the issuance of the homestead entry permit;

17                (4) brushes the boundaries of the land within 90 days after  
18        the issuance of the permit;

19                (5) clears and either puts into production or prepares for  
20        cultivation either 25 percent of the land classified for agricultural  
21        use or 50 percent of the land having class II or III soils, whichever  
22        is less, within five years after issuance of the permit.

23        \* Sec. 55. AS 38.09.090 is amended by adding a new subsection to read:

24                (b) An applicant who complies with AS 38.09.050(a)(2) - (5) and  
25        who tenders the commissioner an amount equal to five percent of the  
26        present fair market value of the land within five years of the issu-  
27        ance of the permit may purchase the land under AS 38.05.065. The  
28        purchase price is the fair market value of the land at the time of the  
29        purchase.

1 \* Sec. 56. AS 38.20.010 is amended to read:

2           Sec. 38.20.010. ADOPTION. The systems [SYSTEM] of rectangular  
3 plane coordinates established by the National Geodetic Survey, Nation-  
4 al Ocean Service [UNITED STATES COAST AND GEODETIC SURVEY] for defin-  
5 ing and stating the positions or locations of points on the surface of  
6 the earth in this state are [IS] adopted. The systems are [IT IS] to  
7 be known as the "Alaska Coordinate System of 1927" and the "Alaska  
8 Coordinate System of 1983."

9 \* Sec. 57. AS 38.20.030 is amended to read:

10           Sec. 38.20.030. DESIGNATION OF ZONES. In any land description  
11 in which a coordinate system [IT] is used a zone of the coordinate  
12 system is designated the "Alaska Coordinate System of 1927, Zone  
13 ....." or the "Alaska Coordinate System of 1983, Zone ....."

14 \* Sec. 58. AS 38.20.040 is amended to read:

15           Sec. 38.20.040. USE OF COORDINATE SYSTEM. The plane coordinates  
16 of a point on the earth's surface, to be used in expressing the posi-  
17 tion or location of the point in the appropriate zone of this system,  
18 consist of two distances, expressed in feet and decimals of a foot  
19 when using the Alaska Coordinate System of 1927 and expressed in  
20 meters and decimals of a meter when using the Alaska Coordinate System  
21 of 1983. One of these distances, known as the "x-coordinate," gives  
22 the position in an east-and-west direction; the other known as the  
23 "y-coordinate" gives the position in a north-and-south direction.  
24 These coordinates shall be made to depend upon and conform to the  
25 coordinates of the North American Horizontal Geodetic Control Network  
26 as determined by the National Geodetic Survey, National Ocean Service  
27 [ , ON THE ALASKA COORDINATE SYSTEM, OF THE TRIANGULATION AND TRAVERSE  
28 STATIONS OF THE UNITED STATES COAST AND GEODETIC SURVEY IN THE STATE,  
29 AS THOSE COORDINATES HAVE BEEN DETERMINED BY THE SURVEY].

1 \* Sec. 59. AS 38.20.060 is amended to read:

2 Sec. 38.20.060. CHARACTERISTICS OF ZONES. The zones of the  
3 Alaska Coordinate System of 1927 have the following characteristics:

4 (1) Zone 1 is an oblique Mercator projection of the Clarke  
5 spheroid of 1866, having an origin at the intersection of parallel 57°  
6 00 minutes [MINUTE] north latitude and meridian 133° 40 minutes [MI-  
7 NUTE] west of Greenwich, at which the scale is set one part in 10,000  
8 too small, and through which the axis of symmetry is in geodetic  
9 azimuth arc tangent-3/4, reckoned clockwise from south. The origin is  
10 assigned values such that all final coordinates will be positive.

11 (2) Zone 2 is a transverse Mercator projection of the  
12 Clarke spheroid of 1866, having a central meridian 142° 00 minutes  
13 [MINUTE] west of Greenwich, on which meridian the scale is set one  
14 part in 10,000 too small. The origin of coordinates is at the inter-  
15 section of the meridian 142° 00 minutes [MINUTE] west of Greenwich and  
16 the parallel of 54° 00 minutes [MINUTE] north latitude. This origin  
17 is given the coordinates: x = 500,000 feet and y = 0 feet.

18 (3) Zone 3 is a transverse Mercator projection of the  
19 Clarke spheroid of 1866, having a central meridian 146° 00 minutes  
20 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
21 part in 10,000 too small. The origin of coordinates is at the inter-  
22 section of the meridian 146° 00 minutes [MINUTE] west of Greenwich and  
23 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is  
24 given the coordinates: x = 500,000 feet and y = 0 feet.

25 (4) Zone 4 is a transverse Mercator projection of the  
26 Clarke spheroid of 1866, having a central meridian 150° 00 minutes  
27 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
28 part in 10,000 too small. The origin of coordinates is at the inter-  
29 section of the meridian 150° 00 minutes [MINUTE] west of Greenwich and

1 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is  
2 given the coordinates: x = 500,000 feet and y = 0 feet.

3 (5) Zone 5 is a transverse Mercator projection of the  
4 Clarke spheroid of 1866, having a central meridian 154° 00 minutes  
5 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
6 part in 10,000 too small. The origin of coordinates is at the inter-  
7 section of the meridian 154° 00 minutes [MINUTE] west of Greenwich and  
8 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is  
9 given the coordinates: x = 500,000 feet and y = 0 feet.

10 (6) Zone 6 is a transverse Mercator projection of the  
11 Clarke spheroid of 1866, having a central meridian 158° 00 minutes  
12 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
13 part in 10,000 too small. The origin of coordinates is at the inter-  
14 section of the meridian 158° 00 minutes [MINUTE] west of Greenwich and  
15 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is  
16 given the coordinates: x = 500,000 feet and y = 0 feet.

17 (7) Zone 7 is a transverse Mercator projection of the  
18 Clarke spheroid of 1866, having a central meridian 162° 00 minutes  
19 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
20 part in 10,000 too small. The origin of coordinates is at the inter-  
21 section of the meridian 162° 00 minutes [MINUTE] west of Greenwich and  
22 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is  
23 given the coordinates: x = 700,000 feet and y = 0 feet.

24 (8) Zone 8 is a transverse Mercator projection of the  
25 Clarke spheroid of 1866, having a central meridian 166° 00 minutes  
26 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
27 part in 10,000 too small. The origin of coordinates is at the inter-  
28 section of the meridian 166° west of Greenwich and the parallel 54° 00  
29 minutes [MINUTE] north latitude. This origin is given the

1 coordinates: x = 500,000 feet and y = 0 feet.

2 (9) Zone 9 is a transverse Mercator projection of the  
3 Clarke spheroid of 1866, having a central meridian 170° 00 minutes  
4 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
5 part in 10,000 too small. The origin of coordinates is at the inter-  
6 section of the meridian 170° 00 minutes [MINUTE] west of Greenwich and  
7 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is  
8 given the coordinates: x = 600,000 feet and y = 0 feet.

9 (10) Zone 10 is a Lambert conformal conic projection of the  
10 Clarke spheroid of 1866, having standard parallels at north latitude  
11 51° 50 minutes [MINUTE] as and 53° 50 minutes, along which parallels  
12 the scale shall be exact. The origin of coordinates is at the inter-  
13 section of the meridian 176° 00 minutes [MINUTE] west of Greenwich and  
14 the parallel 51° 00 minutes [MINUTE] north latitude. This origin is  
15 given the coordinates: x = 3,000,000 feet and y = 0 feet.

16 \* Sec. 60. AS 38.20.060 is amended by adding a new subsection to read:

17 (b) The zones of the Alaska Coordinate System of 1983 have the  
18 following characteristics:

19 (1) Zone 1 is an oblique Mercator projection of the World  
20 Reference Ellipsoid, having an origin at the intersection of parallel  
21 57° 00 minutes north latitude and meridian 133° 40 minutes west of  
22 Greenwich, at which the scale is set one part in 10,000 too small, and  
23 through which the axis of symmetry is in geodetic azimuth arc tan-  
24 gent-3/4, reckoned clockwise from south. The origin is assigned  
25 values such that all final coordinates will be positive.

26 (2) Zone 2 is a transverse Mercator projection of the World  
27 Reference Ellipsoid, having a central meridian 142° 00 minutes west of  
28 Greenwich, on which meridian the scale is set one part in 10,000 too  
29 small. The origin of coordinates is at the intersection of the

1 meridian 142° 00 minutes west of Greenwich and the parallel of 54° 00  
2 minutes north latitude. This origin is given the coordinates: x =  
3 500,000 meters and y = 0 meters.

4 (3) Zone 3 is a transverse Mercator projection of the World  
5 Reference Ellipsoid, having a central meridian 146° 00 minutes west of  
6 Greenwich, on which meridian the scale is set at one part in 10,000  
7 too small. The origin of coordinates is at the intersection of the  
8 meridian 146° 00 minutes west of Greenwich and the parallel 54° 00  
9 minutes north latitude. This origin is given the coordinates: x =  
10 500,000 meters and y = 0 meters.

11 (4) Zone 4 is a transverse Mercator projection of the World  
12 Reference Ellipsoid, having a central meridian 150° 00 minutes west of  
13 Greenwich, on which meridian the scale is set at one part in 10,000  
14 too small. The origin of coordinates is at the intersection of the  
15 meridian 150° 00 minutes west of Greenwich and the parallel 54° 00  
16 minutes north latitude. This origin is given the coordinates: x =  
17 500,000 meters and y = 0 meters.

18 (5) Zone 5 is a transverse Mercator projection of the World  
19 Reference Ellipsoid, having a central meridian 154° 00 minutes west of  
20 Greenwich, on which meridian the scale is set at one part in 10,000  
21 too small. The origin of coordinates is at the intersection of the  
22 meridian 154° 00 minutes west of Greenwich and the parallel 54° 00  
23 minutes north latitude. This origin is given the coordinates: x =  
24 500,000 meters and y = 0 meters.

25 (6) Zone 6 is a transverse Mercator projection of the World  
26 Reference Ellipsoid, having a central meridian 158° 00 minutes west of  
27 Greenwich, on which meridian the scale is set at one part in 10,000  
28 too small. The origin of coordinates is at the intersection of the  
29 meridian 158° 00 minutes west of Greenwich and the parallel 54° 00

1 minutes north latitude. This origin is given the coordinates:  $x =$   
2 500,000 meters and  $y = 0$  meters.

3 (7) Zone 7 is a transverse Mercator projection of the World  
4 Reference Ellipsoid, having a central meridian  $162^{\circ} 00$  minutes west of  
5 Greenwich, on which meridian the scale is set at one part in 10,000  
6 too small. The origin of coordinates is at the intersection of the  
7 meridian  $162^{\circ} 00$  minutes west of Greenwich and the parallel  $54^{\circ} 00$   
8 minutes north latitude. This origin is given the coordinates:  $x =$   
9 500,000 meters and  $y = 0$  meters.

10 (8) Zone 8 is a transverse Mercator projection of the World  
11 Reference Ellipsoid, having a central meridian  $166^{\circ} 00$  minutes west of  
12 Greenwich, on which meridian the scale is set at one part in 10,000  
13 too small. The origin of coordinates is at the intersection of the  
14 meridian  $166^{\circ}$  west of Greenwich and the parallel  $54^{\circ} 00$  minutes north  
15 latitude. This origin is given the coordinates:  $x = 500,000$  meters  
16 and  $y = 0$  meters.

