HOUSE BILL NO. 234

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE RAMRAS BY REQUEST

Introduced: 4/16/09

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

- 1 "An Act relating to the grant of certain state land to the University of Alaska; relating to
- 2 the duties of the Board of Regents of the University of Alaska; and relating to the
- 3 university research forest."
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
- * Section 1. The uncodified law of the State of Alaska is amended by adding a new section
- 6 to read:
- 7 FINDINGS AND PURPOSE. The legislature finds that
- 8 (1) as the beneficiary under the provisions of the Acts of August 30, 1890, and
- 9 March 4, 1907, designating the Alaska Agricultural College and School of Mines as
- beneficiary, and of March 4, 1915, 38 Stat. 1214, transferring certain land for its location and
- support, the University of Alaska is a land grant university;
- 12 (2) under the Acts of March 4, 1915, 38 Stat. 1214, and January 21, 1929, 45
- 13 Stat. 1091, the Congress of the United States granted to the Territory of Alaska certain federal
- land to be held in trust for the benefit of the predecessor of the University of Alaska;

1	(3) the Territory was unable to receive most of the land conveyed by the Act
2	of March 4, 1915, before repeal of that Act by sec. 6(k) of the Alaska Statehood Act (P.L. 85-
3	508, 72 Stat. 339) because the land was only conveyed upon survey, and surveys were not
4	common in Alaska; the repeal of the Act of March 4, 1915, by sec. 6(k) of the Statehood Act
5	prevented the University from receiving conveyance of more than 259,000 acres of land;
6	(4) the Congress of the United States granted the State of Alaska the right to

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

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- (5) the land selection rights embodied in the Alaska Statehood Act reflect, in part, congressional recognition that the state would need the land to support its government and programs, and the Congress assumed that the State of Alaska would in turn use some of the land or the income from it for the use and benefit of the University of Alaska;
- (6) most land grant colleges in the United States have obtained a larger land grant from the federal government than the University of Alaska has received; the University of Alaska received a smaller land grant than any land grant college in the United States except Delaware and Hawaii;
- (7) an academically strong and financially secure state university system is a cornerstone to the long-term development of a stable population and to a healthy, diverse economy in the state;
- (8) it is in the best interests of the state and the University of Alaska that the university take ownership of a significant and substantial portfolio of land in order to further the interests of public higher education in the state;
- (9) renewable resources should be managed on a sustained yield basis, taking into account the total land grant;
- (10) transferring to the university a substantial land portfolio furthers the interests of public higher education by allowing campus development and expansion, facilitating academic research, and fostering economic development for the well-being of the university and the state;
- 28 (11) the Alaska Supreme Court's ruling in Southeast Alaska Conservation 29 Council and Tongass Conservation Society v. State of Alaska and University of Alaska, 30 Supreme Court Opinion No. 6344 dated March 13, 2009, invalidated the provisions of ch. 31 136, SLA 2000, and ch. 8, FSSLA 2005, relating to the deposit of revenue from land in the

1	endowment trust fund; the legislature wishes to comply with the Supreme Court's directive
2	and finds that revenue generated from the land conveyed to the university may not be placed
3	in the endowment trust fund but will be subject to appropriation each year by the legislature;
4	to further this intent, the legislature finds it to be in the best interests of the state and the
5	university to reenact the provisions conveying a limited number of parcels of the land to the
6	university but to remove those provisions from the legislation pertaining to the endowment
7	trust fund;

(12) this legislation amends AS 14.40.491 to explicitly define as "university receipts" the receipts received by the University of Alaska from land conveyed to the university under AS 14.40.365; the legislature retains the discretion to appropriate university receipts as it sees fit, on an annual basis; the legislature finds that preserving its discretion to appropriate receipts on an annual basis is in the best interests of the state and the university;

- (13) the state and the University of Alaska have expended substantial effort and money in connection with conveying land to the university under ch. 136, SLA 2000, and ch. 8, FSSLA 2005, before the Alaska Supreme Court's ruling in Southeast Alaska Conservation Council and Tongass Conservation Society v. State of Alaska and University of Alaska, Supreme Court Opinion No. 6344 dated March 13, 2009, and the legislature further finds that it is in the best interests of the state and the university to preserve that effort and money by providing for prompt reconveyance of limited parcels of land to the university under the terms of this Act.
- * Sec. 2. The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE INTENT. It is the intent of the legislature

