

ALASKA LEGISLATURE COMMITTEE FILES 1983-1984 86/2

2781 HRES SB 366 - SB 375 2781

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT D. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
PAUL FISCHER  
VIC FISCHER  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITAL  
JUNEAU, ALASKA 99811  
(907) 485-3834  
(907) 465-3835

## Senate

### Committee on Resources

#### MINUTES

March 5, 1984  
3:11 pm

Beltz Room  
Room 211, Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp, Chairman  
Senator Ziegler, Vice Chair  
Senator Eliason  
Senator Mulcahy  
Senator Sturgulewski

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#### CALENDAR

SB 278, An Act establishing a waterfowl conservation stamp.  
SB 366, An Act relating to protection of forested land.  
SJR 31, Relating to the capture of orcas in Alaska waters.

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#### SB 278

Senator Rodey, sponsor of the bill, explained that proceeds from the sale of stamps would be used for the conservation and enhancement of waterfowl and said the bill has the support of conservation and sport hunting groups. He supported the Committee Substitute, as it clears up any questions over dedication of funds.

Dan Timm, Regional Management Coordinator, Game Division, and Tom Rothe, Waterfowl Coordinator, Game Division, Alaska Department of Fish and Game, testified in support of the Committee Substitute, which would make the purchase of the stamps mandatory and specify that the stamp would not be required of hunters until September 1, 1985. They answered questions from members of the committee regarding the Department's administrative costs, the process of requesting proposals for design and publishing of stamps, and how the Department plans to use the revenues generated.

Jav Nelson, Executive Director, Alaska Environmental Lobby, spoke in support of the Committee Substitute, and urged the state to become more actively involved in waterfowl management.

Ron Sommerville, Alaska Outdoor Council, testified in support of the Committee Substitute.

Jim King spoke in support of the bill, urging the state to take more control over the management of its waterfowl.

Senator Sturgulewski moved to adopt the Committee Substitute. There was no objection.

Senator Mulcahy moved CS SB 278 with individual recommendations. There was no objection.

### SB 366

John Sturgeon, State Forester, Department of Natural Resources, testified in support of the bill, explaining that transferring responsibility for firefighting to local service areas would remove the duplication of effort by the state and municipalities.

Ginnv Chitwood, Alaska Municipal League, testified in opposition to those sections of the bill that would give municipalities primary responsibility for fire suppression within service areas, expressing concern over municipalities' capabilities and the costs they would incur.

Senator Fahrenkamp asked that Sturgeon and Chitwood work with Committee staff to prepare a Committee Substitute that would address the needs and concerns of both the state and the municipalities.

### SJR 31

Senator Vic Fischer spoke in support of the Committee Substitute and moved it be adopted and moved from Committee with individual recommendations. There was no objection.

The meeting adjourned at 4:27 pm.

# Alaska State Legislature

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## Senate

### Committee on Resources

#### MINUTES

March 26, 1984  
3:04 pm

Beltz Room  
Room 211, Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp, Chairman  
Senator Ziegler, Vice Chairman  
Senator Eliason  
Senator Paul Fischer  
Senator Vic Fischer  
Senator Mulcahy  
Senator Sturgulewski

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#### CALENDAR

SB 366, An Act relating to protection of forested land.

SB 480, An Act relating to the establishment of certain commodity marketing commissions.

SB 461, An Act relating to the management and use of water in mining; and providing for an effective date.

SB 462, An Act making a special appropriation to the Mining Water Use Board for loans and grants concerned with the management and use of water in mining; and providing for an effective date.

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#### SB 366

Sandra Schubert, Aide to Senator Fahrenkamp, explained that the Committee Substitute leaves fire suppression responsibility with the State, and clarifies which lands the State must protect and how much protection must be provided.

Senator Mulcahy moved to adopt the Committee Substitute for SB 366. There was no objection.

Carole Wilson, Special Assistant to the Commissioner of the Department of Natural Resources, testified that the Department supported the Committee Substitute.

Senator Sturgulewski moved CS SB 366 from committee with individual recommendations. There was no objection.

SB 480

Richard Ramsey, Aide to Senator Kerttula, explained that commodity marketing commissions, common in the lower 48, are intended to function as self-help institutions to further agricultural potential through marketing research, education, and promotion.

Sharon Barton, Special Assistant to the Commissioner of the Department of Natural Resources, testified that the Department supported the bill as an important step for Alaskan farmers. The Department would be involved in the organization of the commissions but not in their ongoing operations. She proposed an amendment that would clarify that DNR would perform "shell egg" inspections.

Senator Mulcahy moved to adopt DNR's proposed amendment and to move CS SB 480 from Committee. There was no objection.

SB 461

SB 462

Jim Palmer, Aide to Senator Fahrenkamp, explained that these bills would set up a program for researching the problems of placer mining and the pollution of streams. He spoke in support of the Department of Natural Resources' proposed amendments.

Pedro Denton, Division of Mining, Department of Natural Resources, spoke in support of the bill as the programs will provide a source of needed information for making management decisions. He offered specific amendments to clarify the intent of the bill.

Senator Vic Fischer suggested language be added to the Committee Substitute that would clarify that the intent of the innovative gold recovery grant program is to reduce water usage and pollution.

Randy Bavliss, Water Quality Section, Department of Environmental Conservation spoke in support of the bills urging the development of new methods and procedures for gold recovery as the best long range solution to placer mining problems.

Phil Holdsworth, Alaska Miners Association, spoke in support of the bills, and the need for more data from miners on new recovery techniques.

Senator Ziegler moved to adopt the added language suggested by Senator Vic Fischer. There was no objection.

Senator Sturgulewski moved to adopt the amendments proposed by the Department of Natural Resources. There was no objection.

Senator Ziegler moved CS SB 461 and SB 462 from Committee with individual recommendations. There was no objection.

The meeting adjourned at 4:04 pm.

**Chapter 15. Forests.**

**Article**

1. Protection of Forested Land (§§ 41.15.010 — 41.15.170)
2. Forest Reserve Fund (§ 41.15.180)
3. Fire Suppression Fund (§§ 41.15.200 — 41.15.240)
4. Haines State Forest Resource Management Area (§§ 41.15.300 — 41.15.330)
5. Miscellaneous Provisions (§ 41.15.900)
6. General Provisions (§ 41.15.950)

**Article 1. Protection of Forested Land.**

**Section**

10. Intent
20. Regulations
30. Contracts for forest protection
40. Right of entry to control and suppress fires
50. Fire season
60. Permits
70. Disposal of burning materials
80. Equipment and notice required
90. Building or leaving fires

**Section**

100. Setting fires without consent
110. Uncontrolled spread of fire; leaving fire unattended
120. Failure to assist in preventing or suppressing fires
130. Backfires excluded
140. Penalty for misdemeanor
150. Malicious or wanton setting of fires
160. Double damages in civil actions
170. Definitions

Collateral references. — 52 Am. Jur. 2d, Logs and Timber, §§ 64 — 65; 63 Am. Jur. 2d, Public Lands, § 18.  
98 C.J.S., Woods and Forests, § 1 et seq.  
Constitutionality of reforestation or forest conservation legislation, 13 ALR2d 1095.  
Constitutionality of fire prevention provisions of forest conservation legislation, 13 ALR2d 1129.

Liability for spread of fire purposely and lawfully kindled, 24 ALR2d 241.  
Res ipsa loquitur in actions against owner or occupant of premises for personal injury, death, or property damage caused by fire, 8 ALR3d 974.  
Measure of damages for destruction of or injury to fruit, nut, or other productive trees, 90 ALR3d 800.

