

ALASKA LEGISLATURE COMMITTEE FILES 1903-1904 0072

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1 be acknowledged in writing by the bidder.

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

3 (d) If the director believes that a material breach of a con-
4 tract for a sale of land has occurred, the director shall afford the
5 purchaser and any other person with an interest in the contract an
6 opportunity to appear and present evidence. On a determination based
7 on the evidence presented that there has been a material breach of the
8 contract, the director may foreclose ^{** WITHOUT JUDICIAL ACTION} the interest of the purchaser or
9 any other person with an interest under the contract. If the state
10 has transferred or assigned its interest in the contract to a third
11 person, the transferee or assignee has the rights of the state under
12 the contract.

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

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



may be
amended to

** Clarifies that the Director is allowed to foreclose without court action.

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

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

5 (c) Under this section

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

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

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

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

25 (A) consents to the sale or lease, and

26 (B) if the preference right provided by (3) of this
27 subsection is not exercised, consents to sell at fair market
28 value the improvements related to the remaining interest, as
29 appraised by the director;

1 (5) the remaining interests in the land may not be conveyed
2 or leased for less than their appraised value together with improve-
3 ments except for the deduction allowed by (3) of this subsection.
4

ADD A NEW SECTION

* Sec. 21½. AS 38.05.070(b) is amended to read:

(b) The director, with the approval of the commissioner, shall determine the land to be leased and the limitations conditions and terms of the lease. If the appraised value of the transaction is \$5,000 [\$250] a year or less the director may negotiate a lease without advertisement for a period not to exceed five years, and on the limitations, conditions and terms which the director [he] considers are in the best interests of the state. A lease negotiated under this subsection is not eligible for a preference under AS 38.05.102.

COMMENT ON SEC. 21 1/2: THIS INCREASE REFLECTS THE INCREASE IN LAND VALUES SINCE THIS STATUTE WAS ENACTED IN 1962. THE LEASE TERM REMAINS AT 5 YEARS.

ADD A NEW SECTION

* Sec. 21½. AS 30.05.070(c) is amended to read:

(c) A lease may be issued for a period up to [55] 99 years, if it appears to be in the best interests of the state and if the commissioner approves. If the commissioner determines that the land or a part of it which is the subject of a grazing lease is not being used for the purpose issued, the lease may be declared void. However, a nonrenewable lease for school lands may be issued for a period not to exceed 99 years.

COMMENT ON SEC. 21 1/2: THIS INCREASE IN TERM WILL ENSURE THAT THE LEASE CAN BE ISSUED FOR THE USEFUL LIFE OF THE INTENDED ACTIVITY.

4 * Sec. 22. AS 38.05.110 is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 * Sec. 29. AS 38.05.205(a) is amended to read: ~~DELETE SEC. 29~~
29 (REFER TO COMMENTS ON PAGE 17)

(Delete Sec. 29) COMMENT:

By statute, the lease is granted as a right. A simple notice that the lease will be issued is currently required.

*notice requirement for
mining lease -*

27 * Sec. 30. AS 38.05.205(c) is amended to read:
28 (c) A mining lease shall be for any period up to 55 years, and
29 the lessee has a right to a new lease at the end of each lease period.

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

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

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

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

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

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

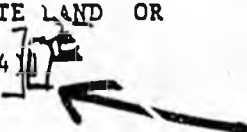
3 * Sec. 33. AS 38.05.345(a) is amended to read:

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

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

9 (2) zoning of land under applicable law ^{***} 

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

13 (4) A COMPETITIVE DISPOSAL OF AN INTEREST IN STATE LAND OR
14 RESOURCES AFTER FINAL DECISION UNDER AS 38.05.035 ^{***} (a)(14) ^e 

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

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

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

29 (d) ^{No notice is required under this section for:}
~~For purposes of this section an "interest in state land"~~

** Drafting error. (a) (14) has simply been restated in (e).

resources" does not include]

(1) a permit or other authorization revocable by the department, or

(2) negotiated sales of timber not exceeding 25,000 board feet or materials not exceeding 2500 cubic yards under AS 38.05.115.

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

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

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

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

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

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

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

(6) "industrial and commercial land [LANDS]" means land [LANDS] chiefly valuable for industrial trade, manufacturing or business use;

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

[(8) repealed.]

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

1 prospectively valuable for mineral deposits;

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

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

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

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

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

23 [(14) repealed.]

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

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

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

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

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

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

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

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

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

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

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

5 (23) [(24)] "geothermal resources" means the natural heat of
6 the earth at temperatures greater than ¹¹⁰~~120~~ degrees Celsius, measured
7 at the point where the highest-temperature resources encountered enter
8 or contact a well or other resource extraction device, and includes

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

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

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

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

19 (e) A permit holder who meets each of the provisions of (a) of
20 this section except for (a) (1), and who tenders the commissioner an
21 amount equal to 5% of the present fair market value of the land within
22 seven years of the issuance of the permit, may purchase the land under
23 AS 38.05.065.**
24

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

26 (b) The commissioner shall complete a [CADASTRAL] survey of
27 homestead entry state land under AS 38.04.045 before designating the
28 state land for homestead entry. but this requirement may be waived where the commissioner
29 determines that topographic features, diffuse settlement or low public interest
FOR HOMESTEAD ENTRY MAY BE LOCATED MORE THAN A MILE FROM A SURVEY
do not justify or require cadastral survey.

21:04
** COMMENT: Would remove burden on DNR to determine that a "good faith" effort to occupy had been made.

