

Offered: 5/22/84
Referred: House Special Committee on
State Loans and Finance

Original sponsor: Fahrenkamp

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 HOUSE CS FOR CS FOR SENATE BILL NO. 461 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 THIRTEENTH LEGISLATURE - SECOND SESSION
5 A BILL

6 For an Act entitled: "An Act relating to the management and use of water
7 in mining; and providing for an effective date."

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

9 * Section 1. AS 46 is amended by adding a new chapter to read:

10 CHAPTER 16. MANAGEMENT AND USE OF WATER IN MINING.

11 Sec. 46.16.010. MINING WATER USE REVIEW COMMITTEE ESTABLISHED.
12 The mining water use review committee is established. The review
13 committee is responsible for reviewing and making recommendations on
14 applications for grants and loans under this chapter.

15 Sec. 46.16.020. MEMBERSHIP OF THE REVIEW COMMITTEE. (a) The
16 review committee consists of the commissioner of natural resources,
17 the commissioner of environmental conservation, the dean of the school
18 of mineral industry at the University of Alaska, two individuals
19 appointed by the governor who have placer mining experience, and one
20 public member appointed by the governor.

21 (b) An individual described in (a) of this section who serves ex
22 officio may designate an alternate to serve on the review committee.

23 (c) An individual appointed by the governor serves for a three-
24 year term.

25 Sec. 46.16.030. RESPONSIBILITY OF THE REVIEW COMMITTEE. (a)
26 The review committee shall select a presiding officer and establish
27 procedures necessary to implement its responsibilities.

28 (b) The review committee shall review each application for a
29 grant or a loan filed under this chapter and make a recommendation to

1 the commissioner of natural resources or to the commissioner of en-
2 vironmental conservation for action on the application.

3 (c) In making its recommendation, the committee shall consider
4 the economic benefits to the placer mining industry, the environmental
5 benefits to the public, and other benefits that each grant or loan may
6 offer.

7 Sec. 46.16.040. RESPONSIBILITY OF COMMISSIONER OF NATURAL RE-
8 SOURCES. The commissioner of natural resources shall administer the
9 innovative gold recovery demonstration grant program established under
10 AS 46.16.070 and the placer mining water reduction loan program estab-
11 lished under AS 46.16.080.

12 Sec. 46.16.050. RESPONSIBILITY OF COMMISSIONER OF ENVIRONMENTAL
13 CONSERVATION. The commissioner of environmental conservation shall
14 administer the innovative pollution control demonstration grant estab-
15 lished under AS 46.16.090 and the placer mining water recycling loan
16 program established under AS 46.16.100.

17 Sec. 46.16.060. UNIFORM REGULATIONS. The commissioner of
18 natural resources and the commissioner of environmental conservation
19 shall adopt uniform regulations and administrative procedures to
20 implement the loan and grant program established by this chapter.

21 Sec. 46.16.070. INNOVATIVE GOLD RECOVERY DEMONSTRATION GRANT.
22 (a) The innovative gold recovery demonstration grant program is
23 established as a direct grant program to give a person engaged in
24 placer mining the opportunity to study and test new methods of gold
25 recovery and water use reduction.

26 (b) The commissioner of natural resources may make a grant under
27 this section to a person that has

- 28 (1) a proven history of successful placer mining;
29 (2) the capability to produce verifiable results; and

1 (3) the capability to study and test new methods of gold
2 recovery and water use reduction under actual operating conditions.

3 (c) The commissioner of natural resources may not make a grant
4 under this section to a person in excess of \$100,000.

5 (d) The commissioner of natural resources shall monitor and
6 evaluate the results of grants made under this section.

7 Sec. 46.16.080. PLACER MINING WATER REDUCTION LOAN AND GRANT.

8 (a) The placer mining water reduction program is established as a
9 loan and grant program.

