

LEG. FINANCE - BILLS 1983 - 1984 2106

CSSB 375 - SB 376 am 2106

1       except in the case of an oil or gas or mineral lease, unless it has  
2       been appraised within one year [120 DAYS] before the date fixed for  
3       the sale or lease. When land is offered at public sale but is not  
4       sold and is available at private sale, no reappraisal is required  
5       unless the director considers that a change in value of the land  
6       [LANDS] may have occurred. A grazing lease may be granted to a lessee  
7       of federal grazing land [LANDS] without prior appraisal, if the [HIS]  
8       federal lease was cancelled to allow the state to select the land  
9       [LANDS] under lease. No land may be sold or leased for less than the  
10      approved, appraised market value, except as provided in AS .05.055,  
11      38.05.057, 38.05.075 - 38.05.085, 38.05.097, 38.05.315, and 38.05.320.

12   \* Sec. 40. AS 38.05.315(d) is amended to read:

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

1 change the use specified in the lease to another or additional use  
2 except with the consent of the director. If, at any time after the  
3 land is leased, the lessee attempts to assign the lease or transfer  
4 control over the land to another, or if the land is devoted to a use  
5 other than that for which the land was leased without the consent of  
6 the director, the lease automatically terminates.

7 \* Sec. 41. AS 38.05.321(c) is amended to read:

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

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

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

15 \* Sec. 42. AS 38.05.345(a) is amended to read:

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

18 (1) classification or reclassification of state land under  
19 AS 38.05.300 and the closing of land to mineral leasing or entry under  
20 AS 38.05.185;

21 (2) zoning of land under applicable law;

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

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

28 \* Sec. 43. AS 38.05.345(b) is amended to read:

29 (b) Notice of one or more actions described in (a) of this

1 section shall be given by more than one of the following methods at  
2 least 30 days before the action: [BY] (1) publication in newspapers of  
3 statewide circulation and in a newspaper of general circulation in the  
4 vicinity of the proposed action, (2) publication through public ser-  
5 vice announcements on the electronic media serving the area affected  
6 by the action, (3) posting in a conspicuous location in the vicinity  
7 of the action, (4) notification of parties known or likely to be  
8 affected by the action, or (5) another method calculated to reach  
9 affected persons. A notice shall contain sufficient information in  
10 commonly understood terms to inform the public of the nature of the  
11 action and the opportunity of the public to comment on the action.

12 \* Sec. 44. AS 38.05.345(d) is amended to read:

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

16 (1) a permit or other authorization revocable by the de-  
17 partment; or

18 (2) negotiated sales of timber not exceeding 500,000 board  
19 feet or materials not exceeding 25,000 cubic yards under AS 38.05.115.

20 \* Sec. 45. AS 38.05.365 is amended to read:

21 Sec. 38.05.365. DEFINITIONS In this chapter, unless the con-  
22 text otherwise requires,

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

27 (2) "agricultural land [LANDS]" means land [LANDS] chiefly  
28 valuable for agricultural purposes;

29 (3) "commissioner" means the commissioner [OF THE

1 DEPARTMENT] of natural resources;

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

3 (5) "director" means the director of the division of lands  
4 of the Department of Natural Resources;

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

8 (7) "lieu and indemnity land [LANDS]" means land [LANDS]  
9 which the state is entitled to select under the provisions of 38 Stat.  
10 1214, as amended (48 USC 353) or a similar statute to compensate for  
11 land [LANDS] in place of surveyed rectangulars, which have been lost  
12 to the state by reason of deficient sections, prior rights, claims,  
13 withdrawals, reservations and other appropriations;

14 [(8) repealed.]

15 (8) [(9)] "mineral land [LANDS]" means land [LANDS] pro-  
16 spectively valuable for mineral deposits;

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

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

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

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

27 (13) "rule of approximation" is the rule which is applied in  
28 determining whether or not a lease complies with the area limits set  
29 forth in this chapter and regulations adopted under it and in keeping

1 the boundaries of leased land [LANDS] coincidental with legal subdivi-  
2 sions; under the rule, if the area covered by a lease in excess of the  
3 permitted maximum is smaller than the area of any deficiency that  
4 would result by eliminating from the lease the smallest legal subdivi-  
5 sion covered by the lease or application for lease, the excess area  
6 will be permitted to remain in the lease; if the excess area is  
7 greater than the deficient area would be, then the smallest legal  
8 subdivision will be eliminated from the lease;

9 [(14) repealed.]

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

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

18 (16) [(17)] "submerged land [LANDS]" means land [LANDS]  
19 covered by tidal water [WATERS] between the line of mean low water and  
20 seaward to a distance of three geographical miles or further as may  
21 hereafter be properly claimed by the state;

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

25 (18) [(19)] "timber land [LANDS]" and "material land  
26 [LANDS]" mean state land [LANDS] chiefly valuable for materials,  
27 including, but not limited to, sand, stone, gravel, pumice, common  
28 clay, or timber and other forest products;

29 (19) [(20)] "university land [LANDS]"

1                   (A) means

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

4                   (ii) all land [LANDS] granted to or reserved for  
5 the benefit of the university that retains its designation as  
6 university land;

7                   (iii) all other land owned in fee by the University  
8 of Alaska including land transferred in fee to the Board of  
9 Regents of the University of Alaska to replace land formerly  
10 designated as university land;

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

14                   (20) [(21)] "grazing land [LANDS]" means land [LANDS] chief-  
15 ly valuable for grazing purposes; [.]

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

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

1           (23) [(24)] "geothermal resources" means the natural heat of  
2 the earth at temperatures greater than 120 degrees Celsius, measured  
3 at the point where the highest-temperature resources encountered enter  
4 or contact a well or other resource extraction device, and includes

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

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

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

14 \* Sec. 46. AS 38.05 is amended by adding a new section to read:

15           Sec. 38.05.940. VETERANS' LAND DISCOUNT. (a) An eligible  
16 veteran is entitled to a discount of 25 percent on the purchase price  
17 of state land sold under this title and classified under AS 38.05.-  
18 005 - 38.05.270 for settlement purposes.

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

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

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

24           (3) has performed not less than 90 days of active service  
25 in the armed forces of the United States; and

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

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

1 (d) A discount under this section may be applied only to the  
2 acquisition of surface rights to state land. A discount under this  
3 section may not be applied to survey costs, road development costs,  
4 utility assessments, or other costs that the commissioner determines  
5 are reimbursable to the state.

6 (e) A discount under this section may be used toward the pur-  
7 chase of land offered at a restricted sale under AS 38.05.067.

8 \* Sec. 47. AS 38.07.030(c) is amended to read:

9 (c) The cost of clearing land leased from the state, including  
10 but not limited to school [, UNIVERSITY,] and mental health land,  
11 shall be borne by the state. The lessee shall repay the cost over a  
12 10-year period at five percent interest.

13 \* Sec. 48. AS 38.08.060 is amended by adding a new subsection to read:

14 (e) A permit holder who meets each of the provisions of (a) of  
15 this section except for (a)(1) and who tenders the commissioner an  
16 amount equal to five percent of the purchase price of the land within  
17 seven years of the issuance of the permit may purchase the land under  
18 AS 38.05.065. The purchase price of the land is the fair market value  
19 of the land at the time of purchase.

20 \* Sec. 49. AS 38.09.010(b) is amended to read:

21 (b) The commissioner shall complete a cadastral survey of home-  
22 stead entry state land under AS 38.04.045 before designating the state  
23 land for homestead entry but the commissioner may waive the cadastral  
24 survey on a determination that topographic features, diffuse settle-  
25 ment, or the public interest do not justify or require the cadastral  
26 survey. [NO PORTION OF LAND MADE AVAILABLE FOR HOMESTEAD ENTRY MAY BE  
27 LOCATED MORE THAN A MILE FROM A SURVEY CONTROL MONUMENT.]

28 \* Sec. 50. AS 38.09.090 is amended by adding a new subsection to read:

29 (b) An applicant who complies with AS 38.09.050(a)(2) - (5) and

1 who tenders the commissioner an amount equal to five percent of the  
2 present fair market value of the land within five years of the issu-  
3 ance of the permit may purchase the land under AS 38.05.065 [IF THE  
4 COMMISSIONER DETERMINES THAT THE APPLICANT HAS MADE A GOOD FAITH  
5 EFFORT TO MEET THE OCCUPANCY REQUIREMENTS]. The purchase price is the  
6 fair market value of the land at the time of the purchase.

7 \* Sec. 51. AS 38.20.010 is amended to read:

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

15 \* Sec. 52. AS 38.20.030 is amended to read:

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

20 \* Sec. 53. AS 38.20.040 is amended to read:

21 Sec. 38.20.040. USE OF COORDINATE SYSTEM. The plane coordinates  
22 of a point on the earth's surface, to be used in expressing the posi-  
23 tion or location of the point in the appropriate zone of this system,  
24 consist of two distances, expressed in feet and decimals of a foot  
25 when using the Alaska Coordinate System of 1927 and expressed in  
26 meters and decimals of a meter when using the Alaska Coordinate System  
27 of 1983. One of these distances, known as the "x-coordinate," gives  
28 the position in an east-and-west direction; the other known as the  
29 "y-coordinate" gives the position in a north-and-south direction.

1 These coordinates shall be made to depend upon and conform to the  
2 coordinates of the North American Horizontal Geodetic Control Network  
3 as determined by the National Geodetic Survey, National Ocean Service  
4 [, ON THE ALASKA COORDINATE SYSTEM, OF THE TRIANGULATION AND TRAVERSE  
5 STATIONS OF THE UNITED STATES COAST AND GEODETIC SURVEY IN THE STATE,  
6 AS THOSE COORDINATES HAVE BEEN DETERMINED BY THE SURVEY].

7 \* Sec. 54. AS 38.20.060 is amended to read:

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

10 (1) Zone 1 is an oblique Mercator projection of the Clarke  
11 spheroid of 1866, having an origin at the intersection of parallel 57°  
12 00 minutes [MINUTE] north latitude and meridian 133° 40 minutes [MI-  
13 NUTE] west of Greenwich, at which the scale is set one part in 10,000  
14 too small, and through which the axis of symmetry is in geodetic  
15 azimuth arc tangent-3/4, reckoned clockwise from south. The origin is  
16 assigned values such that all final coordinates will be positive.

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

24 (3) Zone 3 is a transverse Mercator projection of the  
25 Clarke spheroid of 1866, having a central meridian 146° 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 146° 00 minutes [MINUTE] west of Greenwich and  
29 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is

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

2 (4) Zone 4 is a transverse Mercator projection of the  
3 Clarke spheroid of 1866, having a central meridian  $150^{\circ} 00$  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  $150^{\circ} 00$  minutes [MINUTE] west of Greenwich and  
7 the parallel  $54^{\circ} 00$  minutes [MINUTE] north latitude. This origin is  
8 given the coordinates:  $x = 500,000$  feet and  $y = 0$  feet.

9 (5) Zone 5 is a transverse Mercator projection of the  
10 Clarke spheroid of 1866, having a central meridian  $154^{\circ} 00$  minutes  
11 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
12 part in 10,000 too small. The origin of coordinates is at the inter-  
13 section of the meridian  $154^{\circ} 00$  minutes [MINUTE] west of Greenwich and  
14 the parallel  $54^{\circ} 00$  minutes [MINUTE] north latitude. This origin is  
15 given the coordinates:  $x = 500,000$  feet and  $y = 0$  feet.

16 (6) Zone 6 is a transverse Mercator projection of the  
17 Clarke spheroid of 1866, having a central meridian  $158^{\circ} 00$  minutes  
18 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
19 part in 10,000 too small. The origin of coordinates is at the inter-  
20 section of the meridian  $158^{\circ} 00$  minutes [MINUTE] west of Greenwich and  
21 the parallel  $54^{\circ} 00$  minutes [MINUTE] north latitude. This origin is  
22 given the coordinates:  $x = 500,000$  feet and  $y = 0$  feet.

23 (7) Zone 7 is a transverse Mercator projection of the  
24 Clarke spheroid of 1866, having a central meridian  $162^{\circ} 00$  minutes  
25 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
26 part in 10,000 too small. The origin of coordinates is at the inter-  
27 section of the meridian  $162^{\circ} 00$  minutes [MINUTE] west of Greenwich and  
28 the parallel  $54^{\circ} 00$  minutes [MINUTE] north latitude. This origin is  
29 given the coordinates:  $x = 700,000$  feet and  $y = 0$  feet.

1           (8) Zone 8 is a transverse Mercator projection of the  
2 Clarke spheroid of 1866, having a central meridian  $166^{\circ} 00$  minutes  
3 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
4 part in 10,000 too small. The origin of coordinates is at the inter-  
5 section of the meridian  $166^{\circ}$  west of Greenwich and the parallel  $54^{\circ} 00$   
6 minutes [MINUTE] north latitude. This origin is given the coordi-  
7 nates:  $x = 500,000$  feet and  $y = 0$  feet.

8           (9) Zone 9 is a transverse Mercator projection of the  
9 Clarke spheroid of 1866, having a central meridian  $170^{\circ} 00$  minutes  
10 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
11 part in 10,000 too small. The origin of coordinates is at the inter-  
12 section of the meridian  $170^{\circ} 00$  minutes [MINUTE] west of Greenwich and  
13 the parallel  $54^{\circ} 00$  minutes [MINUTE] north latitude. This origin is  
14 given the coordinates:  $x = 600,000$  feet and  $y = 0$  feet.