1 CONTROL MONUMENT.]

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

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

SEE
COMMENT FOR
SEC. 37
(p 23)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 (3) Zone 3 is a transverse Mercator projection of the World
15 Reference Ellipsoid, having a central meridian 146° 00 minutes west of
16 Greenwich, on which meridian the scale is set at one part in 10,000
17 too small. The origin of coordinates is at the intersection of the
18 meridian 146° 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 (4) Zone 4 is a transverse Mercator projection of the World
22 Reference Ellipsoid, having a central meridian 150° 00 minutes west of
23 Greenwich, on which meridian the scale is set at one part in 10,000
24 too small. The origin of coordinates is at the intersection of the
25 meridian 150° 00 minutes west of Greenwich and the parallel 54° 00
26 minutes north latitude. This origin is given the coordinates: $x =$
27 500,000 meters and $y = 0$ meters.

28 (5) Zone 5 is a transverse Mercator projection of the World
29 Reference Ellipsoid, having a central meridian 154° 00 minutes west of

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

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

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

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

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

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

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

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

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

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

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

1 chapter.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 [(6) Repealed]

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

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

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

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

STATE

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

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

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

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

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

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

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

SHALL] issue a nontransferable permit for the construction of a trapping cabin on state land to a person who meets the following qualifications:

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

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

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

(b) The regulations adopted under (a) of this section apply to subdivision plats of undeveloped state land for disposal under AS 38.05 or AS 38.08 filed with the platting board. [THE PLATTING BOARD MAY NOT DISAPPROVE THE SUBDIVISION PLAT ON THE BASIS OF REGULATIONS WHICH REQUIRE CAPITAL IMPROVEMENTS ON OR TO STATE LAND INCLUDED IN THE SUBDIVISION PLAT.] Regulations adopted after the platting board is notified by the commissioner of natural resources of a proposed sale of subdivided state land under AS 38.05 or AS 38.08 do not apply to the state land in the proposed sale. This section does not apply to any subdivision plat submitted to the platting board prior to the effective date of this Act.

* Sec. 61. AS 29.18.206(e) is amended to read:

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

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

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

4 (1) determines that the plat does not comply with subdivision
5 regulations, unless the plat was submitted to the platting board prior
6 to the effective date of this Act. [OTHER THAN THOSE REQUIRING CAPITAL
IMPROVEMENTS TO STATE LAND]; and

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

9 * Sec. 63. AS 29.33.150(e); ~~AS 38.04.025~~ ^{AS 38.04.020(f); demand assessment}, 38.04.040, 38.04.045(a);
10 AS 38.05.030(a), 38.05.035(a)(14), 38.05.069(b), [38.05.345(e)], 38.05.350,
11 38.05.362 and 38.05.365(20) are repealed.

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

#2 Repeal AS 38.04.020(f) Demand assessment

(f) The request of the commissioner under (e) of this section shall be based on an annual written assessment by the commissioner of the market for state land in the different regions of the state. If the state land is in or adjacent to municipalities or unincorporated communities, the assessment shall be developed in consultation with the municipalities or unincorporated communities. The assessment must include a survey of the supply of privately owned land offered for sale, municipal land for which a disposal plan has been completed, and federal land available for sale, lease, or permit for specific activities. The assessment of the market for state land shall be based on an analysis of the amount of private, municipal, and federal land available for disposal on terms equivalent to those used in comparable state land disposal programs and shall include the length of time land remains on the market before it is sold. The assessment must include findings regarding the amount and general location of state land, in addition to land offered by private landowners or available from a municipal government or the federal government, that is necessary to meet the statewide demand for at least five fiscal years immediately after the year in which the assessment is made. The assessment must also state the general location of land proposed for disposal in the next fiscal year and recommendations for the method of disposal under which the land will be offered to the public.]

CHANGES TO COMMITTEE SUBSTITUTE

2/24/84

1. Proposed by Environmental Lobby. In making land available for private use, commissioner will also consider scenic values.
2. Recognizes that two fiscal years are needed to prepare for disposal of any state land in the land disposal bank.
3. Proposed by Alaska Municipal League. Clarifies that in determining subdivision parcel size local ordinances shall be complied with.
4. Authorizes the commissioner to retain public lands in state ownership to maintain present and future access, but clarifies that retention would not be required of all public lands that have received public use.
5. Proposed by Sealaska. Would allow an interest holder of state land to restrict the use of an easement with written approval of DNR.
6. Proposed by Environmental Lobby. Would require that notice of disposals include "common terms" (not just legal property descriptions).

Original sponsor: Fahrenkamp

IN THE SENATE

BY THE RESOURCES COMMITTEE

CS FOR SENATE BILL NO. 375

3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

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

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

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

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

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

27 INVOLVEMENT OF MUNICIPALITIES AND LOCAL RESIDENTS IS ESSENTIAL
28 (e) In classifying and making state land available for private
29 use and settlement. The director shall, when appropriate, hold public
hearings in the communities affected by the disposal to solicit the
MEETINGS

views of the residents of the communities affected.

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

(b) State land which is located beyond the range of existing schools and other necessary public services, or which is located where development of sources of employment is improbable, may be made available for seasonal recreational purposes or for low density settlement. The seasonal recreation use or low density settlement shall have [
with] sufficient separation between residences so that public services
will not be necessary or expected. ~~The availability of~~ ^{resources} timber,
firewood, and water shall be considered in determining separation
between residences.

