

Leg Finance-House & Senate Fin Comte Files (1985-1986) 2453.02

ATTACHMENT ONE
Municipal conveyances (2/86)

<u>Municipality</u>	<u>Acreage</u>
Ketchikan	0.5
North Pole	0.5
Dillingham	1.0
Soldotna	14.0
Fairbanks, City	15.0
Hoonah	15.0
Homer	16.0
Kodiak	32.0
Port Lions	35.0
Bethel	40.0
Yakutat	75.0
Kupreanof	180.0
Cordova	235.0
Ouzinkie	240.0
Kenai	307.0
Wrangell	310.0
Delta Junction	400.0
Houston	405.0
Petersburg	461.0
Skagway	500.0
Seward	562.0
Whittier	600.0
Thorne Bay	612.0
Haines Borough	2,800.0
Bristol Bay Borough	2,898.0
Tenakee Springs	2,958.1
Valdez	4,805.0
Sitka, City and Borough	10,500.0
Ketchikan Gateway Borough	11,593.0
Juneau, City and Borough	19,584.0
Anchorage, Municipality	44,893.0
Kodiak Island Borough	56,500.0
Fairbanks Northstar Borough	112,000.0
Kenai Peninsula Borough	155,780.0
Matanuska-Susitna Borough	355,210.0

ATTACHMENT TWO
State Land Classifications (12/85)

<u>State land in categories open to selection:</u>	<u>Acreeage:</u>
Unclassified	11,200,000
Agriculture	629,000
Grazing	152,750
Material	5,100
Public recreation	1,400,000
Resource management	39,800,000
Settlement	2,900,000
Transportation corridor	0
Forestry	3,200,000
Wildlife habitat	1,900,000
Water resources	127,500
Wildlife habitat/Public recreation	6,200,000
Forestry/Wildlife habitat	283,000
Wildlife habitat/Water resources	55,000
TOTAL STATE ACREAGE IN AVAILABLE CATEGORIES	67,852,350

<u>State land not in categories open to selection:</u>	<u>Acreeage:</u>
Legislatively designated areas	8,000,000
Minerals	83,750
Minerals/Wildlife habitat/Public recreation	2,100,000
Oil and gas/Wildlife habitat	352,000
Oil and gas/Wildlife habitat/Public recreation	2,400,000
Reserved use	600,000
Coal	2,500
Resource assessment	150,000
TOTAL STATE ACREAGE NOT IN AVAILABLE CATEGORIES	13,688,250

§ 29.60.410

§ 29.60.420

MUNICIPAL GOVERNMENT

29.60.440

Sec. 29.60.420. Powers and duties of the commissioner. (a) The commissioner of commerce and economic development shall provide an annual report to the legislature about grants made under AS 29.60.400.

(b) The commissioner of commerce and economic development shall adopt regulations to carry out the purposes of AS 29.60.400 — 29.60.440. (§ 16 ch 74 SLA 1985)

Sec. 29.60.430. Allocation of money. If the amount of money appropriated by the legislature for grants under AS 29.60.400 is not adequate to satisfy amounts required for approved grant applications, money shall be allocated on the basis of priority established by regulations of the Department of Commerce and Economic Development. (§ 16 ch 74 SLA 1985)

Sec. 29.60.440. Limitation. AS 29.60.400 — 29.60.440 does not require that a recipient of a grant for a feasibility study must proceed with construction of the project, regardless of whether the project is determined to be feasible. (§ 16 ch 74 SLA 1985)

Chapter 63. Special Assessments and Service Areas.

[Repealed, § 88 ch 74 SLA 1985, effective January 1, 1986.]

Chapter 65. General Grant Land.

Section	Section
10. Determination of entitlement of boroughs and unified municipalities	60. School and mental health land
20. Determination of entitlement for cities	70. Selection and conveyance procedure
30. Determination of entitlement for newly incorporated municipalities	80. Payment for land deficiency
40. Status of entitlements	90. Authorization for land exchanges
50. Fulfillment of land entitlements	100. Public purpose and expansion needs
	110. Election of benefits
	120. Administration
	130. Definitions
	140. Application

Effective date of chapter. — Section 90, ch. 74, SLA 1985 provides: "This Act takes effect January 1, 1986."

Sec. 29.65.010. Determination of entitlement of boroughs and unified municipalities. (a) The general grant land entitlement of each of the municipalities in this section is the amount set out opposite each:

- (1) Municipality of Anchorage — 44,893 acres;
- (2) City and Borough of Juneau — 19,584 acres;
- (3) City and Borough of Sitka — 10,500 acres;
- (4) Bristol Bay Borough — 2,898 acres;
- (5) Fairbanks North Star Borough — 112,000 acres;
- (6) Haines Borough — 2,800 acres;
- (7) Kenai Peninsula Borough — 155,780 acres;
- (8) Ketchikan Gateway Borough — 11,593 acres;
- (9) Kodiak Island Borough — 56,500 acres;
- (10) Matanuska-Susitna Borough — 355,210 acres;
- (11) North Slope Borough — 89,850 acres.

(b) This section is a continuation of the provisions of former AS 29.18.201 and does not grant additional entitlements. (§ 17 ch 74 SLA 1985)

Sec. 29.65.020. Determination of entitlement for cities. (a) The general grant land entitlement of a city formerly eligible to receive general grant land under the provisions of former AS 29.18.190 and 29.18.200 is 10 percent of the maximum total acreage of vacant, unappropriated, unreserved land in the boundaries of each city at any time between the initial date of eligibility under former AS 29.18.190 and 29.18.200 and July 1, 1978. Within six months after July 1, 1978, the director shall determine the entitlement for each city eligible to receive general grant land under former AS 29.18.202 and certify that entitlement to the city.

(b) This section is a continuation of the provisions of former AS 29.18.203 and does not grant additional entitlements to cities incorporated before January 1, 1986. (§ 17 ch 74 SLA 1985)

Sec. 29.65.030. Determination of entitlement for newly incorporated municipalities. (a) The general grant land entitlement of a municipality incorporated after July 1, 1978, is 10 percent of the total acreage of vacant, unappropriated, unreserved land within the boundaries of the municipality on the date of its incorporation.

(b) Within six months after the date of incorporation of a municipality that is incorporated after July 1, 1978, the director shall determine the entitlement of each municipality eligible to receive general grant land under (a) of this section and certify the entitlement to the municipality.

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(c) This section is a continuation of the provisions of former AS 29.18.203 and does not grant additional entitlements to municipalities incorporated before January 1, 1986. (§ 17 ch 74 SLA 1985)

Sec. 29.65.040. Status of entitlements. (a) After July 1, 1978, general grant land entitlements provided in former AS 29.18.201 and former AS 29.18.202 are vested property rights that must be fulfilled as provided in AS 29.65.050 or 29.65.080.

(b) General grant land entitlements provided by AS 29.65.030 are property rights that vest on the date of incorporation of the municipality. The entitlement must be fulfilled as provided in AS 29.65.050.

(c) Land may be selected or nominated for selection by a municipality to satisfy a general grant land entitlement under former AS 29.18.201 and 29.18.202 at any time before October 1, 1980. However, if a municipal selection or nomination or a part of a municipal selection or nomination is rejected by the director, the municipality may, not later than 90 days after receipt of the rejection, select additional state land as necessary to satisfy its entitlement.

(d) Land may be selected by a municipality to satisfy a general grant land entitlement under AS 29.65.030 at any time within one year after the director certifies the entitlement to the municipality.

(e) The time limitations imposed by (c) and (d) of this section for exercising a vested general grant land entitlement do not apply to

(1) the portion of an entitlement that cannot be satisfied by that date because of a shortage of land suitable for residential, commercial, and industrial purposes that is vacant, unappropriated, unreserved land;

(2) payments for land deficiency under AS 29.65.080;

(3) the portion of an entitlement that cannot be satisfied because the land selected by a municipality has been selected by a party entitled to select land owned by the United States or the state; or

(4) the portion of an entitlement that cannot be satisfied because the land nominated for selection by the municipality is not tentatively approved for patent to the state. (§ 17 ch 74 SLA 1985)

Sec. 29.65.050. Fulfillment of land entitlements. (a) The acreage of each municipality's land selections for which patent has been issued before July 1, 1978, shall be credited toward fulfillment of the entitlement of that municipality.

(b) All approved selections under former AS 29.18.190 and 29.18.200 for which patent has not been issued to a municipality on July 1, 1978, shall be reviewed by the director within nine months after July 1, 1978. Any approved selection of land that was vacant,

unappropriated, or unreserved on the date of selection is valid as of the date of the approval under former AS 29.18.190 and 29.18.200, and a patent shall be issued to the municipality within three months after approval by the director of a plat of survey. The acreage shall be credited toward fulfillment of the municipality's entitlement. A municipality is not entitled to receive patent under this chapter to more than its entitlement determined under AS 29.65.010 — 29.65.030. Any prior approval by the director of municipal selections for land that was not vacant, unappropriated, or unreserved on the date of selection shall be rescinded, and patent may not be issued except when disposal to a third party by sale or lease has occurred. Transfers of land to municipalities under this chapter are subject to AS 38.05.321. Classification actions as reflected on the land status records of the Department of Natural Resources are determinative of land classification status for purposes of this chapter.

(c) The director shall approve each selection for patent within nine months of its selection by a municipality, and a patent shall be issued to the municipality for land selected in satisfaction of a general grant land entitlement vested under AS 29.65.010 — 29.65.030 within three months after approval by the director of a plat of survey. (§ 17 ch 74 SLA 1985)

Sec. 29.65.060. School and mental health land. (a) If an entitlement determined under AS 29.65.010 or 29.65.020 results in a per capita entitlement for the municipality of less than one and one-half acre, the municipality may select vacant school or mental health land in the municipality in partial fulfillment of its land entitlement under this chapter. School or mental health land may be selected notwithstanding the fact that this land is not unappropriated and unreserved within the meaning of this chapter and under former AS 29.18.190 and 29.18.200, but each selection of school or mental health land by a municipality must be vacant, unappropriated, or unreserved land as defined in this chapter, except that it need not be general grant land.

(b) The acreage of school, university or mental health land, if any, in a municipality may not be included in the determination of entitlement under AS 29.65.010 or 29.65.020.

(c) Land conveyed under this section will be credited against a municipality's remaining land entitlement under this chapter.

(d) Within six months after approval of a municipal selection of school or mental health land, the director shall identify state general grant land of approximately equal value to the land requested by the municipality and shall propose the replacement land for the concurrence of the appropriate board. If a proposal by the director is rejected by the board, the director shall meet with the board as often as

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necessary to determine the type and amount of equal value replacement land that would be required to obtain the board's concurrence, and shall propose the replacement land for consideration by the board. The replacement land shall thereafter be managed for the purposes for which the land selected by the municipality was acquired by the Territory and State of Alaska.

(e) The notice provisions of AS 38.05.945 apply to the designation of other general grant land as school, university or mental health land in replacement of land selected under this section. The provisions of AS 38.50 do not apply to such designations under this section.

(f) For purposes of determining the per capita entitlement under (a) of this section, the population of a municipality shall be the population determined by the commissioner under former AS 43.18.010 for the program year beginning July 1, 1978, for a municipality whose entitlement was determined under former AS 29.18.201 or 29.18.202. (§ 17 ch 74 SLA 1985)

Sec. 29.65.070. Selection and conveyance procedure. (a) If land selected by a municipality is unsurveyed at the time of approval, the director shall survey, or may approve the municipality's survey of, the exterior boundaries of an approved selection without interior subdivision, and shall issue patent in terms of the exterior boundary survey. The cost of the survey shall be borne by the municipality. If land selected by a municipality has been surveyed at the time of its selection, the boundaries shall conform to the public land subdivisions established by the approved survey.

(b) The director may approve municipal selections of land that have been tentatively approved or patented to the state by the federal government but may not issue patent to a municipality until the land has first been patented to the state. After approval of a selection by the director, but before patent to a municipality, the municipality may execute conditional leases and make conditional sales only with the consent of the director. Conditional sales and conditional leases made before July 1, 1978, do not require the consent of the director.

(c) Nothing in this chapter affects a valid existing claim, location, or entry under the laws of the state or the United States whether for homestead, mineral, right-of-way, or other purposes. Nothing in this chapter affects the rights of an owner, claimant, locater, or entryman to the full use and enjoyment of the land so occupied. (§ 17 ch 74 SLA 1985)

Sec. 29.65.080. Payment for land deficiency. (a) The Alaska municipal land account is established in the general fund for the following purposes:

(1) providing payment to the boroughs and unified municipalities designated in AS 29.65.010 for a deficiency of land physically suitable for residential, commercial, or industrial purposes; or

(2) providing payment to the boroughs and unified municipalities designated in AS 29.65.010 for certain general grant lands selected by the state and conveyed to a Native corporation under the provisions of the Alaska Native Claims Settlement Act.

(b) A municipality shall receive payment for its land deficiency from the municipal land account. A municipality is eligible to receive payment for land deficiency if, after July 1, 1980, the amount of land selected by the municipality that is physically suitable for residential, commercial, or industrial purposes amounts to less than one-third acre per capita. Any entitlement under AS 29.65.010 that is less than one-third acre per capita will, for the purposes of this subsection, be considered a land deficiency. An unselected remaining entitlement will, for the purpose of deficiency payment under this subsection, be considered as land physically suitable for residential, commercial, or industrial purposes. A municipality eligible under this subsection is entitled to receive a payment for land deficiency equal to \$1,000 per acre for a number of acres equal to the difference between one-third of the population of the municipality less the number of acres physically suitable for residential, commercial or industrial purposes that has been selected by the municipality. For the purpose of this subsection, the population of the municipality shall be the population determined in accordance with AS 29.65.060(f). No payment may be made to a municipality under this subsection in excess of \$9,000,000.

(c) If a municipality selected vacant, unappropriated, unreserved land on or before December 18, 1971, to which the state had received tentative approval or patent, and that land was also selected by a Native corporation organized under the Alaska Native Claims Settlement Act (P.L. 92-203), and title to that land is ultimately vested in that Native corporation, the municipality may, at its option, request payment for land deficiency from the municipal land account. The acceptance of payment under this subsection by a municipality constitutes a relinquishment of any other right, title, or claim to the land by that municipality. The total payment to a municipality under this subsection may not exceed \$1,000 per acre to a maximum of 8,000 acres.

(d) The governor shall annually submit to the legislature a request for an appropriation to the municipal land account for the municipalities that have elected to receive payments under (b) and (c) of this section. The request for appropriation shall distinguish between amounts necessary to make payments for land deficiency under (b) of

this section and those required to make payments for land deficiency under (c) of this section.

(e) For purposes of fulfilling entitlements under this section, the legislature is authorized to appropriate

(1) not more than \$4,000,000 per fiscal year, and not more than \$12,000,000 in total, for the purpose of paying entitlements under (b) of this section;

(2) not more than \$1,000,000 per fiscal year, and not more than \$8,000,000 in total, for the purpose of paying entitlements under (c) of this section.

(f) If an annual appropriation is not sufficient to meet the amount due to all municipalities that have elected to accept payment for land deficiency under (b) or (c) of this section, the governor shall apportion the appropriation among the municipalities in proportion to the payment calculated for each municipality for that year. When a distribution of payments is made under (c) of this section, the remaining entitlement of a municipality to which payment is made shall be reduced in an amount equal to the number of acres for which payment was received. An appropriation made under this section is in addition to other grants and entitlements authorized to eligible municipalities.