- (1) that the university receive land under this Act in an expeditious fashion;
- (2) that the university receive prompt reconveyance of title to limited parcels of that land conveyed to it under ch. 136, SLA 2000, and ch. 8, FSSLA 2005;
- (3) that the university receive title to that land, even though proceeds from that land are not deposited into the endowment trust fund and are instead subject to appropriation by the legislature each year in its discretion, without prior limitation on the legislature's use and appropriation of those funds; and
- 31 (4) to have a stable land-grant university system that provides a wide range of

1	land-related curricula and extracurricular activities, including those activities that enhance
2	civic partnerships through community-based land management, expansion of campuses and
3	training sites, and land management for economic development and benefit to the university
4	and the state.
5	* Sec. 3. AS 14.40.170(a) is amended to read:
6	(a) The Board of Regents shall
7	(1) appoint the president of the university by a majority vote of the
8	whole board, and the president may attend meetings of the board;
9	(2) fix the compensation of the president of the university, all heads of
10	departments, professors, teachers, instructors, and other officers;
11	(3) confer such appropriate degrees as it may determine and prescribe;
12	(4) have the care, control, and management of
13	(A) all the real and personal property of the university; and
14	(B) land
15	(i) conveyed to the Board of Regents by the
16	commissioner of natural resources in the settlement of the claim of the
17	University of Alaska to land granted to the state in accordance with the
18	Act of March 4, 1915 (38 Stat. 1214), as amended, and in accordance
19	with the Act of January 21, 1929 (45 Stat. 1091), as amended; and
20	(ii) conveyed to the [BOARD OF REGENTS IN
21	TRUST FOR THE] University of Alaska by the commissioner of
22	natural resources under AS 14.40.365;
23	(5) keep a correct and easily understood record of the minutes of every
24	meeting and all acts done by it in pursuance of its duties;
25	(6) under procedures to be established by the commissioner of
26	administration, and in accordance with existing procedures for other state agencies,
27	have the care, control, and management of all money of the university and keep a
28	complete record of all money received and disbursed;
29	(7) adopt reasonable rules for the prudent trust management and the
30	long-term financial benefit to the university of the land of the university;
31	(8) provide public notice of sales, leases, exchanges, and transfers of

1	the land of the university or of interests in land of the university;
2	(9) administer, manage, market, and promote a postsecondary
3	education savings program, including the Alaska Higher Education Savings Trust
4	under AS 14.40.802 and the Alaska advance college tuition savings fund under
5	AS 14.40.803 - 14.40.817.
6	* Sec. 4. AS 14.40.291(a) is amended to read:
7	(a) Notwithstanding any other provision of law, university-grant land, state
8	replacement land that becomes university-grant land on conveyance to the university,
9	land conveyed to the [BOARD OF REGENTS IN TRUST FOR THE] University of
10	Alaska under AS 14.40.365, and any other land owned by the university is not and
11	may not be treated as state public domain land. Land conveyed to the [BOARD OF
12	REGENTS IN TRUST FOR THE] University of Alaska under AS 14.40.365 shall be
13	managed as nontaxable [TRUST] land under AS 14.40.365 - 14.40.367 and policies of
14	the Board of Regents.
15	* Sec. 5. AS 14.40.365 is repealed and reenacted to read:
16	Sec. 14.40.365. University land grant. (a) Except as provided in (b) of this
17	section, before January 1, 2010, the commissioner of natural resources shall convey to
18	the University of Alaska, by quitclaim deed, the following parcels of state land
19	described in the document titled "University of Alaska Land Grant List 2005," dated
20	January 12, 2005:
21	(1) Parcel Number N2.FA.1001, Parking Garage;
22	(2) Parcel Number N2.FA.1002, Old State Court Building;
23	confirmatory grant; previously conveyed under other authority;
24	(3) Parcel Number N2.FA.1004, Old Key Bank Site; confirmatory
25	grant; previously conveyed under other authority;
26	(4) Parcel Number MA.PF.1001, Poker Flat Lease;
27	(5) Parcel Number MA.PF.1002, Poker Flat, Special Use Area;
28	(6) Parcel Number LG.PC.01, Caribou-Poker Creeks Watershed;
29	(7) Parcel Number MA.SF.1001, Silver Fox Mine;
30	(8) Parcel Number TV.RF.1001, Tok Research Forest;
31	(9) Parcel Number MA.XS.1001, Delta Ag and Forestry Exp. Station;