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

14 (a) The commissioner shall annually submit to the governor in
15 or estimated funding for the next two years to allow
16 appropriation request necessary for the disposal of state land in the
17 land disposal bank that shall be included in the budget submitted to
18 the legislature by the governor. For each fiscal year, the request
19 shall include an estimate of the amount necessary]

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

23 (2) [for] survey and disposal of land to be offered as agri-
24 cultural, commercial, industrial, or other uses under AS 38.05.055 or
25 38.05.057, with the general location of the land;

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

28 (4) [for] preliminary feasibility studies, engineering design
29 work, ^{right-of-way acquisition} and construction of access roads and capital improvements re-
quired by municipal subdivision ordinance or regulation of the

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

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

8 * Sec. 5. AS 38.04.020(f) is amended to read: ←DELETE SEC. 5*

(Delete Sec. 5) COMMENT:

An accurate analysis of demand is difficult and has had little impact on legislative appropriations for disposal programs. Adding another aspect to the demand assessment, such as identifying demand for public services and capital improvements, will be time consuming and costly. In past years DNR has budgeted up to \$60,000 for the assessment.

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

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

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

8 (A) UP TO 30 PERCENT OF THE PARCELS SHALL BE SOLD
9 UNDER THE LOTTERY SALE PROCEDURES ESTABLISHED IN AS 38.05.057 AND
10 38.05.065;

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

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

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

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

28 * Sec. 3. AS 38.04 is amended by adding a new section to read:

29 Sec. 38.04.022. FUNDS FOR LAND DISPOSAL. (1) The revenue from

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

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

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

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

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

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

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

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

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

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

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

38.04.058 Restrictions on easement or right-of-way use. The grantee, lessee, or interest holder of state land may, under terms agreed to by the director in writing, restrict the use of any easement or right of-way reserved under AS 38.04.050-.055, or other applicable law, in order to protect public safety or property.

5

1 ownership] on, ~~and~~ ^{and} across, [or adjacent to] land which is made avail-
2 able for private use as necessary to [maintain present and future
3 public use and access to public land and water and to reach adjacent
4 private land] ~~REACH OR USE PUBLIC WATER AND PUBLIC AND PRIVATE LAND~~.

5 An easement, ~~or~~ ^{or} right-of-way, [or state land] reserved under this
6 section may include established trails traditionally used for com-
7 merce, recreation, or transportation. ^{The commissioner may retain in state} ownership public lands to maintain
8 present and future public access.

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

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

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

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

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

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

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

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

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

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

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

24 (b) The director may

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

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

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

7 (A) with the express approval of the commissioner; and
8 (B) if the application for the preference right is
9 filed with the director within three years from the occurrence of
10 the error or omission;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 be acknowledged in writing by the bidder.

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

3 (d) If the director believes that a material breach of a con-
4 tract for a sale of land has occurred, the director shall afford the
5 purchaser and any other person with an interest in the contract an
6 opportunity to appear and present evidence. On a determination based
7 on the evidence presented that there has been a material breach of the
8 contract, the director may foreclose ^{**WITHOUT JUDICIAL ACTION} the interest of the purchaser or
9 any other person with an interest under the contract. If the state
10 has transferred or assigned its interest in the contract to a third
11 person, the transferee or assignee has the rights of the state under
12 the contract.

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

14 (a) On a determination [IF THE DIRECTOR DETERMINES] that the
15 highest and best use of unoccupied land is for agricultural purposes
16 [.] and [IF HE DETERMINES] that it is in the best interests of the
17 state to sell or lease the land, the commissioner [HE] shall grant to
18 an Alaskan resident owning and using or leasing and using land for
19 agricultural purposes a [40-DAY] first option at [AFTER THE DATE OF]
20 the auction to purchase or lease the unoccupied land situated adjacent
21 to [or in close proximity to] land presently held by the Alaskan resi-
22 dent [THE APPROXIMATE VICINITY OF HIS PRESENTLY HELD LAND] for the
23 amount of the high bid received at public auction. If more than one
24 Alaskan resident qualifies for a first option under this section,
25 eligibility for the first option shall be determined by lot and the
26 option must be exercised on the conclusion of the public auction. A
27 parcel of agricultural land sold under this section may not be less
28 than 10 acres and a parcel of agricultural land that [WHICH] is
29 acquired by exercise of the option granted in this subsection may not

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

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

5 (c) Under this section

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

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

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

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

25 (A) consents to the sale or lease, and

26 (B) if the preference right provided by (3) of this
27 subsection is not exercised, consents to sell at fair market
28 value the improvements related to the remaining interest, as
29 appraised by the director;

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(5) the remaining interests in the land may not be conveyed or leased for less than their appraised value together with improvements except for the deduction allowed by (3) of this subsection.

ADD A NEW SECTION

* Sec. 21½. AS 38.05.070 (b) is amended to read:

(b) The director, with the approval of the commissioner, shall determine the land to be leased and the limitations, conditions and terms of the lease. If the appraised value of the transaction is \$5,000 [\$250] a year or less the director may negotiate a lease without advertisement for a period not to exceed five years, and on the limitations, conditions and terms which the director [he] considers are in the best interests of the state. A lease negotiated under this subsection is not eligible for a preference under AS 38.05.102.

COMMENT ON SEC. 21 1/2: THIS INCREASE REFLECTS THE INCREASE IN LAND VALUES SINCE THIS STATUTE WAS ENACTED IN 1962. THE LEASE TERM REMAINS AT 5 YEARS.

