

**ALASKA LEGISLATURE COMMITTEE FILES 1900-1900**

**4290 SRES SB 414 - SB 418**

1170

March 17, 1986

The effect of SSSB 414 on each of Alaska's 149 cities is much more difficult to determine. As you may be aware, by virtue of there being no available state land within their municipal boundaries, 125 cities received a zero entitlement as a result of the 1978 municipal entitlement legislation. Most of the zero entitlement municipalities will likely still not benefit under SSSB 414 because no state land exists, or will be conveyed, within their municipal boundaries. However, the bill will likely benefit several of the zero entitlement municipalities because the state has since been conveyed land, or will be conveyed land, within their municipal boundaries (i.e. Anderson). In addition, an undetermined number of municipalities may receive additional entitlement acreage by virtue of past and future annexation actions (i.e. Seward).

SSSB 414 will not affect existing land exchanges, settlements of litigation or other agreements. As proposed, the bill allows municipalities to select only vacant, unappropriated and unreserved (vuu) general grant land. As presently defined in 29.65.030(10) and amended by the bill, vuu land includes general grant land (excluding minerals) which has been conveyed to the state under Section 6(a) and (b) of the Alaska Statehood Act and is appropriately classified (or unclassified). Thus, land acquired by the state or required to be transferred by the state, as a result of exchanges, settlements, agreements, etc. will be ineligible for municipal selection. This includes land acquired or to be transferred to the state or Cook Inlet Region, Inc. as a result of the 1976 Cook Inlet Land Trade.

I have also outlined briefly below the existing process used by the department to process municipal land selections. It should be noted that, to date, the department has not adopted regulations regarding the municipal entitlement program. However, policies and procedures have been adopted by the Division of Land and Water Management (DLWM) which serve to implement the existing law.

Selections made by municipalities are received and processed by the DLWM. This process initially involves land status checks, public notice and agency consultation. Thereafter, a proposed decision is prepared and sent to the affected municipality for review. The municipality then has 30 days to concur with, or appeal, the proposed decision. If the selection is approved, a final decision is then issued and the land is transferred to the municipality. The approved selection is followed by survey and patent. An approved selection thus constitutes a transfer of all right to title, including management responsibility.

The Honorable Edna B. DeVries -3-

March 17, 1986

The proposed decision identifies any associated rights-of-ways, easements or other reservations in the conveyance. The department may also reject a municipal selection, based upon a state or public purpose. However, for the most part, any potential conflicts are negotiated and resolved with affected municipalities prior to the issuance of the proposed decision.

The department is available and prepared to explain the department's municipal entitlement program to the committee in greater detail. It is my intention that appropriate department staff be present during committee hearings to help answer any associated questions and clarify matters.

Sincerely,



Esther C. Wunnicke  
Commissioner

Attachments

ESTIMATED BOROUGH ENTITLEMENT ACREAGE UNDER SSSB 414  
Based on March, 1986 Land Status

	KETCHIKAN GATEWAY	SITKA	JUNEAU	HAINES	BRISTOL BAY	KODIAK ISLAND	KENAI PENINSULA	ANCHORAGE	MATANUSKA SUSITNA	FAIRBANKS NORTH STAR	NORTH SLOPE	NW ARCTIC (PROPOSED)
Total 6(a) and 6(b) Statehood	26,900	15,600	25,000	165,000	51,500	482,000	2,019,000	521,000	9,334,000	3,231,000	7,513,000	2,300,000
Land Conveyed to State												
Less: Legislatively Designated Units	0	0	800	27,500	0	11,200	580,000	483,000	2,603,500	614,600	0	0
Less: Non-Selectable Classifications	0	0	0	27	0	0	267,000	0	956,000	118,700	7,031	0
Less: Previous Conveyances												
- Borough	11,402	10,500	19,584	2,800	2,519	58,787	99,393	20,676	355,703	90,572	0	0
- City	0	0	0	0	0	1	806	0	406	15	0	0
- Disposals	750	200	300	2,000	0	415	17,000	200	262,800	175,000	0	0
- Land Ex/Agmt.	0	0	0	0	0	0	292,965	0	185,590	0	0	0
Total Land Unavailable	12,200	10,700	20,700	32,000	2,500	70,000	1,257,000	504,000	4,364,000	999,000	7,000	0
Available Selectable Land	14,700	4,900	4,300	133,000	49,000	412,000	762,000	17,000	4,970,000	2,232,000	7,506,000	2,300,000
SSSB 414 Entitlement (10% of WU)	1,470	490	430	13,300	4,900	41,200	76,200	1,700	400,000*	223,200	400,000*	230,000
1978 Entitlement	11,593	10,500	19,584	2,800	2,898	58,787	155,780	44,893	355,210	112,000	89,850**	n.a.

\* Entitlement not to exceed 400,000 acres under SSSB 414.

\*\* Received zero entitlement pursuant to election of benefits in AS 29.65.110.

DNR Division of Land and Water Management  
Land Management Section  
March 19, 1986

ESTIMATED BOROUGH ENTITLEMENT ACREAGE UNDER SSSB 414  
Based on March, 1986 Land Status

<u>BOROUGH</u>	<u>SSSB 414 ENTITLEMENT</u>	<u>1978 ENTITLEMENT</u>	<u>APPROXIMATE ADDITIONAL ENTITLEMENT</u>
Ketchikan Gateway	1,470	11,593	0
Sitka	490	10,500	0
Juneau	430	19,584	0
Haines	13,300	2,800	10,500 ✓
Bristol Bay	4,900	2,898	2,000 ✓
Kodiak Island	41,200	58,787	0
Kenai Peninsula	76,200	155,780	0
Anchorage	1,700	44,893	0
Matanuska-Susitna	400,000	355,210	44,800 ✓
Fairbanks-North Star	223,200	112,000	111,000 ✓
✓ North Slope	400,000	89,850*	400,000 ✓
NW Arctic (Proposed)	230,000	n.a.	230,000 ✓
TOTAL			798,300

✓ NANA

\* Received zero entitlement pursuant to election of benefits in AS 29.65.110.

DNR Division of Land and Water Management  
Land Management Section  
March 19, 1986

DEPARTMENT OF  
NATURAL RESOURCES

MAR 21 1986

COMMISSIONER'S OFFICE  
JUNEAU

Pe- gion	Municipality	Muni- Type	Incorp. Date	Area Title-	Source of Title- ment Determination	Source of Title- ment Determination
E	Puigut	2	1975	0	Ltr 8/7/78	
E	City & Borough of Juneau	"	1970	19,584	Statute	
E	City & Borough of Sitka	"	1971	10,500	Statute	
E	Craig	1	1922	0	Ltr 8/7/78	
E	Haines	1	1910	0	Ltr 8/7/78	
E	Haines Borough	B	1968	2,800	Statute	
E	Hoonah	1	1946	15	Ltr 8/7/78	
E	Hydaburg	1	1927	0	Ltr 8/7/78	
E	Kake	1	1952	0	Ltr 8/7/78	
E	Kasaan	2	1976	0	Ltr 8/7/78	
E	Ketchikan	H	1900	0.5	Ltr 8/7/78	
E	Ketchikan Gateway Borough	B	1963	11,593	Statute	
E	Klawock	1	1929	0	Ltr 8/7/78	
E	Kupreanof	2	1975	0	Ltr 8/7/78	180 ac.
E	Metlakatla	F	1944 (Federal)			
E	Pelican	1	1943	0	Ltr 8/7/78	10 ac.
E	Petersburg	H	1910	0	Ltr 8/7/78	461 ac.
E	Port Alexander	2	1974	0	Ltr 8/7/78	
E	Saxman	2	1930	0	Ltr 8/7/78	
E	Skagway	1	1900	35	Ltr 8/7/78	
E	Tenakee Springs	2	1971	0	8/7/78	2,958 ac.
E	Thorne Bay	2	1982	612	UTS Decision	
E	Wrangell	H	1903	0	Ltr 8/7/78	310 ac.
E	Yakutat	1	1948	75	Ltr 8/7/78	
N	Alakanuk	2	1969	0	Ltr 8/7/78	
N	Allakaket	2	1975	0	Ltr 8/7/78	
N	Ambler	2	1971	0	Ltr 8/7/78	
N	Anaktuvuk Pass	2	1957	0	Ltr 8/7/78	
N	Anderson	2	1962	0	Ltr 8/7/78	
N	Atkasuk	2	1982	0	Ltr 8/7/83	
N	Barrow	1	1959	0	Ltr 8/7/78	
N	Brevig Mission	2	1969	40	Ltr 8/7/78	
N	Buckland	2	1966	0	Ltr 8/7/78	
N	Deering	2	1970	0	Ltr 8/7/78	
N	Delta Junction	2	1960	400	Ltr 8/7/78	
N	Dionede	2	1970	0	Ltr 8/7/78	
N	Eagle	2	1901	0	Ltr 8/7/78	
N	Elin	2	1970	0	Ltr 8/7/78	
N	Fairbanks	H	1903	15	Ltr 8/7/78	
N	Fairbanks North Star Boro	B	1964	112,000	Statute	
N	Fort Yukon	2	1959	0	Ltr 8/7/78	
N	Galena	1	1971	0	Ltr 8/7/78	
N	Gamble	2	1963	0	Ltr 8/7/78	
N	Golovin	2	1971	0	Ltr 8/7/78	
N	Hughes	2	1973	0	Ltr 8/7/78	
N	Huslia	2	1969	0	Ltr 8/7/78	
N	Kaktovik	2	1971	0	Ltr 8/7/78	
N	Kaltay	2	1969	0	Ltr 8/7/78	
N	Kiana	2	1964	0	Ltr 8/7/78	
N	Kivalina	2	1969	0	Ltr 8/7/78	
N	Kobuk	2	1973	0	Ltr 8/7/78	
N	Kotzebue	2	1958	0	Ltr 8/7/78	
N	Koyuk	2	1970	0	Ltr 8/7/78	
N	Koyukuk	2	1973	0	Ltr 8/7/78	