17 (9) Zone 9 is a transverse Mercator projection of the World  
18 Reference Ellipsoid, having a central meridian  $170^{\circ} 00$  minutes west of  
19 Greenwich, on which meridian the scale is set at one part in 10,000  
20 too small. The origin of coordinates is at the intersection of the  
21 meridian  $170^{\circ} 00$  minutes west of Greenwich and the parallel  $54^{\circ} 00$   
22 minutes north latitude. This origin is given the coordinates:  $x =$   
23 500,000 meters and  $y = 0$  meters.

24 (10) Zone 10 is a Lambert conformal conic projection of the  
25 World Reference Ellipsoid, having standard parallels at north latitude  
26  $51^{\circ} 50$  minutes as and  $53^{\circ} 50$  minutes, along which parallels the scale  
27 shall be exact. The origin of coordinates is at the intersection of  
28 the meridian  $176^{\circ} 00$  minutes west of Greenwich and the parallel  $51^{\circ} 00$   
29 minutes north latitude. This origin is given the coordinates:  $x =$

1 1,000,000 meters and  $y = 0$  meters.

2 \* Sec. 61. AS 38.20.070 is amended to read:

3 Sec. 38.20.070. POSITION OF SYSTEM. The position of the Alaska  
4 Coordinate System of 1927 shall be as marked on the ground by triangu-  
5 lation or traverse stations established in conformity with the stan-  
6 dards adopted by the National Geodetic Survey, National Ocean Service  
7 [UNITED STATES COAST AND GEODETIC SURVEY FOR FIRST-ORDER, SECOND  
8 -ORDER, AND THIRD-ORDER WORK,] whose geodetic positions have been  
9 rigidly adjusted on the North American datum of 1927 and whose coordi-  
10 nates have been computed on the system defined in this chapter. [ANY  
11 SUCH STATION MAY BE USED FOR ESTABLISHING A SURVEY CONNECTION WITH THE  
12 ALASKA COORDINATE SYSTEM.]

13 \* Sec. 62. AS 38.20.070 is amended by adding a new subsection to read:

14 (b) The position of the Alaska Coordinate System of 1983 shall  
15 be as marked on the ground by triangulation or traverse stations  
16 established in conformity with the standards adopted by the National  
17 Geodetic Survey, National Ocean Service whose geodetic positions have  
18 been rigidly adjusted on the North American datum of 1983 and whose  
19 plane coordinates have been computed on the system defined in this  
20 chapter.

21 \* Sec. 63. AS 38.20.080 is amended to read:

22 Sec. 38.20.080. LIMITATION. Coordinates [NO COORDINATES] based  
23 on the Alaska Coordinate System, purporting to define the position of  
24 a point on a land boundary, may not [SHALL] be presented to be record-  
25 ed in any public land records or deed records unless the point is  
26 within two miles of a horizontal control [TRIANGULATION OR TRAVERSE]  
27 station established in conformity with National Geodetic Survey,  
28 National Ocean Service standards and specifications for first-order,  
29 second-order, or third-order work [THE STANDARDS PRESCRIBED IN

1 AS 38.20.070]. The two-mile limitation may be modified by a state  
2 agency to meet local conditions.

3 \* Sec. 64. AS 38.20.090 is amended to read:

4 Sec. 38.20.090. USE OF SYSTEM NAME. The use of the term "Alaska  
5 Coordinate System of 1927" on a map, report of survey, or other docu-  
6 ment is limited to coordinates based on the Alaska Coordinate System  
7 of 1927 as defined in this chapter.

8 \* Sec. 65. AS 38.20.090 is amended by adding a new subsection to read:

9 (b) The use of the term "Alaska Coordinate System of 1983" on a  
10 map, report of survey, or other document is limited to coordinates  
11 based on the Alaska Coordinate System of 1983 as defined in this  
12 chapter.

13 \* Sec. 66. AS 38.20.100 is amended to read:

14 Sec. 38.20.100. USE OF PUBLIC LAND SURVEY DESCRIPTIONS. When  
15 coordinates based on the Alaska Coordinate System of 1927 or the  
16 Alaska Coordinate System of 1983 are used to describe a tract of land  
17 which in the same document is also described by reference to a sub-  
18 division, line, or corner of the United States public land surveys,  
19 the description by coordinates shall be construed as supplemental to  
20 the basic description of the subdivisions, line, or corner contained  
21 in the official plats and field notes filed of record, and in the  
22 event of a conflict the description by referer.ce to the subdivision,  
23 line, or corner of the United States public land surveys prevails over  
24 the description by coordinates.

25 \* Sec. 67. AS 38.20.110 is amended to read:

26 Sec. 38.20.110. USE OF SYSTEM NOT REQUIRED. Nothing in this  
27 chapter requires a purchaser or mortgagee to rely on a description,  
28 any part of which depends exclusively upon the Alaska Coordinate  
29 System of 1927 or the Alaska Coordinate System of 1983.

1 \* Sec. 68. AS 38.35.140(b) is amended to read:

2 (b) The lessee shall reimburse the state for all reasonable  
3 costs incurred in processing an application filed under AS 38.35.050  
4 and in monitoring the construction, operation, maintenance, and re-  
5 moval of the pipeline on the right-of-way.

6 \* Sec. 69. AS 38.50.020(a) is amended to read:

7 (a) The land, interest in land, and other consideration which  
8 the state receives in an exchange made under this chapter shall be  
9 equal to or exceed the appraised fair market value of the land, inter-  
10 est in land or property exchanged by the state; however, the director  
11 may accept cash from, or pay cash to, any other party to an exchange  
12 in order to equalize the value of the property or other consideration  
13 conveyed and received by the state. If the director determines that  
14 the property to be exchanged is not equal in appraised fair market  
15 value or if the value cannot be ascertained with reasonable certainty,  
16 the director may enter into an exchange on a finding [IF HE FINDS]  
17 that the appraised fair market value of the property to be received,  
18 together with the value of other public benefits, equals or exceeds  
19 the value of the property which the state will relinquish. An ex-  
20 change or agreement to exchange more than 500 acres of state land or  
21 state land having an appraised or estimated fair market value of more  
22 than \$1,000,000 is not binding on the state until approved by the  
23 legislature [FOR OTHER THAN EQUAL APPRAISED FAIR MARKET VALUE IS  
24 SUBJECT TO LEGISLATIVE REVIEW AS PROVIDED IN AS 38.50.140].

25 \* Sec. 70. AS 38.50.020(b) is amended to read:

26 (b) An appraisal required by this section is presumed accurate  
27 and valid for a period of one year [SIX MONTHS] from the time the  
28 appraisal is completed. After that time, or if the director has  
29 reason to believe that the value of the appraised property has changed

1 significantly during the original one year [SIX-MONTH] period, a  
2 reappraisal of the property is required.

3 \* Sec. 71. AS 38.50.040 is amended to read:

4 Sec. 38.50.040. LAND SUBJECT TO EXCHANGE. Except as otherwise  
5 provided in this chapter, the director is authorized to convey for  
6 purposes of exchange any state land or interest in land regardless of  
7 the authority under which the land or interest was obtained by the  
8 state. [THE CONVEYANCE OF UNIVERSITY LAND SHALL BE APPROVED IN THE  
9 MANNER PRESCRIBED IN AS 38.05.030.]

10 \* Sec. 72. AS 38.50.090(b) is amended to read:

11 (b) The director shall be afforded an opportunity to review and  
12 comment on any land exchange proposed by a state agency other than the  
13 Department of Natural Resources and the University of Alaska.

14 \* Sec. 73. AS 38.50.110(a) is amended to read:

15 (a) Not more than 60 days nor less than 30 days before a public  
16 hearing is scheduled under AS 38.50.120 the director shall circulate a  
17 notice containing the information specified in (b) of this section  
18 except as provided in (c) of this section. The director shall:

19 (1) publish or post the notice as provided in AS 38.05.345,  
20 except as otherwise specified in this section; the [. THE] director  
21 shall publish the notice in a newspaper of general circulation in the  
22 vicinity of the land which the state will receive and in the three  
23 most populated cities of the state;

24 (2) mail the notice to any person who has filed a request  
25 for notice of proposed exchanges;

26 (3) mail the notice to each member of the legislature;

27 (4) mail the notice to each municipality the boundaries of  
28 which encompass or are located within six linear miles of land in-  
29 volved in the proposed exchange;

1           (5) circulate the notice to the Office of the Governor and  
2 to all state departments;

3           [(6) Repealed]

4           (6) [(7)] mail the notice to any corporation organized  
5 under the Alaska Native Claims Settlement Act, which corporation owns  
6 or has selected land located within a radius of 15 linear miles from  
7 land or property involved in the proposed exchange; and

8           (7) [(8)] mail the notice to any other party, including an  
9 organization of land users, that the director [HE] considers appropri-  
10 ate.

11 \* Sec. 74. AS 38.50.110 is amended by adding a new subsection to read:

12           (c) The director shall provide the information required under  
13 (b) of this section in the notice required under AS 38.05.345(b) for  
14 exchanges of

15           (1) less than 500 acres of state land; or

16           (2) state land having an appraised or estimated fair market  
17 value of less than \$100,000.

18 \* Sec. 75. AS 38.50.120(a) is amended to read:

19           (a) The commissioner [DIRECTOR] may hold as many public hearings  
20 as is considered appropriate. For an exchange of more than 500 acres  
21 of state land or state land having an appraised or estimated fair  
22 market value of more than \$1,000,000, there [THERE] shall be at least  
23 three [ONE] public hearings in one or more municipalities close to the  
24 state land proposed for exchange before it is submitted to the legis-  
25 lature for approval [HEARING].

26 \* Sec. 76. AS 38.50.140 is amended to read:

27           Sec. 38.50.140. LEGISLATIVE REVIEW. Within 10 days of the  
28 convening of a regular legislative session, the governor shall trans-  
29 mit to the president of the senate and the speaker of the house of

1 representatives any proposal for a land exchange required to be sub-  
2 mitted to the legislature for approval under AS 38.50.020(a) that [FOR  
3 OTHER THAN EQUAL APPRAISED FAIR MARKET VALUE WHICH] is scheduled to  
4 occur before the next legislative session. If [, IN HIS VIEW,] exi-  
5 gent circumstances seriously affecting state interests so require, the  
6 governor may submit the proposed exchange to the legislature at some  
7 other time. A finding of exigent circumstances shall be carefully  
8 documented in the letter of transmittal. The director is authorized  
9 to conclude a proposed exchange agreement upon approval by the legis-  
10 lature of the proposed exchange agreement [UNLESS EITHER HOUSE OF THE  
11 LEGISLATURE BY SIMPLE RESOLUTION DISAPPROVES OF THE EXCHANGE WITHIN 60  
12 LEGISLATIVE DAYS OF TRANSMITTAL BY THE GOVERNOR]. A decision by the  
13 legislature to disapprove a proposed exchange shall be accompanied by  
14 a recommendation to the governor with respect to future actions which  
15 the director should take concerning the exchange.

16 \* Sec. 77. AS 38.95.160(b) is amended to read:

17 (b) In this section

18 (1) "publicly financed improvement" means an improvement  
19 financed with state or federal money that is constructed by the state  
20 or an instrumentality of the state and includes, but is not limited  
21 to, onshore or offshore oil drilling or pumping operations, roads,  
22 bridges, pipelines, seismic lines, logging and mining operations,  
23 dams, buildings and electric power transmission lines;

24 (2) "state land" does not include land owned by the Board  
25 of Regents of the University of Alaska.