(g) Payments authorized by this section may not be made to a municipality eligible for an entitlement under AS 29.65.020 or 29.65.030.

(h) Payments made under this section shall be used by a municipality that levies property taxes to reduce the levy in proportion to the amount of state payments received by the municipality for a given fiscal year. The governing body of each municipality shall furnish a notice with the tax statement describing the effect on property tax levies of payments received under this section. (§ 17 ch 74 SLA 1985)

Sec. 29.65.090. Authorization for land exchanges. The director, and a municipality are authorized to exchange land or interests in land when it is in the public interest. Land or interests in land exchanged under this section must be of approximately equal value, including the nonmonetary value of public benefits. Exchange procedures shall comply with applicable law and municipal ordinances. The notice and review provisions of AS 38.05.945 apply to exchanges of land under this section. The provisions of AS 38.50 do not apply to exchanges of land under this section. (§ 17 ch 74 SLA 1985)

Sec. 29.65.100. Public purpose and expansion needs. (a) Consistent with the best interests of the state, if a municipality does not contain and cannot reasonably acquire sufficient nonfederal land within its boundaries to meet its legitimate needs for public or private settlement or development, it is the policy of the state to select federal land reasonably necessary to meet the needs of the municipality and to make the land selected available to the municipality under AS 38.05.810 or (b) of this section.

(b) The state may contract with a municipality to act as its agent in an auction of state land under applicable statutes. When a municipality acts as the agent of the state in an auction, the municipality may retain from the proceeds of the auction the capital and other expenses that the director determines to be necessary and reasonable.

(c) Nothing in this chapter limits or impairs the authority of the director to transfer land to municipalities, without limit or consideration, for public purposes in accordance with AS 38.05.810. If there is a remaining entitlement of the municipality, land transferred under AS 38.05.810 shall be credited toward fulfillment of the entitlement. (§ 17 ch 74 SLA 1985)

Sec. 29.65.110. Election of benefits. (a) A municipality that on July 1, 1978, was engaged in litigation, or that becomes engaged in litigation, regarding a claim to state land under former AS 29.18.190 or 29.18.200 shall elect either to obtain the benefits provided in this chapter or to pursue the litigation and waive any claim to entitlement under this chapter. An election shall be made by filing a motion for dismissal with prejudice in the court in which the litigation is pending. If the claim involves a municipality identified in AS 29.65.010, the municipality shall file its motion for dismissal within 60 days after July 1, 1978. If a claim involves a city eligible to receive an entitlement under AS 29.65.020, the city shall file its motion for dismissal within 60 days after receiving the certificate of entitlement provided by the director under AS 29.65.020. Failure of the municipality to file a motion for dismissal during the time period provided in this subsection is considered a waiver of entitlement under this chapter.

(b) A municipality that was eligible to file land selections under former AS 29.18.190 or 29.18.200 and that does not enter into litigation over a claim to rights under those sections before the expiration of the time period within which it could make an election under (a) of this section is considered to have elected to receive benefits under this chapter and to have waived any claim that might have been raised under former AS 29.18.190 or 29.18.200.

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(c) The provisions of this chapter do not affect the rights of a party to litigation regarding former AS 29.18.190, 29.18.200 or 29.18.420 maintained by a municipality that has elected not to obtain the benefits provided by this chapter. (§ 17 ch 74 SLA 1985)

Sec. 29.65.120. Administration. The commissioner of natural resources may adopt regulations in accordance with the Administrative Procedure Act (AS 44.62) necessary to carry out the purposes of this chapter. (§ 17 ch 74 SLA 1985)

Sec. 29.65.130. Definitions. In this chapter, unless the context otherwise requires,

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

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

(3) "general grant land"

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

(B) does not include university land;

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

(5) "municipal land selection" means a request by a municipality, filed in writing with the director under authority of former AS 29.18.190 and 29.18.200 or under this chapter for vacant, unappropriated, unreserved general grant land within its municipal boundaries in partial fulfillment of its municipal entitlement;

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

(7) "remaining entitlement" means the general grant land entitlement determined in accordance with this chapter, reduced by the total acreage of approved selections, including both patented and unpatented parcels;

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

(9) "university land" has the meaning given in AS 38.05.365;

(10) "vacant, unappropriated, unreserved land" means general grant land as defined in (3) of this section, excluding minerals as required by sec. 6(i) of the Alaska Statehood Act, that

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

(B) has not been approved for patent to a municipality under this chapter or former AS 29.18.190 and 29.18.200; or

(C) is unclassified or, if classified under AS 38.05.300, is classified for agricultural, grazing, commercial, industrial, private recreational, residential, utility, or open-to-entry purposes, or is classified in accordance with an agreement between a municipality and the state providing for state management of land of the municipality. (§ 17 ch 74 SLA 1985)

Sec. 29.65.140. Application. This chapter applies to home rule and general law municipalities. (§ 17 ch 74 SLA 1985)

Chapter 68. Alteration of Boundaries.

Section
10 — 80. [Repealed]
90. Election
100 — 560. [Repealed]

Section
570. Election
580. [Repealed]

Secs. 29.68.010 — 29.68.080. Annexation and exclusion; Merger and consolidation. [Repealed, § 88 ch 74 SLA 1985, effective January 1, 1986.]

Sec. 29.68.090. Election [Repealed effective January 1, 1986].

(a) The Local Boundary Commission shall immediately notify the director of elections of its acceptance of a merger or consolidation petition. Within 30 days after notification, the director shall order an election within the area to be included in the new municipality to determine whether the voters desire merger or consolidation. The election is held not less than 30 nor more than 90 days after the election order.

(b) A voter who is a resident of the area to be included within the proposed municipality may vote.

(c) The director of elections shall supervise the election in the general manner prescribed by the Alaska Election Code (AS 15). The state shall pay all election costs.

(d) The director of elections shall certify the election results. If merger or consolidation is approved, the director shall, within 10 days, set a date for election of officers of the new municipality under AS 29.18.120. The election date is not less than 60 nor more than 90 days after the election order. This date is the effective date for the merger or consolidation. (§ 2 ch 118 SLA 1972; am § 50 ch 21 SLA 1985; r § 88 ch 74 SLA 1985)

Sec. 38.05.300. Classification of lands. (a) The commissioner shall classify for surface use land in areas considered necessary and proper. This section does not prevent reclassification of land where the public interest warrants reclassification, nor does it preclude multiple purpose use of land whenever different uses are compatible. State land, water, or land and water area may not, except by act of the state legislature, be closed to multiple purpose use if the area involved contains more than 640 acres.

(b) Not later than February 1 of each year, the commissioner shall submit a written report to each house of the legislature which describes and shows the location of all classifications of state land made under (a) of this section during the preceding year. (§ 1 art III ch 169 SLA 1959; am § 2 ch 31 SLA 1964; am §§ 33, 34 ch 85 SLA 1979; am § 40 ch 152 SLA 1984)

Cross references. — For state land and water restricted to use as public recreation areas and state parks, see AS 41.21.

Effect of amendments. — The 1984 amendment made a series of technical changes throughout subsection (a).

NOTES TO DECISIONS

Department of Natural Resources agricultural classification of lottery parcels proper. — The requirement that an act of the legislature is required where multiple purposes are closed in parcels exceeding 640 acres applied to the management of retained state land, not the disposal of it; thus, Department of Nat-

ural Resources agricultural classification of lottery parcels was proper, even though it did foreclose multiple purposes. *State v. Weidner*, Sup. Ct. Op. No. 2788 (File Nos. 6220, 6240, 6272), P.2d (1984).

Quoted in *Southeast Alaska Conservation Council, Inc. v. State*, Sup. Ct. Op. No. 2662 (File No. 5855), P.2d (1983).

Sec. 38.05.305. Notice and review. [Repealed, § 45 ch 113 SLA 1981. For current law see AS 38.05.945.]

Sec. 38.05.321. Restriction on sale, lease or other disposal of agricultural land. (a) The sale, lease or other disposal of state land classified as agricultural land transfers only rights for agricultural purposes, and all other interests in the land remain with the state unless otherwise required by law.

(b) State land classified as agricultural land which has been selected by a municipality under former AS 29.18.190 — 29.18.200 or 29.18.205(e) may be approved by the director for patent under AS 29.18.205(f); however, only rights in the land for agricultural purposes may be transferred and all other interests in the land will remain with the state. Agricultural land approved for patent to a municipality under AS 29.18.205(f) shall be credited, acre for acre, toward fulfillment of that municipality's entitlement under AS 29.18.201 — 29.18.203. If the director later determines it to be in the best interests of the state to transfer some or all of the additional rights in that approved or patented agricultural land, those rights shall pass without

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(d) The department may sell, lease, exchange, or encumber the land when specifically authorized to do so by law and under the terms and conditions established by the law. (1983 Initiative Proposal No. 5, § 1)

Sec. 38.05.502. Property of the people. Subject to valid existing rights of applicants for land, upon February 21, 1983, all land in the state and all minerals not previously appropriated are the exclusive property of the people of the state and the state holds title to the land and minerals in trust for the people of the state. (1983 Initiative Proposal No. 5, § 1)

Sec. 38.05.503. Treaties and compacts. Land in the state which has been administered by the United States under international treaties and interstate compacts will continue to be administered by the state in conformity with those treaties and compacts. (1983 Initiative Proposal No. 5, § 1)

Sec. 38.05.504. Proceeds to the general fund. The proceeds of sales, fees, rents, royalties or other receipts from the land paid to the state under the provisions of AS 38.05.500 — 38.05.505 shall be deposited in the general fund, and the legislature may provide for payments in lieu of taxes to local governments. (1983 Initiative Proposal No. 5, § 1)

Sec. 38.05.505. Exclusive enforcement. (a) The state has exclusive jurisdiction to enforce the provisions of AS 38.05.500 — 38.05.505.

(b) An individual may institute a civil action to recover damages for injury or loss sustained as the result of a violation of the provisions of AS 38.05.500 — 38.05.505 or for the failure of the state to enforce its trust responsibilities to the people of the state. (1983 Initiative Proposal No. 5, § 1)

Article 13. Miscellaneous Provisions.

Section	Section
810. Public and charitable use	840. Appraisal
820. Occupied tide and submerged land	850. Permits
821. Tidelands seaward of public recreational sites	860. Deposits
830. Land disposal in the unorganized borough	870. Grants of land after natural disaster
	872. Disposition of state land for flood control projects

Sec. 38.05.810. Public and charitable use. (a) The lease, sale, or other disposal of state land or resources may be made to a state or federal agency or political subdivision, or the lease, sale, or disposal of coal deposits suitable for mining may be made to a utility owned and operated by a government agency or nonprofit cooperative association organized to participate under the Federal Rural Electrification Act for the purpose of generating electric power and energy or the production of process steam, or both, for less than the appraised value as deter-

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mined by the director and approved by the commissioner to be fair and proper and in the best interests of the public, with due consideration given to the nature of the public services or function rendered by the agency, subdivision, or utility making application, and of the terms of the grant under which the land was acquired by the state.

(b) Notwithstanding AS 38.05.070 — 38.05.080 and 38.05.095, the director, upon application filed by an applicant eligible under (b) — (d) of this section, may, by negotiation and without public auction in the manner prescribed in (b) — (d) of this section, lease state land for a term of not more than 55 years. Before leasing, the director shall prepare a land use plan and a land classification to insure that the proposed use is compatible with area utilization. Before the land may be leased under (b) — (d) of this section, it must be shown to the satisfaction of the director that the land is to be used for an established or definitely proposed project, and that the eligible applicant has the financial ability to carry out the project. The commissioner may establish limitations on the acreage which may be leased under (b) — (d) of this section to an applicant.

(c) Eligible applicants under (b) — (d) of this section are limited to nonprofit corporations, associations, clubs, or societies organized and operated exclusively for charitable, religious, scientific, or educational purposes, or for the promotion of social welfare, if the project for which the land is desired conforms to those objectives and not commercial development. No lease of land may be granted under this section for a project closed to the use and enjoyment of the general public. In every case the applicant shall submit evidence that it is exempt from payment of federal income tax. As a condition of and in consideration of the rights acquired under a lease granted under (b) — (d) of this section, each eligible organization and its parent or subsidiary organizations shall (1) maintain and preserve books, accounts, and records that the director prescribes by regulation as necessary and appropriate; and (2) accord at all reasonable times to the state and its authorized agents and auditors the right of access to those books, accounts and records for the purpose of inspecting, examining and copying them. Any information provided the state in the course of an audit becomes a matter of public record.

(d) The director may lease the land to an eligible applicant at a reasonable annual rental, taking into consideration the purposes for which the land is to be used and the financial resources of the applicant. The rental may not be less than one percent of the fair market value on land acquired primarily for development, or less than five percent of the fair market value on acquired land. Rent may not be charged for state land leased for a youth encampment. For the purposes of this subsection, "youth encampment" shall be defined by the commissioner by regulation. Renewal leases may be issued at the discretion of the director upon the expiration of a primary or renewal term. Each lease shall contain a provision for its termination as to all or part

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of the land upon a finding by the director that the land or a part of it has not been used by the lessee for the purpose specified in the lease for a period of two years. No lease may be assigned or subleased except with the consent of the director, and in any case may only be transferred to an applicant eligible under (b)-(d) of this section. A lessee may not change the use specified in the lease to another or additional use except with the consent of the director. If, at any time after the land is leased, the lessee attempts to assign the lease or transfer control over the land to another, or if the land is devoted to a use other than that for which the land was leased without the consent of the director, the lease automatically terminates.

(e) The lease, sale, or other disposal of state land at appraised fair market value may be negotiated with a licensed public utility or a licensed common carrier by the director with the approval of the commissioner if the utility or carrier reasonably requires the land for the conduct of its business under its license.

(f) The commissioner shall lease state land for telephone or electric transmission and distribution lines for less than the appraised value of the land if the lessee is a nonprofit cooperative association organized under AS 10.25. The commissioner may lease state land that is not located within the boundary of a municipality for the disposal of garbage, refuse, trash, or other waste material for less than the appraised value of the land if the lessee is a licensed public utility authorized to collect and dispose of garbage, refuse, trash, or other waste material outside the boundaries of a municipality. Before determining the annual rental, the commissioner shall consider the nature of the public service rendered by the nonprofit cooperative association or licensed public utility and the terms of the grant under which the land was acquired by the state. A nonprofit cooperative association may not construct improvements other than transmission or distribution lines and substations on land leased under this subsection. A licensed public utility may not construct permanent improvements on land leased under this subsection that are not related to the purpose of the lease. (§ 4 art III ch 169 SLA 1959; am § 1 ch 155 SLA 1960; am § 1 ch 137 SLA 1962; am § 1 ch 36 SLA 1976; am § 12 ch 257 SLA 1976; am § 1 ch 76 SLA 1980; am §§ 34, 35 ch 113 SLA 1981; am § 1 ch 86 SLA 1984; am § 42 ch 152 SLA 1984)

Revisor's notes. — Formerly AS 38.05.315. Renumbered in 1984.

