

CHAPTER 184

AN ACT

Relating to Alaska lands and resources; establishing a Department of Lands, a Land Board, and the Office of the Land Director, and prescribing duties and powers; providing for selection, acquisition, management, and disposal of Alaska lands and resources; repealing Ch. 126, SLA 1953 and Ch. 183, SLA 1955, and declaring an emergency.

(C. S. for H. B. 119)

Be it enacted by the Legislature of the Territory of Alaska:

Preamble

It is the policy of Alaska to encourage the settlement of its land and the development of its resources by making them available for maximum use consistent with the public interest.

Article I

Title and Definitions

Section 1. Short Title: This Act shall be known as the "Alaska Land Act."

Sec. 2. Definitions: For the purpose of this Act, the term defined shall have the meaning provided herein unless the context clearly requires otherwise:

(a) "Alaska" means the Territory of Alaska or, in the event of statehood, the State of Alaska.

(b) "Alaska Lands" or "Lands" means all lands, including shore, tide and submerged lands, or resources belonging to or hereafter in any manner acquired by Alaska.

(c) "Agricultural Lands" and "Grazing Lands" means all lands chiefly valuable for agriculture, cultivation or grazing purposes.

(d) "Board" means the members

of the Alaska Land Board.

(e) "Director" means the Director of the Alaska Department of Lands.

(f) "Department" means the Alaska Department of Lands.

(g) "Industrial and Commercial Lands" means all Alaska lands chiefly valuable for industrial trade, manufacturing or business use.

(h) "Lieu and Indemnity Lands" means lands which Alaska is entitled to or has selected under the provisions of 38 Stat. 1214, as amended (48 U.S.C. 353) or under any other similar statute to compensate for lands in lieu of surveyed rectangulars, which have been lost to Alaska by reason of deficient sections, prior rights, claims, withdrawals, reservations and other appropriations.

(i) "Mental Health Lands" means lands granted under the provisions of Title III, Section 2(2) of Public Law 830, 84th Congress, 2nd Session as heretofore or hereafter amended.

(j) "Mineral" means those minerals, other than oil or gas, subject to the provisions of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181; Section 47-3-2, ACLA 1949), namely coal, phosphate, sodium, potassium, oil shale and sulphur.

(k) "Oil and Gas." "Oil" means crude petroleum oil and other hydrocarbons regardless of gravity which are produced at the wellhead in liquid form and the liquid hydrocarbons recovered from gas, other than casinghead gas. "Gas" means all natural gas and all hydrocarbons produced at the wellhead not defined herein as oil.

(l) "Park and Recreation Lands" means lands chiefly valuable for public park and recreation use.

(m) "School Lands" means all Sections 16 and 36 of surveyed rectangulars reserved to Alaska under the provisions of 38 Stat. 1214, as amended (48 U.S.C. 353), and any other lands which may be hereafter designated solely for school revenues.

(n) "Shore Lands" means all lands belonging to Alaska which are covered by non-tidal waters that are navigable under the laws of the United States up to ordinary high water mark as heretofore or hereafter modified by accretion, erosion, or reliction.

(o) "Submerged Lands" means those lands covered by tidal waters between the line of mean low water and seaward to a distance of three geographical miles.

(p) "Tide Lands" means those lands which are periodically covered by tidal waters between the elevation of mean high and mean low tides.

(q) "Timber Lands" and "Material Lands" means all Alaska lands chiefly valuable for materials, including, but not limited to, sand, stone, gravel, common clay, or timber and other forest products.

(r) "University Lands" means all Sections 33 reserved to the Univer-

sity under 38 Stat. 1214, as amended (48 U.S.C. 353) and all lands granted for the benefit of the University.

Article II

Organization, Authority and Duty

Section 1. Department of Lands. There is hereby created a Department of Lands of Alaska. The Department shall be under the control and supervision of the Board. Administrative powers and other delegated duties, as prescribed by law or regulation, shall be vested in the Director.

Sec. 2. Composition of the Board. The Alaska Land Board shall be composed of the Commissioner of Agriculture, the Commissioner of Mines, the Commissioner of Education, the Highway Engineer, and the Attorney General, or such persons within each of those agencies as may be designated by the particular agency head. The Board shall elect a chairman from among its members.

Sec. 3. Appointment of Director. The Board shall appoint a Director who shall be the executive officer and secretary of the Board.