26 \* Sec. 78. AS 29.18.206(a) is amended to read:

27 Sec. 29.18.206. SCHOOL [, UNIVERSITY] AND MENTAL HEALTH LAND.  
28 (a) If an entitlement determined under [IN] AS 29.18.201 or 29.18.202  
29 results in a per capita entitlement for the municipality of less than

1 one and one-half acre, the municipality may select vacant school [,  
2 [UNIVERSITY] or mental health land within the municipality in partial  
3 fulfillment of its land entitlement under AS 29.18. School [, UNIVER-  
4 SITY] or mental health land may be selected notwithstanding the fact  
5 that this land is [THESE LANDS ARE] not unappropriated and unreserved  
6 within the meaning of this chapter and former AS 29.18.190 and 29.18.-  
7 200 [, REPEALED BY THIS ACT,] but each selection of school [, UNIVER-  
8 SITY] or mental health land by a municipality must be vacant, unappro-  
9 priated, or unreserved land as defined in AS 29.18, except that it  
10 need not be general grant land.

11 \* Sec. 79. AS 29.18.206(d) is amended to read:

12 (d) Within six months after approval of a municipal selection of  
13 school [, UNIVERSITY,] or mental health land, the director shall  
14 identify state general grant land of approximately equal value to the  
15 land requested by the municipality, and shall propose the replacement  
16 land for the concurrence of the appropriate board. If a proposal by  
17 the director is rejected by the board, the director shall meet with  
18 the board as often as necessary to determine the type and amount of  
19 equal value replacement land that would be required to obtain the  
20 board's concurrence, and shall propose the replacement land for con-  
21 sideration by the board. The replacement land shall thereafter be  
22 managed for the purposes for which the land selected by the municipal-  
23 ity was acquired by the Territory and State of Alaska.

24 \* Sec. 80. AS 29.18.206(e) is amended to read:

25 (e) The notice [AND REVIEW] provisions of AS [38.05.305 AND]  
26 38.05.345 are applicable to the designation of other general grant  
27 land as school, university or mental health land in replacement of  
28 land selected under this section. The provisions of AS 38.50 [AND  
29 38.05.032] do not apply to such designations under this section. [THE

1 PROVISIONS OF AS 38.05.030(a), 38.05.030(e), AND 38.05.035(a)(13)  
2 WHICH REQUIRE THE APPROVAL OF THE RESPECTIVE TRUST BOARD BEFORE DIS-  
3 POSAL OF LANDS BY THE DIRECTOR DO NOT APPLY TO SELECTIONS OF SCHOOL,  
4 UNIVERSITY OR MENTAL HEALTH LAND BY A MUNICIPALITY UNDER THIS SEC-  
5 TION.]

6 \* Sec. 81. AS 29.18.210(b) is amended to read:

7 (b) [WHERE STATE LAND IS THE MOST LOGICAL LOCATION FOR DEMON-  
8 STRATED MUNICIPAL EXPANSION FOR NONPUBLIC SETTLEMENT AND DEVELOPMENT  
9 PURPOSES, AND WHEN AN EXCHANGE OF LAND UNDER AS 29.18.209 IS NOT  
10 POSSIBLE OR IS NOT IN THE PUBLIC INTEREST, IT IS THE POLICY OF THE  
11 STATE TO SELL OR LEASE THE LAND AT PUBLIC AUCTION.] The state may  
12 contract with a municipality to act as its agent in an auction of  
13 state land under applicable statutes. When a municipality acts as the  
14 agent of the state in an auction, the municipality may retain from the  
15 proceeds of the auction the capital and other expenses that [WHICH]  
16 the director determines to be necessary and reasonable.

17 \* Sec. 82. AS 29.18.213 is repealed and reenacted to read:

18 Sec. 29.18.213. DEFINITIONS. In AS 29.18.201 - 29.18.213

19 (1) "approved selection" means a municipal land selection  
20 that has been approved in writing by the director for transfer by  
21 patent to a municipality;

22 (2) "director" means the director of the division of lands,  
23 Department of Natural Resources;

24 (3) "exchange" includes an agreement to exchange and an  
25 out-of-court settlement that may convey land in an amount greater than  
26 is permitted under AS 38.50.120(a);

27 (4) "general grant land"

28 (A) means land patented or tentatively approved to the  
29 state from the United States under sec. 6(a) or (b) of the Alaska

1 Statehood Act;

2 (B) does not include university land;

3 (5) "mental health land" means land granted under Title II,  
4 sec. 202 of P.L. 84-830, as amended before or after July 1, 1978;

5 (6) "municipal land selection" means a request by a munic-  
6 ipality, filed in writing with the director under authority of former  
7 AS 29.18.190 and 29.18.200 or under AS 29.18.201 - 29.18.213 for  
8 vacant, unappropriated, unreserved general grant land within its  
9 municipal boundaries in partial fulfillment of its municipal entitle-  
10 ment;

11 (7) "municipality" means a home rule or general law city or  
12 organized borough of any class, and includes unified municipalities  
13 established under AS 29.68.240 - 29.68.440;

14 (8) "patent" means a document, issued by the director to a  
15 municipality for a previously approved selection, that conveys and  
16 quitclaims all the right, title and interest of the state without  
17 reservation or condition except as may be required by law;

18 (9) "remaining entitlement" means the general grant land  
19 entitlement determined in accordance with AS 29.18.201 - 29.18.213,  
20 reduced by the total acreage of approved selections, including both  
21 patented and unpatented parcels;

22 (10) "school land" means those rectangular sections 16 and  
23 36 within each township surveyed on or before January 3, 1959, and  
24 confirmed and transferred to the State of Alaska upon its admission  
25 under sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other  
26 land designated solely for school revenues;

27 (11) "university land" has the meaning given that term in  
28 AS 38.05.365;

29 (12) "vacant, unappropriated, unreserved land" means general

1 grant land as defined in (4) of this section, excluding minerals as  
2 required by sec. 6(i) of the Alaska Statehood Act, that

3 (A) has not been set aside by statute for one or more  
4 particular uses or purposes;

5 (B) has not been approved for patent to a municipality  
6 under AS 29.18.201 - 29.18.213 or former AS 29.18.190 and 29.18.-  
7 200; or

8 (C) is unclassified or, if classified under AS 38.-  
9 05.300, is classified for agricultural, grazing, commercial,  
10 industrial, private recreational, residential, utility or open-  
11 to-entry purposes, or where classified in accordance with an  
12 agreement between a municipality and the state providing for  
13 state management of land of the municipality.

14 \* Sec. 83. AS 29.33.150(b) is amended to read:

15 (b) The regulations adopted under (a) of this section apply to  
16 subdivision plats of undeveloped state land for disposal under AS 38.-  
17 05 or AS 38.08 filed with the platting board. [THE PLATTING BOARD MAY  
18 NOT DISAPPROVE THE SUBDIVISION PLAT ON THE BASIS OF REGULATIONS WHICH  
19 REQUIRE CAPITAL IMPROVEMENTS ON OR TO STATE LAND INCLUDED IN THE  
20 SUBDIVISION PLAT.] Regulations adopted after the platting board is  
21 notified by the commissioner of natural resources of a proposed sale  
22 of subdivided state land under AS 38.05 or AS 38.08 do not apply to  
23 the state land in the proposed sale.

24 \* Sec. 84. AS 29.33.150(c) is amended to read:

25 (c) The platting board shall [MUST] approve and sign the subdi-  
26 vision plat within 60 days of its receipt from the commissioner of  
27 natural resources unless the platting board

28 (1) determines that the plat does not comply with subdivi-  
29 sion regulations [OTHER THAN THOSE REQUIRING CAPITAL IMPROVEMENTS TO

1 STATE LAND]; and

2 (2) notifies the commissioner of each determination of  
3 noncompliance within the 60-day period established in this subsection.

4 \* Sec. 85. The provisions of AS 38.05.065(d) - (f) as added in sec. 22  
5 of this Act apply to contracts entered into by the commissioner of natural  
6 resources after the effective date of this Act.

7 \* Sec. 86. The provisions of AS 29.33.150(c) as amended in sec. 84 of  
8 this Act do not apply to plats submitted to a platting board before the  
9 effective date of sec. 84.

10 \* Sec. 87. AS 29.33.150(e); AS 38.04.025, 38.04.040, 38.04.045(a);  
11 AS 38.05.030(a), 38.05.035(a)(14), 38.05.069(b), 38.05.321(a), 38.05.362  
12 and 38.05.365(20) are repealed.

13 \* Sec. 88. Section 49 of this Act is retroactive to March 31, 1983.  
14 The commissioner of natural resources shall extend the benefits granted by  
15 sec. 49 of this Act to each eligible veteran who purchased land on or after  
16 March 31, 1983, according to the terms of sec. 49 of this Act.

17 \* Sec. 89. Sections 19, 37, and 44 of this Act take effect immediately  
18 in accordance with AS 01.10.070(c).

19 \* Sec. 90. Sections 1 - 18, 20 - 36, 38 - 43, and 45 - 88 take effect  
20 July 1, 1984.

1204 3/2/84  
1204 2/2/84

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: May 12, 1984

**REQUEST**

Bill/Resolution No.: HCS CSSR 375 (R)  
Title: Land Management and Disposal

**FISCAL DETAIL**

Agency Affected: DNR  
Program Category Affected: NRMEC

Sponsor: Fahrenkamp  
Requestor: \_\_\_\_\_  
Date of Request: \_\_\_\_\_

BRU, Program or Subprogram(s) Affected: \_\_\_\_\_  
Land and Water Management, Management,  
Information/Records Management

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
<b>OPERATING</b>						
100 PERSONAL SERVICES		437.3	437.3	437.3	437.3	437.3
200 TRAVEL		25.2	25.2	25.2	25.2	25.2
300 CONTRACTUAL		25.6	25.6	25.6	25.6	25.6
400 SUPPLIES		7.3	7.3	7.3	7.3	7.3
500 EQUIPMENT		1.5	1.5	1.5	1.5	1.5
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
<b>TOTAL OPERATING</b>		495.4	495.4	495.4	495.4	495.4
<b>CAPITAL</b>						
<b>REVENUE</b>						

**FUNDING: (Thousands of Dollars)**

GENERAL FUND		495.4	495.4	495.4	495.4	495.4
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS:**

FULL-TIME		11.25	11.25	11.25	11.25	11.25
PART-TIME						
TEMPORARY						

**SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:**

General funds

**ANALYSIS: Attach a separate page for analysis**

Prepared By: Frank Mielke, Carol Shobe Phone: 276-2653  
Division: I&WM, DTS Date: May 12, 1984

Approved by Commissioner: Ned Fongolan Date: May 12, 1984  
Agency: Natural Resources

**Distribution (by Agency preparing fiscal note):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

12/1/83

DNR BACKUP ANALYSIS FOR  
FISCAL NOTE ON HCS CSSB 375 (Res)

Sec. 2: This change requires increased travel and advertisement to encourage and record local participation in land disposal meetings. The Department will also be holding more land sales in local communities with the change embodied in Sec. 21 of the bill. No new personnel will be necessary, but there will be additional travel and contractual costs for these meetings.

Land and Water Management:

200	10.0
300	7.5
<u>Total</u>	<u>17.5</u>

Sec. 9: The fund for land disposal revenues will require some administration.

Management:

100	7.2	( $\frac{1}{2}$ Document Processing Clerk III)
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Sec. 11: It is anticipated that the commissioner's authority to waive survey requirements in land disposals will allow greater efficiency within future survey budgets, but there has been no projection of potential efficiencies.