Cross references. — For reservation to which contracts for sale, lease or grant of state land and deeds to state land, properties or interest to state land are subject, see AS 38.05.125.

Effect of amendments. — The 1980 amendment added subsection (f).

The 1981 amendment added "and" preceding "38.05.095" and deleted "and AS

38.05.100" preceding "the director" in the first sentence of subsection (b). In subsection (d), the amendment substituted "the" for "but in no case may the" preceding "rental," added "may not" preceding "be less than one," deleted "school" preceding "university" and deleted "mental health" preceding "or acquired lands" in the second sentence and added the present third and fourth sentences.

The first 1984 amendment, in subsec-

tion (f), inserted the second sentence, added the last sentence, and, in the third sentence, substituted "determining" for "he determines" and inserted "or licensed public utility."

The second 1984 amendment, in subsec-

tion (d), substituted "land" for "lands" in the sixth sentence and, in the second sentence, substituted "land" for "lands" in the first place it occurs and "acquired land" for "university or acquired lands."

NOTES TO DECISIONS

Cited in *Moore v. State*, Sup. Ct. Op. No. 1284 (File Nos. 2551, 2587), 553 P.2d 8 (1976); *State v. Bering Strait Regional*

Educ. Attendance Area School Dist., Sup. Ct. Op. No. 2625 (File No. 6381), 658 P.2d 784 (1983).

Sec. 38.05.820. Occupied tide and submerged land. (a) It is the policy of the state to allow preference rights for the acquisition of tide and submerged land occupied or developed for municipal business, residential or other beneficial purposes on or before the date of admission of Alaska into the Union. Nothing in this section vests the right in a person to acquire the land until a conveyance from the state is delivered to the grantee.

(b) Home rule cities and cities of the first class incorporated on or before April 1, 1964, may apply, in the manner prescribed by the director, and in accordance with such regulations as the director may adopt, for a conveyance to them of all land seaward of the home rule cities and cities of the first class which is between the mean high tide line in, or forming the boundary of, the home rule cities and cities of the first class, and a line to be shown on a plat made a part of the application which shall be the pierhead line established under the Act of September 7, 1957, or the harbor line established under the Act of March 3, 1899, or if no pierhead line or harbor line is established then a line subject to approval by the director, with the concurrence of the commissioner, which shall be seaward of all tide and submerged land occupied or suitable for occupation and development without unreasonable interference with navigation. The director shall convey that tide and submerged land to home rule cities and cities of the first class. Applications by preference right claimants filed with the director before June 30, 1964, shall continue to be processed to a final determination and conveyance, if any, by the director, if such preference right claimants are entitled to a conveyance from the director under the laws existing previous to July 22, 1964.

(1) Each home rule city and city of the first class granted a conveyance shall prepare an official subdivision plat of the area conveyed showing all structures and improvements and the boundaries of each tract occupied or developed, together with the name of the owner or claimant. The subdivisional plat shall include within the boundaries of each tract occupied or developed such surrounding tide and submerged land as is reasonably necessary in the opinion of the governing body of the home rule cities and cities of the first class for the use and enjoyment of the structures and improvements by the owner or claimant, but

*land classification
definitions - p. 11 - 1982*

(30) "state" means State of Alaska;

(31) "timber land" means those lands which, because of physical, climatic and vegetative conditions, are presently or potentially chiefly valuable for the production of timber and other forest products;

(32) the masculine gender includes the feminine and the neuter;

(33) the singular number includes the plural;

(34) "unclassified lands" means all lands not otherwise classified;

(35) "university lands" means all Sections 33 reserved to the University under 38 Stat. 1214, as amended (48 U.S.C. 353), and all lands presently or hereafter reserved for the benefit of the University of Alaska;

(36) "vendee" shall mean the purchaser;

(37) "vendor" shall mean the State of Alaska;

(38) "open-to-entry lands" means those lands which meet the criteria as established by AS 38.05.077;

(39) "resource management lands" means those lands containing an association of surface and/or subsurface resources which are especially suited to multiple-use management. Such management may be accomplished in whole or in part pursuant to an inter-agency agreement. (Eff. 7/1/60, Reg. 1; am 8/15/64, Reg. 18; am 3/22/69, Reg. 28)

Authority: AS 38.05.020
AS 38.05.035
AS 41.20.020

**ARTICLE 4.
HOMESITES**
Repealed 5/13/79.

**ARTICLE 5.
OPEN-TO-ENTRY**
Repealed 5/13/79.

**CHAPTER 55.
LAND PLANNING AND CLASSIFICATION**

Section

- 10. Application of chapter
- 20. Planning and classification
- 30. Land use plan
- 40. Classification
- 50. Agricultural land
- 55. Coal land
- 60. (Repealed)
- 70. Forest land
- 75. Geothermal land
- 80. Grazing land
- 90. (Repealed)
- 95. Heritage resources land
- 100. (Repealed)
- 110. (Repealed)
- 120. Material land
- 130. Mineral land
- 135. Oil and gas land
- 140. (Repealed)
- 150. (Repealed)
- 160. Public recreation land
- 170. Reserved use land
- 180. (Repealed)
- 190. (Repealed)
- 200. Resource management land
- 202. Settlement land
- 205. Transportation corridor land
- 210. (Repealed)
- 220. (Repealed)
- 222. Water resources land
- 230. Wildlife habitat land
- 240. Reclassification
- 250. Notice
- 260. No effect on valid existing rights
- 270. Proposing classifications
- 272. Effective date
- 277. Existing classifications
- 280. Definitions

11 AAC 55.010. APPLICATION OF CHAPTER. This chapter deals with the planning and classification of all land under the management authority of the department, as well as land that has been selected or is otherwise to be acquired by the state and managed by the department. The intent of this chapter is to establish a system of land classification based on a land use planning process that recognizes the varied resources of the state and the many competing demands for those resources. The planning process will provide for the balanced use,

(4) land use designations that set out primary and secondary uses and land classifications, whether the land is to be disposed of in fee or retained in state ownership and, for land to be retained in state ownership, a discussion as to whether it is to be made available for lease or other less-than-fee disposal, timber or material sale, or the issuance of remote cabin permits;

(5) consideration of mineral potential to include, at a minimum, identification of areas that will be closed to mineral entry or restricted to leasehold locations under the criteria set out in AS 38.05.185, existing or potential conflicts and, if mineral leasing is intended, stipulations for future leases; and

(6) management guidelines and stated management intent, representing department policies to guide the actions of the department when making land use decisions, directing land management and ensuring compatibility among competing land uses.

(d) For the purposes of this section, a "management plan" is a planning document, generally more detailed than an area plan, displayed at a scale of 1:63,360 or finer that describes how resource decisions will be implemented.

(e) For the purposes of this section, a "land planning report" is a brief, site-specific planning document prepared in the absence of an area or management plan, and which contains those items required of an area plan under (c)(1) - (6) of this section. (Eff. 11/12/78, Reg. 68; am 10/14/79, Reg. 72; am 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020
AS 38.04.900 AS 38.05.300

11 AAC 55.040. CLASSIFICATION. (a) A classification reflects surface impacts of surface or subsurface uses, or both.

(b) Surface resource classifications include agricultural, coal, forest, geothermal, grazing, heritage resources, material, mineral, oil and gas, public recreation, reserved use, resource management, settlement, transportation corridor, water resources, and wildlife habitat land.

(c) A classification identifies the primary use for which the land will be managed. All other

uses are initially presumed as compatible with the primary use. However, if the department determines that a use conflict exists and that activities attendant to a secondary use are incompatible with the primary use, the secondary user shall either cease his activity or modify the use to enable the department to determine that the incompatibility no longer exists. The secondary user may also request that the land be reclassified under 11 AAC 55.270 to identify the secondary use as the primary use.

(d) On any parcel of land, up to three classifications may be used where the dominance of a particular use cannot be determined.

(e) All land classified after September 7, 1983 is open to mineral entry and location unless the land is closed by statute or by a mineral closing order prepared in conformance with AS 38.05.185. State land may not be closed to mineral entry and location unless the commissioner finds that mineral entry and location is incompatible with significant surface uses, including those associated with other leasable mineral development. This finding may be made through an area plan. A mineral closing order will state the grounds for closing the lands to mineral entry. No land classified after September 7, 1983 is restricted to mining under leasehold location unless the commissioner makes the determination required by AS 38.05.185 and issues a leasehold location order. The determination may be made through an area plan.

(f) Unless closed to mineral entry by statute or by a mineral closing order, land classified before September 7, 1983 as commercial, greenbelt, industrial, public recreation, reserved use, resource management, watershed, or wildlife habitat land has been and remains available for leasehold locations under AS 38.05.205. The leasing requirement remains in effect until the land is reclassified. At that time the land will

(1) be opened to mineral entry, in which case leasehold locations previously made will no longer be subject to the leasing requirement although the miner may retain the location as a leasehold location;

(2) be closed to mineral entry by a mineral closing order in accordance with AS 38.05.185,

11 AAC 55.095. HERITAGE RESOURCES LAND. Land classified heritage resources is land where there is active preservation of, or research for, significant historical, prehistoric, paleontological, or other cultural values or where there is reason to believe that these values exist. (Eff. 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.295
AS 38.04.900 AS 38.05.300
AS 38.05.020

11 AAC 55.100. HOMESITE ENTRY LAND. Repealed 10/14/79.

11 AAC 55.110. INDUSTRIAL LAND. Repealed 9/7/83.

11 AAC 55.120. MATERIAL LAND. Land classified material is land that is suitable for the extraction of common varieties of sand, gravel, stone, peat, clay, and other similar materials. (Eff. 11/12/78, Reg. 68; am 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020
AS 38.04.900 AS 38.05.300

11 AAC 55.130. MINERAL LAND. Land classified mineral is land where known mineral resources exist and where development is occurring or is reasonably likely to occur, or where there is reason to believe that commercial quantities of minerals exist. (Eff. 11/12/78, Reg. 68; am 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020
AS 38.04.900 AS 38.05.300

11 AAC 55.135. OIL AND GAS LAND. Land classified oil and gas is land where known oil and gas resources exist and where development is occurring or is reasonably likely to occur, or where there is reason to believe that commercial quantities of oil and gas exist. (Eff. 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020
AS 38.04.900 AS 38.05.300

11 AAC 55.140. OPEN-TO-ENTRY LAND. Repealed 10/14/79.

11 AAC 55.150. PRIVATE RECREATION LAND. Repealed 9/7/83.

11 AAC 55.160. PUBLIC RECREATION LAND. Land classified public recreation is land that is suitable for recreation uses, waysides,

parcs, campsites, scenic overlooks, hunting, fishing or boating access sites, trail corridors, or greenbelts along bodies of water or roadways. (Eff. 11/12/78, Reg. 68; am 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.295
AS 38.04.900 AS 38.05.300
AS 38.05.020

11 AAC 55.170. RESERVED USE LAND. (a) Land classified reserved use is land that

(1) is reserved for transfer to another governmental or nongovernmental agency that is performing a public service;

(2) is reserved for transfer through land exchanges; or

(3) has been designated for a public facility.

(b) Nothing in this section requires classification of land identified for a future land exchange under AS 38.50. (Eff. 11/12/78, Reg. 68; am 10/14/79, Reg. 72; am 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020
AS 38.04.900 AS 38.05.300

11 AAC 55.180. RESIDENTIAL LAND. Repealed 9/7/83.

11 AAC 55.190. RESOURCE ASSESSMENT LAND. Repealed 9/7/83.

11 AAC 55.200. RESOURCE MANAGEMENT LAND. Land classified resource management is land which is presently unaccessible and remote and may have a number of resources but where the lack of adequate resource, economic, or other relevant information combined with the unlikelihood of resource development within the next 10 years makes a specific resource allocation decision unnecessary. (Eff. 11/12/78, Reg. 68; am 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020
AS 38.04.900 AS 38.05.300

11 AAC 55.202. SETTLEMENT LAND. Land classified settlement is land which is, by reason of its physical qualities and location, suitable for year-round or seasonal residential or private recreational use or for commercial or industrial development. (Eff. 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020
AS 38.04.900 AS 38.05.300

11 AAC 55.272. **EFFECTIVE DATE.** A classification takes effect on the date the classification order is signed by the commissioner. (Eff. 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020
AS 38.04.900 AS 38.05.300

11 AAC 55.277. **EXISTING CLASSIFICATIONS.** Beginning September 7, 1983, land previously classified under one of the classifications in list (1) will be considered to be classified under the corresponding classification in list (2):

(1)	(2)
Commercial Land	Settlement Land
Homesite Entry Land	Settlement Land
Industrial Land	Settlement Land
Open-To-Entry Land	Settlement Land
Private Recreation Land	Settlement Land
Greenbelt Land	Public Recreation Land
Residential Land	Settlement Land
Utility Land	Settlement Land
Watershed Land	Water Resources Land
Resource Assessment Land	Resource Assessment Land until reclassified

(Eff. 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020
AS 38.04.900 AS 38.05.300

11 AAC 55.280. **DEFINITIONS.** In this chapter,

(1) "classification" means the designation of land according to its primary use, and in a manner that will provide maximum benefit to the people of Alaska;

(2) "commissioner" means the commissioner of the Department of Natural Resources;

(3) repealed 9/7/83;

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

(5) repealed 10/14/79;

(6) repealed 10/14/79;

(7) "disposal" means the sale, lease, grant, or exchange of land or interests in land to another person, entity, or government agency;

(8) "land" means all land, including shore, tide, and submerged land and water;

(9) repealed 9/7/83;

(10) "state land" means land that has been selected or has otherwise been or is to be acquired by the state, and includes land for which tentative approval, patent, deed, or other document of title conveyance has not yet been received. (Eff. 11/12/78, Reg. 68; am 10/14/79, Reg. 72; am 9/7/83, Reg. 87)

Authority: AS 38.04.065 AS 38.05.020
AS 38.04.900 AS 38.05.300

Offered: 3/24/86
Referred: Finance

Original sponsor: Adams

1 IN THE HOUSE BY THE COMMUNITY AND REGIONAL
AFFAIRS COMMITTEE

2 CS FOR HOUSE BILL NO. 587 (C&RA)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to general grant land entitlements;
7 and providing for an effective date."

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

9 * Section 1. AS 29.65 is amended by adding a new section to read:

10 Sec. 29.65.015. DETERMINATION OF ENTITLEMENTS FOR MUNICIPAL-
11 ITIES. The general grant land entitlement of a municipality is 10
12 percent of the maximum total acreage of vacant, unappropriated, unre-
13 served land within its boundaries at any time between the date of its
14 incorporation and two years after the expiration of the state's right
15 to make selections under sec. 6(a) or (b) of the Alaska Statehood Act.
16 By January 1 of each year the director shall determine or update the
17 unfulfilled entitlement for each municipality under this section and
18 certify that entitlement to that municipality.

19 * Sec. 2. AS 29.65 is amended by adding a new section to read:

20 Sec. 29.65.025. LIMITATIONS ON ENTITLEMENTS. (a) A municipal-
21 ity is eligible for only one general grant land entitlement. A munic-
22 ipality that qualifies for an entitlement under AS 29.65.010 and
23 29.65.015 shall receive the larger of the two entitlements.

24 (b) A municipality may not receive a general grant land en-
25 titlement under AS 29.65.010 or 29.65.015 that exceeds 400,000 acres.