15           (10) Zone 10 is a Lambert conformal conic projection of the  
16 Clarke spheroid of 1866, having standard parallels at north latitude  
17  $51^{\circ} 50$  minutes [MINUTE] as and  $53^{\circ} 50$  minutes, along which parallels  
18 the scale shall be exact. The origin of coordinates is at the inter-  
19 section of the meridian  $176^{\circ} 00$  minutes [MINUTE] west of Greenwich and  
20 the parallel  $51^{\circ} 00$  minutes [MINUTE] north latitude. This origin is  
21 given the coordinates:  $x = 3,000,000$  feet and  $y = 0$  feet.

22 \* Sec. 55. AS 38.20.060 is amended by adding a new subsection to read:

23           (b) The zones of the Alaska Coordinate System of 1983 have the  
24 following characteristics:

25           (1) Zone 1 is an oblique Mercator projection of the World  
26 Reference Ellipsoid, having an origin at the intersection of parallel  
27  $57^{\circ} 00$  minutes north latitude and meridian  $133^{\circ} 40$  minutes west of  
28 Greenwich, at which the scale is set one part in 10,000 too small, and  
29 through which the axis of symmetry is in geodetic azimuth arc

1 tangent-3/4, reckoned clockwise from south. The origin is assigned  
2 values such that all final coordinates will be positive.

3 (2) Zone 2 is a transverse Mercator projection of the World  
4 Reference Ellipsoid, having a central meridian 142° 00 minutes west of  
5 Greenwich, on which meridian the scale is set one part in 10,000 too  
6 small. The origin of coordinates is at the intersection of the meri-  
7 dian 142° 00 minutes west of Greenwich and the parallel of 54° 00  
8 minutes north latitude. This origin is given the coordinates:  $x =$   
9 500,000 meters and  $y = 0$  meters.

10 (3) Zone 3 is a transverse Mercator projection of the World  
11 Reference Ellipsoid, having a central meridian 146° 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 146° 00 minutes west of Greenwich and the parallel 54° 00  
15 minutes north latitude. This origin is given the coordinates:  $x =$   
16 500,000 meters and  $y = 0$  meters.

17 (4) Zone 4 is a transverse Mercator projection of the World  
18 Reference Ellipsoid, having a central meridian 150° 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 150° 00 minutes west of Greenwich and the parallel 54° 00  
22 minutes north latitude. This origin is given the coordinates:  $x =$   
23 500,000 meters and  $y = 0$  meters.

24 (5) Zone 5 is a transverse Mercator projection of the World  
25 Reference Ellipsoid, having a central meridian 154° 00 minutes west of  
26 Greenwich, on which meridian the scale is set at one part in 10,000  
27 too small. The origin of coordinates is at the intersection of the  
28 meridian 154° 00 minutes west of Greenwich and the parallel 54° 00  
29 minutes north latitude. This origin is given the coordinates:  $x =$

1 500,000 meters and  $y = 0$  meters.

2 (6) Zone 6 is a transverse Mercator projection of the World  
3 Reference Ellipsoid, having a central meridian  $158^{\circ} 00$  minutes west of  
4 Greenwich, on which meridian the scale is set at one part in 10,000  
5 too small. The origin of coordinates is at the intersection of the  
6 meridian  $158^{\circ} 00$  minutes west of Greenwich and the parallel  $54^{\circ} 00$   
7 minutes north latitude. This origin is given the coordinates:  $x =$   
8 500,000 meters and  $y = 0$  meters.

9 (7) Zone 7 is a transverse Mercator projection of the World  
10 Reference Ellipsoid, having a central meridian  $162^{\circ} 00$  minutes west of  
11 Greenwich, on which meridian the scale is set at one part in 10,000  
12 too small. The origin of coordinates is at the intersection of the  
13 meridian  $162^{\circ} 00$  minutes west of Greenwich and the parallel  $54^{\circ} 00$   
14 minutes north latitude. This origin is given the coordinates:  $x =$   
15 500,000 meters and  $y = 0$  meters.

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

23 (9) Zone 9 is a transverse Mercator projection of the World  
24 Reference Ellipsoid, having a central meridian  $170^{\circ} 00$  minutes west of  
25 Greenwich, on which meridian the scale is set at one part in 10,000  
26 too small. The origin of coordinates is at the intersection of the  
27 meridian  $170^{\circ} 00$  minutes west of Greenwich and the parallel  $54^{\circ} 00$   
28 minutes north latitude. This origin is given the coordinates:  $x =$   
29 500,000 meters and  $y = 0$  meters.

1 (10) Zone 10 is a Lambert conformal conic projection of the  
2 World Reference Ellipsoid, having standard parallels at north latitude  
3 51° 50 minutes as and 53° 50 minutes, along which parallels the scale  
4 shall be exact. The origin of coordinates is at the intersection of  
5 the meridian 176° 00 minutes west of Greenwich and the parallel 51° 00  
6 minutes north latitude. This origin is given the coordinates:  $x =$   
7 1,000,000 meters and  $y = 0$  meters.

8 \* Sec. 56. AS 38.20.070 is amended to read:

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

19 \* Sec. 57. AS 38.20.070 is amended by adding a new subsection to read:

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

27 \* Sec. 58. AS 38.20.090 is amended to read:

28 Sec. 38.20.080. LIMITATION. Coordinates [NO COORDINATES] based  
29 on the Alaska Coordinate System, purporting to define the position of

1 a point on a land boundary, may not [SHALL] be presented to be record-  
2 ed in any public land records or deed records unless the point is  
3 within two miles of a horizontal control [TRIANGULATION OR TRAVERSE]  
4 station established in conformity with National Geodetic Survey,  
5 National Ocean Service standards and specifications for first-order,  
6 second-order, or third-order work [THE STANDARDS PRESCRIBED IN AS 38.-  
7 20.070]. The two-mile limitation may be modified by a state agency to  
8 meet local conditions.

9 \* Sec. 59. AS 38.20.090 is amended to read:

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

14 \* Sec. 60. AS 38.20.090 is amended by adding a new subsection to read:

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

19 \* Sec. 61. AS 38.20.100 is amended to read:

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

1 the description by coordinates.

2 \* Sec. 52. AS 38.20.110 is amended to read:

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

7 \* Sec. 63. AS 38.35.140(b) is amended to read:

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

12 \* Sec. 64. AS 38.50.020(b) is amended to read:

13 (b) An appraisal required by this section is presumed accurate  
14 and valid for a period of one year [SIX MONTHS] from the time the  
15 appraisal is completed. After that time, or if the director has  
16 reason to believe that the value of the appraised property has changed  
17 significantly during the original one year [SIX-MONTH] period, a  
18 reappraisal of the property is required.

19 \* Sec. 65. AS 38.50.040 is amended to read:

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

26 \* Sec. 66. AS 38.50.090(b) is amended to read:

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

1 \* Sec. 67. AS 38.50.110(a) is amended to read:

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

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

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

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

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

17 (5) circulate the notice to the Office of the Governor and  
18 to all state departments;

19 [(6) Repealed]

20 (6) [(7)] mail the notice to any corporation organized  
21 under the Alaska Native Claims Settlement Act, which corporation owns  
22 or has selected land located within a radius of 15 linear miles from  
23 land or property involved in the proposed exchange; and

24 (7) [(8)] mail the notice to any other party, including an  
25 organization of land users, that the director [HE] considers appropri-  
26 ate.

27 \* Sec. 68. AS 38.50.110 is amended by adding a new subsection to read:

28 (c) The director shall provide the information required under  
29 (b) of this section under AS 38.05.345(b) and (c) for exchanges of

- 1 (1) less than 640 acres of state land; or  
2 (2) state land having an appraised or estimated fair market  
3 value of less than \$100,000.

4 \* Sec. 69. AS 38.50.120(a) is amended to read:

5 (a) The commissioner [DIRECTOR] may hold as many public hearings  
6 as is considered appropriate. For an exchange of more than 640 acres  
7 of state land or state land having an appraised or estimated fair  
8 market value of more than \$100,000, there [THERE] shall be at least  
9 one public hearing.

10 \* Sec. 70. AS 38.50.140 is amended to read:

11 Sec. 38.50.140. LEGISLATIVE REVIEW. Within 10 days of the  
12 convening of a regular legislative session, the governor shall trans-  
13 mit to the president of the senate and the speaker of the house of  
14 representatives any proposal for a land exchange required to be sub-  
15 mitted to the legislature under AS 38.50.020(a) that [FOR OTHER THAN  
16 EQUAL APPRAISED FAIR MARKET VALUE WHICH] is scheduled to occur before  
17 the next legislative session. If [, IN HIS VIEW,] exigent circum-  
18 stances seriously affecting state interests so require, the governor  
19 may submit the proposed exchange to the legislature at some other  
20 time. A finding of exigent circumstances shall be carefully document-  
21 ed in the letter of transmittal. The director is authorized to con-  
22 clude a proposed exchange agreement unless either house of the legis-  
23 lature by simple resolution disapproves of the exchange within 60  
24 legislative days of transmittal by the governor. A decision by the  
25 legislature to disapprove a proposed exchange shall be accompanied by  
26 a recommendation to the governor with respect to future actions which  
27 the director should take concerning the exchange.

28 \* Sec. 71. AS 38.95.080(a) is amended to read:

29 (a) The commissioner may [DIRECTOR OF THE DIVISION OF LANDS

1 SHALL] issue a nontransferable permit for the construction of a trap-  
2 ping cabin on state land to a person who meets the following qualifi-  
3 cations:

4 (1) the person must have an established trapline with proof  
5 of regular use;

6 (2) the person must have a trapline of sufficient length to  
7 justify the need for cabin construction.

8 \* Sec. 72. AS 38.95.160(b) is amended to read:

9 (b) In this section

10 (1) "publicly financed improvement" means an improvement  
11 financed with state or federal money that is constructed by the state  
12 or an instrumentality of the state and includes, but is not limited  
13 to, onshore or offshore oil drilling or pumping operations, roads,  
14 bridges, pipelines, seismic lines, logging and mining operations,  
15 dams, buildings and electric power transmission lines;

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

18 \* Sec. 73. AS 29.18.206(a) is amended to read:

19 Sec. 29.18.206. SCHOOL [, UNIVERSITY] AND MENTAL HEALTH LAND.

20 (a) If an entitlement determined under [IN] AS 29.18.201 or 29.18.202  
21 results in a per capita entitlement for the municipality of less than  
22 one and one-half acre, the municipality may select vacant school [,  
23 [UNIVERSITY] or mental health land within the municipality in partial  
24 fulfillment of its land entitlement under AS 29.18. School [, UNIVER-  
25 SITY] or mental health land may be selected notwithstanding the fact  
26 that this land is [THESE LANDS ARE] not unappropriated and unreserved  
27 within the meaning of this chapter and former AS 29.18.190 and 29.18.-  
28 200 [, REPEALED BY THIS ACT,] but each selection of school [,  
29 UNIVERSITY] or mental health land by a municipality must be vacant,

1 unappropriated, or unreserved land as defined in AS 29.18, except that  
2 it need not be general grant land.

3 \* Sec. 74. AS 29.18.206(d) is amended to read:

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

16 \* Sec. 75. AS 29.18.206(e) is amended to read:

17 (e) The notice [AND REVIEW] provisions of AS [38.05.305 AND]  
18 38.05.345 are applicable to the designation of other general grant  
19 land as school, university or mental health land in replacement of  
20 land selected under this section. The provisions of AS 38.50 [AND  
21 38.05.032] do not apply to such designations under this section. [THE  
22 PROVISIONS OF AS 38.05.030(a), 38.05.030(e), AND 38.05.035(a)(13)  
23 WHICH REQUIRE THE APPROVAL OF THE RESPECTIVE TRUST BOARD BEFORE DIS-  
24 POSAL OF LANDS BY THE DIRECTOR DO NOT APPLY TO SELECTIONS OF SCHOOL,  
25 UNIVERSITY OR MENTAL HEALTH LAND BY A MUNICIPALITY UNDER THIS SEC-  
26 TION.]

27 \* Sec. 76. AS 29.18.210(b) is amended to read:

28 (b) Where state land is the most logical location for demon-  
29 strated municipal expansion [FOR NONPUBLIC SETTLEMENT AND DEVELOPMENT

1 PURPOSES,] and when an exchange of land under AS 29.18.209 is not  
2 possible or is not in the public interest, it is the policy of the  
3 state to sell or lease the land at public auction. The state may  
4 contract with a municipality to act as its agent in an auction of  
5 state land under applicable statutes. When a municipality acts as the  
6 agent of the state in an auction, the municipality may retain from the  
7 proceeds of the auction the capital and other expenses that [WHICH]  
8 the director determines to be necessary and reasonable.