Region	Municipality	Pop Type	incor: Date	Acres Entitle- ment	Source of Entitle- ment Determination
N	Kenana		1921	0	Ltr 8/7/78
N	Lone	1	1901	0	Ltr 8/7/78
N	Noorvik	2	1964	0	Ltr 8/7/78
N	North Pole	H	1953	0.5	Ltr 8/7/78
N	North Slope Borough	F	1972	89,850	Statute Redet.
N	Nulato	2	1963	0	Ltr 8/7/78
N	Point Hope	2	1966	0	Ltr 8/7/78
N	Ruby	2	1973	0	Ltr 8/7/78
N	Saint Michael	2	1969	0	Ltr 8/7/78
N	Savoonga	2	1969	0	Ltr 8/7/78
N	Selawik	2	1977	0	Ltr 8/7/78
N	Shaktoolik	2	1969	0	Ltr 8/7/78
N	Shishmaref	2	1969	0	Ltr 8/7/78
N	Shungnak	2	1967	0	Ltr 8/7/78
N	Stebbins	2	1969	0	Ltr 8/7/78
N	Tanana	1	1982	0	Ltr 8/7/78
N	Teller	2	1963	0	Ltr 8/7/78
N	Unalakleet	2	1974	0	Ltr 8/7/78
N	Wainwright	2	1962	0	Ltr 8/7/78
N	Wales	2	1964	0	Ltr 8/7/78
N	White Mountain	2	1969	0	Ltr 8/7/78
N	Whittier	2	1969	0	600 ac. grant
S	Akhiok	2	1974	0	Ltr 8/7/78
S	Akiachak	2	1974	0	Ltr 8/7/78
S	Akiak	2	1970	0	Ltr 8/7/78
S	Akutan	2	1979	0	Rec. 5 ac under 810
S	Aleknagik	2	1973	0	Ltr 8/7/78
S	Angoon	2	1963	0	Ltr 8/7/78
S	Aniak	2	1972	0	Ltr 8/7/78
S	Anvik	2	1969	0	Ltr 8/7/78
S	Atnautluak	2	1976	0	Ltr 8/7/78
S	Rethel	2	1957	0	Ltr 8/7/78
S	Pristol Bay Borough	B	1962	2,898	Statute
S	Chefornak	2	1974	0	Ltr 8/7/78
S	Chevak	2	1967	0	Ltr 8/7/78
S	Chignik	2	1983	0	Ltr
S	Chuathbaluk	2	1975	0	Ltr 8/7/78
S	Clark's Point	2	1971	0	Ltr 8/7/78
S	Cold Bay	2	1981	0	DTS Decision
S	Cordova	H	1909	235	Ltr 8/7/78
S	Dillingham	1	1963	1.0	Ltr 8/7/78
S	Eek	2	1970	0	Ltr 8/7/78
S	Ekwok	2	1974	0	Ltr 8/7/78
S	Emmonak	2	1964	0	Ltr 8/7/78
S	Fortuna Ledge	2	1970	0	Ltr 8/7/78
S	Goodnews Bay	2	1970	0	Ltr 8/7/78
S	Grayling	2	1969	0	Ltr 8/7/78
S	Holy Cross	2	1968	0	Ltr 8/7/78
S	Honer	1	1964	16	Ltr 8/7/78
S	Hooper Bay	2	1966	0	Ltr 8/7/78
S	Houston	2	1966	405	Ltr 8/7/78
S	Kachemak	2	1961	0	Ltr 8/7/78
S	Kasigluk	2	1982	0	Ltr
S	Kenai	H	1960	30	Ltr 8/7/78

Re- gion	Municipality	Muni- Type	Incorp. Date	Acres Entitle- ment	Source of Entitle- ment Determination
S	Kenai Peninsula Borough	H	1962	155,780	Statute
S	King Cove	1	1947	0	Ltr 8/7/78
S	Kodiak	H	1940	20	Ltr 8/7/78
S	Kodiak Island Borough	H	1963	56,500	Statute
S	Kotlik	2	1970	0	Ltr 8/7/78
S	Kwethluk	2	1975	0	Ltr 8/7/78
S	Larsen Bay	2	1974	0	Ltr 8/7/78
S	Lower Kalskag	2	1969	0	Ltr 8/7/78
S	Manokotak	2	1970	0	Ltr 8/7/78
S	Matanuska-Susitna	H	1974	355,210	Statute
S	McGrath	2	1975	0	Ltr 8/7/78
S	Mekoryuk	2	1969	0	Ltr 8/7/78
S	Mountain Village	2	1967	0	Ltr 8/7/78
S	Municipality of Anch.	H	1975	44,893	Statute
S	Napakiaik	2	1970	0	Ltr 8/7/78
S	Napaskiak	2	1971	0	Ltr 8/7/78
S	New Stuyahok	2	1972	0	Ltr 8/7/78
S	Newhalen	2	1971	0	Ltr 8/7/78
S	Newtok	2	1976	0	Ltr 8/7/88
S	Nightmute	2	1974	0	Ltr 8/7/83
S	Nikolai	2	1970	0	Ltr 8/7/78
S	Nondalton	2	1971	0	Ltr 8/7/78
S	Nunapitchuk	2	1969		
S	Old Harbor	2	1966	0	Ltr 8/7/78
S	Ouzinkie	2	1967	240	Ltr 8/7/78
S	Palmer	H	1951	0	Ltr 8/7/78
S	Pilot Station	2	1969	0	Ltr 8/7/78
S	Platinum	2	1975	0	Ltr 8/7/78
S	Port Heiden	2	1972	0	Ltr 8/7/78
S	Port Lions	2	1966	35	Ltr 8/7/78
S	Quinhagak	2	1975	0	Ltr 8/7/78
S	Russian Mission	2	1970	0	Ltr 8/7/78
S	Saint George	2	1983	0	Ltr
S	Saint Mary's	1	1967	0	Ltr 8/7/78
S	Saint Paul	2	1971	0	Ltr 8/7/78
S	Sand Point	1	1978	0	Ltr 8/7/78
S	Scammon Bay	2	1967	0	Ltr 8/7/78
S	Seldovia	1	1945	0	Ltr 8/7/78
S	Seward	H	1912	240	Ltr 8/7/78
S	Shageluk	2	1970	0	Ltr 8/7/78
S	Sheldon Point	2	1974	0	Ltr 8/7/78
S	Soldotna	1	1967	10	Ltr 8/7/78
S	Togiak	2	1969	0	Ltr 8/7/78
S	Toksook Bay	2	1972	0	Ltr 8/7/78
S	Tuluksak	2	1970	0	Ltr 8/7/78
S	Tununak	2	1975	0	Ltr 8/7/78
S	Unalaska	1	1942	0	DTS
S	Upper Ketchikan	2	1975	0	Ltr 8/7/78
S	Valdez	H	1901	4,805	Ltr 8/7/78
S	Wasilla	2	1974	0	Ltr 8/7/78



Official Business

# Alaska State Legislature Senate

## Committee on Community and Regional Affairs

Senator Edna DeVries, Chairman

Members

Senator Ferguson, Vice Chairman  
Senator Cognini  
Senator Sturgulewski  
Senator V. Fischer

Pouch V  
Juneau, Alaska 99811

March 27, 1986

TO: McKie Campbell  
Senate Resources Committee

FROM: Trudie Alford *TA*  
Senate C&RA Committee

SUBJ: CS 2d SSSB 414 (C&RA)

This bill will be coming to your committee in the next few days.

Wanted you to know that Ned Farquhar, DNR, informed me that he does not believe their fiscal note has changed from the one prepared on the earlier version of the bill, SS SB 414. He is checking the matter out and will send Senator DeVries advice in writing.

I will forward a copy of his letter to Senate Resources to your attention.

Atchs **DNR is preparing new fiscal note which is expected to be significantly lower. M&H**

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 03-13-86

**REQUEST**

Bill/Resolution No. : SSSB 414  
Tide : Municipal Land Entitlements

Sponsor : Sen. Ferguson  
Requestor : Sen. C&RA  
Date of Request : 03-13-86

**FISCAL DETAIL**

Agency Affected : Natural Resources  
BRU : Land & Water Management

Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		165.9	91.9	43.0	43.0	43.0
TRAVEL		12.0	6.0	4.0	4.0	4.0
CONTRACTUAL		21.0	10.5	6.0	6.0	6.0
SUPPLIES		.3	.3	.2	.2	.2
EQUIPMENT		.9				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>200.1</b>	<b>108.7</b>	<b>53.2</b>	<b>53.2</b>	<b>53.2</b>

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

GENERAL FUND		200.1	108.7	53.2	53.2	53.2
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		<b>200.1</b>	<b>108.7</b>	<b>53.2</b>	<b>53.2</b>	<b>53.2</b>

**POSITIONS :**

FULL-TIME		4	2	1	1	1
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

See attached.