Sec. 19: New staff will be necessary to respond to quitclaim requests for Native allotments that have been erroneously conveyed to the State by the federal government. Each quitclaim request must be reviewed for accuracy, and title and conflicting claims must be checked. Without thorough technical review, quitclaim conveyances may include lands that the State does not own, does not wish to convey, or has created third-party interests on. (This funding request is identical to the one on HB 455, passed by the House this session, which accomplishes the same purpose. The Senate elected to combine this proposed legislation in this bill.) The fiscal impacts of the preference right provisions of this section are presented under Sec. 20.

Division of Technical Services:

100	46.2	(Natural Resource Manager I)
200	1.2	(Title research, interviews)
300	4.0	(Photos, survey review)
400	2.0	(Office, administrative)
500	1.5	(Office)
<u>Total</u>	<u>54.9</u>	

Sec. 20: The Department is already faced with a backlog of more than 300 preference right applications since the preference right project was eliminated from the budget last year. This legislation is expected to create demand for as many as 100 new preference right applications. The following budget will allow the Department gradually to catch up on the preference right backlog and process new applications under this section and to meet the deadline (and anticipated new applications) under Sec. 19 of the bill. These applications require thorough processing prior to the director's recommendation to the commissioner. Each preference right application must be reviewed to assure that it meets the statutory requirements, and to identify conflicting and similar claims. The land must often be reclassified and public hearings and meetings conducted prior to the conveyance of the preference right. The House operating budget for the Department includes intent language that indicates the Department should continue to process preference right applications in the absence of a budget for them, but to meet the public demand in a timely way the costs should be provided for.

Land and Water Management:

100	46.4	(Natural Resource Technician II, Northcentral District Office)
	40.3	(Natural Resource Technician II, Southcentral District Office)
	23.0	( $\frac{1}{2}$ Natural Resource Manager I, Central Office)
200	7.0	(Site visits, interviews)
300	1.6	(Drafting, photography)
400	.3	(Mapping)
<u>Total</u>	<u>118.6</u>	

Sec. 25: This provision will allow the Department to keep closer track of contract payments and will provide a workable foreclosure mechanism for the state. Previously the state has been handicapped in foreclosing because it was forced to enter into judicial proceedings and the tardy payer could, without penalty, pay up at the last minute. Now that a smoother process has been worked out, the Department will be able to keep up with foreclosures and protect the state's interest in land by redeeming land that purchasers are not properly paying for. Mail, tracking, and processing costs will increase modestly.

Land and Water Management:

100	14.3	( $\frac{1}{2}$ Natural Resource Technician II)
400	1.0	(Mail, office)
<u>Total</u>	<u>15.3</u>	

Management:

100	14.3	( $\frac{1}{2}$ Document Processing Clerk III)
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Sec. 31: This section includes major new provisions that improve the process for leasing of state lands. Leasing of state lands has been such a slow and cumbersome process in recent years that it has become the last choice of the private sector, unless there is no alternative (for instance in tidelands leasing). This section creates special prequalification processes that will require speedy review and processing of prequalification applications. It also creates a mechanism for preferential tidelands leasing. Both provisions are likely to increase public interest in leasing of state lands. To meet the timeline set in statute (and avoid the invocation of the waiver allowed in the statute) the Department will need to add staff in the District offices of the Division of Land and Water Management. These staff will process and review applications, appraisals, and surveys, will conduct hearings, meetings, and public notice, and prepare preliminary decisions and written findings in accord with constitutional and statutory provisions.

## Land and Water Management:

100	46.4	(Natural Resource Manager I, Southcentral District Office)
	46.4	(Natural Resource Technician II, Northcentral District Office)
	40.6	(Natural Resource Technician II, Southeast District Office)
300	3.0	(Office, administration)
400	1.5	(Office)
<u>Total</u>	<u>137.9</u>	

Sec. 49: Contracts for land purchases with veterans' discounts must be handled and maintained separately from other standard land purchases. We estimate that up to 40% of our land sales will be under veterans' discounts. The contract administration for veterans requires confirmation of eligibility and manual documentation of discounted payments.

## Land and Water Management:

100	14.3	( $\frac{1}{2}$ Document Processing Clerk III)
<u>100</u>	<u>28.6</u>	(Document Processing Clerk III)
<u>Total</u>	<u>42.9</u>	

Sec. 69: The requirement for legislative approval of land exchanges will delay some land exchanges and may cause appraisals to run out. However, these costs are not known.

Sec. 75: The requirement to hold at least three public hearings for each proposed land exchange will cause increased travel and contractual costs.

Land and Water Management:

200	7.0	(Travel to meetings and hearings)
300	2.5	(Rental of hearings materials and places)
<u>Total</u>	<u>9.5</u>	

Sec. 88: The retroactive veterans' discount will cause the Department to contact each land recipient in the past 14 months, to confirm the validity of applications for the discount under law, and to amend some contracts as legally appropriate. These contracts for land purchases must be handled separately by a manual system. Thus administrative costs will rise. We also anticipate that there will be a displacement of potential revenue from the enactment of a retroactive discount. This will total about \$1.66 million in direct lost revenue (on about 1500 parcels sold since the end of March 1983, with about 40% veterans' participation), and loss of another \$2.5 in interest charges.

Land and Water Management:

100	40.6	(Natural Resource Technician II, Contract Administration office)
	28.7	(Document Processing Clerk III, Contract Administration office)
300	7.0	(New contracts, registered mailings)
400	2.5	(Office)
<u>Total</u>	<u>78.8</u>	

Offered: 5/5/84  
Referred: Finance

~~XXXXXXXXXX~~ Changes made on pages  
2, 5, 49, 52

Original sponsors: Fahrenkamp and Ziegler

PROPOSED

1 IN THE SENATE BY THE RESOURCES COMMITTEE  
2 HOUSE CS FOR CS FOR SENATE BILL NO. 375 (FINANCE)  
3 IN THE LEGISLATURE OF THE STATE OF ALASKA (Resources)  
4 THIRTEENTH LEGISLATURE - SECOND SESSION  
5 A BILL

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

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

9 \* Section 1. AS 38.04.005(b) is amended to read:

10 (b) In classifying and making state land available for private  
11 use and settlement purposes, the director shall consider the natural  
12 resources and conditions present on the land and shall seek to mini-  
13 mize the adverse effect of private settlement on wildlife, fishery,  
14 mineral, timber, and other significant resources of the land; the  
15 director shall also make adequate provision for public open space  
16 which is accessible to communities so that natural areas are easily  
17 reached from all communities and settled areas. The amount of that  
18 land shall be sufficient to meet existing and projected needs for  
19 accessible public recreation land. Special care shall be taken to  
20 preserve public access to public water and to retain state ownership  
21 of sufficient land which combine high value for recreation and other  
22 public purposes with accessibility to settled areas. This classifica-  
23 tion for public purposes does not constitute dedication to open space,  
24 but the division's management of land so classified shall be in a  
25 manner to preserve the identified values.

26 \* Sec. 2. AS 38.04.005(e) is repealed and reenacted to read:

27 (e) The involvement of a proximately located municipality and of  
28 local residents is essential in classifying and making state land  
29 available for private use and settlement. The director shall, when

1 appropriate, hold public meetings in the communities most affected by  
2 the disposal to solicit the views of the residents of the communities  
3 affected.

4 \* Sec. 3. AS 38.04.005 is amended by adding a new subsection to read:

5 (f) Land owned by the Board of Regents of the University of  
6 Alaska is not subject to the provisions of this chapter.

7 \* Sec. 4. AS 38.04.010(b) is amended to read:

8 (b) State land which is located beyond the range of existing  
9 schools and other necessary public services, or which is located where  
10 development of sources of employment is improbable, may be made avail-  
11 able for seasonal recreational purposes or for low density settlement.  
12 The seasonal recreation use or low density settlement shall have [,  
13 WITH] sufficient separation between residences so that public services  
14 will not be necessary or expected. The availability of timber, fire-  
15 wood, fishery and water resources shall be considered in determining  
16 separation between residences.

17 \* Sec. 5. AS 38.04.020(e) as amended by sec. 3, ch. 103, SLA 1983 is  
18 amended to read:

19 (e) The commissioner shall annually submit to the governor an  
20 appropriation request for funding estimated to be necessary for the  
21 next two years to allow [NECESSARY FOR THE DISPOSAL OF STATE LAND IN  
22 THE LAND DISPOSAL BANK THAT SHALL BE INCLUDED IN THE BUDGET SUBMITTED  
23 TO THE LEGISLATURE BY THE GOVERNOR. FOR EACH FISCAL YEAR, THE REQUEST  
24 SHALL INCLUDE AN ESTIMATE OF THE AMOUNT NECESSARY]

25 (1) [FOR] survey and disposal of land proposed to be made  
26 available for homestead staking, with the general location of the  
27 land;

28 (2) [FOR] survey and disposal of land to be offered as  
29 agricultural, commercial, industrial, or other uses under AS 38.05.055

1 or 38.05.057, with the general location of the land;

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

4 (4) [FOR] preliminary feasibility studies, engineering  
5 design work, right-of-way acquisition, and construction of access  
6 roads and capital improvements required by municipal subdivision  
7 ordinance or regulation of the platting board under AS 29.33.150; [IF  
8 AN ACCURATE DETERMINATION OF THE AMOUNTS NECESSARY FOR ACCESS ROADS OR  
9 CAPITAL IMPROVEMENTS CANNOT BE MADE AT THE TIME THE ESTIMATE IS SUB-  
10 MITTED, A SCHEDULE FOR OBTAINING THE ESTIMATES, CONSTRUCTING THE  
11 ACCESS ROADS OR CAPITAL IMPROVEMENTS, AND DISPOSING OF THE LAND SHALL  
12 BE SUBMITTED;]

13 (5) [FOR] identification of land that will be proposed for  
14 disposal under this subsection in future fiscal years.

15 \* Sec. 6. AS 38.04.020(f) is amended to read:

16 (f) The request of the commissioner under (e) of this section  
17 shall include an analysis and an assessment of the market demand for  
18 the land proposed for disposal [BE BASED ON AN ANNUAL WRITTEN ASSESS-  
19 MENT BY THE COMMISSIONER OF THE MARKET FOR STATE LAND IN THE DIFFERENT  
20 REGIONS OF THE STATE. IF THE STATE LAND IS IN OR ADJACENT TO MUNICI-  
21 PALITIES OR UNINCORPORATED COMMUNITIES, THE ASSESSMENT SHALL BE DE-  
22 VELOPED IN CONSULTATION WITH THE MUNICIPALITIES OR UNINCORPORATED  
23 COMMUNITIES. THE ASSESSMENT MUST INCLUDE A SURVEY OF THE SUPPLY OF  
24 PRIVATELY OWNED LAND OFFERED FOR SALE, MUNICIPAL LAND FOR WHICH A  
25 DISPOSAL PLAN HAS BEEN COMPLETED, AND FEDERAL LAND AVAILABLE FOR SALE,  
26 LEASE, OR PERMIT FOR SPECIFIC ACTIVITIES. THE ASSESSMENT OF THE  
27 MARKET FOR STATE LAND SHALL BE BASED ON AN ANALYSIS OF THE AMOUNT OF  
28 PRIVATE, MUNICIPAL, AND FEDERAL LAND AVAILABLE FOR DISPOSAL ON TERMS  
29 EQUIVALENT TO THOSE USED IN COMPARABLE STATE LAND DISPOSAL PROGRAMS

1 AND SHALL INCLUDE THE LENGTH OF TIME LAND REMAINS ON THE MARKET BEFORE  
2 IT IS SOLD. THE ASSESSMENT MUST INCLUDE FINDINGS REGARDING THE AMOUNT  
3 AND GENERAL LOCATION OF STATE LAND, IN ADDITION TO LAND OFFERED BY  
4 PRIVATE LANDOWNERS OR AVAILABLE FROM A MUNICIPAL GOVERNMENT OR THE  
5 FEDERAL GOVERNMENT, THAT IS NECESSARY TO MEET THE STATEWIDE DEMAND FOR  
6 AT LEAST FIVE FISCAL YEARS IMMEDIATELY AFTER THE YEAR IN WHICH THE  
7 ASSESSMENT IS MADE. THE ASSESSMENT MUST ALSO STATE THE GENERAL LOCA-  
8 TION OF LAND PROPOSED FOR DISPOSAL IN THE NEXT FISCAL YEAR AND RECOM-  
9 MENDATIONS FOR THE METHOD OF DISPOSAL UNDER WHICH THE LAND WILL BE  
10 OFFERED TO THE PUBLIC].

