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HB

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HB

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Introduced: 3/22/78
Referred: Resources and
Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 904

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

9 * Section 1. PURPOSE. Alaska's Constitution directs that the state
10 "encourage the settlement of its land and the development of its resources
11 by making them available for maximum use consistent with the public interest"
12 (art. VIII, sec. 1), and to "provide for the utilization, development, and
13 conservation of all natural resources belonging to the State, including
14 land and waters, for the maximum benefit of its people" (art. VIII, sec.
15 2). The constitution also directs that "Fish, forests, wildlife, grasslands,
16 and all other replenishable resources belonging to the State shall be
17 utilized, developed, and maintained on the sustained yield principle,
18 subject to preferences among beneficial uses" (art. VIII, sec. 4). The
19 purpose of this Act is to implement these broad constitutional goals through
20 establishment of policies for use of state land surface and to express
21 these policies in sufficient detail to guide the administrative decisions
22 which govern the use and management of state-owned land.

23 * Sec. 2. AS 38 is amended by adding a new chapter to read:

24 CHAPTER 4. POLICY FOR USE AND CLASSIFICATION

25 OF STATE LAND SURFACE.

26 ARTICLE 1. PUBLIC AND PRIVATE LAND USE.

27 Sec. 38.04.005. POLICY. (a) In order to provide for maximum
28 use of state land consistent with the public interest, it is the
29 policy of the State of Alaska to plan and manage state-owned land to

1 establish a balanced combination of land available for both public and
2 private purposes. The choice of land best suited for public and
3 private use shall be determined through the inventory, planning, and
4 classification processes set out in secs. 60 and 70 of this chapter.

5 (b) In classifying state land for private use and settlement
6 purposes, the director shall make adequate provision for public open
7 space which is accessible to communities so that natural areas are
8 easily reached from all communities and settled areas. The amount of
9 such land must be sufficient to meet existing and projected needs for
10 accessible public recreation land. Special care shall be taken to
11 preserve public access to public water and to retain state ownership
12 of sufficient land which combine high value for recreation and other
13 public purposes with accessibility to settled areas. This classifica-
14 tion for public purposes does not constitute dedication to open space,
15 but the division's management of land so classified shall be in a
16 manner to preserve the identified values.

17 (c) In allocating land for private use and public retention, the
18 requirements of future generations must be considered. To this end, a
19 supply of state land of a variety of types and locations must be
20 reserved to provide an opportunity for future decisions.

21 (d) Private land use rights are integral to the material well-
22 being of the people of Alaska and our society.

23 (e) Involvement of municipalities and local residents is essen-
24 tial in the decision making process which leads to making state land
25 available for private use.

26 Sec. 38.04.010. PUBLIC INTEREST IN MAKING LAND AVAILABLE FOR
27 PRIVATE USE. (a) The primary public interest in conveying rights to
28 state land surface to private parties is to make them available to
29 individuals and other persons for direct use in areas classified as

1 suitable for these purposes. In making state land available for
2 private use, the director shall seek to guide year-round settlement to
3 areas where public services already exist, or can be extended with
4 reasonable economy, or where development of a viable economic base is
5 probable.

6 (b) State land which is located beyond the range of existing
7 schools and other necessary public services, or which is located where
8 development of sources of employment is improbable, may be made avail-
9 able for seasonal recreational purposes or for low density settlement,
10 with sufficient separation between residences so that public services
11 will not be necessary or expected.

12 Sec. 38.04.015. PUBLIC INTEREST IN RETAINING STATE LAND IN
13 PUBLIC OWNERSHIP. The primary public interests in retaining areas of
14 state land surface in public ownership are:

15 (1) to make them available on a sustained yield basis for a
16 variety of beneficial uses including subsistence, forestry, grazing,
17 sport hunting and fishing, hiking, snowmobiling, skiing, and other
18 activities of a type which can generally be made available to more
19 people and conducted more successfully if the land is in public rather
20 than private ownership;

21 (2) to facilitate mining and mineral leasing by managing
22 appropriate public land for surface uses which are compatible with
23 subsurface uses;

24 (3) to protect critical wildlife habitat and areas of
25 special scenic, recreational, scientific, or other environmental
26 concern;

27 (4) to restrict development in floodplains, avalanche
28 zones, and other hazardous locations; and

29 (5) to guide the location of settlement and development to

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minimize public costs and maximize social and economic benefits.

ARTICLE 2. LAND AVAILABILITY FOR PRIVATE USE.

Sec. 38.04.020. TIMING AND AMOUNT. On a continuing or annual basis, the director shall make available for private use an array of state land suitable for a variety of uses. During fiscal year 1979, the director shall make available a minimum of 50,000 acres, not more than 10 per cent of which may be made available for leasing. Annually thereafter, the following three options for the state land availability program must be submitted to the legislature along with the administration's budget: an increased-level program, a current-level program, and a reduced-level program. At least one option must include at least 50,000 acres.

Sec. 38.04.025. VARIETY OF USES. In making state land available for private use, the director shall endeavor to accommodate persons with a current need and anticipated use for the land. To this end, the director shall assess the nature of the supply and demand for state land in different regions and locations of the state, taking into account the supply of available land under other ownership, and shall make land available in locations and other programs suited to the differing needs of prospective users throughout the state.

Sec. 38.04.030. LAND AVAILABILITY PROGRAMS. Programs which may be used by the director to make the state's land surface available for private use under this section include sale of whole or partial rights to the fee simple estate, including conveyance of agricultural use rights; leasing; open-to-entry; homesiting; homesteading; permitting for construction and occupation of cabins in isolated locations on land retained in state ownership; and other methods as provided by law.

Sec. 38.04.035. CRITERIA FOR PROGRAM SELECTION. In determining

1 which land availability program is appropriate for state lands in
2 different locations, the director shall be guided by the following
3 criteria:

4 (1) To cover public costs associated with private land use
5 and to provide the public with a fair return for publicly owned pro-
6 perty, conveyance of state land to private parties should be at fair
7 market value except where otherwise authorized by statute or by admini-
8 strative regulation.

9 (2) Sale or lease programs should be employed where land is
10 readily accessible to a major community center or where, because of a
11 prime location on waterfront or a transportation route or some other
12 location characteristic, land has relatively high real estate value.

13 (3) Lease programs should be employed

14 (A) where special land use controls are required and
15 there is a high public interest in having certain types of land
16 used for particular purposes;

17 (B) when the intended use is a temporary one;

18 (C) in commercial or industrial situations when a
19 leasehold can provide cash flow advantages to the lessee;

20 (D) when a unique location with special public values
21 is involved, as in a deep water port; and

22 (E) where current demand for private use is high, but
23 projections suggest that, in the future, the land may be more
24 valuable for public use, as in accessible waterfront recreation
25 areas.

26 (4) For enabling isolated cabin development in remote
27 locations where survey and conveyance is impractical, a system for
28 cabin permits on public land should be used.

29 (5) Limited or conditional title may be granted when the

1 state's best interest so dictates. Among other things, title limita-
2 tions may include grants of agricultural interest only, retention of
3 development rights, and retention of scenic or other easements. A
4 conditional title may be tied to a development schedule or other
5 standards of performance.

6 Sec. 38.04.040. AVAILABILITY OF MENTAL HEALTH LAND, SCHOOL LAND,
7 AND UNIVERSITY LAND. Mental health land, school land, and university
8 land may be made available at fair market value for private use under
9 the purposes of this chapter; however, any such action must be in
10 accordance with statutes pertaining to these lands and the authority
11 of the mental health land board, the Board of Education, and the Board
12 of Regents of the University of Alaska.

13 Sec. 38.04.045. SURVEY AND SUBDIVISION. (a) State land to be
14 conveyed in fee simple or less than fee simple estate must be sub-
15 divided so that lots and tracts are of a size which fits the require-
16 ments of individual users and reflects the physical characteristics of
17 the land, except that in locations where there is an inadequate margin
18 between the demand for and the supply of vacant land, the state may
19 make land available for private acquisition in parcels that are larger
20 than required for individual use.

21 (b) Before the conveyance of surface rights to state land, an
22 official cadastral survey must be accomplished, unless a comparable,
23 acceptable survey exists that has been conducted by the Federal Bureau
24 of Land Management. The rectangular survey section corner positions
25 must be monumented and shown on a cadastral survey plat approved by
26 the state. However, for those areas where the state may wish to
27 convey surface estate outside of an Official Cadastral Survey grid,
28 the director may waive monumentation of all individual section corner
29 positions and substitute an official control survey with control

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1 points being monumented at approximately two-mile intervals and shown
2 on control survey plats approved by the state. No portion of land to
3 be conveyed may be located more than two ^{Malone} ~~suitable~~ miles from such a
4 survey control monument. The lots and tracts in state subdivisions
5 must be monumented and the cadastral survey and plats for the sub-
6 division must be approved by the state. Where land is located within
7 a municipality with planning, platting, and zoning powers, plats for
8 state subdivisions must comply with local ordinances and regulations
9 in the same manner and to the same extent as plats for subdivisions by
10 other landowners. State subdivisions must be filed in the district
11 recorder's office. The requirements of this section do not apply to
12 land made available through material sales or a cabin permit system,
13 or under short-term leases.

14 Sec. 38.04.050. ACCESS TO PRIVATE USE AREAS. Wherever state
15 land is surveyed for purposes of private use, adequate rights-of-way
16 and easements must be reserved as necessary for access and, where
17 appropriate, for power and telephone service to each parcel of land.
18 Where necessary and appropriate for the use intended, the director
19 shall arrange for the development of surface access as part of the
20 land availability program. The direct cost of local access development
21 must be borne by the recipient of the land unless otherwise provided
22 by state statutes or regulations.

23 Sec. 38.04.055. ACCESS THROUGH PRIVATE USE AREAS. The director
24 shall reserve easements and rights-of-way on and across land which is
25 made available for private use as necessary to reach or use public
26 water and public and private land.

27 ARTICLE 3. INVENTORY, PLANNING, AND CLASSIFICATION.

28 Sec. 38.04.060. INVENTORY. (a) The commissioner shall prepare
29 and maintain on a continuing basis an inventory of all state land and

1 water and their resource and other values, giving priority to areas of
2 potential settlement and of critical environmental concern. This
3 inventory must be kept current so as to reflect changes in conditions
4 and to identify new and emerging resource and other values.

5 (b) The commissioner's inventory must include land and water
6 under interagency assignment of land management authority and land and
7 water proposed for such an assignment. That land and water must be
8 reviewed at regular intervals to analyze current and proposed uses as
9 these uses relate to alternative uses for all or part of the land and
10 to determine the uses which best provide for the public interest.

11 (c) As funds and manpower are made available, the commissioner
12 shall provide local and federal governments and major private land-
13 owners with data from the inventory for the purpose of planning and
14 managing the uses of land in proximity to state land.

15 Sec. 38.04.065. LAND USE PLANNING AND CLASSIFICATION. (a) The
16 commissioner shall, with local governmental and public involvement,
17 develop, maintain and, when appropriate, revise land use plans which
18 provide, by regions or areas, for the use of the state-owned land.

19 (b) In the development and revision of land use plans, the
20 commissioner shall:

21 (1) use and observe the principles of multiple use and
22 sustained yield;

23 (2) use a systematic interdisciplinary approach to achieve
24 integrated consideration of physical, economic, and social factors
25 affecting the region or area;

26 (3) give priority to planning and classification in areas
27 of potential settlement and critical environmental concern;

28 (4) rely, to the extent that it is available, on the inven-
29 tory of the state land, its resources, and other values;

- 1 (5) consider present and potential uses of state land;
- 2 (6) consider the supply, resources, and present and poten-
- 3 tial use of land under other ownership within the area or region of
- 4 concern;
- 5 (7) weigh long-term benefits to the public against short-
- 6 term benefits;
- 7 (8) plan for compatible surface and mineral land use classi-
- 8 fications; and
- 9 (9) provide for meaningful participation in the planning
- 10 process by affected local governments, state and federal agencies,
- 11 adjacent landowners, and the general public.