Prepared by : Gary Johnson *[Signature]* Phone : 762-4355  
Division : Land & Water Management Date : 03-11-86

Approved by Commissioner : Ann S D Am N Date : 3/14/86  
Agency : Natural Resources

Distribution (by Agency preparing fiscal note):

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

03-14-86

Analysis - SSSB 414

The analysis includes funding for two Nat'l Res Officer II and two Nat'l Res Tech II. These positions will be placed in the regional offices to determine entitlements for the entities in the region.

Most of the work to prepare certificates of entitlement will occur in the first year of the project. Successive years will require less intense activity to update land records in preparation of annual certificates, thus fewer employees will be needed in succeeding years. In the second year the department anticipates the project requiring only two Nat'l Res Officer II positions to continue with certification and decision processing. In years 89,90, and 91, we anticipate handling the statewide workload with a single NRO II.

STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date : 3/3/86

**REQUEST**

Bill/Resolution No. : SB 414  
 Title : An Act relating to municipal  
entitlements  
 Sponsor : Senator Ferguson  
 Requestor : \_\_\_\_\_  
 Date of Request : \_\_\_\_\_

**FISCAL DETAIL**

Agency Affected : Community & Regional Affairs  
 BRU : \_\_\_\_\_  
 Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

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

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

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>						

**POSITIONS :**

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

**ANALYSIS :** Attach a separate page if necessary

Prepared by : Doug Griffin, Deputy Director  
 Division : Municipal & Regional Assistance

Phone : 465-4750  
 Date : 3/3/86

Approved by Commissioner : \_\_\_\_\_  
 Agency : Community & Regional Assistance

Date : 3/10/86

Distribution (by Agency preparing fiscal note) .

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

**DEPT. OF COMMUNITY & REGIONAL AFFAIRS**

OFFICE OF THE COMMISSIONER

POUCH B  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-4700

949 E. 36TH AVENUE, SUITE 400  
ANCHORAGE, ALASKA 99508  
PHONE: (907) 563-1073

March 10, 1986

POSITION PAPER

RE: SB 414

SPONSOR: Senator Ferguson

Program Effects of Bill

The bill would, by broadening the definition to "municipalities", extend to boroughs the right to select 10% of vacant unappropriated and unreserved State land within their boundaries.

The bill would also extend the determination of land selection date from "within six months of July 1, 1978" (or "six months from date of incorporation" for municipalities incorporated after July 1, 1978) to "two years after the expiration of the State's right to make selections". This revision would allow municipalities the right to make selections from all State land, rather than just the land available at a particular time. It would also allow municipalities to select State land in newly annexed areas.

In addition, Section 4 of the bill would change the definition of "vacant, unappropriated and unreserved land" to include land categories currently utilized by the State. Land extensive categories such as "resource management, forestry, wildlife habitat and water resources" would be specifically included.

Comments

The Department of Community and Regional Affairs supports the proposed legislation because of its beneficial effect on municipalities. The political subdivisions of the State should be entitled to share the benefits of increased State land within their boundaries whenever the increase occurs. The proposed legislation allows municipalities to share the good fortunes of the State whenever the State receives additional land within the municipal boundaries. Beneficiaries of the proposed legislation would include the proposed Northwest Arctic Borough, the Matanuska-Susitna Borough, the City of Anderson, the North Slope Borough, and cities such as Yakutat that may be annexing State land in the future.

SB 414  
March 10, 1986  
Page Two

One of the Department's goals is to support the formation of local governments when it is desired by residents of the area. Under current laws, the municipal land entitlement is based on the amount of State land within the municipal boundaries at the time of incorporation. Thus, the decision to incorporate a local government at a particular time may be significantly influenced by whether or not the State has received land in the area being considered for incorporation. Because the proposed legislation allows the municipal land entitlement to be determined as the State receives land, the amount of State land in the area proposed for incorporation becomes less of a factor in the decision to incorporate. Local residents can concentrate more debate on the need for and desirability of local government rather than on the timing of State land selections. Moreover, the proposed legislation would allow municipalities to increase their entitlements when annexing areas containing State land, consistent with the overall intent of the entitlement program. It would also serve to institute a consistent framework for entitlements, rather than continue the piecemeal approach that had been followed in the past when the Legislature addressed the issue of entitlements for the cities of Pelican and Whittier.

The Department urges that the Legislature adopt the amendments to AS 29.65.130(10)(C) contained in Section 4 of the bill as introduced. The municipal land entitlement is based on the amount of land considered to be "vacant, unappropriated and unreserved". Under AS 29.65.130(10)(C) the State land classifications, which are considered "vacant, unappropriated and unreserved" for purposes of determining municipal land entitlements, are listed. Many future boroughs, and to some extent future cities, are expected to contain significant amounts of State land classified as forestry or wildlife habitat. Therefore it is of particular importance that the State land classifications of forestry and wildlife habitat remain in the list of classifications considered "vacant, unappropriated and unreserved" for purposes of determining municipal land entitlements.

  
\_\_\_\_\_  
Emil Notti, Commissioner

# MEMORANDUM

# State of Alaska

Community and Regional Affairs

TO: Doug Griffin  
Deputy Director

DATE: March 11, 1986

FILE NO: 3303X/PF/dm

TELEPHONE NO: 465-4750

FROM: Peter Freer *PF*  
Planner IV  
Municipal and Regional  
Assistance Division

SUBJECT: Position Paper  
on SB 414

## Program Effects of Bill

The sponsor substitute is substantially similar to the original bill, but contains some changes which should be noted. These changes, including the re-numbering of sections within the bill, are listed below.

- ° The sponsor substitute adds a new section 1 which limits the size of a municipal land entitlement to no more than 400,000 acres.
- ° Section 2 of the sponsor substitute is the same as section 1 of the original bill.
- ° Section 3 of the sponsor substitute is a new section. It is intended to prevent a municipality from obtaining land in addition to the total amount available under its entitlement. Section 3 of the original bill is deleted from the sponsor substitute but is not deleted from Title 29. The proposed new language from the deleted section 3 is now contained within section 2 of the sponsor substitute.
- ° Section 4 of the sponsor substitute is the same as section 2 of the original bill. Note that the title of this section should read, DETERMINATION OF ENTITLEMENT FOR NEWLY INCORPORATED MUNICIPALITIES.
- ° Section 5 is a new section exempting school, university and mental health land from being included in the determination of entitlement, and from municipal selection.
- ° Section 6 of the sponsor substitute is the same as Section 4 of the original bill.
- ° Section 7 of the sponsor substitute repeals several existing provisions of Title 29. The repeals should be regarded as housekeeping in nature.

Doug Griffin  
RE: SB 414  
March 11, 1986  
Page Two

- ° Section 8 of the sponsor substitute is a new section requiring DNR to consult with municipalities in identifying or classifying land prior to the effective date of the ordinance. This section seems intended to prevent DNR from reclassifying land and reducing the entitlement base with out first consulting municipalities.

The attached position paper on the original bill remains the Department's position. Staff feels that the proposed amendments improve the bill.

I understand that DNR may propose several additional amendments to the sponsor substitute. From my understanding of the amendments, they are routine and do not change the basic purpose and intent of the bill

Sen Stuyplewski

# Alaska MUNICIPAL League

TELEPHONE  
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301  
JUNEAU, ALASKA 99801

TO: Senator Edna DeVries, Chair  
Members of the Senate Community and Regional Affairs Committee

FROM: Scott A. Burgess, Executive Director *S.A.B.*

DATE: March 25, 1986

SUBJECT: SSSB 414 - Municipal Land Entitlements

As stated in the League's previous written testimony, and AML Resolution 86-21, we are in full support of SB 414, and SSSB 414 (see written testimony dated March 6, 1986).

For the record, I would like to clarify our understanding that the intent of the legislation is not to affect the final outcome of the Alaska Supreme Court case, Weiss v Alaska. The legislation correctly states that mental health land cannot be selected in the future; however, negotiations are still underway as to the status of current selections. These must be resolved by the Court and the parties in the case, and the intent is not to resolve this issue with SSSB 414.

Thank you.

MAR 25 1986


# Alaska MUNICIPAL League

TELEPHONE  
(907) 586-1325

105 MUNICIPAL WAY, SUITE 301  
JUNEAU, ALASKA 99801

MAR 19 1986

TO: Senator Edna DeVries, Chair  
Members of the Senate Community and Regional Affairs Committee

FROM: Scott A. Burgess, Executive Director 

DATE: March 6, 1986

SUBJECT: SB 414 - Municipal Land Entitlements

The Alaska Municipal League strongly supports SB 414. Attached is a resolution generally supporting such legislation adopted by the AML membership at their annual conference and business meeting in Fairbanks in November. The legislation would recognize past inequities, recognize the needs of growing municipalities, and make more efficient use of state land by encouraging development and effective use near population, employment and service centers.

As written, the bill would appear to have three major proposals.

1. It would extend the date during which a municipality could receive 10% of the total vacant, unappropriated, unreserved (VUU) state land within its municipal boundaries until 1996, two years after 1994. Under the Statehood Act, the State has 35 years in which to select.
2. It would require the annual recomputation of the maximum total acreage base from which to determine the 10% entitlement to account for additional acreage available for selection through reclassification (see #3 below), additional state selections, and annexation. On this point some clarification of the intent and a definition of "mileage rate equivalent" in Section 2 would be helpful.
3. It expands the state land classifications from which a municipality may select land.