**Sec. 41.15.010. Intent.** It is the intent of AS 41.15.010 — 41.15.170 to provide protection for the timber resources and watersheds on all land in the state. (§ 1 ch 138 SLA 1961)

**Sec. 41.15.020. Regulations.** The commissioner shall, by regulation, make provision for the protection of forested land in the state from fire and other destructive agents. (§ 2 ch 138 SLA 1961)

**Sec. 41.15.030. Contracts for forest protection.** (a) The commissioner may enter into necessary protection contracts.

(b) The commissioner may hire emergency fire-fighting personnel up to a total of 30,000 man-hours each year, and shall establish classifications and rates of pay for the emergency fire-fighting personnel consistent with the compensation paid by other fire-fighting agencies.

commissioner may adjust the classifications and rates based on findings of the federal Bureau of Land Management for Alaska. (§ 2 ch 138 SLA 1961; am § 1 ch 100 SLA 1976)

**Sec. 41.15.040. Right of entry to control and suppress fires.** Upon approval by the commissioner or an authorized agent, employees of the division of lands, or of any organization authorized to prevent, control or suppress fires or destructive agents, and others assisting in the control or suppression of fires upon request of an officer or employee of the United States or the state may at any time enter upon any land, whether publicly or privately owned, for the purpose of preventing, suppressing or controlling forest fires and destructive agents. (§ 2 ch 138 SLA 1961)

Collateral references. — 22 Am. Jur., 2d Fires, § 2.  
Constitutionality of fire prevention provisions of forest conservation legislation, 13 ALR2d 1129.

**Sec. 41.15.050. Fire season.** The period from May 1 to September 30, inclusive, of each year is designated the fire season. The commissioner may designate other periods as fire season. The commissioner may proclaim an additional period for all or any portion of the state when weather or other conditions require action for the protection of forested land. The commissioner may also, during the fire season, prohibit, or allow only by permit, the setting of fires, smoking, entry or other use on the land, when, in the judgment of the commissioner, the activities would unduly increase the fire danger. (§ 3 ch 138 SLA 1961; am § 1 ch 27 SLA 1973)

**Sec. 41.15.060. Permits.** The commissioner shall, by regulation, prescribe the conditions of and the manner for obtaining a permit. Failure to obtain the required permit, or violation of a condition of the permit is a misdemeanor. (§ 3 ch 138 SLA 1961; am § 1 ch 179 SLA 1970)

**Sec. 41.15.070. Disposal of burning materials.** A person who, during the fire season, throws away lighted tobacco, cigar, cigarette, match, firecracker or other burning material on forested land, whether public or private, is guilty of a misdemeanor. (§ 4 ch 138 SLA 1961)

**Sec. 41.15.080. Equipment and notice required.** Every conveyance operated through or above forested land shall be equipped at all times in each compartment with a suitable receptacle for the disposition or reception of burning material mentioned in AS 41.15.070. Every owner or operator of a public conveyance operated through or above forested land shall post and keep displayed at all times a copy of AS 41.15.050 — 41.15.080 and 41.15.140 in a conspicuous place within the

COMMITTEE REPORT

SENATE

FURTHER:

1/20/84

Date: 3-21-84

Mr. President:

The Committee on RESOURCES has had SB 366

relating to protection of forested land

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

- do pass [ ] do not pass
- [ ] do pass with attached amendments(s)
- replace with CS for SB 366 [X] same title [ ] new title
- and recommends \_\_\_\_\_
- [ ] AND attaches a "Letter of Intent" [ ] New Fiscal Note
- [ ] reports it back without recommendation
- [ ] referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

*Paul Fischer*  
*ieglan*  
*augulewski*

[Signature]  
[Signature]  
[Signature]  
[Signature]

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*[Signature]*  
 CHAIRMAN



58366

STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 20, 1984

The Honorable Jalmar Kerttula  
President of the Senate  
Pouch V  
Juneau, AK 99811

Dear Senator Kerttula:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the protection of forested land. This bill clarifies the extent of the state's duty to protect forested land, and removes the limitation on the number of man-hours of emergency fire-fighting service that the Department of Natural Resources may use each year.

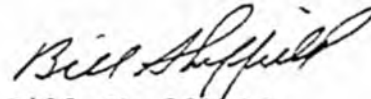
AS 41.15.010 currently provides that "[i]t is the intent of AS 41.15.010 -- 41.15.170 to provide protection for the timber resources and watersheds on all land in the state." The bill first clarifies that the protection provided by the state is to be commensurate with the value of the resources at risk. The state is not obligated to provide more protection to forested land than is reasonable, based on the value of the resources at risk.

This bill next clarifies that the state need not protect all forested land located within the state, but only state land (as defined in AS 38.05.365(16)) or land owned privately or by a municipality. The U.S. Departments of Agriculture, Interior, and Defense are obligated to protect federal land located within the state, and there is no reason for the state to provide duplicate protection.

This bill also clarifies that the primary responsibility for suppressing fires on forested land located within a tax-supported fire service area rests with the municipality in which that service area is located. The state's duty with regard to fires in these areas is to provide assistance to the municipality if the fire exceeds its capabilities.

Finally, this bill removes the limitation placed on the number of man-hours of emergency fire-fighting service that may be used each year by the Department of Natural Resources. In an average or worse-than-average year, the state cannot adequately suppress forest fires occurring in the areas for which it is responsible using only the 30,000 man-hours permitted by AS 41.15.030.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sheffield".

Bill Sheffield  
Governor

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371



# Alaska State Legislature

HOUSE OF REPRESENTATIVES  
COMMITTEE ON RESOURCES

JOHN RINGSTAD, CO-CHAIRMAN  
RICHARD SHULTZ, CO-CHAIRMAN  
POUCH V  
JUNEAU, ALASKA 99801  
(907) 465-3715

## MEMORANDUM

TO: House Resources Committee members

From: Committee staff

Date: April 11, 1984

Re: HCSCSB 371 (Res.)

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There are four amendments that have been incorporated into the new CS.

1. The first amendment clarifies the bill to make sure that joint ventures between corporations for the purposes of developing mining claims are permitted. ( page 2, line 19, (1) - (4) is changed to (1) - (6) to include corporations. )
2. The second amendment will reduce the rental fee due on the second anniversary from \$6 per acre to \$3 per acre.
3. The third will increase the term of lease to 20 years instead of 10 years to provide additional security for financing and development of mining leases. ( page 7, line 28 )
4. The fourth will add language back in that was taken out in Senate Resources to provide a remedy when mining claims are staked in error, that is if a miner uses federal staking methods on state land he will now be able to correct the error without being penalized. ( page 9, lines 10 & 22-26 )

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH M  
JUNEAU, ALASKA 99811  
PHONE: 907-465-2400

February 17, 1984

The Honorable Bettye Fahrenkamp  
Chairperson  
Senate Resources Committee  
Pouch V  
Juneau, AK 99811

Dear Senator Fahrenkamp:

The Department of Natural Resources appreciates the opportunity to comment on the amendments to SB 371 that were proposed on behalf of the Alaska Miners Association last week. The proposed amendments would substantially weaken statutory requirements imposed by the Legislature only two years ago, at the request of the Department of Natural Resources. The 1982 amendments struck a fair balance between offshore prospecting permit applicants' desires for exclusive, long-term exploration rights over large acreages, and the department's mandate for diligent development of the State's mineral resources.

Perhaps the following background information on the offshore mining program will be useful to your committee's deliberations. There have been two previous revisions to AS 38.05.250. The 1961 version was quite restrictive: Prospecting permits were issued for only two years with a possible two-year extension, and the amount of land each person could hold was limited to 5,120 acres. In 1966 the statute was greatly liberalized, with the term of a prospecting permit increased to ten years, the acreage limit dropped entirely, and no rental due until two years after the prospecting permit's issuance. Approximately 8,000 offshore prospecting permits were issued in all, but only eight were converted to lease after discoveries of workable mineral deposits, and only one ever went into commercial production. Although diligent exploration took place on some of the prospecting permits, up to 80% of them were relinquished at the end of their second year when the first rental payment fell due. The generous terms of the 1966 statute may have drawn many people into the program who were not ready to undertake mineral exploration.

When the disposal and public notice laws were rewritten after the Supreme Court decision on the Kachemak Bay oil and gas lease sale, the program had to be suspended. In preparation for reopening under the new, much more expensive and time-consuming disposal procedures, the department asked the Legislature to consider tightening the terms of AS 38.05.250 somewhat to stress diligence and ensure that permits would not be issued only to result in large acreages being held for speculation. It responded in 1982 by reducing the duration of prospecting permits to

February 17, 1984

seven years, setting the primary term of the lease at ten years (with extension upon production), requiring rent to be paid at the end of each year (with the permittee's or lessee's expenses credited against the rental), and limiting permittees to 100,000 acres each and lessees to 46,080 acres. The department considered these statutory revisions to be a workable compromise between the two previous extremes and promptly amended its regulations to implement them. A large disposal under these new procedures is currently underway in Cook Inlet.

