

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8740 HOUSE RESOURCES

**HB**

**438**

# FISCAL NOTE

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

**BILL NO. HB438**

Revision Date: Original Dept Affected Natural Resources  
 Title: An act relating to the indexing of documents BRU: Management and Administration  
 recorded in the state recorder's offices; and providing for an... Component: Information Resource Management  
 Sponsor: Representative Brice  
 Requestor: (H) STA Component Serial No. 427

**Expenditures/Revenues (Thousands of Dollars)**

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	70.0					
TRAVEL						
CONTRACTUAL	20.0	10.0	10.0	10.0	10.0	10.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>90.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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**FUND SOURCE (Thousands of Dollars)**

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	90.0	10.0	10.0	10.0	10.0	10.0
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>90.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>	<b>10.0</b>

Estimate of any current year (FY96) cost: \$ none

**POSITIONS**

FULL-TIME	1	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

HB438 amends AS40.17.040(a) requiring the department to maintain an index system that is designed for the public to find documents by location. Although the Recorder's Office has been maintaining a courtesy location index since 1972, the current system is not designed to effectively find documents by geographic location. In order to meet the requirements of this legislation, the department would develop a public interface to query recorded information by location. The department would convert the existing courtesy location index information into new file structures that support research by a common location key, namely, meridian, township, range and section. This fiscal note covers one full-time analyst/programmer for one year to design and implement the location index with a common geographic key, and covers the Department of Administration chargeback cost for mainframe usage.

AS40.17.040(a) also directs the department to adopt regulations prescribing the manner in which recorded documents shall be indexed. As a result of this legislation, a regulation would need to be adopted clarifying what is meant in.... continued on page 2

Prepared by: Richard McMahon, Chief, Land Records Info. Section Phone: 269-8836  
 Division: Support Services Date: 31-Jan-96  
 Approved by Commissioner: [Signature] Date: 31-Jan-96  
 Agency: Natural Resources

**FISCAL NOTE ANALYSIS for HB438 (continued)**

11AAC06.040(a)(6), where it requires documents affecting real property to have a legal description complete enough to geographically locate and identify the parcel.

The department recommends all documents affecting real property, except when not required by statute, to specify the geographic location of the affected parcel by meridian, township, range and section. This will then be used as the common key for the location index mandated in this legislation.

For the purposes of this fiscal note, it is assumed that only the digital information in the existing system will be converted to the new file structure. Documents with location information that was never loaded into the Recorder's Office System, or that was incomplete, is not addressed in this fiscal note, and will not be accessible through the geographic location index.

All transactions affecting real property are tied in some manner to a geographic location. The public now spends hundreds of hours researching the Recorder's Office records for this information through an incomplete and inaccurate courtesy location index or by grantor/grantee if they happen to know the names of the parties involved in the transaction. All development of Alaska's resource depend on knowing the ownership and encumbrances on the land. This information is inextricably linked to the recorded documents. By mandating a location index while the state is in its relative infancy, Alaska can build a recording system that truly meets the needs of its citizens in the 21st century.

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. HB438

Revision Date: 21-Mar-96 Dept Affected Natural Resources  
 Title: An act relating to the indexing of documents BRU: Management and Administration  
recorded in the state recorder's offices; and providing for ... Component: Recorder's Office/UCC  
 Sponsor: Representative(s) Brice, Kelly, James  
 Requestor: House Resources Component Serial No. 802

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

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

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

HB438 simply adds three words to A.S. 40.17.040(a) to require that the recording system provide a location index in addition to the presently mandated grantor/grantee index. The recording system has in the past tried to maintain a location index as a courtesy for the public, but it has been replete with informational gaps and omissions of data. Since its implementation in 1972, approx., as a courtesy index, more than a third of all research activity by the public is connected with location research. The viability and usefulness of such an index in the future depends on its completeness, which in turn can only be assured if it is a mandatory, rather than discretionary, function. The ability of the component to consistently complete a location index, if mandated, is directly linked to fluctuating incoming workload, which is beyond its ability to control. Beginning in 1994, as the high refinance activity tapered off, and recording volumes declined, the recording system undertook efforts to make the courtesy index more complete by indexing all legal descriptions provided on recorded documents. With the level of recording volume existing at that time, and with the current recording volume, the recording system staff can and do maintain the location index in addition to all of their required ...continued on following page...

Prepared by: Sharon Young, State Recorder Phone: 269-8882  
 Division: Support Services Date: 21-Mar-96  
 Approved by Commissioner: [Signature] Date: 21-Mar-96  
 Agency: Natural Resources

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## FISCAL NOTE ANALYSIS (Continued)

functions. As recording volume growth occurs, staff must spend more time on required functions and may not be able to keep the discretionary index current without additional personal services funding. For purposes of this fiscal note, it is assumed that the recording volumes will remain at or near FY95 and FY96 levels, in which case no additional staffing would be required to maintain the location index. If the workload increases the Recorder's Office will approach LB&A for additional staffing and program receipt authorization. Further, this fiscal note assumes that the location indexing would be prospective only. Costs for researching and adding location information to the historic database to fill the thousands of informational gaps were not taken into account as HB438 appears to only address a new and not retroactive requirement. Passage of this bill would have no adverse impact on the state's economy, on local governments, or on any user group. However, continuing to maintain the location index as a discretionary courtesy index could impact various user groups who rely on location indexing to be accurate and complete. Legislatively requiring a location index in addition to the current grantor/grantee index will ensure that all index information will be available in a consistent and complete format for the tens of thousands of Alaskans who use this information each year.

# FISCAL NOTE

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

**BILL NO. HB438**

Revision Date: \_\_\_\_\_ Dept Affected Natural Resources  
 Title: "An act relating to the indexing of documents BRU: Management and Administration  
in the state recorder's office" Component: Recorder's Office/UCC  
 Sponsor: Rep. Brice  
 Requestor: \_\_\_\_\_ Component Serial No. 802

**Expenditures/Revenues (Thousands of Dollars)**

	FY97	FY98	FY99	FY00	FY01	FY02
<b>OPERATING EXPENDITURES</b>						
PERSONAL SERVICES	0.0	77.5	81.3	85.4	89.7	94.2
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>77.5</b>	<b>81.3</b>	<b>85.4</b>	<b>89.7</b>	<b>94.2</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGES IN REVENUES (1005)</b>	<b>0.0</b>	<b>77.5</b>	<b>81.3</b>	<b>85.4</b>	<b>89.7</b>	<b>94.2</b>

**FUND SOURCE (Thousands of Dollars)**

	FY97	FY98	FY99	FY00	FY01	FY02
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	0.0	77.5	81.3	85.4	89.7	94.2
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>77.5</b>	<b>81.3</b>	<b>85.4</b>	<b>89.7</b>	<b>94.2</b>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

	FY97	FY98	FY99	FY00	FY01	FY02
FULL-TIME	0	1	2	2	2	2
PART-TIME	0	1	0	0	1	1
TEMPORARY	0	0	0	0	0	0

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

HB438 simply adds three works to A.S. 40.17.040(a) to require that the recording system provide a location index in addition to the presently mandated grantor/grantee index. The recording system has in the past tried to maintain a location index as a courtesy for the public, but it has been replete with informational gaps and omissions of data. Since its implementation in 1972, approx., as a courtesy index, more than a third of all research activity by the public is connected with location research. The viability and usefulness of such an index in the future depends on its completeness, which in turn can only be assured if it is a mandatory, rather than discretionary, function. The ability of the component to consistently complete a location index, if mandated, is directly linked to fluctuating incoming workload, which is beyond its ability to control. Beginning in 1984, as the high refinance activity tapered off, and recording volumes declined, the recording system undertook efforts to make the courtesy index more complete by indexing all legal descriptions provided on recorded documents. With the level of recording volume existing at that time, and with the current recording volume, the recording system staff can and do maintain the location index in addition to all of their required

Prepared by: Sharon Young, State Recorder Phone: 269-8882  
 Division: Support Services Date: 26-Jan-96  
 Approved by Commissioner: [Signature] Date: 1/29/96  
 Agency: Natural Resources

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## FISCAL NOTE ANALYSIS (Continued)

functions. As recording volume growth occurs, staff must spend more time on required functions and may not be able to keep the discretionary index current without additional personal services funding. For purposes of this fiscal note, it is assumed that the FY97 recording volumes will remain at or near FY95 and FY96 levels, in which case no additional staffing would be required to maintain the location index. Assuming a five percent annual recording volume increase thereafter, additional personal services staffing would be proportionately required in fiscal years FY98 through FY02. The anticipated expenditures for FY98 through FY02 are estimates only, and recording volumes above or below the five percent assumptions would correspondingly affect staffing requirements. The component is fully funded by program receipts, and the assumed rate of recording volume growth would generate the increased program receipts necessary to fund the increased personal services required in future years. Passage of this bill would have no adverse impact on the state's economy, on local governments, or on any user group. However, continuing to maintain the location index as a discretionary courtesy index could impact various user groups who rely on location indexing to be accurate and complete. Legislatively requiring a location index in addition to the current grantor/grantee index will ensure that all index information will be available in a consistent and complete format for the tens of thousands of Alaskans who use this information each year.



# STATE OF ALASKA

THE ALASKA STATE LEGISLATURE

## House of Representatives

Representative Jeannette James

Chair of House State Affairs Committee

Capitol Building

Juneau, AK 99801-2197

(907) 465-3743 ph

(907) 465-2381 fax

## MEMO

March 12, 1996

To: House Clerk

From: House State Affairs Committee, Rep  
Jeannette James Chair

Re: HB 438 Recording documents

The House State Affairs Committee included the following statement in the motion to move the bill.  
"We question the validity of the fiscal notes from DNR"

PLEASE LEAVE IN COMMITTEE FILE.

## EXPLANATION OF NEED FOR LOCATION INDEX IN RECORDER'S SYSTEM

The law, AS 40.17.040 presently requires that only grantor and grantee indices be maintained. When the state abandoned the maintenance of recorded instruments by type in the 1970's, the ability to do research by location was severely impaired. As a consequence the Division of Mining and Water Management began keeping mining location notices and affidavits of labor by location through a manually posted Kardex system.

The Division of Mining and Water Management now insists that the approximate \$30,000 annual cost of maintaining the Kardex system for mining records is too high and seeks to abandon the Kardex records. The mining community has relied on those records to insure that locations, prospecting sites and other mining activities on lands can be researched without error.

A group of concerned miners and others in Fairbanks who rely on the integrity of the Kardex system believe that the statute needs to be changed so that the contract the State Recorder has for electronic recording of data can be amended to include a sort by location. This will make the same information available in the future statewide that the state presently preserves manually in Fairbanks.

The state is moving rapidly to complete its geographical information system (GIS) for its lands records. Most, if not all, Native regional and village corporations have adopted a GIS lands management records system. Several of the boroughs have adopted a GIS for their assessment and lands records. Development of geographically based information through the State Recorder's Office will enhance the state's ability to complete its GIS lands management system, will allow the state's records to mesh with Native corporation and borough lands, and will preserve the ability of the mining community and other interested parties to research title and activity on lands by location.

The grantor and grantee indices for mining records is not sufficient. In order to maintain state and federal claims, location notices must be filed and annual affidavits filed. This makes mining records much more difficult to research than the ordinary property transactions. Inclusion of the requirement for maintenance of a location index will preserve the type of necessary historical information relating to mining claims and will not add appreciably to the cost of the recording system.

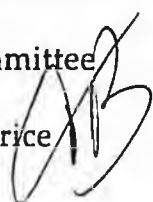
**Representative Tom Brice**  
**ALASKA STATE LEGISLATURE**

119 N. Cushman, Ste. 205  
Fairbanks, AK 99701  
907-456-7423 / Fax: 451-9293  
*While in Juneau*  
State Capitol  
Juneau, AK 99801-1182  
907-465-3466

**M E M O R A N D U M**

**To:** Representative Joe Green -- Co-Chair  
Representative Bill Williams -- Co-Chair

House Resources Committee

**From:** Representative Tom Brice 

**Date:** March 15, 1996

**Re:** HB 438: An Act relating to the indexing of documents recorded in the state recorder's offices; and providing for an effective date.

I would appreciate your scheduling HB 438 to be heard before the Resources Committee at your earliest convenience

HB 438, mandates a geographic location indexing method within the the State Recorder's Office. The result will be the continuation of an effective cataloguing system of lands in the state, and future possibilities of cross referencing that information with the resources, leases, and claims information in other data bases.

The Recorder's office now provides the indexing service as a courtesy. A geography based information system would tie grantor and grantee indices, both required by statute, to a map. This will ensure continuing cross referencing between name indexes, and developing future resource indexes and satellite and aerial geophysical mapping data bases. This capability is important enough that it should be continued as an integral aspect of the state's recording system.

Under the current work load, the Recorder's Office does not anticipate a significant fiscal impact. Land is an important asset in our state, and providing the data for an eventually up-to-date, integrated system for recording and retrieving resource, ownership, and location data is in everyone's best interest.

Thank you for your consideration.



# Representative Tom Brice

## ALASKA STATE LEGISLATURE

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*While in Juneau*  
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Representative Tom Brice  
HB 438 Sponsor Statement

HB 438, mandates a geographic location indexing method within the the State Recorder's Office. The result will be the continuation of an effective cataloguing system of lands in the state, and future possibilities of cross referencing that information with the resources, leases, and claims information in other data bases. The Recorder's office now provides the location indexing service as a courtesy.