The legislation could potentially benefit all municipalities, equally in proportion to municipal land area and depending on available State VUU land. This would include municipalities which did not have received a statutory entitlement and the North Slope Borough which lost its entitlement in a court battle with the State. Also, it could benefit those who received statutory entitlements and newly incorporated municipalities which received 10% under the existing law, now or over time, by recomputing the base as the result of annexations or in the event the State has selected additional land within its boundaries, and by increasing the types of VUU land with the new classifications eligible for selection. The specific effects on individual municipalities will vary by community, size, incorporation date, amount of VUU land, entitlement

status etc. The Department of Natural Resources did not have a list of municipalities potentially affected by this legislation available at the time I prepared this memo, and such a list may not be possible with the varying circumstances.

One concern I would raise is the fiscal note, which also was not available at this time. Without adequate funding, this legislation will present false hopes and probable frustrations. Inadequate funding for municipalities and the Department of Natural Resources is presumably a major deterrent to satisfying municipal entitlements under current law. While state revenues will be continued to be strapped, this legislation will only add to the land selection, planning, survey, transfer and development costs of the land entitlement program, and must be addressed by the Legislature to realize the intent of this bill.

Again, the Alaska Municipal League supports HB 414, appreciates the effort of the sponsor, and urges passage by the Committee. I apologize for not attending the hearing but will be in Washington, D.C. on League business. Thank you.

Attachment

RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE

RESOLUTION NO. 86-21

A RESOLUTION ADDRESSING LAND ENTITLEMENTS.

WHEREAS, the purpose of municipal entitlements is to provide local governments throughout Alaska a land base with which to meet a broad variety of present and future needs, and

WHEREAS, many municipalities throughout the State have not received entitlements, and

WHEREAS, while the problems associated with the fulfillment of municipal entitlements for each municipality may vary with individual communities, concern over the fulfillment of entitlements is deeply shared by all communities, and

WHEREAS, the lack of municipal entitlements presents hardships for municipalities and severely restricts the ability of communities to plan effectively for the future, and

WHEREAS, fulfillment of municipal entitlements is one of the most important and basic rights of municipalities and a duty of the State;


NOW, THEREFORE, BE IT RESOLVED that the Alaska Municipal League calls upon the Legislature, the Governor, and the Alaska Department of Natural Resources to take whatever actions are necessary to correct existing inequities and overcome any and all remaining obstacles to fulfill land entitlements for all municipalities.

Adopted this 16th day of November 1985.



LEO B. RASMUSSEN, President

ATTEST:

  
SCOTT A. BURGESS, Executive Director

# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

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

April 14, 1986

The Honorable Arliss Sturgulewski  
Chair, Senator Resources Committee  
P.O. Box V  
Juneau, AK 99811

Dear Senator Sturgulewski:

During the Senate Resources Committee hearing on SB 414 last week you asked for additional information pertaining to the North Slope Borough's municipal entitlement situation. In brief, the North Slope Borough has no municipal land entitlement because it failed to dismiss litigation regarding claims to state land in 1978 as required by state law. AS 29.65.110 (previously AS 29.18.211) specified that failure to dismiss the litigation within 60 days after July 1, 1978 would constitute a waiver of any entitlement to state land otherwise provided by AS 29.65.010(a).

The litigation (North Slope Borough v. LeResche) was initiated by the borough in 1974 after the Director of the Division of Lands denied the borough's land selection applications to acquire the surface estate to certain lands within the Prudhoe Bay oilfield area. These lands had been selected pursuant to the provisions of former AS 29.18.190 to 29.18.200, the original Municipal Entitlement Act. The selections were denied on the basis that it was not in the best interest of the state to convey the borough the surface of these lands.

This decision was affirmed on appeal by the commissioner and then was appealed by the borough to the Superior Court. The Superior Court rendered a decision on January 3, 1977, finding in favor of the state that the "state's best interest" was a proper basis for rejecting these land selections. The borough next appealed this decision to the Alaska Supreme Court and a decision was pending in 1978 when the Legislature substantially revised and repealed AS 29.18.190 to 29.18.200, the original Municipal Entitlement Act.

April 14, 1986

The Supreme Court's decision upholding the state was issued on August 4, 1978. However, following the decision, the borough took steps to obtain additional time in which to file motions for rehearing and thus kept the litigation alive. Finally, the Supreme Court ended the litigation with finality in the state's favor on September 11, 1978, twelve days after the close of the 60-day litigation dismissal period allowed by the new law.

As you know, the 1978 legislation (Chapter 180, SLA 1978) had granted the North Slope Borough an entitlement of 89,850 acres. However, as indicated above, the new legislation specifically required any municipality which was engaged in litigation against the state on July 1, 1978 to either elect to pursue its legal rights and remedies under the old statute, or to dismiss any pending litigation and accept the land entitlement specified by the new statute.

Because the borough failed to timely file a motion to dismiss its lawsuit with prejudice within the time allowed, it forfeited any rights under the new act and ultimately received no land under either act.

SB 414 would allow the borough to receive the maximum amount of 10 percent of all vacant, unappropriated and unreserved general grant available land at any time between the date of incorporation and 1996, not to exceed 400,000 acres. According to preliminary acreage calculations conducted by the department, the borough would therefore appear eligible to receive the maximum 400,000 acre entitlement allowed by the proposed litigation.

Please let me know if my staff or I may provide any further clarification regarding this matter.

Sincerely,

*Bob Arnold*  
for Esther C. Wunnicke  
Commissioner

## MUNICIPALITY OF ANCHORAGE

## MEMORANDUM

---

DATE: April 10, 1986

TO: Chip Demmerlein, Director, Intergovernmental Affairs

FROM: Peter Scholes, Property Management Officer *PJS*

SUBJECT: Bills relating to general grant land entitlements (SB 414, HB 587)

Please note that Tom Meacham and I have drafted the Anchorage amendments to the bills relating to general grant land entitlements in the form of a substitute for the current Senate bill, CS for 2d Sponsor Substitute for Senate Bill No. 414 (C&RA). In order to facilitate Rep. Pourchot's review of what we have proposed, I have compared the above Senate bill with what I believe is the current House bill, CS for House Bill No. 587 (C&RA).

The two bills are identical through the first seven sections.

Sections 8 (agricultural land) and 9 of the Senate bill are not contained in the House bill.

Section 10 of the Senate bill is the same as Section 8 of the House bill.

Section 11 of the Senate bill, the key section on the Commissioner's authority to negotiate an agreement, is not contained in the House bill.

Section 12 of the Senate bill is the same as Section 9 of the House bill.

Sections 13 and 14 of the Senate bill are similar to Sections 10 and 11 of the House bill, however, the effective dates of the three additional sections of the Senate bill are contained in Sections 13 and 14.

1. To protect oil and gas mineral interests:

add a paragraph to Sec. 2 / AS 29.65.025 --

"(e) In any conveyance of land to a municipality under this act, the commissioner shall reserve the right to explore, enter, develop, and occupy the surface as reasonably necessary for access to the mineral estate, as required by AS 38.05.125."

2. To repeal in-lieu payments provision (except for Anchorage):

add a repealer Sec. 14 and renumber following sections -

"Sec. 14. AS 29.65.080 is repealed except for any municipality qualified on January 1, 1987."

3. To reverse presumption of Anchorage language:

At Sec. 12 delete the end of the first sentence from "if the commissioner...." and replace it with:

"unless the state determines that the land must be retained in the state's ownership."

(COMPENSATION: Add at AS 29.65.060)

*of the bill,*

(c) A municipality shall be entitled to just compensation for any selection made by it under former AS 29.18.206 or 29.65.060 which was pending, or on timely appeal, on April 1, 1986, and which cannot be conveyed to the municipality as a result of any final judicial action or legislative enactment, except that no compensation is required for any selection of land by a municipality within a special use area designated by the Legislature under AS 16 or AS 41 or for any selection of land that is not vacant, unappropriated, and unreserved land as defined under AS 29.65.130(10), provided that nothing in this ~~act~~ <sup>act</sup> shall affect the legal rights of any party with regard to any selection of school, university, or mental health land by a municipality prior to June 1, 1986.

(MENTAL HEALTH/UNIVERSITY/SCHOOL LANDS: Revise 060(b) in the bill to read:)

(b) After June 1, 1986, a municipality may not select school, university, or mental health land in fulfillment of its general grant land entitlement, provided that nothing in this act shall affect the legal rights of any party with regard to any selection of school, university, or mental health land by a municipality prior to June 1, 1986.

(NEGOTIATION: Sec. 13 of the bill)

Sec. 13. The commissioner of natural resources may negotiate with and enter into an agreement to convey state land to a borough or unified municipality whose entitlement under AS 29.65.010 in the commissioner's determination cannot be fulfilled as of January 1, 1987, if the borough or unified municipality elects in writing before January 1, 1987, to pursue a settlement of that existing entitlement. The commissioner has authority under this section to convey state land without regard as to whether the land is vacant, unappropriated, unreserved land as defined under AS 29.65.130(10) if the commissioner determines, after public notice, that the land lies outside the smallest practicable tract of land actually used in connection with the administration of a state function on ~~April~~ <sup>July</sup> 1, 1987, except that the commissioner may not convey lands owned by another state agency without its consent. Land conveyed to a borough or a unified municipality under an agreement entered into under this section may constitute complete fulfillment of the municipality's general grant land entitlement as specified in the agreement and agreed to by both parties. Conveyances under an agreement entered into under this section may contain no restrictions or conditions that are not required to be imposed by law, except those restrictions or conditions mutually agreed upon by the parties.