9 \* Sec. 77. AS 29.18.213 is repealed and reenacted to read:

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

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

14 (2) "director" means the director of the division of lands,  
15 Department of Natural Resources;

16 (3) "general grant land"

17 (A) means land patented or tentatively approved to the  
18 state from the United States under sec. 6(a) or (b) of the Alaska  
19 Statehood Act;

20 (B) does not include university land;

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

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

29 (6) "municipality" means a home rule or general law city or

1 organized borough of any class, and includes unified municipalities  
2 established under AS 29.68.240 - 29.68.440;

3 (7) "patent" means a document, issued by the director to a  
4 municipality for a previously approved selection, that conveys and  
5 quitclaims all the right, title and interest of the state without  
6 reservation or condition except as may be required by law;

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

11 (9) "school land" means those rectangular sections 16 and  
12 36 within each township surveyed on or before January 3, 1959, and  
13 confirmed and transferred to the State of Alaska upon its admission  
14 under sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other  
15 land designated solely for school revenues;

16 (10) "university land" has the meaning given that term in  
17 AS 38.05.365;

18 (11) "vacant, unappropriated, unreserved land" means general  
19 grant land as defined in (4) of this section, excluding minerals as  
20 required by sec. 6(i) of the Alaska Statehood Act, that

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

23 (B) has not been approved for patent to a municipality  
24 under AS 29.18.201 - 29.18.213 or former AS 29.18.190 and 29.18.-  
25 200; or

26 (C) is unclassified or, if classified under AS 38.-  
27 05.300, is classified for agricultural, grazing, commercial,  
28 industrial, private recreational, residential, utility or open-  
29 to-entry purposes, or where classified in accordance with an

1 agreement between a municipality and the state providing for  
2 state management of land of the municipality.

3 \* Sec. 78. AS 29.33.150(b) is amended to read:

4 (b) The regulations adopted under (a) of this section apply to  
5 subdivision plats of undeveloped state land for disposal under AS 38.-  
6 05 or AS 38.08 filed with the platting board. [THE PLATTING BOARD MAY  
7 NOT DISAPPROVE THE SUBDIVISION PLAT ON THE BASIS OF REGULATIONS WHICH  
8 REQUIRE CAPITAL IMPROVEMENTS ON OR TO STATE LAND INCLUDED IN THE  
9 SUBDIVISION PLAT.] Regulations adopted after the platting board is  
10 notified by the commissioner of natural resources of a proposed sale  
11 of subdivided state land under AS 38.05 or AS 38.08 do not apply to  
12 the state land in the proposed sale.

13 \* Sec. 79. AS 29.33.150(c) is amended to read:

14 (c) The platting board must approve and sign the subdivision  
15 plat within 60 days of its receipt from the commissioner of natural  
16 resources unless the platting board

17 (1) determines that the plat does not comply with subdivi-  
18 sion regulations, unless the plat was submitted to the platting board  
19 before the effective date of this Act [OTHER THAN THOSE REQUIRING  
20 CAPITAL IMPROVEMENTS TO STATE LAND]; and

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

23 \* Sec. 80. The provisions of AS 38.05.065(d) - (f) as added in sec. 22  
24 of this Act apply to contracts entered into by the commissioner of natural  
25 resources after the effective date of this Act.

26 \* Sec. 81. AS 29.33.150(e); AS 38.04.025, 38.04.040, 38.04.045(a);  
27 AS 38.05.030(a), 38.05.035(a)(14), 38.05.069(b), 38.05.350, 38.05.362 and  
28 38.05.365(20) are repealed.

29 \* Sec. 82. Sections 18, 34, and 41 of this Act take effect immediately

1 in accordance with AS 01.10.070(c).

2 \* Sec. 83. Sections 1 - 17, 19 - 33, 35 - 40, and 42 - 81 take effect

3 July 1, 1984.

Introduced: 1/25/84  
Referred: Resources and  
Finance

1 IN THE SENATE

BY FAHRENKAMP

2

SENATE BILL NO. 375

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 effect of private use and settlement on wildlife, fishery,  
14 mineral, timber, and other significant resources on 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) In classifying and making state land available for private  
28 use and settlement, the director shall, when appropriate, hold public  
29 hearings in the communities affected by the disposal to solicit the

1 views of the residents of the communities affected.

2 \* Sec. 3. AS 38.04.010(b) is amended to read:

3 (b) State land which is located beyond the range of existing  
4 schools and other necessary public services, or which is located where  
5 development of sources of employment is improbable, may be made avail-  
6 able for seasonal recreational purposes or for low density settlement.  
7 The seasonal recreation use or low density settlement shall have [,  
8 WITH] sufficient separation between residences so that

9 (1) public services will not be necessary or expected; and

10 (2) resources such as timber, firewood, and water in the  
11 area are sufficient to accommodate the intended private uses.

12 \* Sec. 4. AS 38.04.020(e) as amended by sec. 3, ch. 103, SLA 1983 is  
13 amended to read:

14 (e) The commissioner shall annually submit to the governor an  
15 appropriation request necessary for the disposal of state land in the  
16 land disposal bank that shall be included in the budget submitted to  
17 the legislature by the governor. For each fiscal year, the request  
18 shall include an estimate of the amount necessary

19 (1) for survey and disposal of land proposed to be made  
20 available for homestead staking, with the general location of the  
21 land;

22 (2) for survey and disposal of land to be offered as agri-  
23 cultural, commercial, industrial, or other uses under AS 38.05.055 or  
24 38.05.057, with the general location of the land;

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

27 (4) for preliminary feasibility studies, engineering design  
28 work, and construction of access roads and capital improvements re-  
29 quired by municipal subdivision ordinance or regulation of the

1 platting board under AS 29.33.150; [IF AN ACCURATE DETERMINATION OF  
2 THE AMOUNTS NECESSARY FOR ACCESS ROADS OR CAPITAL IMPROVEMENTS CANNOT  
3 BE MADE AT THE TIME THE ESTIMATE IS SUBMITTED, A SCHEDULE FOR OBTAIN-  
4 ING THE ESTIMATES, CONSTRUCTING THE ACCESS ROADS OR CAPITAL IMPROVE-  
5 MENTS, AND DISPOSING OF THE LAND SHALL BE SUBMITTED;]

6 (5) for identification of land that will be proposed for  
7 disposal under this subsection in future fiscal years.

8 \* Sec. 5. AS 38.04.020(f) is amended to read:

9 (f) The request of the commissioner under (e) of this section  
10 shall be based on an annual written assessment by the commissioner of  
11 the market for state land in the different regions of the state. If  
12 the state land is in or adjacent to municipalities or unincorporated  
13 communities, the assessment shall be developed in consultation with  
14 the municipalities or unincorporated communities. The assessment must  
15 include a survey of the supply of privately owned land offered for  
16 sale, municipal land for which a disposal plan has been completed, and  
17 federal land available for sale, lease, or permit for specific activi-  
18 ties. The assessment of the market for state land shall be based on  
19 an analysis of the amount of private, municipal, and federal land  
20 available for disposal on terms equivalent to those used in comparable  
21 state land disposal programs and shall include the length of time land  
22 remains on the market before it is sold. The assessment must include  
23 findings regarding the amount and general location of state land, in  
24 addition to land offered by private landowners or available from a  
25 municipal government or the federal government, that is necessary to  
26 meet the statewide demand for at least five fiscal years immediately  
27 after the year in which the assessment is made. The assessment must  
28 also state the general location of land proposed for disposal in the  
29 next fiscal year and recommendations for the method of disposal under

1       which the land will be offered to the public. The assessment shall  
2       also identify the demand for public services and capital improvements,  
3       including roads, associated with the market for state land.

4       \* Sec. 6. AS 38.04.020(g)(2) is amended to read:

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

8                       (A) UP TO 80 PERCENT OF THE PARCELS SHALL BE SOLD  
9       UNDER THE LOTTERY SALE PROCEDURES ESTABLISHED IN AS 38.05.057 AND  
10       38.05.065;

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

13                      (C) AT LEAST AN ADDITIONAL 10 PERCENT OF THE PARCELS  
14       SHALL BE DISPOSED OF AS HOMESITES UNDER AS 38.08.010 - 38.08.120  
15       EXCEPT THAT, NOTWITHSTANDING AS 38.08.040(b), PARCELS OFFERED  
16       UNDER THIS SUBPARAGRAPH SHALL BE OFFERED BY LOTTERY UNDER AS 38.-  
17       05.057].

18       \* Sec. 7. AS 38.04.020(h) is amended to read:

19               (h) Individual parcels disposed of in subdivisions may not  
20       exceed five acres unless the commissioner determines that a larger  
21       size is necessary to comply with zoning ordinances, [OR] to permit the  
22       design of a viable subdivision because of topographical features, soil  
23       conditions, on-site sewage disposal requirements, or water drainage or  
24       supply considerations that are unique to the subdivision, to minimize  
25       adverse effect on wildlife, fishery, timber, or other significant  
26       resources in the area, or to minimize adverse effect on other resi-  
27       dential uses in the area.

28       \* Sec. 8. AS 38.04 is amended by adding a new section to read:

29               Sec. 38.04.022. FUNDS FOR LAND DISPOSAL. (a) The revenue from

1 the sale of state land shall be deposited in a special state land  
2 disposal income account in the state general fund. The legislature  
3 may appropriate money from the special state land disposal income  
4 account for expenditure by the Department of Natural Resources for  
5 necessary costs incurred by the commissioner in the implementation of  
6 state land disposal programs authorized under AS 38 and for implemen-  
7 tation of AS 38.04.021.

8 (b) Within 30 days after the legislature convenes in regular  
9 session the Department of Natural Resources shall submit a report  
10 reflecting all money deposited or anticipated to be deposited in the  
11 fund established under (a) of this section for the next fiscal year.

12 \* Sec. 9. AS 38.04.035(4) is amended to read:

13 (4) For enabling isolated cabin development in remote  
14 locations where survey and conveyance is impractical, where potential  
15 conflicts with other resources and uses require additional conditions,  
16 or where a long-range interest in public ownership and use exist, a  
17 system for cabin permits on public land may be used.

18 \* Sec. 10. AS 38.04.045(b) is amended to read:

19 (b) Before the conveyance of surface rights to state land, an  
20 official cadastral survey shall be accomplished, unless a comparable,  
21 acceptable survey exists that has been conducted by the federal Bureau  
22 of Land Management. The rectangular survey section corner positions  
23 shall be monumented and shown on a cadastral survey plat approved by  
24 the state. However, for those areas where the state may wish to  
25 convey surface estate outside of an official cadastral survey grid,  
26 the director may waive monumentation of all individual section corner  
27 positions and substitute an official control survey with control  
28 points being monumented [AT APPROXIMATELY TWO-MILE INTERVALS] and  
29 shown on control survey plats approved by the state. No portion of

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

14 \* Sec. 11. AS 38.04.050 is amended to read:

15 Sec. 38.04.050. ACCESS TO PRIVATE USE AREAS. Wherever state  
16 land is surveyed for purposes of private use, legal [ADEQUATE] rights-  
17 of-way and easements shall be reserved [AS NECESSARY] for access and,  
18 where appropriate, for utility services [POWER AND TELEPHONE SERVICE]  
19 to each parcel of land. A right-of-way or easement shall be located  
20 to assure adequate and feasible access for the purposes for which the  
21 right-of-way or easement was intended. Where necessary and appropri-  
22 ate for the use intended or where required by local subdivision ordi-  
23 nances, the director shall arrange for the development of surface  
24 access as part of the land availability program. The direct cost of  
25 local access development shall be borne by the recipient of the land  
26 unless otherwise provided by state statutes or regulations.

27 \* Sec. 12. AS 38.04.055 is amended to read.

28 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director  
29 shall reserve easements, [AND] rights-of-way, and land in state

1        ownership on, [AND] across, or adjacent to land which is made avail-  
2        able for private use as necessary to maintain present and future  
3        public use and access to public land and water and to reach adjacent  
4        private land [REACH OR USE PUBLIC WATER AND PUBLIC AND PRIVATE LAND].  
5        An easement, [OR] right-of-way, or state land reserved under this  
6        section may include established trails traditionally used for com-  
7        merce, recreation, or transportation.

8        \* Sec. 13. AS 38.05.030(c) is amended to read:

9            (c) In addition to the requirements specified in AS 38.50.090,  
10        the agencies referred to in (a) and (b) of this section and other  
11        state agencies with authority to acquire or dispose of land shall give  
12        written notification of the fact of acquisition, lease, disposal, or  
13        exchange to the commissioner [DIVISION OF LANDS] within three months  
14        after the date that they make the acquisition, lease, disposal, or  
15        exchange.

16        \* Sec. 14. AS 38.05.030(d) is amended to read:

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

24        \* Sec. 15. AS 38.05.035 is amended by adding a new subsection to read:

25            (e) Upon a written finding that the interests of the state will  
26        be best served, the director may, with the consent of the commis-  
27        sioner, approve contracts for the sale, lease, or other disposal of  
28        available land, resources, property or interests in them, and, in  
29        addition to the conditions and limitations imposed by law, may impose

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

17 (1) a contract for a negotiated sale authorized under  
18 AS 38.05.115;

19 (2) a lease of land for a shore fishery site under AS 38.-  
20 05.052; or

21 (3) a permit or other authorization revocable by the commis-  
22 sioner.