Sec. 4. Term of Office of the Director. The Director shall be appointed for a term of four years and may be removed at the pleasure of the Board for cause.

Sec. 5. Authority and Duties of the Board.

(1) The Land Department shall be administered under the supervision of the Board.

(2) The Board shall, on such days and at such time as they may agree, hold a regular meeting during the months of January, April, July and October of each year for the con-

duct of its official business. Special meetings may be called by the chairman.

(3) The Board may establish reasonable procedures and make and promulgate reasonable rules and regulations necessary to carry on the provisions of this Act and may, whenever necessary, issue directives or orders to the Director to carry out specific functions and duties. All rules and regulations promulgated by the Board shall be filed with the Department of Finance and the Attorney General, or as may be otherwise provided by law, before such rules or regulations shall become effective.

(4) The Board may select and employ or obtain at reasonable compensation cadastral, appraisal, or other professional personnel it deems are necessary for the proper operations of the Department. The Board may enter into such contractual agreements as it deems necessary to carry out the purposes of this Act, including agreements with Federal and Territorial agencies.

(5) The Board shall be the certifying agent of Alaska to select, accept and secure by any necessary action in the name of Alaska by deed, sale, gift, devise, judgment, operation of law, or any other means any lands, of whatever nature or interest, available to Alaska, and shall be the certifying agent of Alaska, to select, accept or secure by any necessary action in the name of Alaska any lands, or any title or interest thereto, available, granted, or subject to being transferred to Alaska for any purpose.

(6) The Board shall have jurisdiction over all Alaska lands, except those lands which are ac-

quired by the Alaska World War II Veterans Board and the Agricultural Loan Board through foreclosure or default. To this end the Board shall possess all of the powers and perform all of the duties necessary to protect Alaska's rights and interests therein.

(7) The Board is hereby charged with the selection, administration and disposal of mental health lands for the support of the mental health program.

(8) A majority of the Board shall approve all contracts respecting the sale, lease, or other disposal of available lands, resources, property or any interests therein, and in addition to the conditions and limitations imposed by law, it may impose any additional conditions or limitations in such contracts as it determines will best serve the interests of Alaska. No contract respecting the sale, lease, or other disposal of available lands shall be legally binding on Alaska until a majority of the Board has formally recorded its approval in the minutes of a Board meeting. This Subsection shall not apply to the various exceptions set forth in this Act.

(9) The Board may delegate any of the duties, functions and powers to one or more of the members or to the Director to be exercised on behalf of the Board during the time it is not meeting.

(10) The Board shall have the authority to review any order or action of the Director, other than the execution of sale, lease or disposal contracts executed under the express or delegated authority of the Board.

(11) The Board may exercise all those powers and do all those acts

necessary to carry out the provisions and objectives of this Act.

Sec. 6. Powers and Duties of the Director. The Director shall: (1) Have general charge and supervision of the Department and may exercise the powers specifically delegated to him. He may employ and fix the compensation of such assistants and employees as are necessary for the operations of the Department. He shall also be the certifying officer of the Department, and may approve all lawful vouchers for disbursement of monies appropriated to the Department.

(2) Manage, inspect and control all Alaska lands and improvements thereon belonging to Alaska and under the jurisdiction of the Department.

(3) Execute all laws, rules, regulations and orders as are properly promulgated by the Board and imposed upon him.

(4) Prescribe application procedures and practices relative to the sale, leasing or other disposing of available lands, resources, property, or any interest therein.

(5) Prescribe fees or service charges for any public service rendered.

(6) Under the conditions and limitations imposed by law and the Board, issue any deed, lease or other conveyance disposing of available lands, resources, property or any interests therein.

(7) Take all necessary action, legal or otherwise, to protect and enforce Alaska's contractual or other property rights.

(8) Administer the Alaska Land Registration Acts, Ch. 134, SLA 1953, and Ch. 135, SLA 1955, as

amended and do all acts necessary thereunder that will insure collection of all registration fees and penalties that may arise.

(9) Maintain such records as the Board may deem necessary, administer oaths, and do all things incidental to the authority imposed.

(10) Account for all fees, licenses, taxes or other monies received in the administration of the Act from any source including the sale or leasing of any land, identify their source, and promptly transmit them to the Treasurer after crediting them to the proper fund.