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

12 (2) Land designated as suitable for subdivision and home-  
13 site disposal shall be surveyed, subdivided, classified, and disposed  
14 of under this chapter, AS 38.05, and AS 38.08 [AS FOLLOWS:

15 (A) UP TO 80 PERCENT OF THE PARCELS SHALL BE OLD  
16 UNDER THE LOTTERY SALE PROCEDURES ESTABLISHED IN AS 38.05.057 AND  
17 38.05.065;

18 (B) AT LEAST 10 PERCENT OF THE PARCELS SHALL BE DIS-  
19 POSED OF AS HOMESITES UNDER AS 38.08.010 - 38.08.120; AND

20 (C) AT LEAST AN ADDITIONAL 10 PERCENT OF THE PARCELS  
21 SHALL BE DISPOSSED OF AS HOMESITES UNDER AS 38.08.010 - 38.08.120  
22 EXCEPT THAT, NOTWITHSTANDING AS 38.08.040(b), PARCELS OFFERED  
23 UNDER THIS SUBPARAGRAPH SHALL BE OFFERED BY LOTTERY UNDER AS 38.-  
24 05.057].

25 \* Sec. 8. AS 38.04.020(h) is amended to read:

26 (h) Individual parcels disposed of in subdivisions may not  
27 exceed five acres unless the commissioner determines that a larger  
28 size is necessary to comply with municipal [ZONING] ordinances, [OR]  
29 to permit the design of a viable subdivision because of topographical

1 features, soil conditions, on-site sewage disposal requirements, or  
2 water drainage or supply considerations that are unique to the sub-  
3 division, to minimize adverse effect on wildlife, fishery, public  
4 recreation, timber, or other significant resources in the area, or to  
5 minimize adverse effect on other residential uses in the area.

6 \* Sec. 9. AS 38.04 is amended by adding a new section to read:

7 Sec. 38.04.022. FUNDS FOR LAND DISPOSAL. (a) The revenue from  
8 the sale of state land shall be deposited in a special state land  
9 disposal income account in the state general fund. The legislature  
10 may appropriate money from the special state land disposal income  
11 account for expenditure by the Department of Natural Resources for  
12 necessary costs incurred by the commissioner in the implementation of  
13 state land disposal programs authorized under this title and for  
14 implementation of AS 38.04.021.

15 (b) Within 30 days after the legislature convenes in regular  
16 session the Department of Natural Resources shall submit a report  
17 reflecting all money deposited in the fund established under (a) of  
18 this section during the prior fiscal year.

19 \* Sec. 10. AS 38.04.035(4) is amended to read:

20 (4) For enabling isolated cabin development in remote  
21 locations where survey and conveyance is impractical, or where dis-  
22 posal of land would cause potential conflicts with other resources and  
23 uses [require additional conditions, or where a long-range interest in  
24 public ownership and use exist, a system for cabin permits on public  
25 land may be used.

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

27 (b) Before the conveyance of surface rights to state land, an  
28 official cadastral survey shall be accomplished, unless a comparable,  
29 acceptable survey exists that has been conducted by the federal Bureau

1 of Land Management. The rectangular survey section corner positions  
2 shall be monumented and shown on a cadastral survey plat approved by  
3 the state. However, for those areas where the state may wish to  
4 convey surface estate outside of an official cadastral survey grid,  
5 the director may waive monumentation of all individual section corner  
6 positions and substitute an official control survey with control  
7 points being monumented [AT APPROXIMATELY TWO-MILE INTERVALS] and  
8 shown on control survey plats approved by the state. No portion of  
9 land to be conveyed may be located more than two miles from such a  
10 survey control monument except that the commissioner may waive this  
11 requirement on a determination that topographic features, diffuse  
12 settlement, or the public interest do not justify the requirement.  
13 The lots and tracts in state subdivisions shall be monumented and the  
14 cadastral survey and plats for the subdivision shall be approved by  
15 the state. Where land is located within a municipality with planning,  
16 platting, and zoning powers, plats for state subdivisions shall comply  
17 with local ordinances and regulations in the same manner and to the  
18 same extent as plats for subdivisions by other landowners. State  
19 subdivisions shall be filed in the district recorder's office. The  
20 requirements of this section do not apply to land made available  
21 through a cabin permit system, material sales, or short-term leases;  
22 however, for short-term leases the lessee must comply with local  
23 subdivision ordinances unless waived by the municipality under proce-  
24 dures specified by ordinance.

25 \* Sec. 12. AS 38.04.050 is amended to read:

26 Sec. 38.04.050. ACCESS TO PRIVATE USE AREAS. Wherever state  
27 land is surveyed for purposes of private use, legal [ADEQUATE] rights-  
28 of-way and easements shall be reserved [AS NECESSARY] for access and,  
29 where appropriate, for utility services [POWER AND TELEPHONE SERVICE]

1 to each parcel of land. A right-of-way or easement shall be located  
2 to assure adequate and feasible access for the purposes for which the  
3 right-of-way or easement was intended. Where necessary and appropri-  
4 ate for the use intended or where required by local subdivision ordi-  
5 nances, the director shall arrange for the development of surface  
6 access as part of the land availability program. The direct cost of  
7 local access development shall be borne by the recipient of the land  
8 unless otherwise provided by state statutes or regulations.

9 \* Sec. 13. AS 38.04.055 is amended to read:

10 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director  
11 shall reserve easements and rights-of-way on and across land which is  
12 made available for private use as necessary to reach or use public  
13 water and public and private land. An easement or right-of-way re-  
14 served under this section may include [ESTABLISHED] trails that have  
15 an established history of use [TRADITIONALLY USED] for commerce,  
16 recreation, or transportation.

17 \* Sec. 14. AS 38.04 is amended by adding a new section to Article 2 to  
18 read:

19 Sec. 38.04.058. RESTRICTIONS ON EASEMENT OR RIGHT-OF-WAY USE.  
20 The director may, under terms agreed to in writing by a grantee,  
21 lessee, or interest holder of state land, restrict the use of an  
22 easement or right-of-way reserved under AS 38.04.050 - 38.04.055 or  
23 other law in order to protect public safety or property.

24 \* Sec. 15. AS 38.05.020(b) is amended to read:

25 (b) The commissioner may

26 (1) establish reasonable procedures and adopt reasonable  
27 [RULES AND] regulations necessary to carry out this chapter and [MAY],  
28 whenever necessary, issue directives or orders to the director to  
29 carry out specific functions and duties; [ALL RULES AND] regulations

1        adopted by the commissioner shall be adopted under the Administrative  
2        Procedure Act (AS 44.62); orders by the commissioner classifying land,  
3        [LANDS] issued after January 3, 1959, are not required to be adopted  
4        under the Administrative Procedure Act (AS 44.62);

5                (2) enter into agreements considered [WHICH HE CONSIDERS]  
6        necessary to carry out the purposes of this chapter, including agree-  
7        ments with federal and state agencies;

8                (3) review any order or action of the director;

9                (4) exercise the powers and do the acts necessary to carry  
10       out the provisions and objectives of this chapter;

11               (5) notwithstanding the provisions of any other section of  
12       this chapter, grant an extension of the time within which payments due  
13       on any lease or sale of state land, minerals, or materials may be  
14       made, including payment of rental and royalties, on a finding [IF HE  
15       FINDS] that compliance with the requirements is or was prevented by  
16       reason of war, riots, or acts of God; [.]

17               (6) classify tracts for agricultural uses and require the  
18       prequalification, including the submission of conservation plans,  
19       development plans, or other plans, schedules, or programs, of persons  
20       who apply to participate in an agricultural development project under  
21       AS 44.33.475;

22               (7) waive, postpone, or otherwise modify the development  
23       requirements of a contract for the sale of agricultural land if the  
24       land is inaccessible by road or transportation, marketing, and devel-  
25       opment costs render the required development uneconomic.

26       \* Sec. 16. AS 38.05.030(c) is amended to read:

27               (c) In addition to the requirements specified in AS 38.50.090,  
28       the agencies referred to in [(a) AND] (b) of this section and other  
29       state agencies with authority to acquire or dispose of land shall give

1 written notification of the fact of acquisition, lease, disposal, or  
2 exchange to the commissioner [DIVISION OF LANDS] within three months  
3 after the date that they make the acquisition, lease, disposal, or  
4 exchange.

5 \* Sec. 17. AS 38.05.030(d) is amended to read:

6 (d) Real property acquired by [,] and under the management of  
7 [,] the agencies referred to in [(a) AND] (b) of this section that [,  
8 WHICH] is no longer needed for its intended use [,] shall be trans-  
9 ferred [RETURNED] to the commissioner [JURISDICTION OF THE DIVISION OF  
10 LANDS], except that the Department of Transportation and Public Facil-  
11 ities [HIGHWAYS] may dispose of real property acquired by it under  
12 AS 19.05.040(2) and AS 19.05.080 - 19.05.120.

13 \* Sec. 18. AS 38.05.030 is amended by adding a new subsection to read:

14 (f) Land owned by the Board of Regents of the University of  
15 Alaska is not subject to this chapter.