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

24 (b) The director may

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

28 (2) grant preference rights for the lease or purchase of  
29 state land without competitive bid in order to correct [THE PAST OR

1 FUTURE] errors or omissions of a state or federal administrative  
2 agency when inequitable detriment would otherwise result to a diligent  
3 claimant or applicant due to situations over which the claimant or  
4 applicant had no control; the exercise of this discretionary power  
5 operates only to divest the state of its title to or interests in land  
6 and may be exercised only

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

8 (B) if the application for the preference right is  
9 filed with the director within three years from th occurrence of  
10 the error or omission;

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

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

29 (5) when the director [HE] determines it is in the best

1 interest of the state and will avoid injustice to a person or the  
2 [HIS] heirs or devisees of a person, dispose of land, by direct nego-  
3 tiation to that person who presently uses and who used and made im-  
4 provements to that land before January 3, 1959 or to the [HIS] heirs  
5 or devisees of the person; the amount paid for the land shall be its  
6 fair market value on the date that the person first entered the land,  
7 as determined by the director; a parcel of land disposed of under this  
8 paragraph shall be of a size consistent with the person's prior use,  
9 but may not exceed five acres;

10 (6) dispose of an interest in land limited to use for  
11 agricultural purposes by lottery;

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

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

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

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

24 (8) for good cause extend for up to 90 days the time for  
25 rental or installment payments by a lessee or purchaser of state land  
26 under AS 38.05.005 - 38.05.370 if reasonable penalties and interest  
27 set by the director are paid.

28 \* Sec. 17. AS 38.05.050 is amended to read:

29 Sec. 38.05.050. DISPOSAL OF LAND FOR PRIVATE OWNERSHIP. The

1 commissioner [, UPON THE RECOMMENDATION OF THE DIRECTOR,] shall deter-  
2 mine the land to be disposed of for private use. The commissioner  
3 [DIRECTOR] shall determine the time and place of disposal. An auction  
4 sale, a lottery sale, or a disposal of land for homesites [UNDER  
5 AS 38.04.020(g)(2)(C)] must be held in the community [MUNICIPALITY]  
6 that is closest to the land to be sold or disposed of and in which  
7 regular sessions of a court of the state are held.

8 \* Sec. 18. AS 38.05.055 is amended to read:

9 Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method  
10 of sale is required under AS 38.05.005 - 38.05.370, under AS 38.07.-  
11 010 - 38.07.060, or under AS 38.08.010 - 38.08.120, the sale of state  
12 land shall be made at public auction to the highest qualified bidder  
13 as determined by the director. The director may accept bids and sell  
14 state land under this section at no less than 85 percent of the ap-  
15 praised fair market value of the land. A bidder must appear in person  
16 at the auction unless medical reasons, attendance at school or mili-  
17 tary service outside the state prevent attendance. A bidder may be  
18 represented by an attorney or agent at the auction if the land offered  
19 for disposal is commercial, industrial, or agricultural land. An  
20 aggrieved bidder may appeal to the commissioner within five days after  
21 the sale for a review of the director's determination. The sale shall  
22 be conducted by the director [OR HIS REPRESENTATIVE,] and at the time  
23 of sale the successful bidder shall deposit an amount equal to five  
24 percent of the purchase price [, OR IF THE PURCHASER ELECTS TO USE  
25 LAND DISCOUNTS GRANTED UNDER AS 38.05.058, FIVE PERCENT OF THE AMOUNT  
26 BID AFTER DEDUCTION OF THE DISCOUNT]. The director [OR HIS REPRESENTATIVE] shall immediately issue a receipt containing a description of  
27 the land or property purchased, the price bid, and the amount depos-  
28 ited [, AND THE AMOUNT OF ANY DISCOUNT ALLOWED]. The receipt shall

1 be acknowledged in writing by the bidder.

2 \* Sec. 19. AS 38.05.065 is amended by adding a new subsection to read:

3 (d) If the director believes that a material breach of a con-  
4 tract for a sale of land has occurred, the director shall afford the  
5 purchaser and any other person with an interest in the contract an  
6 opportunity to appear and present evidence. On a determination based  
7 on the evidence presented that there has been a material breach of the  
8 contract, the director may foreclose the interest of the purchaser or  
9 any other person with an interest under the contract. If the state  
10 has transferred or assigned its interest in the contract to a third  
11 person, the transferee or assignee has the rights of the state under  
12 the contract.

13 \* Sec. 20. AS 38.05.069(a) is amended to read:

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

1 exceed 320 acres. Agricultural land that [WHICH] is acquired under  
2 this section must be used for agricultural purposes as required by  
3 law.

4 \* Sec. 21. AS 38.05.069(c) is amended to read:

5 (c) Under this section

6 (1) the director may convey or lease an interest in the  
7 land only for agricultural purposes, and all other interests in the  
8 land remain in the state; the sale or lease shall be at public auc-  
9 tion;

10 (2) the remaining interests may subsequently be conveyed or  
11 leased by the director only upon the request of the grantee or lessee  
12 or the [HIS] assigns of the grantee or lessee and the determination of  
13 the director, with the written concurrence of the commissioner, that  
14 the conveyance or lease is in the public interest;

15 (3) the conveyance or lease of the remaining interests  
16 shall be at public auction; the original grantee or lessee or the  
17 [HIS] assigns of the grantee or lessee have a preference right to meet  
18 the high bid at the time of [WITHIN 30 DAYS AFTER THE DAY OF] the  
19 auction; if the right is exercised, the value of improvements owned by  
20 the holder of the preference right, included with the remaining inter-  
21 ests sold, shall be deducted from the purchase price;

22 (4) by requesting the conveyance or lease of the remaining  
23 interest, the original grantee or lessee or the [HIS] assigns of the  
24 grantee or lessee

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. 22. AS 38.05.110 is amended to read:

5 Sec. 38.05.110. SALE OF TIMBER AND MATERIALS. The commissioner  
6 [DIRECTOR] shall provide for cruises of timber and appraisals of other  
7 materials in or upon state land and shall assess the supply of and  
8 current markets for timber on and other materials in privately owned  
9 land in close proximity to state land to determine [LANDS AND TRANSMIT  
10 THIS DATA TO THE COMMISSIONER, TOGETHER WITH HIS RECOMMENDATIONS WITH  
11 RESPECT TO]

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

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

15 \* Sec. 23. AS 38.05.115(a) is amended to read:

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

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

1 (a) Notwithstanding any other provision of AS 38.05.110 - 38.-  
2 05.120, the commissioner [DIRECTOR, WITH THE APPROVAL OF THE COMMIS-  
3 SIONER,] may negotiate a sale of timber to a local manufacturer at  
4 appraised value. The period of a contract for a sale of timber nego-  
5 tiated under this section may not exceed 25 years. The contract shall  
6 provide that the appraised value of timber remaining to be harvested  
7 under the provisions of the contract shall be redetermined at least  
8 once every five years.

9 \* Sec. 25. AS 38.05.118(c) is amended to read:

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

- 14 (1) a high level of local unemployment;
- 15 (2) an underutilized timber manufacturing capacity; and
- 16 (3) an underutilized allowable cut of state timber.

17 \* Sec. 26. AS 38.05.120 is amended to read:

18 Sec. 38.05.120. DISPOSAL PROCEDURE. Timber and other materials  
19 shall be sold either by sealed bids or public auction, depending on  
20 which method is determined by the commissioner to be in the best  
21 interests of the state, to the highest qualified bidder as determined  
22 by the commissioner [DIRECTOR. AN AGGRIEVED BIDDER MAY APPEAL TO THE  
23 COMMISSIONER WITHIN FIVE DAYS AFTER THE SALE FOR A REVIEW OF THE  
24 DIRECTOR'S DETERMINATION]. The sale shall be conducted by the commis-  
25 sioner [DIRECTOR OR HIS REPRESENTATIVE], and at the time of sale the  
26 successful bidder shall deposit the amount specified in the terms of  
27 sale. The means by which the amount of deposit is determined shall be  
28 prescribed by appropriate regulation. The commissioner [DIRECTOR OR  
29 HIS REPRESENTATIVE] shall immediately issue a receipt containing a

1 description of the timber or materials purchased, the price bid, and  
2 the terms of sale. The receipt shall be acknowledged in writing by  
3 the bidder. A contract of sale, on a form approved by the attorney  
4 general, shall be signed by the purchaser and [, FOLLOWING THE AP-  
5 PROVAL OF THE COMMISSIONER,] the contract shall be signed by the  
6 commissioner [DIRECTOR] on behalf of the state. The commissioner  
7 [DIRECTOR, WITH THE APPROVAL OF THE COMMISSIONER,] may impose condi-  
8 tions, limitations, and terms considered [WHICH HE CONSIDERS] neces-  
9 sary and proper to protect the interests of the state. Violation of  
10 any provision of this chapter or the terms of the contract of sale  
11 subjects the purchaser to appropriate legal action.

12 \* Sec. 27. AS 38.05.127(a) is amended to read:

13 (a) Before the sale, lease, grant, or other disposal of any  
14 interest in state land adjacent to a body of water or waterway, the  
15 department [DEPARTMENT OF NATURAL RESOURCES] shall,

16 (1) under regulations, determine if the body of water or  
17 waterway is navigable water, public water, or neither;

18 (2) upon finding that the body of water or waterway is  
19 navigable or public water, provide for the specific easements, [OR]  
20 rights-of-way, or retention of land in state ownership [BOTH], rea-  
21 sonably necessary to ensure [INSURE] free access to and along the body  
22 of water, unless the department finds that regulating or limiting  
23 access is necessary for other beneficial uses or public purposes.

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

25 (e) The establishment of easements or rights-of-way for oil and  
26 gas and mineral leases under (a) of this section need not be made  
27 until the leases are ready to be developed.

28 \* Sec. 29. AS 38.05.205(a) is amended to read:

29 (a) Prior discovery, location and filing shall initiate prior

1 rights to mineral deposits subject to AS 38.05.185 - 38.05.280 in or  
2 on state land [LANDS], other than submerged land [LANDS], which is  
3 [ARE] open to mining leasing. Locations shall be made and certifi-  
4 cates of location recorded in accordance with AS 38.05.195. If the  
5 located land is [LANDS ARE] available only for leasing, the commis-  
6 sioner shall provide notice under AS 38.05.345 of the filing of the  
7 location and notice that a mineral lease will be issued. After notice  
8 under AS 38.05.345, an application form for a mining lease shall be  
9 mailed to the locator by the commissioner unless [THE DIRECTOR SHALL  
10 PUBLISH IN A PAPER OF GENERAL CIRCULATION IN THE AREA OF THE LOCATION,  
11 NOTICE OF THE FILING OF THE LOCATION AND NOTICE THAT A MINERAL LEASE  
12 WILL BE ISSUED. THE NOTICE MAY BE COMBINED WITH NOTICES OF LOCATIONS  
13 EITHER IN THE SAME GENERAL AREA OR STATEWIDE. UNLESS] a conflicting  
14 location exists [, NO LATER THAN TWO WEEKS AFTER PUBLICATION OF THE  
15 NOTICE, AN APPLICATION FORM FOR A MINING LEASE SHALL BE MAILED TO THE  
16 LOCATOR BY THE DIRECTOR]. A lease application shall be filed with the  
17 commissioner [DIRECTOR] by the locator within 90 days after receipt of  
18 the form. If the located land is [LANDS ARE] not available for leas-  
19 ing, notice shall be given the locator by the commissioner [DIRECTOR]  
20 and the locator's prior rights shall terminate. A mining lessee has  
21 the exclusive rights of possession and extraction of all minerals  
22 subject to AS 38.05.185 - 38.05.280 lying within the boundaries of the  
23 [HIS] lease or location. Mining leases may be issued for one location  
24 or for a group of contiguous locations held in common. Minerals may  
25 not be mined and marketed or used until a lease is issued, except for  
26 limited amounts necessary for sampling or testing.

27 \* Sec. 30. AS 38.05.205(c) is amended to read:

28 (c) A mining lease shall be for any period up to 55 years, and  
29 the lessee has a right to a new lease at the end of each lease period.

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

9 \* Sec. 31. AS 38.05.300(a) is amended to read:

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

19 \* Sec. 32. AS 38.05.310(a) is amended to read:

20 (a) No land may be sold or leased, or a renewal lease issued,  
21 except in the case of an oil or gas or mineral lease, unless it has  
22 been appraised within one year [120 DAYS] before the date fixed for  
23 the sale or lease. When land is offered at public sale but is not  
24 sold and is available at private sale, no reappraisal is required  
25 unless the director considers that a change in value of the land  
26 [LANDS] may have occurred. A grazing lease may be granted to a lessee  
27 of federal grazing land [LANDS] without prior appraisal, if the [HIS]  
28 federal lease was cancelled to allow the state to select the land  
29 [LANDS] under lease. No land may be sold or leased for less than the

1 approved, appraised market value, except as provided in AS 38.05.055,  
2 38.05.057, 38.05.075 - 38.05.085, 38.05.097, 38.05.315, and 38.05.320.

