

HOUSE BILL NO. 181

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE FOSTER

Introduced: 3/20/13

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the accounting for money received by the state from the mining**
2 **license tax, mining lease payments, and royalties from mining on state tide and**
3 **submerged land seaward of a municipality, and the availability of that money for**
4 **appropriation to certain boroughs and municipalities outside of a borough."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 38.05.135 is amended by adding new subsections to read:

7 (h) After making the deposit due to the permanent fund under
8 AS 37.13.010(a), 50 percent of the remaining amount of mineral lease rentals,
9 royalties, and royalty sale proceeds received for a lease under AS 38.05.135 -
10 38.05.160 and 38.05.181 that is located on state tide and submerged land seaward of a
11 municipality shall be deposited into the general fund and separately accounted for
12 under AS 37.05.142. The director shall apportion the amount of rent, royalty, and
13 royalty sale proceeds for a lease that is not entirely on state tide and submerged land
14 seaward of a municipality based on the amount of surface area of the lease that is on

1 state tide and submerged land seaward of a municipality.

2 (i) Upon request,

3 (1) the legislature may appropriate money from the rent, royalty, and
4 royalty sale proceeds that are separately accounted for under (h) of this section from a
5 lease or portion of a lease on state tide and submerged land seaward of a borough to
6 that borough; and

7 (2) the legislature may appropriate money from the rent, royalty, and
8 royalty sale proceeds that are separately accounted for under (h) of this section from a
9 lease or portion of a lease on state tide and submerged land seaward of a municipality
10 outside of a borough to that municipality.

11 (j) Nothing in (h) of this section creates a dedicated fund or limits the
12 authority of a department to request funds or the authority of the legislature to
13 appropriate funds.

14 * **Sec. 2.** AS 43.65.010 is amended by adding new subsections to read:

15 (j) Proceeds from the tax imposed under this chapter shall be deposited into
16 the general fund and separately accounted for under AS 37.05.142.

17 (k) The commissioner shall adopt regulations for apportioning the proceeds
18 from tax received under this chapter based on the gross income attributable to mining
19 subject to tax under this chapter on property, on state tide and submerged land seaward
20 of each borough and each municipality outside of a borough and in the area in the state
21 that is on state tide and submerged land that is not seaward of a municipality. The
22 accounting for the proceeds from the tax under (j) of this section shall identify the
23 amount of proceeds from tax apportioned to state tide and submerged land seaward of
24 a borough and a municipality outside of a borough in which there is mining activity
25 under the regulations adopted under this subsection.

26 (l) Upon request

27 (1) by the commissioner of commerce, community, and economic
28 development, the legislature may appropriate not more than 50 percent of the proceeds
29 from the tax that are separately accounted for and apportioned to state tide and
30 submerged land seaward of a borough under (j) and (k) of this section to the borough;
31 and

1 (2) by the commissioner of commerce, community, and economic
2 development or the commissioner of natural resources, the legislature may appropriate
3 not more than 50 percent of the proceeds from the tax that are separately accounted for
4 and apportioned to state tide and submerged land seaward of a municipality outside of
5 a borough under (j) and (k) of this section to the municipality outside of a borough.

6 (m) Nothing in (l) of this section creates a dedicated fund or limits the
7 authority of a department to request funds or the authority of the legislature to
8 appropriate funds.