ADD A NEW SECTION

* Sec. 21½. AS 30.05.070 (c) is amended to read:

(c) A lease may be issued for a period up to (55) 99 years, if it appears to be in the best interests of the state and if the commissioner approves. If the commissioner determines that the land or a part of it which is the subject of a grazing lease is not being used for the purpose issued, the lease may be declared void. However, a nonrenewable lease for school lands may be issued for a period not to exceed 99 years.

COMMENT ON SEC. 21 1/2: THIS INCREASE IN TERM WILL ENSURE THAT THE LEASE CAN BE ISSUED FOR THE USUAL LIFE OF THE INTENDED ACTIVITY.

4 * Sec. 22. AS 38.05.110 is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 * Sec. 29. AS 38.05.205(a) is amended to read: ~~DELETE SEC. 29~~
29 (REFER TO COMMENT ON PAGE 17)

(Delete Sec. 29) COMMENT:

By statute, the lease is granted as a right. A simple notice that the lease will be issued is currently required.

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

28 (c) A mining lease shall be for any period up to 55 years, and

29 the lessee has a right to a new lease at the end of each lease period.

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

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

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

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

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

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

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

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

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

9 (2) zoning of land under applicable law [;]^{**}

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

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

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

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

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

29 (d) ^{No notice is required under this section for} [For purposes of this section an "interest in state land or"]

[resources" does not include]

(1) a permit or other authorization revocable by the department, or

(2) negotiated sales of timber not exceeding 25,000 board feet or materials not exceeding 2500 cubic yards under AS 38.05.115.

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

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

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

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

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

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

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

(6) "industrial and commercial land [LANDS]" means land [LANDS] chiefly valuable for industrial trade, manufacturing or business use;

(7) "lieu and indemnity land [LANDS]" means land [LANDS] which the state is entitled to select under the provisions of 38 Stat. 1214, as amended (48 USC 153) or a similar statute to compensate for land [LANDS] in place of surveyed rectangulars, which have been lost to the state by reason of deficient sections, prior rights, claims, withdrawals, reservations and other appropriations;

[(3) repealed.]

(3) [(9)] "mineral land [LANDS]" means land [LANDS]

1 prospectively valuable for mineral deposits;

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

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

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

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

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

23 [(14) repealed.]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 (e) A permit holder who meets each of the provisions of (a) of
20 this section except for (a)(1), and who tenders the commissioner an
21 amount equal to 5% of the present fair market value of the land within
22 seven years of the issuance of the permit, may purchase the land under
23 AS 38.05.065.**
24

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

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

1 CONTROL MONUMENT.]

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

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

SEE
COMMENT FOR
SEC. 37
(p 23)

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

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

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

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

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

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

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

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

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

13 (1) Zone 1 is an oblique Mercator projection of the Clarke
14 spheroid of 1866, having an origin at the intersection of parallel 57°
15 00 minutes [MINUTE] north latitude and meridian 131° 40 minutes
16 [MINUTE] west of Greenwich, at which the scale is set one part in
17 10,000 too small, and through which the axis of symmetry is in geo-
18 d. azimuth arc tangent-3/4, reckoned clockwise from south. The
19 origin is assigned values such that all final coordinates will be
20 positive.

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

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

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

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

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

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

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

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

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

12 (9) Zone 9 is a transverse Mercator projection of the
13 Clarke spheroid of 1866, having a central meridian $170^{\circ} 00$ minutes
14 [MINUTE] west of Greenwich, on which meridian the scale is set at one
15 part in 10,000 too small. The origin of coordinates is at the inter-
16 section of the meridian $170^{\circ} 00$ minutes [MINUTE] west of Greenwich and
17 the parallel $54^{\circ} 00$ minutes [MINUTE] north latitude. This origin is
18 given the coordinates: $x = 500,000$ feet and $y = 0$ feet.

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

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

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

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

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

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

14 (3) Zone 3 is a transverse Mercator projection of the World
15 Reference Ellipsoid, having a central meridian $146^{\circ} 00$ minutes west of
16 Greenwich, on which meridian the scale is set at one part in 10,000
17 too small. The origin of coordinates is at the intersection of the
18 meridian $146^{\circ} 00$ minutes west of Greenwich and the parallel $54^{\circ} 00$
19 minutes north latitude. This origin is given the coordinates: $x =$
20 $300,000$ meters and $y = 0$ meters.

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

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

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

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

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

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

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

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

5 (10) Zone 10 is a Lambert conformal conic projection of the
6 World Reference Ellipsoid, having standard parallels at north latitude
7 51° 30 minutes as and 53° 30 minutes, along which parallels the scale
8 shall be exact. The origin of coordinates is at the intersection of
9 the meridian 176° 00 minutes west of Greenwich and the parallel 51° 00
10 minutes north latitude. This origin is given the coordinates: x =
11 1,000,000 meters and y = 0 meters.

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

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

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

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

1 chapter.

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

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

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

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

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

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

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

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

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

6 * Sec. 31. AS 38.20.110 is amended to read:

7 Sec. 38.20.110. USE OF SYSTEM NOT REQUIRED. Nothing in this
8 chapter requires a purchaser or mortgagee to rely on a description,
9 any part of which depends exclusively upon the Alaska Coordinate
10 System of 1927 or the Alaska Coordinate System of 1981.