Making further substantive amendments at this time could seriously disrupt the Cook Inlet disposal. If you decide to proceed with such amendments, we would ask that the effective date be deferred until the first of January, 1985. As an example of the difficulties that would arise if the statute were amended in the midst of the disposal, prospecting permit forms must be drafted and printed within the next several weeks (permit issuance is to begin May 15, with another round beginning in early fall). Permit duration must be known with certainty before the forms are printed. And well before May 15, applicants must fill out qualification statements, including an official statement of conformance with acreage limitations. Thus, the acreage limits must also remain stable throughout the Cook Inlet disposal to avoid confusion. In addition, if the statute is amended we would need time to amend our regulations accordingly.

Increasing the prospecting permit acreage limit to 300,000 acres is of particular concern. If that change took place without a delayed effective date, by November of this year it would result in 120 tracts in Cook Inlet - representing three-fourths of all prospecting permits statewide - being held by an outside corporation. There could be public concern about concentrating exclusive exploration rights under one company's control.

Other specific concerns are outlined below:

- |   |  |
|---|--|
| Proposed amendment 1<br>(Change term of prospecting permit from 7 to 10 years).   | In our view, seven years is a sufficiently long time for a diligent applicant to discover workable deposits on an offshore tract.  |
| Proposed amendment 2<br>(Change rental from \$3 per year from issuance to \$3 for the first 2 years, then \$3 per year thereafter). | Concern that delays in obtaining necessary federal permits might effectively prohibit performance of labor in lieu of the payment of the \$3 per acre annual rental in the first year of a permit's term is valid. However, the diligence requirement for an offshore prospecting permit should not be lessened during the initial years. We suggest a compromise of \$6 per acre for the first two years, payable at the end of the second year, and then \$3 per acre per year thereafter. |

February 17, 1984

Proposed amendment 3  
(Change acreage  
limitation for OPPs  
from 100,000 acres to  
300,000 acres and for  
leases from 46,080 to  
100,000).

We are not aware of an actual need for  
this amendment. See also above.

Proposed amendment 4  
(Change term of lease  
from 10 to 20 years).

The term of an offshore mining lease in  
the present statute is "for a period of up  
to 10 years, and for so long as there is  
production in paying quantities from the  
leased area." This language obligates a  
lessee to initiate production within 10  
years of issuance of his lease. Our view  
is that 20-year lease terms without any  
diligence requirements beyond a nominal \$3  
per acre rental (against which expenditures  
on the lease can be credited) are exces-  
sive. As mentioned by Dave Hedderly-Smith  
at your hearing last week, we believe there  
should be authority to extend the lease of  
a diligent lessee who, despite good faith  
efforts, is very close to production at the  
end of ten years (although not quite there)  
or who has failed to reach production or  
has needed to suspend production in the  
tenth year due to force majeure causes or  
adverse market conditions. If the com-  
mittee would like us to propose wording to  
achieve this authority, we would be happy  
to oblige.

Proposed amendment 5  
(Change rent adjust-  
ment period from 10  
to 20 years).

Adjustment of the rental at 10-year periods  
is reasonable and appropriate, while  
adjustment at 20-year periods is excessive.

Proposed amendment 6  
(Change "carry-for-  
ward" of expenditures  
against rentals from  
2 years to 4 years).

With a 2-year carry-forward, the holder of  
an OPP is required to perform labor on his  
OPP at least once every three years (or pay  
rental). We believe this is reasonable,  
and that this term should not be extended.

Sincerely,

*Bob Arnold, Deputy*  
Esther C. Wunnicke  
Commissioner

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
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## Senate

### Committee on Resources

March 22, 1984

Representative Richard Shultz  
Co-Chairman, House Resources Committee  
Pouch V  
Juneau, Alaska 99802

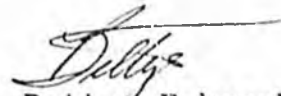
Dear Dick:

On March 22 the Senate Resources Committee Substitute for SB 371, An Act relating to mining, passed the Senate by a 19-0 margin.

Over the last several months the Senate Resources Committee has undertaken a comprehensive review of Title 38, the State's land statutes. SB 371, which clarifies and revises current law governing mining, is the product of a thorough public comment process including public hearings in Fairbanks, Anchorage and Juneau. The changes proposed will allow for more efficient implementation of mining law.

I would appreciate your scheduling a hearing on SB 371, and am willing to discuss the bill with you at your convenience. A sectional summary and other information on the bill is enclosed.

Sincerely,

  
Bettye Fahrenkamp  
Chairman

BF:ss

Enclosure

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
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(907) 465-3855

## Senate

### Committee on Resources

March 1, 1984

#### AN ACT RELATING TO MINING CSSB 371 (Res)

Sec. 1 Because of the lengthy time involved for coal exploration, extends the coal prospecting permit term from 2 years with one 2-year extension to 3 years with three 2-year extensions.

Sec. 2 Lowers the minimum age of eligibility for acquiring exploratory and mining rights from 19 to 18 to be consistent with the current age of majority for most activities in Alaska.

Sec. 3 Amends the requirement that mining claims be staked in the four cardinal directions to not apply to fractional claims or where the commissioner determines such staking is impractical.

Sec. 4 Allows affidavits of annual labor to be corrected by amendment, thus providing a legal mechanism for correcting errors.

Sec. 5 Deletes the provision that basic survey finds be filed with DNR as it can result in the "leaking" of proprietary information, and the information is often of mixed quality.

Sec. 6 Deletes the requirement to file a certificate of mining location with DNR. This is duplicative language, as the certificate must be filed with the District Recorder's Office, which is within DNR.

Sec. 7 Increases the number of prospecting sites allowed from "six located in one calendar year in one recording district" to "eight held in one township at one time". This will encourage the use of prospecting sites where discovery hasn't been made, and address a loophole whereby employees of large companies locate sites and quitclaim deed them to the company.

C.S. Sec. 8 Provides for a delay in acreage rental payments for the 1st year to allow time to become operational; the 1st 2 years rental is due at the end of the 2nd year. Increases the time during which excess expenditures may be applied against rentals from 2 to 4 years. Clarifies that the rental year for a prospecting permit on tide or submerged lands expires on the anniversary of issuance, not the end of the calendar year.

C.S. Sec. 9 Effective 1/1/85, increases the acreage that may be held under an offshore prospecting permit from 100,000 to 300,000 acres, and under a lease from 46,080 to 100,000 acres.

Sec. 10 Clarifies that a prospecting permit is required before a noncompetitive lease can be issued for mineral extraction on submerged lands.

C.S. Sec. 11 Authorizes the Commissioner to assent to the suspension of operations and production on submerged lands without affecting the integrity of the lease if certain conditions are present.

Sec. 12 Changes the length of time following the abandonment of a prospecting site that the former owner must wait before acquiring any beneficial interest in the site from 2 years to 1. This is consistent with the waiting period for claims that have been staked or located.

Sec. 13 Deletes the requirement to file a certificate of mining location on shorelands, tidelands, or submerged lands with the DNR. This is duplicative language (see Sec. 6).

Sec. 14 The state maintains only one assay lab (on the U.A.F. campus). Deletes the requirement that a public assay office be located in each of the 4 judicial districts, to reflect the reality of the situation.

Sec. 15 Repeals the mineral prospecting equipment loan program. DNR no longer conducts such a program. Repeals the requirement that "grubstaking" contracts be in writing. This is the only provision in Title 27 dealing specifically with mining on state-owned lands, and is not necessary as most people realize that contracts should be in writing.

C.S. Sec. 16 Effective dates are intended to lessen disruption of field operations and DNR's ongoing offshore prospecting permitting process.

# Alaska State Legislature

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ROBERT H. ZIEGLER, SR., Vice Chairman  
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## Senate

### Committee on Resources

March 1, 1984

#### SUMMARY OF MAJOR PROVISIONS OF SB 371

CURRENT STATUTE

SB 371

#### Coal Prospecting Permits

AS 38.05.150(c) establishes the term of a coal prospecting permit as 2 years with one 2-year extension. (An extension is granted if the Commissioner determines that diligent exploration activities have been conducted. Prior to expiration of a permit, a lease will be granted if the permittee shows that the land contains coal in commercial quantities and submits a mining plan.)

