

the division of agriculture, Department of Natural Resources;

(2) "board" means the milk control advisory board;

(3) "handler" means a person or firm engaged in selling, marketing, or distributing milk to persons other than the ultimate consumer, and includes producers who perform these functions;

(4) "producer" means any person or firm in this state who produces or causes to be produced milk for market.

Sec. 9. This Act pertains only to fresh

whole milk and shall not mean any of the by-products of fresh whole milk.

Sec. 10. **Unauthorized Actions.** No action is authorized by this Act which is intended to or which does fix prices at an artificially high level, or which places an undue burden upon interstate commerce.

Sec. 11. **Penalties.** Any person who violates any provision of this Act or any order made pursuant to this Act is guilty of a misdemeanor and, upon conviction, is punishable by a fine of not less than \$100 nor more than \$2,000.

Approved April 18, 1962

## CHAPTER 137

### AN ACT

Relating to the Alaska Lands Act; and providing for an effective date.

(S.B. 217)

**Be it enacted by the Legislature of the State of Alaska:**

Section 1. Art. III, Sec. 4, Ch. 169, SLA 1959, as amended by Sec. 1, Ch. 155, SLA 1960, is amended to read:

Sec. 4. **Public and Charitable Use.** (a) The lease, sale, or other disposal of any Alaska lands or resources may be made to any Alaska or federal agency or political subdivision, or the lease, sale, or other disposal of coal deposits suitable for mining may be made to any utility owned and operated by a government agency or nonprofit cooperative association organized to participate under the Federal Rural Electrification Act for the purpose of generating electric power and energy or the production of process steam, or both, for less than the appraised value as may be determined by the director and approved by the commissioner to be fair and proper and in the best interests of the public, with due consideration being given to the nature of the public services or function rendered by the said agency, subdivision, or utility making application therefor, and of the terms of the grant under which the land was acquired by Alaska.

(b) Notwithstanding the provisions of Secs. 1, 5, and 6, Art. V, Ch. 169, SLA 1959, and Sec. 2, Art. V, Ch. 169, as

amended by Sec. 1, Ch. 74, SLA 1961, the director upon application filed by an applicant eligible under this subsection may, by negotiation and without public auction in the manner prescribed in this subsection, lease any lands of the state for a term not in excess of 55 years. Before leasing, the director shall prepare a land use plan and a land classification to insure that the proposed use is compatible with area utilization. Before the land may be leased under this subsection, it must be shown to the satisfaction of the director that the land is to be used for an established or definitely proposed project, and that the eligible applicant, as hereinafter described, has the financial ability to carry out the project. The commissioner may establish limitations on the acreage which may be leased pursuant to this subsection to any applicant.

(1) Eligible applicants under this subsection shall be limited to nonprofit corporations, associations, clubs, or societies organized and operated exclusively for charitable, religious, scientific, or educational purposes, or for the promotion of social welfare, if the project for which the land is desired conforms to those objectives. In every case the applicant shall submit evidence that it is exempt from payment of federal income tax.

(2) The director may lease such land to an eligible applicant at a reasonable annual rental, taking into consideration the purposes for which the lands are to be used and the financial resources of the applicant, but in no case may such rental be less than one percent of the fair market value on lands acquired primarily for development, or less than five percent of the fair market value on school, university, mental health, or acquired lands. Renewal leases may be issued at the discretion of the director upon the expiration of any primary or renewal term. Each lease shall contain a provision for its termination as to all or part of the lands upon a finding by the director that the land or any part of it has not been used by the lessee for the purpose specified in the lease for a period of two years. No lease may be assigned or subleased except with the consent of the director, and in any case may only be transferred to an applicant eligible under this subsection. A lessee may not change the use specified in the lease to another or additional use except with the consent of the director. If, at any time after the lands are leased, the lessee attempts to assign the lease or transfer control over these lands to another, or if the lands are devoted to a use other than that for which the lands were leased without the consent of the director, the lease automatically terminates.

Sec. 2. Sec. 2, Art. IV, Ch. 169, SLA 1959, as amended by Sec. 9, Ch. 61, SLA 1960, is amended to read:

Sec. 2. **Sale Procedures.** Except as provided in subsec. 2, Sec. 4, Art. III, of this chapter, 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 commissioner 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 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 the commissioner, 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 commissioner 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. Sec. 3, Art. VI, Ch. 169, SLA 1959, as amended by Sec. 13, Ch. 61, SLA 1960, is amended to read:

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 commissioner 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 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 the commissioner, the contract shall also be signed by the director on behalf of Alaska. The director, with the approval of the commissioner, may impose such conditions, limitations, and terms as he 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.

Sec. 4. This Act takes effect on the day after its passage and approval or on the day it becomes law without such approval.

Approved April 18, 1962