

HOUSE BILL NO. 327

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE TALERICO

Introduced: 2/22/16

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the sale of state land to certain persons eligible to receive a**
2 **permanent fund dividend; and relating to the duties of the Department of Revenue."**

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

4 *** Section 1.** AS 38.04.020(e) is amended to read:

5 (e) The commissioner shall annually submit to the governor an appropriation
6 request for funding estimated to be necessary for the next two years to allow

7 (1) survey and disposal of land proposed to be made available for
8 homestead staking, with the general location of the land;

9 (2) survey and disposal of land to be offered as agricultural,
10 commercial, industrial, or other uses under AS 38.05.055, [OR] 38.05.057, **or**
11 **38.05.062** with the general location of the land;

12 (3) the survey and disposal of land proposed to be offered as
13 subdivisions, with the general location of the land;

14 (4) preliminary feasibility studies, engineering design work, right-of-

1 way acquisition, and construction of access roads and capital improvements required
2 by municipal subdivision ordinance or regulation of the platting authority;

3 (5) identification of land that will be proposed for disposal under this
4 subsection in future fiscal years.

5 * **Sec. 2.** AS 38.04.020(i) is amended to read:

6 (i) Nothing in this section prevents the disposal of other land by the
7 commissioner in accordance with AS 38.05.055, 38.05.057, 38.05.062, 38.05.070, the
8 issuance of remote recreational cabin site leases or sales under AS 38.05.600,
9 AS 38.08, AS 38.09, or other law.

10 * **Sec. 3.** AS 38.04.045(b) is amended to read:

11 (b) Before the issuance of a long-term lease under AS 38.05.070 or of a patent
12 for state land, an official cadastral survey shall be accomplished, unless a comparable,
13 approved survey exists that has been conducted by the federal Bureau of Land
14 Management. Before land may be offered under AS 38.08 or AS 38.09, or before land
15 may be offered under AS 38.05.055, [OR] 38.05.057, or 38.05.062, except land that is
16 classified for agricultural uses, an official rectangular survey grid shall be established.
17 The rectangular survey section corner positions shall be monumented and shown on a
18 cadastral survey plat approved by the state. For those areas where the state may wish
19 to convey surface estate outside of an official rectangular survey grid, the
20 commissioner may waive monumentation of individual section corner positions and
21 substitute an official control survey with control points being monumented and shown
22 on control survey plats approved by the state. The commissioner may not issue more
23 than one conveyance for each section within a township outside of an official
24 rectangular survey grid. Land to be conveyed may not be located more than two miles
25 from an official survey control monument except that the commissioner may waive
26 this requirement on a determination that a single purpose use does not justify the
27 requirement if the existing status of the land is known with reasonable certainty. The
28 lots and tracts in state subdivisions shall be monumented and the cadastral survey and
29 plats for the subdivision shall be approved by the state. Where land is located within a
30 municipality with planning, platting, and zoning powers, plats for state subdivisions
31 shall comply with local ordinances and regulations in the same manner and to the

1 same extent as plats for subdivisions by other landowners. State subdivisions shall be
 2 filed and recorded in the district recorder's office. The requirements of this section do
 3 not apply to land made available for material sales, for short-term leases, for parcels
 4 adjoining a surveyed right-of-way, or for land that has been open to random staking
 5 under the homestead program in the past; however, for short-term leases, the lessee
 6 shall comply with local subdivision ordinances unless waived by the municipality
 7 under procedures specified by ordinance. In this subsection, "a single purpose use"
 8 includes a communication site, an aid to navigation, and a park site.

9 * **Sec. 4.** AS 38.05.035(d) is amended to read:

10 (d) **Except as provided by AS 38.05.062(c), a** [A] parcel of land described in
 11 (b)(7) of this section must be sold at its fair market value as determined by the director
 12 on the basis of an appraisal completed as provided in AS 38.05.840. Nothing in this
 13 subsection prevents the sale of land under AS 38.05.055, [OR] 38.05.057, **or**
 14 **38.05.062** to a person not qualifying as an adjoining landowner if the adjoining
 15 landowner declines to purchase the land.