A geography based information system would tie grantor and grantee indices, both required by statute, to a map. The only single source of all documents regarding a property is found in a manual cardex system maintained in Fairbanks. The name indexes and the developing resource indexes are computerized. It should be noted that no indexing system replaces the documents it tracks; it merely locates them. This capability is important enough that it should be continued as an integral aspect of the state's recording system.

The need and demand for a geography based index exists now. Public demand for this information is equal to or greater than that of the other two indices. The three indices, grantor, grantee, and location, are coequal in their importance and usefulness. The information that can be derived from such a three pronged indexing system will prove useful on an ongoing basis as land is classified, selected, transferred, and developed in Alaska. Under the current work load, the Recorder's Office does not anticipate a significant fiscal impact, in that the expenses are offset by program receipts. The members of the mining industry have stated its willingness to support the location index through a reasonable fee structure for recorded documents.

Land is an important asset in our state, and providing the data for an eventually up-to-date, integrated system for recording and retrieving resource, ownership, and location data is in the State of Alaska's best interest.





## FAX TRANSMITTAL

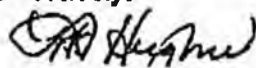
TO: Tom Brice  
ORG.: Alaska State Legislature  
CITY: Juneau, AK

DATE: 3/7/96  
NO.: 465-2294

## MESSAGE

This fax is sent in support of House Bill 438 "An Act relating to the indexing of documents recorded in the state recorder's offices; and providing for an effective date." A records indexing system is very important in performing land status research for mining project purposes.

I note that the current Kardex system employed by the DOM in Fairbanks has not been kept current. This system should be upgraded until the indexing system is in place and working effectively.

  
FROM: R. A. Hughes

2173 UNIVERSITY AVE. S., #101  
FAIRBANKS, AK 99709

David S. Manzer  
President  
3381 Tudor Top Circle  
Anchorage, Alaska 99507-1031  
(907) 563-8882  
FAX 363-8880

## Alaska Land Status, Inc.



February 1, 1996

Representative Tom Brice  
State Capitol  
Juneau, AK 99801-1182  
Fax: 465-2294

Via Telefax

Re: HB 438 & HB 439

Dear Representative Brice:

I am Co-Chairman of the State Oversight Committee of the Alaska Miner's Association. Our committee met today and discussed HB 438 and HB 439 which you sponsor. We support both bills as currently drafted.

Thank you for your support of the mining industry. If you have any questions regarding our discussion of these bills please call me or Steve Borell, our Executive Director.

Sincerely,

David S. Manzer

cc: Steve Borell  
Rich Hughes  
Bob Stiles

LAW OFFICES

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March 7, 1996

Rep. Jeannette James  
Chair  
House State Affairs Committee  
Room 102, Capitol  
Juneau, Alaska 99801-1182

Re: House Bill 438

Dear Jeannette:

House Bill 438, now pending in the House State Affairs Committee would require the State Recorder to maintain a location index in addition to grantor and grantee indices for property records. This bill is very important for miners because it would create an electronic index of vital information concerning mining claims that has been maintained manually by the Division of Mining and Water Management of the Department of Natural Resources. Historic records relating to mining claims is always important, but they are even more important now because of the success of the airborne geophysical mapping program conducted by DGGs.

The 1996 FY budget failed to fund the manually maintained program and, regrettably, made no alternative method of sustaining this information base. Over the summer and fall of 1995, a group of about 30 miners, representatives of the Division of Lands, DMWM and other interested persons met to develop a program that would tie into the state's land status mapping program as well as maintain ready access to the information relating to mining claims that the mining industry requires. The first step in developing a modern records and data acquisition program that Alaska needs is to require maintenance of a location index through the Recorders' Offices.

Rep. Jeannette James  
Page 2  
March 7, 1996

This program would, in effect, pay for itself. I understand that the State Recorder has submitted a fiscal note that indicates that if the volume of recording remains the same, no additional costs will be incurred. If recordations increase, additional staff will be required. The additional staff would be required in any event and, since the Recorders' Offices not only pay for themselves, but return to the general fund about half of their receipts, there would be no increase in the deficit by adding this service.

One additional benefit would accrue to Alaskans. The manually maintained record of mining claims is available only in Fairbanks. If the State Recorder is required to establish a location index, essential property information will be available electronically readily throughout the state and to anyone else who can reach the data base maintained for the State Recorder by the Motznick system.

I urge that the bill be heard and that you support it vigorously. It is a good bill that will mean long-term benefits to the people of Alaska.

Sincerely,



Mary A. Nordale  
Of Counsel

cc: Rep. Tom Brice  
Earl H. Beistline  
Steve Borrell  
Paul Richards

**HB**

**439**



**Representative Tom Brice**  
**ALASKA STATE LEGISLATURE**

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**M E M O R A N D U M**

To: Representative Joe Green, Co-Chair  
House Resources Committee

From: Representative Tom Brice 

Date: January 31, 1996

Re: HB 439: An Act relating to minerals, including coal, to the statewide bonding pool for the reclamation activities imposed on mining operations, and to the statewide bonding pool's use for surface coal mining projects.

I would appreciate your scheduling HB 439 for a hearing before the Resources Committee at your earliest convenience.

Different mining interests in Alaska are required to provide performance bonding under two different sections of AS Title 29. AS 29.19.040 requires the commissioner to establish a bonding pool as an alternative to individual performance bonds, describes deposits and fees the commissioner shall collect, and gives the commissioner the option of utilizing the pool in the Alaska Surface Coal Mining Control and Reclamation Act (ASCMCRA), AS 29.21.160, bonding requirements. Although this option exists, and its exercise would serve to strengthen the solvency and viability of the bonding pool with the addition of a large contributor to the pool, the commissioner has not exercised the option to date.

HB 439 more firmly establishes the link between sections 19 and 21 in Title 29 by requiring the commissioner to allow of the reclamation bonding pool to meet the requirements of the ASCMCRA. The net result of enacting HB 439 will be a stronger reclamation bonding pool for mining interests as a whole in Alaska, achieved by more strongly linking reclamation program bonding provisions established in Title 29.

Thank you for your consideration.



# Representative Tom Brice

## ALASKA STATE LEGISLATURE

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*While in Juneau*  
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Juneau, AK 99801-1182  
907-465-3466

Representative Tom Brice  
HB 439 Sponsor Statement

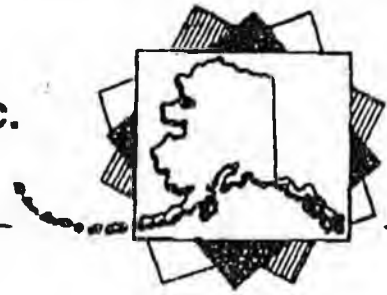
Currently, mining interests in Alaska are required to provide performance bonding under two different sections of AS Title 29. AS 29.19.040 requires the commissioner to establish a bonding pool as an alternative to individual performance bonds, describes deposits and fees the commissioner shall collect, and gives the commissioner the option of utilizing the pool in the Alaska Surface Coal Mining Control and Reclamation Act (ASCMCRA), AS 29.21.160, bonding requirements. Although this option exists, and its exercise would serve to strengthen the solvency and viability of the bonding pool with the addition of a large contributor to the pool, it has not been exercised to date.

HB 439 more firmly establishes the link between sections 19 and 21 in Title 29 by requiring the commissioner to allow of the reclamation bonding pool to meet the requirements of the ASCMCRA, and providing for that use in the ASCMCRA. The net result of enacting HB 439 will be a stronger reclamation bonding pool for mining interests as a whole in Alaska, achieved by more strongly linking reclamation program bonding provisions established in Title 29.

The bill directs the Governor to create an advisory board charged with the review of, and revision as needed to, the Alaska Surface Coal mining Control and Reclamation program. This will help ensure the Alaska Coal Program's constructive implementation of the federal Surface Coal Mining Control and Reclamation Act through ASCMCRA. This in turn maintains state regulation of these activities, rather than federal regulation.

David S. Manzer  
President  
5381 Tudor Top Circle  
Anchorage, Alaska 99507-1631  
(907) 563-8882  
FAX 563-8083

## Alaska Land Status, Inc.



February 1, 1996

Representative Tom Brice  
State Capitol  
Juneau, AK 99801-1182  
Fax: 465-2294

Via Telefax

Re: HB 438 & HB 439

Dear Representative Brice:

I am Co-Chairman of the State Oversight Committee of the Alaska Miner's Association. Our committee met today and discussed HB 438 and HB 439 which you sponsor. We support both bills as currently drafted.

Thank you for your support of the mining industry. If you have any questions regarding our discussion of these bills please call me or Steve Borell, our Executive Director.

Sincerely,

A handwritten signature in cursive script that reads "David S. Manzer". The signature is written in black ink and is positioned below the word "Sincerely,".

David S. Manzer

cc: Steve Borell  
Rich Hughes  
Bob Stiles



**Charlie Boddy**

**Vice President Of Governmental Relations**

January 31, 1996

Representative Tom Brice  
Alaska State Legislature  
Capitol Building - Room 3466  
Juneau, Alaska 99801-1182

Subject: HB 439 State Bonding Pool Amendments

Dear Representative Brice:

Usibelli Coal Mine Incorporated (UCM) wishes to thank you and your staff for the attentive effort which resulted in the introduction of HB 439. Allowing surface coal mining owners and operators guaranteed access to the State's bonding pool, secures a new source of bonding for the reclamation programs required by certain regulatory agencies.

The Alaska Surface Coal Mining Control and Reclamation Act (ASCMCRA) of 1982 allows successful permit applicants various types of reclamation bonding as an option to insure successful reclamation of mined properties. Collateral, surety and self bonding mechanisms are provided for under the ASCMCRA statute (AS 27.21). Unfortunately, more than a decade after the passage of ASCMCRA, the self bonding regulations are not yet approved or available for use by coal mine permit applicants. Additionally, surety bonding companies have been disinclined to make bonding available in a state where only one coal mine is in production. The limitations forced upon our fledgling industry are quickly apparent, and other avenues for bonding are needed and appreciated.

HB 439 also addresses an earlier recommendation of the Mineral Commission to create a surface coal mining advisory commission. The commission will act as a liaison between the state legislature, administration, the federal Office of Surface Mining Reclamation and Enforcement (OSMRE), and the regulated community. The regulated community in this instance are those individuals or mining companies with a vested interest in state leases, private lands, or native lands.

USIBELLI COAL MINE, INC. ♦ 122 First Avenue - Suite 302 ♦ Fairbanks, Alaska 99701  
Telephone 907-452-2625 ♦ Facsimile 907-451-6545

Although the current legislation directs the governor to make all nine of the appointments, the legislature may want to consider making a select number of appointments themselves. The legislature may also want to consider making the chairperson of the Senate and House Resource Committees ex-officio members of the proposed commission.

After comparing opinions with Bob Stiles, president of the Alaska Coal Association, we believe a two year life for the newly formed commission would be adequate. At the national level, Wyoming Representative Barbara Cubin has introduced special legislation (H.R. 2372) that will allow states such as Alaska, who have primacy to regulate surface coal mining, the ability to manage their state tailored program with diminished interference from the OSMRE.

One of the tasks the commission could work on clarifying would be the relationship of the state and federal agencies in applying the regulations developed for use in the coterminous United States, to the unique environment we experience here in Alaska. A documented study performed by the National Research Council pursuant to section 708 of PL 95-87 (the federal Surface Coal Mining Control and Reclamation Act of 1977) could also be reviewed and utilized to identify necessary changes to render the ASCMCRA more effective and workable on a regional basis. This 328 page investigation was authored by members selected from the National Academy of Sciences and the National Academy of Engineering. The undertaking was chaired by a distinguished Alaskan, Dr. Earl H. Beistline.

Arctic mining will always present numerous challenges and opportunities for those with the intestinal fortitude to participate in this segment of the Alaska economy. Your responsible efforts to assist our industry have always been appreciated. Thank you for preparing such forward thinking legislation. With best regards, I remain,  
Sincerely,



Charlie Boddy

cc: The Honorable Loren Leman, Alaska State Senate  
Steve Borell, AMA  
Bob Stiles, ACA  
Becky Gay, RDC

# FISCAL NOTE

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

**BILL NO. HB439**

Revision Date: Original Dept Affected Natural Resources  
 Title: Mining bonding pool & coal advisory BRU: Resource Development  
 commission \_\_\_\_\_ Component: Mining Development  
 Sponsor: Brice, Kelly  
 Requestor: H-RES Component Serial No. 442

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES	50.0	50.0	50.0	50.0	50.0	50.0
TRAVEL	17.0	17.0	17.0	17.0	17.0	17.0
CONTRACTUAL	8.0	8.0	8.0	8.0	8.0	8.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>75.0</b>	<b>75.0</b>	<b>75.0</b>	<b>75.0</b>	<b>75.0</b>	<b>75.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	75.0	75.0	75.0	75.0	75.0	75.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>75.0</b>	<b>75.0</b>	<b>75.0</b>	<b>75.0</b>	<b>75.0</b>	<b>75.0</b>

Estimate of any current year (FY96) cost: \$ \_\_\_\_\_

**POSITIONS**

FULL-TIME	0.7	0.7	0.7	0.7	0.7	0.7
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

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

Commission's travel	\$ 17.0
Salaries professional and administrative staff support of Commission	\$ 50.0
Contractual includes the cost of printing and publishing the annual report	\$ 8.0

Prepared by: Jules Tileston, Director *[Signature]* Phone: 269-8625  
 Division: Mining & Water Management Date: 2-Feb-98  
 Approved by Commissioner: *[Signature]* Date: 2-2-96  
 Agency: Natural Resources

**PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE**

## COAL ISSUES

**FINDING:** In 1990 the Alaska State Legislature passed into law a new statute to ensure reclamation occurred during and after mining on state, federal, municipal, and private land and water. In 1982 the Legislature passed a similar law regarding surface coal mining operations in Alaska. These two programs offer various reclamation bonding mechanisms to companies and individuals engaged in mining activities. A primary difference exists, however, in that coal mining operations are currently not able to participate in the State's bonding pool. A change in statute is advocated to allow for participation, if desired, of all mining companies and individuals in the State's bonding pool.