16 \* Sec. 19. AS 38.05.035(b) is amended to read:

17 (b) The director may

18 (1) delegate the administrative duties, functions or powers  
19 imposed upon the director [HIM] to a responsible employee in the  
20 division;

21 (2) grant preference rights for the lease or purchase of  
22 state land without competitive bid in order to correct [THE PAST OR  
23 FUTURE] errors or omissions of a state or federal administrative  
24 agency when inequitable detriment would otherwise result to a diligent  
25 claimant or applicant due to situations over which the claimant or  
26 applicant had no control; the exercise of this discretionary power  
27 operates only to divest the state of its title to or interests in land  
28 and may be exercised only

29 (A) with the express approval of the commissioner; and

1                   (B) if the application for the preference right is  
2                   filed with the director within five years from

3                   (i) the occurrence of the error or omission;

4                   (ii) the date of acquisition by the state of the  
5                   land; or

6                   (iii) the date of a court decision or settlement  
7                   nullifying a disposal of state land;

8                   (3) grant a preference right to a claimant who shows bona  
9                   fide improvement of state land [,] or of federal land subsequently  
10                   acquired by the state [,] and who has in good faith sought to obtain  
11                   title to the land but who, through error or omission of others occur-  
12                   ring within the three years before the application for the preference  
13                   right, has been denied title to it; upon a showing satisfactory to the  
14                   commissioner, the claimant may lease or purchase the land at the price  
15                   set on the date of original entry on the land or, if a price was not  
16                   set at that time at a price determined by the director [DIVISION] to  
17                   fairly represent the value of unimproved land at the time the claim  
18                   was established, but in no event less than the cost of administration  
19                   including survey; the error or omission of a predecessor in interest  
20                   or an agent, administrator, or executor which has clearly prejudiced  
21                   the claimant may be the basis for granting a preference right;

22                   (4) sell land [LANDS] by lottery for less than the [THEIR]  
23                   appraised value when, in the [HIS] judgment of the director, past  
24                   scarcity of land suitable for private ownership in any particular area  
25                   has resulted in unrealistic land values;

26                   (5) when the director [HE] determines it is in the best  
27                   interest of the state and will avoid injustice to a person or the  
28                   [HIS] heirs or devisees of a person, dispose of land, by direct nego-  
29                   tiation to that person who presently uses and who used and made

1 improvements to that land before January 3, 1959 or to the [HIS] heirs  
2 or devisees of the person; the amount paid for the land shall be its  
3 fair market value on the date that the person first entered the land,  
4 as determined by the director; a parcel of land disposed of under this  
5 paragraph shall be of a size consistent with the person's prior use,  
6 but may not exceed five acres;

7 (6) dispose of [AN INTEREST IN] land limited to use for  
8 agricultural purposes by lottery;

9 (7) convey to an adjoining landowner for its fair market  
10 value a remnant of land that the director considers unmanageable or a  
11 parcel of land created by a highway right-of-way alignment or realign-  
12 ment, or a parcel created by the vacation of a state-owned right-of-  
13 way if

14 (A) the director [HE] determines that it is in the  
15 best interests of the state;

16 (B) the parcel does not exceed the minimum lot size  
17 under an applicable zoning code; and

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

23 (8) for good cause extend for up to 90 days the time for  
24 rental or installment payments by a lessee or purchaser of state land  
25 under this chapter if reasonable penalties and interest set by the  
26 director are paid;

27 (9) quitclaim land or an interest in land to the federal  
28 government on a determination that the land or the interest in land  
29 was wrongfully or erroneously conveyed by the federal government to

1        the state.

2        \* Sec. 20. AS 38.05.035 is amended by adding new subsections to read:

3            (e) Upon a written finding that the interests of the state will  
4        be best served, the director may, with the consent of the commis-  
5        sioner, approve contracts for the sale, lease, or other disposal of  
6        available land, resources, property or interests in them, and, in  
7        addition to the conditions and limitations imposed by law, may impose  
8        additional conditions or limitations in the contracts as the director  
9        determines, with the consent of the commissioner, will best serve the  
10       interests of the state. A contract for the sale, lease, or other  
11       disposal of available land or an interest in land is not legally  
12       binding on the state until the commissioner approves the contract but  
13       if the appraised value is not greater than \$50,000 in the case of the  
14       sale of land or an interest in land, or \$5,000 in the case of the  
15       annual rental of land or interest in land, the director may execute  
16       the contract without the approval of the commissioner. Before a  
17       public hearing, if held, or in any case no less than 21 days before  
18       the sale, lease, or other disposal of available land, property, re-  
19       sources, or interests in them, the director shall make available to  
20       the public a written finding that sets out the facts and applicable  
21       law upon which the determination that the sale, lease, or other dis-  
22       posal will best serve the interests of the state was based. A written  
23       finding is not required before the approval of

24            (1) a contract for a negotiated sale authorized under  
25        AS 38.05.115;

26            (2) a lease of land for a shore fishery site under AS 38.-  
27        05.082; or

28            (3) a permit or other authorization revocable by the com-  
29        missioner.

1 (f) The director shall grant a preference right to the purchase  
2 or lease without competitive bid of up to five acres of state land to  
3 an individual who has erected a building on the land and used the land  
4 for bona fide business purposes for five or more years under a federal  
5 permit or without the need for a permit and, after selection by the  
6 state, under a state use permit or lease, if the business produced no  
7 less than 25 percent of the total income of the applicant for the five  
8 years preceding the application to purchase or lease the land. The  
9 director shall sell or lease the land at a price determined by the  
10 director to represent the current fair market value of the unimproved  
11 land but in no event less than the cost of administration including  
12 survey if required. If the director determines in a written finding  
13 that the purchase or lease of the land would interfere with public use  
14 by residents of the area, the director may condition the purchase or  
15 lease to mitigate the adverse effects on the public use or may reject  
16 the application for the preference right. A lease granted under this  
17 subsection may not be for a period in excess of 50 years. In this  
18 subsection, "business purposes" means a purpose permitted under the  
19 classification of the land at the time the land was entered.

20 \* Sec. 21. AS 38.05.050 is amended to read:

21 Sec. 38.05.050. DISPOSAL OF LAND FOR PRIVATE OWNERSHIP. The  
22 commissioner [, UPON THE RECOMMENDATION OF THE DIRECTOR,] shall deter-  
23 mine the land to be disposed of for private use. The commissioner  
24 [DIRECTOR] shall determine the time and place of disposal. An auction  
25 sale, a lottery sale, or a disposal of land for homesites shall [UNDER  
26 AS 38.04.020(g)(2)(C) MUST] be held in a community [THE MUNICIPALITY]  
27 that is near [CLOSEST TO] the land to be sold or disposed of [AND IN  
28 WHICH REGULAR SESSIONS OF A COURT OF THE STATE ARE HELD].

29 \* Sec. 22. 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]  
3 AS 38.08, the sale of state land shall be made at public auction to  
4 the highest qualified bidder as determined by the director. The dir-  
5 ector may accept bids and sell state land under this section at no  
6 less than 70 percent of the appraised fair market value of the land.  
7 A bidder must appear in person at the auction unless medical reasons,  
8 attendance at school, or military service outside the state prevent  
9 attendance. A bidder may be represented by an attorney or agent at  
10 the auction if the land offered for disposal is commercial, industri-  
11 al, or agricultural land. An aggrieved bidder may appeal to the com-  
12 missioner within five days after the sale for a review of the direc-  
13 tor's determination. The sale shall be conducted by the director [OR  
14 HIS REPRESENTATIVE,] and at the time of sale the successful bidder  
15 shall deposit an amount equal to five percent of the purchase price [,  
16 OR IF THE PURCHASER ELECTS TO USE LAND DISCOUNTS GRANTED UNDER AS 38.-  
17 05.058, FIVE PERCENT OF THE AMOUNT BID AFTER DEDUCTION OF THE DIS-  
18 COUNT]. The director [OR HIS REPRESENTATIVE] shall immediately issue  
19 a receipt containing a description of the land or property purchased,  
20 the price bid, and the amount deposited [, AND THE AMOUNT OF ANY DIS-  
21 COUNT ALLOWED]. The receipt shall be acknowledged in writing by the  
22 bidder.

23 \* Sec. 23. AS 38.05.059 is repealed and re-enacted to read:

24           Sec. 38.05.059. LIMITATIONS AND CONDITIONS ON SALE OR LEASE OF  
25 AGRICULTURAL LAND. (a) During any eight-year period, a person may  
26 purchase from the state not more than one parcel of land that is part  
27 of an agricultural development project under AS 44.33.475.

28           (b) In a sale or other disposal of state land classified as  
29 agricultural land, the use of the land shall be restricted. The

1 commissioner shall convey a fee simple conditional title to the sur-  
2 face estate subject to a condition subsequent that the land be used  
3 only for agricultural purposes. The commissioner shall reserve a  
4 right of reentry after notice and an opportunity for a hearing if the  
5 land is used for other than agricultural purposes. A reversion of  
6 title upon reentry does not affect the validity of a prior lien or  
7 security interest on the land.

8 (c) The lessee of state agricultural land shall receive a lease-  
9 hold interest in the surface estate subject to the condition that the  
10 land leased be used only for agricultural purposes.

11 (d) As a condition to the issuance of a lease or a contract of  
12 sale of state land classified as agricultural land, the commissioner  
13 may require a farm development agreement and the submission of a  
14 conservation plan that establish reasonable requirements based on the  
15 economic feasibility of development and sound agricultural principles.

16 (e) The commissioner may not convey title under (b) of this  
17 section to a person who

18 (1) is in arrears on the purchase or lease of agricultural  
19 land; or

20 (2) has not complied with a farm development agreement or  
21 conservation plan required by the commissioner.

22 (f) In this section, "agricultural purposes" includes farming,  
23 ranching, grazing, and storage or control of agricultural crops or  
24 livestock, and the construction of the farm residence of the grantee  
25 or lessee and other buildings commonly needed for agricultural pur-  
26 poses on not more than 20 acres of the land transferred under this  
27 section.

28 \* Sec. 24. AS 38.05.065(c) is amended to read:

29 (c) The director shall, for contracts under (a) or (b) of this

1 section, set out in the contract for each sale the period for the  
2 payment of installments and the total purchase price plus interest.  
3 The director, with the consent of the commissioner, may also include  
4 in contracts under this section conditions, limitations and terms  
5 considered [WHICH HE CONSIDERS] necessary and proper to protect the  
6 interest of the state. Violations of any provision of AS 38.05.005 -  
7 38.05.370 or the terms of the contract of sale subject the purchaser  
8 to appropriate administrative and legal action, including but not  
9 limited to the provisions of (d) - (f) of this section [SPECIFIC  
10 PERFORMANCE, FORECLOSURE, EJECTMENT, OR OTHER LEGAL REMEDIES IN ACCOR-  
11 DANCE WITH APPLICABLE STATE LAW].

12 \* Sec. 25. AS 38.05.065 is amended by adding new subsections to read:

13 (d) If a contract for a sale of state land has been breached,  
14 the director may exercise a right retained in the contract to fore-  
15 close the contract on terms stated in the contract if the director has  
16 complied with the notice requirements of (e) of this section.

17 (e) Not less than 30 days after the breach and not less than  
18 three months before a sale the director shall record in the office of  
19 the recorder of the recording district in which the state land is  
20 located a notice of breach setting out (1) the book and page where the  
21 contract of sale is recorded, (2) a description of the state land, (3)  
22 a statement that a breach of the contract of sale has occurred, (4)  
23 the nature of the breach, (5) the sum owing on the contract, (6) the  
24 election of the director to sell the property to satisfy the contract,  
25 (7) and the date, time and place of the sale. At any time before the  
26 sale, if the breach has arisen by failure to make payments required by  
27 the contract, the breach may be cured by payment of the sum in default  
28 other than the principal that would not then be due if no breach had  
29 occurred, plus costs actually incurred by the director due to the

1 breach. If under the same contract notice of breach under this sub-  
2 section has been recorded two or more times previously and the breach  
3 has been cured under this subsection, the director may elect to refuse  
4 payment.

5 (f) Within 10 days after recording the notice of breach, the  
6 director shall mail a copy of the notice by certified mail to the last  
7 known address of each of the following persons or their legal repre-  
8 sentatives (1) the purchaser under the contract of sale; (2) any  
9 person in possession of or occupying the property; (3) any person  
10 having a lien or interest subsequent to the interest of the state in  
11 the state land, where the lien or interest appears of record or where  
12 the state has actual notice of the lien or interest. The notice may  
13 be delivered personally instead of by mail.