11 * Sec. 32. AS 38.35.140(b) is amended to read:

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

16 * Sec. 33. AS 38.50.020(b) is amended to read:

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

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

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

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

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

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

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

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

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

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

19 [(6) Repealed]

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

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

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

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

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

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

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

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

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

28 * Sec. 59. AS 38.95.080(1) is amended to read:

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

SHALL] issue a nontransferable permit for the construction of a trapping cabin on state land to a person who meets the following qualifications:

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

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

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

(b) The regulations adopted under (a) of this section apply to subdivision plats of undeveloped state land for disposal under AS 38.05 or AS 38.08 filed with the platting board. [THE PLATTING BOARD MAY NOT DISAPPROVE THE SUBDIVISION PLAT ON THE BASIS OF REGULATIONS WHICH REQUIRE CAPITAL IMPROVEMENTS ON OR TO STATE LAND INCLUDED IN THE SUBDIVISION PLAT.] Regulations adopted after the platting board is notified by the commissioner of natural resources of a proposed sale of subdivided state land under AS 38.05 or AS 38.08 do not apply to the state land in the proposed sale. This section does not apply to any subdivision plat submitted to the platting board prior to the effective date of this Act.

* Sec. 61. AS 29.18.206(e) is amended to read:

(e) The notice and review provisions of AS [33.05.305 AND] 38.05.345 are applicable to the designation of other general grant land as school, university or mental health land in replacement of land selected under this section. The provisions of AS 38.50.010 - 38.50.170 and 38.05.032 do not apply to such designations under this section. [THE PROVISIONS OF AS 38.05.030(a), 38.05.030(e), AND 38.05.035(a)(13) WHICH REQUIRE THE APPROVAL OF THE RESPECTIVE TRUST BOARD BEFORE DISPOSAL OF LANDS BY THE DIRECTOR DO NOT APPLY TO SELECTIONS OF SCHOOL, UNIVERSITY OR MENTAL HEALTH LAND BY A MUNICIPALITY UNDER THIS SECTION.]

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

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

4 (1) determines that the plat does not comply with subdivision
5 regulations, unless the plat was submitted to the platting board prior
6 to the effective date of this Act. [OTHER THAN THOSE REQUIRING CAPITAL
IMPROVEMENTS TO STATE LAND]; and

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

9 * Sec. 63. AS 29.33.150(e); AS 38.04.025, 38.04.040, 38.04.045(a);
10 AS 38.05.030(a), 38.05.035(a)(14), 38.05.069(b), [38.05.345(e)], 38.05.150,
11 38.05.362 and 38.05.365(20) are repealed.

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

SB 344 RELATING TO DEFECTS IN THE TITLE OF THE STATE TO LAND

SEE ATTACHED

PROPOSED BY SENATOR ELIASON: Would provide a mechanism for correcting defects in the state's title to lands and in so doing to settle certain claims, including Native allotment claims, against the state. Currently, the only way to return lands with Native claims on them to the federal government is through the courts.

DNR: Support adoption.

STAFF COMMENT: A class action suit brought by Natives whose allotment applications were rejected by the federal government because the land they applied for had previously been conveyed to the state resulted in a court order stipulating procedures for expedited settlement of these claims. The procedures provide for the state to quitclaim its interest in the lands to the federal government. This amendment would give the state the necessary authority.

By exempting the amendment from the provisions of AS 38.05.125, the state statutory requirement to reserve the mineral estate is waived, and the state will recoup selection rights (as provided in Section 6 of the Statehood Act) for those acres returned to the federal government.

Introduced: 1/11/84
Referred: Resources and
Judiciary

1 IN THE SENATE

BY ELIASON

2 SENATE BILL NO. 344

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 defects in the title of the state
7 to land; and providing for an effective date."

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

9 * Section 1. LEGISLATIVE PURPOSE AND FINDINGS. (a) The purpose of
10 this Act is to provide a mechanism to correct defects in the title of the
11 state to land and in doing so, to settle certain claims, including Native
12 allotment claims, against the state.

13 (b) The legislature finds that the correction of title defects is a
14 matter of statewide significance, is in the public interest, and will
15 foreclose possible protracted and divisive litigation.

16 * Sec. 2. AS 38.05.035(b) is amended by adding a new paragraph to read:

17 (9) quitclaim land or an interest in land to the federal
18 government on a determination that the land or the interest in land
19 was wrongfully or erroneously conveyed by the federal government to
20 the state.

21 * Sec. 3. AS 38.05.125 is amended by adding a new subsection to read:

22 (b) The provisions of (a) of this section do not apply to a
23 quitclaim of land or an interest in land made under AS 38.05.035-
24 (b)(9).

25 * Sec. 4. This Act takes effect immediately in accordance with AS 01-
26 10.070(c).

SB 324 (attached) would allow eligible veterans a 25% discount on the purchase price of state land.

DNR: The Department has recently discontinued its general land discount program in response to court action. Implementation of the proposed veterans' discount program would cost \$7,900/year. There are no other discounts provided in the land offerings program at this time.

If this amendment is adopted, the Department will recommend repeal of the current veterans' preference program. AS 33.05.067 requires that before any auction of residential lands, the land shall first be offered at a restricted sale at which only veterans may buy. To date, 17 parcels in Ketchikan and 8 parcels in Fairbanks have been offered under this program.

STAFF COMMENT: page 1, line 13 of the bill as written would provide a 25% discount on state land classified for a use other than commercial or industrial. Under current classifications (adopted September 1983), there are no such categories.

Recommend amending to read: "state land classified for agricultural or settlement use"

Introduced: 1 9/84
Referred: Resources and
Finance

BY V. FISCHER, FAHRENKAMP,
KERTTULA, MOSS, ELIASON,
JOSEPHSON AND HALFORD

1 IN THE SENATE

2 SENATE BILL NO. 324

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing a veterans' discount on state
7 land disposals."