**THE COMMISSION RECOMMENDS THAT:**

- 9. The Governor should direct the Commissioner of Natural Resources to prepare necessary changes to AS 27.19.010(c) and AS 27.19.040(b) to allow for the inclusion of all mining companies and individuals in the State of Alaska's reclamation bonding pool.*

President: R. B. Stiles  
711 H Street, Suite 600  
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Fax. (907) 276-2395



Secretary: Charles P. Boddy  
122 First Avenue, Suite 302  
Fairbanks, Alaska 99701  
Tel. (907) 452-2625  
Fax. (907) 451-6543

## ALASKA COAL ASSOCIATION

Representative Tom Brice  
Alaska State Legislature  
Capitol Building - Room 3466  
Juneau, AK 99801-1182

Subject: HB 439 State Bonding Pool Amendments

Dear Representative Brice:

The Alaska Coal Association is in full support of HB 439.

As I am sure you are aware surface coal mining was never excluded from the state bonding pool and it was always intended that, after the state bonding pool had been in place for sometime, surface coal mining would be specifically included. Your bill clearly implements this intent.

The following is a summary listing of why we believe that passage of this bill would represent a win-win situation all-around:

- No western coal producer has ever defaulted on a reclamation bond. Thus, sureties would be consider low risk and as such may reduce the overall risk profile of the state pool.
- HB 439 would have no effect on the level of bonding required for surface coal mine reclamation. Surface coal mining related statutes and regulations require that the bond value's be directly related to the estimated cost of reclamation, as a result typical surface coal mine reclamation bonds are usually in the \$1,000's/acre
- Because of the typically higher reclamation bond values associated with surface coal mining the overall asset value of and income to the state pool would increase substantially with no increase in the risk profile.
- Finally as you are aware obtaining bonding for mine developments in Alaska is a difficult, costly and sometimes impossible proposition. This is as true for surface coal mining as for any other type mining. HB 439, by explicitly including surface coal mining, assures that reclamation bonding would be available for Alaska developments and operations.

The Alaska Coal Association appreciates you and your staffs efforts to introduce this legislation which implements recommendations of the Minerals Commission. We believe the addition of surface coal mining to the state pool will benefit the mining industry as a whole and thereby be a benefit to the state.

Respectfully

R.B. Stiles  
President

cc: The Honorable Loren Leman, Alaska State Senate  
Steve Borell, AMA  
Charlie Boddy, Usibelli Coal Mine, Inc.  
Becky Gay, RDC

# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

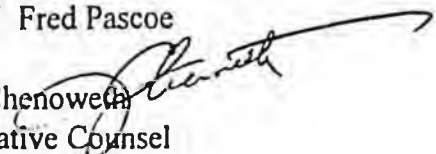
130 Seward Street, Suite 409  
Juneau, Alaska 99801-2105

## MEMORANDUM

February 1, 1996

**SUBJECT:** House Bill 439, relating to minerals and coal (Work Order No. 9-LS1516(C))

**TO:** Representative Tom Brice  
ATTN Fred Pascoe

**FROM:** Jack Chenoweth   
Legislative Counsel

House Bill 439 operates in two specific areas. It establishes a "Surface Coal Mining Advisory Commission" to follow developments affecting the surface coal mining industry in Alaska in order to advise the executive and legislature about necessary changes. It also expands the authorized use of the statewide bonding pool, now in place to assist operators of small mines meet their legal responsibilities for resource reclamation, to cover reclamation obligations of surface coal mining operators.

### Material relating to Surface Coal Mining Advisory Commission:

**Bill section 6** adds a new article, 3A, to the state's Surface Coal Mining Control and Reclamation Act (AS 27.21) to establish a nine-member Surface Coal Mining Advisory Commission and to define the advisory commission's duties.

### Material relating to expanded use of statewide bonding pool:

**Bill section 5** adds a new subsection, subsection (g), to AS 27.21.160, to recognize that applicants conducting surface coal mining operations may avail themselves of the use of the statewide bonding pool for reclamation activities associated with small mine activities to meet their surface coal mining reclamation obligations.

**Bill section 1** amends AS 27.19.040(b), part of a chapter that addresses the legal responsibilities of mine operators for reclamation, to direct that the commissioner of natural resources modify and expand the authorized use of the statewide bonding pool for persons engaged in surface coal mining to meet reclamation obligations imposed on those operators.

Representative Tom Brice  
February 1, 1996  
Page 2

**Bill section 2** amends AS 27.21.080(a) to deny a surface coal mine operator who is using the statewide bonding pool to meet reclamation requirements the opportunity to renew a permit if the operator has not complied with all requirements of the bonding pool.

**Bill section 3** amends AS 27.21.140(d) to condition a permit approved for a surface coal mining permit applicant relying on use of the statewide bonding pool to meet reclamation requirements on the applicant's filing of evidence of the applicant's satisfactory compliance with the requirements with the statewide bonding pool.

**Bill section 4** makes a conforming amendment to AS 27.21.160(a).

**Bill section 7** makes a conforming amendment to the definition of "permit area" as the term is used in the state's Surface Coal Mining Control and Reclamation Act (AS 27.21).

JBC:glc  
96-078.glc

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## ALASKA COAL ASSOCIATION

### ALASKA PRIMACY OF THE SURFACE COAL MINING REGULATORY PROGRAM

- Both the State and the Private Sector face a unique set of challenges and opportunities with regard to exploration, development, marketing, production and transportation of Alaska's Coal Resources.
- The federal Surface Coal Mining Control and Reclamation Act (SCMCRA) and the associated regulatory program is a "one size fits all" program and cannot take into account any unique challenges associated with exploration, development and production of Alaska coal or the reclamation of surface coal mined lands.
- The Alaska Surface Coal Mining Control and Reclamation Act (ASCMCRA) and associated regulatory program, as currently constituted, does not, to any significant degree, reflect the unique challenges and opportunities associated with exploration, development and production of Alaska coal or the reclamation of surface coal mined lands.
- Developments at the national level make this exactly the wrong time to relinquish primacy to OSM:
  - OSM's direct involvement in states with approved programs (primacy) is likely to be reduced in the near future as a result of enactment of proposed legislation currently in Congress.
  - Proposed appropriations currently in Congress for OSM would result in a RTF of 38% and a 9% cut in overall budget. The proposed staff cuts should absorb practically all of the budget cut.
- Relinquishing primacy of the surface coal mining regulatory program is inconsistent with the current policy of the State to obtain primacy over other federal environmental regulatory programs.
- While the total (direct & indirect) budget for the ASCMCRA program was on the order of \$1,852,650, only \$123,500 was funded by the State. The actual cost to the State is trivial.
- Relinquishing primacy could, and most likely would, have very negative effects on both the only active mine (Usibelli) and all projects currently under exploration and/or development.

The Alaska Surface Coal Mining Program consists of two parts; a) the permitting /enforcement function and b) the Abandoned Mined Land reclamation function. The latter, AML, is the carrot that gives states the added incentives to adopt their own permitting/enforcement programs.

In FY 1995, Alaska funded as "state share" \$123,500 toward the permitting/enforcement function. The Office of Surface Mining matched this sum but allowed an additional amount for indirect costs of conducting the program. The total federal funds for this function were \$155,050, giving a total function cost of \$278,550.

The AML function is 100% federal receipts. Funds are generated from a 35 cent per ton charge on coal production nationally. Alaska's share based on Usibelli Coal Mine, Inc.'s production for last year and federal distribution formula is \$156,504 (OSM has collected \$3,507,481 through FY94 and collects approximately \$525,000 annually) . Since the Alaska program attained "minimum" program status, we are eligible for \$2 million per year. Congress has authorized funding "minimum" program states at \$1.5 million for FY 94 and FY95. To bring our funding level up to this amount, we received \$1,343,496 in federal share distributions, and an additional \$13,000 for emergency reclamation.

In summary, by having the Alaska Coal Program, we received \$1,668,050 federal funds for \$123,500 state matching funds and about \$156,500 in Usibelli reclamation fees . Of this amount, \$1,077,000 will go into on-the-ground construction.

#### Consequences of terminating the Alaska Coal Program:

##### AML Options:

A) *Federal AML funds received amounting to approximately \$4.2 million will be returned to OSM, since the state will no longer control or have the ability to supervise contracts after July 1, 1996. Limited work will be done in the spring of 1996. The Division recommends this option.*

1) *A construction contract for reclamation at Wishbone Hill amounting to \$1.5 million will be put on hold and not advertized in January 1996 as planned. This will push reclamation into 1997 if the Coal Program continues past July 1, 1996.*

2) *Stop Treadwell Mine hazard reduction and do not initiate selection of another hardrock reclamation project.*

3) *Complete the Old Suntrana Tipple PCB cleanup project which was begun in 1995 by July 1, 1996.*

B) *Award the contract for \$1.5 million for reclamation work at Wishbone Hill but delay implementation until OSM provides construction supervision. Continue with the Upper Knob Creek reclamation under a new equipment rental contract through June 30, 1996 with a provision for continuation under OSM supervision. Complete 3) above.*

Numerous projects being undertaken by the permitting/enforcement program should be suspended since these projects could not be completed by July 1, 1996. These include:

Permitting/Enforcement Options:

A) *Suspend all permit work and focus on getting files, equipment, and pending applications ready for transfer to OSM on July 1, 1996. The Division's recommends selecting this option..*

1) *Program amendments to revise regulations that would become "preempted and superseded" by federal regulations would be suspended.*

2) *New permits including Usibelli's Two-Bull Ridge mine and Alaska Power & Telephone's Jarvis Creek mine would not be processed. Neither of these mine permit applications could be reviewed and completed by July 1, 1996.*

3) *Regulations for self bonding for the Alaska coal industry would not be needed. Any further revisions required by OSM to the proposed regulations will not be made.*

4) *Continue work only on mine permit amendments that can be completed and approved by July 1, 1996. This includes changes to exploration permits and revisions now under review at the Usibelli Coal Mine. A new mine permit for Nerox is currently planned to be completed during this period, if we get a complete application soon.*

5) *Continue the work on the revegetation workshop for the reason that it establishes a position good for the state and the coal industry after federal take-over. It formalizes by the efforts of the Alaska Coal Association, other contributors, and the Alaska Coal Program that Alaska conditions are different from those found in the Lower 48 states.*

6) *Continue implementing the Usibelli Coal Mine stability plan for the Poker Flats outslope.*

B) *Conduct the work of the Coal Program in a "business as usual" mode through June 30, 1996.*

The coal industry should expect that OSM will re-open mine permits to insure that they comply with federal regulations. Permit reviews, and the processing of amendments are reviewed on a "first-come" basis along with the federal Washington program and Indian tribes.

Effects of program termination on the Division and the Department

Total indirect cost monies received in FY96 are \$61,100. Of this, \$26,200 supports the Director's Office and \$25,900 supports Administrative Services.

The \$26,200 in the director's office was used to cover the vacancy factor, which amounted to

\$20,200 this year. Without the federal indirect money, the director's office must cover the vacancy factor in FY97 by requiring some employees to take leave without pay. This could be equal to 18 weeks of layoff, or one week per employee, depending upon pay grade and unforeseen position vacancies.

The loss of \$25,900 in indirect monies to Administrative Services and the loss of other federal indirect monies will result in the elimination of one full time employee and the redistribution of their workload to other staff.

(9)

# HOUSE COMMITTEE REPORT

Date Referred to Committee: January 22, 1996

FURTHER REFERRALS: Labor and Commerce  
Finance

Date of Committee Action: 2/5/96

The RESOURCES Committee considered:

HB 439

HOUSE BILL NO. 439

MINING BONDING POOL & ADVISORY COM'N

"An Act relating to minerals, including coal, to the statewide bonding pool for the reclamation activities imposed on mining operations, and to the statewide bonding pool's use for surface coal mining projects."

recommends it be replaced  the same title  
with the following committee substitute \_\_\_\_\_  a new title

additional referral to \_\_\_\_\_ Committee  
 attached amendment(s)

ADOPTS: \_\_\_\_\_ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) DNR

fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

zero fiscal note(s) \_\_\_\_\_

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>[Signature]</i>	X			
<i>W.R. Williams</i>			X	
<i>[Signature]</i>			✓	
<i>[Signature]</i>				✓
<i>[Signature]</i>				✓
<i>[Signature]</i>	X			

CHAIR'S SIGNATURE *[Signature]*



**HB**

**447**

9-LS1427G ✓  
Luckhaupt  
2/12/96

CS FOR HOUSE BILL NO. 447( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES MASEK, Williams

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to traditional means of access for traditional recreational uses  
2 and to the classification and the sale, lease, or other disposal of state land, water,  
3 or land and water."

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

5 \* Section 1. INTENT. It is the intent of the legislature that nothing in this Act affects the  
6 current rights of private property owners.