12 (c) As a basis for more detailed land use planning and classifi-

13 cation, the commissioner shall develop regional land use plans for the

14 use of all state land. These regional plans must identify and delineate

15 (1) areas of settlement and settlement impact, where land must be

16 classified for various private uses and for public recreation, open

17 space, and other public uses desirable in and around settlement; and

18 (2) areas which must be retained in state ownership and planned and

19 classified for various uses and purposes in accordance with sec. 15 of

20 this chapter.

21 (d) Official regional or area plans and subsequent amendments

22 adopted by the commissioner after public and local governmental parti-

23 cipation must be signed and dated by the commissioner. Land classifi-

24 cations must be made in accordance with these official plans.

25 (e) Land must be classified before being made available for pri-

26 vate use or included in the management systems described in sec. 70 of

27 this chapter.

28 (f) Decisions about the location of easements and rights-of-way,

29 other than for minor access, must be integrated with land use planning

1 and classification for the appropriate area or region.

2 (g) Land use plans adopted by the commissioner under this section
3 must be consistent with local governmental land use plans to the
4 maximum extent he determines to be consistent with the state interests
5 and the purposes of this chapter. ^{Where a local zoning ordinance or other regulation is in effect, the provisions of}
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land use

6 Sec. 30 04.070. MANAGEMENT SYSTEMS. (a) State land classified
7 for uses and purposes involving retention in public ownership may be
8 included in the following management systems:

9 (1) State Public Reserve System: areas of public land to
10 be managed for a wide variety of compatible uses and purposes in
11 accordance with the principles of multiple use and sustained yield;
12 land designated to this system may include, but need not be limited
13 to, state forest reserves and state wildlife reserves as well as land
14 classified for public purposes within settlement impact areas;

15 (2) State Park System: areas with special recreational,
16 scenic, cultural, historical, wilderness, or similar values, to be
17 managed primarily for the public use and enjoyment of these values;

18 (3) State Trail System: a system of public historic or
19 recreational trails;

20 (4) Wild and Scenic River Systems: a system of rivers with
21 special natural, scenic, and recreational values designated by the
22 state to be managed as part of the national system of wild and scenic
23 rivers in accordance with the federal Wild and Scenic Rivers Act (82
24 Stat. 906; 16 U.S.C. 1271 et seq.);

25 (5) State Public Domain: land within areas designated on
26 regional plans as settlement and settlement impact which are not part
27 of the management systems listed in (1) -- (4) of this subsection;
28 through classification, this land may be made available for private
29 use, settlement, and development as well as for public uses associated

1 with settlement and development.

2 (b) State land classified in accordance with sec. 65 of this
3 chapter may be included in the State Public Reserve System by procla-
4 mation of the governor.

5 (c) State land classified in accordance with sec. 65 of this
6 chapter may be included in the State Park System, State Trail System
7 or the Wild and Scenic River System by proclamation of the governor.
8 However, no state land, water, or combination of land and water may,
9 except by Act of the state legislature, be closed to multiple purpose
10 use, if the area involved contains more than 640 acres.

11 ARTICLE 4. GENERAL PROVISIONS.

12 Sec. 38.04.900. REGULATIONS. The commissioner may adopt under
13 the Administrative Procedure Act (AS 44.62) regulations he believes
14 are necessary to carry out the purposes of this chapter. Within 120
15 days after the effective date of this Act, the director shall submit
16 to the commissioner draft regulations implementing this chapter and
17 revising regulations in effect on the effective date of this Act per-
18 taining to planning, classification, management, and disposal of the
19 state's surface estate in land. New and revised regulations must be
20 integrated in a single comprehensive draft compatible with the struc-
21 ture of the Alaska Administrative Code. In preparing this draft, the
22 director shall seek to simplify and clarify regulations governing land
23 planning, classification, management, and disposal.

24 Sec. 38.04.910. DEFINITIONS. In this chapter, unless the context
25 otherwise requires,

26 (1) "commissioner" means the commissioner of the Department
27 of Natural Resources;

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

1 (3) "fair market value" means the price at which a willing
2 seller and a willing buyer will trade;

3 (4) "multiple use" means the management of state land and
4 its various resource values so that it is used in the combination that
5 will best meet the present and future needs of the people of Alaska,
6 making the most judicious use of the land for some or all of these
7 resources or related services over areas large enough to provide
8 sufficient latitude for periodic adjustments in use to conform to
9 changing needs and conditions; it includes (A) the use of some land
10 for less than all of the resources, and (B) a combination of balanced
11 and diverse resource uses that takes into account the short-term and
12 long-term needs of present and future generations for renewable and
13 nonrenewable resources, including, but not limited to, recreation,
14 range, timber, minerals, watershed, wildlife and fish, and natural
15 scenic, scientific, and historic values;

16 (5) "official cadastral survey" means a United States
17 public land survey or a survey executed under survey instructions
18 issued by the division for the purpose of preparing a cadastral survey
19 plat, and approved and accepted by the division for the state's offi-
20 cial records;

21 (6) "official control survey" means a position marked on
22 the ground by triangulation or traverse stations established in con-
23 formity with standards adopted by United States Coastal and Geodetic
24 Survey for first, second and third order work, whose geodetic positions
25 have been rigidly adjusted on the North American datum of 1927 and
26 approved by the division;

27 (7) "short-term lease" means a lease for a term of five
28 years or less;

29 (8) "state park" means an area of state land designated by

1 proclamation of the governor or by statute to be managed for public
2 use and enjoyment of recreational, scenic, cultural, historical,
3 wilderness, and similar values, including but not limited to areas
4 designated under (A) AS 41.20.050 - 41.20.060, roadside rests and
5 recreational beaches; (B) AS 41.20.130 - 41.20.160, 41.20.330 -
6 41.20.345, ch. 61 SLA 1966, and ch. 26 SLA 1967, state recreation
7 areas, (C) AS 41.20.170 - 41.20.320, state parks; and (D) AS 41.35.030,
8 state monuments and historic sites;

9 (9) "state trail" means an area designated by proclamation
10 of the governor or by statute to be managed as a public historic or
11 recreational trail including but not limited to (A) trails designated
12 under AS 41.20.070 - 41.20.120, wilderness trails and campsites; and
13 (B) trails and footpaths designated under AS 41.20.355 - 41.20.375;

14 (10) "state wild and scenic river" means any free-flowing
15 river or stream so designated by the state in accordance with the
16 criteria set forth in the Federal Wild and Scenic Rivers Act (82 Stat.
17 906; 16 U.S.C, 1271-1287);

18 (11) "sustained yield" means the achievement and maintenance
19 in perpetuity of a high level annual or regular periodic output of the
20 various renewable resources of the state lands consistent with multiple
21 use.

22 * Sec. 3. AS 38.05.300 is repealed.

23 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
24 10.070(c).

TESTIMONY

REGARDING LAND POLICY BILL

PRESENTED BY

JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA

APRIL, 1978

The Commission wants to speak in support of Senate Bill 562 establishing an Alaskan land policy. We have been studying State land policy for several years and participated with the Administration in preparing this bill. As we reviewed the existing statutes governing the State's public domain and studied the State's land programs as they have operated over the past 15 years, we found that Alaska has very little statutory guidance to govern the Administration's decisions about disposal or retention of State lands. The existing constitutional and statutory requirement that State lands be managed for "maximum use and benefit consistent with the public interest" gives us an excellent basic goal, but is not specific enough to guide the administrator who is deciding where and how much State lands to make available for private use. As evidence of this statutory lack, we have seen the State's land program shift from large tract disposal practices in the late 1960's and early 1970's to the minimal disposal of recent years.

Members of the Legislature have recognized this problem, and, last year, Senator Poland requested the Commission to study the subject and prepare recommendations to this Legislature. We presented initial recommendations to members of the Senate and House Resources Committees this

January. The land policy bill represents a refinement of those sections of the Commission's recommendations dealing with policy matters.

The land policy bill before you accomplishes these purposes through three articles:

- (1) Article 1 covers policy for public and private use. Essentially, this section makes it clear that the State's overall land policy is to provide lands for both private and public use purposes and to allocate suitable lands for each purpose. Special emphasis is placed on maintaining a balance of public and private lands near communities so that natural areas are easily reached by all people, and not just those who can afford to travel long distances. Two parallel subsections set forth the public purpose in making lands available for private use and the public purpose in retaining State lands in public ownership for recreation, mining, resource development, and other purposes. The policy statement recognizes the essential role of local governments in the process of arriving at decisions about State lands.

- (2) Article 2 provides guidelines to the Administration for making land available for private use. The first section on timing and amount is identical to the first section of the land credit bill which Governor Hammond introduced. This section mandates that the Administration make a quantity of State

lands available on an annual basis for private use purposes. A minimum of 50,000 acres is set for the first year, no more than 10% of which may be leased land. Thereafter, the amount is set annually by the Legislature. The basic orientation of this section is towards making land available for direct, individual use in locations and in parcel sizes that best meet differing needs in different areas as determined through an inventory process.

The bill sets forth a State policy for making land available at fair market value, particularly in close-in locations with high real estate values; but the criteria provide room for use of homesiting and open-to-entry in appropriate locations. To prevent misuse of leasing, as has occurred in past years, the bill lists the types of special circumstances where leasing would be an appropriate method of making land available. Provision is also made for recreation cabin permitting in isolated locations on State lands. A section on availability of trust lands is included, and standards for surveying and subdivision as well as for adequate access are set forth. On page 7 there is a strong provision requiring State subdivisions to conform with local platting authority.

- (3) Article 3 covers inventory planning and classification. This section draws from existing scattered and partial statutory direction for land inventory, planning and classification to

establish in one statute a clear, simple and unified program for analyzing the value and use potential of State lands. All lands must be inventoried and their appropriate use designated. As part of this process, the advise of local governments must be obtained.

The section establishes a new State management system for multiple use lands, called the "State Public Reserve System." There is also a new section on wild and scenic rivers giving the State the option of designated selected rivers in State ownership as part of the National Wild and Scenic Rivers System to be managed by the State in accordance with national guidelines. The Legislature retains its existing authority to approve any designation of more than 640 acres which would close the land to multiple use.

In summary, much of what is included in the land policy bill are generally accepted principles of good land management. The bill acknowledges the public desire to acquire State land for private use and mandates an active program in this direction. However, it does so in a responsible manner without sacrificing the many other valid uses of State land. We feel that adoption of this bill will clarify the State's position as a land manager, and will help in establishing this fact at a national level.

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The bill sets forth a State policy for making land available at fair market value, particularly in close-in locations with high real estate values; but the criteria provide room for use of homesiting and open-to-entry in appropriate locations. To prevent misuse of leasing, as has occurred in past years, the bill lists the types of special circumstances where leasing would be an appropriate method of making land available. Provision is also made for recreation cabin permitting in isolated locations on State lands. A section on availability of trust lands is included, and standards for surveying and subdivision as well as for adequate access are set forth. On page 7 there is a strong provision requiring State subdivisions to conform with local platting authority.

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The section establishes a new State management system for multiple use lands, called the "State Public Reserve System." There is also a new section on wild and scenic rivers giving the State the option of designated selected rivers in State ownership as part of the National Wild and Scenic Rivers System to be managed by the State in accordance with national guidelines. The Legislature retains its existing authority to approve any designation of more than 640 acres which would close the land to multiple use.