ESTIMATED BOROUGH ENTITLEMENT ACREAGE UNDER SSSB 414  
Based on March, 1986 Land Status

<u>BOROUGH</u>	<u>SSSB 411 ENTITLEMENT</u>	<u>1978 ENTITLEMENT</u>	<u>APPROXIMATE ADDITIONAL ENTITLEMENT</u>
Ketchikan Gateway	1,470	11,593	0
Sitka	490	10,500	0
Juneau	430	19,584	0
Haines	13,300	2,800	10,500
Bristol Bay	4,900	2,898	2,000
Kodiak Island	41,200	58,787	0
Kenai Peninsula	76,200	155,780	0
Anchorage	1,700	44,893	0
Matanuska-Susitna	400,000	355,210	44,800
Fairbanks-North Star	223,200	112,000	111,000
North Slope	400,000	89,850*	400,000
NW Arctic (Proposed)	230,000	n.a.	<u>230,000</u>
TOTAL			798,300

\* Received zero entitlement pursuant to election  
of benefits in AS 29.65.110.

DNR Division of Land and Water Management  
Land Management Section  
March 19, 1986

DEPARTMENT OF  
NATURAL RESOURCES  
MAR 21 1986  
COMMISSIONER'S OFFICE  
JUNEAU

MEMORANDUM

State of Alaska

To:  
DISTRIBUTION

Date: March 14, 1986

From: Gary Gustafson, Chief  
Land Management  
Land and Water Management

File no:

Telephone no: 762-4346

Subject: Senate Bill 414

Analysis of Sponsor Substitute for Senate Bill 414

Section 1. This section allows a borough with a 1978 statutory entitlement per AS 29.65.010(a) to increase its entitlement if the new entitlement formula provided in AS 29.65.020 or 29.65.030 (10 percent of vacant unappropriated, unreserved land) results in a higher entitlement figure. Under no circumstances, however, shall a borough's entitlement exceed 400,000 acres. This should benefit those boroughs which encompass a substantial amount of available state land (i.e. Bristol Bay, Fairbanks North Star Borough, Matanuska-Susitna, Haines, North Slope Borough).

Section 2. The existing entitlement formula now applicable to cities - 10 percent of total acreage of vacant, unappropriated, unreserved land - is expanded to include all municipalities (organized boroughs and cities). There is no maximum entitlement threshold applicable to cities.

Entitlements for municipalities are also allowed to increase if the state has received additional land within municipal boundaries, up until two years after the expiration of state selection rights. As state selection rights will expire after January 2, 1994, municipal entitlements could increase (subject to the state's receipt of land) until January 2, 1996. The director is also required to determine or update entitlements for each municipality by January 1 of each year.

Section 3. This eliminates the previous language which did not grant additional entitlements to cities incorporated before January 1, 1986. Instead, a subsection is added which provides that

any conveyances of state land to municipalities which occur outside AS 29.65 shall be counted against that municipalities entitlement. This covers prior direct legislative land conveyances, such as those to Whittier and Pelican.

Section 4. Similar to Section 2 (above), the entitlement for newly incorporated municipalities is allowed to increase if additional land is conveyed to the state within municipal boundaries before two years after the expiration of the state's selection rights expire (January 2, 1996).

NOTE: The title of this section should read "DETERMINATION OF ENTITLEMENT FOR NEWLY INCORPORATED MUNICIPALITIES".

Section 5. This section previously allowed municipalities to select and receive school and mental health land, under certain circumstances. If school or mental health land was selected, the director was to identify replacement land of approximately equal value and propose such replacement land for the concurrence of the appropriate board. If approved, the replacement land was then to be managed in accord with the purposes for which the land was originally acquired.

The section is now proposed for repeal because a recent Alaska Supreme Court decision (Weiss v. Alaska) ordered the state to return mental health land to trust status and prohibited the department from divestiture of mental health land unless the trust is compensated for at least fair market value of the land. As school lands pose very similar trust obligations (although there has been no court determination), it is prudent to also exclude school lands from municipal selection. University lands are proposed for exclusion because a 1982 agreement with the university has transferred title to these lands to the University of Alaska.

Section 6. This section amends the definition of "vacant, unappropriated and unreserved land" to eliminate those classification categories no longer in existence (commercial, industry, private, recreational, residential, utility, open-to-entry) and replaces them

with those new classification categories considered appropriate for municipal entitlement determinations and selection (material, public recreation, resource management, settlement, transportation corridor, wildlife habitat and water resources). The agricultural and grazing classifications have not been altered and remain available for selection, as do unclassified lands. The classification categories ineligible for municipal selection are oil and gas, coal, minerals, heritage resources, geothermal and reserved use.

The majority of the state's vacant, unappropriated and unreserved land is presently classified as resource management.

Section 7. This section repeals several provisions of AS 29.65 which are either out-dated or inconsistent with this bill. Specifically,

- (a) AS 29.65.030(c) - Is inconsistent with the bill because it specified the section will not grant additional entitlements to municipalities incorporated before January 1, 1986.
- (b) AS 29.65.040(e) - This provision is out-dated and no longer serves any useful purpose.
- (c) AS 29.65.050(b) and (c) - Subsection (b) is out-dated as all approved selections under former AS 29.18.190 and 29.18.200 for which patent was not issued on July 1, 1978 by the director have now been reviewed. Subsection (c) required the director to approve each municipal selection for patent within nine months of selection and a patent within three months of approval of plat of survey. These requirements simply can not be met under the new bill due to lack of sufficient departmental staff to process the increased workload. Alternative deadlines could be proposed, although the department prefers to repeal the requirement and process selections as staff and resources allow.
- (d) AS 29.65.090 - This would repeal the present authorization for the state and municipalities to exchange land or interests in land of

approximate value if in the public interest. It is the experience of department that this exchange authority is very difficult to administer because it does not require trades to be based upon equal appraised value and exempt such trades from the more stringent public review and legislative approval requirements otherwise necessary for exchanges under AS 38.50. Furthermore, there are no regulations to implement the existing section. The repeal of this section will not eliminate state land exchanges with municipalities. Instead, such trades may still occur, only subject to AS 38.50.

- (e) AS 29.65.110 - The election of benefits covered by this section no longer apply as no municipalities are still engaged in litigation regarding a claim to state land under former AS 29.18.190 or 29.18.200 and the statute of limitations has expired.

Section 8. As the act is not proposed to take effect until January 1, 1987 (see Section 10), this section will ensure coordination and consultation with affected municipalities should the department proceed with a land classification effort prior to the effective date of the act.

Section 9. Making the act effective on January 1, 1987 will reduce associated fiscal impacts of the bill for FY 87 and allow the state to complete any classification actions necessary to protect sensitive state lands.

GG/jlj

# STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 03-13-86

**REQUEST**

Bill/Resolution No. : SSSB 414  
 Title : Municipal Land Entitlements

Sponsor : Sen. Ferguson  
 Requestor : Sen. C&RA  
 Date of Request : 03-13-86

**FISCAL DETAIL**

Agency Affected : Natural Resources  
 BRU : Land & Water Management

Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		165.9	91.9	43.0	43.0	43.0
TRAVEL		12.0	6.0	4.0	4.0	4.0
CONTRACTUAL		21.0	10.5	6.0	6.0	6.0
SUPPLIES		.3	.3	.2	.2	.2
EQUIPMENT		.9				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>200.1</b>	<b>108.7</b>	<b>53.2</b>	<b>53.2</b>	<b>53.2</b>

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

**FUNDING : (Thousands of Dollars)**

GENERAL FUND		200.1	108.7	53.2	53.2	53.2
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		<b>200.1</b>	<b>108.7</b>	<b>53.2</b>	<b>53.2</b>	<b>53.2</b>

**POSITIONS :**

FULL-TIME		4	2	1	1	1
PART-TIME						
TEMPORARY						

**ANALYSIS :** Attach a separate page if necessary

See attached.

Prepared by : Gary Johnson *[Signature]* Phone : 762-4355  
 Division : Land & Water Management Date : 03-11-86

Approved by Commissioner : James D. Amundson Date : 3/14/86  
 Agency : Natural Resources

Distribution (by Agency preparing fiscal note):

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

03-14-86

Analysis - SSSB 414

The analysis includes funding for two Nat'l Res Officer II and two Nat'l Res Tech II. These positions will be placed in the regional offices to determine entitlements for the entities in the region.

Most of the work to prepare certificates of entitlement will occur in the first year of the project. Successive years will require less intense activity to update land records in preparation of annual certificates, thus fewer employees will be needed in succeeding years. In the second year the department anticipates the project requiring only two Nat'l Res Officer II positions to continue with certification and decision processing. In years 89,90, and 91, we anticipate handling the statewide workload with a single NRO II.

Offered: 3/24/86  
Referred: Finance

Original sponsor: Adams

1 IN THE HOUSE

BY THE COMMUNITY AND REGIONAL  
AFFAIRS COMMITTEE

2

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

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to general grant land entitlements;

7

and providing for an effective date."