26 (c) All conveyances of legal title to land by the state to a
27 municipality under AS 29.65.010 or a former law shall be credited
28 toward fulfillment of the entitlement for that municipality. All
29 payments for land under AS 29.65.080 or former AS 29.18.208 shall be

1 credited toward fulfillment of the entitlement for that municipality.

2 (d) Land classified under AS 38.05.300 for wildlife habitat may
3 not be selected or conveyed in fulfillment of a general grant land
4 entitlement.

5 * Sec. 3. AS 29.65.040 is repealed and reenacted to read:

6 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) After January 1,
7 1987, a general grant land entitlement under AS 29.65.010 is a vested
8 property right that must be fulfilled in accordance with AS 29.65.025
9 and 29.65.080.

10 (b) A general grant land entitlement under AS 29.65.015 is a
11 property right that vests on the date of incorporation of the munici-
12 pality. The entitlement must be fulfilled in accordance with AS 29.-
13 65.025.

14 * Sec. 4. AS 29.65.060 is repealed and reenacted to read:

15 Sec. 29.65.060. SCHOOL AND MENTAL HEALTH LAND. (a) School land
16 and mental health land within the boundaries of a municipality may not
17 be included for purposes of determining the general grant land en-
18 titlement of that municipality.

19 (b) A municipality may not receive school land or mental health
20 land in fulfillment of its general grant land entitlement.

21 * Sec. 5. AS 29.65.080(b) is amended to read:

22 (b) A municipality shall receive payment for its land deficiency
23 from the municipal land account. A municipality is eligible to re-
24 ceive payment for land deficiency if, after July 1, 1980, the amount
25 c. and selected by a municipality that is physically suitable for
26 residential, commercial, or industrial purposes amounts to less than
27 one-third acre per capita. Any entitlement under AS 29.65.010 that is
28 less than one-third acre per capita will, for the purposes of this
29 subsection, be considered a land deficiency. An unselected remaining

1 entitlement will, for the purpose of deficiency payment under this
2 subsection, be considered as land physically suitable for residential,
3 commercial, or industrial purposes. A municipality eligible under
4 this subsection is entitled to receive a payment for land deficiency
5 equal to \$1,000 per acre for a number of acres equal to the difference
6 between one-third of the population of the municipality less the
7 number of acres physically suitable for residential, commercial or
8 industrial purposes that has been selected by the municipality. For
9 the purpose of this subsection, the population of the municipality
10 shall be the population determined by the commissioner under former
11 AS 43.18.010 for the program year beginning July 1, 1978, for a munic-
12 ipality whose entitlement was determined under former AS 29.18.201 [IN
13 ACCORDANCE WITH AS 29.65.060(f)]. No payment may be made to a munic-
14 ipality under this subsection in excess of \$9,000,000.

15 * Sec. 6. AS 29.65.080(g) is amended to read:

16 (g) Payments authorized by this section may only [NOT] be made
17 to a municipality [ELIGIBLE] for an entitlement under AS 29.65.010
18 [AS 29.65.020 or 29.65.030].

19 * Sec. 7. AS 29.65.130(10) is amended to read:

20 (10) "vacant, unappropriated, unreserved land" means
21 general grant land as defined in (3) of this section, excluding miner-
22 als as required by sec. 6(i) of the Alaska Statehood Act, that

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

25 (B) has not been approved for patent to a municipal-
26 ity under this chapter or former AS 29.18.190 and 29.18.200; or

27 (C) is unclassified or, if classified under AS 38.-
28 05.300, is classified for agricultural, grazing, material, public
29 recreation, resource management, settlement, transportation

1 corridor, forestry, or wildlife habitat [COMMERCIAL, INDUSTRIAL,
2 PRIVATE RECREATIONAL, RESIDENTIAL, UTILITY, OR OPEN-TO-ENTRY
3 PURPOSES,] or is classified in accordance with an agreement
4 between a municipality and the state providing for state manage-
5 ment of land of the municipality.

6 * Sec. 8. Before January 1, 1987, the Department of Natural Resources
7 shall consult with each municipality affected by this Act regarding classi-
8 fications of state land within its boundaries and shall assist the munic-
9 ipality in identifying land suitable for selection in fulfillment of its
10 general grant land entitlement.

11 * Sec. 9. AS 29.65.010(b), 29.65.020, 29.65.030, 29.65.050, 29.65.090
12 and 29.65.110 are repealed.

13 * Sec. 10. Sections 4 and 8 of this Act take effect immediately in
14 accordance with AS 01.10.070(c).

15 * Sec. 11. Sections 1 - 3, 5 - 7, and 9 of this Act take effect
16 January 1, 1987.

Original sponsor: Adams

INCLUDES Poarchot
amendments

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 -2nd CS FOR HOUSE BILL NO. 587 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to general grant land entitlements;
7 and providing for an effective date."

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11 ITIES. The general grant land entitlement of a municipality is 10
12 percent of the maximum total acreage of vacant, unappropriated, unre-
13 served land within its boundaries at any time between the date of its
14 incorporation and two years after the expiration of the state's right
15 to make selections under sec. 6(a) or (b) of the Alaska Statehood Act.
16 By December 31 of each year the director shall determine or update the
17 unfulfilled entitlement for each municipality under this section and
18 certify that entitlement to that municipality.

19 * Sec. 2. AS 29.65 is amended by adding a new section to read:

20 Sec. 29.65.025. LIMITATIONS ON ENTITLEMENTS. (a) A municipal-
21 ity is eligible for only one general grant land entitlement. A munic-
22 ipality that qualifies for an entitlement under AS 29.65.010 and
23 29.65.015 shall receive the larger of the two entitlements.

24 (b) A municipality may not receive a general grant land en-
25 titlement under AS 29.65.010 or 29.65.015 that exceeds 400,000 acres.

26 (c) The following shall be credited toward fulfillment of the
27 general grant land entitlement of a municipality:

28 (1) conveyances of legal title to land by the state to the
29 municipality before January 1, 1987, under a former law;

1 (2) payments for land before January 1, 1987, under former
2 AS 29.18.208;

3 (3) conveyances of legal title to land before January 1,
4 1987, and thereafter under AS 29.65.010;

5 (4) payments for land before January 1, 1987, and there-
6 after under AS 29.65.080;

7 (5) disposals of land to the municipality before January 1,
8 1987, and thereafter under AS 38.05.810 for which the state receives
9 no consideration.

10 (d) Land classified under AS 38.05.300 for wildlife habitat only
11 may not be selected or conveyed in fulfillment of a general grant land
12 entitlement.

13 (e) In each conveyance of land in fulfillment of a general grant
14 land entitlement, the state shall reserve the right to explore, enter,
15 develop, and occupy the surface as reasonably necessary for access to
16 the mineral estate in accordance with AS 38.05.125.

17 * Sec. 3. AS 29.65.040 is repealed and reenacted to read:

18 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) [After January 1,
19 1987, a ^A general grant land entitlement under former AS 29.18.201-.202 or
20 AS 29.65.010 is a vested
21 property right that must be fulfilled in accordance with AS 29.65.025
22 and 29.65.080[.] and former AS 29.65.060.

23 (b) A general grant land entitlement under AS 29.65.015 is a
24 property right that vests on the date of incorporation of the munici-
25 pality. The entitlement must be fulfilled in accordance with AS 29.-
26 65.025.

27 * Sec. 4. AS 29.65.060 is repealed and reenacted to read:

28 Sec. 29.65.060. SCHOOL, UNIVERSITY, AND MENTAL HEALTH LAND. (a)
29 School land, university land, and mental health land within the bound-
aries of a municipality may not be included for purposes of

1 determining the general grant land entitlement of that municipality.

2 (b) A municipality may not receive school land, university land,
3 or mental health land in fulfillment of its general grant land en-
4 titlement.

5 * Sec. 5. AS 29.65.080(b) is amended to read:

6 (b) A municipality shall receive payment for its land deficiency
7 from the municipal land account. A municipality is eligible to re-
8 ceive payment for land deficiency if, after July 1, 1980, the amount
9 of land selected by a municipality that is physically suitable for
10 residential, commercial, or industrial purposes amounts to less than
11 one-third acre per capita. Any entitlement under AS 29.65.010 that is
12 less than one-third acre per capita will, for the purposes of this
13 subsection, be considered a land deficiency. An unselected remaining
14 entitlement will, for the purpose of deficiency payment under this
15 subsection, be considered as land physically suitable for residential,
16 commercial, or industrial purposes. A municipality eligible under
17 this subsection is entitled to receive a payment for land deficiency
18 equal to \$1,000 per acre for a number of acres equal to the difference
19 between one-third of the population of the municipality less the
20 number of acres physically suitable for residential, commercial or
21 industrial purposes that has been selected by the municipality. For
22 the purpose of this subsection, the population of the municipality
23 shall be the population determined by the commissioner under former
24 AS 43.18.010 for the program year beginning July 1, 1978, for a munic-
25 ipality whose entitlement was determined under former AS 29.18.201 [IN
26 ACCORDANCE WITH AS 29.65.060(f)]. No payment may be made to a munic-
27 ipality under this subsection in excess of \$9,000,000.

28 * Sec. 6. AS 29.65.080(g) is amended to read:

29 (g) Payments authorized by this section may only [NOT] be made

AS 29.65.080 is amended to add the following section:

(h) Compensation under this section shall be made into a municipal land bank or land trust account created by municipal ordinance, whose purpose shall be to apply such compensation in land or other receipts toward the acquisition of land necessary for public purposes, which land may be otherwise unavailable to the municipality.

to a municipality [ELIGIBLE] for an entitlement under AS 29.65.010 [AS 29.65.020 OR 29.65.030].

INSERT HERE

* Sec. 7. AS 29.65.130(3) is amended to read:

(3) "general grant land"

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

(B) does not include mental health land, school land, or university land;

* Sec. 8. AS 29.65.130(10) is amended to read:

(10) "vacant, unappropriated, unreserved land" means general grant land as defined in (3) of this section, excluding minerals as required by sec. 6(i) of the Alaska Statehood Act, that

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

(B) has not been approved for patent to a municipality under this chapter or former AS 29.18.190 and 29.18.200; or

(C) is unclassified or, if classified under AS 38.05.300, is classified for agricultural, grazing, material, public recreation, resource management, settlement, transportation corridor, forestry, or wildlife habitat [COMMERCIAL, INDUSTRIAL, PRIVATE RECREATIONAL, RESIDENTIAL, UTILITY, OR OPEN-TO-ENTRY PURPOSES,] or is classified in accordance with an agreement between a municipality and the state providing for state management of land of the municipality.

* Sec. 9. AS 38.05.321(b) is amended to read:

(b) State land classified as agricultural land that has been selected by a municipality under former AS 29.18.190 - 29.18.200 or former AS 29.18.205(e) may be approved by the director for patent

1 under AS 29.65 [AS 29.65.050(c)]; however, only rights in the land for
2 agricultural purposes may be transferred and all other interests in
3 the land will remain with the state. Agricultural land approved for
4 patent to a municipality shall be credited, acre for acre, toward
5 fulfillment of that municipality's entitlement under AS 29.65 [AS 29.-
6 65.010 - 29.65.030] or former AS 29.18.201 - 29.18.203. If the direc-
7 tor later determines it to be in the best interests of the state to
8 transfer some or all of the additional rights in that approved or
9 patented agricultural land, those rights shall pass without considera-
10 tion to the municipality in which the land is located. The notice and
11 review provisions of AS 38.05.945 are applicable to conveyance of
12 rights under this section.

13 * Sec. 10. AS 38.05.321(c) is amended to read:

14 (c) The provisions of this section do not apply to

15 (1) state land classified as agricultural land that has
16 been selected by a municipality under the provisions of former AS 29.-
17 18.190 - 29.18.200 if the selection is an approved selection before
18 April 1, 1978 and is otherwise valid under former AS 29.65.050(b) or
19 former AS 29.18.205(b); or

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

22 * Sec. 11. Before January 1, 1987, the Department of Natural Resources
23 shall consult with each municipality affected by this Act regarding classi-
24 fications of state land within its boundaries and may assist the munic-
25 ipality in identifying land suitable for selection in fulfillment of its
26 general grant land entitlement.

1 * Section 12. The commissioner of natural resources may negotiate and enter
2 into an agreement with a borough or unified municipality whose entitlement
3 under AS 29.65.010 has not been fulfilled on the date of enactment of this
4 Act, if the borough or municipality elects in writing prior to January 1,
5 1987 to pursue a settlement of that existing entitlement. The commissioner's
6 authority to negotiate such an agreement to convey state land within the
7 municipality's boundaries shall be without regard to whether the land is
8 vacant, unappropriated, unreserved land as defined under AS 29.65.130(10) if
9 the commissioner determines, after notice and review, that the land lies
10 outside the smallest practicable tract enclosing land actually used in
11 connection with the administration of any state function by the holding agency
12 on the date of enactment of this Act. Land conveyed to a borough or unified
13 municipality under an agreement entered into under this section may constitute
14 complete fulfillment of the municipality's general grant land entitlement.
15 Conveyances by agreement under this section shall contain no restrictions or
16 conditions which are not required to be imposed by statute.

17 ¹³
18 * Sec. [12] AS 29.65.010(b), 29.65.020, 29.65.030, 29.65.050, 29.65.090
19 and 29.65.110 are repealed.

20 * Sec. [13] Sections 4, [and] ¹⁴ ~~11~~ ^{AND 12} of this Act take effect immediately in
21 accordance with AS 01.10.070(c).

22 * Sec. 15. Sections 1-3, 5-10, and 13 of this Act take effect January 1, 1987.
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Introduced: 2/14/86
Referred: Community & Regional
Affairs and Finance

1 IN THE HOUSE

BY ADAMS

2 HOUSE BILL NO. 587

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 * Section 1. AS 29.65.020(a) is amended to read:

10 Sec. 29.65.020. DETERMINATION OF ENTITLEMENT FOR MUNICIPALITIES
11 [CITIES]. (a) The general grant land entitlement of a municipality
12 [CITY] formerly eligible to receive general grant land under the
13 provisions of former AS 29.18.190 and 29.18.200 is 10 percent of the
14 maximum total acreage of vacant, unappropriated, unreserved land
15 within [IN] the boundaries of each municipality [CITY] at any time
16 between the initial date of eligibility under former AS 29.18.190 and
17 29.18.200 and two years after the expiration of the state's right to
18 make selections under Sec. 6(a) or (b) of the Alaska Statehood Act.
19 By January 1 of each calendar year [JULY 1, 1978. WITHIN SIX MONTHS
20 AFTER JULY 1, 1978], the director shall determine or update the en-
21 titlement for each municipality [CITY] eligible to receive general
22 grant land under this section [FORMER AS 29.18.202] and certify that
23 entitlement to the municipality [CITY].

24 * Sec. 2. AS 29.65.030(a) is amended as follows:

25 Sec. 29.65.030. DETERMINATION OF MILEAGE RATE EQUIVALENT [EN-
26 TITLEMENT FOR NEWLY INCORPORATED MUNICIPALITIES]. (a) The general
27 grant land entitlement of a municipality incorporated after July 1,
28 1978, is 10 percent of the total acreage of vacant, unappropriated,
29 unreserved land within the boundaries of the municipality at any time

1 between the date of incorporation and two years after the expiration
2 of the state's right to make selections under Secs. 6(a) and (b) of
3 the Alaska Statehood Act [ON THE DATE OF ITS INCORPORATION].