In summary, much of what is included in the land policy bill are generally accepted principles of good land management. The bill acknowledges the public desire to acquire State land for private use and mandates an active program in this direction. However, it does so in a responsible manner without sacrificing the many other valid uses of State land. We feel that adoption of this bill will clarify the State's position as a land manager, and will help in establishing this fact at a national level.

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January. The land policy bill represents a refinement of those sections of the Commission's recommendations dealing with policy matters.

The land policy bill before you accomplishes these purposes through three articles:

(1) Article 1 covers policy for public and private use. Essentially, this section makes it clear that the State's overall land policy is to provide lands for both private and public use purposes and to allocate suitable lands for each purpose. Special emphasis is placed on maintaining a balance of public and private lands near communities so that natural areas are easily reached by all people, and not just those who can afford to travel long distances. Two parallel subsections set forth the public purpose in making lands available for private use and the public purpose in retaining State lands in public ownership for recreation, mining, resource development, and other purposes. The policy statement recognizes the essential role of local governments in the process of arriving at decisions about State lands.

(2) Article 2 provides guidelines to the Administration for making land available for private use. The first section on timing and amount is identical to the first section of the land credit bill which Governor Hammond introduced. This section mandates that the Administration make a quantity of State

lands available on an annual basis for private use purposes. A minimum of 50,000 acres is set for the first year, no more than 10% of which may be leased land. Thereafter, the amount is set annually by the Legislature. The basic orientation of this section is towards making land available for direct, individual use in locations and in parcel sizes that best meet differing needs in different areas as determined through an inventory process.

The bill sets forth a State policy for making land available at fair market value, particularly in close-in locations with high real estate values; but the criteria provide room for use of homesiting and open-to-entry in appropriate locations. To prevent misuse of leasing, as has occurred in past years, the bill lists the types of special circumstances where leasing would be an appropriate method of making land available. Provision is also made for recreation cabin permitting in isolated locations on State lands. A section on availability of trust lands is included, and standards for surveying and subdivision as well as for adequate access are set forth. On page 7 there is a strong provision requiring State subdivisions to conform with local platting authority.

- (3) Article 3 covers inventory planning and classification. This section draws from existing scattered and partial statutory direction for land inventory, planning and classification to

establish in one statute a clear, simple and unified program for analyzing the value and use potential of State lands. All lands must be inventoried and their appropriate use designated. As part of this process, the advise of local governments must be obtained.

The section establishes a new State management system for multiple use lands, called the "State Public Reserve System." There is also a new section on wild and scenic rivers giving the State the option of designated selected rivers in State ownership as part of the National Wild and Scenic Rivers System to be managed by the State in accordance with national guidelines. The Legislature retains its existing authority to approve any designation of more than 640 acres which would close the land to multiple use.

In summary, much of what is included in the land policy bill are generally accepted principles of good land management. The bill acknowledges the public desire to acquire State land for private use and mandates an active program in this direction. However, it does so in a responsible manner without sacrificing the many other valid uses of State land. We feel that adoption of this bill will clarify the State's position as a land manager, and will help in establishing this fact at a national level.

SECTION BY SECTION ANALYSIS
LAND POLICY BILL
HOUSE BILL NO. 904/SENATE BILL NO. 562

Sec. .005. This section sets forth basic intent and purpose regarding state-owned lands. Paragraphs (a) through (e) are purposely worded in the form of general policy directives rather than in the form of specific binding legal requirements. The last sentence in (b), lines 13-16, page 2, needs some explanation. Such a statement is necessary if lands classified for open space purposes are to qualify as the matching share for federal funds under the Land and Water Conservation Program.

Sec. .010. Under this statement, the basic orientation of State land disposal is towards the needs of individuals and other parties who will actually use the land. The Commission recommended this policy after finding that state land sales in the late 1960's and 1970's had primarily benefited land companies and wealthy individuals who could afford large tract purchases, rather than individuals who were looking for cabin or house sites. To change this orientation, land should be made available in individually sized parcels.

This section also includes a directive that state land availability programs concentrate in areas where public services already exist or can be extended, or where a viable economic base could be developed. This policy would not prohibit remote land disposal but, rather, direct that in such areas disposal would be mainly for recreation cabin sites with seasonal road or water access. Another method of fulfilling this directive might be through a rural cabin permit system, meeting the needs of people who want real isolation with several miles of separation between sites.

Sec. .015. This section lists the various reasons for retaining some state lands in public ownership, and is generally self-explanatory.

Sec. .020. This paragraph is identical to the first paragraph of the Governor's land credit proposal. An annual determination of acreage to be available for private use gives the legislature the flexibility to respond to changes in circumstances over the years. An annual determination is consistent with the basic thrust of the policy bill which is to make lands available where they are most needed and with consideration of local supply and demand factors. We would note that, in terms of meeting people's needs, it is not the gross acreage of land that is important but, rather, location, access, and tract size.

Sec. .025. This section is simply additional direction to base the land availability programs on an assessment of the differing needs for land of different types in various parts of the state, and to tailor state land programs accordingly.

Sec. .030. This section summarizes the variety of land availability programs within existing statutes and regulations and adds, in lines 25, 26, and 27, authority for a cabin permit system to be used in isolated locations on state-owned lands. To enable private use of remote isolated lands, the state must have a program which does not require land survey. In isolated locations a survey can cost as much as \$4,000, often exceeding the market value of the land. A permit system which, unlike a conveyance program, would not entail land survey.

Sec. .035. The fair market value criterion set forth in (1) is self-explanatory. Besides the reasons included in the paragraph, the Commission recommends this approach because grant programs tend to invite public abuse, and are very difficult to administer in a fair and evenhanded manner. It should be noted that most of the participants at the Alaska Public Forum favored a market value approach to state land disposal. However, item (1) allows the use of less than fair market value programs as authorized by statute or administrative regulation and thus would enable the continuation of the homesite, homestead, and open-to-entry programs.

Paragraph (2) is self-explanatory.

Paragraph (3) spells out specific and detailed criteria for the choice of areas where lease programs would be used. This is an important addition to the state's body of land law. In the past lease programs have often been used where sale programs would have been more suitable.

Paragraph (4) gives direction for the use of cabin permitting in isolated, remote areas.

Paragraph (5) refers to the director's existing statutory authority to grant conditional title in special situations such as agricultural areas where the state wishes to ensure agricultural development, or in areas where the state may wish to preserve scenic easements, while making the land available for private uses compatible with this purpose.

Sec. .040. This section is self-explanatory. As a result of our discussion with the Community and Regional Affairs Committee, we are proposing a substitute paragraph (A in the list of suggested amendments) that would establish a more aggressive program for trust land availability.

Sec. .045. Under this section, the state would set survey control markers so that individual private surveys, tied to these markers, would mesh and not overlap. In the western states where areas were surveyed separately by private citizens, without an overlying set of control points, there were serious problems with overlapping and contradictory surveys. As a result, citizens were saddled with title problems, unusable property, etc. Through this section, we hope to avoid or minimize such problems in Alaska.

Sec. .050. This section requires the state to provide adequate access to private use areas. Lines 18 through 20 gives direction for the integration of state road development programs with land availability programs in appropriate locations. If state land is actually to be made available for individual use, it is important to strengthen the state's role in development of local access roads associated with state land use programs.

Sec. .055. Self-explanatory.

Sec. .060. A regular, updated inventory of the land suitability should be the foundation of the state's land management program. The state already has a good start in this direction through the land selection inventory.

Paragraph (b) of this section directs the division to reassess holdings of other state agencies, such as the Division of Aviation, to see if the land amount is excessive or inadequate in relation to current needs and alternative uses of the property. Such a program is especially important in small communities where excessive agency holdings occasionally preempt lands that are vitally needed for other community uses.

Sec. .065. Paragraphs (a) and (b) provide guidelines and standards for the development of land use plans for state lands.

Paragraph (c) directs the commissioner to prepare regional land use plans for all of the state-owned land. These would be of simple "first-cut" plans separating areas of settlement and settlement impact from areas of public use and ownership.

Paragraph (d) provides a formal method of identifying the official plan so that the public and the administration knows which document to rely on, and makes the important requirement that land classification be based on the official plan.

Paragraph (e) is self-explanatory.

Paragraph (f) establishes a needed tie between transportation planning and general land planning.

Paragraph (g) requires state planning to be consistent with local governmental planning.

Sec. .070. This section adds a state multiple use management system to the existing state park and trail systems. Lands may be designated to this new system, the "State Public Reserve System" by proclamation of the governor. The legislature retains its existing power to approve any designation of land to a system closed to multiple purpose use for an area of over 640 acres.

Paragraph (4) gives the state the option of designating rivers or portions of rivers to be managed by the state under the guidelines of the National Wild and Scenic Rivers System. Such authority may be desirable in some areas where segments of a river are owned by the federal and state governments. If a whole river-trip area can be managed under one set of guidelines, overall recreation benefits may be increased.

Sec. 900. This section includes a requirement that the director adopt, within 120 days, a comprehensive revision of the regulations affecting planning, classification, management, and disposal of state land surface. The administration has long recognized the need for this overall rewrite, and work on a revision is in process.

*Sec. 3. The repealed section 38.05.300 deals with classification and with the authority of the legislature to approve single-use designation for more than 640 acres. This bill spells out the classification and planning process more completely, and section 38.05.300 should be deleted to avoid confusion. The legislature's control over single-use designation of more than 640 acres is included in section .070(c) of this bill (page 8, lines 8-10).

Municipality
of
Anchorage



POUCH 6-650
ANCHORAGE, ALASKA 99502
(907) 274-2525

GEORGE M. SULLIVAN,
MAYOR

OFFICE OF THE MAYOR

April 17, 1978

The Honorable Kay Pollard
Alaska State Senator
Pouch V
Juneau, Alaska 99811

Dear Senator Pollard:

Senate Bill No. 562 will come before the Natural Resource Committee on Monday, April 17, 1978. There are three sections of this Bill which may adversely affect the Municipality of Anchorage. We would like to share our concerns with you regarding these sections before the Bill is heard by your committee.

Proposed section 38.04.045 (b) deals with the survey and subdivision of State land to be conveyed to private ownership. This section mandates compliance with local planning and platting ordinances. However, this section exempts from these ordinances land made available through mineral sales or a cabin permit system.

We object to the exemption provision for two reasons. First, it would be detrimental to the Municipality's planning program because under it large segments of land within the Municipality would not be subject to our planning and platting ordinances. If certain segments of land are not subject to the Municipality's planning and platting ordinances, then the ordinances become ineffective because they are designed to regulate all the land within the Municipality.

Second, the exemption provision conflicts with the policy contained in A.S. 09.55.275 which requires that any agency of the State must comply with local platting regulations in the same manner as private land owners when the State seeks to acquire property. This policy logically applies to the converse, i.e. when the State seeks to dispose of property. Providing for a partial exemption when the State seeks to dispose of property appears to serve no purpose. For the foregoing reasons, we suggest that the exemption provision be deleted.

The Honorable Kay Pollard

April 17, 1978

Page 2

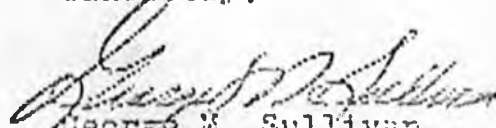
Proposed section 38.04.065 deals with State Land Use Planning and Classification. Subsection (k) requires that State land use plans be consistent with local plans only to the extent that the Commissioner determines the local plan to be consistent with State interests.