(11) The Director may delegate any of the administrative duties, functions or powers imposed upon him to any responsible employee within the department.

Sec. 7. Director Shall be Bonded. Prior to entering upon the performance of his duties, the Director shall execute a corporate surety bond to Alaska in the sum of \$10,000.00 conditioned among other things upon the faithful performance of his duties under this Act and upon the prompt and faithful accounting of all monies collected by him or his deputies, assistants, employees or agents. The said bond, together with any additional conditions or limitations as may be deemed necessary, shall be approved by the Attorney General and filed in the office of the Department of Finance. The premium upon said bond shall be payable from such monies as may be appropriated for operation of the Department.

Article III

General

Section 1. Classification. The Director shall make a preliminary

classification for surface use of all lands in areas where he deems it necessary and proper for future development. Such classification, together with a land use plan, shall be transmitted to the Board for its approval, modification or rejection. Nothing herein shall prevent reclassification of any lands where the public interest warrants such action, nor preclude multiple purpose use of all lands whenever the different uses are compatible.

Sec. 2. Review. No land within or adjacent to an incorporated municipality or other organized community may be sold or leased, or a renewal lease issued, until the proposed use of the land has been studied and reviewed jointly by the Board and local authorized planning agency.

Sec. 3. Notice and Appraisal. No lands shall be sold or leased, or a renewal lease issued, without public notice as provided hereafter, unless the same, except in the case of an oil or gas or mineral lease, has been appraised within ninety days prior to the date fixed for the sale or leasing, provided that when lands have been offered at public sale but were not sold and are available at private sale, no reappraisal is required unless the Director deems that a change in value of the lands may have occurred. No such lands shall be sold or leased for less than the approved, appraised market value, except as provided in Section 4 of this Article.

Sec. 4. Public Use: Preference to Occupants: Recognizing Value of Improvements in Computing Purchase Price.

(1) The lease, sale, or other disposal of any Alaska lands or resources may be made to any Alaska or Federal agency, political sub-

division or non-profit organization for less than the appraised value, as may be determined by the Board to be fair and proper and in the best interests of the public, with due consideration being given to the nature (a) of the public services or function rendered by the said agency, subdivision or non-profit organization making application therefor, and (b) of the terms of the grant under which the land was acquired by Alaska.

(2) (a) In the disposition in any manner of any tidelands acquired pursuant to any Federal statute hereafter enacted, which are occupied by or developed for a municipal corporation or any other political subdivision, organized under the laws of Alaska, or are occupied by or developed for any residential, industrial and commercial or other beneficial purposes, on the effective date of this Act, or as may be otherwise required by such Federal statutes, the Board, notwithstanding any other provisions of this Act, shall afford a preference right in accordance with such Federal statutes or this Act to the lawful occupant thereof or such occupant's successor in interest.

In the event the said land is occupied by a person other than the owner of the improvements thereon, the owner of the improvements shall, for the purpose of this subsection, be considered the occupant of said lands.

For the purpose of this subsection, the following definitions shall apply:

1. "Tidelands" shall mean those lands periodically or continuously covered by tidal waters lying seaward of surveyed towns between the elevation of mean high tide and the pierhead line.

2. "Pierhead Line" shall mean a pierhead line established now or in the future, by the Corps of Engineers of the Department of the Army as the outer limit to which man-made facilities may be permitted to extend over and in navigable waters within or adjacent to a surveyed townsite.

(b) The preference rights to purchase granted in this subsection, (2) (b), shall apply only to the lawful occupant of tideland who, as of February 1, 1957, held a valid permit from the United States of America, through an authorized agency thereof either for the use of such tideland or certifying that the occupant's use did not interfere with navigation or who, by themselves or together with their predecessors in interest, have occupied such tideland for a continuous period of five years prior to February 1, 1957. Such preference rights shall be transferable. Such preference rights shall be forfeited and lost unless application in writing is made for acquisition of said land within one year from the date of determination by regulation or ordinance as being the first date upon which applications will be accepted by the Board, municipal corporation, or other political subdivision. The Board and the governing body of any municipal corporation or other political subdivision having control of such tidelands shall honor such preference rights herein granted with reasonable diligence.