4 * Sec. 3. AS 29.65.030(b) is amended to read:

5 (b) Within six months after the date of incorporation of a
6 municipality that is incorporated after July 1, 1978, the director
7 shall determine the entitlement of each municipality eligible to
8 receive general grant land under (a) of this section and certify the
9 entitlement to the municipality. The director shall thereafter update
10 the entitlement of each eligible municipality by January 1 of each
11 calendar year and certify that entitlement to the municipality.

12 * Sec. 4. AS 29.65.130(10) is amended to read:

13 (10) "vacant, unappropriated, unreserved land" means
14 general grant land as defined in (3) of this section, excluding miner-
15 als as required by sec. 6(i) of the Alaska Statehood Act, that

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

18 (B) has not been approved for patent to a municipal-
19 ity under this chapter or former AS 29.18.190 and 29.18.200; or

20 (C) is unclassified or, if classified under AS 38.-
21 05.300, is classified for agricultural, grazing, material, public
22 recreation, resource management, settlement, transportation
23 corridor forestry, wildlife habitat and water resources, [COM-
24 MERCIAL, INDUSTRIAL, PRIVATE RECREATIONAL, RESIDENTIAL, UTILITY,
25 OR OPEN-TO-ENTRY PURPOSES,] or where [IS] classified in accor-
26 dance with an agreement between a municipality and the state
27 providing for state management of land of the municipality.

28 * Sec. 5. AS 29.65.020(b) and AS 29.65.030(c) are repealed.

29 * Sec. 6. This Act takes effect immediately in accordance with

1 AS 01.10.070(c).

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COMMITTEE REPORT
SENATE

FURTHER:

4/30/86

Date 5/12/86

Mr. President

The Committee on FINANCE considered CSHB 587(R1s)am relating to general grant land entitlements; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Chairman

Chairman recommendation

COMMITTEE REPORT
SENATE

FINANCE

FURTHER:

4/30/86

Date _____

Mr. President

The Committee on C&RA considered CSHB 587 (R1s) am
relating to general grant land entitlements; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title _____
- same title and recommends _____
- and attached a "LETTER OF INTENT" N
- reports it back without recommendation
- recommends referral to _____

MEMBERS SIGNING
DO PASS

MEMBER
OTHER

Offered: 4/21/86
Referred: Rules

Original sponsor: Adams

1 IN THE HOUSE BY THE RULES COMMITTEE

2 CS FOR HOUSE BILL NO. 587 (Rules) am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to general grant land entitlements;
7 and providing for an effective date."

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

9 * Section 1. AS 29.65 is amended by adding a new section to read:

10 Sec. 29.65.015. DETERMINATION OF ENTITLEMENTS FOR MUNICIPAL-
11 ITIES. The general grant land entitlement of a municipality is 10
12 percent of the maximum total acreage of vacant, unappropriated, unre-
13 served land within its boundaries at any time between the date of its
14 incorporation and two years after the expiration of the state's right
15 to make selections under sec. 6(a) or (b) of the Alaska Statehood Act.
16 By December 31 of each year the director shall determine or update the
17 unfulfilled entitlement for each municipality under this section and
18 certify that entitlement to that municipality.

19 * Sec. 2. AS 29.65 is amended by adding a new section to read:

20 Sec. 29.65.025. LIMITATIONS ON ENTITLEMENTS. (a) A municipal-
21 ity is eligible for only one general grant land entitlement. A munic-
22 ipality that qualifies for an entitlement under AS 29.65.010 and
23 29.65.015 shall receive the larger of the two entitlements.

24 (b) A municipality may not receive a general grant land en-
25 titlement under AS 29.65.010 or 29.65.015 that exceeds 400,000 acres.

26 (c) The following shall be credited toward fulfillment of the
27 general grant land entitlement of a municipality:

28 (1) conveyances of legal title to land by the state to the
29 municipality before January 1, 1987, under a former law;

1 (2) payments for land before January 1, 1987, under former
2 AS 29.18.208;

3 (3) conveyances of legal title to land before January 1,
4 1987, and thereafter under AS 29.65.010;

5 (4) payments for land before January 1, 1987, and there-
6 after under AS 29.65.080;

7 (5) disposals of land to the municipality before January 1,
8 1987, and thereafter under AS 38.05.810 for which the state received
9 less than fair market value.

10 (d) Land classified under AS 38.05.300 for wildlife habitat only
11 may not be selected or conveyed in fulfillment of a general grant land
12 entitlement.

13 (e) In each conveyance of land in fulfillment of a general grant
14 land entitlement, the state shall reserve the right to explore, enter,
15 develop, and occupy the surface as reasonably necessary for access to
16 the mineral estate in accordance with AS 38.05.125.

17 * Sec. 3. AS 29.65.040 is repealed and reenacted to read:

18 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) A general grant
19 land entitlement under AS 29.65.010 is a vested property right that
20 must be fulfilled in accordance with AS 29.65.025, 29.65.060, and
21 29.65.080.

22 (b) A general grant land entitlement under AS 29.65.015 is a
23 property right that vests on the date of incorporation of the munici-
24 pality. The entitlement must be fulfilled in accordance with AS 29.-
25 65.025.

26 * Sec. 4. AS 29.65.060(a) is amended to read:

27 (a) If an entitlement determined under AS 29.65.010 or 29.65.015
28 [29.65.020] results in a per capita entitlement for the municipality
29 of less than one and one-half acre, the municipality may select vacant
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1 school land or mental health land in the municipality in partial
2 fulfillment of its land entitlement under this chapter. School land
3 or mental health land may be selected notwithstanding the fact that
4 this land is not unappropriated and unreserved within the meaning of
5 this chapter and under former AS 29.18.190 and 29.18.200, but each
6 selection of school land or mental health land by a municipality must
7 be vacant, unappropriated, or unreserved land as defined in this
8 chapter, except that it need not be general grant land.

9 * Sec. 5. AS 29.65.060(b) is amended to read:

10 (b) The acreage of school land, university land or mental health
11 land, if any, in a municipality may not be included in the determina-
12 tion of entitlement under AS 29.65.010 or 29.65.015 [29.65.020].

13 * Sec. 6. AS 29.65.060 is amended by adding new subsections to read:

14 (g) Notwithstanding (a) of this section, a municipality may not
15 select school land or mental health land after October 4, 1985.
16 Nothing in this section affects the legal rights of any person with
17 regard to selections of school land or mental health land made by a
18 municipality on or before October 4, 1985.

19 (h) A municipality is entitled to just compensation in the form
20 of land or other payment for a selection made by it under this section
21 or former AS 29.18.206 that was pending or on timely appeal on
22 April 1, 1986, and that cannot be conveyed to the municipality as a
23 result of final judicial action or law, except that no compensation is
24 required for a selection of land by a municipality within a special
25 use area under AS 16 or AS 41 or for a selection of land not qualified
26 to be selected under this section or former AS 29.18.206. Compensa-
27 tion under this subsection shall be credited against the municipal-
28 ity's remaining land entitlement under this chapter.

29 H * Sec. 7. AS 29.65.080(b) is amended to read:

1 (b) A municipality shall receive payment for its land deficiency
2 from the municipal land account. A municipality is eligible to re-
3 ceive payment for land deficiency if, after July 1, 1980, the amount
4 of land selected by a municipality that is physically suitable for
5 residential, commercial, or industrial purposes amounts to less than
6 one-third acre per capita. Any entitlement under AS 29.65.010 that is
7 less than one-third acre per capita will, for the purposes of this
8 subsection, be considered a land deficiency. An unselected remaining
9 entitlement will, for the purpose of deficiency payment under this
10 subsection, be considered as land physically suitable for residential,
11 commercial, or industrial purposes. A municipality eligible under
12 this subsection is entitled to receive a payment for land deficiency
13 equal to \$1,000 per acre for a number of acres equal to the difference
14 between one-third of the population of the municipality less the
15 number of acres physically suitable for residential, commercial or
16 industrial purposes that has been selected by the municipality. For
17 the purpose of this subsection, the population of the municipality
18 shall be the population determined by the commissioner under former
19 AS 43.18.010 for the program year beginning July 1, 1978, for a munic-
20 ipality whose entitlement was determined under former AS 29.18.201 [IN
21 ACCORDANCE WITH AS 29.65. 60(f)]. No payment may be made to a munic-
22 ipality under this subsection in excess of \$9,000,000.

23 * Sec. 8. AS 29.65.080(g) is amended to read:

24 (g) Payments authorized by this section may only [NOT] be made
25 to a municipality [ELIGIBLE] for an entitlement under AS 29.65.010
26 [AS 29.65.020 OR 29.65.030].

27 * Sec. 9. AS 29.65:080 is amended by adding a new subsection to read:

28 (i) Payment under this section shall be made into a municipal
29 land bank or trust account created by ordinance with the purpose of
H

1 applying the payments toward the acquisition of land necessary for
2 public purposes that may be otherwise unavailable to the municipality.

3 * Sec. 10. AS 29.65.130(3) is amended to read:

4 (3) "general grant land"

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

8 (B) does not include mental health land, school land,
9 or university land;

10 * Sec. 11. AS 29.65.130(10) is amended to read:

11 (10) "vacant, unappropriated, unreserved land" means
12 general grant land as defined in (3) of this section, excluding miner-
13 als as required by sec. 6(i) of the Alaska Statehood Act, that

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

16 (B) has not been approved for patent to a municipal-
17 ity under this chapter or former AS 29.18.190 and 29.18.200; or

18 (C) is unclassified or, if classified under AS 38.-
19 05.300, is classified for agricultural, grazing, material, public
20 recreation, resource management, settlement, transportation
21 corridor, forestry, or wildlife habitat [COMMERCIAL, INDUSTRIAL,
22 PRIVATE RECREATIONAL, RESIDENTIAL, UTILITY, OR OPEN-TO-ENTRY
23 PURPOSES,] or is classified in accordance with an agreement
24 between a municipality and the state providing for state manage-
25 ment of land of the municipality.

26 * Sec. 12. AS 38.05.321(b) is amended to read:

27 (b) State land classified as agricultural land that has been
28 selected by a municipality under former AS 29.18.190 - 29.18.200 or
29 former AS 29.18.205(e) may be approved by the director for patent
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1 under AS 29.65 [AS 29.65.050(c)]; however, only rights in the land for
2 agricultural purposes may be transferred and all other interests in
3 the land will remain with the state. Agricultural land approved for
4 patent to a municipality shall be credited, acre for acre, toward
5 fulfillment of that municipality's entitlement under AS 29.65 [AS 29.-
6 65.010 - 29.65.030] or former AS 29.18.201 - 29.18.203. If the direc-
7 tor later determines it to be in the best interests of the state to
8 transfer some or all of the additional rights in that approved or
9 patented agricultural land, those rights shall pass without considera-
10 tion to the municipality in which the land is located. The notice and
11 review provisions of AS 38.05.945 are applicable to conveyance of
12 rights under this section.

13 * Sec. 13. AS 38.05.321(c) is amended to read:

14 (c) The provisions of this section do not apply to

15 (1) state land classified as agricultural land that has
16 been selected by a municipality under the provisions of former AS 29.-
17 18.190 - 29.18.200 if the selection is an approved selection before
18 April 1, 1978 and is otherwise valid under former AS 29.65.050(b) or
19 former AS 29.18.205(b); or

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

22 * Sec. 14. Before January 1, 1987, the Department of Natural Resources
23 shall consult with each municipality affected by this Act regarding classi-
24 fications of state land within its boundaries and may assist the munic-
25 ipality in identifying land suitable for selection in fulfillment of its
26 general grant land entitlement.

27 * Sec. 15. The commissioner of natural resources shall negotiate with
28 and may enter into an agreement to convey state land to a borough or
29 unified municipality whose entitlement under AS 29.65.010 in the
H CSHB 587(R1s) am

1 commissioner's determination cannot be fulfilled by January 1, 1987, if the
2 borough or unified municipality elects in writing before January 1, 1987,
3 to pursue a settlement of that existing entitlement. The commissioner has
4 authority under this section to convey state land without regard as to
5 whether the land is vacant, unappropriated, unreserved land as defined
6 under AS 29.65.130(10) if the commissioner determines, after public notice,
7 that the land lies outside the smallest practicable tract of land actually
8 used in connection with the administration of a state function on July 1,
9 1986, except the commissioner may not convey land owned by another state
10 agency without its consent. Land conveyed to a borough or a unified munic-
11 ipality under an agreement entered into under this section may constitute
12 complete fulfillment of the municipality's general grant land entitlement
13 as specified in the agreement and agreed to by both parties. Conveyances
14 under an agreement entered into under this section may contain no reserva-
15 tions or conditions that are not required to be imposed by law, except
16 those restrictions or conditions mutually agreed upon by the parties.

17 * Sec. 16. AS 29.65.010(b), 29.65.020, 29.65.030, 29.65.050, 29.65.-
18 080(h) and 29.65.110 are repealed.

19 * Sec. 17. Section 6 of this Act is retroactive to October 4, 1985.

20 * Sec. 18. Sections 6, 14, 15, and 17 of this Act take effect immedi-
21 ately in accordance with AS 01.10.070(c).

22 * Sec. 19. Sections 1 - 5, 7 - 13, and 16 of this Act take effect
23 January 1, 1987.

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COMMITTEE COPY

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date: 4/10/86

REQUEST Page 1 of 2
 Bill/Resolution No.: CSHB 587 (Fin)
 Title: Municipal land entitlements

 Sponsor: Adams
 Requestor: House Finance Committee
 Date of Request: 4/10/86

FISCAL DETAIL
 Agency Affected: DNR
 BRU: Land & Water Management

 Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		34.6	---	---	---	---
TRAVEL		5.0	---	---	---	---
CONTRACTUAL		10.0	---	---	---	---
SUPPLIES		0	---	---	---	---
EQUIPMENT		0	---	---	---	---
LAND & STRUCTURES		0	---	---	---	---
GRANTS, CLAIMS		0	---	---	---	---
MISCELLANEOUS		0	---	---	---	---
TOTAL OPERATING		49.6	---	---	---	---
CAPITAL			---	---	---	---
REVENUE			---	---	---	---

FUNDING : (Thousands of Dollars)

GENERAL FUND		49.6	---	---	---	---
FEDERAL FUNDS			---	---	---	---
OTHER			---	---	---	---
TOTAL		49.6	---	---	---	---

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

See Attached Analysis

Prepared by: Al Adams, Chair *APA* Phone: 465-3706
 Division: House Finance Committee Date: 4/10/86

Approved by Commissioner: _____ Date: _____
 Agency: _____

Distribution (by Agency preparing fiscal note):

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

ANALYSIS OF CS HB 587 (FIN) FISCAL NOTE

FY 87:

Page 2 of 2

Personal Services

Natural Resources Technician I -- 12 months \$ 34.6
(To coordinate duties associated with
selecting and determining entitlements)

Travel

To meet with communities to facilitate \$ 5.0
determination and conveyance of entitlements

Contractual

To cover cost of notification process, maps, \$ 10.0
plats, etc. required to adjudicate land
selections and determine entitlements

TOTAL \$ 49.6

In addition to the \$50.6 provided here, adjustments may be made to the FY 87 DNR budget. Positions that currently do land conveyance only, may also participate in the entitlement process provided for in this bill.