16 * **Sec. 5.** AS 38.05 is amended by adding a new section to read:

17 **Sec. 38.05.062. Permanent fund dividend sale land.** (a) Upon a written
 18 finding that the interests of the state will be best served, the commissioner shall select
 19 at least 400,000 acres of land from the land disposal bank established under
 20 AS 38.04.020 for sale under this section. Land selected for sale under this section must
 21 be categorized under AS 38.04.065(c)(1) and classified under AS 38.05.300 as
 22 appropriate for year-round settlement near areas where public services already exist or
 23 can be extended with reasonable economy, or where development of a viable
 24 economic base is probable.

25 (b) The land the commissioner selects for sale under (a) of this section shall be
 26 divided by the director into surveyed parcels not exceeding 20 acres in reasonably
 27 compact form, with boundaries conforming as nearly as practicable to natural geologic
 28 and topographic features. However, a parcel may exceed 20 acres if the director
 29 determines that the larger parcel is necessary to

30 (1) comply with local zoning ordinances; or

31 (2) permit the design of a subdivision because of topographical

1 features, soil conditions, on-site sewage disposal requirements, or water drainage or
2 supply considerations unique to the subdivision.

3 (c) A parcel of land described in (b) of this section shall be sold at its fair
4 market value as determined by the director based on an appraisal completed as
5 provided in AS 38.05.840, except the director shall provide a 50 percent discount on
6 the fair market value of a parcel to a veteran. In this subsection, "veteran" has the
7 meaning given in AS 38.05.067(e).

8 (d) The director shall accept lottery applications to purchase particular parcels
9 under the following procedures and conditions:

10 (1) the application period must be at least 45 days;

11 (2) an application must be received at least 15 days before each lottery;

12 (3) notice of the application period and the date of the lottery must
13 comply with AS 38.05.945; and

14 (4) the applicant shall apply on a form provided by the department.

15 (e) If only one application for a parcel is received, the commissioner shall
16 offer the parcel to the applicant who applied for the parcel if the applicant is a
17 qualified buyer under (f) of this section. If more than one application is received for a
18 parcel, the commissioner shall select a qualified buyer by lottery. If the commissioner
19 does not receive an application for a parcel of state land or if a buyer fails to sign a
20 contract of sale, the parcel shall be reoffered and sold to the first qualified buyer to
21 apply for the parcel.

22 (f) To qualify as a buyer under this section, an applicant shall be 18 years of
23 age or older and be eligible for a permanent fund dividend under AS 43.23.005. In this
24 subsection, an applicant is eligible for a permanent fund dividend if the applicant

25 (1) received a permanent fund dividend for that year;

26 (2) applied for a permanent fund dividend for that year, and the
27 Department of Revenue has determined that the individual is eligible to receive a
28 permanent fund dividend for that year; or

29 (3) has a pending application for a permanent fund dividend for that
30 year and received a permanent fund dividend for the immediately preceding year.

31 (g) The commission shall confirm with the Department of Revenue an

1 individual's

2 (1) receipt of a permanent fund dividend; or

3 (2) eligibility to receive a permanent fund dividend.

4 (h) The director shall conduct sales under this section. At the time of sale, a
 5 successful bidder or offeror shall deposit \$1,000 with the department or, under
 6 AS 43.23.069(b), assign to the department at least \$1,000 from the permanent fund
 7 dividend for the current year. If the amount of the permanent fund dividend under
 8 AS 43.23.025 is less than \$1,000 for the current year, the department shall accept the
 9 full assignment of that dividend, less the administrative fee assessed under
 10 AS 43.23.071, as a deposit. The director shall immediately issue a contract of sale
 11 describing the land purchased, the price, the amount deposited, and any balance due to
 12 the state. The department may use the contracting procedures authorized under
 13 AS 38.05.065(c) - (g) for a contract under this section. The buyer shall acknowledge
 14 receipt of the contract of sale in writing. The department shall accept assignment of a
 15 buyer's future permanent fund dividends to satisfy any balance due to the state. If a
 16 buyer who has a balance due to the state becomes ineligible for a permanent fund
 17 dividend, or if there are claims or assignments on the buyer's dividend under
 18 AS 43.23.065 - 43.23.068, 43.23.072, or 43.23.085, the buyer shall pay the remainder
 19 of the purchase price in installments over a period of not more than 20 years. Nothing
 20 in this subsection prohibits a buyer from paying the unpaid portion of the purchase
 21 price at any time after the sale. The department may not charge a buyer interest on the
 22 balance due to the state on a parcel under this subsection.