7 \* Sec. 2. AS 38.05.300(a) is amended to read:

8 (a) Subject to the limitations of this section, the [THE] commissioner shall  
9 classify for surface use land in areas considered necessary and proper. This section  
10 does not prevent reclassification of land where the public interest warrants  
11 reclassification, nor does it preclude multiple purpose use of land whenever different  
12 uses are compatible. If the area involved contains more than 640 contiguous acres,  
13 state land, water, or land and water area may not, except by act of the state legislature,  
14 (1) be closed to multiple purpose use, or (2) be otherwise classified by the

1 commissioner so that mining, mineral entry or location, mineral prospecting, or mineral  
2 leasing is precluded or is designated an incompatible use, except when the  
3 classification is necessary for a land disposal or exchange or is for the development  
4 of utility or transportation corridors or projects or similar projects or infrastructure, or  
5 except as allowed under (c) of this section.

6 \* Sec. 3. AS 38.05.300 is amended by adding new subsections to read:

7 (d) The commissioner may not classify state land, water, or land and water so  
8 that a traditional means of access for traditional recreational activities is restricted for  
9 the purpose of protecting intrinsic values of the land or water or is prohibited unless  
10 the restriction or prohibition is

11 (1) temporary in nature and effective cumulatively less than eight  
12 months in a three-year period;

13 (2) for the development of natural resources and a reasonable  
14 alternative for the traditional means of access across the land, water, or land and water  
15 for traditional recreational activities on other land, water, or land and water is available  
16 and approved by the commissioner under AS 38.05.116; or

17 (3) authorized by act of the legislature.

18 (e) In (d) of this section,

19 (1) "intrinsic values" means those values that inherently exist in nature  
20 or in an object, without manipulation by humans;

21 (2) "traditional means of access" means those types of transportation  
22 on, to, or in the state land, water, or land and water, for which a popular pattern of use  
23 has developed; the term includes flying, ballooning, boating, using snow vehicles,  
24 operation of all-terrain vehicles, horseback riding, mushing, skiing, snowshoeing, and  
25 walking;

26 (3) "traditional recreational activities" means those types of activities  
27 that people may utilize for sport, exercise, subsistence, including the harvest of natural  
28 foodstuffs, or personal enjoyment, including hunting, fishing, trapping, gathering, or  
29 recreational mining, and that have historically been conducted as part of an individual,  
30 family, or community life pattern on or in the state land, water, or land and water.

31 \* Sec. 4. AS 38.05 is amended by adding a new section to read:

32 Sec. 38.05.316. RECREATIONAL RESTRICTION ON SALE, LEASE, OR

- 1 OTHER DISPOSAL OF LAND AND WATER. Notwithstanding another provision of  
2 this chapter, state land, water, or land and water may not be sold, leased, or otherwise  
3 disposed of unless traditional means of access across the land, water, or land and water  
4 for traditional recreational activities on other land, water, or land and water are preserved  
5 by easement or other terms or the sale, lease, or other disposal is approved by the  
6 legislature. If state land, water, or land and water is leased for the development of  
7 natural resources, the terms of the lease may provide that the lessee may control and  
8 direct access across the development parcels but may not preclude a traditional means  
9 of access for a traditional recreational activity occurring at a place other than the  
10 development parcel unless
- 11 (1) a reasonable alternative for the access is available and approved by  
12 the department; or
- 13 (2) the lease is approved by the legislature under AS 38.05.300(d).

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Juneau, Alaska 99801-2105

Copies of minutes listed below were originally included in this file. The minutes are available on the legislative computer database. In order to save space copies of minutes have not been left in the files.

Mary Pagenkopf

House Resources  
2-16-96 8:15am  
HB 447



# Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

Phone: 907-463-3366

Fax: 907-463-3312

## AEL Opposes HB 447

HB 447 amends AS 38.05.300, which gives State agencies the authority to do ILMA (interagency land management agreements). Typically an ILMA transfers land between agencies to acquire campgrounds, trailheads, parking areas, or reserve open space around airport approaches.

### The majority of ILMA transfers do not restrict access

Since 1970 the State Department of Natural Resources has been involved in 95 ILMA transfers, totaling 9258 acres with an average of 97.5 acres each. In 86 of these transfers no access restrictions nor closures resulted. In eight of the nine others, restrictions such as *"No off road motorized traffic in the Campground"* have resulted. In the last one, the ILMA that transferred Blair Lake, on the south side of the Alaska Range, adjacent to Denali State Park, into the control of State Parks, access was restricted.

### Blair Lake

Not too far from Blair Lake, sits the future home of Princess Cruises' newest hotel. Princess is building what will become the largest commercial development within a State Park in Alaska.(160 room hotel) From the predictions and patterns of tourism in Alaska, we know the Mt. Denali (McKinley) is the number one attraction and that access within the National Park is approaching saturation. The State of Alaska, and it's commercial contractors will profit in cash from the new commercial access into Denali State Park.

Shortly after the current Denali State Park management plan was completed (an extensive process that lasted over 2 years, having 12 public meeting, involving 3 task forces, and 3 public comment periods) an ILMA resulted in the transfer of Blair Lake to the State Park, and closure to air plane traffic.



## **Restrictions on Motorized Uses on State Land**

Whenever the State of Alaska restricts access there is outcry from someone. This does not mean "some bureaucrat" decided that they should assert their power over their domain.... **Closures, and restrictions come at the urging of the public, through a process that is extensive and inclusive.** Usually the restriction is a compromise. Some greenies and some motorheads scream - generally indicating a reasonable social - political - economic balance has been reached, and attempted to be carried out by public employees doing the best job they can to carry out the publics' concerns.

Restrictions on motor size on the Kenai River, closures to plane landings on the Deska River, closures to Curry and Kesugi Ridges to aircraft landings, while reserving commercial helicopters landings in the Tokositna area, are all decisions made by professional public land managers in an extensive process of hearings and plan development.

## **Land Management**

HB 447 would take land classification responsibilities away from the professionals in the land management agencies and place it in the hands of the legislature.

Developing a land use management plan should be a long detailed process involving representatives from all interested user groups. Local and regional residents possess detailed knowledge of a particular area and desired use patterns. This knowledge can only be brought in through a detailed public process.

Tourism will continue to expand as an important commercial activity in Alaska, and user conflicts will continue to arise. Now, more then ever, it is important to have professional land managers available to respond to public concerns over land uses.

3/10/96



# Alaska State Legislature

Please enter into the record my testimony to the House Resources  
 committee name  
 committee on HB 447, dated 3/11/96  
 bill/subject

RE: HB 447

The members of the Trapper Creek Community Council voted unanimously to support House Bill No. 447 at the February Town Meeting.

Twenty-six members of this community were present at the February Town meeting and the vote to support this bill was strong and unanimous.

Signed: Joyce Nash Sec. Pres.  
 Testifier  
TRAPPER CREEK COMM. COUNCIL  
 Representing (Optional)  
P.O. Box 13009, TRAPPER CREEK, AK 99683-  
 Address 0009  
(907) 733-2585 / FAX: 907-733-1401  
 Phone No.



# ALASKA MINERS ASSOCIATION, INC.

501 W. Northern Lights Blvd., Suite 203, Anchorage, Alaska 99503 FAX: (907) 278-7997 Telephone: (907) 276-0347

February 15, 1996

Honorable William Williams  
Honorable Joe Green  
Co-Chairmen  
House Resources Committee  
Capitol Building  
Juneau, AK 99801

RE: House Bill 447, Restrictions to Traditional Access

Dear Representatives Williams and Green,

Thank you for the opportunity to comment on House Bill 447 which addresses the need to protect traditional means of access for recreational uses. We have reviewed this bill and support it with a minor change.

The change is needed to allow the commissioner to restrict access to an area that is part of a mine or other industrial site where there is a concern for public safety.

The change we suggest is in Section 2 where a new sub-section (d)(3) should be added as follows:

(d) The commissioner may not....or prohibition is

(1) temporary in nature and effectively cumulatively less than eight months in a three-year period; or

(2) authorized by act of the legislature; or

(3) required for protection of public safety.

Without this change it may be impossible to restrict access into areas that could be dangerous to the general public. Water diversion ditches, surface mine pits, power cables for pumps or other equipment, fly rock from blasting, etc. are all potential dangers to the public. Also, federal law requires that the mine control access and keep the public from potentially dangerous situations.

We feel the above proposed addition would answer the question of public safety and still preserve the intent of the bill. Thank you for the opportunity to comment.

Sincerely,

Steven C. Borell, P.E.  
Executive Director

cc: Representative Beverly Masck



# Alaska State Legislature

HOUSE OF REPRESENTATIVES

Beverly Masek

MAR 11 1996

Official Business

State Capitol  
Juneau, AK 99801-118

## MEMORANDUM

TO: REPRESENTATIVE JOE GREEN *Joe*

FROM: REPRESENTATIVE BEVERLY MASEK *Beverly*

DATE: MARCH 8, 1996

RE: HB - 447 / RECREATIONAL ACCESS BILL

\*\*\*\*\*

Thank you for assisting in moving HB-447 along in the process.

I believe you and I have been very accommodating in addressing legitimate concerns in HB-447 such as Rep. Long's points on subsistence. The Resources CS is a better Bill.

Both the Alaska Visitors Association, and the Resource Development Council support the legislation as well as numerous outdoor groups and businesses.

Unfortunately the environmentalists have put out a statewide alert on HB-447 and SB-230 which contains outright lies. Senator Pearce and I are in the process of responding to these untruthful alerts.

I bring this to your attention because there may be an attempt to burden HB-447 with dilatory amendments in your Committee.

I urge you to move HB-447 as it now reads and to entertain no further amendments in Resources.

Thank you.



## ALASKA BOATING ASSOC.

### Supporting HB-447

Asking for a few changes:

- #1. Include the commissioner of ADF&G
- #2. Include the Boards of Fish and Game
- #3. Write the law so the lack of action does not restrict us.

If a bureaucrat develops a land or water management plan that has access restrictions in it, the legislature would have to approve the access restriction within 100 days or the restriction will not stay in the plan. (Sunset Claws)

---

My name is George Piaskowski I have lived in Alaska for forty one years, my grandfather came to this state in 1932, He instilled in his family a love and respect for this land.

I am the president of the Alaska Boating Assoc. our membership of 600 plus Alaskan recreational boaters are solidly united against boating restriction.

The only reason boats should be restricted is, boat caused resource degradation, or there is a percent safety issue documented by competent authority.

I am here today to thank the author of this bill, and to pledge my support and the Alaska Boating Assoc..

Boat access to Alaska is of cores, a high priority for the Alaska boating assoc.. Our motto: Safety education and preservation, preservation of the natural resource has been easy, conspired to preservation of traditional recreational opportunities, this one issue takes most of my time and energy and has not been an easy promise to keep to my members.

Our constitutional rights to access state land by way of the navigable waters, is increasingly under attack by **The Big Green Machine**, The Alaska Center for the Environment, The Wilderness Society, The Wildlife Alliances, The Autobaun Society, and every anti everything group, has a office in Alaska and with the backing of there multi-million dollar head quarters they have manipulated and or dictated how we Alaskan residents will recreate. These groups with their letters to the editor of the Daily News, there paid lobbyist and attorneys have learned all to well how to manipulate the letter of the law and ignore the intent. If a management plan says a commissioner may restrict, they convince the bureaucrats it means will restrict.

I've seen this happen first hand in the Six Rivers Management Plan for the Mat-Su Valley. I was at the teleconference on February 12<sup>th</sup> 1996 and listened to the director of DNR brag about the Six River Plan and how the legislature had two years to take the access restriction out.

I was their, the restriction should not have been their in the first place, and in the second place Rep. Cliff Davidson sat on the plan and would not give it a hearing or let it out of his committee to be voted on..

Now it is all to common to see the Boards of Game and Fish being used to limit our ways and means of access. Because of this latest threat on equal access I would like to see the commissioner of fish and game and the boards of fish and game be included in this bill.

The boards of fish and game have started trying to solve social issues. Geographically different class of people are being restricted from an area for no other resin then they live down river and the up river people wanted exclusive rights to the land ,water, and game in their area. The Board of Game accommodated them by putting a horse power restriction on the river so as not to allow the down river people enough horse power to make the trip safely. This was done in an area where the moose population was healthy an growing.

The A.B.A. has always supported the multiple use designation for all the land and waters of Alaska with the expiation of the reasons I gave earlier. The natural ruggedness of this state has and will continue

to provide a wide range of recreational experience for all outdoors men (and woman), and it doesn't need to be micro-managed by DNR or ADF&G.

George Piaskowski Pres. Alaska Boating Assoc.

1836 Scenic Way #2

Anchorage, AK 99501

Hm. 276-0815

Wk. 229-6069



LEGISLATIVE INFORMATION OFFICE  
119 N. CUSHMAN, SUITE 101  
FAIRBANKS, AK 99701  
452-4448

FEB 23 1996

DATE: 2/19/96

Please accept the enclosed original(s) of written testimony for the

House Reorganization (HR 441) teleconference scheduled on

2/16/96. A copy of this testimony was transmitted to your committee via fax.

Thank you,

*Frank/Her 210*



# ALASKA STATE LEGISLATURE

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE Resource/jud  
COMMITTEE NAME  
COMMITTEE ON HB 447 DATED 2-19-96  
BILL/SUBJECT

SIGNED Leverly Neiter  
TESTIFIER

self — horseman  
REPRESENTING (OPTIONAL)

5465 Chena Hot Spgs. Rd. Ft. Val 99712  
ADDRESS/PHONE NUMBER

HB 447

I wish to support HB 447. For too long the question "Can we get there from here?" has been answered "NO".