FUTURE FISCAL YEARS:

There will be diminishing costs in future years. The actual amount needed each year will depend on the pace of selection, determination, conveyance, etc. These costs will be determined in the annual budget process.

ALASKA STATE LEGISLATURE

14th Legislature SECOND Session

HOUSE BILL NO. 587

By ADAMS

"An Act relating to municipal land entitlements; and providing for an effective date."

CSHB 587 (RULES) BY RULES

introduced: 4/21/86
referred: Rules

"An Act relating to general grant land entitlements; and providing for an effective date."

municipal land entitlements

Introduced in the House 2/14, 1986

HISTORY IN THE HOUSE

19 86	Feb 14	Read first time and referred to Committee on CSEA AND FINANCE
	Mar 24	Reported back with recommendation that CSEA - CSEA - 3dp, 271R To Finance
	Apr 15	Finance - CSEA, 3dp, 5NR "Needs further" to Rules
	Apr 21	Rules - CSEA, 4dp, 2 Rules
	Apr 28	Read second time and CSEA adopted to amend Did not advance to 3rd
	Apr 29	Read third time and
	Apr 29	PASS ed Effective Date Yeas 39 Nays 0 Absent 1 Excused 0
		Reconsideration PASS Effective Date Yeas Nays Absent Excused
	4/29	Reported correctly engrossed
	4/29	Signed by Speaker
	4/29	Sent to Senate
		CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

1986	4/30	Read first time and referred to Committee on CSEA AND FINANCE
	4/30	Reported back with recommendation that
		Read second time and
		Read third time and
		PASS Effective Date Yeas Nays Absent Excused
		Reconsideration PASS Effective Date Yeas Nays Absent Excused
		Reported correctly engrossed
		Signed by President
		Returned to House
		SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting: VOTE
	Failed to concur in Senate amendment; asked Senate to recede VOTE
	Senate receded from amendment VOTE
	Senate failed to recede from amendment VOTE
	CC appointed by House
	CC appointed by Senate
	CC adopted by House VOTE
	CC adopted by Senate VOTE
	To enrolling Reported correctly enrolled Sent to Governor by Governor
	Filed with Lt. Governor
	Chapter No.

SB 414
Federal State
of Department #116

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : 5/11/86

REQUEST

Bill/Resolution No. : SCS CSHB 587 (Fin)
 Title : General Grant Land
Entitlements

Sponsor : Adams
 Requestor : Sen Finance
 Date of Request : 5/11/86

FISCAL DETAIL

Agency Affected : Natural Resources
 BRU : Land and Water

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		117.2	117.2	117.2	117.2	117.2
TRAVEL		12.0	12.0	12.0	12.0	12.0
CONTRACTUAL		21.0	21.0	21.0	21.0	21.0
SUPPLIES		.3	.3	.3	.3	.3
EQUIPMENT		.9	.9	.9	.9	.9
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		151.4	151.4	151.4	151.4	151.4

CAPITAL			*	*	*	*
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		151.4	151.4	151.4	151.4	151.4
FEDERAL FUNDS						
OTHER						
TOTAL		151.4	151.4	151.4	151.4	151.4

POSITIONS :

FULL-TIME		3	3	3	3	3
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

See attached page for explanation of operating and potential capital costs.

Prepared by : Tom Hawkins Phone : 465-2400
 Division : Land and Water Management Date : 5/11/86

Approved by Commissioner : N.S. Furbush Date : 5/11/86
 Agency : Natural Resources

Distribution (by Agency preparing fiscal note):

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

SCS CSHB 587 (Fin) ^{5/12/86}
- by Halford

Failed to be

reported out
of SFC

VOTE

3 (JF, RH, PF) - Favor

3 (JS, JK, DE) - Opposed

1 (FF) - Abstain

(in CSSB 414 (Res))

Attachment to fiscal note for SCS CSHB 587 (Fin)
Department of Natural Resources
May 11, 1986

OPERATING COSTS

The bill requires the department to consult with municipalities on state land classifications within their boundaries, inform each municipality yearly of its entitlement, conduct title examinations and public/agency review of conveyances, and convey acreage.

The department cannot fulfill these obligations under its current budget, which includes reductions of personnel in the land conveyances section (seven positions).

Two natural resource officers and one natural resource technician will be employed in the regional offices to carry out the municipal entitlements program.

Contractual funds will be used for publications, special services, appraisals, survey, public notice.

CAPITAL COSTS

The state will incur a potential obligation under the terms of the bill which require "just compensation" by the state of any municipality which is denied selections of mental health, school, or university land by statutory or judicial action and which is not able to fulfill its entitlement as of January 1987.

At this time Anchorage is the only municipality considered by the department to conform to these conditions. Valid mental health, school, and university land selections have not been appraised but are thought to be valuable because of their urban nature and development qualities. Within the department the staff have estimated roundly that the total value of these outstanding selections may total \$20-40 million.

If any of these selections are not conveyed as a result of statutory or judicial action, the state will be obligated to provide "just compensation" for those parcels not conveyed. If "just compensation" is determined to be equal value in land or money, the state will be required to compensate for the appraised value of the selections. If "just compensation" is determined to be equal acreage, the state will have to find equal acreage to convey to the municipality.

At this time the state and the Municipality are negotiating an agreement to settle the Municipality's outstanding entitlement. Among the state's and Anchorage's stated policy objectives in the negotiations has been acquisition of the Eagle River Greenbelt (valued by different parties

Attachment cont.

at between \$8 million and \$40 million). The department and Anchorage have discussed the possibility of including in the agreement that the state will compensate Anchorage for uncoveyed selections by acquiring the Greenbelt. This could be accomplished either by land exchange (which under AS 38.50 would require legislative approval because the value exceeds \$5 million) or by purchase, which also would require legislative approval in the form of an appropriation.

If the "just compensation" obligation is exercised this would be the limit of the capital cost of the bill.

Halford
Cook
5/11/86 ✓

Original sponsor: Adams

1 IN THE HOUSE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 587 ()

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to general grant land entitlements;
7 and providing for an effective date."

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

9 * Section 1. AS 29.65 is amended by adding a new section to read:

10 Sec. 29.65.015. DETERMINATION OF ENTITLEMENTS FOR MUNICIPAL-
11 ITIES. The general grant land entitlement of a municipality is 10
12 percent of the maximum total acreage of vacant, unappropriated, unre-
13 served land within its boundaries at any time between the date of its
14 incorporation and two years after the expiration of the state's right
15 to make selections under sec. 6(a) or (b) of the Alaska Statehood Act.
16 By December 31 of each year the director shall determine or update the
17 unfulfilled entitlement for each municipality under this section and
18 certify that entitlement to that municipality.

19 * Sec. 2. AS 29.65 is amended by adding a new section to read:

20 Sec. 29.65.025. LIMITATIONS ON ENTITLEMENTS. (a) A municipal-
21 ity is eligible for only one general grant land entitlement. A munic-
22 ipality that qualifies for an entitlement under AS 29.65.010 and
23 29.65.015 shall receive the larger of the two entitlements. However,
24 - land may not be conveyed to a municipality under AS 29.65.015 that
25 exceeds the amount of acreage listed under AS 29.65.010 until the
26 commissioner of natural resources has approved selections or issued
27 patents amounting to at least 90 percent of the amount of the entitle-
28 ment under AS 29.65.010 for each listed municipality. This limitation
29 does not apply to conveyance of a small parcel for a specific public

1 purpose if the commissioner of natural resources finds that the con-
2 veyance will serve a public interest.] *New language*

3 (b) A municipality may not receive a general grant land en-
4 titlement under AS 29.65.010 or 29.65.015 that exceeds 400,000 acres.

5 (c) The following shall be credited toward fulfillment of the
6 general grant land entitlement of a municipality:

7 (1) conveyances of legal title to land by the state to the
8 municipality before January 1, 1987, under a former law;

9 (2) payments for land before January 1, 1987, under former
10 AS 29.18.208;

11 (3) conveyances of legal title to land before January 1,
12 1987, and thereafter under AS 29.65.010;

13 (4) payments for land before January 1, 1987, and there-
14 after under AS 29.65.080;

15 (5) disposals of land to the municipality before January 1,
16 1987, and thereafter under AS 38.05.810 for which the state received
17 less than market value;

18 (6) other conveyances of land by the state to the munici-
19 pality.

20 (d) In each conveyance of land in fulfillment of a general grant
21 land entitlement, the state shall reserve the right to explore, enter,
22 develop, and occupy the surface as reasonably necessary for access to
23 the mineral estate in accordance with AS 38.05.125.

24 (e) Conveyances of land under this chapter are subject to
25 AS 38.05.035(e).

26 (f) Nothing in this section affects the legal rights of a munic-
27 ipality or person with regard to selections of school land, university
28 land, or mental health land made by a municipality on or before
29 October 4, 1985.

1 * Sec. 3. AS 29.65.040 is repealed and reenacted to read:

2 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) A general grant
3 land entitlement under AS 29.65.010 is a vested property right that
4 must be fulfilled in accordance with AS 29.65.025, 29.65.060, and
5 29.65.080.

6 (b) A general grant land entitlement under AS 29.65.015 is a
7 property right that vests on the date of incorporation of the munici-
8 pality. The entitlement must be fulfilled in accordance with AS 29.-
9 65.025.

10 * Sec. 4. AS 29.65.060(a) is amended to read:

11 (a) If an entitlement determined under AS 29.65.010 or 29.65.015
12 [29.65.020] results in a per capita entitlement for the municipality
13 of less than one and one-half acre, the municipality may select vacant
14 school land or mental health land in the municipality in partial
15 fulfillment of its land entitlement under this chapter. School land
16 or mental health land may be selected notwithstanding the fact that
17 this land is not unappropriated and unreserved within the meaning of
18 this chapter and under former AS 29.18.190 and 29.18.200, but each
19 selection of school land or mental health land by a municipality must
20 be vacant, unappropriated, or unreserved land as defined in this
21 chapter, except that it need not be general grant land.

22 * Sec. 5. AS 29.65.060(b) is amended to read:

23 (b) The acreage of school land, university land or mental health
24 land, if any, in a municipality may not be included in the determina-
25 tion of entitlement under AS 29.65.010 or 29.65.015 [29.65.020].

26 * Sec. 6. AS 29.65.060 is amended by adding new subsections to read:

27 (g) Notwithstanding (a) of this section, a municipality may not
28 select school land or mental health land after October 4, 1985.

29 (h) Nothing in this section affects the legal rights of a

1 municipality or person with regard to selections of school land,
2 university land, or mental health land made by a municipality on or
3 before October 4, 1985.

4 * Sec. 7. AS 29.65.060 is amended by adding a new subsection to read:

5 (i) A municipality that may enter into an agreement under
6 sec. 16 of this Act is entitled to just compensation in the form of
7 land or other payment for a selection made by it under this section or
8 former AS 29.18.206 (ch. 180, SLA 1978) that was pending or on timely
9 appeal on April 1, 1986, and that cannot be conveyed to the municipal-
10 ity as a result of final judicial action or law, except that compen-
11 sation is not required for a selection of land by a municipality
12 within a special use area under AS 16 or AS 41 or for a selection of
13 land not qualified to be selected under this section or former AS 29.-
14 18.206. Compensation under this subsection shall be credited against
15 the municipality's remaining land entitlement under this chapter.

16 * Sec. 8. AS 29.65.080(g) is amended to read:

17 (g) Payments authorized by this section may only [NOT] be made
18 to a municipality [ELIGIBLE] for an entitlement under AS 29.65.010
19 [AS 29.65.020 OR 29.65.030].

20 * Sec. 9. AS 29.65.080 is amended by adding a new subsection to read:

21 (i) Payment under this section shall be made into a municipal
22 land bank or trust account created by ordinance with the purpose of
23 applying the payments toward the acquisition of land necessary for
24 public purposes that may be otherwise unavailable to the municipality.

25 * Sec. 10. AS 29.65.090 is amended by adding a new subsection to read:

26 (b) Notwithstanding (a) of this section, a municipality may not
27 enter into an agreement to exchange land it received in fulfillment or
28 partial fulfillment of its general grant land entitlement for an
29 interest in more than 640 acres of subsurface or mineral estate unless

1 the agreement is approved by law.

2 * Sec. 11. AS 29.65.130(3) is amended to read:

3 (3) "general grant land" .

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

7 (B) does not include mental health land, school land,
8 or university land;

9 * Sec. 12. AS 29.65.130(10) is amended to read:

10 (10) "vacant, unappropriated, unreserved land" means
11 general grant land as defined in (3) of this section, excluding miner-
12 als as required by sec. 6(i) of the Alaska Statehood Act, that

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

15 (B) has not been approved for patent to a municipal-
16 ity under this chapter or former AS 29.18.190 and 29.18.200; or

17 (C) is unclassified or, if classified under AS 38.-
18 05.300, is classified for agricultural, grazing, public recre-
19 ation, resource management, settlement, forestry, or wildlife
20 habitat [COMMERCIAL, INDUSTRIAL, PRIVATE RECREATIONAL, RESIDEN-
21 TIAL, UTILITY, OR OPEN-TO-ENTRY PURPOSES,] or is classified in
22 accordance with an agreement between a municipality and the state
23 providing for state management of land of the municipality.

24 -* Sec. 13. AS 38.05.321(b) is amended to read:

25 (b) State land classified as agricultural land that has been
26 selected by a municipality under former AS 29.18.190 - 29.18.200 or
27 former AS 29.18.205(e) may be approved by the director for patent
28 under AS 29.65 [AS 29.65.050(c)]; however, only rights in the land for
29 agricultural purposes may be transferred and all other interests in

1 the land will remain with the state. Agricultural land approved for
2 patent to a municipality shall be credited, acre for acre, toward
3 fulfillment of that municipality's entitlement under AS 29.65 [AS 29.-
4 65.010 - 29.65.030] or former AS 29.18.201 - 29.18.203. If the direc-
5 tor later determines it to be in the best interests of the state to
6 transfer some or all of the additional rights in that approved or
7 patented agricultural land, those rights shall pass without considera-
8 tion to the municipality in which the land is located. The notice and
9 review provisions of AS 38.05.945 are applicable to conveyance of
10 rights under this section.

11 * Sec. 14. AS 38.05.321(c) is amended to read:

12 (c) The provisions of this section do not apply to

13 (1) state land classified as agricultural land that has
14 been selected by a municipality under the provisions of former AS 29.-
15 18.190 - 29.18.200 if the selection is an approved selection before
16 April 1, 1978 and is otherwise valid under former AS 29.65.050(b) or
17 former AS 29.18.205(b); or

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

20 * Sec. 15. Before January 1, 1987, the Department of Natural Resources
21 shall consult with each municipality affected by this Act regarding classi-
22 fications of state land within its boundaries and may assist the munic-
23 ipality in identifying land suitable for selection in fulfillment of its
24 general grant land entitlement.

