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Introduced: 2/11/69
Referred: Resources and
State Affairs

1 IN THE SENATE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 SENATE BILL NO. 137

3 IN THE LEGISLATURE FOR THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST 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
8 effective date."

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

10 * Section 1. AS 38.05.250(a) 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. No permit may in-
15 clude an area larger than 2,560 acres, subject to the rule of approx-
16 imation. Lands subject to a prospecting permit shall be as compact in
17 form as possible taking into consideration the area involved. The
18 term of the permit shall be 10 years. Prospecting permits shall be
19 condition upon the payment of rentals. No rentals may be charged for
20 the first two years of the permit. A rental shall be paid on or before
21 the beginning of each rental year, at the rate of 10 cents per acre
22 for the third year, 25 cents per acre for the fourth and fifth year,
23 50 cents per acre for the sixth and seventh year, and \$1 per acre for
24 the eighth, ninth and tenth year. [AGAINST WHICH CREDIT SHALL BE
25 GIVEN FOR USEFUL EXPENDITURES ON LAND COVERED BY THE PERMIT OR GROUP
26 OF CONTIGUOUS PERMITS UNDER COMMON OWNERSHIP OR ASSIGNMENT. THE RENTAL
27 SHALL BE \$1 PER ACRE FOR THE FIRST TWO-YEAR PERIOD OF THE PERMIT, PAY-
28 ABLE AT THE END OF THE PERIOD, AND \$1 PER ACRE FOR EACH YEAR THERE-
29 AFTER, PAYABLE AT THE END OF EACH YEAR.] No minerals from lands under

1 a prospecting permit may be mined and marketed or used, except for
2 limited amounts necessary for sampling or testing.

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

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

14 * Sec. 3. This Act takes effect on the day after its passage and approval
15 or on the day it becomes law without approval.
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