



STATE OF ALASKA
Department of Natural Resources
Division of Mining, Land & Water
Land Sales & Contract Administration Section

Procedure: Subdivision and Housing Rights for Single Agricultural Sales (under one ADL)
With More Than One Surveyed Lot

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The State has, on occasion, combined several surveyed lots to form one agricultural parcel with one ADL number for disposal under the Agricultural Land Sales program. It has been, and continues to be, the State's practice and intention that these multi-lot parcels be managed as one unsubdivided parcel subject to all the rights and restrictions identified under AS 38.05.321. Recently, questions have been raised concerning how this practice may affect the management of housing and subdivision rights and obligations for these agricultural parcels when an owner wants to sell a portion of his or her agricultural parcel.

It has been the practice of the State to treat a multi-lot agricultural parcel under one ADL as a single surveyed parcel, even though it is comprised of two or more individually surveyed lots. This practice may be challenged by current patent holders who want to sell one of the parcel's already surveyed lots that does not meet the size restriction limits set in AS 38.05.321. The Division of Mining, Land and Water and the Division of Agriculture have agreed upon the following procedures to clarify the State's practice regarding multi-lot agricultural parcels that the State wants to manage as one discrete parcel in compliance with the intent established in AS 38.05.321.

Note: Old Title vs. New Title

Starting August 5, 1997, a new law went into effect for state agricultural land sales – Chapter 20, SLA 1997, formerly SB109. This law altered how patents were issued, changed the subdividing and housing rights options, and allowed for conversion of patents issued previously. Here referred to as old or new title, it is also referred to as old (ag) law vs. new (ag) law in other documentation.

Parcels Previously Conveyed

Under New Title

Option One:

The patent holder may elect to accept the current surveyed lots as the subdivision of his parcel, and sell lots as they are currently surveyed, independent of the forty (40) acre restriction. Each lot will be sold separately, even if multiple lots are being sold to the same person. Division of Agriculture will assign an ADL number to each lot at the time of conveyance.

Also at the time of conveyance of the first subdivided lot, the patent holder will identify which lots will receive a housing right, up to the limit of four (4). The patent holder may pay for the three (3) additional housing rights in full at this time or pay only for the housing rights on the lots that are to be conveyed outside the immediate family. Lots with housing rights that will be retained by the patent holder or an immediate family member will have liens assigned to them in the standard manner if the housing rights are not paid for.

The Division of Mining, Land and Water will create a document identifying which lots have housing rights, which lots are without housing rights, and confirming that no further subdivision of any lot will be allowed. This document will also note if one or more housing rights were waived. This document will be recorded.

Option Two:

The patent holder may elect to resurvey the parcel, vacating all internal lot lines and creating new lot lines into a configuration that meets the law of a maximum of four (4) subdivided lots at a minimum of forty (40) acres each. Vacation of only one or some internal lot lines will be allowed so long as it results in no more than four (4) lots of not less than forty (40) acres each. This would be considered the one time allowed subdivision of the agricultural parcel. The patent holder will be required to sign a document acknowledging that no further subdivision will be allowed on the subdivided parcels. Staff will follow normal procedures on housing right payments once the survey has been approved by the local borough or the State of Alaska for the unorganized borough.

Under Old Title

Option One:

The patent holder may elect to sell lots as they are currently surveyed, independent of the forty (40) acre restriction. If not currently indicated on the State approved farm conservation plan, the first private patent holder will identify which lot will receive the one housing right acquired from the original sale at the time of conveyance. The Division of Mining, Land and Water will create a document for internal use only (not to be recorded) identifying which lot received the housing right and which lots are without housing rights. The old title patent holder may subdivide more than once, so long as the resulting lots meet the minimum forty (40) acre size requirement.

The patent holder of an old title parcel or lot may at any time convert to new title and become eligible to purchase additional housing rights as allowed by the new law. All lots held by the patent holder requesting conversion will be converted. Once converted to new title, only one subdivision will be allowed. If subdivided at the time of conversion, this is considered the one-time allowed subdivision.

Option Two:

The patent holder may elect to resurvey the parcel, vacating all internal lot lines and creating new lot lines into a configuration that meets the law of an unlimited number of parcels at a minimum of forty (40) acres each. Vacation of only some internal lot lines will be allowed so long as it results in not less than forty (40) acres for each new parcel. Staff will follow normal procedures

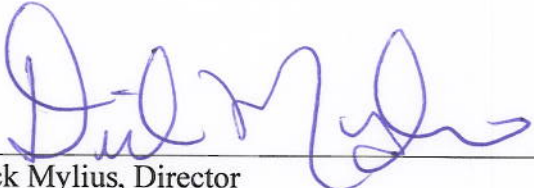
on housing rights, including conversion to new title if this is chosen, once the survey has been approved by the local borough or the State of Alaska for the unorganized borough.

Future Offerings

In the future, the Division of Agriculture will coordinate with the appropriate platting authorities to vacate internal lot lines of agricultural parcels made up of multiple unique lots prior to inclusion in the Agriculture Land Sales program.

Approval

 _____ 7/20/09
Franci Havemeister, Director Date
Division of Agriculture

 _____ 7/28/09
Dick Mylius, Director Date
Division of Mining Land and Water