

Nancy Dahlstrom
Lieutenant Governor
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**OFFICE OF THE LIEUTENANT GOVERNOR
ALASKA**

M E M O R A N D U M

TO: Molly Benson,
Department of Natural Resources

FROM: Kady Levale, Office of the Lieutenant Governor *PL*
465.3509

DATE: February 12, 2026

RE: Filed Permanent Regulations: Department of Natural Resources

Department of Natural Resources - Disposal of State Owned Materials (Gravel)
(11 AAC 71, 98)

Attorney General File: 2025103581
Regulation Filed: 2/12/2026
Effective Date: 3/14/2026
Print: 257, April 2026

cc with enclosures: Beth Parsons, Paralegal 2
Department of Law

Lisa Gorman, Alaska Legal Analyst
LexisNexis



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Law

CIVIL DIVISION

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February 11, 2026

The Honorable Nancy Dahlstrom
Lieutenant Governor
State of Alaska
P.O. Box 110015
Juneau, AK 99811-0015

Re: *11 AAC 71, 98: Department of Natural Resources - Disposal of State Owned Materials (Gravel)*

Our file: 2025103581

Dear Lieutenant Governor Dahlstrom:

The Department of Law has reviewed the attached regulations of the Department of Natural Resources against the statutory standards of the Administrative Procedure Act. Based upon our review, we find no legal problems. This letter constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations. The regulations were adopted by the Department of Natural Resources after the close of the public comment period.

The regulations concern pricing for transfers of materials to other state agencies and the definition of "public purpose."

The November 26, 2025 public notice and the February 10, 2026 adoption order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.060 is not required.

The Honorable Nancy Dahlstrom
File No. 2025103581

February 11, 2026
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No technical corrections were necessary to conform the regulations in accordance with AS 44.62.060.

Sincerely,

STEPHEN J. COX
ATTORNEY GENERAL

By: **Rebecca C
Polizzotto**
Rebecca C. Polizzotto
Chief Assistant Attorney General
Legislation, Regulations, and
Legislative Research Section

Digitally signed by
Rebecca C Polizzotto
Date: 2026.02.11
18:03:33 -09'00'

RCP/PWP/bhp

CC w/enclosure: Molly Benson, Regulations Contact
Department of Natural Resources

Parker W. Patterson, Assistant Attorney General
Department of Law

Jeanie Nelson, Assistant Attorney General
Department of Law

ORDER ADOPTING CHANGES TO REGULATIONS
OF THE DEPARTMENT OF NATURAL RESOURCES

The attached regulations, dealing with material sales and transfers to state agencies and public corporations, are adopted and certified to be a correct copy of the regulation changes that the Department of Natural Resources adopts under the authority of AS 38.05.020 and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

In considering public comments, the Department of Natural Resources paid special attention to the cost to private persons of the regulatory action being taken.

The regulation changes adopted under this order take effect on the 30th day after they have been filed by the lieutenant governor.

Date: 2/10/2026



John Crowther, Commissioner-Designee
Department of Natural Resources



FILING CERTIFICATION

I, Nancy Dahlstrom, Lieutenant Governor for the State of Alaska, certify that on

February 12, 2026, at 10 a.m., I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.



for Nancy Dahlstrom, Lieutenant Governor

Effective: March 14, 2026

Register: 257, April 2026

FOR DELEGATION OF THE LIEUTENANT GOVERNOR'S AUTHORITY

**I, NANCY DAHLSTROM, LIEUTENANT GOVERNOR OF THE STATE OF ALASKA,
designate the following state employees to perform the Administrative Procedures Act
filing functions of the Office of the Lieutenant Governor:**

Kady Levale, Notary Administrator

**IN TESTIMONY WHEREOF, I have
signed and affixed the Seal of the State of
Alaska, in Juneau, on May 15th, 2023.**



**NANCY DAHLSTROM
LIEUTENANT GOVERNOR**

11 AAC 71.015 is amended to read:

11. AAC 71.015. Timber or material requested by other state agencies. The division will, in its discretion, transfer timber or material to another state agency by an interagency land management assignment or negotiated sale pursuant to AS 38.05.810. [HOWEVER, THE OTHER STATE AGENCY MAY NOT CONVEY THE TIMBER OR MATERIAL TO A THIRD PARTY.] The division will not offer a timber or material sale within the area which is subject to the inter-agency land management assignment without the concurrence of the other state agency.

(Eff. 7/2/82, Register 83; am 3 / 14 / 2020, Register 251)

Authority: AS 38.05.020 AS 38.05.115 AS 38.05.120
AS 38.05.110

11 AAC 71.090 is repealed and readopted to read:

11 AAC 71.090. Pricing for sale of materials. (a) Except as otherwise provided, the commissioner will price material for sale under AS 38.05.550 - 38.05.565 and this chapter in accordance with this section.

(b) It is in the public interest and serves a public purpose that the department convey material to a state agency or public corporation at a base price of \$0.00 per cubic yard and without retaining a reversionary interest.

(c) The commissioner will periodically establish base prices for material that represent the administrative cost to the state of conducting the sale. The base prices may vary by area to account for local conditions on administrative cost. The department will use the base prices for material sales at less than their appraised value to a government agency not addressed in (b) of this section under AS 38.05.810(a).

(d) The commissioner will periodically establish representative sales prices for material that are an estimate of the material's fair market value. Representative sales prices may vary by area to account for local conditions, but may not be less than the base prices established under (c) of this section.

(e) Notwithstanding (d) of this section, an applicant may, at the applicant's own cost, provide an appraisal acceptable to the department establishing the fair market value of the materials. The department may sell materials from the same source to any buyer at the price established by an appraisal accepted by the department under this subsection.

(f) The appraised fair market value for material sold under (e) of this section will consider operating costs unique to the material source. The sales price for material sold under (d) of this section will, in the discretion of the commissioner, allow for adjustments for operating costs unique to the material source, including

(1) testing for and removal of contamination caused by another party's previous use of the material; or

(2) road construction that will benefit the state after the sale is concluded.

(g) Personal use of materials for purposes of AS 38.05.555 consists of use by a private individual for other than resale or barter. (Eff. 7/2/82, Register 83; am 6/21/98, Register 146; am 3/14/2026, Register 251)

Authority: AS 38.05.020 AS 38.05.115 AS 38.05.555
AS 38.05.110

11 AAC 98 is amended by adding a new section to read:

11 AAC 98.010. Public purpose. In AS 38 and 11 AAC 51.010 - 11 AAC 97.990,

“public purpose” means a use or disposal of state land or resources that contributes a substantial benefit to the general public, including if the use or disposal

- (1) furthers the delivery of governmental services or functions by a federal or state agency or a political subdivision;
- (2) promotes the general health, safety, or welfare;
- (3) facilitates access to and enjoyment of the natural resources of the state;
- (4) supports private commerce or industry that contributes to the economic development of the state or any part of the state, including the creation, retention, or expansion of employment opportunities; or
- (5) is otherwise determined by the commissioner to be in the interest of the state.[¶]

(Eff. 3 / 14 / 2020, Register 257)

Authority: AS 38.05.020 AS 38.05.555 AS 38.05.810