

**Questions and Answers Regarding Proposed Changes to Regulations Relating to
Material Sales and Conveyances to State Agencies
December 26, 2025**

On November 26, 2025, the Department of Natural Resources issued [a notice of proposed changes](#) to regulations relating to material sales and conveyances to state agencies and public corporations. A [supplemental notice](#) was posted on December 3, 2025. The supplemental notice was corrected on December 11, 2025, to update the fax number for submission of public comments. The deadline for public comments is January 2, 2026. Provided below are responses to questions received from interested parties.

Question: Can you provide the rationale for this proposed change with examples of the problem being addressed?

Answer: The department is proposing to change regulations in [11 AAC 71](#) and to add new regulations to [11 AAC 98](#) of the Alaska Administrative Code relating to the pricing for sale of materials such as sand and gravel. The revisions would enable the department to transfer material to state agencies and public corporations for public purposes at no cost, allowing for maximum use of state land consistent with the public interest. Public corporations include entities such as the Alaska Energy Authority, the Alaska Gasline Development Corporation, and the Alaska Industrial Development and Export Authority.

The proposed revisions define “public purpose” as a use or disposal of state land or resources that contributes a substantial benefit to the general public, including furthering the delivery of governmental services or functions; promoting general health, safety, or welfare; facilitating access to and enjoyment of the natural resources of the state; supporting private commerce or industry that contributes to the economic development of the state including the creation, retention, or expansion of employment opportunities; and other uses determined by the commissioner to be in the interest of the state.

Examples of a public purpose would be a state agency or public corporation using gravel to construct a gravel pad on a state leased site for infrastructure development; to construct a new state highway right-of-way or expand an existing state right-of-way; or to build an embankment along a river; or gravel needed for the development of a gas line right-of-way.

These regulations also incorporate changes resulting from the passage of [HB 361](#) in 2012, and include an amendment to [11 AAC 71.015](#) to eliminate the restriction on transfers of materials to third parties by state agencies. The intended outcome of this proposed change is to allow state agencies more flexibility when dealing with third parties.

Question: At first glance, it seems that transferring material like sand and gravel from state material sights to be used for a “public purpose” at no cost to other state agencies or public corporations. However, it is not clear whether DNR proposes to include material that has been mined or otherwise processed and stockpiled or simply to transfer minerals in the ground.

This is important, because I can imagine that there could be a considerable amount of material transferred and there might have been considerable cost involved with mining and / processing the material (e.g. crushing rock). DNR should, therefore, clarify whether the state should recoup expenses involved with making the material available.

Answer: Regardless of whether material is free or paid for, [AS 38.05.550](#) requires that all material transfers require a contract. All contracts have stipulations that material cannot be taken from existing stockpiles. See "Stockpiles" stipulation below.

Additionally, DNR has typically considered that once material is extracted, it is property of the extractor unless they abandon it. So, material extracted and processed by DOT would not be available for any other state agency or public corporation.

Stockpiles Stipulation. The buyer shall not disturb or remove material from existing stockpiles. Any material extracted by the buyer must be mined according to the approved mining and reclamation plan. The buyer shall not disturb or remove material from existing stockpiles unless the buyer is the owner of the stockpile. Buyer is not authorized to stockpile material in the material site beyond the active term of the contract. A permit or other written approval is required to stockpile material after the term of the contract. Prior to granting final approval for storage of the stockpile, the seller will require payment in full for the stockpiled material. The seller may also charge a storage fee for the stockpiled material. Unless authorized in writing by the seller, stockpiles will be regraded and reclaimed upon contract completion. Any stockpiles left in the pit outside the contract term by the buyer are the property of the seller unless the buyer receives prior written approval from the seller and, upon approval, purchases the material.

Question: If these proposed changes are adopted, could private citizens get free gravel?

Answer: Only state agencies and public corporations would be subject to these proposed changes. Individuals and other entities would continue to purchase materials according to existing guidelines, as outlined in the fact sheet posted here: <https://dnr.alaska.gov/mlw/cdn/pdf/factsheets/material-sales-in-alaska.pdf>. Current statutes under [AS 38.05.555\(e\)](#) allow for a limited amount of material to be removed by an individual at no cost each calendar year subject to approval by the Department of Natural Resources.

Question: Can the comment period be extended by an additional 30 days?

Answer: The department declines to extend the public comment period for this regulations project.