8

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

9

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

10

Sec. 29.65.015. DETERMINATION OF ENTITLEMENTS FOR MUNICIPAL-

11

ITIES. The general grant land entitlement of a municipality is 10

12

percent of the maximum total acreage of vacant, unappropriated, unre-

13

served land within its boundaries at any time between the date of its

14

incorporation and two years after the expiration of the state's right

15

to make selections under sec. 6(a) or (b) of the Alaska Statehood Act.

16

By January 1 of each year the director shall determine or update the

17

unfulfilled entitlement for each municipality under this section and

18

certify that entitlement to that municipality.

19

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

20

Sec. 29.65.025. LIMITATIONS ON ENTITLEMENTS. (a) A municipal-

21

ity is eligible for only one general grant land entitlement. A munic-

22

ipality that qualifies for an entitlement under AS 29.65.010 and

23

29.65.015 shall receive the larger of the two entitlements.

24

(b) A municipality may not receive a general grant land en-

25

titlement under AS 29.65.010 or 29.65.015 that exceeds 400,000 acres.

26

(c) All conveyances of legal title to land by the state to a

27

municipality under AS 29.65.010 or a former law shall be credited

28

toward fulfillment of the entitlement for that municipality. All

29

payments for land under AS 29.65.080 or former AS 29.18.208 shall be

1 credited toward fulfillment of the entitlement for that municipality.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

Revision Date : 4/4/86

REQUEST

Bill/Resolution No. : CS for 2d SS SB 414  
 Title : An act relating to general grant  
land entitlements

Sponsor : Ferguson  
 Requestor : Senate Resources  
 Date of Request : 4/3/86

FISCAL DETAIL

Agency Affected : Natural Resources  
 BRU : Land and Water Management -  
Public Use

Components : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		48.7	48.7	48.7	48.7	48.7
TRAVEL		10.0	5.0	5.0	5.0	5.0
CONTRACTUAL		15.5	6.0	6.0	6.0	6.0
SUPPLIES		.3	.3	.3	.3	.3
EQUIPMENT		.9				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		75.4	60.0	60.0	60.0	60.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		75.4	60.0	60.0	60.0	60.0
FEDERAL FUNDS						
OTHER						
TOTAL		75.4	60.0	60.0	60.0	60.0

POSITIONS :

FULL-TIME		1	1	1	1	1
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

see attached

Prepared by : Gary Gustafson Phone : 762-4346  
 Division : Land and Water Management Date : 4/4/86

Approved by Commissioner : Thomas D. Arnold, Deputy Date : 4/4/86  
 Agency : Natural Resources

Distribution (by Agency preparing fiscal note) :

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

4/4/86

Analysis - CS SS SB 414

This revised fiscal note includes funding for a Natural Resource Manager I position located in Anchorage.

This position will serve to coordinate all municipal land entitlement calculations required as a result of the proposed legislation and oversee the subsequent process of transferring selected lands. This position will likely be supported by existing land disposal staff already within the department.

Associated costs include travel funds to attend coordination meetings with municipalities and contractual monies to cover land title record duplications and associated mailing costs.

ESTIMATED BOROUGH ENTITLEMENT ACREAGE UNDER SSSB 414  
Based on March, 1986 Land Status

	KETCHIKAN GATEWAY	SITKA	JUNEAU	HAINES	BRISTOL BAY	KOOTIAK ISLAND	KENAI PENINSULA	ANCHORAGE	MATANUSKA SUSITNA	FAIRBANKS NORTH STAR	NORTH SLOPE	NW ARCTIC (PROPOSED)
Total 6(a) and 6(b) Statehood Land Conveyed to State	26,900	15,600	25,000	165,000	51,500	482,000	2,019,000	521,000	9,334,000	3,231,000	7,513,000	2,300,000
Less: Legislatively Designated Units	0	0	800	27,500	0	11,200	580,000	483,000	2,603,600	614,600	0	0
Less: Non-Selectable Classifications	0	0	0	27	0	0	267,000	0	956,000	118,700	7,031	0
Less: Previous Conveyances												
- Borough	11,402	10,500	19,584	2,800	2,519	58,787	99,393	20,676	355,703	90,572	0	0
- City	0	0	0	0	0	1	806	0	406	15	0	0
- Disposals	750	200	300	2,000	0	415	17,000	200	262,800	175,000	0	0
- Land Ex/Agmt.	0	0	0	0	0	0	292,965	0	185,590	0	0	0
Total Land Unavailable	12,200	10,700	20,700	32,000	2,500	70,000	1,257,000	504,000	4,364,000	999,000	7,000	0
Available Selectable Land	14,700	4,900	4,300	133,000	49,000	412,000	762,000	17,000	4,970,000	2,232,000	7,506,000	2,300,000
SSSB 414 Entitlement (10% of WU)	1,470	490	430	13,300	4,900	41,200	76,200	1,700	400,000*	223,200	400,000*	230,000
1978 Entitlement	11,593	10,500	19,584	2,800	2,898	58,787	155,780	44,893	355,210	112,000	89,850**	n.a.

\* Entitlement not to exceed 400,000 acres under SSSB 414.

\*\* Received zero entitlement pursuant to election of benefits in AS 29.65.110.

DNR Division of Land and Water Management  
Land Management Section  
March 19, 1986

Cook  
4/25/86

Original sponsor: Ferguson

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR 2d SPONSOR SUBSTITUTE FOR SENATE BILL NO. 414 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 (f) Conveyances of land under this chapter are subject to  
18 AS 38.05.035(e).

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

20 Sec. 29.65.040. STATUS OF ENTITLEMENTS. (a) A general grant  
21 land entitlement under AS 29.65.010 is a vested property right that  
22 must be fulfilled in accordance with AS 29.65.025, 29.65.060, and  
23 29.65.080.

24 (b) A general grant land entitlement under AS 29.65.015 is a  
25 property right that vests on the date of incorporation of the munici-  
26 pality. The entitlement must be fulfilled in accordance with AS 29.-  
27 65.025.

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

29 (a) If an entitlement determined under AS 29.65.010 or 29.65.015

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

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

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

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

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

18 (h) Nothing in this section affects the legal rights of any  
19 person with regard to selections of school land, university land, or  
20 mental health land made by a municipality on or before October 4,  
21 1985.

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

23 (i) A municipality that may enter into an agreement under  
24 sec. 15 of this Act is entitled to just compensation in the form of  
25 land or other payment for a selection made by it under this section or  
26 former AS 29.18.206 (ch. 180, SLA 1978) that was pending or on timely  
27 appeal on April 1, 1986, and that cannot be conveyed to the  
28 municipality as a result of final judicial action or law, except that  
29 compensation is not required for a selection of land by a municipality

1 within a special use area under AS 16 or AS 41 or for a selection of  
2 land not qualified to be selected under this section or former AS  
3 29.18.206. Compensation under this subsection shall be credited  
4 against the municipality's remaining land entitlement under this  
5 chapter.

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

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

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

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

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

16 (3) "general grant land"

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

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

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

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

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

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

1 (C) is unclassified or, if classified under AS 38.-  
2 05.300, is classified for agricultural, grazing, public recre-  
3 ation, resource management, settlement, forestry, or wildlife  
4 habitat [COMMERCIAL, INDUSTRIAL, PRIVATE RECREATIONAL, RESIDEN-  
5 TIAL, UTILITY, OR OPEN-TO-ENTRY PURPOSES,] or is classified in  
6 accordance with an agreement between a municipality and the state  
7 providing for state management of land of the municipality.

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

9 (b) State land classified as agricultural land that has been  
10 selected by a municipality under former AS 29.18.190 - 29.18.200 or  
11 former AS 29.18.205(e) may be approved by the director for patent  
12 under AS 29.65 [AS 29.65.050(c)]; however, only rights in the land for  
13 agricultural purposes may be transferred and all other interests in  
14 the land will remain with the state. Agricultural land approved for  
15 patent to a municipality shall be credited, acre for acre, toward  
16 fulfillment of that municipality's entitlement under AS 29.65 [AS 29.-  
17 65.010 - 29.65.030] or former AS 29.18.201 - 29.18.203. If the direc-  
18 tor later determines it to be in the best interests of the state to  
19 transfer some or all of the additional rights in that approved or  
20 patented agricultural land, those rights shall pass without considera-  
21 tion to the municipality in which the land is located. The notice and  
22 review provisions of AS 38.05.945 are applicable to conveyance of  
23 rights under this section.

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

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

26 (1) state land classified as agricultural land that has  
27 been selected by a municipality under the provisions of former AS 29.-  
28 18.190 - 29.18.200 if the selection is an approved selection before  
29 April 1, 1978 and is otherwise valid under former AS 29.65.050(b) or

1 former AS 29.18.205(b); or

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

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

9 \* Sec. 15. The commissioner of natural resources shall negotiate with  
10 and may enter into an agreement to convey state land to a borough or  
11 unified municipality whose entitlement under AS 29.65.010 in the commis-  
12 sioner's determination cannot be fulfilled by January 1, 1987, if the  
13 borough or unified municipality elects in writing before January 1, 1987,  
14 to pursue a settlement of that existing entitlement. The commissioner has  
15 authority under this section to convey state land without regard as to  
16 whether the land is vacant, unappropriated, unreserved land as defined  
17 under AS 29.65.130(10) if the commissioner determines, after public notice,  
18 that the land lies outside the smallest practicable tract of land actually  
19 used in connection with the administration of a state function on July 1,  
20 1986, except the commissioner may not convey land owned by another state  
21 agency without its consent. Land conveyed to a borough or a unified munic-  
22 ipality under an agreement entered into under this section may constitute  
23 complete fulfillment of the municipality's general grant land entitlement  
24 as specified in the agreement and agreed to by both parties. Conveyances  
25 under an agreement entered into under this section may not contain reser-  
26 vations or conditions that are not required to be imposed by law, except  
27 restrictions or conditions agreed upon by the parties.