1	(10) Parcel Number ST.1001, Sitka Campus;
2	(11) Parcel Number JU.AU.1001, Auke Weir; and
3	(12) Parcel Number OG.NE 1001, Nenana Oil and Gas Tract.
4	(b) As soon as practicable after June 30, 2055, the commissioner of natural
5	resources shall convey to the University of Alaska, by quitclaim deed, the state land
6	described as the "University Research Forest" and identified for conveyance to the
7	university in the document titled "University of Alaska Land Grant List 2005," dated
8	January 12, 2005.
9	(c) As soon as practicable after the receipt of tentative approval or patent from
10	the United States, but not before the land is otherwise required to be conveyed under
11	this section, the commissioner of natural resources shall convey to the University of
12	Alaska, by quitclaim deed, federal land included in the list of parcels contained in (a)
13	of this section.
14	(d) Notwithstanding AS 38.05.125(a), and except as otherwise provided in this
15	section, the transfer of ownership of land from the commissioner of natural resources
16	to the University of Alaska under this section includes the interest of the state in the
17	coal, ores, minerals, fissionable materials, geothermal resources, and fossils, oil, and
18	gas that may be in or on the land.
19	(e) Land conveyed under this section to the University of Alaska is subject to
20	any valid possessory interest or other valid existing right, including any lease, license,
21	contract, prospecting site, claim, sale, permit, right-of-way, Native allotment, or
22	easement held by another person, including a federal, state, or municipal agency, on
23	the effective date of this section.
24	(f) Before conveying land under this section, the commissioner of natural
25	resources shall reserve access under AS 38.05.127, but other provisions of AS 38.04
26	and AS 38.05 do not apply to the commissioner's preparation for conveyance of land
27	to the University of Alaska under this section. In addition to access under
28	AS 38.05.127, the commissioner may reserve in the conveyance document existing
29	offshore uses such as aquatic fish farm sites, anchorages for vessels, fish buying
30	stations, trails, roads, and other access routes that provide public access to adjacent
31	land and public waterways; however, an easement along tidewater reserved by the

1	commissioner under AS 38.05.127 may not exceed 25 feet.
2	(g) In addition to rights or an interest held by a person under (e) of this
3	section, land conveyed to the University of Alaska under this section
4	(1) is subject to
5	(A) sec. 6(i) of the Alaska Statehood Act (P.L. 85-508, 72 Stat.
6	339);
7	(B) AS 19.10.010;
8	(C) any easement, right-of-way, or other access under former
9	43 U.S.C. 932 (sec. 8, Act of July 26, 1866, 14 Stat. 253);
10	(D) the provisions of any memorandum of agreement entered
11	into between the University of Alaska and the commissioner of natural
12	resources governing shared benefits or costs associated with land to be
13	conveyed to the University of Alaska;
14	(E) any interest transferred to the state by quitclaim deed dated
15	June 30, 1959, under authority of the Alaska Omnibus Act (P.L. 86-70, 730
16	Stat. 141); and
17	(2) excludes the mineral estate on land that is subject to a valid state
18	mining claim.
19	(h) As soon as practicable after the extinguishment, release, or expiration of a
20	valid state mining claim located on land to be conveyed under this section, but not
21	before the land is otherwise required to be conveyed under this section, the
22	commissioner of natural resources shall convey the mineral estate excluded from
23	conveyance under $(g)(2)$ of this section.
24	(i) The responsibility for the management of land conveyed to the University
25	of Alaska under this section vests with the University of Alaska on the date of
26	recording of that conveyance.
27	(j) Any income derived from land conveyed to the University of Alaska under
28	this section accruing after the date of conveyance, including any income accruing from
29	an existing lease, license, contract, prospecting site sale, permit, right-of-way,
30	easement, or trespass claim shall be received by the University of Alaska and
31	accounted for as university receipts.