We object to this subsection because it seems to conflict with A.S. 35.10.020 entitled "Consultation with Municipal Planning and Zoning Commissions". This section requires the State to comply with all local planning and zoning ordinances in the same manner as private land owners unless a State agency can "clearly demonstrate an overriding State interest". When a State agency makes such a showing, a specific waiver must be granted by the Governor.

We suggest that subsection (g) be made consistent with the language in A.S. 35.10.020 by amending the latter to require State land use plans to be consistent with Municipal plans unless a gubernatorial waiver is granted upon a "clear showing of an overriding State interest".

Proposed Section 38.04.065 would involve the State in regional land use planning in areas which now have local planning. The Municipality of Anchorage has actively engaged in a land use planning program and intends to maintain this effort. Until the degree of State involvement in local land use management is clarified, we cannot support this proposed section.

Sincerely,


George M. Sullivan
Mayor



Michael J. Meahan
Director of Planning

/sw

LAND POLICY BILL

Suggested Amendments

- A. Page 6, line 6, suggested substitution for section .040.

AVAILABILITY OF MENTAL HEALTH LAND, SCHOOL LAND, AND UNIVERSITY LAND. Under the purposes of this chapter, mental health land, school land, and university land may be made available for private use in accordance with statutes governing such lands. In their capacity as trustee for such lands, the Mental Health Board, the Board of Education, and the Board of Regents of the University of Alaska shall, within 120 days from the date of this act, define goals and objectives for the management and disposition of lands under their trusteeship. In accordance with these goals and objectives and in consultation with the municipalities in which such lands are located, the director shall prepare an annual program for sale or lease offerings of selected mental health lands, school lands, and university lands. This program shall accompany the annual land availability programs submitted to the Legislature in accordance with section .020 of this chapter.

- B. Page 7, line 11, substitute for last sentence.

The requirements of this section do not apply to land made available through a cabin permit system, material sales, or short-term leases; provided, however, that for short-term leases a municipality may require compliance with local subdivision ordinances.

- C. Page 9, line 27, added sentence to paragraph (e).

The classification process must include notice and review requirements of existing statutes.

- D. Page 10, line 5, added sentence to paragraph (g).

Where a local zoning ordinance or other land use regulation is in effect, the provisions of AS 35.30.020 and AS 35.30.030 shall apply.

LAND POLICY BILL

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*ill equipped
to deal w/ mgmt
of land mgmt.
-funding only*

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Mel.

To: Bush members of the
House Resources Committee

From: Kathy Brown, A.A. for
The Bush Caucus

Re: House Bills 904 and 905 which are before the Resources
Committee this afternoon

Date: April 19, 1978

House Bill 904 by the Governor relating to an Alaska Land Policy is identical to Senate Bill 562 by the Resources Committee which is currently in Senate Resources and, like HB 904, it has an additional referral to the Finance Committee. I am attaching a brief summary of the bill which I took from the Governor's transmittal letter.

House Bill 905 by the Governor relating to land disposal is identical to Senate Bill 568, also by the Governor. The Senate bill too is in Senate Resources with an additional referral to Finance. I am attaching copies of the Governor's letter of transmittal which gives a "quick and dirty" summary of the bill.

The drafter of the bill is Pete Fraelich of the Dept. of Law. Should anyone have any detailed questions.

was introduced, read the first time and referred to the Committees on Commerce and Finance.

HB HOUSE BILL NO. 904 by the Rules Committee by request of the Governor, entitled:

"An Act relating to Alaska land policy; and providing for an effective date."

was introduced, read the first time and referred to the Committees on Resources and Finance.

The Governor's transmittal letter on HB 904 & 905 appears following:

" March 22, 1973

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under the authority of Article III, Section 18 of the Alaska Constitution, and in accordance with AS 24.30.050(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting two bills related to the disposal of land. This legislation, in conjunction with existing law, will constitute a comprehensive long-term state land management policy and will mandate a rational process to make state land available for private ownership and use.

The first bill, called the Alaska Land Credit Act, will establish a new program by which state land would be made available at a minimal cost. The second measure, the Alaska Land Policy Act, clarifies and supplements the broad multiple land use mandates set out in Article VIII of the Alaska Constitution.

We who live in this state should be able to secure land for private use. Twenty-two thousand people have underscored that desire for land by signing the Bairne initiative. But that initiative has real problems. It would require that up to thirty million acres be made available on a first-come, first-served basis. Each three-year resident would be entitled to stake 40 acres of public land whenever vacant state land exists. Land would be issued, free, to the first claimant without regard to their needs or public needs. No improvement or residence on the land would be required to gain title.

This is no plan to give people needed sites for cabins or other use. It is, plainly and simply, a vast land giveaway which could create an Oklahoma land rush in Alaska.

Although many Alaskans recognize the problems of this approach, they support it because there is no permanent policy established in the law to get even needed public lands into private ownership. An alternative method must be provided which creates a land policy that is reasonable, consistent, useable and stable.

I am introducing two bills into the Legislature today to provide that alternative. The bills accomplish the following:

Land Credit Bill

1. Make a minimum 50,000 acres of land available to the public in the first year, in addition to that already being conveyed. Thereafter the amount made available each year is determined by the Legislature, but more land might be opened each year.
2. Establish a Land Credit of \$1,000 for each year of residency. These credits may be used for up to 90% of the purchase or rental price of public land.
3. Land credits may be applied to all means of land disposal: Open to Entry, direct sales, lease sale of agricultural rights, and homesite programs.

LETTER OF
TRANSMITTAL FOR
HOUSE BILLS
904 & 905
FROM MARCH 22 73
HOUSE
JOURNAL

HB
905

HB HOUSE BILL NO. 903 by the Finance Committee, entitled:
903

"An Act establishing an invention awards program."

was introduced, read the first time and referred to the Committee on Commerce and Finance.

HB HOUSE BILL NO. 904 by the Rules Committee by request of the Governor, entitled:

"An Act relating to Alaska land policy; and providing for an effective date."

was introduced, read the first time and referred to the Committee on Resources and Finance.

The Governor's transmittal letter on HB 904 & 905 appears following:

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Speaker of the House
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2. Establish a Land Credit of \$1,000 for each year of residency. These credits may be used for up to 90% of the purchase or rental price of public land.
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HB
905

600 PAGES
LETTER OF
TRANSMITTAL FOR
HOUSE BILLS
904 & 905
FROM MARCH 23 73
HOUSE
JOURNAL

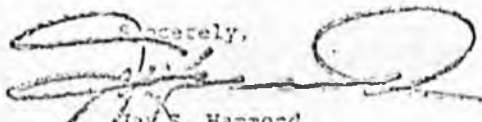


HB
904Land Policy Bill

1. Establish a land and resource inventory program for analyzing the value and use potential of state land.
2. Establish a clear legislative statement of land disposal policy.
3. Establish a means for balancing private and public land uses and allocating lands for each purpose.
4. Establish a logical system to ensure useable and safe land is conveyed to the public.

These bills, I believe, meet the legitimate needs of the people of Alaska for land, but do so in a responsible manner. The bills accept the basic concept of the land disposal from the Beirne initiative but take it several logical steps further. I feel these bills are wider in application and more far-sighted in that they

provide for a continuation of desirable public uses on public lands while making land available to the citizens of Alaska for their needs.

Sincerely,

 Jay S. Hammond
 Governor"

HB HOUSE BILL NO. 905 by the Rules Committee by request of the
 905 Governor, entitled:

"An Act relating to disposal of state land; and providing for an effective date."

was introduced, read the first time and referred to the Committees on Resources and Finance.

HB HOUSE BILL NO. 906 by the Finance Committee, entitled:
 906

"An Act making a special appropriation to the power project revolving fund; and providing for an effective date."

was introduced, read the first time and referred to the Finance Committee.

(IDENTICAL TO HB 904)

Senate Bill 562

"An Act relating to Alaska Land Policy

This bill, based on the recommendations of the Federal-State Land Use Policy Commission, seeks to provide a comprehensive land use policy for state land which will implement broad constitutional goals for both public and private purposes. These policies are to be sufficiently detailed to guide administration decision making. The legislature must approve annually, the Administration's state land disposal program.

The bill contains three major elements:

- 1) Policy for Use and Classification of State land and Surface. Article VIII of the Alaska Constitution mandates that the state provide for a balanced combination of public and private land use and to allocate suitable land for such use.
Local involvement in land classification prior to disposal is provided for in order to balance public use against private which may be especially important in lands adjacent to communities.
- 2) Land Availability for Private Use. This section mandates that state land be made available to individuals on an annual basis in locations and parcel sizes that best meet differing needs in different parts of the state. A minimum of 50,000 acres shall be made available during the first year after enactment, no more than 10% of which shall be for leases. Thereafter, the Administration shall present to the legislature annually for its approval, three options for land disposal programs. These options will be a) an increased level program, b) a current level program, and c) a reduced level program. At least one option must include at least 50,000 acres.
- 3) Inventory, Planning and Classification. The bill requires the timely completion of an inventory of the resource values of all state lands. Through use of the inventory, land needs may be met with the best possible lands designated for the purpose intended. The designation of land use shall be accomplished in cooperation with local governments and the public.

In addition to existing state land management systems (State parks, trail systems, wild and scenic river systems, etc) a new classification called the State Public Reserve System is established for lands to be designated for multiple uses. The legislature would retain its existing authority to approve any designation of more than 640 acres which would close land to multiple use.

Further provisions establish guidelines for survey and subdivision, public access and easements.

1. REQUEST
 Bill/Resolution No. HB 904 and SB 562
 Title Alaska Land Policy
 Requested by _____ Date 3/30/78

II. FISCAL DETAIL

Agency Affected Natural Resources
 Program Category Affected NRMEC
 Budget Request Unit(s) Affected Land & Water Management; Cadastral Engineer; Management and Administration (Lands); District Operations (Lands)

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		1,866				
200 TRAVEL		98				
300 CONTRACTUAL		2,919				
400 COMMODITIES		56				
500 EQUIPMENT		87				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		5,008				

FUNDING (Thousands of Dollars)

GENERAL FUND		5,008				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		69				
PART TIME						
TEMPORARY						

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

Detailed analysis and breakdown not yet completed. Will be completed and submitted on April 3, 1978. (See attached sheet for general breakdown)

N.B.

This fiscal note must be read in conjunction with the fiscal note for HB 905 (Land Disposal Act) since \$4,579,631 in costs are identical in both bills (i.e. each bill mandates disposal of the same 50,000 acres). The additional cost of this bill, if HB 905 passes, is only \$428,233.

Present municipal subdivision laws generally require actual construction of road access before sale of parcels under 40 acres in size. Unless the State is released from such requirements, the additional fiscal impact could be quite severe.

IV. DATE 3/30/78 PREPARED BY Douglas Mutter *DJM*
 AGENCY DNR, Planning & Research Section
 PHONE 274-8542

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

50,000 acres disposal

COST SUMMARY
LAND POLICY ACT

<u>DNR/ADL Section</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Commodity</u>	<u>Equipment</u>	<u>Totals</u>
Planning/Classification	(9) \$ 262,554	\$17,300	\$ 74,764	\$ 3,100	\$ 3,900	\$ 361,618
Survey/Records	(15) 426,610	30,000	2,055,760	35,000	40,000	2,587,370
Land & Water Management	(27) 734,761	30,000	530,000	8,100	27,000	1,330,061
Administration	(8) 162,188	2,874	126,440	3,040	6,040	300,582
TOTALS	(59) \$1,586,113	\$80,174	\$ 2,786,964	\$49,240	\$76,940	\$4,579,631

Land inventory/assessment

<u>Agency</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Commodity</u>	<u>Equipment</u>	<u>Totals</u>
DNR	(10) \$ 279,873	\$17,200	\$ 131,960	\$ 6,200	\$10,200	\$ 428,233
Grand Totals	(69) \$1,856,986	\$97,374	\$ 2,918,924	\$55,440	\$87,140	\$5,007,864

(Front-end)

Minus

reimbursable survey costs (contractual only)	\$1,815,760
fair market value for land (average \$500 per acre)	<u>25,000,000</u>
Net Profit (long term)	\$21,807,896

Preliminary

Estimated State Implementation Costs

Alaska Land Policy Act -- HB904, SB562

This preliminary statement analyzes the costs of implementing (1) the 50,000 acre minimum per year disposal directive and (2) the administration of the land inventory, assessment, coordination, etc. efforts. This is basically a first year cost analysis because Section 38.04.020 of the bill provides for an annual program as part of the administration's budget (at the 50,000 acre minimum level an estimated 5 percent inflationary factor could be added for each succeeding year).