3 \* Sec. 33. AS 38.05.345(a) is amended to read:

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

6 (1) classification or reclassification of state land under  
7 AS 38.05.300 and the closing of land to mineral leasing or entry under  
8 AS 38.05.185;

9 (2) zoning of land under applicable law [;

10 (3) A DECISION UNDER AS 38.05.035(a)(14) REGARDING THE  
11 SALE, LEASE, OR DISPOSAL OF AN INTEREST IN STATE LAND OR RESOURCES:  
12 AND

13 (4) A COMPETITIVE DISPOSAL OF AN INTEREST IN STATE LAND OR  
14 RESOURCES AFTER FINAL DECISION UNDER AS 38.05.035(a)(14)].

15 \* Sec. 34. AS 38.05.345(b) is amended to read:

16 (b) Notice of one or more actions described in (a) of this  
17 section shall be given by more than one of the following methods at  
18 least 30 days before the action: [BY] (1) publication in newspapers of  
19 statewide circulation and in a newspaper of general circulation in the  
20 vicinity of the proposed action, (2) publication through public ser-  
21 vice announcements on the electronic media serving the area affected  
22 by the action, (3) posting in a conspicuous location in the vicinity  
23 of the action, (4) notification of parties known or likely to be  
24 affected by the action, or (5) another method calculated to reach  
25 affected persons. A notice shall contain sufficient information to  
26 inform the public of the nature of the action and the opportunity of  
27 the public to comment on the action.

28 \* Sec. 35. AS 38.05.345(d) is amended to read:

29 (d) For purposes of this section an "interest in state land or

1 resources" does not include

2 [(1)] a permit or other authorization revocable by the  
3 department [; OR

4 (2) NEGOTIATED SALES UNDER AS 38.05.115].

5 \* Sec. 36. AS 38.05.365 is amended to read:

6 Sec. 38.05.365. DEFINITIONS. In AS 38.05.005 - 38.05.370,  
7 unless the context otherwise requires,

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

12 (2) "agricultural land [LANDS]" means land [LANDS] chiefly  
13 valuable for agricultural purposes;

14 (3) "commissioner" means the commissioner [OF THE DEPARTMENT  
15 MENT] of natural resources;

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

17 (5) "director" means the director of the division of lands  
18 of the Department of Natural Resources;

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

22 (7) "lieu and indemnity land [LANDS]" means land [LANDS]  
23 which the state is entitled to select under the provisions of 38 Stat.  
24 1214, as amended (48 USC 353) or a similar statute to compensate for  
25 land [LANDS] in place of surveyed rectangulars, which have been lost  
26 to the state by reason of deficient sections, prior rights, claims,  
27 withdrawals, reservations and other appropriations;

28 [(8) repealed.]

29 (8) [(9)] "mineral land [LANDS]" means land [LANDS]

1 prospectively valuable for mineral deposits;

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

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

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

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

12 (13) "rule of approximation" is the rule which is applied in  
13 determining whether or not a lease complies with the area limits set  
14 forth in AS 38.05.005 - 38.05.370 and regulations adopted under it and  
15 in keeping the boundaries of leased land [LANDS] coincidental with  
16 legal subdivisions; under the rule, if the area covered by a lease in  
17 excess of the permitted maximum is smaller than the area of any defi-  
18 ciency that would result by eliminating from the lease the smallest  
19 legal subdivision covered by the lease or application for lease, the  
20 excess area will be permitted to remain in the lease; if the excess  
21 area is greater than the deficient area would be, then the smallest  
22 legal subdivision will be eliminated from the lease;

23 [(14) repealed.]

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

29 (15) [(16)] "state land [LANDS]" or "land" ["LANDS"] means

1 all land [LANDS], including shore, tide and submerged land [LANDS], or  
2 resources belonging to or acquired by the state;

3 (16) [(17)] "submerged land [LANDS]" means land [LANDS]  
4 covered by tidal water [WATERS] between the line of mean low water and  
5 seaward to a distance of three geographical miles or further as may  
6 hereafter be properly claimed by the state;

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

10 (18) [(19)] "timber land [LANDS]" and "material land  
11 [LANDS]" mean state land [LANDS] chiefly valuable for materials,  
12 including, but not limited to, sand, stone, gravel, pumice, common  
13 clay, or timber and other forest products;

14 (19) [(20)] "university land [LANDS]" means all sections 33  
15 reserved to the university under 38 Stat. 1214, as amended (48 USC  
16 353) and all land [LANDS] granted to or reserved for the benefit of  
17 the university;

18 (20) [(21)] "grazing land [LANDS]" means land [LANDS]  
19 chiefly valuable for grazing purposes; [.]

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

29 (22) [(23)] "public water [WATERS]" means navigable water

1 and all other water, whether inland or coastal, fresh or salt, that is  
2 reasonably suitable for public use and utility, habitat for fish and  
3 wildlife in which there is a public interest, or migration and spawn-  
4 ing of fish in which there is a public interest; [.]

5 (23) [(24)] "geothermal resources" means the natural heat of  
6 the earth at temperatures greater than 120 degrees Celsius, measured  
7 at the point where the highest-temperature resources encountered enter  
8 or contact a well or other resource extraction device, and includes

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

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

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

18 \* Sec. 37. AS 38.08.060 is amended by adding a new subsection to read:

19 (e) If a permit holder has met each of the provisions of (a) of  
20 this section except for (a)(1), the commissioner may issue the permit  
21 holder a patent if the commissioner determines that the permit holder  
22 has made a good faith effort to meet the occupancy requirements and  
23 the permit holder purchases the homesite at its fair market value at  
24 the time of the expiration of the permit under AS 38.05.065.

25 \* Sec. 38. AS 38.09.010(b) is amended to read:

26 (b) The commissioner shall complete a [CADASTRAL] survey of  
27 homestead entry state land under AS 38.04.045 before designating the  
28 state land for homestead entry. [NO PORTION OF LAND MADE AVAILABLE  
29 FOR HOMESTEAD ENTRY MAY BE LOCATED MORE THAN A MILE FROM A SURVEY

1 CONTROL MONUMENT.]

2 \* Sec. 39. AS 38.09.090 is amended by adding a new subsection to read:

3 (b) An applicant who complies with AS 38.09.050(a)(2) - (5) and  
4 who tenders the commissioner an amount equal to five percent of the  
5 present fair market value of the land within five years of the issu-  
6 ance of the permit may purchase the land under AS 38.05.065 if the  
7 commissioner determines that the applicant has made a good faith  
8 effort to meet the occupancy requirements. The purchase price is the  
9 fair market value of the land at the time of the purchase.

10 \* Sec. 40. AS 38.20.010 is amended to read:

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

18 \* Sec. 41. AS 38.20.030 is amended to read:

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

23 \* Sec. 42. AS 38.20.040 is amended to read:

24 Sec. 38.20.040. USE OF COORDINATE SYSTEM. The plane coordinates  
25 of a point on the earth's surface, to be used in expressing the posi-  
26 tion or location of the point in the appropriate zone of this system,  
27 consist of two distances, expressed in feet and decimals of a foot  
28 when using the Alaska Coordinate System of 1927 and expressed in  
29 meters and decimals of a meter when using the Alaska Coordinate System

1 of 1983. One of these distances, known as the "x-coordinate," gives  
2 the position in an east-and-west direction; the other known as the  
3 "y-coordinate" gives the position in a north-and-south direction.  
4 These coordinates shall be made to depend upon and conform to the  
5 coordinates of the North American Horizontal Geodetic Control Network  
6 as determined by the National Geodetic Survey, National Ocean Service  
7 [ , ON THE ALASKA COORDINATE SYSTEM, OF THE TRIANGULATION AND TR'VERSE  
8 STATIONS OF THE UNITED STATES COAST AND GEODETIC SURVEY IN THE STATE,  
9 AS THOSE COORDINATES HAVE BEEN DETERMINED BY THE SURVEY].

10 \* Sec. 43. AS 38.20.060 is amended to read:

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

13 (1) Zone 1 is an oblique Mercator projection of the Clarke  
14 spheroid of 1866, having an origin at the intersection of parallel 57°  
15 00 minutes [MINUTE] north latitude and meridian 133° 40 minutes  
16 [MINUTE] west of Greenwich, at which the scale is set one part in  
17 10,000 too small, and through which the axis of symmetry is in geo-  
18 detic azimuth arc tangent-3/4, reckoned clockwise from south. The  
19 origin is assigned values such that all final coordinates will be  
20 positive.

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

28 (3) Zone 3 is a transverse Mercator projection of the  
29 Clarke spheroid of 1866, having a central meridian 146° 00 minutes

1 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
2 part in 10,000 too small. The origin of coordinates is at the inter-  
3 section of the meridian  $146^{\circ} 00$  minutes [MINUTE] west of Greenwich and  
4 the parallel  $54^{\circ} 00$  minutes [MINUTE] north latitude. This origin is  
5 given the coordinates:  $x = 500,000$  feet and  $y = 0$  feet.

6 (4) Zone 4 is a transverse Mercator projection of the  
7 Clarke spheroid of 1866, having a central meridian  $150^{\circ} 00$  minutes  
8 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
9 part in 10,000 too small. The origin of coordinates is at the inter-  
10 section of the meridian  $150^{\circ} 00$  minutes [MINUTE] west of Greenwich and  
11 the parallel  $54^{\circ} 00$  minutes [MINUTE] north latitude. This origin is  
12 given the coordinates:  $x = 500,000$  feet and  $y = 0$  feet.

13 (5) Zone 5 is a transverse Mercator projection of the  
14 Clarke spheroid of 1866, having a central meridian  $154^{\circ} 00$  minutes  
15 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
16 part in 10,000 too small. The origin of coordinates is at the inter-  
17 section of the meridian  $154^{\circ} 00$  minutes [MINUTE] west of Greenwich and  
18 the parallel  $54^{\circ} 00$  minutes [MINUTE] north latitude. This origin is  
19 given the coordinates:  $x = 500,000$  feet and  $y = 0$  feet.

20 (6) Zone 6 is a transverse Mercator projection of the  
21 Clarke spheroid of 1866, having a central meridian  $158^{\circ} 00$  minutes  
22 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
23 part in 10,000 too small. The origin of coordinates is at the inter-  
24 section of the meridian  $158^{\circ} 00$  minutes [MINUTE] west of Greenwich and  
25 the parallel  $54^{\circ} 00$  minutes [MINUTE] north latitude. This origin is  
26 given the coordinates:  $x = 500,000$  feet and  $y = 0$  feet.

27 (7) Zone 7 is a transverse Mercator projection of the  
28 Clarke spheroid of 1866, having a central meridian  $162^{\circ} 00$  minutes  
29 [MINUTE] west of Greenwich, on which meridian the scale is set at one

1 part in 10,000 too small. The origin of coordinates is at the inter-  
2 section of the meridian 162° 00 minutes [MINUTE] west of Greenwich and  
3 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is  
4 given the coordinates: x = 700,000 feet and y = 0 feet.

5 (8) Zone 8 is a transverse Mercator projection of the  
6 Clarke spheroid of 1866, having a central meridian 166° 00 minutes  
7 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
8 part in 10,000 too small. The origin of coordinates is at the inter-  
9 section of the meridian 166° west of Greenwich and the parallel 54° 00  
10 minutes [MINUTE] north latitude. This origin is given the coordi-  
11 nates: x = 500,000 feet and y = 0 feet.

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

19 (10) Zone 10 is a Lambert conformal conic projection of the  
20 Clarke spheroid of 1866, having standard parallels at north latitude  
21 51° 50 minutes [MINUTE] as and 53° 50 minutes, along which parallels  
22 the scale shall be exact. The origin of coordinates is at the inter-  
23 section of the meridian 176° 00 minutes [MINUTE] west of Greenwich and  
24 the parallel 51° 00 minutes [MINUTE] north latitude. This origin is  
25 given the coordinates: x = 3,000,000 feet and y = 0 feet.

26 \* Sec. 44. AS 38.20.060 is amended by adding a new subsection to read:

27 (b) The zones of the Alaska Coordinate System of 1983 have the  
28 following characteristics:

29 (1) Zone 1 is an oblique Mercator projection of the World

1 Reference Ellipsoid, having an origin at the intersection of parallel  
2  $57^{\circ} 00$  minutes north latitude and meridian  $133^{\circ} 40$  minutes west of  
3 Greenwich, at which the scale is set one part in 10,000 too small, and  
4 through which the axis of symmetry is in geodetic azimuth arc tan-  
5 gent- $3/4$ , reckoned clockwise from south. The origin is assigned  
6 values such that all final coordinates will be positive.

7 (2) Zone 2 is a transverse Mercator projection of the World  
8 Reference Ellipsoid, having a central meridian  $142^{\circ} 00$  minutes west of  
9 Greenwich, on which meridian the scale is set one part in 10,000 too  
10 small. The origin of coordinates is at the intersection of the meri-  
11 dian  $142^{\circ} 00$  minutes west of Greenwich and the parallel of  $54^{\circ} 00$   
12 minutes north latitude. This origin is given the coordinates:  $x =$   
13  $500,000$  meters and  $y = 0$  meters.

14 (3) Zone 3 is a transverse Mercator projection of the World  
15 Reference Ellipsoid, having a central meridian  $146^{\circ} 00$  minutes west of  
16 Greenwich, on which meridian the scale is set at one part in 10,000  
17 too small. The origin of coordinates is at the intersection of the  
18 meridian  $146^{\circ} 00$  minutes west of Greenwich and the parallel  $54^{\circ} 00$   
19 minutes north latitude. This origin is given the coordinates:  $x =$   
20  $500,000$  meters and  $y = 0$  meters.

