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SENATE RESOURCES COMMITTEE  
LEGISLATION CHECKLIST

BILL NUMBER SB 214

IDENTIFICATION:

BILL NAME: *Sup. Appr. Dist. Commerce & Eco. Dev. / Mining Loan fund*

SPONSOR(S): *Bennett, Fahnberg & Pan*

RELATED BILLS PENDING:

DATE INTRODUCED: *2/25/81*

REFERRALS *Resources, Finance*

INITIAL RESEARCH:

INITIAL BILL SUMMARY COMPLETED

SUMMARY BY LEGAL DIVISION:  
DEPT. OF LAW SUMMARY:

SPONSOR CONTACTED FOR BACKUP  
MATERIALS:

FISCAL NOTE: *10 million*

AGENCY RESPONSE:

OTHER INTERESTED SENATORS OR  
REPS. NOTIFIED:

BACKGROUND RESEARCH:

SIMILAR BILLS INTRODUCED IN PREVIOUS LEGISLATURES:

RESPONSES FROM INTERESTED PERSONS AND/OR GROUPS:

OTHER STATE OR FEDERAL PRECEDENTS, REGULATIONS, LAWS:

HEARING PREPARATION: *Waived Referral 3/15/81*

CHAIRMAN BRIEFED:

DATE AND PLACE SET:

STAFF MEMO TO COMMITTEE:

TELECONFERENCE

BACKGROUND MATERIAL DISTRIBUTED

PSA/PRESS RELEASE

LIST OF WITNESSES:

SUGGESTED AMENDMENTS/CS DRAFTED



# Alaska State Legislature

## House of Representatives

### Committee on Resources

Terry Gardiner, Co-Chairman  
Fred F. Zharoff, Co-Chairman  
465-3715

MAY 5 1981

Pouch V  
State Capitol  
Juneau, Alaska 99811

#### MEMORANDUM

TO: Senator Don Bennett

FROM: Representative Terry Gardiner *T.G.*

DATE: May 4, 1981

RE: SB 214; Supplemental Appropriation/Department of Commerce and Economic Development/Mining Loan Fund

As you probably know, the House Resources Committee did have SB 214 up for consideration last week. Many of us on the Committee were concerned with the fact that out of \$10 million, three people got \$8 million of the total loan amounts available. It certainly was my feeling when the legislation passed that we were trying to help out the small miners. If we are going to continue to give three people 80 percent of the money, we aren't going to be doing much for the small miners in Alaska. The Committee talked about amending the law to limit the amount available to something like \$500,000 - that way insuring that more people would participate in the loans.

There are several applications pending for very large multi-million dollar sums. It seems to me at this point, if we do not change the statute before appropriating the money, we are going to run into some constitutional questions of whether the appropriation is for a valid public purpose or whether the appropriation may constitute a special legislative act which the Constitution of Alaska prohibits.

Also the Committee would like some information on how much money is going to be requested for FY 82. If you have any information on what FY 82 requests are projected, please send them to my office.

I would be interested in your comments as to a proposed change in the statute that would limit the maximum loan amount to a much smaller number such as \$500,000. It seems like that larger loan amounts, especially with some of the applicants who are obviously very large companies, could go to AIDA as our other businessmen in the state. We will be having the bill up again as soon as we can get these questions and problems resolved.

ALASKA

STATE LEGISLATURE

MEMORANDUM

MAY 15 1981

TO: REPRESENTATIVE TERRY GARDINER  
FROM: SENATOR DON BENNETT *DB*  
DATE: MAY 8, 1981  
RE: SB 214; Supplemental Appropriation/Department of Commerce and  
Economic Development/Mining Loan Fund

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In answer to your memo of May 4th regarding your committee's consideration of Senate Bill 214, I cannot emphasize strongly enough the importance of hearing and passage of this legislation at the earliest possible time.

These supplemental monies are needed now so that miners can start their season.... not dissimilar to the critical season faced by fishermen. Consequently, I scheduled prompt consideration and passage of Senate Bills 140 and 141 in the Senate Finance Committee.

Your concerns with a \$500,000 loan ceiling are somewhat unrealistic since, with spiraling costs, one D-9 Cat, for example, used in most all mining operations, alone can cost in the vicinity of \$350,000. Costs associated with coal, hard rock, and pit mining can run considerably higher. With regards to your inquiry on FY 82 funding, I intend to put 40 million in the Mining Loan Fund.

I frankly have little or no confidence in charging AIDA with handling these loans. Maybe it is an aspect to consider in the future but they certainly don't impress me with having the expertise to pursue this field at this time.

But to re-iterate my earlier comments, the mining season is upon us now and, if monies are not made available soon, the entire question becomes mute. For many of the smaller miners it may already be too late.

I urge you to reconsider your position.