1. 50,000 acre disposal TOTAL COST = \$4.579,631/TOTAL PERSONNEL = 59 full time

The following acreages from the state's three principal disposal programs are assumed to comprise the first year's offerings (costs do not include provision of roads or services at sites):

<u>Program</u>	<u>No. Sites</u>	<u>Acres/Site</u>	<u>Total Acres</u>
Homesite	1,000	5	5,000
Open-to-entry	1,000	5	5,000
Agriculture and general sales	500	20	10,000
	250	40	10,000
	50	160	8,000
	25	320	8,000
	7	640	4,480
TOTALS	<u>2,830</u> sites		<u>50,480</u> acres

The following activities are assumed for any disposal program: (1) site identification and evaluation, (2) public information and community coordination, (3) subdivision and layout, (4) survey and records, (5) appraisal, (6) disposal and accounting, (7) administration, and (8) follow-up monitoring.

A. Estimated costs for (1) site identification and evaluation, (2) public information and community coordination, and (3) subdivision layout: \$361,618/
9 full time.

Personal Services (including 26% benefits)

<u>Title</u>	<u>No. Positions</u>	<u>Grade</u>	<u>Amount</u>
Planning Supervisor	1	21	\$ 39,282
Land Mgmt. Officer III	4	18	124,659
Public Info. Officer II	1	17	29,242
Cartographer III	1	16	27,186
Planning Assistant	1	15	25,220
Clerk Typist IV	1	9	16,965
TOTAL	<u>9</u>		TOTAL <u>\$262,554</u>

Travel

per diem	\$ 7,200
transportation	10,100
TOTAL	<u>\$17,300</u>

Contractual

Media	\$ 2,500
Community Land	30,000
Market Analyses	
Advertising	800
Communication	2,200
Printing	5,000
Equipment Rental	600
Aerial Photography	22,000
Space*	11,664
TOTAL	<u>\$74,764</u>

Commodities

Cartographic supplies	\$2,300
Other supplies	800
TOTAL	<u>\$3,100</u>

Equipment

six desks @ 350 each	\$2,100
seven chairs @ 140 each	1,000
one drafting table	700
one drafting chair	100
TOTAL	<u>\$3,900</u>

*Space (includes janatorial, electric, telephone, and is included in totals as a contractual). Standard Formula: $80 \text{ ft.}^2/\text{person} \times \$1.35/\text{ft.}^2/\text{mo.} \times 12 =$ cost/year

B. Estimated costs for (4) survey and records: \$2,587,370/15 full time

Personal Services (including 26% benefits)

<u>Title</u>	<u>No. Positions</u>	<u>Grade</u>	<u>Amount</u>
Cadastral Surveyor (Dist. offices)	3	20	\$109,362
Cadastral Surveyor	1	20	43,848
Cartographer (Dist. offices)	3	15	75,660
Cartographer	1	15	30,240
Surveyor	1	19	33,914
Surveyor	2	16	54,372
Drafting Technician	1	14	23,451
Land Mgmt. Technician	1	12	20,533
Drafting Technician	1	11	19,278
Typist	1	8	15,952
TOTAL	15 (includes a surveyor & cartographer in each district)		<u>\$426,610</u>

Travel

per diem (200 man-days @ \$50/day)	\$10,000
travel	18,000
miscellaneous transportation	2,000
TOTAL	<u>\$30,000</u>

Contractual

Professional Services

- \$600/5 acre tract for survey for 2,000 tracts = \$1,200,000
- \$25/acre for agricultural lands for survey 20 acre tract or smaller for 500 tracts = \$250,000

acres for 332 tracts = \$365,760

Space	\$ 40,000
Data processing/records	200,000
TOTAL	<u>\$2,055,760</u>

Commodities - TOTAL \$35,000 (supplies, survey monuments, scientific/professional supplies, etc.)

<u>Equipment</u> - Office (chairs, desks)	\$20,000
Field	20,000
TOTAL	<u>\$40,000</u>

C. Estimated costs for (5) appraisal, (6) disposal and accounting, and (8) follow-up monitoring: \$1,330,061/27 full time.

Personal Services

<u>Title</u>	<u>No. Positions</u>	<u>Grade</u>	<u>Amount</u>
LAND SECTION			
Land Management Officer III	1	18	\$ 32,464
Land Management Officer II	3	16	84,939
Land Management Officer I	1	14	24,725
Clerk/Typist III	1	8	16,315
SUB-TOTAL	<u>6</u>	For 12 months each	<u>\$158,443</u>
WATER SECTION			
Land Management Officer III	1	18	\$32,464
Land Management Officer II	1	16	28,313
SUB-TOTAL	<u>2</u>	For 12 months each	<u>\$60,777</u>
FORESTRY SECTION			
Forester III	1	18	\$ 32,464
Forester I	3	14	74,175
Clerk/Typist III	1	8	16,315
SUB-TOTAL	<u>5</u>	For 12 months each	<u>\$122,954</u>
NORTHCENTRAL DISTRICT OFFICE			
Land Management Officer II	3	16	\$ 90,090
Land Management Officer I	1	14	28,313
Clerk/Typist III	1	8	22,500
SUB-TOTAL	<u>5</u>	For 12 months each	<u>\$140,903</u>

<u>Title</u>	<u>No. Positions</u>	<u>Grade</u>	<u>Amount</u>
SOUTHCENTRAL DISTRICT OFFICE			
Land Management Officer III	2	18	\$ 64,928
Land Management Officer II	2	16	56,626
Land Management Officer I	1	14	24,725
Clerk/Typist III	1	8	16,315
SUB-TOTAL	6 For 12 months each		<u>\$162,594</u>
SOUTHEAST DISTRICT OFFICE			
Land Management Officer III	1	18	\$32,464
Land Management Officer II	2	14	56,626
SUB-TOTAL	3 For 12 months each		<u>\$89,090</u>
TOTALS	27		<u>\$734,761</u>

Travel

Land Section	\$ 2,000
Water Section	3,000
Forestry Section	2,000
Northcentral	10,000
Southcentral	10,000
Southeast	3,000
TOTAL	<u>\$30,000</u>

Contractual

Land Section	\$ 30,000
Water Section	50,000
Forestry Section	15,000
Northcentral	175,000
Southcentral	175,000
Southeast	150,000
Space Rental	35,000
TOTAL	<u>\$530,000</u>

Note: includes air charter, review appraisals, appraisals, forms, printing, advertising, communications, equipment rental, studies, computer terminal use, etc.

Commodities

Land Section	\$1,800
Water Section	600
Forestry Section	1,500
Northcentral	1,500
Southcentral	1,800
Southeast	900
TOTAL	<u>\$8,100</u>

Equipment

Land Section	\$ 6,000
Water Section	2,000
Forestry Section	5,000
Northcentral	5,000
Southcentral	6,000
Southeast	3,000
TOTAL	<u>\$27,000</u>

Note: includes tables, chairs, desks, calculators, typewriters, filing cabinets, etc.

D. Estimated costs for (7) administration: \$300,582/8 full time.

Personal Services (including 26% benefits)

<u>Title</u>	<u>No. Positions</u>	<u>Grade</u>	<u>Amount</u>
Clerk Typist	4	8	\$ 65,800
Upgrade WPC Supervisor			3,024
Personnel Technician I	1	12	21,181
Accounting Clerk II	2	8	37,969
Accountant III Upgrade			6,000
Supply Officer I	1	16	28,214
TOTAL	<u>8</u>		<u>\$162,188</u>

Travel

Transportation	\$1,578
Per diem	1,296
TOTAL	<u>\$2,874</u>

Contractual

Computer programming	\$ 58,000
Computer time	25,000
Space	8,640
State vehicle	4,800
Office equipment lease	30,000
TOTAL	<u>\$126,440</u>

Commodities - TOTAL \$3,040

Equipment

8 desks @ 350 each	\$2,800
8 filing cabinets @ 175 each	1,400
3 calculators @ 240 each	720
8 chairs @ 140 each	1,120
TOTAL	<u>\$6,040</u>

2. State land inventory/assessment TOTAL COST = \$428,233/TOTAL PERSONNEL = 10 full ti

Personal Services (including 26% benefits)

<u>Title</u>	<u>No. Positions</u>	<u>Grade</u>	<u>Amount</u>
Principal Planner	1	21	\$ 39,282
Systems Analyst	1	20	36,454
Senior Planner	1	19	33,914
Land Mgmt. Officer III	1	18	31,480
Publications Specialist II	1	16	27,186
Assistant Planner	1	15	25,220
Clerk Typist IV	2	9	33,930
Research Analyst	1	16	27,186
Cartographer II	1	15	25,221
TOTAL	<u>10</u>		<u>\$279,873</u>

Travel

per diem	\$ 7,100
transportation	10,100
TOTAL	<u>\$17,200</u>

Contractual

Land inventory, socio-economic analysis, air photos, field survey, printing, media, etc.	\$119,000
Space	12,960
TOTAL	<u>\$131,960</u>

Commodities - TOTAL \$6,200

Equipment - TOTAL \$10,200

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 905 + SB 528

Title Disposal of State Land

Requested by _____ Date 3/30/78

II. FISCAL DETAIL

Agency Affected Natural Resources and Lt. Governor's Office

Program Category Affected NRMEC and General Government

Budget Request Unit(s) Affected DNR; Land & Water Management; Cadastral Engineer; Management & Administration (Lands); District Operations (Lands); Lt. Governor's Office.

EXPENDITURES. (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		2,243				
200 TRAVEL		92				
300 CONTRACTUAL		3,164				
400 COMMODITIES		91				
500 EQUIPMENT		91				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		5,679				

FUNDING (Thousands of Dollars)

GENERAL FUND		5,679				
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME		84				
PART TIME						
TEMPORARY						

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

Detailed analysis and breakdown not yet completed. Will be completed and submitted April 3, 1978. (See attached sheet for general breakdown)

N. B.

This fiscal note must be read in conjunction with the fiscal note for HB 904 (Land Policy Act) since \$4,579,631 in costs are identical in both bills (i.e. each bill mandates disposal of the same 50,000 acres). The additional cost of this bill, if HB 904 passes, is only \$1,099,380.

Present municipal subdivision laws generally require actual construction of road access before sale of parcels under 40 acres in size. Unless the State is released from such requirements, the additional fiscal impact could be quite severe.

