

# MEMORANDUM

Department of Natural Resources

# STATE OF ALASKA

Commissioner's Office

TO: Distribution List

DATE: December 21, 1998

FILE NO:

TELEPHONE NO:

FROM: John Shively

SUBJECT: Departmental Order No. 143  
School Trust Lands Litigation

This is to notify all Divisions that litigation has been filed against the State with the allegation the State breached the trust of the School Trust lands and to establish the procedure to be followed in actions involving the disposal of school trust land or resources. These lands were removed from trust status on July 1, 1978, by legislative action. The school lands differ from the other trust grants in that a Public School Trust Fund was established where one-half of one percent of all revenues generated from natural resources in Alaska are deposited in this fund. This fund has been maintained since 1978.

Because of this litigation, all staff members are directed to review any pending and future actions, which dispose of land or resources, to determine if they affect School Trust Lands. If School Trust Lands are involved, the following criteria must be met prior to the disposal of the land or resources.

#### Criteria for Actions on School Trust Land

- (1) The action approved must be for full, Fair Market Value at the highest and best use of the parcel, or
- (2) The action must be a result of an existing contractual obligation (i.e., land sale contract, reappraisal of an existing lease, or a land settlement with a municipality).

If a pending action does not meet the above criteria, a memo explaining the action and why it is not being accomplished at fair market value must be forwarded to the Commissioner. The Commissioner will determine if the action may proceed. Please keep in mind that conveyances to boroughs and municipalities do not meet the criteria, nor do timber sales with the new value-added provision.

The School Trust Lands affect approximately 179,403 acres, which include sections 16 and 36 surveyed under the rectangular net at Statehood; Territorial Grant - 1 at Merrill Field; and ANILCA sec. 906(b) lands. These lands generally follow the road and railroad system in Southcentral Alaska, as well as some in Southeast Alaska. The state received title to 10 parcels of school trust land containing 74,930.63 acres after July 1, 1978. A list of those parcels is attached to this D.O.

Prior to the disposal of land and resources, please direct your staff to check the land abstract screen in LAS (N301) to determine if School Trust Lands are involved. A case status of 65 "IN Litigation" will identify these lands. The status plats have a note in the remarks column indicating the sections involved in the School Trust Lands litigation. A statewide set of maps depicting the school lands are being provided to each Division Director, Regional office and the Public Information Center, (PIC).

Please note, the rules that affected the Mental Health Trust Lands litigation are not the same for this litigation. For example, if the school trust lands lie within any Legislatively Designated Areas, the above criteria applies, which was not the case in the Mental Health Trust Lands litigation.

If your division takes any action on the lands in litigation, please notify the Project Manager, Carol Shobe, Chief Realty Services, Division of Land (Email [carols@dnr.state.ak.us](mailto:carols@dnr.state.ak.us)) by sending a copy of the action to her. Please include a copy of any memos to the Commissioner on actions which must be approved. The Project Manager is accountable for knowing all actions on lands currently in litigation. If you have questions concerning this Departmental Order, please contact the Project Manager.

JS:CS:eg

Distribution List:

Robert Wells, Director, Division of Agriculture  
Jeff Jahnke, Director, Division of Forestry  
Milton Wiltse, Director, Division of Geological and Geophysical Surveys  
Dick LeFebvre, Acting Director, Division of Land  
Bob Loeffler, Acting Director, Division of Mining & Water Management  
Ken Boyd, Director, Division of Oil and Gas  
Jim Stratton, Director, Division of Parks and Outdoor Recreation  
Carol Carroll, Director, Division of Support Services  
William Britt, State Pipeline Coordinator  
Wyn Menefee, Public Information Center

### School Lands Acquired after July 1, 1978

#### Group B

Casefile Number	Township, Range, Meridian & Section	Confirmation of Title Date	Acreage
School - 13	S.M., T. 5 N., R. 8 W. Section 16 Section 36 Lots 1 to 9, inclusive, NE4, N2NW4, S2SW4	February 3, 1992	1,215.97
School - 230	S.M., T. 16 N., R. 1 W. Section 36 Lots 2 and 3, E2, E2W2	October 8, 1985	549.45
School - 231A	S.M., T. 12 N., R. 3 W. Section 36 N2N2	March 31, 1988	160.00
School - 232	F.M., T. 4 S., R. 4 E. Section 36	March 12, 1990	640.00
School - 233	C.R.M., T. 5 S., R. 11 E. Section 36 S2NE4, SE4SW4, SE4	February 1, 1990	280.00
School - 235	C.R.M., T. 50 S., R. 67 E. Section 36 Lot 8	August 22, 1989	4.76
Aggregating			2,850.18

#### Group C

Casefile Number	Township, Range Meridian & Section	Conveyance Date	Acreage
ANISS - 1	C.R.M., T. 3 S., R. 2 E. Sections 1 to 6, inclusive Sections 8 to 17, inclusive Sections 20 and 36, inclusive	June 1, 1994 TA	21,075
	C.R.M., T. 4 S., R. 2 E. Sections 1 to 22, inclusive excluding Native allotment application AA-7242, Parcel A in Sections 8 & 9		13,972
	C.R.M., T. 4 S., R. 2 E. Sections 23 and 24 Sections 28 and 29 Section 32 Section 33, W2, W2NE4	April 26, 1995 TA	3,600
ANISS - 2	F.M., T. 19 S., R. 5 E. Sections 1 and 2 Sections 11 to 14, inclusive Sections 23 to 26, inclusive	June 2, 1994 TA	6,400
	F.M. T. 19 S., R. 6 E. Sections 4 to 10, inclusive Sections 15 to 22, inclusive Sections 29 and 30		10,790
ANISS - 3	F.M., T. 18 S., R. 8 E. Sections 1 to 22, inclusive Sections 27 to 34, inclusive	May 23, 1994 TA	19,027
ANISS - 4	C.R.M., T. 40 S., R. 59 E. Section 16, lot 2, NW4NW4	May 24, 1994 PA	66.63
Aggregating			74,930.63