

Introduced: 3/20/70
Referred: Resources and
Finance

BY THE RESOURCES COMMITTEE
BY REQUEST

1 IN THE HOUSE

2 HOUSE BILL NO. 795

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to prospecting permits and leases on
7 tide and submerged lands; and providing for an effective date."
8

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

10 * Section 1. AS 38.05.250(1) is amended to read:

11 (a) The exclusive right to prospect for deposits of minerals
12 subject to secs. 185 - 275 of this chapter in or on tide and submerged
13 state lands may be granted by a permit issued by the director. Permits
14 shall be granted to the first qualified applicant. However, the com-
15 missioner may require a plan of development by the permittee. No permit
16 may include an area larger than 2,560 acres, subject to the rule of
17 approximation. Lands subject to a prospecting permit shall be as
18 compact in form as possible taking into consideration the area involved.
19 The term of the permit shall be 10 years. Prospecting permits shall be
20 conditioned upon the payment of rentals. No rentals may be charged for
21 the first five years of the permit, and \$1 an acre for the sixth,
22 seventh, eighth, ninth and 10th year [RENTAL AGAINST WHICH CREDIT SHALL
23 BE GIVEN FOR USEFUL EXPENDITURES ON LAND COVERED BY THE PERMIT OR GROUP
24 OF CONTIGUOUS PERMITS UNDER COMMON OWNERSHIP OR ASSIGNMENT. THE RENTAL
25 SHALL BE \$1 PER ACRE FOR THE FIRST TWO-YEAR PERIOD OF THE PERMIT, PAY-
26 ABLE AT THE END OF THE PERIOD, AND \$1 PER ACRE FOR EACH YEAR THERE-
27 AFTER, PAYABLE AT THE END OF EACH YEAR]. No minerals from lands under
28 a prospecting permit may be mined and marketed or used, except for
29 limited amounts necessary for sampling or testing.

2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29

* Sec. 2. AS 38.05.250(a) is amended to read:

(c) Leases for submerged lands shall be conditioned upon payment of an annual rental of \$1 per acre, paid on or before each anniversary of the lease [EXPENDITURES ON OR FOR THE BENEFIT OF THE LEASEHOLD MAY BE CREDITED AGAINST THE RENTAL. RENT SHALL BE PAID OR A STATEMENT OF ANNUAL LABOR SHALL BE FILED WITHIN 90 DAYS AFTER EACH ANNIVERSARY DATE OF THE LEASE]. All submerged land mining leases shall be for a period of up to 55 years, and the lessee has a right to a new lease at the end of each lease period. The commissioner may make reasonable adjustments of the rental rate at the end of each 20-year period, based upon changed conditions in production costs and market.

* Sec. 3. AS 38.05.250 is amended by adding a new subsection to read:

(d) The director shall provide by regulation for adjustment of existing permits on the effective date of this Act upon application by the permittee.

* Sec. 4. This Act takes effect on the day after its passage and approval or on the day it becomes law without approval.