

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 344(RES)
 (H) Publish Date: 3/3/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
 Title Mining Fees, Rentals and Royalties RDU Resource Development
 Component Claims, Permits and Leases
 Sponsor Rep. Fate
 Requester House Resources Component No. 2460

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES						
CHANGE IN REVENUES (GF 1004)	1.0	1.0	1.0	1.0	1.0	1.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill provides a mechanism for mining claim holders to avoid accidental or inadvertent abandonment of their claims due to errors or delays in properly recording or filing of certificates of location, statements of annual labor or claim rental payments. This provides a much needed option to the existing statutes that will create a benefit to the overall mining industry and primarily to the small miners.

Current mining statutes provide a very strict framework of filing deadlines. If a deadline for filing the required information or delivering payments on rentals or royalties is missed, the claims are automatically abandoned and the miner must wait a full year until he can restake the claims. During this time they are open to staking by others. It is unfortunate that, despite the best intentions of the miners, inadvertent

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BILL NO. CSHB 344(RES)

ANALYSIS CONTINUATION

delays to filing do occur. This has resulted in small family operations that have been active for generations sometimes losing their claims and, in some cases, their livelihood.

This bill provides an effective option to cure abandonment by paying all accrued rents due and/or filing delinquent documents, plus paying a fine equal to the annual rent.

Total Revenue Impact. The revenue impact would be minimal, but positive, as rentals on claims that would have been abandoned would be allowed to continue and fines would be collected in an amount equal to those rentals. An approximate total \$1,000 per year is estimated.

Cost to Implement. There is essentially no cost to implementing this mechanism as it would be handled by existing staff and the additional work load would be minimal.