IV. DATE 3/30/78

PREPARED BY Douglas Nutter
 AGENCY DNR, Planning & Research Section
 PHONE 274-8542

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

**COST SUMMARY
LAND CREDIT ACT**

1. 50,000 acres disposal

<u>DNR/ADL Section</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Commodity</u>	<u>Equipment</u>	<u>Totals</u>
A. Planning/Classification	(9) \$ 262,554	\$17,300	\$ 74,764	\$ 3,100	\$ 3,900	\$ 361,618
B. Survey/Records	(15) 426,610	30,000	2,055,760	35,000	40,000	2,587,370
C. Land & Water Mgmt	(27) 734,761	30,000	530,000	8,100	7,000	1,330,061
D. Administration	(8) 162,188	2,874	126,440	3,040	6,040	300,582
TOTALS	(59) \$1,586,113	\$80,174	\$ 2,786,964	\$49,240	\$76,940	\$4,579,631

2. Credit Administration

<u>Agency</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Contractual</u>	<u>Commodity</u>	<u>Equipment</u>	<u>Totals</u>
A. DNR	(5) \$141,565	\$ -0-	\$20,480	\$ 1,500	\$ 5,000	\$168,545
B. Lieutenant Governor	(20) 514,653	11,180	356,002	40,000	9,000	930,835
TOTALS	(25) \$656,218	\$11,180	\$376,482	\$41,500	\$14,000	\$1,099,380

Grand Totals	(84) \$2,242,331	\$91,354	\$3,163,446	\$90,740	\$90,940	\$5,679,011
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Land Credit Act

Minus

reimbursable survey costs (contractual only)	\$1,815,760
10% cash payment (estimate average \$500 price per acre)	<u>\$2,500,000</u>

Net Costs (long-term)	\$1,363,251
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Preliminary

Estimated State Implementation Costs

Alaska Land Credit Act -- HB905 ← SB 565

This preliminary statement analyzes the costs of implementing (1) the 50,000 acre minimum per year disposal directive and (2) the administration of the land credit program. This is basically a first year cost analysis because Section 38.05.041 of the bill provides for an annual program as part of the administration's budget (at the 50,000 acre minimum level an estimated 5 percent inflationary factor could be added for each succeeding year). Section 38.05.042(f) provides that the director determine reimbursable costs (i.e. roads, survey, utilities, etc.), which are not taken into account here, and which revenues from would most likely not be "earmarked" for program expenses. This analysis also does not attempt to forecast any income from the 10 percent total cash and 5 percent down payment provisions of Section 38.05.042(f).

1. 50,000 acre disposal TOTAL COST = \$4,579,631/TOTAL PERSONNEL = 59 full time

The following acreages from the state's three principal disposal programs are assumed to comprise the first year's offerings (costs do not include provision of roads or services at sites):

<u>Program</u>	<u>No. Sites</u>	<u>Acres/Site</u>	<u>Total Acres</u>
Homesite	1,000	5	5,000
Open-to-entry	1,000	5	5,000
Agriculture and general sales	500	20	10,000
	250	40	10,000
	50	160	8,000
	25	320	8,000
	7	640	4,480
TOTALS	2,830 sites		50,480 acres

The following activities are assumed for any disposal program: (1) site identification and evaluation, (2) public information and community coordination, (3) subdivision and layout, (4) survey and records, (5) appraisal, (6) disposal and accounting, (7) administration, and (8) follow-up monitoring.

A. Estimated costs for (1) site identification and evaluation, (2) public information and community coordination, and (3) subdivision layout: \$361,618/
9 full time.

Personal Services (including 26% benefits)

<u>Title</u>	<u>No. Positions</u>	<u>Grade</u>	<u>Amount</u>
Planning Supervisor	1	21	\$ 39,282
Land Mgmt. Officer III	4	18	124,659
Public Info. Officer II	1	17	29,242
Cartographer III	1	16	27,186
Planning Assistant	1	15	25,220
Clerk Typist IV	1	9	16,965
	<u>TOTAL</u>	<u>9</u>	<u>TOTAL</u> <u>\$262,554</u>

Travel

per diem	\$ 7,200
transportation	10,100
<u>TOTAL</u>	<u>\$17,300</u>

Contractual

Media	\$ 2,500
Community Land	30,000
Market Analyses	
Advertising	800
Communication	2,200
Printing	5,000
Equipment Rental	600
Aerial Photography	22,000
Space*	11,664
<u>TOTAL</u>	<u>\$74,764</u>

Commodities

Cartographic supplies	\$2,300
Other supplies	800
<u>TOTAL</u>	<u>\$3,100</u>

Equipment

six desks @ 350 each	\$2,100
seven chairs @ 140 each	1,000
one drafting table	700
one drafting chair	100
TOTAL	<u>\$3,900</u>

*Space (includes janatorial, electric, telephone, and is included in totals as a contractual). Standard Formula: $80 \text{ ft.}^2/\text{person} \times \$1.35/\text{ft.}^2/\text{mo.} \times 12 =$ cost/year

B. Estimated costs for (4) survey and records: \$2,587,370/15 full time

Personal Services (including 26% benefits)

<u>Title</u>	<u>No. Positions</u>	<u>Grade</u>	<u>Amount</u>
Cadastral Surveyor (Dist. offices)	3	20	\$109,362
Cadastral Surveyor	1	20	43,848
Cartographer (Dist. offices)	3	15	75,660
Cartographer	1	15	30,240
Surveyor	1	19	33,914
Surveyor	2	16	54,372
Drafting Technician	1	14	23,451
Land Mgmt. Technician	1	12	20,533
Drafting Technician	1	11	19,278
Typist	1	8	15,952
TOTAL	15 (includes a surveyor & cartographer in each district)		<u>\$426,610</u>

Travel

per diem (200 man-days @ \$50/day)	\$10,000
travel	18,000
miscellaneous transportation	2,000
TOTAL	<u>\$30,000</u>

Contractual

Professional Services

- \$600/5 acre tract for survey for 2,000 tracts = \$1,200,000
- \$25/acre for agricultural lands for survey 20 acre tract or smaller for 500 tracts = \$250,000

- \$12/acre for agricultural lands survey for tracts larger than 20 acres for 332 tracts = \$365,760

Space	\$ 40,000
Data processing/records	200,000
TOTAL	<u>\$2,055,760</u>

Commodities - TOTAL \$35,000 (supplies, survey monuments, scientific/professional supplies, etc.)

<u>Equipment</u> - Office (chairs, desks)	\$20,000
Field	20,000
TOTAL	<u>\$40,000</u>

C. Estimated costs for (5) appraisal, (6) disposal and accounting, and (8) follow-up monitoring: \$1,330,061/27 full time.

Personal Services

<u>Title</u>	<u>No. Positions</u>	<u>Grade</u>	<u>Amount</u>
LAND SECTION			
Land Management Officer III	1	18	\$ 32,464
Land Management Officer II	3	16	84,939
Land Management Officer I	1	14	24,725
Clerk/Typist III	1	8	16,315
SUB-TOTAL	<u>6</u>	For 12 months each	<u>\$158,443</u>
WATER SECTION			
Land Management Officer III	1	18	\$32,464
Land Management Officer II	1	16	28,313
SUB-TOTAL	<u>2</u>	For 12 months each	<u>\$60,777</u>
FORESTRY SECTION			
Forester III	1	18	\$ 32,464
Forester I	3	14	74,175
Clerk/Typist III	1	8	16,315
SUB-TOTAL	<u>5</u>	For 12 months each	<u>\$122,954</u>
NORTHCENTRAL DISTRICT OFFICE			
Land Management Officer II	3	16	\$ 90,090
Land Management Officer I	1	14	28,313
Clerk/Typist III	1	8	22,500
SUB-TOTAL	<u>5</u>	For 12 months each	<u>\$140,903</u>

<u>Title</u>	<u>No. Positions</u>	<u>Grade</u>	<u>Amount</u>
SOUTHCENTRAL DISTRICT OFFICE			
Land Management Officer III	2	18	\$ 64,928
Land Management Officer II	2	16	56,626
Land Management Officer I	1	14	24,725
Clerk/Typist III	1	8	16,315
	<u>6</u>	For 12 months each	<u>\$162,594</u>
SOUTHEAST DISTRICT OFFICE			
Land Management Officer III	1	18	\$32,464
Land Management Officer II	2	14	56,626
	<u>3</u>	For 12 months each	<u>\$89,090</u>
TOTALS	27		<u>\$734,761</u>

Travel

Land Section	\$ 2,000
Water Section	3,000
Forestry Section	2,000
Northcentral	10,000
Southcentral	10,000
Southeast	3,000
	<u>\$30,000</u>

Contractual

Land Section	\$ 30,000
Water Section	50,000
Forestry Section	15,000
Northcentral	175,000
Southcentral	175,000
Southeast	150,000
Space Rental	35,000
TOTAL	<u>\$530,000</u>

Note: includes air charter, review appraisals, appraisals, forms, printing, advertising, communications, equipment rental, studies, computer terminal use, etc.

Commodities

Land Section	\$1,800
Water Section	600
Forestry Section	1,500
Northcentral	1,500
Southcentral	1,800
Southeast	900
TOTAL	<u>\$8,100</u>

Equipment

Land Section	\$ 6,000
Water Section	2,000
Forestry Section	5,000
Northcentral	5,000
Southcentral	6,000
Southeast	3,000
TOTAL	<u>\$27,000</u>

Note: includes tables, chairs, desks, calculators, typewriters, filing cabinets, etc.

D. Estimated costs for (7) administration: \$300,582/8 full time.

Personal Services (including 26% benefits)

<u>Title</u>	<u>No. Positions</u>	<u>Grade</u>	<u>Amount</u>
Clerk Typist	4	8	\$ 65,800
Upgrade WPC Supervisor			3,024
Personnel Technician I	1	12	21,181
Accounting Clerk II	2	8	37,969
Accountant III Upgrade			6,000
Supply Officer I	1	16	28,214
TOTAL	<u>8</u>		<u>\$162,188</u>

Travel

Transportation	\$1,578
Per diem	1,296
TOTAL	<u>\$2,874</u>

Contractual

Computer programming	\$ 58,000
Computer time	25,000
Space	8,640
State vehicle	4,800
Office equipment lease	30,000
TOTAL	<u>\$126,440</u>

Commodities - TOTAL \$3,040

Equipment

8 desks @ 350 each	\$2,800
8 filing cabinets @ 175 each	1,400
3 calculators @ 240 each	720
8 chairs @ 140 each	1,120
TOTAL	<u>\$6,040</u>

2. Land credit administration TOTAL COST = \$1,099,380/TOTAL PERSONNEL = 25 full time

A. Estimated costs for administering the land credit program responsibilities of the Division of Land and Water Management: \$168,545/5 full time.

Personal Services (including 26% benefits)

<u>Office</u>	<u>Title</u>	<u>No. Positions</u>	<u>Grade</u>	<u>Amount</u>
Land Section	Land Management Officer II	2	16	\$ 56,626
NCDO	Land Management Officer II	1	16	28,313
SCDO	Land Management Officer II	1	16	28,313
SEDO	Land Management Officer II	1	16	28,313
	TOTAL	<u>5</u>		<u>\$141,565</u>

Travel - No cost

Contractual

Land Section	\$ 5,000
NCDO	3,000
SCDO	3,000
SEDO	3,000
Space	6,480
TOTAL	<u>\$20,480</u>

Commodities

Land Section	\$ 600
NCDO	300
SCDO	300
SEDO	300
TOTAL	<u>\$1,500</u>

Equipment

Land Section	\$2,000
NCDO	1,000
SCDO	1,000
SEDO	1,000
TOTAL	<u>\$5,000</u>

B. Estimated costs for investigation, issuance and administration of the land credit program responsibilities of the Lieutenant Governor's office: \$930,835/20 full time.