Public access to and use of public lands, waterways, and ROW's have often been hindered by inter agency battles over authority and even the existence of ROW's.

While one agency may recognize ROW's such as section lines and R.O.W.'s, another may not. Thus, leaving the user trying to obtain access caught in a bureaucratic maze.

Many public lands are now landlocked by privately owned lands, Native lands, or reserved public lands such as State Parks, that do not allow access through their boundaries. Some valid existing trails have, through bureaucratic decree, become scenic use only. Thus depriving the general public of access. As a result public lands become the dominion of a select few.

The key that unlocks the door for public use of public lands is access. HB 447 appears to be a step in the right direction. Hopefully with the passage of this bill including my amendment, all state agencies with jurisdiction over public lands, waterways, and ROW's could establish a clear policy and procedure to provide for multiple use access to and within public lands. Another possibility is to form a Board of Authority to allocate the public burden of asserting their rights to access.

(or interdepartment liaison)

Access will always be in demand as long as public lands exist; and public lands without access are not public.

Beverly Westover  
5465 Church Hot Spgs Rd  
09712

HB447

Examples of state lack of access:

State Division of Parks:

In a 12-7-83 meeting discussing 11AAC 18-010 section 9, Park stated that unless there was a court order they would not recognize prior ROW's.

In State vs Dana Lynch and Eugene Hirt # 4FA-79-2154, Mr. Hirt spent thousands of dollars to research the RS 2477 Colorado Ck. Road that he was arrested for using when it was about to come to trial. The case was dropped by the Parks. Thus no judgement.

ADL/DNR

The state backed public access for RS 2477 along Kuylenburg Trail in Birch Creek but at the same time refused to back public on RS 2477 Chena Hot Springs Winter Trail. Some "public" have more rights?!

DOT/PF

Refusal to assert section lines on roads which are Class B routes unless they are building a highway - Last "new road" was 10 years ago.

Bo Nester

## CHANGES IN HB-447

1. NEW TITLE TO REFLECT CHANGES IN BILL

2. SECTION 1 - ADDS INTENT LANGUAGE TO ASSURE NOTHING IN BILL AFFECTS PRIVATE PROPERTY INTERESTS.

3. SECTION 3 - LINES 13 - 16 - PROVIDES FOR REASONABLE ALTERNATIVES FOR ACCESS WHEN CONFLICTS OCCUR.

LINES 23, 24, 27, ADD NEW MEANS OF ACCESS AND NEW ACTIVITIES COVERED IN BILL.

4. NEW SECTION 4 - ESTABLISHES AUTHORITY FOR DEVELOPMENT INTERESTS TO CONTROL ACCESS ACROSS LEASED AREAS WHEN A REASONABLE ALTERNATIVE IS NOT AVAILABLE TO GO AROUND IT.

376-6180

To: Dave Stancliff  
From: Jim Stratton *JS*

It's taken a little longer than I thought to find the citations used by Division of Land for their Interagency Land Management Agreements. I spoke with Mary Kay Hession at 269-8511. I'd call her for more information.

ILMAs are administered by Division of Land and provide for land transfer to all agencies in state government for such purposes as DOT/PF for materials sites, Division of Communications for tele-communications repeater sites, Division of Forestry for fire bases, etc.. The citations Mary Kay gave me are 38.04.060(b), 38.05.295, 38.05.300, 38.05.030.

Hope this helps out.

*called  
Legal  
12.8.95  
Jerry Rubke*



# Alaska State Legislature

## HOUSE OF REPRESENTATIVES

### Beverly Masek

Official Business

State Capitol  
Juneau, AK 99801-118  
907-465-2679

#### SPONSOR STATEMENT HB-447

House Bill 447 was introduced to accomplish one main purpose. That purpose is to involve the Legislature whenever major issues concerning access to state land and waters are addressed.

At the present time members of the Administration may close off access to lands and waters whether or not the legislature agrees with their policies or philosophies. More and more people are feeling disenfranchised by such unbridled authority. As legislators, we often hear controversies caused by administrative decisions only after they have been regulated onto the people. By then it takes an extraordinary effort to rectify any of the problems created.

As different administrations come and go, so do philosophies, policies, and procedures. What the public has come to expect under one administration may not even apply under the next. While the same can be said of legislatures, having an additional check and balance in place for matters such as closing public access to lands and waters for long terms only makes sense.

The statutes are replete with examples of legal designations to protect lands, waters, and resources, but there is no language of protection or legislative safeguards specifically established for access. This imbalance in my mind has led to an unfair advantage for those groups or individuals who wish to restrict peoples' access. The system is literally designed to accommodate their concerns. Even more bothersome is the inability of the public through the normal hearing process to seriously affect those in any given administration's driver's seat. These policy makers have no fear of being unelected, removed from their position, or even reprimanded for not following the publics' wishes.

HB-447 would require a higher standard in weighing key public access questions with an arm of government whose job depends on accountability having to ratify recommendations which would close off traditional uses of lands and waters. When a major access decision must be made concerning traditional individual, family, or community activities the final decision would rest with their elected representatives.

HB-447 will bring the people closer to policy. They will no longer need to stand alone on the outside of a bureaucrat's office wondering who might be eliminating their access to state lands and waters on the inside.



# Alaska State Legislature

## HOUSE OF REPRESENTATIVES

### Beverly Masek

Official Business

State Capitol  
Juneau, AK 99801-118  
907-465-2679

### *MEMORANDUM OF REQUEST*

TO: HONORABLE REP. JOE GREEN / CO-CHAIR HOUSE RESOURCES

FROM: REP. BEVERLY MASEK *BM*

DATE: JANUARY 24, 1996

RE: HB-447

\*\*\*\*\*

Please consider this memorandum a formal request to hear HB-447.

I look forward to sharing my reasons for introduction of this Bill with your Committee.

Thank you.

## SECTIONAL ANALYSIS HB-447

### SECTION 1.

Opens existing general Title 38 language to allow for provisions of bill to be inserted (on following page).

### SECTION 2.

Body of bill presented as new subsections (d) and (e).

#### SUBSECTION (d)

Prohibits the Commissioner of Natural Resources from restricting access for traditional recreational activities for either real or intrinsic reasons unless:

- (1) the restrictions are temporary and do not exceed cumulatively 8 months in a three year period.
- (2) the restrictions are authorized by an act of the legislature.

#### SUBSECTION (e)

Defines:

- (1) *intrinsic values*
- (2) *traditional access*
- (3) *traditional recreational activities*



## DICK GUNLOGSON

*Master Guide and Outfitter*

BOX 193

WILLOW, ALASKA 99688

TELEPHONE (907) 495-6434

FAX 495-4625



FEBRUARY 6, 1996

HOUSE RESOURCES COMMITTEE

TESTIMONY RE: HB 313

I STRONGLY SUPPORT THIS BILL. IT WILL ENCOURAGE AN ADDITIONAL HARVEST OPPORTUNITY FOR THIS READILY RENEWABLE RESOURCE. AS A PRACTICAL MATTER, BASED ON MY MANY YEARS IN THE FIELD CONDUCTING BIG GAME HUNTS, OPPORTUNITIES TO HARVEST A WOLF, WHEN IN THE FIELD HUNTING OTHER BIG GAME SPECIES, DO NOT OCCUR VERY OFTEN. THE PERCENTAGE OF A CHANCE IS LOW ENOUGH THAT I CANNOT IN GOOD CONCIENCE ENCOURAGE A CLIENT TO SPENT \$175.00 OR \$250.00 TO PURCHASE THE TAG. HOWEVER, WITHOUT A TAG, THE CLIENT CANNOT SHOOT EVEN IF AN OPPORTUNITY DOES ARISE.

THIS BILL WOULD MAKE IT PRACTICAL FOR ALL HUNTERS IN THE FIELD TO HAVE A TAG, AND CONSEQUENTLY MORE OPPORTUNITIES FOR HARVEST WOULD BE UTILIZED. CURRENT LEGAL METHOD AND MEANS MAKE IT VERY DIFFICULT TO ACHIEVE AN ADEQUATE ANNUAL HARVEST OF WOLVES, IN SPIE OF THE FACT THAT THEY ARE ONE OF OUR MOST READILY RENEWABLE RESOURCES. WHILE THIS BILL WOULD NOT RESULT IN A LARGE ADDITIONAL HARVEST, IT WOULD PROVIDE MORE OPPORTUNITIES THAN CURRENT LAW.

I BELIEVE THAT THE ADDITIONAL NUMBER OF TAGS PURCHASED WOULD FULLY OFFSET THE REDUCED VALUE OF EACH TAG. REVENUES MIGHT EVEN INCREASE.

THANK YOU,



DICK GUNLOGSON  
MASTER GUIDE OUTFITTER

FEB-05-1996 08:31

LIO DELTA JCT

907 895 5017 P.01



Legislative Affairs Agency  
Division of Administrative Services  
Delta Junction Legislative Information Office  
P.O. Box 1189  
Delta Jct., AK 99737  
Phone: (907) 895-4236 Fax: (907) 895-5017

To: House Resources

Fax: 415-6547 Phone: \_\_\_\_\_

Please accept this written testimony in  
favor of HB447

Date Sent: 2/5/96

No. of Pages Including Cover Sheet: 2

Thank You,

Tammy R. Hall

Tammy R. Hall

Information Assistant



# Alaska State Legislature

Please enter into the record my testimony to the HOUSE RESOURCES  
 committee name  
 committee on HR 447, dated 2-5-96  
 bill/ subject

I ASK THAT YOU SUPPORT REPRESENTATIVE MASEK  
 AND PASS HR. 447

Signed:

*Ron Bowden*  
 Testifier

Representing (Optional)  
P.O. Box 2 DELTA JUNCTION AK 99737-0002  
 Address (907) 895-4448  
 Phone No. FAX (907) 895-5220

# FISCAL NOTE

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

**BILL NO. HB447**

Revision Date: original Dept Affected Natural Resources  
 Title: State land and water may not be classified so as BRU: Parks & Recreation Management  
to preclude or restrict traditional means of access for trad'l rec. use Component: Parks Management  
 Sponsor: Rep. Masek  
 Requestor: \_\_\_\_\_ Component Serial No. 452

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL	1.0	1.5	1.5	1.0	1.0	1.0
CONTRACTUAL	1.0	2.0	2.0	1.0	1.0	1.0
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>2.0</b>	<b>3.5</b>	<b>3.5</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>
<b>CAPITAL EXPENDITURES</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>CHANGE IN REVENUES ( )</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	2.0	3.5	3.5	2.0	2.0	2.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>2.0</b>	<b>3.5</b>	<b>3.5</b>	<b>2.0</b>	<b>2.0</b>	<b>2.0</b>

Estimate of any current year (FY96) cost: \$ \_\_\_\_\_

**POSITIONS**

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

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

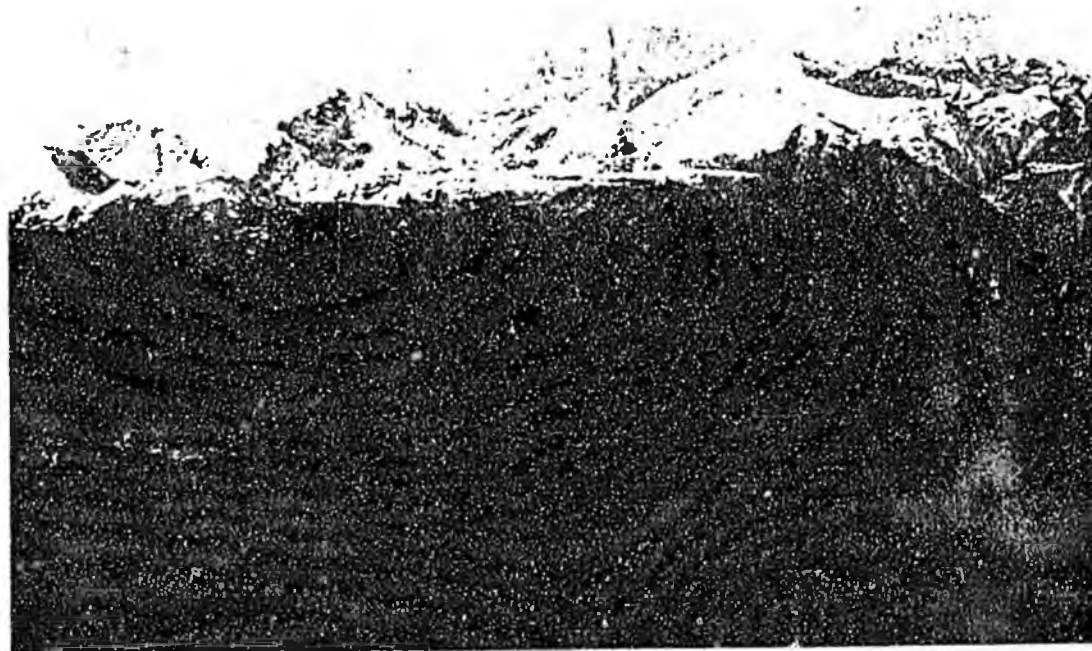
When parks receives an ILMA under the terms of this bill, it will either appear before the legislature to request restrictions on traditional access (travel expenses) or will promulgate regulations to open the area, under Title 41, for motorized recreational use (travel and contractual). It is anticipated that 1 to 2 ILMAs will occur in FY97, 3 to 4 in FY98 and FY99, back to 1 to 2 in FY00, FY01, and FY02.

