

# Department of Natural Resources

## Division of Mining, Land and Water



### Fact Sheet: Municipal Entitlement Conveyance Process

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The State of Alaska has maintained a long-standing commitment to maximize local self-government by offering incentives for municipal incorporations under state law. Since 1962, one of these incentives has been the receipt of state general grant land within the boundaries of the local government to create or expand a tax base, generate revenue through land sales and leases, provide a land base for community expansion, and a land base for other public purposes.

The Department of Natural Resources, Division of Mining, Land and Water, Land Conveyance Section (LCS) administers municipal entitlement conveyances. They are conveyances of general grant land that is vacant, unappropriated, and unreserved<sup>1</sup> (VUU) to municipalities (cities and boroughs) under AS 29.65.010 - AS 29.65.140. Municipalities may also obtain state land pursuant to AS 38.05.810 for public and charitable use and pursuant to AS 38.05.825 for a conveyance of tide and submerged land to municipalities.

**The following is a brief outline of the municipal selection adjudication process:**

1. To create a new municipality and establish its boundaries, a petition must be submitted to the Department of Commerce, Community, and Economic Development (DCCED), Division of Community and Regional Affairs (DCRA), Local Boundary Commissions (LBC). Once a petition is completed and accepted by the LBC, the petitioner will provide notice of the petition and solicit comments on it and respond to any comments. Public meetings and information sessions may occur. Next, the LBC completes a preliminary report and provides the public with a minimum of 28 days to comment, after which the LBC completes a final report. Next, the LBC will provide additional opportunities for public hearing and reconsideration before approving the petition. If the petition is approved, a local election is held and residents within the proposed municipal boundary vote to approve or disapprove the proposed municipal boundary. If approved by voters, the proposed boundary becomes effective and is certified by the LBC.
2. Once the Department of Commerce, Community, and Economic Development has certified the new municipal boundary, LCS determines the maximum total amount of general grant land available to satisfy the municipal entitlement. Under AS 29.65.020 - AS 29.65.030, a new municipality is entitled to 10% of the VUU land within the boundary. Next, LCS provides a Municipal Entitlement Certification, an administrative decision identifying eligible VUU land within the municipal boundary and determining the acreage to which a municipality is entitled.
3. After receiving certification, Municipalities have up to one year to select available VUU land, as established in the Municipal Entitlement Certification, and submit applications for their selections. LCS reviews applications to determine if the selections meet VUU criteria and are appropriately classified. Lands with classifications requiring retention in state ownership are not available to fulfill a municipal entitlement.
4. LCS requests a title report from the Realty Services Section and sends a request for agency review to solicit comments from other agencies before drafting the Preliminary Decision (PD). LCS incorporates received agency review comments into the PD.
5. The completed PD is issued for public notice for at least 30 consecutive days to solicit public comment under AS 38.05.945.

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<sup>1</sup> "Vacant, unappropriated, unreserved" (VUU) land is general grant land that is patented or tentatively approved to the state from the United States, excluding minerals as required in section 6(a) or (b) of the Alaska Statehood Act and that is conveyable to municipalities under the Municipal Entitlement Act (AS 29.65).

6. LCS prepares a Final Finding and Decision if no issues are revealed during the PD and public notice process that would prevent the selection from proceeding. The FFD will outline and respond to all comments received during public notice. LCS may modify the proposed action of the PD in the FFD in response to public comments or new information. When the Final Finding and Decision is issued, there is a 20-day appeal period during which the applicant and those who submitted written comments during the public notice period may appeal the decision. If no appeal is received, the Final Finding and Decision becomes effective on the 31st day after issuance.
7. After the FFD becomes effective, AS 29.65.070(b) allows management authority and administration of previously issued permits, leases, and other authorizations to transfer to the municipality for the acreage approved for conveyance to the municipality; municipalities have equitable title to the acreage approved for conveyance. They can manage the surface use of these lands by entering into conditional sales or leases.
8. Following the FFD effective date, municipalities may request a survey determination on the approved land from LCS. The Survey Section provides the requested determination to the adjudicator, who then notifies the municipality. If the approved land is unsurveyed or the Survey Section determines that existing surveys do not meet state standards, the municipality must contact the Survey Section directly to request survey instructions. DNR can only issue a patent to the municipality once the survey plat is finalized and recorded.
9. The municipality and LCS will coordinate to issue a patent or quitclaim deed upon the survey's recording.

**For additional information contact:**

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