1	(k) Notwithstanding any other provision of this section, within 10 years after
2	final conveyance of land under this section, the university may reconvey to the
3	Department of Natural Resources land
4	(1) containing hazardous waste that was present on the land before
5	conveyance under this section;
6	(2) on which is located a historic or archeological site that is subject to
7	management under AS 41.35; or
8	(3) that the university and the commissioner of natural resources
9	jointly agree is in the best interests of the state and the university to reconvey.
10	(1) After the effective date of this section and before the conveyance of a
11	parcel of land to the University of Alaska under this section, the commissioner of
12	natural resources may not convey, without consent of the university, any irrevocable
13	interest in a parcel that is required to be conveyed to the University of Alaska under
14	this section.
15	(m) The commissioner of natural resources may make minor adjustments to
16	the maps or legal descriptions of the state land identified for conveyance to the
17	university and (a) of this section and described in the document titled "University of
18	Alaska Land Grant List 2005," dated January 12, 2005, to correct omissions or errors.
19	* Sec. 6. AS 14.40.366 is repealed and reenacted to read:
20	Sec. 14.40.366. Management requirements for university land. (a) Before
21	the conveyance or the disposal of an interest in the land to a third party, land conveyed
22	to the University of Alaska under AS 14.40.365 shall be managed in a manner that, to
23	the extent practicable, permits reasonable activities of the public, including historic
24	recent public uses, that do not interfere with the use or management of the land by the
25	university.
26	(b) For land conveyed to the University of Alaska under AS 14.40.365, the
27	university shall
28	(1) seek public comment on proposals for land development,
29	exchange, or sale; and
30	(2) adopt policies that require the preparation of land development
31	plans and land disposal plans.

1	(c) Before the university offers a parcel of land for sale under this section, the
2	university shall offer first refusal to the closest municipality.
3	(d) The Board of Regents shall adopt policies that require public notice before
4	the approval of land development plans and land disposal plans. The policies must
5	require that the notice be
6	(1) sent to local legislators, municipalities, and legislative information
7	offices in the vicinity of the action and at other locations as the university may
8	designate;
9	(2) published in newspapers of general circulation in the vicinity of the
10	proposed action at least once each week for two consecutive weeks; and
11	(3) published on state and university public notice Internet websites.
12	(e) Subsections (b) - (d) of this section do not apply to the grant of an
13	easement or right-of-way or the development of a campus facility.
14	* Sec. 7. AS 14.40.367 is repealed and reenacted to read:
15	Sec. 14.40.367. Confidential records. Notwithstanding AS 40.25.100 -
16	40.25.220, on a determination that it is in the best interest of the University of Alaska
17	or on the request of the person who has provided the information, the president of the
18	university may keep the following confidential:
19	(1) the name of a person applying for the sale, lease, or other disposal
20	of university land or an interest in university land;
21	(2) before the issuance of a notice of intent to award a contract relating
22	to a sale, lease, or disposal of university land or an interest in university land, the
23	names of the participants and the terms of their offers;
24	(3) all geological, well, geophysical, engineering, architectural, sales,
25	market, cost, appraisal, timber cruise, gross receipts, net receipts, or other financial
26	information relating to university land or an interest in university land and considered
27	for, offered for, or currently subject to disposal or a contract;
28	(4) cost data and financial information submitted by an applicant in
29	support of applications for bonds, leases, or other information in offerings and
30	ongoing operations relating to management of university land;
31	(5) applications for rights-of-way or easements across university land;