It shall be mandatory for the Board to convey all tideland situated within or adjacent to a municipal corporation or other political subdivisions, to such corporation or political subdivisions. The governing bodies shall thereafter convey such lands to the lawful occupant

or such occupant's successor in interest, who shall be afforded the preference right of purchase granted herein; provided, however, and unless required otherwise by Federal law, the purchase price of any such tideland tract conveyed by the governing body of any municipal corporation or other political subdivision shall not exceed the actual cost of surveying, transferring, and conveying the lands to the lawful occupants or such occupant's successors in interest. Any governing body may request assistance from the Board to complete the conveyance of any such lands, and the Board, in its discretion, may provide such assistance.

The Board shall convey such tidelands, not within or adjacent to a municipal corporation or any political subdivision, to the lawful occupant or such occupant's successor in interest who shall be afforded the preference right of purchase granted herein; provided, however, and unless required otherwise by Federal law, the purchase price of any such tideland tract conveyed by the Board shall not exceed the actual cost of surveying, transferring and conveying the lands to the lawful occupant or such occupant's successor in interest.

(c) Any occupant or the occupant's successor in interest granted a preference right by Federal statute or this section, not qualified to exercise any such right under subsection (2) (b) herein, shall be given a preferred right to purchase or lease tidelands occupied by such occupant or the occupant's successor in interest; provided, however, the Board, the municipal corporation or any political subdivision selling or leasing such lands may impose such terms or conditions as

it deems desirable; but in case of sale, the purchase price shall equal the appraised fair market value, less any value accruing from the improvements, or the development by the grantee, or his predecessor in interest, or reflecting his equities.

(d) Where no preference right has been granted to purchase or lease tidelands, the Board, the municipal corporation or any political subdivision may, in its discretion, sell or lease any such lands, and may impose such terms or conditions as it deems desirable, but in case of sale, the purchase price of the land shall equal the appraised fair market value thereof.

Sec. 5. Homestead Entry. The Board may authorize homestead entry on unappropriated agricultural lands, if they are not school lands, mental health lands or lands conveyed to Alaska by the Federal Government for the specific purpose of producing revenue.

Sec. 6. Permits. The Director, without the prior approval of the Board, may issue permits, rights-of-way or easements on Alaska lands for secondary roads, trails, ditches, pipelines, telephone and transmission lines and other similar improvements. The Board shall establish a reasonable rate or fee schedule to be charged for all such use.

Sec. 7. Deposits. The Director may require any applicant seeking the sale, lease or other disposal of lands, other than under an oil and gas or mineral lease, to deposit an amount covering the estimated cost of an appraisal, survey and necessary advertising. All deposited funds not expended shall be refunded to the applicant. In the event lands are sold or leased to other than the applicant making the deposit, the

party awarded the lands shall pay the total actual cost of appraising and surveying the said lands, together with the total actual cost of advertising, and [the deposit shall be returned to the original applicant.

Sec. 8. Assignment. All contracts of purchase or lease of lands or interests therein shall, on the affirmative approval of the Director, be assignable in whole or in part in writing by the contract holder or lessee, and the assignee shall be subject to and governed by the provisions of laws and regulations applicable to such contract or lease.

Sec. 9. Notices. All public notice of any sale, lease or disposal of lands or any interest therein, when required, shall be substantially as follows:

Notice shall be published once a week for three consecutive weeks next preceding the time of sale stated in the notice, in at least one newspaper of general circulation published in the vicinity in which the land, property or interest therein is to be sold, leased or otherwise disposed of. Notice shall set forth a description of the land, and interest therein to be sold, leased or otherwise disposed of and the time, place and general terms of the sale, lease or disposal.

Sec. 10. Waste or Injury to Land—Penalty. If any person shall commit waste, or trespass or other injury upon Alaska land, the person so offending shall, in addition to being civilly liable for any damages caused, upon conviction thereof be fined in any sum not exceeding one thousand dollars (\$1,000.00).

Article IV

Sale of Lands

Section 1. **General.** All lands, to which Alaska may hold fee title or to which Alaska may become entitled, excepting shorelands, timber or grazing lands, may be sold in the manner provided hereafter.

(1) The Board shall determine those lands which shall be sold, the limitations and conditions which shall attach to the lands sold, and the terms that shall accompany the sale.

(2) The date of sale and notice thereof shall be made by the Director.

(3) The sale shall take place at the time and location specified in the notice of sale and within the recording precinct where the designated property is located.