Lands transferred to Parks come in under title 41, which restricts vehicular use. Allowing for motorized use requires parks to promulgate regulations opening a unit of the park system to motorized use.

Prepared by: Jim Stratton *[Signature]* Phone: 269-8800  
 Division: Parks Date: 30-Jan-96  
 Approved by Commissioner: *[Signature]* Date: 1-30-96  
 Agency: Natural Resources

---

# DENALI STATE PARK MASTER PLAN



1989

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DIVISION OF PARKS AND OUTDOOR RECREATION  
ALASKA DEPARTMENT OF NATURAL RESOURCES



Alaska Department of  
**NATURAL  
RESOURCES**



## Park Boundary Modifications

Proposed boundary modifications are intended to protect small areas of a special nature, such as the Indian River area, and to protect the continuity of existing resources, such as the short stretch of the Tokositna River that is not in the park at this time. The proposed changes are illustrated in Figure 15 (page 73).

The proposed 100-foot buffer along the south shore of the Tokositna River is not intended to preclude the use of private property, but rather is to provide a small, vegetated, visual buffer along the river corridor and protect the river shore line from accelerated erosion related to development that could impact downstream areas inside the state park.

The proposed land exchange with the National Park Service is intended to shift boundaries to readily identifiable and enforceable natural features. This will avoid public confusion over the different regulations (state and federal) applicable to the two parks. It will also simplify the management responsibilities of the respective agencies.

Three separate areas of state-owned land are proposed for addition to the park, either through legislative designation or Interagency Land Management Assignment (ILMA).

Proposal	Management Objectives	Justification
<p>Southern boundary expansion to include Tokositna River. Approx. 330 acres.</p> <p>Legal description:</p> <p>T28N, R6W, S.M.,</p> <p>Sec. 6: state-owned land and water north of the right bank of the Tokositna River.</p> <p>T28N, R7W, S.M.,</p> <p>Sec. 1, 2: state-owned land and water north of the right bank of the Tokositna River.</p>	<p>Establish border along obvious natural feature. Conserve south shore of river with easement. Provide active management.</p>	<p>This small segment of the Tokositna River is the only part of the river not currently in state or national park. Inclusion of the land north of the river in park will preserve natural setting along river and permit active management and enforcement in this area.</p> <p>Designation of a 200' buffer easement effecting state-owned lands along south shore, managed by the Division of Land and Water Management, will create vegetative screen for river users. Land disposals and commercial timber harvest will be prohibited</p>
<p>Land exchange with National Park Service. Approx. 6,000 acres.</p>	<p>Make management jurisdiction easier for all parties, by defining park boundaries to follow rivers.</p>	<p>The National Park Service and Division have different regulations relative to hunting and other activities in the national and state parks. Will make use of physical boundaries that are easy to identify, thus clarifying jurisdiction and simplifying management.</p>

Proposal	Management Objectives	Justification
<p>East boundary expansion, adjacent to Indian River. Approx. 470 acres.</p> <p>Legal description:</p> <p>T31N, R2W, S.M.</p> <p>Sec. 4,8,9: state-owned land between the Indian River and the Alaska Railroad right-of-way.</p> <p>Sec. 16,17,20: state-owned land north and west of the Susitna River.</p>	<p>Create a more logical boundary. Provide active management and conserve natural resources in this area.</p>	<p>Provide active management to conserve important natural resources in the area, primarily spawning salmon. Inclusion of important buffer adjacent to the park.</p>
<p>South boundary expansion adjacent to Blair Lake. Approx. 360 acres.</p> <p>Legal description:</p> <p>F 2-N, R5W, S.M.</p> <p>Sec. 2: waters of Blair Lake.</p> <p>Sec. 3: N1/2, waters of Blair Lake.</p>	<p>Incorporate into the park the small parcel of state land between existing boundary and Blair Lake.</p>	<p>Provide park management for important uplands and Blair Lake. Protect public access between the park and the lake.</p>

## Land Acquisition

Denali State Park has a variety of large and small privately held properties within its boundaries. Acquisition of some inholdings or purchase of development rights should be pursued to help consolidate land ownership patterns and to avoid potential incompatibilities due to differing interests and objectives of the Division and private parties.

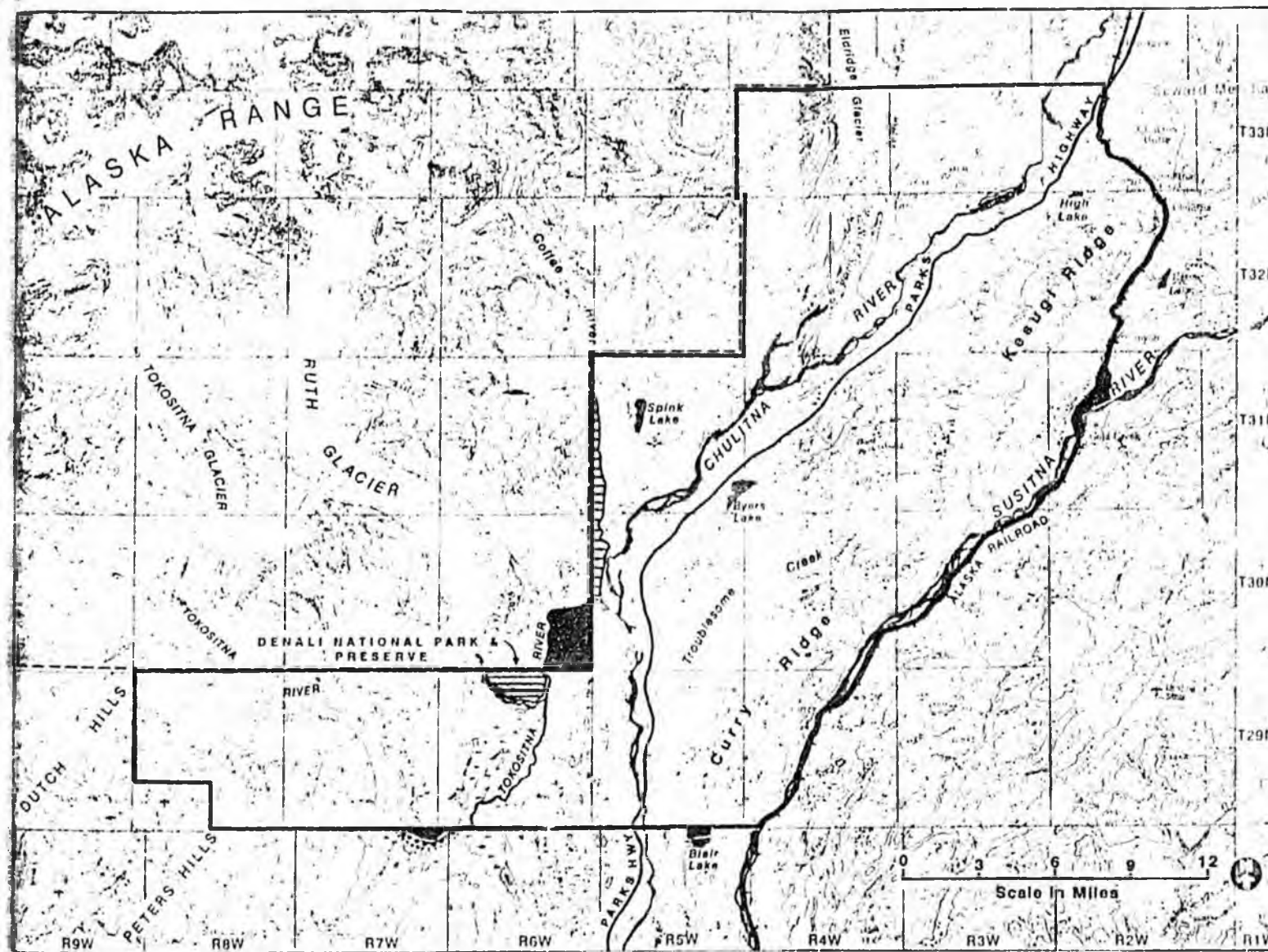
Proposal	Management Objectives	Justification
<p>Acquire inholdings at Byers Lake (10 acres).</p>	<p>Protect quiet, undeveloped nature of area. Provide active management.</p>	<p>Consolidate area as campground area. Inholdings are small, but development could have an adverse impact on the park and park experience currently enjoyed.</p>
<p>Acquire inholdings at Low Lake (7 acres).</p>	<p>Protect natural setting and viewshed integrity from High Lake area.</p>	<p>The north end of the park has a highly diverse environment. The viewshed integrity of the High Lake area is very important to the South Denali project.</p>

# DENALI STATE PARK Master Plan

Figure 15  
**BOUNDARY  
MODIFICATIONS**

To become:

-  State Park
-  National Park
-  River Bank Buffer



HOME PHONE NUMBERS  
HOUSE RECORDS

CORINNE CONLON	586-2137
JAMIE FOLEY	463-3595
NANCY VIDAL	586-4063
MELODY NIBECK	586-1806
SHARON MCCAULEY	364-3863
GLENIS DOVE	789-3497
CATHY WOOD	780-6532

**HB**

**469**

9-LS1627F ✓  
Chenoweth  
3/12/96

CS FOR HOUSE BILL NO. 469( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
NINETEENTH LEGISLATURE - SECOND SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES THERRIAULT, Toohey, Kelly, Davies

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the University of Alaska and to assets of the University of  
2 Alaska; authorizing the University of Alaska to select additional state public  
3 domain land, designating that land as 'university trust land,' and describing the  
4 principles applicable to the land's management; and defining the net income from  
5 the University of Alaska's endowment trust fund as 'university receipts' subject  
6 to prior legislative appropriation."

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

8 \* Section 1. FINDINGS AND PURPOSE. The legislature finds that

9 (1) as the beneficiary under the provisions of the Acts of August 30, 1890, and  
10 March 4, 1907, designating the Alaska Agricultural College and School of Mines as beneficiary,  
11 and of March 4, 1915, 38 Stat. 1214, transferring certain land for its location and support, the  
12 University of Alaska is a land grant university;

13 (2) under the Acts of March 4, 1915, 38 Stat. 1214, and January 21, 1929, 45

1 Stat. 1091, the Congress of the United States granted to the Territory of Alaska certain federal  
2 land to be held in trust for the benefit of the predecessor of the University of Alaska;

3 (3) the Territory was unable to receive most of the land conveyed by the Act of  
4 March 4, 1915, before repeal of that Act by Sec. 6(k) of the Alaska Statehood Act (P.L. 85-508,  
5 72 Stat. 339);

6 (4) the Congress of the United States granted the State of Alaska the right to  
7 select 102,500,000 acres of federal land under Sec. 6(b) of the Alaska Statehood Act;

8 (5) the land selection rights embodied in the Alaska Statehood Act reflect in part  
9 congressional recognition that the state would need the land to support its government and  
10 programs, and the Congress assumed that the State of Alaska would in turn devote some of the  
11 land or the income from it for the use and benefit of the University of Alaska;

12 (6) most land grant colleges in the western United States have obtained a larger  
13 land grant from the federal government than the University of Alaska has received;

14 (7) an academically strong and financially secure state university system is a  
15 cornerstone to the long-term development of a stable population and to a healthy, diverse  
16 economy in the state;

17 (8) it is in the best interests of the state and the University of Alaska that the  
18 university take ownership of a significant and substantial portfolio of income producing land in  
19 order to provide income for the support of public higher education in the state; and

20 (9) renewable resources should be managed on a sustained yield basis, taking  
21 into account the total land grant.

22 \* Sec. 2. LEGISLATIVE INTENT. It is the intent of the legislature that the University of  
23 Alaska encourage the development of in-state value-added industries to the maximum extent  
24 feasible when developing land conveyed under AS 14.40.365.

25 \* Sec. 3. AS 14.40.170(a) is amended to read:

26 (a) The Board of Regents shall

27 (1) appoint the president of the university by a majority vote of the whole  
28 board, and the president may attend meetings of the board;

29 (2) fix the compensation of the president of the university, all heads of  
30 departments, professors, teachers, instructors, and other officers;

31 (3) confer such appropriate degrees as it may determine and prescribe;

32 (4) have the care, control, and management of

1 (A) all the real and personal property of the university; and

2 (B) land ,

3 (i) conveyed to the Board of Regents by the commissioner  
4 of natural resources in the settlement of the claim of the University of  
5 Alaska to land granted to the state in accordance with the Act of  
6 March 4, 1915 (38 Stat. 1214), as amended, and in accordance with the  
7 Act of January 21, 1929 (45 Stat. 1091), as amended; and

8 (ii) selected by the University of Alaska and conveyed  
9 to it by the commissioner of natural resources under AS 14.40.365,  
10 except as provided in AS 14.40.368(a)(2);

11 (5) keep a correct and easily understood record of the minutes of every  
12 meeting and all acts done by it in pursuance of its duties;

13 (6) under procedures to be established by the commissioner of  
14 administration, and in accordance with existing procedures for other state agencies, have  
15 the care, control, and management of all money of the university and keep a complete  
16 record of all money received and disbursed;

17 (7) adopt reasonable rules for the prudent trust management and the  
18 long-term financial benefit to the university of the land of the university;

19 (8) provide public notice of sales, leases, exchanges, and transfers of the  
20 land of the university or of interests in land of the university;

21 (9) report each year within the first 10 days of the convening of a regular  
22 session of the legislature on the expenditures made during the preceding fiscal year from  
23 the funds of the University of Alaska that are derived from sales, leases, exchanges, or  
24 transfers of the land of the university or of interests in land of the university

25 (A) that were conveyed to the University of Alaska in settlement  
26 of the claim of the University of Alaska to land granted to the state in accordance  
27 with the Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance  
28 with the Act of January 21, 1929 (45 Stat. 1091), as amended; and

29 (B) that were selected by and conveyed to the University of  
30 Alaska under AS 14.40.365.