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

9 * Section 1. AS 38.25 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 a use other than commercial or industrial use.

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 13.05.067

AS 38.04.063

(d) Official regional or area plans and subsequent amendments adopted by the commissioner after public and local government participation shall be signed and dated by the commissioner. After adoption of an official regional or area plan, land classifications shall be made in accordance with these official plans. In areas where regional or area plans are underway and are scheduled to be completed within one year, actions such as land disposal which will significantly affect the area shall be postponed pending plan approval.

PROPOSED BY ENVIRONMENTAL LOBBY to protect the integrity of the planning process.

DNR supports the concept of planning prior to disposals. However, a statutory moratorium on disposals in planning areas could significantly disrupt the state's land offerings program. The concern with planning is adequately taken care of in DNR's current process, in which the Department carefully reviews all disposals within a planning area with the public.

STAFF COMMENT: The Tanana Valley and Susitna Valley plans are both in their final year of development. This amendment would mean no disposals, including homesteads, in these areas this spring. Area plans are well recognized as necessary planning tools. The emphasis should be on funding the planning process.

REPEAL AS 38.04.020(f) DEMAND ASSESSMENT

(f) The request of the commissioner under (e) of this section shall be based on an annual written assessment by the commissioner of the market for state land in the different regions of the state. If the state land is in or adjacent to municipalities or unincorporated communities, the assessment shall be developed in consultation with the municipalities or unincorporated communities. The assessment must include a survey of the supply of privately owned land offered for sale, municipal land for which a disposal plan has been completed, and federal land available for sale, lease, or permit for specific activities. The assessment of the market for state land shall be based on an analysis of the amount of private, municipal, and federal land available for disposal on terms equivalent to those used in comparable state land disposal programs and shall include the length of time land remains on the market before disposal. The assessment must include findings regarding the amount and general location of state land, in addition to land offered by private landowners or available from a municipal government or the federal government, that is necessary to meet the statewide demand for at least five fiscal years immediately after the year in which the assessment is made. The assessment must also state the general location of land proposed for disposal in the next fiscal year and recommendations for the method of disposal under which the land will be offered to the public.

PROPOSED BY DNR: The need for a land demand assessment arose in past years when the disposal program was subject to sudden changes and was affected by acreage quotas. DNR has striven to stabilize land offerings, relying on the market response as an indicator of demand. The demand assessment is of little value to the Department in predicting the market response, and the requirement should be dropped owing to its administrative and fiscal costs. DNR uses its area planning program to identify available lands and maintains a disposal land bank to meet current demands for lands. Together these programs provide for demand assessment in the context of current conditions.

If not repealed, amend to read simply: "The request of the commissioner under (e) of this section shall include an analysis and determination that there is a market demand for the land proposed for disposal."

ENVIRONMENTAL LOBBY HAS PROPOSED: "If the amount of land disposed of yearly differs from the amount of the demand as determined by the assessment, the commissioner shall provide the legislature with a written justification for the amount of land proposed for disposal."

STAFF COMMENT: Assessing demand is difficult. Many people feel that the assessments to date have been flawed in one way or another, yet do feel that some relationship between demand and offerings is important. The process should be examined for possible change next session.

AS 38.05.070(c)

A lease may be issued for a period up to 55 years, if it appears to be in the best interests of the state and if the commissioner approves. The term of the lease shall not be less than the projected useful life of any improvements proposed and approved under the qualification process of AS 38.05.075 and .076, unless the commissioner finds that the public interest otherwise requires.

SEALASKA proposed a maximum term of 99 years.

DNR supports the above language.

STAFF COMMENT: The amendment is a compromise.

AS 38.05.070(b):

The director, with the approval of the commissioner, shall determine the land to be leased and the limitations, conditions and terms of the lease. If the appraised value of the transaction is \$250 \$5000 a year or less the director may negotiate a lease without advertisement for a period not to exceed 5 10 years, and on the limitations, conditions and terms which the director considers are in the best interests of the state.

DNR has stated that the increase in value accurately reflects the increase in land values since the statute was enacted in 1962.

The Alaska Professional Hunters Association had requested an increased term of 20 years. DNR has stated that any commitment of a resource for that long a period of time should be offered competitively.

STAFF COMMENT The 10 year period is a maximum, so is discretionary. The increased term will benefit many land users. The amendment is a compromise.

NOTE: The lease is renewable one time.

AMEND SURFACE LEASING PROCEDURE:

AS 38.05.075 is repealed and reenacted to

Sec. 38.05.075. SURFACE LEASING PROCEDURE. (a) Except as provided in ^{AS 38.05.076 and} AS 38.05.087 and (b) - (c) of this section, leasing shall be made at auction to the highest qualified bidder as determined by the director. An aggrieved qualified bidder may appeal to the commissioner by a letter postmarked within five days after the director's determination. Lease auctions shall be conducted by the director or his representative, and the successful qualified bidder shall deposit at the auction the first year's rental or that percentage of it which the director requires, in accordance with his bid. The director shall require qualified bidders to deposit a sum equal to any survey or appraisal costs reasonably incurred by another qualified bidder acting in accordance with the department's regulations. If a bidder making a deposit of survey or appraisal costs is determined to be the highest qualified bidder under this subsection, his deposit shall be paid to the unsuccessful bidder who incurred those costs. Any survey or appraisal costs either reasonably incurred by a qualified bidder in accordance with the department's regulations, or deposited under this subsection, must be credited against the first and then subsequent years' rentals. The director or his representative shall immediately issue a receipt to the successful

qualified bidder containing a description of the land or interest leased, the total price bid, the terms of the lease, and the amount of any credit for survey or appraisal costs. If the receipt is not acknowledged by the bidder in accordance with this subsection, the director may re-offer the land in accordance with this section. The lease, on a form approved by the attorney general, shall be signed by the successful bidder within 30 days after the auction, and shall thereafter be signed by the director, after approval by the commissioner.