Sec. 2. **Sale Procedures.** The sale shall be made at public auction to the highest qualified bidder as shall be determined by the Director; provided, however, an aggrieved bidder may appeal to the Board within five days after such sale for a review of the Director's determination. The sale shall be conducted by the Director or his representative, and at the time of sale the successful bidder shall deposit, in cash, or by certified check, an amount equal to one-tenth of the purchase price, whereupon the Director or his representative shall immediately issue a receipt containing a description of the land or property purchased, the price bid and the terms of sale, which receipt shall be acknowledged in writing by the bidder. A contract of sale on a form approved by the Attorney General shall be signed by the purchaser and following the approval of a majority of the Board, the contract shall also be signed by the Director on behalf of Alaska. Provided, however, and prior to the

signing of the formal conveyance by the Director, the Board may reject any and all bids when the best interests of Alaska justify such action. Lands that have been offered at public sale but were not sold may be made available at private sale for not less than the appraised value of such lands.

Sec. 3. **Contract Provisions.** The contract of sale shall require the remainder of the purchase price to be paid in annual installments of not less than ten per cent of the purchase price, with interest at the rate of not less than five per cent per annum. The Board may also impose such conditions, limitations and terms as it deems necessary and proper to protect the interests of the Territory. Violations of any provisions of this Act or the terms of the contract of sale shall subject the purchaser to appropriate legal action, including, but not limited to, a foreclosure action in accordance with applicable Alaska law.

Article V

Leasing of Lands Other Than For the Extraction of Natural Resources

Section 1. **General.** All lands, including any tide, submerged or shore lands, to which Alaska holds title or to which Alaska may become entitled, may be leased, except for the extraction of natural resources, in the manner provided in this Article.

(a) The Board shall determine those lands which shall be leased and the limitations and conditions that shall attach to the lands and the terms that shall accompany the lease; provided, however, if the total appraised value of the transaction is \$250.00 per annum or less the Director may negotiate a lease

without advertisement for a period not to exceed five years, and, on such limitations, conditions and terms as he deems are in the best interests of Alaska.

(b) Leases may be issued for a period up to fifty-five years, if it appears to be in the best interests of Alaska and if approved by a majority of the Board, except that grazing leases shall not be issued for any period in excess of twenty years. Grazing leases may be subject to review as to classified use every five years and may be declared null and void if the Board determines that the land or any interest therein should be sold, leased or otherwise disposed of for any reclassified use, or it is determined that the lease is not being used for the purpose issued.

Sec. 2. Leasing Procedures. The leasing shall be made at public auction to the highest qualified bidder as shall be determined by the Director; provided, however, an aggrieved bidder may appeal to the Board within five days for a review of the Director's determination. The leasing shall be conducted by the Director, or his representative, and the successful bidder shall deposit the first year's rental, or such portion thereof as the Board may require, in cash or by certified check, in accordance with his bid, whereupon the Director or his representative shall immediately issue a receipt containing a description of the land or interest therein leased, the price bid and terms of the lease, which receipt shall be acknowledged in writing by the bidder. A lease, on a form approved by the Attorney General, shall be signed by the lessee and, upon a majority of the Board approving the lease, shall also be signed by the Director. Provided, however, and

prior to the signing of the formal lease by the Director, the Board may reject any and all bids for leases when the best interests of Alaska justifies such action.

Sec. 3. Leasing Provisions. The lease shall require advance payment of the annual rent or such portion thereof as the Board may require, as determined by the accepted bid. Such conditions, limitations and terms may also be imposed by the Board as it shall deem necessary and proper to protect the interests of Alaska. Violations of any provision of this Act or the terms of the lease shall subject the purchaser to appropriate legal action, including, but not limited to, a forfeiture of the lease. Due notice of all action by the Board or Director affecting the rights of the lessee shall be given the lessee.

Sec. 4. Removal or Reversion of Improvements Upon Termination of Leases. Improvements owned by a lessee on Alaska lands shall, within 60 days after the termination of the lease, be removed by him; provided, such removal will not cause injury or damage to the lands; and further provided, that the Board may extend the time for removing such improvements in cases where hardship is proven. The retiring lessee or permittee may, with the consent of the Board, sell his improvements to the succeeding lessee or permittee.