14 \* Sec. 26. AS 38.05.069(a) is amended to read:

15 (a) On a determination [IF THE DIRECTOR DETERMINES] that the  
16 highest and best use of unoccupied land is for agricultural purposes  
17 [.] and [IF HE DETERMINES] that it is in the best interests of the  
18 state to sell or lease the land, the commissioner [HE] shall grant to  
19 an Alaskan resident owning and using or leasing and using land for  
20 agricultural purposes a [60-DAY] first option at [AFTER THE DATE OF]  
21 the auction to purchase or lease the unoccupied land situated adjacent  
22 to land presently held by the Alaskan resident [OR IN THE APPROXIMATE  
23 VICINITY OF HIS PRESENTLY HELD LAND] for the amount of the high bid  
24 received at public auction. If more than one Alaskan resident qual-  
25 ifies for a first option under this section, eligibility for the first  
26 option shall be determined by lot and the option must be exercised on  
27 the conclusion of the public auction. A parcel of agricultural land  
28 sold under this section may not be less than 20 acres and a parcel of  
29 agricultural land that [WHICH] is acquired by exercise of the option

1 granted in this subsection may not exceed 320 acres. Agricultural  
2 land that [WHICH] is acquired under this section must be used for  
3 agricultural purposes as required by law.

4 \* Sec. 27. AS 38.05.069(c) is amended to read:

5 (c) Under this section

6 (1) the director may transfer state land classified for  
7 agriculture [CONVEY OR LEASE AN INTEREST IN THE LAND] only for agri-  
8 cultural purposes [, AND ALL OTHER INTERESTS IN THE LAND REMAIN IN THE  
9 STATE];

10 (2) the sale or lease shall be at public auction [;

11 (2) THE REMAINING INTERESTS MAY SUBSEQUENTLY BE CONVEYED OR  
12 LEASED BY THE DIRECTOR ONLY UPON THE REQUEST OF THE GRANTEE OR LESSEE  
13 OR HIS ASSIGNS AND THE DETERMINATION OF THE DIRECTOR, WITH THE WRITTEN  
14 CONCURRENCE OF THE COMMISSIONER, THAT THE CONVEYANCE OR LEASE IS IN  
15 THE PUBLIC INTEREST;

16 (3) THE CONVEYANCE OR LEASE OF THE REMAINING INTERESTS  
17 SHALL BE AT PUBLIC AUCTION; THE ORIGINAL GRANTEE OR LESSEE OR HIS  
18 ASSIGNS HAVE A PREFERENCE RIGHT TO MEET THE HIGH BID WITHIN 30 DAYS  
19 AFTER THE DAY OF THE AUCTION; IF THE RIGHT IS EXERCISED, THE VALUE OF  
20 IMPROVEMENTS OWNED BY THE HOLDER OF THE PREFERENCE RIGHT, INCLUDED  
21 WITH THE REMAINING INTERESTS SOLD, SHALL BE DEDUCTED FROM THE PURCHASE  
22 PRICE;

23 (4) BY REQUESTING THE CONVEYANCE OR LEASE OF THE REMAINING  
24 INTEREST, THE ORIGINAL GRANTEE OR LESSEE OR HIS ASSIGNS

25 (A) CONSENTS TO THE SALE OR LEASE, AND

26 (B) IF THE PREFERENCE RIGHT PROVIDED BY (3) OF THIS  
27 SUBSECTION IS NOT EXERCISED, CONSENTS TO SELL AT FAIR MARKET  
28 VALUE THE IMPROVEMENTS RELATED TO THE REMAINING INTEREST, AS  
29 APPRAISED BY THE DIRECTOR;

1 (5) THE REMAINING INTERESTS IN THE LAND MAY NOT BE CONVEYED  
2 OR LEASED FOR LESS THAN THEIR APPRAISED VALUE TOGETHER WITH IMPROVE-  
3 MENTS EXCEPT FOR THE DEDUCTION ALLOWED BY (3) OF THIS SUBSECTION].

4 \* Sec. 28. AS 38.05.070(b) is amended to read:

5 (b) The director, with the approval of the commissioner, shall  
6 determine the land to be leased and the limitations, conditions and  
7 terms of the lease. The director shall preserve reasonable and tradi-  
8 tional access to state land and water. If the appraised value of the  
9 transaction is \$5,000 [\$250] a year or less the director may negotiate  
10 a lease [WITHOUT ADVERTISEMENT] for a period not to exceed 10 [FIVE]  
11 years, and on the limitations, conditions and terms that the director  
12 [WHICH HE] considers are in the best interests of the state. A lease  
13 negotiated under this subsection is not eligible for a preference  
14 under AS 38.05.102.

15 \* Sec. 29. AS 38.05.070(c) is amended to read:

16 (c) A lease may be issued for a period up to 55 years, if the  
17 commissioner determines it [APPEARS] to be in the best interests of  
18 the state. The commissioner shall consider the useful life of any  
19 improvements proposed and approved under AS 38.05.075 in determining  
20 the term of the lease [AND IF THE COMMISSIONER APPROVES]. If the  
21 commissioner determines that the land or a part of it which is the  
22 subject of a grazing lease is not being used for the purpose issued,  
23 the lease may be declared void. [HOWEVER, A NONRENEWABLE LEASE FOR  
24 SCHOOL LANDS MAY BE ISSUED FOR A PERIOD NOT TO EXCEED 99 YEARS.]

25 \* Sec. 30. AS 38.05.075 is amended to read:

26 Sec. 38.05.075. LEASING PROCEDURES. Except as provided in  
27 AS 38.05.087 and this section, leasing [THE LEASING] shall be made at  
28 public auction to the highest qualified bidder as determined by the  
29 commissioner [DIRECTOR]. An aggrieved bidder may appeal to the

1 commissioner within five days for a review of the [DIRECTOR'S] deter-  
2 mination. [WHEN A VALID EXISTING FEDERAL GRAZING LEASE IS CANCELLED  
3 TO ALLOW STATE SELECTION OF THE AREA UNDER LEASE, THE LESSEE OF THE  
4 LANDS HAS THE PREFERENCE RIGHT TO LEASE THE LANDS WITHOUT COMPETITIVE  
5 BIDDING FOR A TERM EQUAL TO THAT ORIGINALLY GRANTED IN THE CANCELLED  
6 FEDERAL LEASE AND UPON TERMS AS FAVORABLE TO THE LESSEE AS THOSE  
7 CONTAINED IN THE CANCELLED FEDERAL LEASE.] The leasing shall be  
8 conducted by the commissioner [DIRECTOR, OR HIS REPRESENTATIVE,] and  
9 the successful bidder shall deposit at the auction the first year's  
10 rental [,] or that portion of it that [WHICH] the commissioner re-  
11 quires [,] in accordance with the [HIS] bid. The commissioner shall  
12 require qualified bidders to deposit a sum equal to any survey or  
13 appraisal costs reasonably incurred by another qualified bidder acting  
14 in accordance with the regulations of the commissioner. If a bidder  
15 making a deposit of survey or appraisal costs is determined by the  
16 commissioner to be the highest qualified bidder under this subsection,  
17 the deposit shall be paid to the unsuccessful bidder who incurred  
18 those costs. Any survey or appraisal costs reasonably incurred by a  
19 qualified bidder under the regulations of the commissioner or de-  
20 posited under this subsection must be credited under the first and  
21 then subsequent years' rentals. All costs for survey and appraisal  
22 shall be approved in advance in writing by the commissioner. The  
23 commissioner [DIRECTOR OR HIS REPRESENTATIVE] shall immediately issue  
24 a receipt containing a description of the land or interest leased, the  
25 price bid, [AND] terms of the lease, and the amount of any credit for  
26 survey and appraisal costs to the successful qualified bidder. If the  
27 [THE] receipt is not accepted [SHALL BE ACKNOWLEDGED] in writing by  
28 the bidder under this subsection, the commissioner may offer the land  
29 for lease again under this subsection. A lease, on a form approved by

1 the attorney general, shall be signed by the successful bidder and  
2 [LESSEE AND, UPON APPROVAL] by the commissioner within 30 days after  
3 the auction [, SHALL BE SIGNED BY THE DIRECTOR].

4 \* Sec. 31. AS 38.05.075 is amended by adding new subsections to read:

5 (b) When a valid existing federal grazing lease is cancelled to  
6 allow state selection of the area under lease, the lessee of the land  
7 has the preference right to lease the land without competitive bidding  
8 for a term equal to that originally granted in the cancelled federal  
9 lease and upon terms as favorable to the lessee as those contained in  
10 the cancelled federal lease.

11 (c) The owner or lessee of land that fronts on tide or submerged  
12 land of the state is entitled to acquire a lease for the tide and  
13 submerged land without competitive bidding if the director determines  
14 that

15 (1) the lease of the tide or submerged land is necessary to  
16 facilitate water transportation of goods, services, or resources to or  
17 from the owned or leased upland or for another water-dependent pur-  
18 pose;

19 (2) the proposed use of the tide or submerged land is  
20 compatible with the classification of the land and with any applicable  
21 land use plan adopted under AS 38.04.065; and

22 (3) issuance of the lease to the tide or submerged land  
23 will not interfere with prior existing rights to the leased land.

24 (d) If the commissioner issues a lease under (c) of this sec-  
25 tion, the right of access to the tide and submerged land shall be  
26 nonexclusive in the lessee unless the commissioner grants the lessee  
27 the exclusive right to use the tide and submerged land.

28 (e) The commissioner may require prequalification of bidders for  
29 a lease to be issued under AS 38.05.070. If the commissioner

1 determines to require prequalification, the procedures established by  
2 this section and the notice including pre-qualification requirements  
3 required to be given under AS 38.05.345 shall be completed within 75  
4 days of the receipt of the first lease application unless the commis-  
5 sioner grants additional time for the completion of the procedures.  
6 Within the 75-day period or the additional time granted by the commis-  
7 sioner, the commissioner shall complete

8 (1) classification under AS 38.05.300;

9 (2) the procedures required by AS 38.05.035(e);

10 (3) any other action required by law for the disposal of  
11 the lease to a bidder except survey, appraisal, and the auction.

12 (f) The commissioner may issue a lease without competitive  
13 bidding at the approved, appraised market value of the land determined  
14 under AS 38.05.310 if, after completion of the procedures required by  
15 (e) of this section, the commissioner determines that there is only  
16 one qualified bidder. The commissioner may establish terms and con-  
17 ditions for entry to the land pending survey and appraisal of the  
18 land. The commissioner shall issue the lease as soon as is practi-  
19 cable following the survey and appraisal of the land subject to the  
20 provisions of AS 38.05.035(e).

21 (g) Notice of an auction required under this section shall be  
22 made by certified mail to all prequalified bidders.

23 (h) A person aggrieved by a decision of the commissioner under  
24 this section may appeal to the commissioner within five days of the  
25 prequalification decision. The decision of the commissioner under  
26 this subsection or under AS 38.05.035(e) may be appealed to the supe-  
27 rior court.

28 \* Sec. 32. AS 38.05.110 is amended to read:

29 Sec. 38.05.110. SALE OF TIMBER AND MATERIALS. The commissioner

1 [DIRECTOR] shall provide for cruises of timber and appraisals of other  
2 materials in or upon state land and shall assess the supply of and  
3 current markets for timber on and other materials in privately owned  
4 land in close proximity to state land to determine [LANDS AND TRANSMIT  
5 THIS DATA TO THE COMMISSIONER, TOGETHER WITH HIS RECOMMENDATIONS WITH  
6 RESPECT TO]

7 (1) the timber and other materials that [WHICH] should be  
8 offered for sale, and

9 (2) the terms of sale of the timber or other materials.