PROPOSED BY SEALASKA: Lease applicants often conduct the survey and appraisal activities themselves. The amendment would require applicants to deposit a sum equal to any survey or appraisal costs incurred by another qualified bidder. If a bidder who has paid survey and appraisal costs does not become the highest bidder, the latter will pay the former those costs.

DNR: Supports the survey credit.

STAFF COMMENT: Survey and appraisal are required prior to leasing. The State does not always have the manpower and funding readily available, and in the interest of time lease applicants will often conduct the survey and appraisal at their own expense.

AS. 38.05.076 Prequalification of Bidders

(2) The department shall, in conformity with AS 38.05.048, require pre-qualification of bidders for a lease to be issued under AS 38.05.070. The pre-qualification procedure for all bidders must be completed within 15 days of receipt of the first lease application, unless the director determines that additional review time is necessary.

Within that period, the department must:

- (1) take any necessary classification action under AS 38.05.300;
- (2) complete the finding and consent procedures required by AS 38.05.035(a)(14); and
- (3) take any other action required by law for the disposal of one lease to the bidder other than survey, appraisal and auction.

(b) If, as a result of pre-qualification, the director determines that there is only one qualified bidder for the lease, he may issue a lease to that bidder at the appraised value as determined by AS 38.05.110 without competitive bidding, and shall allow entry under reasonable terms and conditions pending survey and appraisal. Except to AS 38.05.035(a)(14), disposal shall occur as soon as practicable following completion of survey and appraisal.

(c) Notice of any auction shall be made personally or by registered mail to all pre-qualified bidder.

(d) A person aggrieved by a decision of the director made in the course of the pre-qualification process may appeal to the commissioner within five days of the director's pre-qualification decision. A decision of the commissioner under this subsection or AS 38.05.035(a)(14) may be appealed to the superior court under AS 44.02.021.

[The pendency of an appeal does not stay any further action of the department with respect to the disposal unless the commissioner or the court otherwise orders.]

Sec. 5. AS 38.05.043(a) is amended to read:

Sec. 38.05.043. NOTICE. (a) This section establishes the requirements for notice given by the department for the following actions:

(1) classification or reclassification of state land under AS 38.05.300 and the closing of land to mineral leasing or entry under AS 38.05.105;

(2) zoning of land under applicable law;

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

(4) subject to AS 38.05.075(c), a competitive disposal of an interest in state land or resources after final decision under AS 38.05.035(a)(14).

PROPOSED BY SEALASKA: Existing law does not require potential competitive bidders to identify themselves before the auction for a lease takes place. Often the initial applicant will have endured the time and expense of interagency and public review, yet lose his project to a virtual last minute bidder who has incurred neither cost nor public scrutiny. Under this amendment, if there are no other prequalified bidders, DNR would allow the initial applicant to enter onto the land.

DNR: Supports giving the Commissioner the discretion to require prequalification.

STAFF COMMENT: The amendment is a compromise.

AS 38.05.075 LEASING PROCEDURES. ADD A NEW SECTION:

(c) A littoral or riparian owner or lessee may acquire, without competitive bidding, a lease for tide and submerged land directly adjacent to his upland parcel if:

(1) lease of the tide or submerged land is sought for the purpose of facilitating water transportation of goods, services or resources to or from the adjacent upland, or for another water-dependent purpose; and,

(2) the proposed use of the tide or submerged land is compatible with the classification of the land and with any applicable land use plan adopted in accordance with AS 38.04.068; and,

(3) issuance of the lease will not interfere with prior existing property rights in the leased land.

~~The~~ The lease under this subsection may be issued on an exclusive or non-exclusive basis, in the director's discretion.

PROPOSED BY SEALASKA, as water access through tide or submerged lands is vital to economic development of their adjacent uplands.

DNR: The Department supports the creation of a mechanism to permit (not require) the Commissioner to negotiate tidelands leases with upland owners without competitive bidding.

STAFF COMMENT: Leases for tide and submerged lands are currently available through the competitive bidding process. Under current statute, any lease for a term of less than 5 years and valued at less than \$250 annually may be negotiated. (Other amendment is proposing 10 years and \$5000 annually.)

Sec. 16 AS 38.05.035(b) (7)

The director may

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

DNR has requested this authority as such remnants may be unusable and expensive to maintain in state ownership. Lacking such authority the Department once auctioned 3/100ths of an acre in Ketchikan.

STAFF COMMENT: Increases the Department's authority. Would allow for more efficient management of State land.

Amend AS 38.05.050 regarding disposal of land for private ownership:

(b) The commissioner shall appoint a minimum of three citizens advisory boards to provide advice on the disposal of state lands, including the location and amounts of such disposals. Regional boards shall be established, or existing bodies shall be utilized, in areas where planned disposals are expected to be controversial, or where otherwise appropriate.

PROPOSED BY ENVIRONMENTAL LOBBY to provide advice to DNR prior to formal public hearings.