If any improvements having an appraised value in excess of \$10,000.00 as determined by the Director are not removed within the time allowed, such improvements shall upon due notice to the lessee, be sold at public sale under the direction of the Board. The proceeds of sale shall inure to the lessee who placed such improvements on the

lands after paying to Alaska all rents due and owing and expenses incurred in making such sale. In case there are no other bidders at any such sales, the Board is authorized to bid, in the name of Alaska, on such improvements. The bid money shall be taken from the fund to which said lands belong and the said fund shall receive all monies or other value subsequently derived from the sale or leasing of such improvements. Alaska shall acquire all the rights, both legal and equitable, that any other purchaser could acquire by reason of said purchase.

If any improvements having an appraised value of \$10,000.00 or less, as determined by the Director, are not removed within the time allowed, such improvements shall revert to and absolute title shall vest in Alaska.

Sec. 5. Subleases. Any lessee may sublease or assign the lands or portion thereof upon which he has a lease; provided, that before any lessee shall be permitted to sublet or assign any of such lands or portion thereof, he shall make application to the Director for a permit and the Director may issue such permit if he finds it in the best interests of Alaska.

Sec. 6. Renewal of Lease. If, at the expiration of any lease of any lands, the lessee desires a renewal lease on the lands, properties, or interests covered thereby, he shall within 30 days before the expiration of his lease make application in writing for a renewal lease, certifying under oath as to the character and value of all improvements existing on the land, properties, or interests therein, the purpose for which he desires a renewal lease and such other information as the

Director may require. The applicant shall deposit with such application the sum equivalent to 50 percent of the annual rental payment still in effect but not to exceed \$50.00. The Board may thereafter lease said lands in compliance with all Sections of this Article with a preference being allowed the former lessee if all other pertinent factors are substantially equivalent.

Sec. 7. Periodical Rental Adjustments. All leases shall stipulate that the annual rental payment shall be subject to adjustment at five-year intervals and any charges or adjustments shall be based primarily on a reappraised annual rental value.

Article VI

Disposal of Timber and Materials

Section 1. Sale of Timber and Materials. The Director shall provide for cruises of timber and appraisals of other materials in or upon lands and transmit all such data with respect to such cruises and appraisals to the Board, together with his recommendations with respect to (a) the timber and other materials which should be offered for sale, and (b) the terms of sale of such timber or other materials thereon.

Sec. 2. Limitations and Conditions of Sale. The Board shall determine the timber and other materials which shall be sold, and the limitations and conditions that shall attach to the timber and materials sold, and the terms of sale; said limitations, conditions and terms to include the utilization, development and maintenance of the sustained yield principle, subject to preferences among other beneficial uses; provided that timber sales not exceeding 500 M.B.M., or material

sales not exceeding the appraised value of \$2,500.00, may be negotiated by the Director without advertisement and on such limitations, conditions and terms as he deems are in the best interests of Alaska; provided, further, that not more than one non-advertised, negotiated sale of timber or material shall be made to the same purchaser within a one-year period.

Sec. 3. Disposal Procedure. Timber and other materials shall be sold at public auction to the highest, qualified bidder as shall be determined by the Director; provided, however, an aggrieved bidder may appeal to the Board within five days after such sale for a review of the Director's determination. The sale shall be conducted by the Director or his representative, and at the time of sale the successful bidder shall deposit, in cash or by certified check, an amount equal to one-tenth of the purchase price, whereupon the Director or his representative shall immediately issue a receipt containing a description of the timber or materials purchased, the price bid, and the terms of sale, which receipt shall be acknowledged in writing by the bidder. A contract of sale, on a form approved by the Attorney General, shall be signed by the purchaser, and following the approval of a majority of the Board, the contract shall also be signed by the Director on behalf of Alaska. The Board may impose such conditions, limitations and terms as it shall deem necessary and proper to protect the interests of Alaska. Violations of any provisions of this Act or the terms of the contract of sale shall subject the purchaser to appropriate legal action.