31 \* Sec. 4. AS 14.40.190 is amended to read:

32 Sec. 14.40.190. REPORT. (a) The Board of Regents shall prepare a written

1 report at the beginning of each first regular session of the legislature of

2 (1) the condition of [THE] university property;

3 (2) [, OF] all receipts and expenditures, including the administration and  
4 disposition of appropriated and restricted funds;

5 (3) the management of university trust land under AS 14.40.366(a)(1)  
6 and (2); and

7 (4) [, AND OF] the educational and other work performed during the  
8 preceding two fiscal years.

9 (b) The board shall notify the legislature that the report is available.

10 \* Sec. 5. AS 14.40.280 is amended to read:

11 Sec. 14.40.280. ENDOWMENTS AND DONATIONS. All monetary gifts,  
12 bequests, or endowments that are made to the University of Alaska for the purpose of  
13 the separate trust fund created under AS 14.40.400 shall be held by the university. The  
14 university [TRANSFERRED TO THE DEPARTMENT OF REVENUE. THE  
15 DEPARTMENT OF REVENUE] shall manage that money in accordance with  
16 AS 14.40.400. Title to and control or possession of land, personal property, and all  
17 money [OTHER THAN] that [TRANSFERRED TO THE DEPARTMENT OF  
18 REVENUE, WHICH] is devised, bequeathed, or given to the university for the purpose  
19 of the endowment trust fund established by AS 14.40.400(a) shall be taken by the  
20 university in its corporate capacity acting by and through the regents or an authorized  
21 agent, and shall be entered in the perpetual inventory of the university.

22 \* Sec. 6. AS 14.40.291 is amended to read:

23 Sec. 14.40.291. LAND OF THE UNIVERSITY OF ALASKA [NOT PUBLIC  
24 DOMAIN] LAND SALE CONTRACTS: CONFIDENTIAL INFORMATION. (a)  
25 Notwithstanding any other provision of law, university-grant land, state replacement land  
26 that becomes university-grant land on conveyance to the university, land selected by  
27 and conveyed to the University of Alaska under AS 14.40.365, and any other land  
28 owned by the University of Alaska is not and may not be treated as state public domain  
29 land.

30 (b) Land conveyed to the University of Alaska under AS 14.40.365 is  
31 designated as university trust land.

32 (c) Title to or interest in [TO] land described in (a) of this section may not be

1 acquired by adverse possession, prescription, or in any other manner except by  
2 conveyance from the university.

3 (d) The land described in (a) of this section is subject to condemnation for  
4 public purpose in accordance with law.

5 \* Sec. 7. AS 14.40.291 is amended by adding new subsections to read:

6 (e) If a contract for a sale of land of the university is breached, the president of  
7 the university or the president's designee, in addition to other remedies available under  
8 the law, may issue a decision to foreclose and terminate the contract at any time 31 days  
9 after delivering by certified mail a written notice of the breach to the address of record  
10 of the purchaser. The purchaser may cure a breach caused by the failure to make  
11 payments required by the contract within 30 days after the notice of the breach has been  
12 received by the purchaser by payment of the sum in default together with the larger of  
13 a fee of \$50 or five percent of the sum in default. If there are material facts in dispute  
14 between the university and the purchaser, the purchaser may submit a written request to  
15 the president or the president's designee for the review of the facts within 30 days after  
16 the notice of the breach has been received.

17 (f) On a determination that there has been a breach of the contract based on the  
18 administrative record, the president of the university or the president's designee shall  
19 issue a decision foreclosing the interest of the purchaser and terminating the contract.  
20 The obligation to make payments under the contract continues through the date of the  
21 decision to foreclose.

22 (g) The president of the university or the president's designee shall deliver the  
23 decision to foreclose and terminate, either by personal delivery to the purchaser or by  
24 certified mail, return receipt requested, to the address of record of the purchaser. If the  
25 breach is a failure to make payments required by the contract, the decision must include  
26 a notice to the purchaser that, if within 30 days the purchaser pays to the university the  
27 full amount of the unpaid contract price, including all accrued interest and any fees  
28 assessed under (e) of this section, the university shall issue to the purchaser a deed to the  
29 land. If full payment is not made within 30 days or the breach is for other than failure  
30 to make payment, the decision forecloses and terminates all legal and equitable rights the  
31 purchaser has in the land.

32 (h) Notwithstanding AS 09.25.100 - 09.25.220, on a determination that it is in

1 the best interest of the university or on the request of the person who has provided the  
2 information, the president may keep the following confidential:

3 (1) the names of a person applying for the sale, lease, or other disposal  
4 of university land or an interest in university land;

5 (2) before the announced time of opening of an offer to purchase, lease,  
6 or obtain a disposal of university land, the names of the participants and the terms of  
7 their offers;

8 (3) all geological, geophysical, engineering, architectural, sales, appraisal,  
9 gross receipts, net receipts, or other financial information relating to university land or  
10 an interest in university land considered for or offered for disposal or currently subject  
11 to a contract;

12 (4) cost data and financial information submitted by an applicant in  
13 support of applications for bonds, leases, or other information in offerings and ongoing  
14 operations relating to management of university land;

15 (5) applications for rights-of-way or easements across university land; and

16 (6) requests for information about or applications by public agencies for  
17 university land that is being considered for use for a public purpose.

18 \* Sec. 8. AS 14.40 is amended by adding a new section to read:

19 Sec. 14.40.365. SELECTION AND CONVEYANCE OF STATE LAND TO  
20 THE UNIVERSITY OF ALASKA. (a) For the purposes of providing support to the  
21 state's public higher education system and for the purpose of generating responsible and  
22 appropriate development of the state's land and resources, the University of Alaska is  
23 authorized to receive the conveyance of 500,000 acres of land that, on the effective date  
24 of this section, is owned by the state, or has been tentatively approved or selected by the  
25 state under the Alaska Statehood Act.

26 (b) For purposes of making the selection and conveyance of state land to the  
27 university under (a) of this section, the director of the division of land, Department of  
28 Natural Resources, and the director of the University of Alaska's land management office  
29 shall compile and maintain and may revise a list of the land to be conveyed to the  
30 university under this section. The list shall be maintained at the Anchorage office of the  
31 director of the division of land. The list may not include the valid existing selections of  
32 a municipality to which the municipality is entitled under AS 29.65.010 - 29.65.140. If

1 there is a disagreement between the university and the Department of Natural Resources  
2 about the land to be placed on the list, the disagreement must be submitted to the  
3 governor, who shall make the final decision. The governor, upon the recommendation  
4 of the director of the division of land and the director of the university's land  
5 management office, shall periodically submit to the legislature, within 30 days of the  
6 beginning of a regular legislative session, a list of land proposed to be conveyed by the  
7 state to the University of Alaska under this section. Each list must contain not less than  
8 25,000 acres of land, or the remaining entitlement under (a) of this section, whichever  
9 is less. The legislature may by law approve or disapprove the list and must approve or  
10 disapprove the list within 60 days of its submission. A list submitted shall be deemed  
11 approved for conveyance to the University of Alaska if the legislature neither approves  
12 nor disapproves the list during the period of 60 days after the date on which the list was  
13 submitted.

14 (c) Notwithstanding any other provision of law, on land selected by but not yet  
15 conveyed by quitclaim deed to the University of Alaska or for which a document of  
16 interim conveyance has not been issued to the University of Alaska under this section,

17 (1) the state is authorized to enter into contracts and grant leases,  
18 licenses, claims, prospecting sites, sales, permits, rights-of-way, or easements, and any  
19 interim conveyance or quitclaim deed shall be subject to the contract, lease, license,  
20 claim, prospecting site, sale, permit, right-of-way, or easement, except that the authority  
21 granted the state by this subsection

22 (A) is the authority that the state otherwise would have had under  
23 existing laws and regulations had the land not been selected by the University of  
24 Alaska; and

25 (B) may be exercised only if the University of Alaska has  
26 concurred before the action is taken by the state;

27 (2) after approval of a list by the legislature or, when approval of the list  
28 is based on the legislature's inaction under (b) of this section, after the 60th day  
29 following the date on which the list was submitted to the legislature, and until the land  
30 has been conveyed by quitclaim deed or by a document of interim conveyance, 90  
31 percent of the proceeds derived from contracts, leases, licenses, claims, prospecting sites,  
32 sales, permits, rights-of-way, or easements, or from trespasses, originating after the date

1 of selection by the University of Alaska shall be held by the state; upon the issuance of  
2 a document of interim conveyance or a quitclaim deed, the state shall pay to the  
3 University of Alaska the proceeds held by the state under this paragraph, and subsequent  
4 to the issuance of a document of interim conveyance or a quitclaim deed, the University  
5 of Alaska shall receive all of the proceeds derived from the contracts, leases, licenses,  
6 claims, prospecting sites, sales, permits, rights-of-way, or easements, or from trespasses;

7 (3) responsibility for management of contracts, leases, licenses, claims,  
8 prospecting sites, sales, permits, rights-of-way, or easements, vests with the University  
9 of Alaska upon issuance of a quitclaim deed or a document of interim conveyance.

10 (d) When land is conveyed to the University of Alaska under this section, it shall  
11 be conveyed in fee simple. The state may convey to the university any tideland or  
12 submerged land adjacent to the land conveyed under this section. The University of  
13 Alaska takes the land subject to any possessory interest held by another person on the  
14 effective date of the conveyance. Except as provided in AS 14.40.368(a)(1), the  
15 University of Alaska is entitled to receive the consideration due under that possessory  
16 interest for the duration of the possessory interest.

17 (e) In conveying land to the University of Alaska under this section, the  
18 commissioner of natural resources shall give public notice under AS 38.05.945(b) and  
19 (c) and provide for access under AS 38.05.127, but other provisions of AS 38.04 and  
20 AS 38.05 do not apply.

21 (f) Land transferred or conveyed to the University of Alaska under this section

22 (1) is subject to

23 (A) Sec. 6(i) of the Alaska Statehood Act (P.L. 85-508, 72 Stat.  
24 339);

25 (B) art. IX of the state constitution;

26 (C) AS 19.10.010;

27 (D) payment to the Alaska permanent fund of the amounts  
28 required by AS 37.13.010(a) and (b); and

29 (E) the rights of the state under former 43 U.S.C. 932 (sec. 8, Act  
30 of July 26, 1866, 14 Stat. 253);

31 (2) excludes any interest transferred to the state by quitclaim deed dated  
32 June 30, 1959, under authority of the Alaska Omnibus Act, P.L. 86-70, 73 Stat. 141.

1 (g) The University of Alaska shall bear all costs of selection, platting, surveying,  
2 and, except for a cost specified in (i) of this section, conveyance of the land that it  
3 selects under this section and, subject to appropriation, shall reimburse the Department  
4 of Natural Resources for the reasonable costs incurred by that department relating to that  
5 selection, platting, surveying, and conveyance. Under this subsection,

6 (1) if the land has been surveyed,

7 (A) the boundaries of the land conveyed must conform to the  
8 public land subdivisions established by the approved survey; and

9 (B) the commissioner shall issue a quitclaim deed to the land  
10 within one year of receiving a request for the land's conveyance from the  
11 university;

12 (2) if the land is unsurveyed, the commissioner shall

13 (A) survey the exterior boundaries of the land to be conveyed  
14 without interior subdivision; and

15 (B) issue a quitclaim deed to the land in terms of the exterior  
16 boundary survey within one year of receiving a request for the land's conveyance  
17 by the university.

18 (h) For land due the University of Alaska under this section that is unsurveyed,  
19 pending the survey of exterior boundaries and issuance of a quitclaim deed, the  
20 commissioner of natural resources shall, within one year of request by the university,  
21 prepare and provide to the University of Alaska a document of interim conveyance for  
22 the land to be conveyed.

23 (i) Except as provided in AS 14.40.368(a)(2), management of land conveyed to  
24 the University of Alaska by a quitclaim deed or by a document of interim conveyance  
25 vests with the University of Alaska from the date of recording of the quitclaim deed or  
26 document of interim conveyance. The state shall pay the cost of recording all quitclaim  
27 deeds and documents of interim conveyance.

28 (j) The University of Alaska may not make a land selection under this section  
29 after December 31, 2016.

30 \* Sec. 9. AS 14.40 is amended by adding new sections to read:

31 Sec. 14.40.366. MANAGEMENT AND DISPOSITION OF UNIVERSITY  
32 TRUST LAND. (a) University trust land selected and conveyed under AS 14.40.365

1 shall be conveyed to the Board of Regents and held by the Board of Regents in trust for  
2 the University of Alaska. The University of Alaska

3 (1) shall manage university trust land in accordance with applicable trust  
4 management principles;

5 (2) shall manage university trust land under provisions of law applicable  
6 to other university land; and

7 (3) may exchange other state land for university trust land under the  
8 procedures set out in AS 38.50.

9 (b) The University of Alaska shall establish

10 (1) policies to provide for public notice and comment on proposals for  
11 develop<sup>r</sup> , exchange, or sale of university trust land conveyed under AS 14.40.365;  
12 and

13 (2) procedures for mineral entry or location and mineral leasing on  
14 university trust land selections made under AS 14.40.365 that are substantially similar  
15 to mineral entry, location, and leasing procedures for state land under AS 38.05.185 -  
16 38.05.275.