10 (b) A person whose primary source of income is derived from
11 placer mining may apply for a loan to purchase and test equipment that
12 reasonably offers the possibility of a reduction in the amount of
13 water used in placer mining.

14 (c) If a loan applicant demonstrates to the satisfaction of the
15 review committee that the loan applicant has developed and will use on
16 a continuing basis a practical method that will result in a 50 percent
17 reduction in the amount of water used in the placer mining operation,
18 the review committee may recommend to the commissioner of natural
19 resources that 50 percent of the loan be considered a grant to the
20 loan applicant.

21 (d) If a loan applicant demonstrates to the satisfaction of the
22 review committee that the loan applicant has developed and will use on
23 a continuing basis a practical method that will result in an 80 per-
24 cent reduction in the amount of water used in the placer mining opera-
25 tion, the review committee may recommend to the commissioner of natu-
26 ral resources that the entire loan be considered a grant to the appli-
27 cant.

28 (e) A loan under this section may not

29 (1) exceed \$50,000;

- 1 (2) exceed a term of 10 years;
2 (3) have an interest rate exceeding 10 percent per annum;
3 or
4 (4) have a repayment schedule requiring payments within one
5 year after the loan was disbursed to the applicant.

6 Sec. 46.16.090. INNOVATIVE POLLUTION CONTROL DEMONSTRATION
7 PROGRAM. (a) The innovative pollution control demonstration grant
8 program is established as a direct grant program to give a person
9 engaged in placer mining the opportunity to study and test innovative
10 and economically viable mining techniques for waste disposal and
11 pollution control in placer mining.

12 (b) The commissioner of environmental conservation may make
13 grants under this section to a person that has

- 14 (1) a proven history of successful placer mining;
15 (2) the capability to produce verifiable results; and
16 (3) the capability to study and test innovative and econom-
17 ically viable techniques for waste disposal and pollution control in
18 placer mining.

19 (c) The commissioner of environmental conservation may not make
20 a grant under this section to a person in excess of \$100,000.

21 (d) The commissioner of environmental conservation shall monitor
22 and evaluate the results of grants made under this section.

23 Sec. 46.16.100. PLACER MINING WATER RECYCLING LOAN AND GRANT
24 PROGRAM. (a) The placer mining water recycling program is estab-
25 lished as a loan and grant program.

26 (b) A person whose primary source of income is derived from
27 placer mining may apply for a loan to purchase and test equipment that
28 reasonably offers the possibility of recycling the water used in
29 placer mining.

1 (c) If a loan applicant demonstrates to the satisfaction of the
2 review committee that the loan applicant has developed and will use on
3 a continuing basis a practical method that will result in recycling 50
4 percent of the water used in the placer mining operation, the review
5 committee may recommend to the commissioner of environmental conserva-
6 tion that 50 percent of the loan be considered a grant to the loan
7 applicant.

8 (d) If a loan applicant demonstrates to the satisfaction of the
9 review committee that the loan applicant has developed and will use on
10 a continuing basis a practical method that will result in recycling 80
11 percent of the water used in the placer mining operation, the review
12 committee may recommend to the commissioner of environmental conserva-
13 tion that the entire loan be considered a grant to the applicant.

14 (e) A loan under this section may not
15 (1) exceed \$50,000;
16 (2) exceed a term of 10 years;
17 (3) have an interest rate exceeding 10 percent per annum;
18 or

19 (4) have a repayment schedule requiring payments within one
20 year after the loan was disbursed to the applicant.

21 Sec. 46.16.110. ACCESS TO INFORMATION. (a) All information
22 generated as a result of loans and grants made under this chapter is
23 public information. The commissioner of natural resources and the
24 commissioner of environmental conservation shall compile, analyze, and
25 distribute the information for the benefit of the placer mining indus-
26 try and the state and federal governments.

27 (b) The contents of an application for a grant or a loan are
28 available to the extent permitted under AS 09.25.110 and 09.25.120.

29 * Sec. 2. This Act takes effect July 1, 1984.