Section 1 would extend the coal prospecting permit term to 3 years with three 2-year extensions.

#### Statements of Annual Labor

AS 38.05.210-.240 governs the performance of annual labor on mining claims on State land. A report of labor performed must be filed annually with DNR.

Section 4 would allow affidavits of annual labor to be corrected by amendment.

### Survey Finds

Under AS 38.05.240, to satisfy annual labor requirements, geological, geochemical, geophysical, and airborne surveys conducted on mining claims are reported to DNR. Basic survey finds must also be filed with DNR, and are kept confidential and released only if the claim lapses.

Section 5 would delete the provision that basic survey finds be filed with DNR.

### Prospecting Sites

Under AS 38.05.245, the locator of a prospecting site has the exclusive right to stake mining claims of leasehold locations within the boundaries of his site. No person may locate more than 6 prospecting sites in one calendar year in one recording district.

Section 7 amends the number of prospecting sites allowed to 8 held in one township at one time.

AS 38.05.265 establishes the waiting period for relocation of mining locations and prospecting sites following abandonment as one year for mining locations and two years for prospecting sites. (Abandonment is defined as failure to pay rental; to file a certificate of location, a statement of annual labor, or a prospecting site certificate; or to keep boundaries marked.)

Section 10 would shorten the waiting period following abandonment of a prospecting site from 2 years to 1 year.

## Offshore Prospecting

The exclusive right to prospect for minerals in or on tide and submerged lands may be granted under AS 38.05.250. .250(a) governs offshore prospecting permits. The permit term is set at 7 years; the annual rental is set at \$3/acre, with expenditures applying against rentals for the following 2 years. The acreage limitation is established at 100,000 acres.

Upon discovery, a non-competitive lease may be acquired under AS 38.05.250(b). The acreage limitation under lease is established at 46,080 acres.

AS 38.05.250(c) specifies that a submerged land mining lease is valid only as long as there is production in paying quantities from the leased area.

Section 8 increases the permit term to ten years, delays rental payments for the first year, and allows expenditures to be applied against the following 4 years. The acreage limitation is increased to 300,000 acres.

Section 8 increases the acreage limitation to 100,000 acres.

Section 11 authorizes the commissioner to assent to suspension of operations and production without affecting the validity of the lease if certain conditions are present.

STATE OF ALASKA 1984 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date: 2/9/84

REQUEST

Bill/Resolution No.: SB 371  
Title: relating to mining

FISCAL DETAIL

Agency Affected: Natural Resources  
Program Category Affected: NRMEC

Sponsor: Fahrenkamp  
Requestor: Senate Resources Committee  
Date of Request: 2/7/84

BRU, Program or Subprogram(s) Affected:  
Minerals and Energy Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 84	FY 85	FY 86	FY 87	FY 88	FY 89
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

ANALYSIS: Attach a separate page for analysis

Prepared By: Ned Farquhar Phone: 465-2400  
Division: Commissioner's Office Date: 2/9/84

Approved by Commissioner: William D. Adams, Deputy Date: 2/9/84  
Agency: Department of Natural Resources

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

STATEMENT OF ESTHER C. WUNNICKE,  
COMMISSIONER OF THE DEPARTMENT OF NATURAL RESOURCES  
REGARDING SB 371, RELATING TO MINING  
BEFORE THE SENATE COMMITTEE ON RESOURCES  
FEBRUARY 10, 1984

Senator Fahrenkamp, members of the Committee, I appreciate this opportunity to offer comments on the proposed legislation affecting our mining statutes. This Administration, under Governor Sheffield, has made a special new effort to improve our administration of Alaska's mineral estate.

The bill's major effect will be to ease the administrative burden on miners and the Department. Paperwork and conditions for filing and keeping up a mining claim will be reduced. I do not believe that any of the changes will cause harm to any other interest.

Earlier this week I recommended some changes to the bill, which my staff are available to comment on. These changes were largely to clarify wording rather than to change the intent of the legislation.

Thank you for your attention to the issues of mining. I commend the Committee for its important effort in improving the situation of mining in Alaska today. I look forward to working with you on SB 375 as well, affecting Title 38.

# Alaska State Legislature

BETTYE FAHRENKAMP, Chairman  
ROBERT H. ZIEGLER, SR., Vice Chairman  
DICK ELIASON  
PAUL FISCHER  
VIC FISCHER  
BOB MULCAHY  
ARLISS STURGULEWSKI



POUCH V  
STATE CAPITAL  
JUNEAU, ALASKA 99811  
(907) 465-3834  
(907) 465-3835

## Senate

### Committee on Resources

#### MINUTES

February 22, 1984  
3:08 pm

Beltz Room  
Room 211, Capitol

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#### MEMBERS PRESENT

Senator Fahrenkamp, Chairman  
Senator Ziegler, Vice Chair  
Senator Vic Fischer  
Senator Mulcahy  
Senator Sturgulewski

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#### CALENDAR

SB 335, An Act amending the Alaska Grain Reserve Program; and providing for an effective date.

SB 337, An Act relating to the Delta Junction bison range; and providing for an effective date.

SB 338, An Act making special appropriations for the development of the Delta Junction bison range and construction of a bison herd drift barrier; and providing for an effective date.

SB 371, An Act relating to mining; and providing for an effective date.

SB 378, An Act relating to agricultural and industrial fairs.

---

#### SB 335

Dean Brown, Deputy Director, Division of Agriculture, Department of Natural Resources, testified in support of the bill and discussed DNR's proposed amendments that would convert the Alaska grain reserve loan fund to a revolving fund.

Senator Mulcahy moved to amend SB 335 to include DNR's amendments. There was no objection.

SB 337  
SB 338

Dave Johnson, Area Game Biologist, Alaska Department of Fish and Game, testified in support of the bill that would continue a program of providing forage for bison, expand tourist facilities, create a Bison Range Advisory Committee, and construct a drift barrier to help resolve conflicts between farmers and bison.

Senator Bettye Fahrenkamp discussed a proposed amendment by Senator Pappy Moss that would change the location of the drift barrier.

Senator Sturgulewski moved to include Senator Moss's amendment in SB 337. There was no objection.

Senator Bettye Fahrenkamp recommended that the committee staff prepare an amendment clarifying the increased fee for bison hunting permits.

SB 378

Dean Brown, Deputy Director, Division of Agriculture, Department of Natural Resources, testified in support of the bill stating it would give the Department needed guidelines for defining agricultural and industrial fairs.

Senator Mulcahy moved to adopt SB 378 and move it from committee with individual recommendations. There was no objection.

SB 371

Pedro Denton, Director, Division of Mining, Department of Natural Resources, testified in support of the Committee Substitute and recommended an amendment that would establish the rental fee for the first two years of an offshore prospecting permit at \$6/acre.

Senator Ziegler moved adoption of the amendment. There was no objection.

Senator Mulcahy moved the bill from committee with individual recommendations. There was no objection.

The meeting was adjourned at 3:32 pm.

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## DEPARTMENT OF NATURAL RESOURCES

POUCH M  
JUNEAU, ALASKA 99811  
PHONE: 907-465-2400

OFFICE OF THE COMMISSIONER

APR 24 1984

April 23, 1984

The Honorable Al Adams  
Chairman  
House Committee on Finance  
Pouch V  
Juneau, AK 99811

Dear Representative Adams:

I am writing about HCS CSSB 371 (Res), the Title 38 mining bill that has recently been passed out by the House Committee on Resources. Although we have worked closely with legislative staff in the drafting of this bill and generally support it, the Department has two concerns with the bill in its present form.

The bill was drafted to clean up the mining statutes, but amendments along the way have had a more substantive character. I urge the consideration of two amendments that would restore the bill's original character.

Our first concern is with Section 12 of the House CS. The Senate Resources Committee added this section to allow the Commissioner to suspend mining leases under some conditions. However, some critical wording that had been agreed to by the Department and the Alaska Miners Association was left out of the amendment. This wording, shown in the proposed amendment to Section 12 on the attached page, would set certain guidelines for the Commissioner's consideration of an application for a mining lease suspension. Similar language is found in our other leasing statutes and should be incorporated here. I have been assured that this wording is not controversial.