17 (c) The Board of Regents shall adopt policies that provide that the university  
18 shall every second year prepare a plan for management and disposition of university trust  
19 land conveyed under AS 14.40.365 and shall, not less than 60 days before scheduled  
20 approval by the Board of Regents of the plan,

21 (1) make copies of the plan available at all legislative information offices  
22 and at such other locations as the university may designate;

23 (2) publish a notice in newspapers of general circulation in the state that  
24 provides the public with information on the locations where the plan is available for  
25 public inspection;

26 (3) give notice to all legislators and to local governments with  
27 jurisdiction over the land affected by the plan; and

28 (4) seek public comment on the plan prior to action by the Board of  
29 Regents approving the plan.

30 Sec. 14.40.368. MANAGEMENT AND DISPOSITION OF INCOME FROM  
31 EXISTING ENCUMBRANCES ON UNIVERSITY TRUST LAND. (a) For the land  
32 selected by and conveyed to the University of Alaska under AS 14.40.365 that is, as of

1 the effective date of the conveyance, subject to a lease, license, contract, claim,  
2 prospecting site, sale, permit, or right-of-way

3 (1) the state is entitled to receive 50 percent of the income obtained from  
4 the lease, license, contract, claim, prospecting site, sale, permit, or right-of-way for the  
5 duration of the term of the lease, contract, claim, prospecting site, sale, permit, or right-  
6 of-way, and during any renewal of it that is authorized by the lease, license, contract,  
7 claim, prospecting site, sale, permit, or right-of-way, or by law;

8 (2) the responsibility for the management of the land vests with the  
9 University of Alaska only upon conclusion of the term, including any renewals, of the  
10 lease, license, contract, claim, prospecting site, sale, permit, or right-of-way that is  
11 authorized by law.

12 (b) If the state and the university mutually agree that the responsibility for the  
13 management of land may be transferred to the university at a date earlier than the date  
14 described in (a)(2) of this section, then, notwithstanding (a)(1) of this section, the  
15 university is entitled to receive all income described in (a)(1) of this section on or after  
16 the effective date of the transfer of the management responsibility.

17 Sec. 14.40.369. CUSTOMARY AND TRADITIONAL USES TO BE  
18 CONTINUED. (a) When land selected by the University of Alaska under AS 14.40.365  
19 has been conveyed to it, before conveying or disposing of an interest in land to a third  
20 party, the University of Alaska shall manage the land in a manner that permits customary  
21 and traditional uses of the resources of that land to the maximum extent practicable.

22 (b) The provisions of (a) of this section do not apply to authorize the commercial  
23 harvest of timber from the land conveyed to the university.

24 \* Sec. 10. AS 14.40 is amended by adding a new section to read:

25 Sec. 14.40.375. TORT IMMUNITY FOR PERSONAL INJURIES, DEATH, OR  
26 PROPERTY DAMAGE OCCURRING ON UNIVERSITY LAND. (a) Notwithstanding  
27 AS 09.65.200 and except as provided in (b) of this section, the University of Alaska is  
28 not liable in tort, except for an affirmative act that constitutes gross negligence or  
29 reckless or intentional misconduct, for damages for the injury to or death of a person,  
30 or for property damage to the property of a person, who enters onto or remains on land  
31 owned by the University of Alaska.

32 (b) The provisions of (a) of this section do not apply to damages for injury to

1 or death of a person, or for property damage to the property of a person, that occurs on  
2 land of the University of Alaska that, after receipt of title to the land by the University  
3 of Alaska, has been improved and is actively maintained by the University of Alaska.

4 \* Sec. 11. AS 14.40.400(a) is amended to read:

5 (a) The University of Alaska [DEPARTMENT OF REVENUE] shall establish  
6 a separate endowment trust fund in which all net income derived from the sale or lease  
7 of the land granted under the Act of Congress approved January 21, 1929, and the land  
8 selected by and conveyed to the University of Alaska under AS 14.40.365 that under  
9 AS 14.40.291(b) is designated university trust land, and in which all monetary gifts,  
10 bequests, or endowments made to the University of Alaska for the purpose of the fund  
11 [,] shall be held in trust.

12 \* Sec. 12. AS 14.40.400(b) is amended to read:

13 (b) The president of the University of Alaska [COMMISSIONER OF  
14 REVENUE] is the fiduciary of the trust fund and shall account for and invest the fund  
15 as set out for the commissioner of revenue in AS 37.14.110(c), 37.14.160, and  
16 37.14.170, except that the president of the university [COMMISSIONER] shall report  
17 the condition and investment performance of the fund to the Board of Regents and to  
18 the legislature.

19 \* Sec. 13. AS 14.40.491 is amended to read:

20 Sec. 14.40.491. DEFINITION OF UNIVERSITY RECEIPTS. In AS 14.40.120  
21 - 14.40.491, "university receipts" includes  
22 (1) student fees, including tuition;  
23 (2) receipts from university auxiliary services;  
24 (3) recovery of indirect costs of university activities;  
25 (4) the net income of the trust fund established in AS 14.40.400 and  
26 receipts from sales and rentals of university property;  
27 (5) federal receipts;  
28 (6) gifts, grants, and contracts; and  
29 (7) receipts from sales, rentals, and the provision of services of  
30 educational activities.

31 \* Sec. 14. AS 29.45.030(a) is amended to read:

32 (a) The following property is exempt from general taxation:

1 (1) municipal property, including property held by a public corporation  
2 of a municipality, [OR] state property, or property of the University of Alaska, except  
3 that

4 (A) a private leasehold, contract, or other interest in the property  
5 is taxable to the extent of the interest;

6 (B) notwithstanding any other provision of law, property acquired  
7 by an agency, corporation, or other entity of the state through foreclosure or deed  
8 in lieu of foreclosure and retained as an investment of a state entity is taxable;  
9 this subparagraph does not apply to federal land granted to the University of  
10 Alaska under AS 14.40.380 or 14.40.390, [OR] to other land granted to the  
11 university by the state to replace land that had been granted under AS 14.40.380  
12 or 14.40.390, or to land conveyed by the state to the University of Alaska  
13 under AS 14.40.365;

14 (C) an ownership interest of a municipality in real property  
15 located outside the municipality acquired after December 31, 1990, is taxable by  
16 another municipality; however, a borough may not tax an interest in real property  
17 located in the borough and owned by a city in that borough;

18 (2) household furniture and personal effects of members of a household;

19 (3) property used exclusively for nonprofit religious, charitable, cemetery,  
20 hospital, or educational purposes;

21 (4) property of a nonbusiness organization composed entirely of persons  
22 with 90 days or more of active service in the armed forces of the United States whose  
23 conditions of service and separation were other than dishonorable, or the property of an  
24 auxiliary of that organization;

25 (5) money on deposit;

26 (6) the real property of certain residents of the state to the extent and  
27 subject to the conditions provided in (e) of this section;

28 (7) real property or an interest in real property that is exempt from  
29 taxation under 43 U.S.C. 1620(d), as amended;

30 (8) property of a political subdivision, agency, corporation, or other entity  
31 of the United States to the extent required by federal law; except that a private leasehold,  
32 contract, or other interest in the property is taxable to the extent of that interest;

1 (9) natural resources in place including coal, ore bodies, mineral deposits,  
2 and other proven and unproven deposits of valuable materials laid down by natural  
3 processes, unharvested aquatic plants and animals, and timber.

4 \* Sec. 15. AS 36.30.850(b)(15) is amended to read:

5 (15) a contract that is a delegation, in whole or in part, of investment  
6 powers held by the commissioner of revenue under [AS 14.40.400,] AS 14.42.200,  
7 14.42.210, AS 18.56.095, AS 37.10.070, 37.10.071, or AS 37.14;

8 \* Sec. 16. AS 14.40.400(e) is repealed.

9 \* Sec. 17. UNIVERSITY OF ALASKA ENDOWMENT TRUST FUND: TRANSITION.

10 A contract, right, liability, or obligation in effect on the effective date of this Act remains in  
11 effect notwithstanding the amendments to AS 14.40.280 or 14.40.400 made in secs. 5, 11, 12,  
12 and 16 of this Act. Assets and liabilities of the University of Alaska endowment trust fund held  
13 by the Department of Revenue on the effective date of this Act shall be transferred by the  
14 Department of Revenue to the University of Alaska to implement this Act.

15 \* Sec. 18. APPLICABILITY OF LAND SALE CONTRACT REMEDY PROVISIONS.

16 AS 14.40.291(e) - (g), added by sec. 7 of this Act, apply to land sale contracts entered into by  
17 the University of Alaska on or after the effective date of this Act.

AMENDMENT

*By  
Sen. Torgerson*

OFFERED IN THE SENATE

TO: AMENDMENT #2; CSSB 250(FIN)

1 Page 1, line 4:

2 Delete "shall require the primary manufacture of the timber  
3 before the timber is exported from the state."

4 Replace with "may regulate, restrict or prohibit the export of  
5 unprocessed logs harvested from its lands".

AMENDMENT

#2

OFFERED IN THE SENATE  
TO: CSSB 250(FIN)

*By Senata Taylor*

1 Page 11, following line 5:

2 Insert a new subsection to read:

3 "(c) To the extent consistent with law, in contracts for the harvest or removal  
4 of timber from university trust land, the Board of Regents shall require the primary  
5 manufacture of the timber before the timber is exported from the state."

AMENDMENT

#3

OFFERED IN THE SENATE  
TO: CSSB 250(FIN)

*By Sen. Taylor*

- 1 Page 12, lines 3 - 15:
- 2 Delete all material.
- 3 Renumber the following bill sections accordingly.
- 4 Page 14, lines 27 - 28:
- 5 Delete "secs. 5, 11, 12, and 16"
- 6 Insert "secs. 5, 10, 11, and 15"

A M E N D M E N T #4

OFFERED IN THE SENATE  
TO: CSSB 250(FIN)

*By Senator Taylor*

- 1 Page 12, following line 30:  
2 Insert a new bill section to read:  
3 \*\* Sec. 13. AS 14.40.400(c) is amended to read:  
4 (c) The net income from the trust fund shall be used exclusively for the  
5 University of Alaska which, under AS 14.40.390, is designated the beneficiary of  
6 certain federal land grants previously made to the Agricultural College and School  
7 of Mines. However, not less than 25 percent of the income earned by the trust  
8 fund from land described in (a) of this section, and from the resources of that  
9 land, is reserved for expenditure solely for the benefit of the campus of the  
10 University of Alaska, as defined by AS 14.40.150(b), that is nearest to the land  
11 or resource activity that generated the amounts deposited under (a) of this  
12 section on which that income was earned."
- 13 Renumber the following bill sections accordingly.



# ALASKA MINERS ASSOCIATION, INC.

501 W. Northern Lights Blvd., Suite 203, Anchorage, Alaska 99503 FAX: (907) 278-7997 Telephone: (907) 278-0347

Date: 3/23/96

Control Number: \_\_\_\_\_

### TELECOPY COVER PAGE

TO: Name: Charlie Bolly Fax Number: \_\_\_\_\_  
 Name: Bob Stiles Fax Number: \_\_\_\_\_  
 Name: \_\_\_\_\_ Fax Number: \_\_\_\_\_  
 Company: \_\_\_\_\_  
 Location: \_\_\_\_\_

FROM: Name: STEVE BORELL Fax number: (907) 278-7997

NOTES: \_\_\_\_\_

RE: SB-250 Unw Lads

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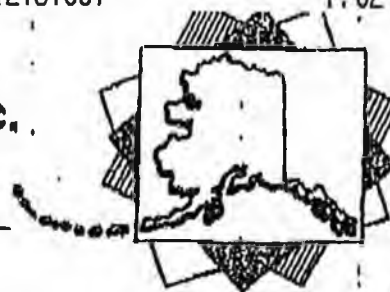
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PAGES TO FOLLOW 3 (Not including this cover page.)

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## Alaska Land Status, Inc.



March 22, 1996

Honorable Steve Frank  
Alaska State Senate  
State Capitol (MS 3100)  
Juneau, AK 99801-1182  
Fax: 465-4714

Via Telefax

Re: University Lands Bill (SB 250)

Dear Senator Frank:

I am writing you with regards to the University Lands Bill. I would like to preface my remarks by thanking you for your strong and very appreciated support of the mining industry. Due to my respect for your work and gratitude for your support of the mining industry I do not take lightly the remarks I am about to make. However, I must be brutally frank: The University Lands Bill is very, very bad for Alaska's mining industry!

I speak with some knowledge and expertise on lands issues that affect mineral exploration and development. I am a professional landman who looks at land status and public land law title issues for major mining companies, Native regional corporations, law firms and state and local governments. I am fortunate to include among my clients most of the major mining companies working in this State. These include those majors that are currently spending a lot of money and employing a lot of people in the Fairbanks Mining District. I am also a member of the Board of Directors of the Alaska Miners Association and Co-Chair of its State Oversight Committee as well as a member of the Resource Development Council. However, it is as an expert on lands and title issues that affect mining companies and as a small business owner and father who stands to be very negatively impacted from this bill that I appeal to you today.

The University Lands Bill is inherently flawed! It will do away with secure land tenure for mining companies on State lands. It will create both real and perceived uncertainty for mining companies thinking to explore and develop State lands. It will almost certainly be litigated. That threat itself will scare companies away.