

CS FOR HOUSE BILL NO. 329(FSH) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE SPECIAL COMMITTEE ON FISHERIES

Amended: 5/3/24

Offered: 3/28/24

Sponsor(s): REPRESENTATIVES VANCE, Josephson

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to state tideland leases; relating to geoduck seed transfers; and relating**
2 **to aquatic farming or related hatchery operation site leases."**

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

4 *** Section 1.** AS 16.40.145 is amended to read:

5 **Sec. 16.40.145. Geoduck seed transfer between a certified hatchery and an**
6 **aquatic farm.** Consistent with AS 16.40.140(b) - (d), a hatchery certified under
7 AS 16.40.100 may transfer geoduck seed to an aquatic farm located in a fisheries
8 management area established under this title that is contiguous to **an island in the**
9 **Aleutian Chain or to** the Gulf of Alaska.

10 *** Sec. 2.** AS 38.05.070(e) is amended to read:

11 (e) The director may renew a lease issued under this section, AS 38.05.075,
12 38.05.083, or 38.05.810 upon its expiration if the lease is in good standing and the
13 lease renewal is determined to be in the best interests of the state. A renewal issued
14 under this subsection is not subject to AS 38.05.035(e). A lease under this section,

1 AS 38.05.075 [, 38.05.083,] or 38.05.810 may be renewed only once for a term not
2 longer than the initial term of the lease. The director shall provide notice of the lease
3 renewal decision.

4 * **Sec. 3.** AS 38.05.081(a) is amended to read:

5 (a) The commissioner may lease state land for carbon management purposes.
6 **However, the commissioner may exclude from consideration land for which a**
7 **person has submitted a lease application under AS 38.05.083 if the commissioner**
8 **finds that excluding the land from consideration is in the public interest.** A lease
9 agreement under this section must include land use restrictions and authorizations
10 consistent with the carbon management purpose of the lease.

11 * **Sec. 4.** AS 38.05.081(c) is amended to read:

12 (c) Upon receiving an application **to use state land for carbon management**
13 **purposes, unless the land applied for is excluded from consideration by the**
14 **commissioner under (a) of this section,** the department shall solicit competitive
15 interest by issuing a public notice in the manner prescribed in AS 38.05.945. The
16 notice must contain an announcement seeking competitive interest. If competing
17 carbon management applications are received following notice, the applications will
18 be awarded under (d) of this section. **In addition to issuing notice under**
19 **AS 38.05.945, the department shall provide public notice of an application**
20 **received under this section to a person leasing, or who has applied to lease, land**
21 **under AS 38.05.083 that is within 25 miles of the land proposed for lease in the**
22 **application received under this section.**

23 * **Sec. 5.** AS 38.05.083(c) is amended to read:

24 (c) **An aquatic farming or related hatchery operation** [A] site [MAY BE]
25 leased under this section **is subject to appraisal under AS 38.05.840 only if the**
26 **commissioner determines in writing that the site is subject to appraisal under**
27 **AS 38.05.840** [FOR NOT LESS THAN THE APPRAISED FAIR MARKET VALUE
28 OF THE LEASE. THE VALUE OF THE LEASE SHALL BE REAPPRAISED
29 EVERY FIVE YEARS].

30 * **Sec. 6.** AS 38.05.083(f) is amended to read:

31 (f) The commissioner shall adopt regulations establishing criteria for the

1 approval or denial of leases under this section and for limiting the number of sites for
 2 which leases may be issued in an area in order to protect the environment and natural
 3 resources of the area. The regulations

4 **(1) must provide for the consideration of whether the proposed use of**
 5 **a site is compatible with the traditional and existing uses of the area in which the**
 6 **site is located; and**

7 **(2) may provide for the consideration of** upland management
 8 policies [AND WHETHER THE PROPOSED USE OF A SITE IS COMPATIBLE
 9 WITH THE TRADITIONAL AND EXISTING USES OF THE AREA IN WHICH
 10 THE SITE IS LOCATED].

11 * **Sec. 7.** AS 38.05.083 is amended by adding new subsections to read:

12 (j) The compensation to be paid to the state for a lease issued under this
 13 section shall be in accordance with AS 38.05.073(m).

14 (k) A site leased under this section is subject to survey under AS 38.04.045
 15 only if the commissioner determines in writing that the site is subject to survey under
 16 AS 38.04.045.

17 (l) If the director finds that it is in the best interests of the state, the director
 18 shall preference the lessee of a site leased under this section in renewing the lease for
 19 the site or in issuing a new lease for the site. A lessee under this section is not eligible
 20 for a preference to purchase the site under AS 38.05.102.

21 (m) Except for a site used as a hatchery for aquatic plants or shellfish, a site
 22 leased under this section must be used for the commercial production of an aquatic
 23 farm product. In this subsection, "aquatic farm product," "aquatic plant," "hatchery,"
 24 and "shellfish" have the meanings given in AS 16.40.199.

25 (n) A lease issued under this section may be renewed for a period of up to 20
 26 years.

27 * **Sec. 8.** AS 38.05.102 is amended to read:

28 **Sec. 38.05.102. Lessee preference.** Except for a lease under AS 38.05.081 **or**
 29 **38.05.083**, if land within a leasehold created under AS 38.05.070 - 38.05.105 is
 30 offered for sale or long-term lease at the termination of the existing leasehold, the
 31 director may, upon a finding that it is in the best interest of the state, allow a holder in

1 good standing of the existing leasehold to purchase or lease the land for its appraised
2 fair market value at the time of the sale or long-term lease.

3 * **Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 **APPLICABILITY.** The public notice requirements added by AS 38.05.081(c), as
6 amended by sec. 4 of this Act, apply to an application submitted for a lease of state tide or
7 submerged land for a carbon management purpose under AS 38.05.081 received by the
8 Department of Natural Resources on or after the effective date of this Act.