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IN THE HOUSE

BY MR. STRANDBERG

HOUSE BILL NO. 345

IN THE LEGISLATURE OF THE STATE OF ALASKA

SECOND LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the creation of the mineral resource revolving fund and board."

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

Section 1. PURPOSE. Alaska's progress is directly connected with the development of its mineral resources. The development of these resources has been impeded by the lack of readily available outlets for small quantities of minerals. The purpose of this Act is to encourage the exploration and extraction of valuable minerals by providing a market. This Act does not attempt to regulate the final price paid for minerals or permit unreasonable profits to accrue to persons engaged in mining or to the State of Alaska. No obligation is placed on the state or any person to buy or sell mineral resources.

Sec. 2. REVOLVING FUND. The mineral resource revolving fund, hereafter referred to as the fund, is created. The assets of the fund shall be used to purchase valuable metals, ores, and minerals, referred to in this Act as minerals.

Sec. 3. MINERAL RESOURCE FUND BOARD. The mineral resource fund board, hereafter referred to as the board, is created within the Department of Natural Resources. The board consists of the commissioner of natural resources, who is the chairman and administrative officer of the board, the commissioner of commerce, and the commissioner of revenue, who is the custodian of the fund.

Sec. 4. OPERATION OF THE BOARD. a. The board shall

1 administer the fund and, in so doing, may at its discretion
2 purchase and sell minerals, and locate markets for their sale.
3 The board shall conduct its business according to its judgment as
4 guided by this Act and other applicable laws.

5 b. The board may make regulations for the conduct of its
6 business pursuant to the Administrative Procedure Act.

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

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

13 e. An annual report shall be made to the legislature. The
14 report shall be brief, but adequately reflect the disposition of
15 the fund.

16 f. Members of the board or their delegates receive no addi-
17 tional salary. However, members of the board or their delegates
18 and employees of the Department of Natural Resources shall receive
19 the per diem established by law for other boards and state
20 employees, and necessary transportation expenses if required to
21 travel to conduct business for the board.

22 Sec. 5. PURCHASE AND SALE OF MINERALS. a. Minerals offered
23 for sale by persons engaged in their mining or refining in Alaska
24 may be purchased by the board after the value of the minerals has
25 been determined by the state and their current market prices have
26 been verified. The purchase price paid by the board may not
27 exceed the current market price, and may be less if agreed upon
28 by the board and the offerer of minerals.

29 b. The purchase price paid by the board consists of an

1 initial payment and a final payment. To determine the initial
2 payment the board deducts its estimated disposal and handling costs
3 from the purchase price. The remainder is the initial payment.
4 The board pays the initial payment to the offerer of minerals when
5 it accepts the minerals. The final payment is the difference, if
6 any, between the board's estimated disposal and handling costs and
7 the board's actual disposal and handling costs. The final payment
8 is paid by the board to the person who offered the minerals after
9 the board has sold the minerals and determined its actual disposal
10 and handling costs. The final payment, if any, is subtracted from
11 the money received by the board when the minerals are sold by the
12 board. The remaining part of the money received by the board is
13 deposited in the fund for continuous use. If the market price
14 changes after the board has paid an initial payment and before pay-
15 ment of a final payment so as to cause an unreasonable profit or
16 loss to the fund, the board shall add the unreasonable profit to
17 or subtract the unreasonable loss from the final payment.

18 c. The board shall purchase only those minerals suitable for
19 resale in a reasonable time at a resale price approximately
20 equivalent to the purchase price.

21 d. The board shall purchase minerals only when another
22 purchaser is not readily available to make a reasonable offer to
23 purchase the minerals.

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 shall not pay rent or similar fees
28 for stockpile sites.

29 Passed by the House March 15, 1962