28 \* Sec. 16. AS 29.65.010(b), 29.65.020, 29.65.030, 29.65.050, 29.65.-  
29 080(h) and 29.65.110 are repealed.

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

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

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

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Official Business

# Alaska State Legislature

## Senate

### Committee on Community and Regional Affairs

Senator Edna DeVries, Chairman  
Members  
Senator Ferguson, Vice Chairman  
Senator Coghill  
Senator Sturgulewski  
Senator V. Fischer

Pouch V  
Juneau, Alaska 99811

March 27, 1986

TO: McKie Campbell  
Senate Resources Committee

FROM: Trudie Alford ~~ta~~  
Senate C&RA Committee

SUBJ: CS 2d SSSB 414 (C&RA)

This bill will be coming to your committee in the next few days.

Wanted you to know that Ned Farquhar, DNR, informed me that he does not believe their fiscal note has changed from the one prepared on the earlier version of the bill, SS SB 414. He is checking the matter out and will send Senator DeVries advice in writing.

I will forward a copy of his letter to Senate Resources to your attention.

Atchs **DNR is preparing new fiscal note which is expected to be significantly lower. MSL**

Offered: 3/24/86  
Referred: Finance

Original sponsor: Adams

1 IN THE HOUSE  
2  
3 CS FOR HOUSE BILL NO. 587 (C&RA)  
4 IN THE LEGISLATURE OF THE STATE OF ALASKA  
5 FOURTEENTH LEGISLATURE - SECOND SESSION  
6 A BILL  
7 For an Act entitled: "An Act relating to general grant land entitlements;  
8 and providing for an effective date."  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:  
10 \* Section 1. AS 29.65 is amended by adding a new section to read:  
11 Sec. 29.65.015. DETERMINATION OF ENTITLEMENTS FOR MUNICIPAL-  
12 ITIES. The general grant land entitlement of a municipality is 10  
13 percent of the maximum total acreage of vacant, unappropriated, unre-  
14 served land within its boundaries at any time between the date of its  
15 incorporation and two years after the expiration of the state's right  
16 to make selections under sec. 6(a) or (b) of the Alaska Statehood Act.  
17 By January 1 of each year the director shall determine or update the  
18 unfulfilled entitlement for each municipality under this section and  
19 certify that entitlement to that municipality.  
20 \* Sec. 2. AS 29.65 is amended by adding a new section to read:  
21 Sec. 29.65.025. LIMITATIONS ON ENTITLEMENTS. (a) A municipal-  
22 ity is eligible for only one general grant land entitlement. A munic-  
23 ipality that qualifies for an entitlement under AS 29.65.010 and  
24 29.65.015 shall receive the larger of the two entitlements.  
25 (b) A municipality may not receive a general grant land en-  
26 titlement under AS 29.65.010 or 29.65.015 that exceeds 400,000 acres.  
27 (c) All conveyances of legal title to land by the state to a  
28 municipality under AS 29.65.010 or a former law shall be credited  
29 toward fulfillment of the entitlement for that municipality. All  
payments for land under AS 29.65.080 or former AS 29.18.208 shall be

1 credited toward fulfillment of the entitlement for that municipality.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

accepted

Cook

A M E N D M E N T

Offered in the SENATE

By V. Fischer

TO: 2d SSSB 414

Page 2, line 22, after "served." delete all material through line 24



# RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

11/24/89  
Date

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# STATE OF ALASKA

## DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH M  
JUNEAU, ALASKA 99811  
PHONE: 907-485-2400

March 18, 1986

The Honorable Arliss Sturgulewski  
Alaska State Legislature  
P. O. Box V  
Juneau, AK 99811

Dear Senator Sturgulewski:

The Department of Natural Resources has reviewed Senate Bill No. 418, which would create an Alaska Minerals Commission.

The proposed Mineral Commission has the potential for assisting the State of Alaska in developing solutions to the some of the challenges that the mining industry encounters when operating in the state. While the department supports the concept, we cannot support the bill because of its fiscal impact on the department.

If the bill is enacted, we would like to offer the following amendments for your consideration. These amendments will lower the fiscal impact of the commission and better ensure that the commission's deliberations are worthwhile. Also, attached are a marked-up version of the bill with the proposed amendments and a fiscal note.

### Section 1 (a)

This subsection includes hydrocarbons in the definition of the minerals industry, but it appears in subsection (b) and Section 2 that the intent of the legislation's author that the commission's purpose is to make recommendations regarding hard-rock and placer mining related issues. The department supports this narrower focus and recommends that the reference to hydrocarbons be deleted.

### Section 2. Alaska Minerals Commission Established

The department recommends that the number of Commission members be reduced from eleven to seven, and that the commission be in existence for only one and one-half years instead of three. Both amendments would reduce the fiscal impact of the bill and increase its efficiency without having a negative impact on the objectives of the Commission. Accordingly, preliminary results of the Commission's findings and recommend-

March 18, 1986

ations would be submitted to the Governor and Legislature in January 1987, with final recommendations being submitted in January 1988.

As noted on the attached fiscal note, the Department estimates that the cost of the commission would be approximately \$63,300 for the three-year period. If the recommendations suggested by the department are incorporated into the bill, we estimate that the cost would be reduced to approximately \$31,000. In both cases it is assumed that staff support would be provided by existing Division of Mining personnel without any additional personnel being hired.

Thank you for the opportunity to comment on the bill. Please contact my office if you have any questions.

Sincerely,



Esther C. Wunnicke  
Commissioner

Attachments

cc: Senator Bennett  
Senator Coghill  
Senator Fahrenkamp  
Commissioner Collinsworth  
Commissioner Ross  
Director Denton

STATE OF ALASKA 1986 LEGISLATIVE SESSION  
FISCAL NOTE

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

REQUEST

Bill/Resolution No. : SB 418  
 Title : An Act relating to the  
Alaska Minerals Commission  
 Sponsor : Bennett et al.  
 Requestor : Senator Sturgulewski  
 Date of Request : March 14, 1986

FISCAL DETAIL

Agency Affected : Natural Resources  
 BRU : \_\_\_\_\_  
 Components : \_\_\_\_\_

**EXPENDITURES/REVENUES : (Thousands of Dollars)**

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL		10.6	10.6	10.6		
CONTRACTUAL		2.5	1.0	2.5		
SUPPLIES		.5	.5	.5		
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>		<b>22.6</b>	<b>21.1</b>	<b>22.6</b>	<b>-0-</b>	<b>-0-</b>

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

GENERAL FUND		22.6	21.1	22.6	-0-	-0-
FEDERAL FUNDS						
OTHER						
<b>TOTAL</b>		<b>22.6</b>	<b>21.1</b>	<b>22.6</b>	<b>-0-</b>	<b>-0-</b>

**POSITIONS :**

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

See Attachment

Prepared by : Ned Farquhar  
 Division : Commissioner's Office

Phone : 465-2400  
 Date : 3/18/86

Approved by Commissioner : \_\_\_\_\_  
 Agency : Natural Resources

Date : 3/18/86

Distribution (by Agency preparing fiscal note) :

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

March 18, 1986

Attachment to the Fiscal Note for SB 418  
Alaska Department of Natural Resources

The Fiscal Note for SB 418 assumes the following:

-- Eleven Commission members, with six from the Fairbanks area, three from Southcentral, and two from Southeast.

-- Eight meetings a year attended by the eleven Commission members and two DNR employees. Six of the meetings are one-day meetings, two of the meetings are two-day meetings.

-- Printing costs of the Draft and Final report of recommendations will total \$1,500 each, for a total of \$3,000.

-- Telephone costs of \$1000 a year

-- Miscellaneous supplies at \$500 a year, which includes zexxing.

Introduced: 2/14/86  
Referred: Resources and  
Finance

BY BENNETT, COGHILL  
AND FAHRENKAMP

1 IN THE SENATE

2 SENATE BILL NO. 418

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska minerals commission."

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

8 \* Section 1. (a) The legislature finds that the mineral~~s~~ <sup>industries</sup> <sup>coal</sup>  
9 which include~~s~~ metallic minerals, industrial minerals, and hydrocarbons,  
10 ~~have~~ <sup>has</sup> been traditionally and continue to be the major source of wealth and  
11 income in the state.

12 (b) The legislature further finds that there are major constraints on  
13 the continued development of a diverse mineral industry in the state,  
14 including the Environmental Protection Agency's effluent guidelines, state  
15 water quality standards and improperly classified streams and rivers,  
16 restrictions on surface access, complex and numerous permitting require-  
17 ments, a limited access to minerals through mineral closing orders and  
18 restrictions on multiple use through state and federal land use plans.

19 \* Sec. 2. ALASKA MINERALS COMMISSION ESTABLISHED. (a) The Alaska  
20 Minerals Commission is established in the Department of Natural Resources.

21 (b) The commission is composed of <sup>7</sup> members appointed by the  
22 governor for ~~three~~ <sup>a one and one-half year</sup> year terms. In making appointments to the commission,  
23 the governor shall appoint individuals who have experience in the various  
24 aspects of the minerals industries in the state.