23 * **Sec. 6.** AS 38.05.067(d) is amended to read:

24 (d) This section does not apply to the sale of state land under AS 38.05.057,
 25 38.05.062, AS 38.08, or AS 38.09.

26 * **Sec. 7.** AS 38.05.840(a) is amended to read:

27 (a) Land may not be sold or leased, or a renewal lease issued, except in the
 28 case of an oil or gas or mineral lease, unless it has been appraised within two years
 29 before the date fixed for the sale or lease. When land is offered at public sale but is not
 30 sold and is available at private sale, a reappraisal is not required unless the director
 31 considers that a change in value of the land may have occurred. A grazing lease may

1 be granted to a lessee of federal grazing land without prior appraisal if the federal
 2 lease was cancelled to allow the state to select the land under lease. Land may not be
 3 sold or leased for less than the approved, appraised market value, except as provided
 4 in AS 38.05.055, 38.05.057, 38.05.062, 38.05.075 - 38.05.085, 38.05.097, 38.05.810,
 5 and 38.05.820.

6 * **Sec. 8.** AS 43.23.055 is amended to read:

7 **Sec. 43.23.055. Duties of the department.** The department shall

8 (1) annually pay permanent fund dividends from the dividend fund;

9 (2) subject to AS 43.23.011 and paragraph (8) of this section, adopt
 10 regulations under AS 44.62 (Administrative Procedure Act) that establish procedures
 11 and time limits for claiming a permanent fund dividend; the department shall
 12 determine the number of eligible applicants by October 1 of the year for which the
 13 dividend is declared and pay the dividends by December 31 of that year;

14 (3) adopt regulations under AS 44.62 (Administrative Procedure Act)
 15 that establish procedures and time limits for an individual upon emancipation or upon
 16 reaching majority to apply for permanent fund dividends not received during minority
 17 because the parent, guardian, or other authorized representative did not apply on
 18 behalf of the individual;

19 (4) assist residents of the state, particularly in rural areas, who because
 20 of language, disability, or inaccessibility to public transportation need assistance to
 21 establish eligibility and to apply for permanent fund dividends;

22 (5) use a list of individuals ineligible for a dividend under
 23 AS 43.23.005(d) provided annually by the Department of Corrections and the
 24 Department of Public Safety to determine the number and identity of those
 25 individuals;

26 (6) adopt regulations that are necessary to implement AS 43.23.005(d);

27 (7) adopt regulations that establish procedures for the parent, guardian,
 28 or other authorized representative of a disabled individual to apply for prior year
 29 permanent fund dividends not received by the disabled individual because no
 30 application was submitted on behalf of the individual;

31 (8) adopt regulations that establish procedures for an individual to

1 apply to have a dividend disbursement under AS 37.25.050(a)(2) reissued if it is not
2 collected within two years after the date of its issuance; however, the department may
3 not establish a time limit within which an application to have a disbursement reissued
4 must be filed;

5 (9) provide any information, upon request, contained in permanent
6 fund dividend records to the child support services agency created in AS 25.27.010, or
7 the child support enforcement agency of another state, for child support purposes
8 authorized under law; if the information is contained in an electronic data base, the
9 department shall provide the requesting agency with either

10 (A) access to the data base; or

11 (B) a copy of the information in the data base and a statement
12 certifying its contents;

13 (10) establish a fraud investigation unit for the purpose of assisting the

14 (A) Department of Law in the prosecution of individuals who
15 apply for or obtain a permanent fund dividend in violation of a provision in
16 AS 11, by detecting and investigating those crimes; and

17 (B) commissioner to detect and investigate the claiming or
18 paying of permanent fund dividends that should not have been claimed by or
19 paid to an individual and to impose the penalties and enforcement provisions
20 under AS 43.23.035;

21 **(11) confirm for the Department of Natural Resources under**
22 **AS 38.05.062(g) that an individual has received, or is eligible to receive, a**
23 **permanent fund dividend.**