Our second concern is that the Resources Committee eliminated the first year's rental on offshore prospecting permits. At this time, expenses are chargeable against the annual rental anyway, and it is my belief that removal of the first year's rental will do nothing to encourage diligence on the part of the prospector. The fiscal impact on the state will be practically nil because prospectors almost uniformly either prospect their permits and charge their costs against the rental or drop the permit prior to the second anniversary date, when rental for the first two years would fall due under this bill. We are not sure what rental charge would be most equitable to the prospector and the

The Honorable Al Adams

-2-

April 23, 1984

resource, but we are convinced that the already existing rental charge of \$6/acre in the first two years is much more likely to encourage diligence than the new \$3/acre rental adopted in the House Resources Committee Substitute. Our proposed amendment to Section 8 is also attached.

Please contact me if you have any questions about the Department's position on this bill.

Sincerely,

*Esther C. Wunnicke, Deputy*  
Esther C. Wunnicke  
Commissioner

cc: Senator Bettye Fahrenkamp  
Representative John Ringstad

# DNR AMENDMENT 1:

1 compact in form as possible taking into consideration the area in-  
2 volved. The term of the permit shall be 10 [SEVEN] years. Prospect-  
3 ing permits shall be conditioned upon payment of rental against which  
4 credit shall be given for useful expenditures on land covered by the  
5 permit or group of contiguous permits under common ownership or  
6 assignment. Excess expenditures may be applied against rentals due  
7 for the following four [TWO] years. The rental shall be [\$3]<sup>A</sup> per acre  
8 for the first two-year period of the permit, payable on the second  
9 anniversary of the permit and \$3 per acre for each following year,  
10 payable annually on the anniversary date of the permit [AT THE END OF  
11 EACH YEAR]. No minerals from land [LANDS] under a prospecting permit  
12 may be mined and marketed or used, except for limited amounts neces-  
13 sary for sampling or testing. No person may take or hold prospecting  
14 permits for minerals on state land under this section exceeding in the  
15 aggregate 100,000 acres. No person may take or hold leases for miner-  
16 als on state land under this section exceeding in the aggregate 46,080  
17 acres.

18 \* Sec. 9. AS 38.05.250(a) is amended to read:

19 (a) The exclusive right to prospect for deposits of minerals  
20 subject to AS 38.05.185 - 38.05.275 in or on tide and submerged state  
21 land may be granted by a permit issued by the director. Permits shall  
22 be granted to the first qualified applicant. No permit may include an  
23 area larger than 2,560 acres, subject to the rule of approximation.  
24 Lands subject to a prospecting permit shall be as compact in form as  
25 possible taking into consideration the area involved. The term of the  
26 permit shall be 10 years. Prospecting permits shall be conditioned  
27 upon payment of rental against which credit shall be given for useful  
28 expenditures on land covered by the permit or group of contiguous  
29 permits under common ownership or assignment. Excess expenditures may

# DNR AMENDMENT 2:

1 The commissioner may make reasonable adjustments of the rental rate at  
2 the end of each 10-year period. based upon changed conditions in  
3 production costs and market.

4 \* Sec. 12. AS 38.05.250 is amended by adding a new subsection to read:

5 (d) The commissioner may,

✓ { for the purpose of encouraging the  
greatest ultimate recovery of minerals under this section and in the  
interest of conservation,

on the request of the lessee, assent  
6 to the suspension of operation and production under a lease whenever  
7 in the judgment of the commissioner the suspension is necessary to  
8 promote development of the lease or the lease cannot be successfully  
9 operated under its terms. The payment of acreage rental may be sus-  
10 pended during the period of suspension of operation and production.  
11 The suspension of the lease shall extend the term of the lease by  
12 adding the period of suspension to the lease. The commissioner may  
13 extend the term of a nonproducing lease on an application by the  
14 lessee accompanied by a showing that the lessee is reasonably close to  
15 attaining production and that, despite diligent good faith efforts by  
16 the lessee, the lessee is not able to produce due to force majeure,  
17 depressed market conditions, or other situations beyond the reasonable  
18 control of the lessee.



# Alaska State Legislature

HOUSE OF REPRESENTATIVES  
COMMITTEE ON RESOURCES

JOHN RINGSTAD, CO-CHAIRMAN  
RICHARD SHULTZ, CO-CHAIRMAN  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-3715

## MEMORANDUM

TO: House Resources Committee members

From: Committee staff

Date: April 11, 1984

Re: HCSCSSB 371 (Res.)

\*\*\*\*\*

There are four amendments that have been incorporated into the new CS.

1. The first amendment clarifies the bill to make sure that joint ventures between corporations for the purposes of developing mining claims are permitted. ( page 2, line 19, (1) - (4) is changed to (1) - (6) to include corporations. )
2. The second amendment will reduce the rental fee due on the second anniversary from \$6 per acre to \$3 per acre.
3. The third will increase the term of lease to 20 years instead of 10 years to provide additional security for financing and development of mining leases.( page 7, line 28 )
4. The fourth will add language back in that was taken out in Senate Resources to provide a remedy when mining claims are staked in error, that is if a miner uses federal staking methods on state land he will now be able to correct the error without being penalized. ( page 9, lines 10 & 22-26 )

S

B

375

Bradley  
5/4/84 ✓

Original Sponsors: Fahrenkamp and Ziegler

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR CS FOR SENATE BILL NO. 375 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

20       (4) For enabling isolated cabin development in remote  
21 locations where survey and conveyance is impractical, or where poten-  
22 tial conflicts with other resources and uses require additional con-  
23 ditions, or where a long-range interest in public ownership and use  
24 exist, a system for cabin permits on public land may be used.

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

26       (b) Before the conveyance of surface rights to state land, an  
27 official cadastral survey shall be accomplished, unless a compar- 'e,  
28 acceptable survey exists that has been conducted by the federal Bureau  
29 of Land Management. The rectangular survey section corner positions

1 shall be monumented and shown on a cadastral survey plat approved by  
2 the state. However, for those areas where the state may wish to  
3 convey surface estate outside of an official cadastral survey grid,  
4 the director may waive monumentation of all individual section corner  
5 positions and substitute an official control survey with control  
6 points being monumented [AT APPROXIMATELY TWO-MILE INTERVALS] and  
7 shown on control survey plats approved by the state. No portion of  
8 land to be conveyed may be located more than two miles from such a  
9 survey control monument except that the commissioner may waive this  
10 requirement on a determination that topographic features, diffuse  
11 settlement, or the public interest do not justify the requirement.

12 The lots and tracts in state subdivisions shall be monumented and the  
13 cadastral survey and plats for the subdivision shall be approved by  
14 the state. Where land is located within a municipality with planning,  
15 platting, and zoning powers, plats for state subdivisions shall comply  
16 with local ordinances and regulations in the same manner and to the  
17 same extent as plats for subdivisions by other landowners. State  
18 subdivisions shall be filed in the district recorder's office. The  
19 requirements of this section do not apply to land made available  
20 through a cabin permit system, material sales, or short-term leases;  
21 however, for short-term leases the lessee must comply with local  
22 subdivision ordinances unless waived by the municipality under proce-  
23 dures specified by ordinance.

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

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

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

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

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

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

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

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

24 (b) The commissioner may

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

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

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

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

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

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

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

21 (7) waive, postpone, or otherwise modify the development  
22 requirements of a contract for the sale of agricultural land if

23 (A) the land is located in an area of the state with-  
24 out access by road to other areas of the state; and

25 (B) transportation, marketing, and development costs  
26 render the required development uneconomic.

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

28 (c) In addition to the requirements specified in AS 38.50.090,  
29 the agencies referred to in [(a) AND] (b) of this section and other

1 state agencies with authority to acquire or dispose of land shall give  
2 written notification of the fact of acquisition, lease, disposal, or  
3 exchange to the commissioner [DIVISION OF LANDS] within three months  
4 after the date that they make the acquisition, lease, disposal, or  
5 exchange.