1	and
2	(6) requests for information about or applications by public agencies
3	for university land that is being considered for use for a public purpose.
4	* Sec. 8. AS 14.40.400(a) is amended to read:
5	(a) The Board of Regents shall establish a separate endowment trust fund in
6	which shall be held in trust in perpetuity [ALL]
7	(1) <u>all</u> net income derived from the sale or lease of the land granted
8	under the Act of Congress approved January 21, 1929, as amended; and
9	(2) <u>all</u> [NET INCOME DERIVED FROM THE SALE, LEASE, OR
10	MANAGEMENT OF THE LAND CONVEYED TO THE BOARD OF REGENTS
11	IN TRUST FOR THE UNIVERSITY OF ALASKA UNDER AS 14.40.365;
12	HOWEVER, THE AMOUNT DEPOSITED IN THE ENDOWMENT TRUST FUND
13	UNDER THIS PARAGRAPH RESULTING FROM MINERAL LEASE
14	ROYALTIES AND ROYALTY SALES PROCEEDS MAY NOT BE LESS THAN
15	25 PERCENT OF ALL SUCH MINERAL LEASE ROYALTIES AND ROYALTY
16	SALES PROCEEDS RECEIVED BY THE UNIVERSITY; AND
17	(3)] monetary gifts, bequests, or endowments made to the University
18	of Alaska for the purpose of the fund.
19	* Sec. 9. AS 14.40.461 is repealed and reenacted to read:
20	Sec. 14.40.461. University research forest. (a) For the purpose of advancing
21	research into forest practices, ecology, wildlife management, and recreation, a
22	university research forest is established on land described as the "University Research
23	Forest" and identified for conveyance to the University of Alaska in the document
24	titled "University of Alaska Land Grant List 2005," dated January 12, 2005.
25	(b) Before conveyance of university research forest land to the University of
26	Alaska under AS 14.40.365(b), the commissioner of natural resources shall manage
27	the university research forest to accomplish the purposes of this section and in
28	accordance with state land use plans adopted under AS 38.04.065, forest management
29	plans adopted under AS 41.17.230, and other provisions of law applicable to state-
30	owned land.
31	(c) Notwithstanding the limitations of AS 14.40.365(l), on or before the date a

1	parcel is required to be conveyed to the University of Alaska under AS 14.40.365(b),
2	the commissioner of natural resources may
3	(1) convey an irrevocable interest in land located in the research forest
4	that terminates or returns to the state on or before the date the parcel is required to be
5	conveyed under AS 14.40.365(b);
6	(2) sell timber rights and dispose of other renewable resources located
7	in the research forest.
8	(d) After conveyance of university research forest land to the university under
9	AS 14.40.365(b), the university may disestablish some or all of the university research
10	forest established by this section, and dispose of, or develop, land within the former
11	research forest, if the university first
12	(1) provides to the public and the commissioner of natural resources
13	notice and an opportunity for comment on the proposed disestablishment; the notice
14	shall be provided not less than 90 days before the proposed action;
15	(2) considers comments received from the public and the
16	commissioner of natural resources under (1) of this subsection;
17	(3) evaluates whether the objectives of advancing research into forest
18	practices, ecology, wildlife management, and recreation can be accomplished without
19	retaining some or all of the research forest;
20	(4) determines, following notice and any public comment by local
21	timber industry representatives, that disposal of the land will not interfere with
22	commercially viable timber harvest resource development; and
23	(5) concludes that it is in the best interest of the university to
24	disestablish some or all of the research forest.
25	* Sec. 10. AS 14.40.491 is amended to read:
26	Sec. 14.40.491. Definition of university receipts. In AS 14.40.120 -
27	14.40.491, "university receipts" includes
28	(1) student fees, including tuition;
29	(2) receipts from university auxiliary services;
30	(3) recovery of indirect costs of university activities;
31	(4) receipts from sales and rentals of university property;