Article VII

Reservation of Rights to Alaska

Section 1. Reservation. Each and every contract for the sale, lease or grant of, and each deed to Alaska land, properties or interest therein, made pursuant to Articles IV, V or VI herein, shall contain the following reservations: "The party of the first part, Alaska, hereby expressly saves, excepts and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, all oils, gases, coal, ores, minerals, fissionable materials, and fossils of every name, kind or description, and which may be in or upon said lands above described, or any part thereof, and the right to explore the same for such oils, gases, coal, ores, minerals, fissionable materials and fossils, and it also hereby expressly saves and reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right to enter by itself, its or their agents, attorneys, and servants upon said lands, or any part or parts thereof, at any and all times, for the purpose of opening, developing and working mines thereon, and taking out and removing therefrom all such oils, gases, coal, ores, minerals, fissionable materials and fossils, and to that end it further expressly reserves out of the grant hereby made, unto itself, its lessees, successors, and assigns forever, the right by its or their agents, servants and attorneys at any and all times to erect, construct, maintain, and use all such buildings, machinery, roads, pipelines, powerlines, and railroads, sink such shafts, remove such soil, and to remain on said lands or any part thereof for the foregoing purposes and to occupy as much of said lands as may be necessary or convenient for such purposes hereby expressly reserving to itself, its lessees, successors, and assigns, as aforesaid, generally

all rights and powers in, to, and over said land, whether herein expressed or not, reasonably necessary or convenient to render beneficial and efficient the complete enjoyment of the property and rights hereby expressly reserved."

Sec. 2. Damages. No rights shall be exercised under the foregoing reservation, by Alaska, its lessees, successors or assigns, until provision has been made by Alaska, its lessees, successors or assigns, to pay to the owner of the land, upon which the rights, herein reserved to Alaska, its lessees, successors, or assigns, are sought to be exercised, full payment for all damages sustained by said owner, by reason of entering upon said land: Provided that if said owner for any cause whatever refuses or neglects to settle said damages, Alaska, its lessees, successors, assigns, or any applicant for a lease or contract from Alaska for the purpose of prospecting for valuable minerals, or option contract or lease for mining coal or lease for extracting petroleum or natural gas, shall have the right to institute such legal proceedings in a court of competent jurisdiction wherein the land is situated, as may be necessary to determine the damages which the owner of such lands may suffer.

Article VIII

Mineral Leasing

Section 1. General. All Alaska lands are subject to exploration, prospecting, geological survey, and the location of minerals.

Sec. 2. Leasing Procedure. All lands, together with any tide, submerged or shore lands, to which Alaska holds title or to which Alaska may become entitled, may be obtained by permit or lease under

procedures and terms and requirements recommended by the Commissioner of Mines and promulgated by the Board, for the purposes of exploration, development and extracting of minerals. Such permits or leases shall be in substantial conformity with the provisions of the Mineral Leasing Act of 1920, as amended (30 U.S.C. Sections 181-190, 193, 194, 201-214, 229, 241, 261-263) in order that, when necessary, Alaska lands and adjacent United States lands may be uniformly administered. Any lands may be withheld from lease application on a first-come, first-served basis, and offered only on a competitive bid basis when determined by the Board to be in the best interests of Alaska. In unproven areas the Board may offer additional incentive and other terms in granting permits for exploration and development whenever it appears to be in the best interests of Alaska to do so.

Article IX

Oil and Gas Leasing

Section 1. General. All Alaska lands are subject to lease for prospecting and exploration for, and development and production of, oil and gas.

Sec. 2. Leasing Procedure. All lands, together with any tide, submerged or shore lands, to which Alaska holds title or to which Alaska may become entitled may be leased under rules and regulations recommended by the Commissioner of Mines and promulgated by the Board in the following manner:

(a) If the land to be leased is on a known or producing geologic structure, or one reasonably believed to contain such a structure, it will be offered only on a com-

petitive bonus bid basis. The bidding shall be by sealed bids on the basis of the highest cash bonuses, with a royalty fixed by the Director with the approval of the Board at not less than twelve and one-half percentum (12-½%) each year, in an amount or value of the production saved, removed or sold; provided that a royalty of not less than five percentum (5%) for the first ten years will be allowed the first producer in a new area.