25 (c) The commission shall make recommendations to the governor and to  
26 the legislature on ways to mitigate the constraints, including governmental  
27 constraints, on development in the state.

28 (d) The commission shall make its preliminary recommendations to the  
29 governor and the legislature during the first 10 days of the First Regular

1 Session of the Fifteenth Legislature and shall make its final report to the  
2 governor and the legislature during the first 10 days of the <sup>Second</sup> ~~First~~ Regular  
3 Session of the <sup>Fifteenth</sup> ~~Sixteenth~~ Legislature.

4 \* Sec. 3. This Act is repealed February 1, 198<sup>8</sup>.

# Alaska State Legislature

ARLISS STURGULEWSKI, Chairman  
BETTYE FAHRENKAMP, Vice Chairman  
JACK COGHILL  
DICK ELIASON  
VIC FISCHER  
RICK HALFORD  
FRED ZHAROFF



POUCH V  
JUNEAU, ALASKA 99811  
(907) 465 4907

## Senate Committee on Resources

M E M O R A N D U M

March 18, 1986

TO: All Members  
Senate Resources Committee

FROM: Staff, *H* Senate Resources Committee

RE: SB 418 "An Act relating to the Alaska Minerals  
Commission"

SB 418 would establish an Alaska Minerals Commission to examine ways to mitigate the constraints on mineral development in the state.

The eleven-member commission shall make its preliminary recommendations to the Governor and legislature during the first ten days of the first session of the Fifteenth Legislature and its final report to the first session of the Sixteenth Legislature.

The legislation is repealed on February 1, 1989.

The committee substitute would add travel and per diem as authorized for boards and commissions.

Enclosure:  
Resolution of Alaska Miners Association

# Alaska State Legislature

ARLISS STURGULEWSKI, Chairman  
BETTYE FAHRENKAMP, Vice Chairman  
JACK COGHILL  
DICK ELIASON  
VIC FISCHER  
RICK HALFORD  
FRED ZHAROFF



P. O. BOX V  
JUNEAU, ALASKA 99811  
(907) 485-4907

## Senate Committee on Resources

April 8, 1986

Betty Adler  
11976 Wilderness Drive  
Anchorage, Alaska 99516

Dear Betty:

I am pleased to report that SB 418 has passed the Senate Resources Committee with a unanimous "do pass" recommendation. The bill now goes to the Senate Finance Committee for further action.

I have enclosed a copy of the committee substitute for SB 418 which added travel and per diem for the commission members.

Thank you for your interest in this legislation.

Sincerely yours,

Senator Arliss Sturgulewski  
Chairman, Senate Resources Committee

Enclosure  
CSSB 418

*Same letter to  
Melton Volk*

FA

PUBLIC OPINION MESSAGE

TO: SENATOR ARLISS STURGULEWSKI  
FROM: BETTY ADLER  
11976 WILDERNESS DRIVE  
ANCHORAGE ANCHORAGE 99516  
345-3048

BILL NO: SB 418

SUBJECT: ALASKA MINERALS COMMISSION

MESSAGE:

I WOULD LIKE YOU TO SUPPORT SB 418. PLEASE PETITION THE GOVERNOR TO INTERVENE IN THE SIERRA CLUB VS BLM LAWSUIT TO SUPPORT OUR LOCAL MINERS.

DATE: 04/02/86 TIME: 15:56:51 SENT BY: ANCHORAGE LIO

COPIES TO: HOUSE MEMBERS  
SENATE MEMBERS

Bradley ✓

A M E N D M E N T

Offered in the SENATE

By Fahrenkamp

TO: SB 418

Page 1, lines 21 - 24, delete all material and insert:

"(b) The commission is composed of 11 members appointed for three-year terms. The commission shall be composed of individuals who have experience in the various aspects of the minerals industries in the state. The governor shall appoint five members of the commission. The president of the Senate shall appoint three members of the commission. The speaker of the House of Representatives shall appoint three members of the commission."

*at least 5 years*

Introduced: 2/14/86  
Referred: Resources and  
Finance

BY BENNETT, COGHILL  
AND FAHRENKAMP

1 IN THE SENATE

2 SENATE BILL NO. 418

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Alaska minerals commission."

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

8 \* Section 1. (a) The legislature finds that the minerals <sup>coal</sup> industries <sup>has</sup>  
9 which include metallic minerals, industrial minerals, and hydrocarbons,  
10 ~~have~~ been traditionally and continue to be the major source of wealth and  
11 income in the state.

12 (b) The legislature further finds that there are major constraints on  
13 the continued development of a diverse mineral industry in the state,  
14 including the Environmental Protection Agency's effluent guidelines, state  
15 water quality standards and improperly classified streams and rivers,  
16 restrictions on surface access, complex and numerous permitting require-  
17 ments, a limited access to minerals through mineral closing orders and  
18 restrictions on multiple use through state and federal land use plans.

19 \* Sec. 2. ALASKA MINERALS COMMISSION ESTABLISHED. (a) The Alaska  
20 Minerals Commission is established in the Department of Natural Resources.

21 (b) The commission is composed of 11 members appointed by the  
22 governor for <sup>a one and one-half year</sup> ~~three-year~~ terms. In making appointments to the commission,  
23 the governor shall appoint individuals who have experience in the various  
24 aspects of the minerals industries in the state.

25 (c) The commission shall make recommendations to the governor and to  
26 the legislature on ways to mitigate the constraints, including governmental  
27 constraints, on development in the state.

28 (d) The commission shall make its preliminary recommendations to the  
29 governor and the legislature during the first 10 days of the First Regular

1 Session of the Fifteenth Legislature and shall make its final report to the  
2 governor and the legislature during the first 10 days of the <sup>Second</sup> ~~First~~ Regular  
3 Session of the <sup>Fifteenth</sup> ~~Sixteenth~~ Legislature.  
4 \* Sec. 3. This Act is repealed February 1, 198<sup>8</sup>.

Bradley  
3/14/86 ✓

Original sponsors: Bennett, Coghill  
and Fahrenkamp

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 418 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

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

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13 the continued development of a diverse mineral industry in the state,  
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20 Minerals Commission is established in the Department of Natural Resources.

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22 nor for three-year terms. In making appointments to the commission, the  
23 governor shall appoint individuals who have experience in the various  
24 aspects of the minerals industries in the state.

25 (c) The commission shall make recommendations to the governor and to  
26 the legislature on ways to mitigate the constraints, including governmental  
27 constraints, on development in the state.

28 (d) A member of the commission serves without compensation but is  
29 entitled to receive the per diem and travel expenses authorized for members

1 of a commission under AS 39.20.180.

2 (e) The commission shall make its preliminary recommendations to the  
3 governor and the legislature during the first 10 days of the First Regular  
4 Session of the Fifteenth Legislature and shall make its final report to the  
5 governor and the legislature during the first 10 days of the First Regular  
6 Session of the Sixteenth Legislature.

7 \* Sec. 3. This Act is repealed February 1, 1989.

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Bradley  
3/14/86 ✓

Original sponsors: Bennett, Coghill  
and Fahrenkamp

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 418 (Resources)

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13 the continued development of a diverse mineral industry in the state,  
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6 Session of the Sixteenth Legislature.

7 \* Sec. 3. This Act is repealed February 1, 1989.  
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OK  
          

Bradley ✓

A M E N D M E N T

Offered in the SENATE

By Fahrenkamp

TO: SB 418

Page 1, lines 21 - 24, delete all material and insert:

"(b) The commission is composed of 11 members, ~~appointed for three-year terms~~. The commission shall be composed of individuals who have <sup>AT LEAST 5 YRS</sup> experience in the various aspects of the minerals industries in the state. The governor shall appoint five members of the commission. The president of the Senate shall appoint three members of the commission. The speaker of the House of Representatives shall appoint three members of the commission."

Bradley  
3/14/86 ✓

Original sponsors: Bennett, Coghill  
and Fahrenkamp

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 418 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

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9 ~~which~~ <sup>THAT</sup> includes metallic minerals, industrial minerals, and hydrocarbons,  
10 ~~have~~ <sup>has</sup> been traditionally and continue to be the major source of wealth and  
11 income in the state.

12 (b) The legislature further finds that there are major constraints on  
13 the continued development of a diverse mineral industry in the state,  
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22 ~~nor for three-year terms. In making appointments to the commission, the~~  
23 ~~governor shall appoint individuals who have~~ <sup>AT LEAST 5 YRS</sup> ~~experience~~ in the various  
24 ~~aspects of the minerals industries in the state.~~

25 (c) The commission shall make recommendations to the governor and to  
26 the legislature on ways to mitigate the constraints, including governmental  
27 constraints, on development, <sup>of minerals including coal</sup> in the state.

28 (d) A member of the commission serves without compensation but is  
29 entitled to receive the per diem and travel expenses authorized for members

1 of a commission under AS 39.20.180.

2 (e) The commission shall make its preliminary recommendations to the  
3 governor and the legislature during the first 10 days of the First Regular  
4 Session of the Fifteenth Legislature and shall make its final report to the  
5 governor and the legislature during the first 10 days of the First Regular  
6 Session of the Sixteenth Legislature.

7 \* Sec. 3.4 This Act is repealed February 1, 1989.

8 Sec 4 IMMEDIATE EFFECTIVE DAY  
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