21 (4) Zone 4 is a transverse Mercator projection of the World  
22 Reference Ellipsoid, having a central meridian  $150^{\circ} 00$  minutes west of  
23 Greenwich, on which meridian the scale is set at one part in 10,000  
24 too small. The origin of coordinates is at the intersection of the  
25 meridian  $150^{\circ} 00$  minutes west of Greenwich and the parallel  $54^{\circ} 00$   
26 minutes north latitude. This origin is given the coordinates:  $x =$   
27  $500,000$  meters and  $y = 0$  meters.

28 (5) Zone 5 is a transverse Mercator projection of the World  
29 Reference Ellipsoid, having a central meridian  $154^{\circ} 00$  minutes west of

1 Greenwich, on which meridian the scale is set at one part in 10,000  
2 too small. The origin of coordinates is at the intersection of the  
3 meridian 154° 00 minutes west of Greenwich and the parallel 54° 00  
4 minutes north latitude. This origin is given the coordinates:  $x =$   
5 500,000 meters and  $y = 0$  meters.

6 (6) Zone 6 is a transverse Mercator projection of the World  
7 Reference Ellipsoid, having a central meridian 158° 00 minutes west of  
8 Greenwich, on which meridian the scale is set at one part in 10,000  
9 too small. The origin of coordinates is at the intersection of the  
10 meridian 158° 00 minutes west of Greenwich and the parallel 54° 00  
11 minutes north latitude. This origin is given the coordinates:  $x =$   
12 500,000 meters and  $y = 0$  meters.

13 (7) Zone 7 is a transverse Mercator projection of the World  
14 Reference Ellipsoid, having a central meridian 162° 00 minutes west of  
15 Greenwich, on which meridian the scale is set at one part in 10,000  
16 too small. The origin of coordinates is at the intersection of the  
17 meridian 162° 00 minutes west of Greenwich and the parallel 54° 00  
18 minutes north latitude. This origin is given the coordinates:  $x =$   
19 500,000 meters and  $y = 0$  meters.

20 (8) Zone 8 is a transverse Mercator projection of the World  
21 Reference Ellipsoid, having a central meridian 166° 00 minutes west of  
22 Greenwich, on which meridian the scale is set at one part in 10,000  
23 too small. The origin of coordinates is at the intersection of the  
24 meridian 166° west of Greenwich and the parallel 54° 00 minutes north  
25 latitude. This origin is given the coordinates:  $x = 500,000$  meters  
26 and  $y = 0$  meters.

27 (9) Zone 9 is a transverse Mercator projection of the World  
28 Reference Ellipsoid, having a central meridian 170° 00 minutes west of  
29 Greenwich, on which meridian the scale is set at one part in 10,000

1 too small. The origin of coordinates is at the intersection of the  
2 meridian 170° 00 minutes west of Greenwich and the parallel 54° 00  
3 minutes north latitude. This origin is given the coordinates: x =  
4 500,000 meters and y = 0 meters.

5 (10) Zone 10 is a Lambert conformal conic projection of the  
6 World Reference Ellipsoid, having standard parallels at north latitude  
7 51° 50 minutes as and 53° 50 minutes, along which parallels the scale  
8 shall be exact. The origin of coordinates is at the intersection of  
9 the meridian 176° 00 minutes west of Greenwich and the parallel 51° 00  
10 minutes north latitude. This origin is given the coordinates: x =  
11 1,000,000 meters and y = 0 meters.

12 \* Sec. 45. AS 38.20.070 is amended to read:

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

23 \* Sec. 46. AS 38.20.070 is amended by adding a new subsection to read:

24 (1) The position of the Alaska Coordinate System of 1983 shall  
25 be as marked on the ground by triangulation or traverse stations  
26 established in conformity with the standards adopted by the National  
27 Geodetic Survey, National Ocean Service whose geodetic positions have  
28 been rigidly adjusted on the North American datum of 1983 and whose  
29 plane coordinates have been computed on the system defined in this

1 chapter.

2 \* Sec. 47. AS 38.20.080 is amended to read:

3 Sec. 38.20.080. LIMITATION. Coordinates [NO COORDINATES] based  
4 on the Alaska Coordinate System, purporting to define the position of  
5 a point on a land boundary, may not [SHALL] be presented to be record-  
6 ed in any public land records or deed records unless the point is  
7 within two miles of a horizontal control [TRIANGULATION OR TRAVERSE]  
8 station established in conformity with National Geodetic Survey,  
9 National Ocean Service standards and specifications for first-order,  
10 second-order, or third-order work [THE STANDARDS PRESCRIBED IN AS 38.-  
11 20.070]. The two-mile limitation may be modified by a state agency to  
12 meet local conditions.

13 \* Sec. 48. AS 38.20.090 is amended to read:

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

18 \* Sec. 49. AS 38.20.090 is amended by adding a new subsection to read:

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

23 \* Sec. 50. AS 38.20.100 is amended to read:

24 Sec. 38.20.100. USE OF PUBLIC LAND SURVEY DESCRIPTIONS. When  
25 coordinates based on the Alaska Coordinate System of 1927 or the  
26 Alaska Coordinate System of 1983 are used to describe a tract of land  
27 which in the same document is also described by reference to a sub-  
28 division, line, or corner of the United States public land surveys,  
29 the description by coordinates shall be construed as supplemental to

1 the basic description of the subdivisions, line, or corner contained  
2 in the official plats and field notes filed of record, and in the  
3 event of a conflict the description by reference to the subdivision,  
4 line, or corner of the United States public land surveys prevails over  
5 the description by coordinates.

6 \* Sec. 51. AS 38.20.110 is amended to read:

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

11 \* Sec. 52. AS 38.35.140(b) is amended to read:

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

16 \* Sec. 53. AS 38.50.020(b) is amended to read:

17 (b) An appraisal required by this section is presumed accurate  
18 and valid for a period of one year [SIX MONTHS] from the time the  
19 appraisal is completed. After that time, or if the director has  
20 reason to believe that the value of the appraised property has changed  
21 significantly during the original one year [SIX-MONTH] period, a  
22 reappraisal of the property is required.

23 \* Sec. 54. AS 38.50.040 is amended to read:

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

1 \* Sec. 55. AS 38.50.110(a) is amended to read:

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

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

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

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

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

17 (5) circulate the notice to the Office of the Governor and  
18 to all state departments;

19 [(6) Repealed]

20 (6) [(7)] mail the notice to any corporation organized  
21 under the Alaska Native Claims Settlement Act, which corporation owns  
22 or has selected land located within a radius of 15 linear miles from  
23 land or property involved in the proposed exchange; and

24 (7) [(8)] mail the notice to any other party, including an  
25 organization of land users, that the director [HE] considers appropri-  
26 ate.

27 \* Sec. 56. AS 38.50.110 is amended by adding a new subsection to read:

28 (c) The director shall provide the information required under  
29 (b) of this section under AS 38.05.345(b) - (c) for exchanges of

- 1 (1) less than 640 acres of land; or  
2 (2) land having an appraised or estimated fair market value  
3 of less than \$100,000.

4 \* Sec. 57. AS 38.50.120(a) is amended to read:

5 (a) The commissioner [DIRECTOR] may hold as many public hearings  
6 as is considered appropriate. For an exchange of state land having  
7 640 acres or more or having an appraised or estimated fair market  
8 value of \$100,000 or more, there [THERE] shall be at least one public  
9 hearing.

10 \* Sec. 58. AS 38.50.140 is amended to read:

11 Sec. 38.50.140. LEGISLATIVE REVIEW. Within 10 days of the  
12 convening of a regular legislative session, the governor shall trans-  
13 mit to the president of the senate and the speaker of the house of  
14 representatives any proposal for a land exchange required to be sub-  
15 mitted to the legislature under AS 38.50.020(a) that [FOR OTHER THAN  
16 EQUAL APPRAISED FAIR MARKET VALUE WHICH] is scheduled to occur before  
17 the next legislative session. If [, IN HIS VIEW,] exigent circum-  
18 stances seriously affecting state interests so require, the governor  
19 may submit the proposed exchange to the legislature at some other  
20 time. A finding of exigent circumstances shall be carefully document-  
21 ed in the letter of transmittal. The director is authorized to con-  
22 clude a proposed exchange agreement unless either house of the legis-  
23 lature by simple resolution disapproves of the exchange within 60  
24 legislative days of transmittal by the governor. A decision by the  
25 legislature to disapprove a proposed exchange shall be accompanied by  
26 a recommendation to the governor with respect to future actions which  
27 the director should take concerning the exchange.

28 \* Sec. 59. AS 38.95.080(a) is amended to read:

29 (a) The commissioner may [DIRECTOR OF THE DIVISION OF LANDS

1       SHALL] issue a nontransferable permit for the construction of a trap-  
2       ping cabin on state land to a person who meets the following qualifi-  
3       cations:

4               (1) the person must have an established trapline with proof  
5       of regular use;

6               (2) the person must have a trapline of sufficient length to  
7       justify the need for cabin construction.

8       \* Sec. 60. AS 29.33.150(b) is amended to read:

9               (b) The regulations adopted under (a) of this section apply to  
10       subdivision plats of undeveloped state land for disposal under AS 38.-  
11       05 or AS 38.08 filed with the platting board. [THE PLATTING BOARD MAY  
12       NOT DISAPPROVE THE SUBDIVISION PLAT ON THE BASIS OF REGULATIONS WHICH  
13       REQUIRE CAPITAL IMPROVEMENTS ON OR TO STATE LAND INCLUDED IN THE  
14       SUBDIVISION PLAT.] Regulations adopted after the platting board is  
15       notified by the commissioner of natural resources of a proposed sale  
16       of subdivided state land under AS 38.05 or AS 38.08 do not apply to  
17       the state land in the proposed sale.

18       \* Sec. 61. AS 29.1R.206(e) is amended to read:

19               (e) The notice and review provisions of AS [38.05.305 AND]  
20       38.05.345 are applicable to the designation of other general grant  
21       land as school, university or mental health land in replacement of  
22       land selected under this section. The provisions of AS 38.50.010 -  
23       38.50.170 and 38.05.032 do not apply to such designations under this  
24       section. [THE PROVISIONS OF AS 38.05.030(a), 38.05.030(e), AND  
25       38.05.035(a)(13) WHICH REQUIRE THE APPROVAL OF THE RESPECTIVE TRUST  
26       BOARD BEFORE DISPOSAL OF LANDS BY THE DIRECTOR DO NOT APPLY TO SELEC-  
27       TIONS OF SCHOOL, UNIVERSITY OR MENTAL HEALTH LAND BY A MUNICIPALITY  
28       UNDER THIS SECTION.]

29       \* Sec. 62. AS 29.33.150(c) is amended to read:

1           (c) The platting board must approve and sign the subdivision  
2 plat within 60 days of its receipt from the commissioner of natural  
3 resources unless the platting board

4           (1) determines that the plat does not comply with subdivi-  
5 sion regulations [OTHER THAN THOSE REQUIRING CAPITAL IMPROVEMENTS TO  
6 STATE LAND]; and

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

9       \* Sec. 63. AS 29.33.150(e); AS 38.04.025, 38.04.040, 38.04.045(a);  
10 AS 38.05.030(a), 38.05.035(a)(14), 38.05.069(b), 38.05.345(e), 38.05.350,  
11 38.05.362 and 38.05.365(20) are repealed.

12       \* Sec. 64. This Act takes effect July 1, 1984.

COMMITTEE REPORT  
HOUSE

(11)

FURTHER:

(Returned from Rules to Finance  
5/23/84)

Date: 5-25-84

5/25/84

The Committee on FINANCE has had SB 376am

"An Act relating to power cost assistance; and providing for an effective date."

under consideration <sup>3rd time</sup> and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for SB 376 (3rd time)  same title  
 new title
- and recommends DO PASS
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

\_\_\_\_\_

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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

\_\_\_\_\_

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\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

CHAIRMAN

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST  
Bill/Resolution No.: HCS (2nd Fin) SB 376  
Title: Power Cost Assistance

FISCAL DETAIL  
Agency Affected: Commerce & Econ. Dev.  
Program Category Affected: \_\_\_\_\_

Sponsor: Sackett, Ferguson  
Requestor: House Finance  
Date of Request: 5/12/84

BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

There is fiscal impact from this bill. An appropriation to cover the fiscal impact will be provided in a separate appropriations measure.

