

1 IN THE HOUSE

BY MR. STRANDBERG

2

HOUSE BILL NO. 345

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

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SECOND LEGISLATURE - SECOND SESSION

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A BILL

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For an Act entitled: "An Act relating to the creation of the

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mineral resource revolving fund and board."

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

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Section 1. PURPOSE. Alaska's progress is directly connected

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with the development of its mineral resources. The development of

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these resources has been impeded by the lack of readily available

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outlets for small quantities of minerals. The purpose of this

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Act is to encourage the exploration and extraction of valuable

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minerals by providing a market. This Act does not attempt to

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regulate the final price paid for minerals or permit unreasonable

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profits to accrue to persons engaged in mining or to the State of

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Alaska. No obligation is placed on the state or any person to

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buy or sell mineral resources.

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Sec. 2. REVOLVING FUND. The mineral resource revolving

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fund, hereafter referred to as the fund, is created. The assets

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of the fund may be used to purchase valuable metals, ores, and

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minerals, referred to in this Act as minerals.

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Sec. 3. MINERAL RESOURCE FUND BOARD. The mineral resource

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fund board, hereafter referred to as the board, is created within

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the Department of Natural Resources. The board consists of the

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commissioner of natural resources, who is the chairman and admin-

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istrative officer of the board, the commissioner of commerce, and

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the commissioner of revenue, who is the custodian of the fund. A

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board member may delegate his function on the board to an employee

1 in his department. A board member is responsible for the actions  
2 of an employee representing him on the board.

3 Sec. 4. OPERATION OF THE BOARD. a. The board shall admin  
4 ister the fund and, in so doing, may at its discretion purchase  
5 and sell minerals, and locate markets for their sale. The board  
6 shall conduct its business according to its judgment as guided by  
7 this Act and other applicable laws.

8 b. The board may make regulations for the conduct of its  
9 business. It is the responsibility of the Department of Natural  
10 Resources to promulgate the board's regulations under the Adminis-  
11 trative Procedure Act.

12 c. Meetings of the board may be called by any member of the  
13 board. To conduct official business, all members or their dele-  
14 gates shall be present, Decisions of the board require the  
15 affirmation of at least two members or their delegates.

16 d. The board shall keep minutes of its meetings and send  
17 certified copies to the governor.

18 e. An annual report shall be made to the legislature. The  
19 report shall be brief, but adequately reflect the disposition of  
20 the fund.

21 f. Members of the board or their delegates receive no addi-  
22 tional salary. However, members of the board or their delegates  
23 and employees of the Department of Natural Resources shall re-  
24 ceive the per diem established by law for other boards and state  
25 employees, and necessary transportation expenses if required to  
26 travel to conduct business for the board.

27 Sec. 5. PURCHASE AND SALE OF MINERALS. a. Minerals offered  
28 for sale by persons engaged in their mining or refining in Alaska  
29 may be purchased by the board after the value of the minerals has

1 been determined by the state and their current market prices have  
2 been verified. The purchase price paid by the board may not ex-  
3 ceed the current market price, and may be less if agreed upon by  
4 the board and the offerer of minerals.

5 b. The purchase price paid by the board consists of an  
6 initial payment and a secondary payment. The initial payment is  
7 a percentage of the purchase price paid by the board to the  
8 offerer of minerals when ownership of the minerals passes to the  
9 State of Alaska. The secondary payment is the remaining percen-  
10 tage of the purchase price paid by the board to the recipient of  
11 the initial payment when the minerals are resold by the board.  
12 The secondary payment is subtracted from the money received by  
13 the board for the resale of minerals. The initial payment may not  
14 exceed 90 percent of the purchase price.

15 c. The board may purchase only those minerals suitable for  
16 resale in a reasonable time at a resale price approximately  
17 equivalent to the purchase price.

18 d. The board may purchase minerals only when another pur-  
19 chaser is not readily available to make a reasonable offer to  
20 purchase the minerals.

21 e. When the board resells minerals it shall deduct from the  
22 resale price the secondary payment. The remainder of the resale  
23 price is deposited in the fund for continuous use.

24 Sec. 6. STOCKPILING OF MINERALS. The board may stockpile  
25 minerals at any convenient and lawful location in the state.  
26 Because of the public nature of this Act and the abundance of  
27 unused land in Alaska, the board may not pay rent or similar fees  
28 for stockpile sites.

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