100 Personal Services

<u>Location</u>	<u>Title</u>	<u>No. Positions</u>	<u>Grade</u>	<u>Yearly Salary</u>
Anchorage	Director	1	25	\$3,445 X 12 = \$ 41,340
	Secretary I	1	10	1,137 X 12 = 13,644
	Research Analyst III	1	18	1,983 X 12 = 23,796
	Research Analyst II	1	16	1,712 X 12 = 20,544
	Research Analyst II	1	16	1,712 X 12 = 20,544
	Clerk Typist III	1	8	1,005 X 12 = 12,060
	Clerk Typist III	1	8	1,005 X 12 = 12,060
	Clerk Typist III	1	8	1,005 X 12 = 12,060
			SUB-TOTAL	<u>\$156,048</u>
Juneau	Deputy Director	1	23	\$2,867 X 12 = \$ 34,404
	Secretary I	1	10	1,137 X 12 = 13,644
	Research Analyst III	1	18	1,983 X 12 = 23,796
	Research Analyst II	1	16	1,712 X 12 = 20,544
	Clerk Typist III	1	8	1,005 X 12 = 12,060
			SUB-TOTAL	<u>\$ 70,482</u>
Fairbanks	Deputy Director	1	23	\$3,319 X 12 = \$ 39,828
	Secretary I	1	10	1,239 X 12 = 14,868
	Research Analyst III	1	18	2,296 X 12 = 27,552
	Research Analyst II	1	16	1,983 X 12 = 23,796
	Clerk Typist III	1	8	1,137 X 12 = 13,644
			SUB-TOTAL	<u>\$119,688</u>
Nome	Research Analyst III	1	18	\$2,661 X 12 = \$ 31,932
Bethel	Research Analyst III	1	18	\$2,661 X 12 = <u>\$ 31,932</u>
			TOTAL BASE SALARIES (1st year)	\$410,082
			BENEFITS @ 25.5%	+ 104,571
			TOTALS	<u><u>\$514,653</u></u>

200 Travel

Based on 4 trips to Anchorage per year for each Deputy Director and Research Analysts in Nome and Bethel ... (Quarterly meetings). Plus general field travel of \$6,000 per year (\$3,000 general plane fare + \$3,000 per diem).

Field/Administrative travel (In-State)

	<u>Transportation</u>	<u>Per Diem</u>
<u>Juneau to Anchorage</u> (round trip) (Deputy Director)		
4 trips per year estimated \$175 per trip	\$ 700	
3 days per trip X 4 estimated \$55 per day		\$ 660
<u>Fairbanks to Anchorage</u> (round trip) (Deputy Director)		
4 trips per year estimated \$110 per trip	440	
3 days per trip X 4 estimated \$55 per day		660
<u>Nome to Anchorage</u> (round trip) (Research Analyst III)		
4 trips per year estimated \$200 per trip	800	
3 days per trip X 4 estimated \$55 per day		660
<u>Bethel to Anchorage</u> (round trip) (Research Analyst III)		
4 trips per year estimated \$150 per trip	600	
3 days per trip X 4 estimated \$55 per day		660
	TOTAL	
	<u>\$2,540</u>	<u>660</u> <u>\$2,640</u>
Transportation Costs	\$ 2,540	
Per Diem Costs	2,640	
General field travel (plane fare and per diem)	6,000	
GRAND TOTAL	<u>\$11,180</u>	

300 Constructual Services (1st year costs)

310 Communications (based on Lieutenant Governor's office budget - FY 79)

Telephone

Average \$2,100 per office X 5 offices \$ 10,500
Long distance, telegraph \$5,500 X 5 offices 27,500

Postage

250,000 eligible Alaskans X .39 (2-3 mailings each) 97,500

Centrex - Juneau office only

1,400
SUB-TOTAL \$136,900

320 Printing and Advertising

Certificates printed at approximately \$250.00 for
5,000 (5,000 X 50 = 250,000) \$250 X 50 = \$12,500

General usage forms 5,000

Applications, etc. (envelopes, stationery printed) 20,000

Miscellaneous printing costs 5,000

325 Advertising

SUB-TOTAL 1,500
\$44,000

330 Rents and Utilities

(Space based on formula of 252 sq. ft./Directors; 126 sq. ft./Adm. staff;
47 sq. ft./Clerical and each reception area large enough for 8 visitors
(Contract Awards Manual) (345 sq. ft.))

Anchorage

1,086 sq. ft. required @ \$1.50/sq. ft. =
\$1,629/mo. X 12 mos. = \$19,548

Juneau

866 sq. ft. required @ \$1.50/sq. ft. =
\$1,299/mo. X 12 mos. = 15,588

Fairbanks

866 sq. ft. required @ \$1.50/sq. ft. =
\$1,299/mo. X 12 mos. X .20 increase for
Fairbanks area 18,706

No additional space required in Nome and Bethel -
Governor's Office utilized

SUB-TOTAL \$53,842

350 Other Utilities (Estimate only) \$18,000

360 Equipment Rental - Other

Xerox copier (5 offices) \$165/mo. X 12 X 5 9,900

364 Equipment Rental - Word Processing

Mag II Typewriters @ \$310/mo.

Anchorage 5 typewriters @ \$310/mo. X 12 18,600

Juneau 3 typewriters @ \$310/mo. X 12 11,160

Fairbanks 3 typewriters @ \$310/mo. X 12 11,160

STATE LAND REPORT

29:

733 W. FOURTH AVE.
ANCHORAGE, ALASKA

FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA



STATE LAND POLICY RECOMMENDATIONS

AND

BACKGROUND PAPERS

DECEMBER, 1977

Federal-State
Land Use Planning Commission
For Alaska

December, 1977


On May 17, 1977, Senator Kay Poland, Chairman of the Senate Resources Committee, asked the Commission to analyze the location, availability, and demand for private land in Alaska as it would be after the implementation of the Alaska Native Claims Settlement Act. The specific types of demand for private property and their relation to appropriate land disposal procedures was considered to be of particular interest to the Resources Committees of the House and Senate. The purpose of the inquiry was to solicit information that could aid these Committees in their formulation of State land disposal policy.

Part I of this report presents the findings and recommendations of the Federal-State Land Use Planning Commission regarding retention and disposal policy and procedure for State public lands. The findings were based on staff research; work with the Alaska Department of Natural Resources Planning and Research Section and Division of Lands and Waters; contact with municipalities and Native corporations; and a public workshop featuring people with land use and development experience and expertise. Part II of this report contains the abbreviated proceedings of this workshop and a representative sample of the information analyzed in the process of making these recommendations.

We hope that this background document will benefit the continuing legislative dialogue concerning the disposition and management of State lands.

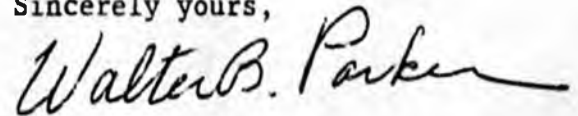
In addition to these efforts, the Federal-State Land Use Planning Commission continues to explore State policy and practice concerning park and recreation areas. As requested by Senator Poland, the Commission will prepare specific recommendations regarding criteria and policy for establishing State parks later this year.

Sincerely yours,



Esther C. Wunnicke
Federal Co-Chairman

Sincerely yours,



Walter B. Parker
State Co-Chairman

JOINT FEDERAL-STATE
LAND USE PLANNING COMMISSION
FOR ALASKA

733 W. Fourth Avenue, Suite 400
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"STATE LAND POLICY RECOMMENDATIONS
AND BACKGROUND PAPERS"

December, 1977

PART I

STATE LAND POLICY RECOMMENDATIONS

Adopted by the
Joint Federal-State Land Use Planning Commission for Alaska

PART II

BACKGROUND PAPERS ON MAJOR LAND POLICY ISSUES

Compiled and edited by the
Federal-State Land Use Planning Commission Staff
from Federal, State, and Private Sources

PART I

STATE LAND
POLICY RECOMMENDATIONS

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STATUTORY GUIDELINES FOR RETENTION AND DISPOSAL OF STATE LANDS

Recommended by the
Joint Federal-State Land Use Planning Commission
December, 1977

1. Public interest in State lands. State owned public lands belong to all citizens of the State. Thus, any action affecting the disposition of State owned lands must be consistent with the general public interest and must recognize the property rights to these lands which are owned by all citizens.
2. Interests of future generations. In planning the allocation and disposition of State lands, the requirements of future generations must be considered. To this end, a supply of State lands of the various available types and locations shall be reserved to provide an opportunity for future decisions.
3. Need for a balanced combination of public and private land use. Some types of land use, such as hunting, fishing, skiing, snowmobiling, enjoyment of natural lands and wilderness, trapping, and many forms of resource development, can be made available to more people and conducted more successfully if the land is publically owned rather than divided among private owners. For other forms of land use, particularly land uses associated with community development and settlement, private property rights are necessary either through ownership or less than fee simple conveyance. Thus, making State lands available for maximum use and development, in accordance with Alaska's constitution, will require a balanced combination of lands under both public and private land use rights.
4. Inventory, planning, and classification of State lands and resources. The public interest in State lands will be best realized if State owned lands and resources are periodically and systematically inventoried and their future uses projected through a land use planning process which includes consideration of characteristics of the land and natural environment, as well as social and economic factors, and provides for meaningful participation by local governments, adjacent land owners and the general public. Classification of State lands shall be based on such a comprehensive planning process.
5. Inventory of private and municipal lands and local wishes. To gain adequate perspective on needs for State land disposal or retention, the director shall also conduct a periodic and systematic inventory of the supply and quality of private and municipal lands available in all regions where the State owns land. As part of this inventory, he shall ascertain local wishes concerning the retention and disposal of State lands. Planning and classification of State lands for

disposal purposes shall reflect the adequacy or inadequacy of the supply of suitable land from private and municipal sources as well as local wishes about State land management.

6. Retention of State lands for public use near communities. In classifying State lands for settlement purposes, the director shall seek to retain nearby accessible lands in State, municipal, or other public ownership so that natural areas are easily reached from all communities and settled areas. The amount of such lands shall be sufficient to existing and projected needs for accessible public recreation lands. Special care shall be taken to preserve public access to public waters and to retain State ownership of lands which combine high recreational value with accessibility to settled areas.
7. Primary public interest in retaining State lands in public ownership. The primary public interests in retaining State lands in public ownership are:
 - a. to make them available for hunting, fishing, natural area recreation, governmental installations, and other types of land use and resource development which generally require public rather than private land ownership;
 - b. to protect areas of critical wildlife habitat and of special scenic, recreational, or other environmental concern;
 - c. to restrict development in hazardous locations; and
 - d. to guide the location of settlement and development to minimize public costs and maximize social and economic benefits.
8. Primary public interest in conveying rights to State lands to private parties. The primary public interest in conveying rights to State lands to private parties is to make them available to individuals and corporations for direct use and construction in locations suitable for the land use intended. Conveying State lands in a manner which primarily accommodates parties whose purpose is to hold and resell vacant lands for financial gain is contrary to the public interest, except in areas where there is a real scarcity of vacant land on the private market.
9. Avoiding new settlement in areas where a viable economic base is improbable. Settlement in rural areas where there is little or no source of employment and income can burden the general public with extreme costs for schools, roads, police protection, and other public services. If a dispersed population pattern is to be encouraged, it should be based on development of a local economy creating employment or jobs.
10. Designing lot sizes and disposal methods to further needs of different land users. In planning land disposal actions, the director shall seek to accommodate parties with a current need and use for the

land. Different users of State lands, for example, people seeking a weekend cabin site, people looking for a wilderness homesite, agricultural and industrial developers, have very different requirements in terms of location, tract size, and methods of tenure. To accommodate these different needs, the director shall assess the special requirements of prospective users and shall design a comprehensive set of methods of conveying rights to State lands, tailored to fit various needs. Lots and tracts in disposal areas shall be sized to fit the requirements of individual users and to reflect the physical limitations of the land. Within these constraints, disposal areas shall be divided to maximize the number of individual recipients.