ANALYSIS: Attach a separate page for analysis

Prepared By: Al Adams, Chair Phone: 465-3706  
 Division: House Finance Committee Date: 5/12/84

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
 Agency: \_\_\_\_\_

Distribution (by Agency preparing fiscal note):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)

Offered: 5/25/84  
Referred: Rules

Original sponsors: Sackett and Ferguson

1 IN THE SENATE BY THE FINANCE COMMITTEE  
2 HOUSE CS FOR SENATE BILL NO. 376 (3d Finance)  
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 power cost assistance; and pro-  
7 viding for an effective date."  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
9 \* Section 1. AS 44.83.162 is repealed and reenacted to read:  
10 Sec. 44.83.162. POWER COST EQUALIZATION. (a) The power cost  
11 equalization fund is established as a separate fund for the purpose of  
12 equalizing power cost per kilowatt-hour statewide at a cost close or  
13 equal to the mean of the cost per kilowatt-hour in Anchorage,  
14 Fairbanks, and Juneau by paying money from the fund to eligible elec-  
15 tric utilities in the state. The fund shall be administered by the  
16 authority as a fund distinct from the other funds of the authority.  
17 The fund is composed of money appropriated for the purpose of provid-  
18 ing power cost equalization to eligible electric utilities.  
19 (b) The costs used to calculate the amount of power cost equal-  
20 ization for all electric utilities eligible under this section include  
21 all allowable costs, except return on equity, used by the commission  
22 to determine the revenue requirement for electric utilities subject to  
23 rate regulation under AS 42.05.010 - 42.05.721. The costs used in  
24 determining the power cost equalization per kilowatt-hour shall ex-  
25 clude any other type of assistance that reduces the customer's costs  
26 of power on a kilowatt-hour basis and that is provided to the electric  
27 utility within 60 days before the commission determines the power cost  
28 equalization per kilowatt-hour of the electric utility.  
29 (c) An eligible electric utility is entitled to receive power

1 cost equalization

2 (1) for sales of power to local community facilities,  
3 calculated in the aggregate for each community served by the electric  
4 utility, for actual consumption of not more than 70 kilowatt-hours per  
5 month for each resident of the community; and

6 (2) for actual consumption of not more than 750 kilowatt-  
7 hours per month sold to each customer in all classes served by the  
8 electric utility except to customers of the utility under (1) of this  
9 subsection.

10 (d) The amount of power cost equalization provided per kilowatt-  
11 hour under (c) of this section may not exceed 95 percent of the power  
12 costs, or the average rate per eligible kilowatt-hour sold, whichever  
13 is less, as determined by the commission. However,

14 (1) during the fiscal year that begins July 1, 1984 the  
15 power costs for which power cost equalization may be paid to an elec-  
16 tric utility are limited to minimum power costs of more than 8.5 cents  
17 per kilowatt-hour and less than 52.5 cents per kilowatt-hour;

18 (2) during each following fiscal year, the power costs for  
19 which power cost equalization may be paid to an electric utility are  
20 limited to

21 (A) power costs of less than 52.5 cents per kilowatt-  
22 hour specified in (1) of this subsection plus one cent per kilowatt-  
23 hour for the fiscal year ending June 30, 1986, plus one cent per  
24 kilowatt-hour for each fiscal year thereafter; and

25 (B) power costs that are greater than the minimum  
26 power cost of 8.5 cents per kilowatt-hour specified in (1) of this  
27 subsection; and

28 (3) during each following state fiscal year, the power  
29 costs for which power cost equalization may be paid to an electric

1 utility shall be adjusted by the commission, considering the rate of  
2 change in fuel cost and power demand; and

3 (4) the power cost equalization per kilowatt-hour may be  
4 determined for a utility without historical kilowatt-hour sales data  
5 by using kilowatt hours generated.

6 (e) An electric utility whose customers receive power cost  
7 equalization under this section shall set out in its tariff the rates  
8 without the power cost equalization and the amount of power cost  
9 equalization per kilowatt-hour sold. The rate charged to the customer  
10 shall be the difference between the two amounts. Power cost equaliza-  
11 tion paid under this section shall be used to reduce the cost of all  
12 power sold to local community facilities, in the aggregate, to the  
13 extent of 70 kilowatt-hours per month per resident of the community,  
14 and to reduce the cost of the first 750 kilowatt-hours per customer  
15 per month for all other classes served by the electric utility.

16 (f) The power cost equalization program shall be administered by  
17 the authority based on a determination by the commission under (b) and  
18 (d) of this section of power cost equalization per kilowatt-hour for  
19 each eligible electric utility.

20 (g) An eligible electric utility may not be denied power cost  
21 equalization because complete cost information is not available. An  
22 eligible electric utility that is exempt from rate regulation under  
23 AS 42.05.010 - 42.05.721 shall be assisted by the commission to pro-  
24 vide the cost information the commission considers necessary to comply  
25 with the requirements of this section. Only power costs that are  
26 supportable may be considered in calculating power cost equalization.  
27 Each electric utility is responsible for keeping records that provide  
28 the information necessary to comply with the requirements of this  
29 section including, but not limited to, records of monthly kilowatt-

1 hour sales or generation, monthly fuel balances, fuel purchases, and  
2 monthly utility fuel consumption.

3 (h) For each eligible electric utility, the determination of the  
4 cost of fuel by the commission shall be in accordance with the proce-  
5 dure for approving fuel cost rate adjustments of electric utilities  
6 subject to rate regulation under AS 42.05.010 - 42.05.721.

7 (i) Each electric utility receiving power cost equalization ap-  
8 proved by the commission shall

9 (1) report monthly to the authority within the time and in  
10 the form the authority requires; and

11 (2) use operational equipment designed to meter individual  
12 utility customer power consumption and to determine and record the  
13 utility's overall fuel consumption.

14 (j) The authority shall review the report required under (i)(1)  
15 of this section and may submit the report to the commission for addi-  
16 tional review before payment. After review and approval of the report  
17 by the authority, the authority shall, subject to appropriation, pay  
18 to each eligible electric utility an amount equal to the power cost  
19 equalization per kilowatt-hour determined by the commission under (b)  
20 and (d) of this section, multiplied by the number of kilowatt-hours  
21 eligible for power cost equalization that were sold during the preced-  
22 ing month to all customers of the utility in accordance with (c) of  
23 this section. Payment shall be made by the authority within 30 days  
24 after receipt from the utility of the report required under (i) of  
25 this section. However, if there is a dispute between the authority  
26 and the utility relating to the payment, the authority shall submit  
27 the report to the commission for review within 30 days after its  
28 receipt by the authority. When a report is submitted to the commis-  
29 sion for review under this section, payment shall be made by the

1 authority within 30 days after submission, based on a commission  
2 determination. If appropriations are insufficient for payment in  
3 full, the amount paid to each electric utility is reduced on a pro  
4 rata basis.

5 (k) If an electric utility receives power cost equalization  
6 under this section, the utility shall either

7 (1) give the following notice to its electric service  
8 customers eligible under this program for each period for which the  
9 payment is received:

10 NOTICE TO CUSTOMER

11 For the current billing period the utility will be paid under the  
12 State of Alaska's power cost equalization program (AS 44.83.162) to  
13 assist the utility and its customers in reducing the high cost of  
14 generation of electric energy.

15 Your total electrical service cost	\$ . . . . .
16 Less state equalization	\$ . . . . .
17 Your charge	\$ . . . . .; or

18 (2) give to its electric service customers a notice ap-  
19 proved by the authority, which notice provides electric service cus-  
20 tomers the same information provided by the notice in (1) of this  
21 subsection.

22 (1) In order to qualify for power cost equalization, each elec-  
23 tric utility must make every reasonable effort to minimize administra-  
24 tive, operating, and overhead costs, including using the best avail-  
25 able technology consistent with sound utility management practices.  
26 In reviewing applications for power cost equalization, the commission  
27 has the authority to require the elimination of duplicative or other-  
28 wise unnecessary operating expenses. Each eligible electric utility  
29 shall cooperate with appropriate state agencies to implement cost-

1 effective energy conservation measures, and to plan for and implement  
2 feasible alternatives to diesel generation.

3 (m) For purposes of (c) of this section, the number of residents  
4 of the community equals the number of residents of the community  
5 determined by the Department of Community and Regional Affairs in  
6 accordance with AS 29.88.015.

7 (n) In this section

8 (1) "commission" means the Alaska Public Utilities Commis-  
9 sion;

10 (2) "community facility" means a water and sewer facility,  
11 public outdoor lighting, charitable educational facility, or community  
12 building whose operations are not paid for by the state, the federal  
13 government, or private commercial interests;

14 (3) "eligible electric utility" or "electric utility" means

15 (A) each corporation (whether public, cooperative, or  
16 otherwise), company, individual, or association of individuals,  
17 their lessees, trustees, or receivers appointed by a court, that  
18 owns, operates, manages, or controls a plant or system for the  
19 furnishing, by generation, transmission or distribution, of  
20 electric service to the public for compensation; and

21 (B) during calendar year 1983 had a residential con-  
22 sumption level of power eligible for power cost equalization  
23 under this chapter of less than 7,500 megawatt hours or had a  
24 residential consumption level of power eligible for power cost  
25 equalization under this chapter of less than 15,000 megawatt  
26 hours if the utility served two or more municipalities or unin-  
27 corporated communities; and

28 (C) uses diesel-fired generators to produce more than  
29 75 percent of the electrical consumption of the utility; or

1 (D) nothing in this section precludes a new or exist-  
2 ting utility from applying for assistance if they meet the re-  
3 quirements in (n)(1)(A)-(C).

4 (4) "energy conservation measures" include weatherization  
5 and other insulating methods, utilization of waste heat, appropriate  
6 sizing of new generating equipment, and other programs of the state or  
7 federal government intended and available for the purpose of energy  
8 conservation;

9 (5) "feasible energy projects" include projects that are  
10 selected after a field reconnaissance study under AS 44.83.177 and  
11 after completion of a feasibility study according to the criteria in  
12 AS 44.83.181 to determine cost benefit in comparison to existing power  
13 generating methods and other alternatives considered in reconnaissance  
14 studies;

15 (6) "fund" means the power cost equalization fund estab-  
16 lished under (a) of this section;

17 (7) "power costs" means costs used in determining power  
18 cost equalization in accordance with (b) and (d) of this section.

19 (o) If the authority receives a petition requesting power cost  
20 equalization, signed by at least 25 percent of the customers of an  
21 electric utility that is subject to rate regulation under AS 42.05 and  
22 that has not applied for power cost equalization under this section,  
23 the authority shall require the utility to submit a power cost equali-  
24 zation application. Upon a determination of eligibility for power  
25 cost equalization, the utility, as a part of its service, shall re-  
26 ceive power cost equalization and pass power cost equalization bene-  
27 fits to its customers in accordance with this section.

28 \* Sec. 2. AS 44.83.163 is amended to read:

29 Sec. 44.83.163. ADJUSTMENTS TO POWER COST EQUALIZATION

1 [ASSISTANCE]. (a) The power cost equalization [ASSISTANCE] per  
2 kilowatt-hour determined under AS 44.83.162 payable to an electric  
3 utility that is subject to rate regulation under AS 42.05 may be  
4 adjusted by the commission if

5 (1) an increase or decrease in the electric utility's cost  
6 of fuel has resulted in the approval of a fuel cost rate adjustment by  
7 the commission;

8 (2) a permanent or interim rate increase or decrease has  
9 been approved by the commission, thereby establishing a higher or  
10 lower power cost;

11 (3) an adjustment is required after the authority has  
12 discovered discrepancies in its review of monthly data submitted by  
13 the electric utility; or

14 (4) the authority determines that appropriations are insuf-  
15 ficient to finance full payments to eligible electric utilities.

16 (b) An electric utility that is eligible to receive power cost  
17 equalization [ASSISTANCE] under this section and that receives power  
18 cost equalization [ASSISTANCE] per kilowatt-hour approved by the  
19 commission shall report monthly to the authority within the time and  
20 in the form the authority requires. An electric utility shall report

21 (1) the power cost equalization [ASSISTANCE] per kilowatt-  
22 hour approved by the commission;

23 (2) the total kilowatt-hours sold to each class of customer  
24 during the preceding month;

25 (3) the total kilowatt-hours eligible for power cost equal-  
26 ization [ASSISTANCE] under this section sold to each class of customer  
27 during the preceding month;

28 (4) the total kilowatt-hours generated during the preceding  
29 month, if available;

1           (5) any commission-approved amendments to the schedule of  
2 rates in effect during the preceding month; and

3           (6) an increase or decrease in the current unit price of  
4 fuel from the base price used by the commission in the determination  
5 of power costs which may be expected to result in a subsequent power  
6 cost equalization [ASSISTANCE] adjustment.

7           (c) The provisions of AS 44.83.162 relating to the determination  
8 of the amount of power cost equalization [ASSISTANCE] and payment of  
9 the equalization assistance apply to equalization assistance under  
10 this section.

11 \* Sec. 3. AS 44.83.164 is amended to read:

12           Sec. 44.83.164. EQUALIZATION ASSISTANCE TO UTILITIES NOT REGU-  
13 LATED BY PUBLIC UTILITIES COMMISSION. (a) An electric utility that  
14 is not subject to rate regulation by the commission may receive power  
15 cost equalization [ASSISTANCE] if the utility is otherwise eligible  
16 for equalization assistance under AS 44.83.162 and if the utility

17           (1) files with the commission financial data necessary to  
18 determine the power cost equalization [ASSISTANCE] per kilowatt-hour  
19 as prescribed by the commission and that [WHICH] is in compliance with  
20 AS 44.83.162;

21           (2) reports monthly to the authority, within the time and  
22 in the form the authority requires, the information required in (b) of  
23 this section;

24           (3) sets rates

25           (A) that consider the power cost equalization [ASSIST-  
26 ANCE] provided under AS 44.83.162 by subtracting from its revenue  
27 requirements for electric services the power cost equalization  
28 [ASSISTANCE] per kilowatt-hour that it is eligible to receive;  
29 and

1 (B) under which the power cost equalization [ASSIST-  
2 ANCE] provided in AS 44.83.162 is applied as a credit only  
3 against the cost of kilowatt-hours eligible for equalization  
4 assistance under AS 44.83.162 that are consumed by each customer  
5 in any month;

6 (4) allows audits that the commission determines are neces-  
7 sary to ensure [INSURE] compliance with this section; and

8 (5) furnishes its electric service customers eligible under  
9 this program a notice as specified in AS 44.83.162(k).