1	(5) federal receipts;
2	(6) gifts, grants, and contracts;
3	(7) receipts from sales, rentals, and the provision of services of
4	educational activities; [AND]
5	(8) receipts attributable to amounts distributed from university
6	endowments established and managed under AS 14.40.280 and from the endowment
7	trust fund established and managed under AS 14.40.400; and
8	(9) receipts from land conveyed to the University of Alaska by the
9	commissioner of natural resources under AS 14.40.365.
10	* Sec. 11. AS 29.65.030(d) is repealed and reenacted to read:
11	(d) For the purpose of determining the general land grant entitlement under (a)
12	of this section, the maximum total acreage of vacant, unappropriated, unreserved land
13	within the boundaries of the municipality between the date of its incorporation and
14	two years after that date shall be increased by the amount of land located within the
15	boundaries of the municipality that is transferred to the University of Alaska under
16	AS 14.40.365.
17	* Sec. 12. AS 37.13.010(a) is amended to read:
18	(a) Under art. IX, sec. 15, of the state constitution, there is established as a
19	separate fund the Alaska permanent fund. The Alaska permanent fund consists of
20	(1) 25 percent of all mineral lease rentals, royalties, royalty sale
21	proceeds, net profit shares under AS 38.05.180(f) and (g), 25 percent of [AND]
22	federal mineral revenue sharing payments received by the state from mineral leases
23	[ISSUED ON OR BEFORE DECEMBER 1, 1979, AND] 25 percent of all bonuses
24	received by the state from mineral leases, 25 percent of all mineral lease rentals,
25	royalties, royalty sale proceeds, net profit shares derived from land conveyed to
26	the University of Alaska under AS 14.40.365, and 25 percent of all bonuses
27	derived by the university for mineral leases on that land [ISSUED ON OR
28	BEFORE FEBRUARY 15, 1980]; and
29	(2) [50 PERCENT OF ALL MINERAL LEASE RENTALS,
30	ROYALTIES, ROYALTY SALE PROCEEDS, NET PROFIT SHARES UNDER
31	AS 38.05.180(f) AND (g), AND FEDERAL MINERAL REVENUE SHARING

1	PAYMENTS RECEIVED BY THE STATE FROM MINERAL LEASES ISSUED
2	AFTER DECEMBER 1, 1979, AND 50 PERCENT OF ALL BONUSES RECEIVED
3	BY THE STATE FROM MINERAL LEASES ISSUED AFTER FEBRUARY 15,
4	1980; AND
5	(3)] any other money appropriated to or otherwise allocated by law or
6	former law to the Alaska permanent fund.
7	* Sec. 13. The uncodified law of the State of Alaska is amended by adding a new section to
8	read:
9	CONVEYANCE AND RECONVEYANCE. The University of Alaska shall reconvey
10	to the State of Alaska all of those interests in land that were conveyed to the university under
11	ch. 136, SLA 2000, and ch. 8, FSSLA 2005, before the Alaska Supreme Court's ruling in
12	Southeast Alaska Conservation Council and Tongass Conservation Society v. State of Alaska
13	and University of Alaska, Supreme Court Opinion No. 6344 dated March 13, 2009, and,
14	immediately on receiving reconveyance from the university, the commissioner of natural
15	resources shall reconvey that land or those interests in land to the university under the terms
16	of this enactment that are to be conveyed to the university under AS 14.40.365, as repealed
17	and reenacted by sec. 5 of this Act, without creating or allowing to be created any intervening
18	interests, rights, entries, easements, or encumbrances or classifications of any kind whatsoever
19	that did not attach to that land during the time of the initial ownership by the university. That
20	land is hereby closed to mineral entry and to all other entry or acquisition of rights of any kind
21	whatever during the time between the reconveyance of the land by the university to the state
22	and the state's reconveyance to the university.
23	* Sec. 14. The uncodified law of the State of Alaska is amended by adding a new section to
24	read:
25	STATUTE OF LIMITATIONS. A person may not bring a judicial action challenging
26	the validity of this Act unless the action is commenced in a court of the state of competent
27	jurisdiction within one year after the effective date of this Act.
28	* Sec. 15. The uncodified law of the State of Alaska is amended by adding a new section to
29	read:
30	SEVERABILITY. If any provision of this Act, or the application thereof to any person
31	or circumstance, is held invalid, the remainder of this Act and the application to other persons

- 1 or circumstances is not affected. In particular, but not intending to limit the foregoing
- 2 sentence in any way, if any provision of this Act or the conveyance of any parcel of land or
- 3 class of land under this Act is found to be an unlawful dedication of funds in violation of art.
- 4 IX, sec. 7, Constitution of the State of Alaska, or otherwise unconstitutional, it is the intent of
- 5 the legislature that the land conveyances to the university under this Act continue to the fullest
- 6 extent possible, notwithstanding that finding or those findings.