(b) If the land is considered non-competitive, a lease may be issued: (1) for a period of five years and as long thereafter as such oil and gas may be produced from the area in paying quantities; (2) require the payment of a royalty of not less than twelve and one-half percentum (12-½%) each year, in the amount or value of the production saved, removed or sold from the leased property; provided that a royalty of not less than five percentum (5%) for the first ten years will be allowed the first producer in a new area; (3) charge an annual rent, payable in advance, of twenty-five cents for each acre or fraction thereof for the first year; no rental is required for the second or third years unless a discovery of a valuable deposit of oil or gas is made within the limits of the geological structure on which all or part of the leased lands are situated, in which case the rental will be one dollar for each acre or fraction thereof, beginning with the first anniversary of the lease following the discovery. In the absence of any discovery, an annual rental of twenty-five cents for each acre or fraction thereof must be paid for the fourth and fifth lease years; one dollar shall be paid thereafter for each acre or fraction of an acre, the rental paid for any one

lease year to be credited on the royalty for that year; and (4) contain such other terms and provisions as the Director may prescribe at the time of offering the area for lease.

Sec. 3. Conformity with Federal Acts. Such leases issued shall be in substantial conformity with the provisions of the Mineral Leasing Act of 1920, as amended (30 U.S.C. Sections 181, 185-190, 192-194, 209, 223-229, 251) in order that Alaska lands adjacent to United States lands may be operated as a unit.

Sec. 4. Acreage Limitations. In compliance with the acreage limitations as prescribed in the Mineral Leasing Act of 1920, as amended, the Board has authority on such conditions as it may prescribe to approve operating, drilling, or development contracts made by one or more lessees, whenever the public interest may require. The Board may, however, offer additional incentive and other terms in granting lease applications on unproven areas for exploration and development whenever it appears to be in the best interests of Alaska.

Article X

Mining Rights

Section 1. Discovery and Appropriation Rights. Discovery and appropriation shall be the basis for establishing a right to those minerals reserved to Alaska which are subject to location under the Federal Mining Laws. Appropriation of such minerals will be in conformance with Section 47-3-1 through and including Section 47-3-92, ACLA 1949, as amended.

Article XI

Multiple Mineral Development of the Same Tracts

Section 1. **Multiple Use.** Disposal and use of Alaska lands as provided for in this Act shall at all times be in conformity with the provisions of Public Law 585, 84th Congress (30 U.S.C. Sections 525, 526, 527, 528 and 530).

Article XII

Land Selection

Section 1. **Selection Practice.** The selection of all grant, lieu and indemnity lands shall conform to the provisions of this Act and to the policy, orders, rules and regulations adopted by the Board. Preference of selection by the Board shall be given to the land which will provide the maximum benefits to the people of Alaska.

Article XIII

Parks and Recreation Areas

Section 1. **Park and Recreation Areas.** The Board shall establish a policy and prescribe rules and regulations whereby parks and recreation areas, including public scenic overlooks and cultural sites, shall be developed in a manner that will best serve the interests of the people of Alaska. The Board may classify certain public lands as parks, scenic overlooks, cultural sites and recreation areas; provided that the general intent of this Act is maintained.

Article XIV

Miscellaneous

Section 1. **Transfer, Appropriations, Records, Etc.** All appropriations, records, reports, papers, documents, equipment, forms, supplies, memoranda and other public property of whatever kind held by the Department of Public Lands, cre-

ated under Chapter 126, SLA 1953, as amended by Chapter 183, SLA 1955, shall be turned over to the Director when and as requested.

Sec. 2. **Continuing Rules, Regulations, Agreements, Etc.** All rules, regulations, procedures, funds, contracts and agreements which have been established or entered into by the Department of Lands prior to the effective date of this Act under the authority of Chapter 126, SLA 1953, as amended, are hereby continued, and subject to any further amendments by the Board, except where inconsistent with the provisions of this Act.

Sec. 3. **University Land.** The Board shall have no jurisdiction over University lands except when such jurisdiction has been conferred on the Board by the Board of Regents of the University of Alaska.

Sec. 4. **Transition.** Until such time as a Director is appointed hereunder, the acting Land Commissioner under Chapter 126, SLA 1953, as amended by Chapter 183, SLA 1955, shall perform the duties herein delegated to the Director.

Sec. 5. **Repealer.** Chapter 126, SLA 1953, as amended by Chapter 183, SLA 1955, is hereby repealed.

Sec. 6. **Severability Clause.** If any provision of this Act, or application thereof to any person or circumstance is held invalid, the remainder of the Act and such application to other persons or circumstances shall not be affected thereby.

Sec. 7. An emergency is hereby declared to exist and this Act shall be in full force and effect from and after the date of its passage and approval.