10 (b) An electric utility that is eligible to receive power cost  
11 equalization [ASSISTANCE] under this section shall report in accor-  
12 dance with (a)(2) of this section

13 (1) the power cost equalization [ASSISTANCE] per kilowatt-  
14 hour approved by the commission;

15 (2) the total kilowatt-hours sold to each class of customer  
16 during the preceding month;

17 (3) the total kilowatt-hours eligible for power cost equal-  
18 ization [ASSISTANCE] under this section sold to each class of customer  
19 during the preceding month;

20 (4) the total kilowatt-hours generated during the preceding  
21 month, if available;

22 (5) any amendments to the schedule of rates in effect  
23 during the preceding month; and

24 (6) an increase or decrease in the current unit price of  
25 fuel from the base price used by the commission in the determination  
26 of power costs that [WHICH] may be expected to result in a subsequent  
27 equalization assistance level adjustment.

28 (c) An electric utility that is eligible to receive power cost  
29 equalization [ASSISTANCE] under this section may have its power cost

1       equalization [ASSISTANCE] per kilowatt-hour determination changed by  
2       the commission if

3               (1) an increase or decrease in the electric utility's cost  
4       of fuel has been verified by the commission;

5               (2) an increase in rates has occurred based on an increase  
6       in costs and has been verified by the commission;

7               (3) an adjustment is required after the authority has  
8       discovered discrepancies in its review of monthly data submitted by  
9       the electric utility; or

10              (4) the authority determines that appropriations are insuf-  
11       ficient to finance full payments to eligible electric utilities.

12              (d) The provisions of AS 44.83.162 relating to the determination  
13       of the amount of power cost equalization [ASSISTANCE] and payment of  
14       the equalization assistance apply to equalization assistance under  
15       this section.

16              (e) An application for power cost equalization [ASSISTANCE] by  
17       an electric utility that is eligible to receive power cost equaliza-  
18       tion [ASSISTANCE] under this section does not extend the jurisdiction  
19       of the commission beyond that established by AS 42.05.010 - 42.05.721.

20       \* Sec. 4. This Act takes effect immediately in accordance with AS 01.-  
21       10.070(c).

COMMITTEE REPORT  
HOUSE

5/24  
Ruler

(11)

FURTHER:

(Returned to Finance from Calendar 5/10/84)

Date: 5-24-84

5/10/84

The Committee on FINANCE has had SB 376am

"An Act relating to power cost assistance; and providing for an effective date."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with <sup>H</sup>CS for SB 376 (2d Fin)  same title  
 new title
- and recommends no recommendation
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING

DO PASS

Robert P. Adams

Dern Hulber

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\_\_\_\_\_

MEMBERS HAVING

OTHER RECOMMENDATIONS:

R. Buttworth No REC

for review (no rec)

Frank F. Smith No Rec - e

D. L. Martin No Rec

John Martin No Rec

John Martin - no rec

Robert P. Adams

CHAIRMAN

COMMITTEE REPORT  
HOUSE

(11)

FURTHER:

(Returned to Finance from Calendar 5/10/84)

Date: 5-11-84

5/19/84

The Committee on FINANCE has had SB 376am

"An Act relating to power cost assistance and providing for an effective date."

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for SB 376am  same title  
 new title
- and recommends SB 376am
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

[Signature]  
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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]  
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[Signature]  
\_\_\_\_\_  
CHAIRMAN

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: \_\_\_\_\_

REQUEST  
Bill/Resolution No.: HCS (2nd Fin) SB 375  
Title: Power Cost Assistance

FISCAL DETAIL  
Agency Affected: Commerce & Econ. Dev.  
Program Category Affected: \_\_\_\_\_

Sponsor: Sackett, Ferguson  
Requestor: House Finance  
Date of Request: 5/12/84

BRU, Program or Subprogram(s) Affected: \_\_\_\_\_

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
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400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING						
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

There is fiscal impact from this bill. An appropriation to cover the fiscal impact will be provided in a separate appropriations measure.

ANALYSIS: Attach a separate page for analysis

Prepared By: Al Adams, Chair *AA* Phone: 465-3706  
Division: House Finance Committee Date: 5/12/84

Approved by Commissioner: \_\_\_\_\_ Date: \_\_\_\_\_  
Agency: \_\_\_\_\_

Distribution (by Agency preparing fiscal note):

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

12/1/83

Original sponsors: Sackett and Ferguson

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 376 (2d Finance)

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 power cost assistance; and pro-  
7 viding for an effective date."

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

9 \* Section 1. AS 44.83.162 is repealed and reenacted to read:

10 Sec. 44.83.162. POWER COST EQUALIZATION. (a) The power cost  
11 equalization fund is established as a separate fund for the purpose of  
12 equalizing power cost per kilowatt-hour statewide at a cost close or  
13 equal to the mean of the cost per kilowatt-hour in Anchorage,  
14 Fairbanks, and Juneau by paying money from the fund to eligible  
15 electric utilities in the state. The fund shall be administered by  
16 the authority as a fund distinct from the other funds of the author-  
17 ity. The fund is composed of money appropriated for the purpose of  
18 providing power cost equalization to eligible electric utilities.

19 (b) The costs used to calculate the amount of power cost  
20 equalization for all electric utilities eligible under this section  
21 include all allowable costs, except return on equity, used by the  
22 commission to determine the revenue requirement for electric utilities  
23 subject to rate regulation under AS 42.05.010 - 42.05.721. The costs  
24 used in determining the power cost equalization per kilowatt-hour  
25 shall exclude any other type of assistance that reduces the customer's  
26 costs of power on a kilowatt-hour basis and that is provided to the  
27 electric utility within 60 days before the commission determines the  
28 power cost equalization per kilowatt-hour of the electric utility.

29 (c) An eligible electric utility is entitled to receive power

1 cost equalization

2 (1) for sales of power to local community facilities,  
3 calculated in the aggregate for each community served by the electric  
4 utility, for actual consumption of not more than 70 kilowatt-hours per  
5 month for each resident of the community; and

6 (2) for actual consumption of not more than 750 kilowatt-  
7 hours per month sold to each customer in all classes served by the  
8 electric utility except to customers of the utility under (1) of this  
9 subsection.

10 (d) The amount of power cost equalization provided per kilowatt-  
11 hour under (c) of this section may not exceed 95 percent of the power  
12 costs, or the average rate per eligible kilowatt-hour sold, whichever  
13 is less, as determined by the commission. However,

14 (1) during the state fiscal year that begins July 1, 1984,  
15 the power costs for which power cost equalization may be paid to an  
16 electric utility are limited to minimum power costs of more than 8.5  
17 cents per kilowatt-hour;

18 (2) during each following state fiscal year, the power  
19 costs for which power cost equalization may be paid to an electric  
20 utility shall be adjusted by the commission, considering the rate of  
21 change in fuel cost and power demand; and

22 (3) the power cost equalization per kilowatt-hour may be  
23 determined for a utility without historical kilowatt-hour sales data  
by using kilowatt hours generated.

24 (e) An electric utility whose customers receive power cost  
25 equalization under this section shall set out in its tariff the rates  
26 without the power cost equalization and the amount of power cost  
27 equalization per kilowatt-hour sold. The rate charged to the customer  
28 shall be the difference between the two amounts. Power cost

1 equalization paid under this section shall be used to reduce the cost  
2 of all power sold to local community facilities, in the aggregate, to  
3 the extent of 70 kilowatt-hours per month per resident of the  
4 community, and to reduce the cost of the first 750 kilowatt-hours per  
5 customer per month for all other classes served by the electric  
6 utility.

7 (f) The power cost equalization program shall be administered by  
8 the authority based on a determination by the commission under (b) and  
9 (d) of this section of power cost equalization per kilowatt-hour for  
10 each eligible electric utility.

11 (g) An eligible electric utility may not be denied power cost  
12 equalization because complete cost information is not available. An  
13 eligible electric utility that is exempt from rate regulation under  
14 AS 42.05.010 - 42.05.721 shall be assisted by the commission to pro-  
15 vide the cost information the commission considers necessary to comply  
16 with the requirements of this section. Only power costs that are  
17 supportable may be considered in calculating power cost equalization.  
18 Each electric utility is responsible for keeping records that provide  
19 the information necessary to comply with the requirements of this  
20 section including, but not limited to, records of monthly kilowatt-  
21 hour sales or generation, monthly fuel balances, fuel purchases, and  
22 monthly utility fuel consumption.

23 (h) For each eligible electric utility, the determination of the  
24 cost of fuel by the commission shall be in accordance with the proce-  
25 dure for approving fuel cost rate adjustments of electric utilities  
26 subject to rate regulation under AS 42.05.010 - 42.05.721.

27 (i) Each electric utility receiving power cost equalization ap-  
28 proved by the commission shall

29 (1) report monthly to the authority within the time and in

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the form the authority requires; and

(2) use operational equipment designed to meter individual utility customer power consumption and to determine and record the utility's overall fuel consumption.

(j) The authority shall review the report required under (i)(1) of this section and may submit the report to the commission for additional review before payment. After review and approval of the report by the authority, the authority shall, subject to appropriation, pay to each eligible electric utility an amount equal to the power cost equalization per kilowatt-hour determined by the commission under (b) and (d) of this section, multiplied by the number of kilowatt-hours eligible for power cost equalization that were sold during the preceding month to all customers of the utility in accordance with (c) of this section. Payment shall be made by the authority within 30 days after receipt from the utility of the report required under (i) of this section. However, if there is a dispute between the authority and the utility relating to the payment, the authority shall submit the report to the commission for review within 30 days after its receipt by the authority. When a report is submitted to the commission for review under this section, payment shall be made by the authority within 30 days after submission, based on a commission determination. If appropriations are insufficient for payment in full, the amount paid to each electric utility is reduced on a pro rata basis.

(k) If an electric utility receives power cost equalization under this section, the utility shall either

(1) give the following notice to its electric service customers eligible under this program for each period for which the payment is received:

NOTICE TO CUSTOMER

For the current billing period the utility will be paid under the State of Alaska's power cost equalization program (AS 44.83.162) to assist the utility and its customers in reducing the high cost of generation of electric energy.

Your total electrical service cost	\$ . . . . .
Less state equalization	\$ . . . . .
Your charge	\$ . . . . .; or

(2) give to its electric service customers a notice approved by the authority, which notice provides electric service customers the same information provided by the notice in (1) of this subsection.

(1) In order to qualify for power cost equalization, each electric utility must make every reasonable effort to minimize administrative, operating, and overhead costs, including using the best available technology consistent with sound utility management practices. In reviewing applications for power cost equalization, the commission has the authority to require the elimination of duplicative or otherwise unnecessary operating expenses. Each eligible electric utility shall cooperate with appropriate state agencies to implement cost-effective energy conservation measures, and to plan for and implement feasible alternatives to diesel generation.

(m) For purposes of (c) of this section, the number of residents of the community equals the number of residents of the community determined by the Department of Community and Regional Affairs in accordance with AS 29.38.015.

(n) In this section

(1) "commission" means the Alaska Public Utilities Commission;

1 (2) "community facility" means a water and sewer facility,  
2 public outdoor lighting, charitable educational facility, or community  
3 building whose operations are not paid for by the state, the federal  
4 government, or private commercial interests;

5 (3) "eligible electric utility" or "electric utility" means

6 (A) each corporation (whether public, cooperative, or  
7 otherwise), company, individual, or association of individuals,  
8 their lessees, trustees, or receivers appointed by a court, that  
9 owns, operates, manages, or controls a plant or system for the  
10 furnishing, by generation, transmission or distribution, of  
11 electric service to the public for compensation; and

12 (B) during calendar year 1983 had a consumption level  
13 of less than 7,500 megawatt hours and received assistance under  
14 this chapter or less than 15,000 megawatt hours and received  
15 assistance under this chapter if the utility served two or more  
16 municipalities or unincorporated communities; and

17 (C) uses diesel-fired generators to produce more than  
18 75 percent of the electrical consumption of the utility; or

19 (D) nothing in this section precludes a new or  
20 existing utility from applying for assistance if they meet the  
21 requirements in (n) <sup>3</sup>(A)-(C).

22 (4) "energy conservation measures" include weatherization and  
23 other insulating methods, utilization of waste heat, appropriate  
24 sizing of new generating equipment, and other programs of the state or  
25 federal government intended and available for the purpose of energy  
26 conservation;

27 (5) "feasible energy projects" include projects that are  
28 selected after a field reconnaissance study under AS 44.83.177 and  
29 after completion of a feasibility study according to the criteria in