11. Provisions of access. Adequate access is essential to both public and private use of State lands. State lands which are made available for settlement purposes shall have access from water or, where appropriate, the State shall arrange for the development of surface access. The direct costs of access development shall be born by the recipient of the land. In planning conveyance of State lands to private parties, necessary easements and rights-of-way for public travel shall be reserved to provide access to public waters and to public and private lands beyond the disposal area.
12. Disposal to be at market value. Except where justified by a clear public interest, State land disposals shall make land available at market value. In cases where the State conveys limited rights to lands, the price of the land shall be adjusted to reflect reduced market value. In any case, the costs of survey and other direct costs of disposal shall be born by the recipient of the land.
13. Avoiding preference rights. Granting preference rights to any special group or class of citizens shall be avoided. A
14. Regulations providing for municipal and State agency participation. Regulations shall be adopted to establish the participation of affected municipalities and State agencies in making determinations regarding the suitability of various State lands for retention in public ownership or conveyance to private users.
15. Regulations establishing a system for registering private interests. Regulations shall also establish a method whereby private citizens can register their interest in retention or conveyance of a given area of State land.
16. Minimizing administrative costs and establishing public trust. As far as possible, methods of conveying State land rights to private parties shall be designed to minimize future administrative requirements and to establish public trust in the responsiveness, fairness, and consistency of State land management.

LEASING OF STATE LANDS

Findings and Recommendations of the
Joint Federal-State Land Use Planning Commission
December, 1977

Alaska's constitution calls for the maximum use and development of its lands consistent with the public interest. As a land management tool, leasing is designed to accommodate both objectives, to enable development and land use while protecting the public interest. The panelists at the recent State Land Disposal Policy workshop agreed that State land managers could use a leasing program to further the interests of both the land owners and the users. The panelists also recognized that along with providing benefits for both private and public interests, there is a growing public recognition that leasing is a land management technique that can be useful in Alaska. Financial institutions have become more accustomed to financing development on leasehold interests as well. But, before this tool can be fully utilized by State government, certain requirements must be met.

Under past administrations, leasing has not always been used appropriately and effectively and has failed to realize its potential. In addition, the current statute has brought leasing of State lands to a standstill. The deliberations of the panelists, coupled with the investigation of leasing policy in other States and an analysis of lease administration in Alaska, prompts the following findings and recommendations:

Findings:

1. Leasing is an effective technique under certain conditions and in particular situations:
 - a. When special land use controls are required and there is a high public interest in seeing certain classes of land used for particular purposes;
 - b. When the intended use is a temporary one, as in non-renewable resource extraction;
 - c. In commercial-industrial situations when a leasehold can provide cash flow and tax advantages to the lessee;
 - d. When a unique location with special public values is involved, as in a deep water port;
 - e. When demand for private use is high, but projections suggest that, in the future, the land may be more valuable for public use; and
 - f. When property values are high and market demand intense, the State can earn significant revenue through leasing, but proper timing of leasing activity is crucial to success.

2. A major problem with the State leasing program in the past has been lack of sophisticated administration. In order to be effective as lessors, State land managers must:
 - a. Recognize that prompt, accurate appraisal and rental adjustment insures that State lessees pay rates similar to adjacent private property owners. This provides revenue to the State, encourages effective land use, prevents the State from competing unfairly with the private sector, and builds trust and predictability in State land management practices;
 - b. Employ knowledgeable personnel who are familiar with leasing policy and experienced with and sensitive to the requirements of private financial institutions;
 - c. Employ leasing techniques in appropriate situations such as locations where demand to use the land is high;
 - d. Insure that tract sizes are consistent with the requirements of the user; and
 - e. Establish rental adjustment ceilings that allow lessees to foresee rental rates for at least 10 years in advance.

3. The current State leasing statute is unworkable for the following reasons:
 - a. The current statute does not permit the State to keep its annual rental at market rates;
 - b. The current statute is being tested in court by the trust board because trust land transactions must be at fair market value. This is not possible under current law.
 - c. The current statute encourages speculation in State leaseholds because the 25 year reappraisal period and 50% limit on rental adjustment after 25 years ensure that State lease rates will be considerably below market value for comparable properties. At normal inflation rates the current reappraisal and rental adjustment process will not even keep pace with the declining value of the dollar.
 - d. The State cannot adjust leasehold rentals to recover investments it makes in infrastructure development such as road and sewer construction.
 - e. By granting existing leaseholders a windfall, the new lease law conveys a special privilege to a few citizens at a financial cost to the general public.
 - f. The multiple appraisals called for in the statute are too expensive to be practicable except in limited instances when tract values are extremely high.

- g. The present statute does not clarify the award of damages in those cases where leased State lands are condemned for public purposes.
- h. At the termination of a lease under current statute, the lessee will have gained a substantial leasehold interest so valuable that conversion to a proper rate schedule would be tantamount to confiscation. Such a conversion would be politically and economically difficult to implement. In effect, this would diminish, if not abolish, State control of the land.

Recommendations:

- 1. The Legislature should amend the leasing statute to see that:
 - a. Leaseholds are reappraised and rentals adjusted on a 5 year basis;
 - b. Rental adjustments are limited to an increase of 100% over a 5 year period;
 - c. Appraisal requirements reflect a reasonable relationship between the cost of appraisal services and the value of the parcel involved; and
 - d. Aggrieved lessees have access to an administrative appeal mechanism.
 - e. Condemnation awards to lessees of State land should exclude compensation for leasehold interest based on submarket rental rates.
 - f. Trust land development and management costs should be charged against trust land revenues.
- 2. Care should be taken by State administrative personnel to utilize leasing as a management tool only where it is well suited to the purposes intended.
- 3. The budgets approved for land administration must provide for both the quality and quantity of staffing necessary to guarantee prompt and competent appraisal and administration of State leaseholds.
- 4. State leasing policy must be sufficiently consistent to provide a reliable basis for lending.

STATE TRUST LANDS

Findings and Recommendations of the
Joint Federal-State Land Use Planning Commission
December, 1977

Findings:

1. Before Statehood, the Federal government granted certain lands to the Territory of Alaska for the benefit of the University of Alaska (100,000 acres), the public school system (109,000 acres), and the mental health program (1,000,000 acres). Original Federal legislation making these reservations included precise terms governing the management of land and the revenues received therefrom.
2. The Statehood Act conveyed these preestablished trust responsibilities to the State of Alaska. Because of repealer clauses in the sections of the Statehood Act pertaining to University and school lands, the State is not bound by the precise terms of previous Federal legislation relating to these lands, however, a trust responsibility remains.
3. The statutes require separate funds for revenues gained from school and University lands, but there is no special fund for the mental health program. Instead, these revenues have been placed in the general fund.
4. By statute, the director must manage mental health lands for the support of the mental health program. Revenues derived from management of these lands must be used first for support of this program, and any excess deposited in the general fund.
5. Since the school, University, and mental health lands are held in trust for the financial support of these programs, it is normally incumbent upon the State to handle transactions of trust lands on the basis of fair market value. Revenues derived from school and University lands must be invested and the interest allocated to the support of the respective programs.
6. School lands were granted under the historic "in-place" system of conveying sections 16 and 36 in each township. The State only received those school lands which had been surveyed as of the date of statehood. However, since surveying was concentrated near communities, several of the State's school land sections are strategically located in urban growth areas.
7. Most of the university lands and all of the mental health lands have been selected "at large" from vacant, unreserved

public lands. University lands could only be selected from non-mineral, surveyed lands, requirements which placed them directly in the already settled areas. Since selections were for the purpose of maximizing real estate value, and were accomplished prior to the State's general grant selections, lands in the University and mental health trusts comprise prime real estate around communities and in valuable waterfront locations.

8. Because of the strategic location of trust lands in relation to community development and settlement, management decisions affecting trust lands have had, and will have, a major impact on community growth patterns.
9. The effect of vacant trust lands on community growth patterns has been random and varied. Some communities have grown around trust lands, leaving trust lands as windows of open space in heavily settled areas. In Anchorage, State trust lands are zoned "Public Lands and Institutions", a designation which prohibits private development. In Southeastern communities, where trust lands are numerous, the effect has been to either compress and consolidate community growth or to force a "leapfrog" pattern that is costly in terms of public utilities and services.
10. There are probable conflicts between the State's general welfare objective of achieving a desirable land use pattern and the State's obligation to the trust to obtain fair market value from trust lands. In some cases, the trust lands are well suited as parks, but this use may conflict with the State's long-term responsibility as trustee to manage the lands for revenue.
11. In acting as the land management agent for all three trusts, the Division of Lands may have a built-in conflict of interest where it manages lands for more than one trust in the same location.
12. The trust boards have never developed land management guidelines, and, in turn, the State has failed to actively manage trust lands to obtain market value for the trusts. The State has not charged the trust boards for management services, but few services have been rendered.
13. Alaska municipalities would like to select trust lands because of their desirable location and value for community development or public use purposes.
14. Under current State statutes, trust lands are subject to legislation granting preference rights to certain groups that make them available for less than market value.

15. Under current State statutes some trust lands are available for mineral staking and, therefore, for acquisition of private property rights at less than market value.
16. Under the new lease law, passed in 1977, the State undermined the administration's ability to manage leaseholds on trust lands at market value.
17. The permanent fund requirements, which make no distinction between mineral revenues from trust lands and general grant lands, are inconsistent with the State's trust responsibilities.

Recommendations:

1. The trust boards should clearly define their objectives regarding the lands which the State holds in trust for the public schools, the University, and the mental health program. In the absence of a specific statute defining trust responsibilities in Alaska, these objectives must conform to general trust standards. The Division of Lands shall manage trust lands as the agent of the trusts, in accordance with these objectives.
2. If the primary objective of the trust boards is to use lands for revenue, then this objective may conflict with the State and municipal objective of achieving a sound land use pattern. This conflict could be resolved, without compromise by either party, through an exchange of existing trust lands for an equally valuable interest in State surface or subsurface elsewhere. Such exchanges must comply with the "prudent person" standard of trust investment.
3. The definition of State land, as used in statutes pertaining to the permanent fund, preference rights, lease holders rights, and other topics, should distinguish between State general grant lands and trust lands. State statutes which abridge the trust responsibilities should be amended.
4. A separate statutory fund should be created for the proceeds from the mental health lands.

BUDGETING FOR STATE LAND MANAGEMENT

Findings and Recommendations of the
Joint Federal-State Land Use Planning Commission
December, 1977

Findings:

1. Achieving effective, responsive administration of programs conveying State land rights to private parties will require that the administrative capacity of the Division of Lands be expanded. Additional professional expertise in leasing, appraisal, permitting, easements, sales, and other aspects of land management must be acquired.
2. Topographic mapping, site planning, land survey, and access development are essential elements of any land disposal program. To convey State land rights to private owners in a manner which accommodates the variety of their different needs and makes good use of available land, the Division of Lands must have the staff and budget to satisfy these requirements.
3. Resource inventory, land use planning, consultation with local people, and classification of State lands must proceed apace with any disposal of State land rights to private parties. Current funding for these efforts is inadequate in relation to the amount and complexity of State land ownership.

Recommendation:

That the Legislature work closely with the Department of Natural Resources to develop and fund a budget that is sufficient to support the State's responsibilities for planning and managing State lands for both retention and disposal purposes.

PART II

BACKGROUND PAPERS ON
MAJOR LAND POLICY ISSUES

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workshop

WORKSHOP

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