25 * Sec. 16. The commissioner of natural resources shall negotiate with
26 and may enter into an agreement to convey state land to a borough or uni-
27 fied municipality whose entitlement under AS 29.65.010 in the commis-
28 sioner's determination cannot be fulfilled by January 1, 1987, if the
29 borough or unified municipality elects in writing before January 1, 1987,

1 to pursue a settlement of that existing entitlement. The commissioner has
2 authority under this section to convey state land without regard as to
3 whether the land is vacant, unappropriated, unreserved land as defined
4 under AS 29.65.130(10) if the commissioner determines, after public notice,
5 that the land lies outside the smallest practicable tract of land actually
6 used in connection with the administration of a state function on July 1,
7 1986. However, the commissioner may not convey land owned by another state
8 agency without its consent or land within the boundaries of a municipality
9 to another municipality ~~before consulting with~~ ^{without the approval of} the municipality in which
10 the land is located. Land conveyed to a borough or a unified municipality
11 under an agreement entered into under this section may constitute complete
12 fulfillment of the municipality's general grant land entitlement as speci-
13 fied in the agreement and agreed to by both parties. Conveyances under an
14 agreement entered into under this section may not contain reservations or
15 conditions that are not required to be imposed by law, except restrictions
16 or conditions agreed upon by the parties.

17 * Sec. 17. AS 29.65.010(b), 29.65.020, 29.65.030, 29.65.050, 29.65.-
18 080(h) and 29.65.110 are repealed.

19 * Sec. 18. Section 6 of this Act is retroactive to October 4, 1985.

20 * Sec. 19. Sections 6, 15, 16, and 18 of this Act take effect immedi-
21 ately in accordance with AS 01.10.070(c).

22 * Sec. 20. Sections 1 - 5, 7 - 14, and 17 of this Act take effect
23 January 1, 1987.

**STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE**

Revision Date : 4/10/86

REQUEST Page 1 of 2

Bill/Resolution No. : CSHB 587 (Fin)
 Title : Municipal land entitlements

Sponsor : Adams
 Requestor : House Finance Committee
 Date of Request : 4/10/86

FISCAL DETAIL

Agency Affected : DNR
 BRU : Land & Water Management

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		34.6	---	---	---	---
TRAVEL		5.0	---	---	---	---
CONTRACTUAL		10.0	---	---	---	---
SUPPLIES		0	---	---	---	---
EQUIPMENT		0	---	---	---	---
LAND & STRUCTURES		0	---	---	---	---
GRANTS, CLAIMS		0	---	---	---	---
MISCELLANEOUS		0	---	---	---	---
TOTAL OPERATING		49.6	---	---	---	---

CAPITAL			---	---	---	---
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REVENUE			---	---	---	---
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FUNDING : (Thousands of Dollars)

GENERAL FUND		49.6	---	---	---	---
FEDERAL FUNDS			---	---	---	---
OTHER			---	---	---	---
TOTAL		49.6	---	---	---	---

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

See Attached Analysis

APA

Prepared by : Al Adams, Chair Phone : 465-3706
 Division : House Finance Committee Date : 4/10/86

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: 4/21/86
Referred: Rules

Original sponsor: Adams

1 IN THE HOUSE BY THE RULES COMMITTEE

2 CS FOR HOUSE BILL NO. 587 (Rules) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to general grant land entitlements;
7 and providing for an effective date."

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

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10 Sec. 29.65.015. DETERMINATION OF ENTITLEMENTS FOR MUNICIPAL-
11 ITIES. The general grant land entitlement of a municipality is 10
12 percent of the maximum total acreage of vacant, unappropriated, unre-
13 served land within its boundaries at any time between the date of its
14 incorporation and two years after the expiration of the state's right
15 to make selections under sec. 6(a) or (b) of the Alaska Statehood Act.
16 By December 31 of each year the director shall determine or update the
17 unfulfilled entitlement for each municipality under this section and
18 certify that entitlement to that municipality.

19 * Sec. 2. AS 29.65 is amended by adding a new section to read:

20 Sec. 29.65.025. LIMITATIONS ON ENTITLEMENTS. (a) A municipal-
21 ity is eligible for only one general grant land entitlement. A munic-
22 ipality that qualifies for an entitlement under AS 29.65.010 and
23 29.65.015 shall receive the larger of the two entitlements.

24 (b) A municipality may not receive a general grant land en-
25 titlement under AS 29.65.010 or 29.65.015 that exceeds 400,000 acres.

26 (c) The following shall be credited toward fulfillment of the
27 general grant land entitlement of a municipality:

28 (1) conveyances of legal title to land by the state to the
29 municipality before January 1, 1987, under a former law;

1 (2) payments for land before January 1, 1987, under former
2 AS 29.18.208;

3 (3) conveyances of legal title to land before January 1,
4 1987, and thereafter under AS 29.65.010;

5 (4) payments for land before January 1, 1987, and there-
6 after under AS 29.65.080;

7 (5) disposals of land to the municipality before January 1,
8 1987, and thereafter under AS 38.05.810 for which the state received
9 less than fair market value.

10 (d) Land classified under AS 38.05.300 for wildlife habitat only
11 may not be selected or conveyed in fulfillment of a general grant land
12 entitlement.

13 (e) In each conveyance of land in fulfillment of a general grant
14 land entitlement, the state shall reserve the right to explore, enter,
15 develop, and occupy the surface as reasonably necessary for access to
16 the mineral estate in accordance with AS 38.05.125.

17 * Sec. 3. AS 29.65.040 is repealed and reenacted to read:

18 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) A general grant
19 land entitlement under AS 29.65.010 is a vested property right that
20 must be fulfilled in accordance with AS 29.65.025, 29.65.060, and
21 29.65.080.

22 (b) A general grant land entitlement under AS 29.65.015 is a
23 property right that vests on the date of incorporation of the munici-
24 pality. The entitlement must be fulfilled in accordance with AS 29.-
25 65.025.

26 * Sec. 4. AS 29.65.060(a) is amended to read:

27 (a) If an entitlement determined under AS 29.65.010 or 29.65.015
28 [29.65.020] results in a per capita entitlement for the municipality
29 of less than one and one-half acre, the municipality may select vacant

1 school land or mental health land in the municipality in partial
2 fulfillment of its land entitlement under this chapter. School land
3 or mental health land may be selected notwithstanding the fact that
4 this land is not unappropriated and unreserved within the meaning of
5 this chapter and under former AS 29.18.190 and 29.18.200, but each
6 selection of school land or mental health land by a municipality must
7 be vacant, unappropriated, or unreserved land as defined in this
8 chapter, except that it need not be general grant land.

9 * Sec. 5. AS 29.65.060(b) is amended to read:

10 (b) The acreage of school land, university land or mental health
11 land, if any, in a municipality may not be included in the determina-
12 tion of entitlement under AS 29.65.010 or 29.65.015 [29.65.020].

13 * Sec. 6. AS 29.65.060 is amended by adding new subsections to read:

14 (g) Notwithstanding (a) of this section, a municipality may not
15 select school land or mental health land after October 4, 1985.
16 Nothing in this section affects the legal rights of any person with
17 regard to selections of school land or mental health land made by a
18 municipality on or before October 4, 1985.

19 (h) A municipality is entitled to just compensation in the form
20 of land or other payment for a selection made by it under this section
21 or former AS 29.18.206 that was pending or on timely appeal on
22 April 1, 1986, and that cannot be conveyed to the municipality as a
23 result of final judicial action or law, except that no compensation is
24 required for a selection of land by a municipality within a special
25 use area under AS 16 or AS 41 or for a selection of land not qualified
26 to be selected under this section or former AS 29.18.206. Compensa-
27 tion under this subsection shall be credited against the municipal-
28 ity's remaining land entitlement under this chapter.

29 * Sec. 7. AS 29.65.080(b) is amended to read:

1 (b) A municipality shall receive payment for its land deficiency
2 from the municipal land account. A municipality is eligible to re-
3 ceive payment for land deficiency if, after July 1, 1980, the amount
4 of land selected by a municipality that is physically suitable for
5 residential, commercial, or industrial purposes amounts to less than
6 one-third acre per capita. Any entitlement under AS 29.65.010 that is
7 less than one-third acre per capita will, for the purposes of this
8 subsection, be considered a land deficiency. An unselected remaining
9 entitlement will, for the purpose of deficiency payment under this
10 subsection, be considered as land physically suitable for residential,
11 commercial, or industrial purposes. A municipality eligible under
12 this subsection is entitled to receive a payment for land deficiency
13 equal to \$1,000 per acre for a number of acres equal to the difference
14 between one-third of the population of the municipality less the
15 number of acres physically suitable for residential, commercial or
16 industrial purposes that has been selected by the municipality. For
17 the purpose of this subsection, the population of the municipality
18 shall be the population determined by the commissioner under former
19 AS 43.18.010 for the program year beginning July 1, 1978, for a munic-
20 ipality whose entitlement was determined under former AS 29.18.201 [IN
21 ACCORDANCE WITH AS 29.65.060(f)]. No payment may be made to a munic-
22 ipality under this subsection in excess of \$9,000,000.

23 * Sec. 8. AS 29.65.080(g) is amended to read:

24 (g) Payments authorized by this section may only [NOT] be made
25 to a municipality [ELIGIBLE] for an entitlement under AS 29.65.010
26 [AS 29.65.020 OR 29.65.030].

27 * Sec. 9. AS 29.65.080 is amended by adding a new subsection to read:

28 (i) Payment under this section shall be made into a municipal
29 land bank or trust account created by ordinance with the purpose of

1 applying the payments toward the acquisition of land necessary for
2 public purposes that may be otherwise unavailable to the municipality.

3 * Sec. 10. AS 29.65.130(3) is amended to read:

4 (3) "general grant land"

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

8 (B) does not include mental health land, school land,
9 or university land;

10 * Sec. 11. AS 29.65.130(10) is amended to read:

11 (10) "vacant, unappropriated, unreserved land" means
12 general grant land as defined in (3) of this section, excluding miner-
13 als as required by sec. 6(i) of the Alaska Statehood Act, that

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

16 (B) has not been approved for patent to a municipal-
17 ity under this chapter or former AS 29.18.190 and 29.18.200; or

18 (C) is unclassified or, if classified under AS 38.-
19 05.300, is classified for agricultural, grazing, material, public
20 recreation, resource management, settlement, transportation
21 corridor, forestry, or wildlife habitat [COMMERCIAL, INDUSTRIAL,
22 PRIVATE RECREATIONAL, RESIDENTIAL, UTILITY, OR OPEN-TO-ENTRY
23 PURPOSES,] or is classified in accordance with an agreement
24 between a municipality and the state providing for state manage-
25 ment of land of the municipality.

26 * Sec. 12. AS 38.05.321(b) is amended to read:

27 (b) State land classified as agricultural land that has been
28 selected by a municipality under former AS 29.18.190 - 29.18.200 or
29 former AS 29.18.205(e) may be approved by the director for patent

1 under AS 29.65 [AS 29.65.050(c)]; however, only rights in the land for
2 agricultural purposes may be transferred and all other interests in
3 the land will remain with the state. Agricultural land approved for
4 patent to a municipality shall be credited, acre for acre, toward
5 fulfillment of that municipality's entitlement under AS 29.65 [AS 29.-
6 65.010 - 29.65.030] or former AS 29.18.201 - 29.18.203. If the direc-
7 tor later determines it to be in the best interests of the state to
8 transfer some or all of the additional rights in that approved or
9 patented agricultural land, those rights shall pass without considera-
10 tion to the municipality in which the land is located. The notice and
11 review provisions of AS 38.05.945 are applicable to conveyance of
12 rights under this section.

13 * Sec. 13. AS 38.05.321(c) is amended to read:

14 (c) The provisions of this section do not apply to

15 (1) state land classified as agricultural land that has
16 been selected by a municipality under the provisions of former AS 29.-
17 18.190 - 29.18.200 if the selection is an approved selection before
18 April 1, 1978 and is otherwise valid under former AS 29.65.050(b) or
19 former AS 29.18.205(b); or

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

22 * Sec. 14. Before January 1, 1987, the Department of Natural Resources
23 shall consult with each municipality affected by this Act regarding classi-
24 fications of state land within its boundaries and may assist the munic-
25 ipality in identifying land suitable for selection in fulfillment of its
26 general grant land entitlement.

27 * Sec. 15. The commissioner of natural resources shall negotiate with
28 and may enter into an agreement to convey state land to a borough or
29 unified municipality whose entitlement under AS 29.65.010 in the

1 commissioner's determination cannot be fulfilled by January 1, 1987, if the
2 borough or unified municipality elects in writing before January 1, 1987,
3 to pursue a settlement of that existing entitlement. The commissioner has
4 authority under this section to convey state land without regard as to
5 whether the land is vacant, unappropriated, unreserved land as defined
6 under AS 29.65.130(10) if the commissioner determines, after public notice,
7 that the land lies outside the smallest practicable tract of land actually
8 used in connection with the administration of a state function on July 1,
9 1986, except the commissioner may not convey land owned by another state
10 agency without its consent. Land conveyed to a borough or a unified munic-
11 ipality under an agreement entered into under this section may constitute
12 complete fulfillment of the municipality's general grant land entitlement
13 as specified in the agreement and agreed to by both parties. Conveyances
14 under an agreement entered into under this section may contain no reserva-
15 tions or conditions that are not required to be imposed by law, except
16 those restrictions or conditions mutually agreed upon by the parties.

17 * Sec. 16. AS 29.65.010(b), 29.65.020, 29.65.030, 29.65.050, 29.65.-
18 080(h) and 29.65.110 are repealed.

19 * Sec. 17. Section 6 of this Act is retroactive to October 4, 1985.

20 * Sec. 18. Sections 6, 14, 15, and 17 of this Act take effect immedi-
21 ately in accordance with AS 01.10.070(c).

22 * Sec. 19. Sections 1 - 5, 7 - 13, and 16 of this Act take effect
23 January 1, 1987.

HOUSE
COMMITTEE REPORT

(11)

Date referred: 4/23/86

FURTHER REFERRALS:

DATE: 4-28-86

The FINANCE Committee has considered HB 589

"An Act relating to participation in the state group life and health insurance policies by residents; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with CS HB 589 (Fin) same title
- new title

and recommends Individual Recommendations

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note
 - zero fiscal note 4-28-86

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

[Handwritten signatures]

[Handwritten signatures and notes]

_____ (no rec.)

_____ (No Rec.)

_____ (No Rec.)

_____ Do Not Pass

_____ DO NOT PASS UNLESS ACTUARIALLY SOUND

[Handwritten signature]
Chairman

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS HB 589 (FIN)
 Title : High risk insurance

Sponsor : Representative Sund
 Requestor : House Finance Committee
 Date of Request : 4/28/86

FISCAL DETAIL

Agency Affected : Commerce & Economic Development
 BRU : Division of Insurance

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		-0-	-0-	-0-	-0-	-0-
TRAVEL		-0-	-0-	-0-	-0-	-0-
CONTRACTUAL		-0-	-0-	-0-	-0-	-0-
SUPPLIES		-0-	-0-	-0-	-0-	-0-
EQUIPMENT		-0-	-0-	-0-	-0-	-0-
LAND & STRUCTURES		-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS		-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS		-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL		-0-	-0-	-0-	-0-	-0-
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REVENUE		-0-	-0-	-0-	-0-	-0-
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FUNDING : (Thousands of Dollars)

GENERAL FUND		-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS		-0-	-0-	-0-	-0-	-0-
OTHER		-0-	-0-	-0-	-0-	-0-
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS :

FULL-TIME		-0-	-0-	-0-	-0-	-0-
PART-TIME		-0-	-0-	-0-	-0-	-0-
TEMPORARY		-0-	-0-	-0-	-0-	-0-

ANALYSIS : Attach a separate page if necessary

The costs reflected in the division's fiscal note are overstated. If funds are needed to implement this bill, they can be absorbed in the division's FY 87 Budget.