DNR: There are numerous opportunities for public involvement in the land offerings process, and creation of advisory boards would be expensive and burdensome with little projected benefit. DNR works closely with local governments in land planning and disposals. This process should continue; further advisory boards are unnecessary.

Sec. 29.18.210. Public purpose and expansion needs. (a) Consistent with the best interests of the state, if a municipality does not contain and cannot reasonably acquire sufficient nonfederal land within its boundaries to meet its legitimate needs for public or private settlement or development, it shall be the policy of the state to select federal land reasonably necessary to meet the needs of the municipality and to make the land selected available to the municipality under AS 38.05.315 or (b) of this section.

(b) Where state land is the most logical location for demonstrated municipal expansion for nonpublic settlement and development purposes, and when an exchange of land under AS 29.18.209 is not possible or is not in the public interest, it is the policy of the state to sell or lease the land at public auction. The state may contract with a

municipality to act as its agent in an auction of state land under applicable statutes. When a municipality acts as the agent of the state in an auction, the municipality may retain from the proceeds of the auction the expenses which the director determines to be necessary and reasonable. including capital expenses

(c) Nothing in AS 29.18.011 — 29.18.610 limits or impairs the authority of the director to transfer land to municipalities, without limit or consideration, for public purposes in accordance with AS 38.05.315. If there is a remaining entitlement of the municipality, land transferred under AS 38.05.315 shall be credited toward fulfillment of the entitlement. (§ 2 ch 180 SLA 1978)

PROPOSED BY DNR: The Attorney General's office has questioned whether DNR has the authority to conduct joint disposals where capital improvements are involved.

STAFF COMMENT: Current statute allows the state to contract with a municipality to act as its agent in an auction of state land, and to allow the municipality to retain expenses from auction proceeds. "Expenses" is not defined, and the A.G. has opined that it does not include capital expenses. Both the Fairbanks North Star Borough and the Municipality of Anchorage have expressed interest in conducting a joint disposal with DNR, whereby the municipality would construct the roads on state lands to be auctioned, and recoup their costs through purchase payments. This amendment would authorize this process.

* Sec. 19. AS 33.05.065 is amended by adding a new subsection to read:

(d) If the director believes that a breach of a contract for a sale of land has occurred, the director shall afford the purchaser and any other person with an interest approved by the director under AS 33.05.340 notice of the breach, reasonable opportunity to cure the breach and, if there are relevant facts in dispute between the state and the purchaser, an oral hearing at the request of the purchaser. If the director determines, based on the administrative record and any evidence presented, that there has been a breach of the contract, the director shall issue a decision foreclosing the interest of the purchaser and any other person with an interest under the contract. The duty to make payments required by the contract continues until the date of the director's foreclosure decision. A default caused by failure to make payments required by the contract may be cured at any time before the director's foreclosure decision by payment of the sum in default, plus a fee of \$50 or of five percent (5%) of the sum of money owed, whichever is larger, unless under the same sales contract a notice of default has been sent to the person two times previously for failure to make payment. After foreclosure, the department may pursue appropriate judicial relief for the purchaser's breach of contract, including, but not limited to, ejection, suit for damages, including past due payments, or other legal remedies in accordance with applicable state law. An administrative decision of foreclosure under this section terminates all the purchaser's legal and equitable interests in the property, and all prior payments are forfeited to the state.

STAFF COMMENT:

Sec. 19 of SB 375 establishes an appeal process for contract violations, followed by the prerogative of the commissioner to foreclose the interest of the purchaser if a determination is made that there has been a breach of the contract. The above language has been provided by DNR to specify that the appeal process will provide for an oral hearing, and to clarify that a default caused by failure to make payments may be cured before the foreclosure decision by payment of the sum in default and a \$50 penalty.

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Senate

Committee on Resources

MINUTES

September 21, 1983
1:40 p.m.

Wood Center, U. of A.
Fairbanks

MEMBERS PRESENT

Senator Fahrenkamp, Chair
Senator Vic Fischer

Senator Sturgulewski

CALENDAR

Hearing on State Land Management and Disposal

Bob Arnold, Deputy Director, Department of Natural Resources, stated that DNR, in an effort to reduce negative impacts and perceptions of land offerings, has formed a study group to review the current land disposal program. The study group has reached the following tentative conclusions: year-round residential lands and agricultural homestead lands should be road accessible; recreation lands should be of high quality; specific areas should be classified for remote parcels; the pricing policy should follow fair market value. Further, the Department recognizes the need to comply with local subdivision ordinances and comprehensive plans.

David Hedderly-Smith, Deputy Director, Division of Minerals and Energy Management, DNR, stated that the Commissioner has formed a mining advisory committee to recommend changes to the current statute.

John Clark, Director, Habitat Protection Division, Department of Fish and Game, urged clarification of the provision requiring access to navigable and public waters.

Lisa Jaeger, Tanana Chiefs Conference, expressed that more attention must be given to disposals taking place in rural areas. Language mandating that the Department provide current statistics on the land disposal program should be added to the statute.

Pat Kalen, Society of Professional Land Surveyors, discussed funding for surveying of lands, problems with identification

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of water bodies under current statute, and the marginal quality of land that is generally available over the counter.

Jeff Cook, Alaska Association of Realtors, expressed concern that disposals meet local subdivision requirements, and urged that state disposals be coordinated with borough and private disposals.

Darrell Sickler, Alaska Miners Association, advocated continuance of a location system, rather than a lease system, as the most equitable approach to minerals development.

The meeting was adjourned at 3:00 p.m.