

**SENATE BILL NO. 68**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

**BY SENATOR OLSON**

**Introduced: 2/27/13**

**Referred: Community and Regional Affairs, Resources**

**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 in a municipality and on**  
3 **state tide and submerged land seaward of a municipality, and the availability of that**  
4 **money for 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 in a municipality or on state tide and  
11 submerged land seaward of a municipality shall be deposited into the general fund and  
12 separately accounted for under AS 37.05.142. The director shall apportion the amount  
13 of rent, royalty, and royalty sale proceeds for a lease that is not entirely within a  
14 municipality or on state tide and submerged land seaward of a municipality based on

1 the amount of surface area of the lease that is within the municipality or on state tide  
2 and submerged land seaward of a municipality.

3 (i) Upon request

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

9 (2) by the commissioner of commerce, community, and economic  
10 development or the commissioner of natural resources, the legislature may appropriate  
11 money from the rent, royalty, and royalty sale proceeds that are separately accounted  
12 for under (h) of this section from a lease or portion of a lease in a municipality outside  
13 of a borough and on state tide and submerged land seaward of the municipality to that  
14 municipality.

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

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

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

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

31 (l) Upon request

1                   (1) by the commissioner of commerce, community, and economic  
2 development, the legislature may appropriate not more than 50 percent of the proceeds  
3 from the tax that are separately accounted for and apportioned to a borough or to state  
4 tide and submerged land seaward of the borough under (j) and (k) of this section to a  
5 borough in which there is mining subject to the tax imposed under this chapter; and

6                   (2) by the commissioner of commerce, community, and economic  
7 development or the commissioner of natural resources, the legislature may appropriate  
8 not more than 50 percent of the proceeds from the tax that are separately accounted for  
9 and apportioned to a municipality or state tide and submerged land adjacent to a  
10 municipality outside of a borough under (j) and (k) of this section to a municipality  
11 outside of a borough in which there is mining subject to tax under this chapter.

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