

HOUSE BILL NO. 398

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FOURTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE MOSES

Introduced: 1/27/06

Referred: Community and Regional Affairs, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to disposition of revenue from certain charges collected on valuable**
2 **mineral deposits on land belonging to the state and subject to location or lease for the**
3 **extraction of natural resources under the Alaska Land Act, and to aid to municipalities**
4 **to offset the anticipated effect of lessees' exploration or location activities on land made**
5 **subject to extraction of valuable mineral deposits; and providing for an effective date."**

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

7 *** Section 1.** AS 37.05 is amended by adding a new section to read:

8 **Sec. 37.05.535. State mineral lease assistance special revenue fund.** (a) The
9 state mineral lease assistance special revenue fund is established as a separate fund in
10 the general fund. The fund consists of money deposited into it from amounts
11 accounted for under AS 38.05.035(a)(10) and from appropriations made from other
12 sources.

13 (b) The legislature may appropriate money in the state mineral lease assistance

1 special revenue fund to pay state aid to a municipality

2 (1) in which is located any part of an oil or gas exploration license
3 issued under AS 38.05.131 - 38.05.134, a nonconventional gas lease subject to
4 AS 38.05.177, an oil and gas lease or gas only lease issued under AS 38.05.180, a coal
5 lease entered into under AS 38.05.150, a lease containing a deposit subject to
6 disposition as described in AS 38.05.145, or a right to deposits of minerals set out in
7 AS 38.05.185 - 38.05.275; or

8 (2) that is proximate to any part of an oil or gas exploration license
9 issued under AS 38.05.131 - 38.05.134, a nonconventional gas lease subject to
10 AS 38.05.177, an oil and gas lease or gas only lease issued under AS 38.05.180, a coal
11 lease entered into under AS 38.05.150, a lease containing a deposit subject to
12 disposition as described in AS 38.05.145, or a right to deposits of minerals set out in
13 AS 38.05.185 - 38.05.275, and that, in the judgment of the commissioner of
14 commerce, community, and economic development, is reasonably likely to be affected
15 by exploration or development activities on the licensed or leased tracts.

16 (c) The Department of Commerce, Community, and Economic Development

17 (1) shall use appropriations made by the legislature from the state
18 mineral lease assistance special revenue fund to make grants to municipalities under
19 (b) of this section that are located in areas of the state that in the judgment of the
20 commissioner of commerce, community, and economic development,

21 (A) are remote and may qualify for state assistance for
22 commercial development of mineral resources under AS 19.30.020 -
23 19.30.051; for purposes of making the determination required by this
24 subparagraph, in the application of the standards set out in AS 19.30.020 -
25 19.30.051, the restriction against providing state assistance under
26 AS 19.30.020 to facilitate the commercial development of oil and gas does not
27 apply; and

28 (B) have few or no resource extraction activities currently
29 operating within or proximate to the municipality;

30 (2) shall include terms and conditions in a grant made under this
31 subsection to require use of the proceeds of the grant by the municipality to offset or

1 defray the effects within the municipality of exploration or development activities
 2 under the related licenses or leases; the proceeds of the grant may be used only for

3 (A) planning; and

4 (B) construction, maintenance, and operation of essential
 5 public facilities by the municipality;

6 (3) may impose additional reasonable terms and conditions on the use
 7 of amounts provided as grants under this subsection; and

8 (4) may not make grants to a municipality from the fund established in
 9 this section for more than five consecutive state fiscal years.

10 * **Sec. 2.** AS 38.05.035(a)(10) is amended to read:

11 (10) account for the fees, licenses, taxes, or other money received in
 12 the administration of this chapter including the sale or leasing of land, identify their
 13 source, and promptly transmit them to the proper fiscal department after crediting
 14 them to the proper fund; receipts from land application filing fees, **licenses and**
 15 **license fees, lease fees, and other money received, except royalties due and**
 16 **payable under this chapter and except as otherwise specifically provided in this**
 17 **paragraph, shall be separately accounted for and deposited as required by**
 18 **AS 38.05.138,** and **receipts from** charges for copies of maps and records shall be
 19 deposited immediately in the general fund of the state [BY THE DIRECTOR];

20 * **Sec. 3.** AS 38.05 is amended by adding a new section to read:

21 **Sec. 38.05.138. Mineral receipts account.** (a) The mineral receipts account is
 22 established in the general fund. Ten percent of the revenue derived as fees, charges,
 23 and miscellaneous receipts from the location, license, or lease activities on state land
 24 that are described in AS 38.05.035(a)(10) shall be deposited in the account.

25 (b) The legislature may appropriate money deposited into the account to the
 26 fund established in AS 37.05.535 or for any other public purpose.

27 * **Sec. 4.** This Act takes effect July 1, 2006.