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

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

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

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

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

18 (b) The director may

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

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

1 (A) with the express approval of the commissioner; and  
2 (B) if the application for the preference right is  
3 filed with the director within five years from

4 (i) the occurrence of the error or omission;  
5 (ii) the date of acquisition by the state of the  
6 land; or

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

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

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

27 (5) when the director [HE] determines it is in the best  
28 interest of the state and will avoid injustice to a person or the  
29 [HIS] heirs or devisees of a person, dispose of land, by direct

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

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

10 (7) convey to an adjoining landowner a remnant of land that  
11 the director considers unmanageable or a parcel of land created by a  
12 highway right-of-way alignment or realignment, or a parcel created by  
13 the vacation of a state-owned right-of-way if

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

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

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

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

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

1        the state.

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

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

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

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

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

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

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

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

29 \* Sec. 22. AS 38.05.055 is amended to read:

1           Sec. 38.05.055. AUCTION SALE PROCEDURES. Unless another method  
2 of sale is required under this chapter, [UNDER] AS 38.07, or [UNDER]  
3 AS 38.08 the sale of state land shall be made at public auction to  
4 the highest qualified bidder as determined by the director. The dir-  
5 ector may accept bids and sell state land under this section at no  
6 less than 70 percent of the appraised fair market value of the land.  
7 A bidder must appear in person at the auction unless medical reasons,  
8 attendance at school, or military service outside the state prevent  
9 attendance. A bidder may be represented by an attorney or agent at  
10 the auction if the land offered for disposal is commercial, industri-  
11 al, or agricultural land. An aggrieved bidder may appeal to the com-  
12 missioner within five days after the sale for a review of the direc-  
13 tor's determination. The sale shall be conducted by the director [OR  
14 HIS REPRESENTATIVE,] and at the time of sale the successful bidder  
15 shall deposit an amount equal to five percent of the purchase price [,  
16 OR IF THE PURCHASER ELECTS TO USE LAND DISCOUNTS GRANTED UNDER AS 38.-  
17 05.058, FIVE PERCENT OF THE AMOUNT BID AFTER DEDUCTION OF THE DIS-  
18 COUNT]. The director [OR HIS REPRESENTATIVE] shall immediately issue  
19 a receipt containing a description of the land or property purchased,  
20 the price bid, and the amount deposited [, AND THE AMOUNT OF ANY DIS-  
21 COUNT ALLOWED]. The receipt shall be acknowledged in writing by the  
22 bidder.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 (c) Under this section

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 APPROVAL] by the commissioner within 30 days after the auction [,  
2 SHALL BE SIGNED BY THE DIRECTOR].

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

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

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

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

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

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

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

27 (e) The commissioner may require prequalification of bidders for  
28 a lease to be issued under AS 38.05.070. If the commissioner deter-  
29 mines to require prequalification, the procedures established by this

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

7 (1) classification under AS 38.05.300;

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

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

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

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

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

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

28 Sec. 38.05.110. SALE OF TIMBER AND MATERIALS. The commissioner  
29 [DIRECTOR] shall provide for cruises of timber and appraisals of other

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

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

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

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

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

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

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

1 under the provisions of the contract shall be redetermined at least  
2 once every five years.

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

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

8 (1) a high level of local unemployment;

9 (2) an underutilized timber manufacturing capacity; and

10 (3) an underutilized allowable cut of state timber.

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

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

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

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

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

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

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

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

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

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

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

28 (e) The establishment of easements or rights-of-way for oil and  
29 gas and mineral leases under (a) of this section need not be made

1 until the leases are ready to be developed.

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

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

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

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

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

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

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

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

8 (d) The director may lease the land to an eligible applicant at  
9 a reasonable annual rental, taking into consideration the purposes for  
10 which the land is to be used and the financial resources of the appli-  
11 cant. The rental may not be less than one percent of the fair market  
12 value on land [LANDS] acquired primarily for development, or less than  
13 five percent of the fair market value on [UNIVERSITY OR] acquired land  
14 [LANDS]. Rent may not be charged for state land leased for a youth  
15 encampment. For the purposes of this subsection, "youth encampment"  
16 shall be defined by the commissioner by regulation. Renewal leases  
17 may be issued at the discretion of the director upon the expiration of  
18 a primary or renewal term. Each lease shall contain a provision for  
19 its termination as to all or part of the land [LANDS] upon a finding  
20 by the director that the land or a part of it has not been used by the  
21 lessee for the purpose specified in the lease for a period of two  
22 years. No lease may be assigned or subleased except with the consent  
23 of the director, and in any case may only be transferred to an appli-  
24 cant eligible under (b) - (d) of this section. A lessee may not  
25 change the use specified in the lease to another or additional use  
26 except with the consent of the director. If, at any time after the  
27 land is leased, the lessee attempts to assign the lease or transfer  
28 control over the land to another, or if the land is devoted to a use  
29 other than that for which the land was leased without the consent of

1 the director, the lease automatically terminates.

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

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

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

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

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

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

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

16 (2) zoning of land under applicable law;

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

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

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

24 (b) Notice of one or more actions described in (a) of this  
25 section shall be given by more than one of the following methods at  
26 least 30 days before the action: [BY] (1) publication in newspapers of  
27 statewide circulation and in a newspaper of general circulation in the  
28 vicinity of the proposed action, (2) publication through public ser-  
29 vice announcements on the electronic media serving the area affected

1 by the action, (3) posting in a conspicuous location in the vicinity  
2 of the action, (4) notification of parties known or likely to be  
3 affected by the action, or (5) another method calculated to reach  
4 affected persons. A notice shall contain sufficient information in  
5 commonly understood terms to inform the public of the nature of the  
6 action and the opportunity of the public to comment on the action.

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

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

11 (1) a permit or other authorization revocable by the de-  
12 partment; or

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

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

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

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

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

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

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

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

29 (6) "industrial and commercial land [LANDS]" means land

1 [LANDS] chiefly valuable for industrial trade, manufacturing or busi-  
2 ness use;

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

9 [(8) repealed.]

10 (8) [(9)] "mineral land [LANDS]" means land [LANDS] pro-  
11 spectively valuable for mineral deposits;

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

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

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

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

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

1 will be permitted to remain in the lease; if the excess area is great-  
2 er than the deficient area would be, then the smallest legal subdivi-  
3 sion will be eliminated from the lease; •

4 [(14) repealed.]

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

10 (15) [(16)] "state land [LANDS]" or "land" ["LANDS"] means  
11 all land [LANDS], including shore, tide and submerged land [LANDS], or  
12 resources belonging to or acquired by the state;

13 (16) [(17)] "submerged land [LANDS]" means land [LANDS]  
14 covered by tidal water [WATERS] between the line of mean low water and  
15 seaward to a distance of three geographical miles or further as may  
16 hereafter be properly claimed by the state;

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

20 (18) [(19)] "timber land [LANDS]" and "material land  
21 [LANDS]" mean state land [LANDS] chiefly valuable for materials,  
22 including, but not limited to, sand, stone, gravel, pumice, common  
23 clay, or timber and other forest products;

24 (19) [(20)] "university land [LANDS]"

25 (A) means

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

28 (ii) all land [LANDS] granted to or reserved for  
29 the benefit of the university that retains its designation as

1           university land;

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

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

9                           (20) [(21)] "grazing land [LANDS]" means land [LANDS] chief-  
10                           ly valuable for grazing purposes; [.]

11                           (21) [(22)] "navigable water [WATERS]" means any water of  
12                           the state forming a river, stream, lake, pond, slough, creek, bay,  
13                           sound, estuary, inlet, strait, passage, canal, sea or ocean, or any  
14                           other body of water or waterway within the territorial limits of the  
15                           state or subject to its jurisdiction, that is navigable in fact for  
16                           any useful public purpose, including but not limited to water suitable  
17                           for commercial navigation, floating of logs, landing and takeoff of  
18                           aircraft, and public boating, trapping, hunting waterfowl and aquatic  
19                           animals, fishing, or other public recreational purposes;

20                           (22) [(23)] "public water [WATERS]" means navigable water  
21                           and all other water, whether inland or coastal, fresh or salt, that is  
22                           reasonably suitable for public use and utility, habitat for fish and  
23                           wildlife in which there is a public interest, or migration and spawn-  
24                           ing of fish in which there is a public interest; [.]