10 \* Sec. 33. AS 38.05.115(a) is amended to read:

11 (a) The commissioner [, UPON RECOMMENDATION OF THE DIRECTOR,]  
12 shall determine the timber and other materials to be sold, and the  
13 limitations, conditions and terms of sale. The limitations, condi-  
14 tions and terms shall include the utilization, development and mainte-  
15 nance of the sustained yield principle, subject to preference among  
16 other beneficial uses. The commissioner [DIRECTOR] may negotiate  
17 sales of timber or materials without advertisement and on the limita-  
18 tions, conditions, and terms that are considered to be [WHICH HE  
19 CONSIDERS ARE] in the best interests of the state [, SUBJECT TO THE  
20 APPROVAL OF THE COMMISSIONER]. However, not more than 500 M.B.M. or  
21 equivalent other measure of timber or more than 25,000 cubic yards of  
22 materials may be sold by nonadvertised, negotiated sale to the same  
23 purchaser within a one-year period.

24 \* Sec. 34. AS 38.05.118(a) is amended to read:

25 (a) Notwithstanding any other provision of AS 38.05.110 - 38.-  
26 05.120, the commissioner [DIRECTOR, WITH THE APPROVAL OF THE COMMIS-  
27 SIONER,] may negotiate a sale of timber to a local manufacturer at  
28 appraised value. The period of a contract for a sale of timber nego-  
29 tiated under this section may not exceed 25 years. The contract shall

1 provide that the appraised value of timber remaining to be harvested  
2 under the provisions of the contract shall be redetermined at least  
3 once every five years.

4 \* Sec. 35. AS 38.05.118(c) is amended to read:

5 (c) A [NO] sale of timber may not be negotiated by the commis-  
6 sioner [DIRECTOR] under this section except on a finding [UNLESS HE  
7 FIRST FINDS] that, within an area proximate to the business site which  
8 the manufacturer may economically serve, there exists

- 9 (1) a high level of local unemployment;  
10 (2) an underutilized timber manufacturing capacity; and  
11 (3) an underutilized allowable cut of state timber.

12 \* Sec. 36. AS 38.05.120 is amended to read:

13 Sec. 38.05.120. DISPOSAL PROCEDURE. Timber and other materials  
14 shall be sold either by sealed bids or public auction, depending on  
15 which method is determined by the commissioner to be in the best  
16 interests of the state, to the highest qualified bidder as determined  
17 by the commissioner [DIRECTOR]. An aggrieved bidder may appeal to the  
18 commissioner within five days after the sale for a review of the  
19 [DIRECTOR'S] determination. The sale shall be conducted by the com-  
20 missioner [DIRECTOR OR HIS REPRESENTATIVE], and at the time of sale  
21 the successful bidder shall deposit the amount specified in the terms  
22 of sale. The means by which the amount of deposit is determined shall  
23 be prescribed by appropriate regulation. The commissioner [DIRECTOR  
24 OR HIS REPRESENTATIVE] shall immediately issue a receipt containing a  
25 description of the timber or materials purchased, the price bid, and  
26 the terms of sale. The receipt shall be accepted [ACKNOWLEDGED] in  
27 writing by the bidder. A contract of sale, on a form approved by the  
28 attorney general, shall be signed by the purchaser and [, FOLLOWING  
29 THE APPROVAL OF THE COMMISSIONER,] the contract shall be signed by the

1        commissioner [DIRECTOR] on behalf of the state.    The commissioner  
2        [DIRECTOR, WITH THE APPROVAL OF THE COMMISSIONER,] may impose condi-  
3        tions, limitations, and terms considered [WHICH HE CONSIDERS] neces-  
4        sary and proper to protect the interests of the state.    Violation of  
5        any provision of this chapter or the terms of the contract of sale  
6        subjects the purchaser to appropriate legal action.

7        \* Sec. 37. AS 38.05.125 is amended by adding new subsections to read:

8                (b) The provisions of (a) of this section do not apply to a  
9        quitclaim of land or a transfer of an interest in land made under  
10       AS 38.05.035(b)(9).

11               (c) Notwithstanding (a) of this section, the transfer of owner-  
12       ship and management of University of Alaska trust land from the De-  
13       partment of Natural Resources to the Board of Regents of the Univer-  
14       sity of Alaska under ch. 22, SLA 1983 includes the mineral estate of  
15       the state in the land.

16        \* Sec. 38. AS 38.05.127(a) is amended to read:

17               (a) Before the sale, lease, grant, or other disposal of any  
18       interest in state land adjacent to a body of water or waterway, the  
19       commissioner [DEPARTMENT OF NATURAL RESOURCES] shall,

20                        (1) [UNDER REGULATIONS,] determine if the body of water or  
21       waterway is navigable water, public water, or neither;

22                        (2) upon finding that the body of water or waterway is  
23       navigable or public water, provide for the specific easements or  
24       rights-of-way [, OR BOTH, REASONABLY] necessary to ensure [INSURE]  
25       free access to and along the body of water, unless the commissioner  
26       [DEPARTMENT] finds that regulating or limiting access is necessary for  
27       other beneficial uses or public purposes.

28        \* Sec. 39. AS 38.05.127 is amended by adding a new subsection to read:

29               (e) The establishment of easements or rights-of-way for oil and

1 gas and mineral leases under (a) of this section need not be made  
2 until the leases are ready to be developed.

3 \* Sec. 40. AS 38.05.205(c) is amended to read:

4 (c) A mining lease shall be for any period up to 55 years, and  
5 the lessee has a right to a new lease at the end of each lease period.  
6 The commissioner may make reasonable adjustments of the rental rate at  
7 the end of each 20 year period, based upon changed conditions in  
8 production costs and markets. A valid mining claim located and held  
9 under AS 38.05.195 may be converted to a lease at any time upon appli-  
10 cation by the owner, and issuance by the commissioner [DIRECTOR]. No  
11 rights granted by a mining lease may be exercised until the lease has  
12 been filed for record in the recording district where the land is  
13 located.

14 \* Sec. 41. AS 38.05.300(a) is amended to read:

15 (a) The commissioner shall classify for surface use land [LANDS]  
16 in areas considered [WHERE HE CONSIDERS IT] necessary and proper.  
17 This section does not prevent reclassification of land [LANDS] where  
18 the public interest warrants reclassification, nor does it preclude  
19 multiple purpose use of land [LANDS] whenever different uses are  
20 compatible. State [NO STATE] land, water, or land and water area may  
21 not, [SHALL] except by act of the state legislature, be closed to  
22 multiple purpose use [,] if the area involved contains more than 640  
23 acres.

24 \* Sec. 42. AS 38.05.310(a) is amended to read:

25 (a) No land may be sold or leased, or a renewal lease issued,  
26 except in the case of an oil or gas or mineral lease, unless it has  
27 been appraised within one year [120 DAYS] before the date fixed for  
28 the sale or lease. When land is offered at public sale but is not  
29 sold and is available at private sale, no reappraisal is required

1 unless the director considers that a change in value of the land  
2 [LANDS] may have occurred. A grazing lease may be granted to a lessee  
3 of federal grazing land [LANDS] without prior appraisal, if the [HIS]  
4 federal lease was cancelled to allow the state to select the land  
5 [LANDS] under lease. No land may be sold or leased for less than the  
6 approved, appraised market value, except as provided in AS 38.05.055,  
7 38.05.057, 38.05.075 - 38.05.085, 38.05.097, 38.05.315, and 38.05.320.

8 \* Sec. 43. AS 38.05.315(d) is amended to read:

9 (d) The director may lease the land to an eligible applicant at  
10 a reasonable annual rental, taking into consideration the purposes for  
11 which the land is to be used and the financial resources of the appli-  
12 cant. The rental may not be less than one percent of the fair market  
13 value on land [LANDS] acquired primarily for development, or less than  
14 five percent of the fair market value on [UNIVERSITY OR] acquired land  
15 [LANDS]. Rent may not be charged for state land leased for a youth  
16 encampment. For the purposes of this subsection, "youth encampment"  
17 shall be defined by the commissioner by regulation. Renewal leases  
18 may be issued at the discretion of the director upon the expiration of  
19 a primary or renewal term. Each lease shall contain a provision for  
20 its termination as to all or part of the land [LANDS] upon a finding  
21 by the director that the land or a part of it has not been used by the  
22 lessee for the purpose specified in the lease for a period of two  
23 years. No lease may be assigned or subleased except with the consent  
24 of the director, and in any case may only be transferred to an appli-  
25 cant eligible under (b) - (d) of this section. A lessee may not  
26 change the use specified in the lease to another or additional use  
27 except with the consent of the director. If, at any time after the  
28 land is leased, the lessee attempts to assign the lease or transfer  
29 control over the land to another, or if the land is devoted to a use

1 other than that for which the land was leased without the consent of  
2 the director, the lease automatically terminates.

3 \* Sec. 44. AS 38.05.321(c) is amended to read:

4 (c) The provisions of this section do not apply

5 (1) to state land classified as agricultural land that  
6 [WHICH] has been selected by a municipality under the provisions of  
7 AS 29.18.190 - 29.18.200 if the selection is an approved selection  
8 before April 1, 1978 and is otherwise valid under AS 29.18.205(b); or

9 (2) a quitclaim of the interest of the state to the federal  
10 government under AS 38.05.035(b)(9).

11 \* Sec. 45. AS 38.05.345(a) is amended to read:

12 (a) This section establishes the requirements for notice given  
13 by the department for the following actions:

14 (1) classification or reclassification of state land under  
15 AS 38.05.300 and the closing of land to mineral leasing or entry under  
16 AS 38.05.185;

17 (2) zoning of land under applicable law;

18 (3) a decision under AS 38.05.035(e) [AS 38.05.035(a)(14)]  
19 regarding the sale, lease, or disposal of an interest in state land or  
20 resources; and

21 (4) a competitive disposal of an interest in state land or  
22 resources after final decision under AS 38.05.035(e) [AS 38.05.035-  
23 (a)(14)].

24 \* Sec. 46. AS 38.05.345(b) is amended to read:

25 (b) Notice of one or more actions described in (a) of this  
26 section shall be given at least 30 days before the action by [(1)]  
27 publication in newspapers of statewide circulation and in newspapers  
28 [A NEWSPAPER] of general circulation in the vicinity of the proposed  
29 action and one or more of the following methods: (1) [, (2)]

1 publication through public service announcements on the electronic  
2 media serving the area affected by the action, (2) [(3)] posting in a  
3 conspicuous location in the vicinity of the action, (3) [(4)] noti-  
4 fication of parties known or likely to be affected by the action, or  
5 (4) [(5)] another method calculated to reach affected persons. A  
6 notice shall contain sufficient information in commonly understood  
7 terms to inform the public of the nature of the action and the oppor-  
8 tunity of the public to comment on the action.

9 \* Sec. 47. AS 38.05.345(d) is amended to read:

10 (d) Notice is not required under this section for [FOR PURPOSES  
11 OF THIS SECTION AN "INTEREST IN STATE LAND OR RESOURCES" DOES NOT  
12 INCLUDE

13 (1) a permit or other authorization revocable by the de-  
14 partment [; OR

15 (2) NEGOTIATED SALES UNDER AS 38.05.115].

16 \* Sec. 48. AS 38.05.365 is amended to read:

17 Sec. 38.05.365. DEFINITIONS. In this chapter, unless the con-  
18 text otherwise requires,

19 (1) "acquired land [LANDS]" means land [LANDS] belonging to  
20 the state including tide, submerged and shoreland [SHORELANDS] which  
21 has [HAVE] been obtained by escheat, purchase, or any means other than  
22 by general land grant;

23 (2) "agricultural land [LANDS]" means land [LANDS] chiefly  
24 valuable for agricultural purposes;

25 (3) "commissioner" means the commissioner [OF THE DEPART-  
26 MENT] of natural resources;

27 (4) "department" means the Department of Natural Resources;

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