Prepared by : Representative Adams - Chairman Phone : 465-3706
 Division : House Finance Committee Date : 4/28/86

Approved by Commissioner : _____ Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note) :

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

Original sponsors: Sund, M.M.Miller,
Hurley, et al

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 589 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to disability insurance; and provid-
7 ing for an effective date."

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

9 * Section 1. AS 21 is amended by adding a new chapter to read:

10 CHAPTER 55. STATE DISABILITY INSURANCE.

11 ARTICLE 1. COMPREHENSIVE DISABILITY INSURANCE ASSOCIATION.

12 Sec. 21.55.010. CREATION; MEMBERSHIP. There is established a
13 nonprofit incorporated legal entity to be known as the Comprehensive
14 Disability Insurance Association. Membership consists of all licensed
15 hospital or medical service corporations in the state that offer
16 subscriber contracts for major medical coverage and all insurers
17 licensed to transact disability insurance in the state that offer
18 policies for major medical coverage on an expense incurred basis. All
19 members shall maintain membership in the association as a condition of
20 doing disability insurance business, or being able to offer subscriber
21 contracts, in the state.

22 Sec. 21.55.020. BOARD OF DIRECTORS; ORGANIZATION. The board of
23 directors of the association shall be made up of seven individuals
24 selected by participating members, subject to approval by the director
25 of the division of insurance. The director or the director's designee
26 shall serve as a nonvoting ex officio member of the board. In deter-
27 mining voting rights at members' meetings, a member is entitled to
28 vote in person or proxy. The vote shall be a weighted vote based upon
29 the member's premiums for disability insurance for major medical

1 coverage on an expense incurred basis, or the member's subscriber
2 fees, derived from or on behalf of state residents in the previous
3 calendar year, as determined by the director. In approving members of
4 the board, the director shall consider, among other things, whether
5 all types of participating members are fairly represented. Members of
6 the board other than the director or the director's designee may be
7 reimbursed from the association for expenses incurred by them as
8 members, but may not otherwise be compensated by the association for
9 their services. The costs of conducting meetings of the association
10 and its board of directors shall be borne by members of the associa-
11 tion.

12 Sec. 21.55.030. GENERAL POWERS. The association may

13 (1) exercise the powers granted to insurers under the laws
14 of the state;

15 (2) sue or be sued;

16 (3) enter into contracts with insurers, similar associa-
17 tions in other states, or with other persons for the performance of
18 administrative functions;

19 (4) establish administrative and accounting procedures for
20 the operation of the association.

21 Sec. 21.55.040. PLAN OF OPERATION. (a) The association shall
22 submit to the director a plan of operation and any amendments neces-
23 sary or suitable to assure the fair, reasonable, and equitable admin-
24 istration of the association. The plan of operation and amendments
25 become effective upon approval in writing by the director. If the
26 association fails to submit a suitable plan of operation by a date
27 that is 180 days after the effective date of this Act, or if at any
28 subsequent time the association fails to submit suitable amendments to
29 the plan, the director may, after notice and hearing, adopt reasonable

1 regulations necessary or advisable to effectuate the provisions of
2 this chapter. These regulations shall continue in force until mod-
3 ified by the director or superseded by a plan submitted by the asso-
4 ciation and approved by the director.

5 (b) All members of the association shall comply with the plan of
6 operation.

7 (c) The plan of operation shall

8 (1) establish the procedures whereby all the powers and
9 duties of the association under this chapter will be performed;

10 (2) establish procedures for handling assets of the asso-
11 ciation;

12 (3) establish the amount and method of reimbursing members
13 of the board of directors under AS 21.55.020;

14 (4) establish regular places and times for meetings of the
15 board of directors;

16 (5) establish procedures for records to be kept of all
17 financial transactions of the association, its agents, and the board
18 of directors;

19 (6) provide that any member insurer aggrieved by a final
20 action or decision of the association may appeal to the director
21 within 30 days after the action or decision;

22 (7) establish the procedures whereby selections for the
23 board of directors will be submitted to the director;

24 (8) contain additional provisions necessary or proper for
25 the execution of the powers and duties of the association.

26 Sec. 21.55.050. ADMINISTRATIVE PROCEDURE ACT. The association
27 is exempt from the Administrative Procedure Act (AS 44.62).

28 Sec. 21.55.060. TAX EXEMPTION. The association is exempt from
29 the payment of fees and taxes levied by the state or any of its

1 political subdivisions except taxes levied on real or personal proper-
2 ty.

3 ARTICLE 2. STATE DISABILITY INSURANCE PLANS.

4 Sec. 21.55.100. TYPES OF INSURANCE PLANS. (a) The association
5 shall make available to residents who are high risks an individual
6 state plan of disability insurance. The association shall offer three
7 alternatives related to deductibles as described in AS 21.55.120.

8 (b) The association shall make available to residents who are
9 high risks and 65 years of age or older a medicare supplement plan
10 that meets the minimum policy standards and minimum benefit standards
11 established by regulations adopted by the director under AS 21.89.060.

12 (c) The association may not deny coverage under a state plan to
13 a resident who satisfies the requirements of AS 21.55.300 - 21.55.310.
14 The association shall determine whether a person is a high risk in
15 accordance with AS 21.55.500(9) and the director's regulations.

16 Sec. 21.55.110. MINIMUM BENEFITS OF STATE DISABILITY INSURANCE
17 PLAN. Except as provided in AS 21.55.120 - 21.55.140, the minimum
18 standard benefits of a disability insurance plan offered under AS 21.-
19 55.100(a) shall be benefits with a lifetime maximum of \$1,000,000 per
20 individual, for usual, customary, reasonable, or prevailing charges
21 or, when applicable, the allowance agreed upon between a provider and
22 the writing carrier for charges, for the following medical services
23 performed for an individual covered by the plan for the diagnosis or
24 treatment of nonoccupational disease or nonoccupational injury:

25 (1) hospital services;

26 (2) subject to the limitations of AS 21.36.090(d), profes-
27 sional vices that are rendered by a physician or by a registered
28 nurse . . .ne physician's direction, other than services for mental or
29 dental conditions;

1 (3) the diagnosis or treatment of mental conditions, as
2 defined in regulations of the director, rendered during the year on
3 other than an inpatient basis, up to a yearly maximum benefit of
4 \$4,000;

5 (4) legend drugs requiring a physician's prescription;

6 (5) services of a skilled nursing facility for not more
7 than 120 days in a policy year;

8 (6) home health agency services up to a maximum of 270
9 visits in a calendar year if the services commence within seven days
10 following confinement in a hospital or skilled nursing facility of at
11 least three consecutive days for the same condition, except that in
12 the case of an individual diagnosed by a physician as terminally ill
13 with a prognosis of six months or less to live, the home health agency
14 services may commence irrespective of whether the covered person was
15 previously confined or, if the covered person was confined, irrespec-
16 tive of the seven-day period, and the yearly benefit for medical
17 social services may not exceed \$200;

18 (7) hospice services for up to six months in a calendar
19 year;

20 (8) use of radium or other radioactive materials;

21 (9) outpatient chemotherapy;

22 (10) oxygen;

23 (11) anesthetics;

24 (12) nondental prosthesis and maxillo-facial prosthesis used
25 to replace any anatomic structure lost during treatment for head and
26 neck tumors or additional appliances essential for the support of the
27 prosthesis;

28 (13) rental, or purchase if purchase is more cost effective
29 than rental, of durable medical equipment that has no personal use in

1 the absence of the condition for which it was prescribed;

2 (14) diagnostic x-rays and laboratory tests;

3 (15) oral surgery for excision of partially or completely
4 unerupted impacted teeth or excision of a tooth root without the
5 extraction of the entire tooth;

6 (16) services of a licensed physical therapist rendered
7 under the direction of a physician;

8 (17) transportation by a local ambulance operated by licen-
9 sed or certified personnel to the nearest health care institution for
10 treatment of the illness or injury and round trip transportation by
11 air to the nearest health care institution for treatment of the ill-
12 ness or injury if the treatment is not available locally; if the
13 patient is a child under 12 years of age, the transportation charges
14 of a parent or legal guardian accompanying the child may be paid if
15 the attending physician certifies the need for the accompaniment;

16 (18) confinement in a licensed or certified facility estab-
17 lished primarily for the treatment of alcohol or drug abuse or in a
18 part of a hospital used primarily for this treatment, for a period of
19 at least 45 days within any calendar year;

20 (19) alternatives to inpatient services as defined by the
21 association in the state plan benefits;

22 (20) second surgical opinions;

23 (21) other services that are medically necessary in the
24 treatment or diagnosis of an illness or injury as may be designated or
25 approved by the director.

26 Sec. 21.55.120. DEDUCTIBLES AND COPAYMENTS. (a) A state plan
27 other than a medicare supplement plan may require deductibles of \$200
28 a person, \$500 a person, or \$1,000 a person. The amount of the deduc-
29 tible may not be greater when a service is rendered on an outpatient

1 basis than when that service is offered on an inpatient basis. Ex-
2 penses incurred during the last three months of a calendar year and
3 actually applied to an individual's deductible for that year shall
4 also be applied to that individual's deductible in the following
5 calendar year. The \$200 maximum, the \$500 maximum, and the \$1,000
6 maximum may be adjusted yearly to correspond with the change in the
7 medical care component of the consumer price index, as adjusted by the
8 director. The base year for the computation shall be the first full
9 calendar year of operation of the association.

10 (b) A state plan other than a medicare supplement plan shall
11 require a maximum copayment of 20 percent for charges for all types of
12 health care in excess of the deductible and 50 percent for services
13 described in AS 21.55.110(3) in excess of the deductible.

14 (c) The sum of the deductible and copayments required in any
15 calendar year under a plan may not exceed a maximum limit of \$2,000
16 per covered individual. Covered expenses incurred after the applica-
17 ble maximum limit has been reached shall be paid at the rate of 100
18 percent of usual, customary, reasonable, or prevailing charges, except
19 that expenses incurred for treatment of mental and nervous conditions
20 shall be paid at the rate of 50 percent. The \$2,000 maximum shall be
21 adjusted yearly to correspond with the change in the medical care
22 component of the consumer price index as adjusted by the director.

23 (d) In this section, "consumer price index" means the consumer
24 price index for all urban consumers for the Anchorage Metropolitan
25 Area compiled by the Bureau of Labor Statistics, United States Depart-
26 ment of Labor.

27 Sec. 21.55.130. PREEXISTING CONDITIONS. (a) A preexisting
28 condition exclusion in a state plan may not exclude coverage of a
29 preexisting condition unless

1 (1) the condition first manifested itself within the period
2 of three months immediately before the effective date of coverage in a
3 manner that would cause a reasonably prudent person to seek diagnosis,
4 care, or treatment; or

5 (2) medical advice or treatment was recommended or received
6 within the period of three months immediately before the effective
7 date of coverage.

8 (b) A policy may not exclude coverage for a loss due to pre-
9 existing conditions for a period greater than six months following the
10 effective date of coverage.

11 (c) A state plan issued to a person whose previous subscriber
12 contract, disability policy, or medicare supplement policy was invol-
13 untarily terminated shall credit the time covered under the previous
14 contract or policy toward an exclusion for preexisting conditions
15 under the state plan if the previous contract or policy had a similar
16 preexisting condition exclusion and the person applies for a state
17 plan within 31 days after termination of the previous contract or
18 policy. If a person covered by this subsection is accepted by the
19 writing carrier and pays a specified premium for retroactive coverage,
20 the state plan is effective retroactively to the date on which the
21 person's previous contract or policy terminated.

22 Sec. 21.55.140. CARE AND SERVICES NOT COVERED. A state plan may
23 not provide benefits for charges for the following:

24 (1) care for an injury or disease either

25 (A) arising out of and in the course of an employment
26 subject to a workers' compensation or similar law or where the
27 benefit is required to be provided under a workers' compensation
28 policy to a sole proprietor, business partner, or corporation
29 officer; or

1 (B) to the extent benefits are payable without regard
2 to fault under a coverage statutorily required to be contained in
3 a motor vehicle or other liability insurance policy or equivalent
4 self-insurance;

5 (2) treatment for cosmetic purposes other than surgery for
6 the prompt repair of an accidental injury sustained while covered or
7 for replacement of an anatomic structure removed during treatment of
8 tumors;

9 (3) travel, other than transportation covered under AS 21.-
10 55.110(17);

11 (4) private room accommodations to the extent it is in
12 excess of the institution's most common charge for a semiprivate room;

13 (5) services or articles to the extent that the charge
14 exceeds the reasonable charge in the locality for the service;

15 (6) services or articles that are determined not to be
16 medically necessary, except for the fabrication or placement of the
17 prosthesis as specified in AS 21.55.110(12) and (2) of this section;

18 (7) services or articles the provision of which is not
19 within the scope of the license or certificate of the institution or
20 individual rendering the services or articles;

21 (8) services or articles furnished, paid for or reimbursed
22 directly by or under any law of a government, except as otherwise
23 provided in this chapter;

24 (9) services or articles for custodial care or designed
25 primarily to assist an individual in the activities of daily living;

26 (10) service charges that would not have been made if no
27 insurance existed or for which the covered individual is not legally
28 obligated to pay;

29 (11) eyeglasses, contact lenses, or hearing aids or the

1 fitting of them;

2 (12) dental care not specifically covered by this chapter;

3 (13) services of a registered nurse who ordinarily resides
4 in the covered individual's home, or who is a member of the covered
5 individual's family or the family of the covered individual's spouse;

6 (14) experimental procedures; and

7 (15) services and supplies for which the patient was not
8 charged.

9 Sec. 21.55.150. STATE PLAN PREMIUMS. (a) The association may
10 not charge a rate for coverage issued by or through the association
11 that is excessive, inadequate, or unfairly discriminatory.

12 (b) The association shall use separate scales of premium rates
13 based on age and geographic location of the insured.

14 (c) The five members of the association that insure, or have
15 subscriber contracts with, the largest number of individuals in the
16 state under plans with benefits substantially equivalent to the state
17 plan benefits shall submit to the association an estimate of the rate
18 that would be actuarially sound for a person who is a standard risk
19 for coverage substantially equivalent to the state plan. The premium
20 for a state plan may not exceed 150 percent of the average of those
21 five estimates during the first year that the state plan is offered.
22 Subsequent rates shall be established to provide fully for the
23 expected costs of claims including recovery of prior losses using
24 sound actuarial methods. In no event shall rates for the state plan
25 exceed 200 percent of rates applicable to individual standard risks.
26 Any change in rates shall be applied to the next quarterly billing
27 with prior notice of the increase.

28 ARTICLE 3. ADMINISTRATION OF PLANS.

29 Sec. 21.55.200. SELECTION OF WRITING CARRIERS. The association