25                           (23) [(24)] "geothermal resources" means the natural heat of  
26                           the earth at temperatures greater than 120 degrees Celsius, measured  
27                           at the point where the highest-temperature resources encountered enter  
28                           or contact a well or other resource extraction device, and includes

29                           (A) the energy, including pressure, in whatever form

1 present in, resulting from, created by, or that may be extracted  
2 from that natural heat;

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

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

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

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

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

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

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

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

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

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

25 (d) A discount under this section may be applied only to the  
26 acquisition of surface rights to state land. A discount under this  
27 section may not be applied to survey costs, road development costs,  
28 utility assessments, or other costs that the commissioner determines  
29 are reimbursable to the state.

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

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

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

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

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

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

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

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

25 (b) The commissioner shall complete a cadastral survey of home-  
26 stead entry state land under AS 38.04.045 before disposing of [DESIG-  
27 NATING THE] state land for homestead entry but the commissioner may  
28 wave the cadastral survey on a determination that topographic fea-  
29 tures, diffuse settlement, or the public interest do not justify or

1 require the cadastral survey. [NO PORTION OF LAND MADE AVAILABLE FOR  
2 HOMESTEAD ENTRY MAY BE LOCATED MORE THAN A MILE FROM A SURVEY CONTROL  
3 MONUMENT.]

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

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

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

10 (2) completes an approved survey of the land within two  
11 years after the issuance of the permit or under AS 38.09.040(b);

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

14 (4) brushes the boundaries of the land within 90 days after  
15 the issuance of the permit;

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

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

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

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

28 Sec. 38.20.010. ADOPTION. The systems [SYSTEM] of rectangular  
29 plane coordinates established by the National Geodetic Survey, Nation-

1 al Ocean Service [UNITED STATES COAST AND GEODETIC SURVEY] for defin-  
2 ing and stating the positions or locations of points on the surface of  
3 the earth in this state are [IS] adopted. The systems are [IT IS] to  
4 be known as the "Alaska Coordinate System of 1927" and the "Alaska  
5 Coordinate System of 1983."

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

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

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

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

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

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

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

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

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

22 (4) Zone 4 is a transverse Mercator projection of the  
23 Clarke spheroid of 1866, having a central meridian 150° 00 minutes  
24 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
25 part in 10,000 too small. The origin of coordinates is at the inter-  
26 section of the meridian 150° 00 minutes [MINUTE] west of Greenwich and  
27 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is  
28 given the coordinates:  $x = 500,000$  feet and  $y = 0$  feet.

29 (5) Zone 5 is a transverse Mercator projection of the

1 Clarke spheroid of 1866, having a central meridian  $154^{\circ} 00$  minutes  
2 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
3 part in 10,000 too small. The origin of coordinates is at the inter-  
4 section of the meridian  $154^{\circ} 00$  minutes [MINUTE] west of Greenwich and  
5 the parallel  $54^{\circ} 00$  minutes [MINUTE] north latitude. This origin is  
6 given the coordinates:  $x = 500,000$  feet and  $y = 0$  feet.

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

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

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

28 (9) Zone 9 is a transverse Mercator projection of the  
29 Clarke spheroid of 1866, having a central meridian  $170^{\circ} 00$  minutes

1 [MINUTE] west of Greenwich, on which meridian the scale is set at one  
2 part in 10,000 too small. The origin of coordinates is at the inter-  
3 section of the meridian 170° 00 minutes [MINUTE] west of Greenwich and  
4 the parallel 54° 00 minutes [MINUTE] north latitude. This origin is  
5 given the coordinates:  $x = 600,000$  feet and  $y = 0$  feet.

6 (10) Zone 10 is a Lambert conformal conic projection of the  
7 Clarke spheroid of 1866, having standard parallels at north latitude  
8 51° 50 minutes [MINUTE] as and 53° 50 minutes, along which parallels  
9 the scale shall be exact. The origin of coordinates is at the inter-  
10 section of the meridian 176° 00 minutes [MINUTE] west of Greenwich and  
11 the parallel 51° 00 minutes [MINUTE] north latitude. This origin is  
12 given the coordinates:  $x = 3,000,000$  feet and  $y = 0$  feet.

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

14 (b) The zones of the Alaska Coordinate System of 1983 have the  
15 following characteristics:

16 (1) Zone 1 is an oblique Mercator projection of the World  
17 Reference Ellipsoid, having an origin at the intersection of parallel  
18 57° 00 minutes north latitude and meridian 133° 40 minutes west of  
19 Greenwich, at which the scale is set one part in 10,000 too small, and  
20 through which the axis of symmetry is in geodetic azimuth arc tan-  
21 gent-3/4, reckoned clockwise from south. The origin is assigned  
22 values such that all final coordinates will be positive.

23 (2) Zone 2 is a transverse Mercator projection of the World  
24 Reference Ellipsoid, having a central meridian 142° 00 minutes west of  
25 Greenwich, on which meridian the scale is set one part in 10,000 too  
26 small. The origin of coordinates is at the intersection of the meri-  
27 dian 142° 00 minutes west of Greenwich and the parallel of 54° 00  
28 minutes north latitude. This origin is given the coordinates:  $x =$   
29  $500,000$  meters and  $y = 0$  meters.

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

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

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

22 (6) Zone 6 is a transverse Mercator projection of the World  
23 Reference Ellipsoid, having a central meridian 158° 00 minutes west of  
24 Greenwich, on which meridian the scale is set at one part in 10,000  
25 too small. The origin of coordinates is at the intersection of the  
26 meridian 158° 00 minutes west of Greenwich and the parallel 54° 00  
27 minutes north latitude. This origin is given the coordinates:  $x =$   
28 500,000 meters and  $y = 0$  meters.

29 (7) Zone 7 is a transverse Mercator projection of the World

1 Reference Ellipsoid, having a central meridian 162° 00 minutes west of  
2 Greenwich, on which meridian the scale is set at one part in 10,000  
3 too small. The origin of coordinates is at the intersection of the  
4 meridian 162° 00 minutes west of Greenwich and the parallel 54° 00  
5 minutes north latitude. This origin is given the coordinates:  $x =$   
6 500,000 meters and  $y = 0$  meters.

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

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

21 (10) Zone 10 is a Lambert conformal conic projection of the  
22 World Reference Ellipsoid, having standard parallels at north latitude  
23 51° 50 minutes as and 53° 50 minutes, along which parallels the scale  
24 shall be exact. The origin of coordinates is at the intersection of  
25 the meridian 176° 00 minutes west of Greenwich and the parallel 51° 00  
26 minutes north latitude. This origin is given the coordinates:  $x =$   
27 1,000,000 meters and  $y = 0$  meters.

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

29 Sec. 38.20.070. POSITION OF SYSTEM. The position of the Alaska

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

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

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

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

19 Sec. 38.20.080. LIMITATION. Coordinates [NO COORDINATES] based  
20 on the Alaska Coordinate System, purporting to define the position of  
21 a point on a land boundary, may not [SHALL] be presented to be record-  
22 ed in any public land records or deed records unless the point is  
23 within two miles of a horizontal control [TRIANGULATION OR TRAVERSE]  
24 station established in conformity with National Geodetic Survey,  
25 National Ocean Service standards and specifications for first-order,  
26 second-order, or third-order work [THE STANDARDS PRESCRIBED IN AS 38.-  
27 20.070]. The two-mile limitation may be modified by a state agency to  
28 meet local conditions.

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

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

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

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

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

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

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

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

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

28           (b) The lessee shall reimburse the state for all reasonable  
29 costs incurred in processing an application filed under AS 38.35.050

1 and in monitoring the construction, operation, maintenance, and re-  
2 moval of the pipeline on the right-of-way.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27           (5) circulate the notice to the Office of the Governor and  
28 to all state departments;

29           [(6) Repealed]

1           (6) [(7)] mail the notice to any corporation organized  
2 under the Alaska Native Claims Settlement Act, which corporation owns  
3 or has selected land located within a radius of 15 linear miles from  
4 land or property involved in the proposed exchange; and

5           (7) [(8)] mail the notice to any other party, including an  
6 organization of land users, that the director [HE] considers appropri-  
7 ate.

