

Department of Natural Resources

Division of Mining, Land and Water



Fact Sheet: Leasing State Land

“State land” is land owned by the state, including tideland (land between mean high water and mean low water periodically covered by tidal water), submerged land (land covered by tidal water from mean low water and seaward three miles), and shoreland (land covered by non-tidal water that is navigable up to ordinary high water). State land can be leased for commercial surface use under Alaska Statute (AS) 38.05.070, AS 38.05.073, and AS 38.05.075. There are other statutes, e.g. AS 38.05.035 and AS 38.05.810, that apply to leasing state land under certain conditions. This fact sheet primarily addresses general commercial leases issued under the authority of AS 38.05.070.

For what purpose can a land lease be issued?

Leases can be issued for almost any commercial, industrial, agricultural, grazing, and some private uses. The state does not typically lease land for residential use; instead, it offers land for purchase through the land disposal program.

How do I apply?

You can obtain information and submit a state lease application form to the appropriate regional office of the Department of Natural Resources Division of Mining, Land & Water (DMLW). The regional offices are: Southcentral Regional Land Office in Anchorage, Southeast Regional Land Office in Juneau, and Northern Regional Land Office in Fairbanks, whose addresses are provided below. You are required to submit:

- A lease application;
- A development plan;
- An environmental risk questionnaire; and
- A non-refundable application fee.

What is a development plan?

A development plan describes, in detail, the intended use of the land and the timetable for its development. The plan must describe the type and location of any structures, and include a scale drawing. Access, water and power sources, and fuel storage areas must be described. The development plan must also explain the intended solid waste and wastewater disposal methods. This information is needed to understand all of the proposed uses on the state land, and determine the appropriate size of the lease.

What does it cost to lease state land?

There is a non-refundable application fee that is based on the size (number of acres) of the requested lease area. The lease has an annual rental fee that may be determined by the DMLW Appraisal Unit's Fee Schedule or minimum rent determination, or determined by a fair-market-value appraisal (subject to adjustment every five years). Other

associated costs may include survey and/or appraisal, insurance, and bonding. You may want to discuss these non-rental costs with DMLW staff before you apply for a lease. These costs can sometimes be substantial.

What happens after I apply?

There are a number of steps in leasing state land. Once an application is received and deemed complete, a title search is conducted by DMLW's Title Section. DMLW distributes your application and development plan to agency review participants for a period of review and the opportunity to submit comments. Then a Preliminary Decision is written, which includes responses to agency comments. As required by AS 38.05.945, a minimum 30-day public notice is conducted that provides the public the opportunity to submit written comments.

After the public notice period ends, a Final Finding and Decision is issued, which includes responses to any public comments received. When the Final Finding and Decision is issued, there is a 20-day appeal period for the applicant and those who submitted written comments during the public notice period. If no appeals are received, the Final Finding and Decision becomes effective on the 31st day after issuance.

After the Final Finding and Decision becomes effective, the applicant must submit the required deliverables, such as annual rent, insurance, and bonding. The applicant is then issued either an entry authorization for the purpose of entering state land to complete the survey and appraisal (if required), or issued the lease.

For how long can the land be leased?

A short-term lease is defined by state law as 10 years or less. Because a short-term lease does not usually require a survey and appraisal, the lease will be issued after the Final Finding and Decision is effective and all deliverables are received.

A long-term lease is a lease that is more than 10 years. A long-term lease by state law require a survey and appraisal. If a long-term lease is issued, an entry authorization may be issued after the Final Finding and Decision is effective in order to complete survey and appraisal requirements. After the survey and appraisal are approved by DMLW, and all deliverables are received, the lease is issued.

Is there a maximum lease size?

There is no limit to the size or area that may be applied for but the size (acres) of the lease parcel is generally limited to the reasonable amount of land needed for the proposed

use and development. DMLW may adjust the size or area of the authorization.

Can I assign or sublease my lease?

Upon DMLW's written approval, a lease can be assigned or subleased. The person or business entity to whom the lease is to be assigned or subleased must be eligible under the statute the lease was issued and the lessee must be in good standing. In addition to the annual lease rent, a sublease is charged a minimum fee of 25% of the fees received under the sublease between the lessee and the sublessee. The lessee is responsible for paying the sublease fee.

Where can I get more information?

Application forms and additional information are available at the offices listed below.

Division of Mining, Land & Water
Southcentral Regional Land Office
550 West 7th Avenue, Suite 900C
Anchorage, AK 99501-3577
Telephone: 907-269-8503
Fax: 907-269-8913
dnr.pic@alaska.gov

Division of Mining, Land & Water
Southeast Regional Land Office
P.O. Box 111020
400 Willoughby Avenue 4th Floor
Juneau, AK 99811-1020
Telephone: 907-465-3400
Fax: 907-465-3886
sero@alaska.gov

Division of Mining, Land & Water
Northern Regional Land Office
3700 Airport Way
Fairbanks, AK 99709-4699
(907) 451-2740
Fax: 907-451-2751
nro.lands@alaska.gov

Statewide TTY – 771 for Alaska Relay or 1-800-770-8973