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

9           (c) The director shall provide the information required under  
10 (b) of this section in the notice required under AS 38.05.345(b) for  
11 exchanges of

12               (1) 500 acres of state land; or

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

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

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

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

24           Sec. 38.50.140. LEGISLATIVE REVIEW. Within 10 days of the  
25 convening of a regular legislative session, the governor shall trans-  
26 mit to the president of the senate and the speaker of the house of  
27 representatives any proposal for a land exchange required to be sub-  
28 mitted to the legislature for approval under AS 38.50.020(a) that [FOR  
29 OTHER THAN EQUAL APPRAISED FAIR MARKET VALUE WHICH] is scheduled to

1 occur before the next legislative session. If [, IN HIS VIEW,] exi-  
2 gent circumstances seriously affecting state interests so require, the  
3 governor may submit the proposed exchange to the legislature at some  
4 other time. A finding of exigent circumstances shall be carefully  
5 documented in the letter of transmittal. The director is authorized  
6 to conclude a proposed exchange agreement upon approval by the legis-  
7 lature of the proposed exchange agreement [UNLESS EITHER HOUSE OF THE  
8 LEGISLATURE BY SIMPLE RESOLUTION DISAPPROVES OF THE EXCHANGE WITHIN 60  
9 LEGISLATIVE DAYS OF TRANSMITTAL BY THE GOVERNOR]. A decision by the  
10 legislature to disapprove a proposed exchange shall be accompanied by  
11 a recommendation to the governor with respect to future actions which  
12 the director should take concerning the exchange.

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

14 (b) In this section

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

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

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

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

25 (a) If an entitlement determined under [IN] AS 29.18.201 or 29.18.202  
26 results in a per capita entitlement for the municipality of less than  
27 one and one-half acre, the municipality may select vacant school [,  
28 [UNIVERSITY] or mental health land within the municipality in partial  
29 fulfillment of its land entitlement under AS 29.18. School [, UNIVER-

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

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

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

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

22 (e) The notice [AND REVIEW] provisions of AS [38.05.305 AND]  
23 38.05.345 are applicable to the designation of other general grant  
24 land as school, university or mental health land in replacement of  
25 land selected under this section. The provisions of AS 38.50 [AND  
26 38.05.032] do not apply to such designations under this section. [THE  
27 PROVISIONS OF AS 38.05.030(a), 38.05.030(e), AND 38.05.035(a)(13)  
28 WHICH REQUIRE THE APPROVAL OF THE RESPECTIVE TRUST BOARD BEFORE  
29 DISPOSAL OF LANDS BY THE DIRECTOR DO NOT APPLY TO SELECTIONS OF

1 SCHOOL, UNIVERSITY OR MENTAL HEALTH LAND BY A MUNICIPALITY UNDER THIS  
2 SECTION.]

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

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

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

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

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

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

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

24 (4) "general grant land"

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

28 (B) does not include university land;

29 (5) "mental health land" means land granted under Title II,

1 sec. 202 of P.L. 84-830, as amended before or after July 1, 1978;

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

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

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

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

19 (10) "school land" means those rectangular sections 16 and  
20 36 within each township surveyed on or before January 3, 1959, and  
21 confirmed and transferred to the State of Alaska upon its admission  
22 under sec. 6(k), Alaska Statehood Act, 72 Stat. 339, and any other  
23 land designated solely for school revenues;

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

26 (12) "vacant, unappropriated, unreserved land" means general  
27 grant land as defined in (4) of this section, excluding minerals as  
28 required by sec. 6(i) of the Alaska Statehood Act, that

29 (A) has not been set aside by statute for one or more

1 particular uses or purposes;

2 (B) has not been approved for patent to a municipality  
3 under AS 29.18.201 - 29.18.213 or former AS 29.18.190 and 29.18.-  
4 200; or

5 (C) is unclassified or, if classified under AS 38.-  
6 05.300, is classified for agricultural, grazing, commercial,  
7 industrial, private recreational, residential, utility or open-  
8 to-entry purposes, or where classified in accordance with an  
9 agreement between a municipality and the state providing for  
10 state management of land of the municipality.

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

12 (b) The regulations adopted under (a) of this section apply to  
13 subdivision plats of undeveloped state land for disposal under AS 38.-  
14 05 or AS 38.08 filed with the platting board. [THE PLATTING BOARD MAY  
15 NOT DISAPPROVE THE SUBDIVISION PLAT C.1 THE BASIS OF REGULATIONS WHICH  
16 REQUIRE CAPITAL IMPROVEMENTS ON OR TO STATE LAND INCLUDED IN THE  
17 SUBDIVISION FLAT.] Regulations adopted after the platting board is  
18 notified by the commissioner of natural resources of a proposed sale  
19 of subdivided state land under AS 38.05 or AS 38.08 do not apply to  
20 the state land in the proposed sale.

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

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

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

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

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

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

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

10 \* Sec. 88. Sections 19, 37, and 44 of this Act take effect immediately  
11 in accordance with AS 01.10.070(c).

12 \* Sec. 89. Sections 1 - 18, 20 - 36, 38 - 43, and 45 - 36 take effect  
13 July 1, 1984.  
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# COMMITTEE REPORT

## HOUSE

(9)

(Returned to Resources 5/19/84)

FURTHER:

5/19/84

Date: May 2, 1984

The Committee on RESOURCES has had CSSB 375(Res)

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

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for CSSB 379 (RESOURCES)  same title  
 new title
- and recommends WITH AMENDMENTS AND RECOMMENDATIONS
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

MEMBERS HAVING  
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

CONDERY

LIOLA

CALL

BOYD

LARSON

VENNING

[Signature]  
CHAIRMAN

COMMITTEE REPORT  
HOUSE

5/5

(9)

FURTHER: FINANCE

Date: Mar 4 1984

4/25/84

The Committee on RESOURCES has had CSSB 375(Res)

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

under consideration and recommends:

- do pass  do not pass
- do pass with attached amendments(s)
- replace with CS for CSSB 375(Res)  same title  
 new title
- and recommends Do Pass
- AND attaches a "Letter of Intent"  New Fiscal Note
- reports it back without recommendation  Zero Fiscal Note Attached
- referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING  
DO PASS

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MEMBERS HAVING  
OTHER RECOMMENDATIONS:

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CHAIRMAN



# Alaska State Legislature

HOUSE OF REPRESENTATIVES  
COMMITTEE ON RESOURCES

JOHN RINGSTAD, CO-CHAIRMAN  
RICHARD SMULTZ, CO-CHAIRMAN  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-3715

## MEMORANDUM

To: House Resource Committee members  
From: Committee staff  
Date: May 21, 1984  
Re: 2nd version CSHB 375

\*\*\*\*\*

This version of SB 375 is a further refinement of our earlier Committee Substitute and includes changes that clarify and clean up technical problems as well as resolving some of the minor differences that occurred between the House, Senate, and the Administration.

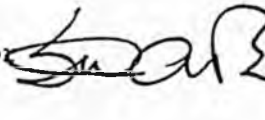
The major policy differences are not addressed in this CS and will be resolved in some other fashion as the concerned parties continue working on these areas of disagreement.

# Alaska MUNICIPAL League

TELEPHONES  
(907) 586-1325  
(907) 586-6526

105 MUNICIPAL WAY, SUITE 301  
JUNEAU, ALASKA 99801

To: House Resources Committee

From: Scott A. Burgess, Executive Director 

Date: April 18, 1984

Re: CSSB 375 (Resources) - Land Disposal and Management

I speak in favor of Committee Substitute for SB 375 (Resources). The Alaska Municipal League urges passage of this legislation for several major reasons:

1. The bill would require the state to meet the same local ordinance requirements imposed on private citizens when disposing of land. Legislation requiring the State of Alaska to comply with local subdivision ordinances and regulations in connection with its land disposal program is a top legislative priority of the League in 1984.
2. The bill provides a mechanism with legislative oversight to fund required improvements such as roads and utilities. The improvement costs would be reflected in the purchase price and paid for by the purchaser, the direct beneficiary of the land and those improvements.
3. The bill requires the Commissioner to consider, among other resources, recreational and hunting values of individual properties before offering them for disposal. The bill also requires the Commissioner to hold public hearings when appropriate to solicit views of the residents of the communities affected by the proposed disposals.
4. The bill would allow the state, by quit claim deed, to return the state land, or interest in land, to the federal government for settlement of Native allotments.
5. Finally, the bill clarifies Title 38 to promote sound land disposal and management practices.

On behalf of the Alaska Municipal League, I support CS for SB 375 (Resources) and ask for the support of the House Resources Committee as well.