

S B

137

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907.465.3800

LEGISLATIVE AFFAIRS AGENCY

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Mary Van Nimwegen

House Resources Standing Committee 3-8-88

FISCAL NOTE

REQUEST: _____

Revision Date: 3/8/88
Title: An act relating to state land withdrawn from mineral location, etc.
Sponsor: Cochill, Faiks, et. al.
Requestor: House Resources

Agency Affected: Natural Resources
BRU: Geological and Geophysical Surveys
Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 88	FY 89	FY 90	FY 91	FY 92	FY 93
PERSONAL SERVICES	35	35	35	35	35	35
TRAVEL	5	5	5	5	5	5
CONTRACTUAL	25	25	25	25	25	25
SUPPLIES	5	5	5	5	5	5
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	70	70	70	70	70	70

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	70	70	70	70	70	70
FEDERAL FUNDS						
OTHER						
TOTAL	70	70	70	70	70	70

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) The fiscal consequences of SB 137 are difficult to quantify precisely because the projected offer is directly related to the amount of land withdrawn from mineral entry in any one calendar year and the amount of resource information readily available for each parcel.

Prepared by: Wyatt Gilbert Phone: 465-2520
Division: Geological and Geophysical Surveys Date: 3/8/88

Approved by Commissioner: Jennie Gomb Date: 3-8-88
Agency: Natural Resources

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

Senate Bill 137

Bill Analysis

One can give a general estimate needed to track the withdrawals and to carry out a minimum field analysis and sampling program. The projected expenditures for each fiscal year are as follows:

100 - 35.0	6 months' salary and benefits for Geol. IV
200 - 5.0	Travel to withdrawal and field per diem
300 - 25.0	Helicopter expenses (18.0) Geochemical, mineral and petrographic analyses (7.0)
400 -- 5.0	Field supplies and equipment (3.0) Office supplies (2.0)

MEMORANDUM

State of Alaska

DEPARTMENT OF NATURAL RESOURCES - Division of Land & Water Management

TO: Ned Farquhar

DATE: February 9, 1988

Lennie Gorsuch
Lennie Gorsuch
Deputy Commissioner

FILE NO.:

THRU:

Jerry Gallagher, Director
Division of Mining
Jerry Gallagher

TELEPHONE NO.: 762-2692

SUBJECT: Review of Mineral Order

FROM: Margaret Hayes
Director

In response to your request for information, we have these comments on the proposal to reexamine existing mineral closing orders (MCO's) to determine if individual closing orders can be removed or adjusted. As we understand it, the study would serve several purposes. It would (1) provide us with an in-house audit of mineral closing orders, (2) verify the legal descriptions, (3) allow the Department to review the original justifications and determine if they are still applicable, (4) remove or adjust MCO's where they no longer apply, and (5) lend credibility to those orders that remain in place as a result of the review.

The review should focus on MCO's that are not scheduled for reexamination. Many MCO's are scheduled for reexamination through DNR plan review.

The cost of this review is estimated as follows:

	<u>DLWM</u>	<u>DOM</u>	
Personal services	21.5*	21.5*	
Travel	0	0	
Contractual (publications cost)	3.0	0	
Commodities	<u>1.0</u>	<u>1.0</u>	
TOTAL	25.5	22.5	(48.0)

*Includes a geologist grade 16 for Division of Mining (part time) and a Natural Resource Officer (part time) for Division of Land and Water Management.

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400

OFFICE OF THE COMMISSIONER

April 13, 1987

The Honorable Jack Coghill
Chairman, Senate Resources Committee
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Senator Coghill:

Subject: CSSB 137, an act relating to state land withdrawn from mineral location or mining.

Position: The Department of Natural Resources recommends passage of CSSB 137, with modification to Section 1(e), page 1, lines 24-26.

Background: CSSB 137 calls for the Commissioner of Natural Resources to provide a report to the Governor and Legislature detailing state land closed to mineral location and mining during the previous calendar year.

Additionally, the bill states that a section closed to mineral location and mining by the Commissioner shall remain closed until the Commissioner issues an order altering its status, or the Legislature disapproves of the closure.

In Section 1(e), lines 24-26, of CSSB 137, the proposed language states that "[a]n act of the legislature disapproving a closure by the commissioner may direct the commissioner on future management of the area involved." Such language appears to pre-empt the authority of the Commissioner of Natural Resources. In the opinion of the Department, a preferable substitute would be as follows: "[a]n act of the legislature disapproving a closure by the commissioner may make recommendations to the commissioner on future management of the area involved."

Section 1(f) of CSSB 137 calls for a mineral assessment report for each area that exceeds 5,120 acres for which a report to the Legislature is prepared.

Senator Coghill

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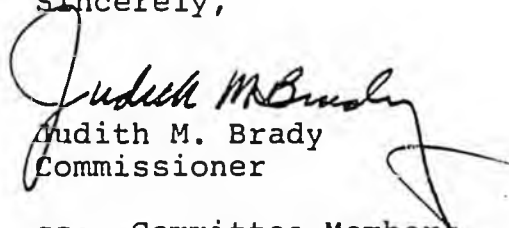
April 13, 1987

Finally, under Section 1(g), the commissioner is required to submit a report, every 10 years, concerning land that is withdrawn from mineral location or mining and may make recommendations regarding existing closures.

Recommendation: With the suggested language change in Section 1(e), the Department of Natural Resources supports CSSB 137 and recommends its passage.

I would be pleased to make my staff available to the committee for additional information or further work with the committee staff.

Sincerely,


Judith M. Brady
Commissioner

cc: Committee Members
Bill Sponsors
George Sullivan
Rod Swope

STATE OF ALASKA 1987 LEGISLATIVE SESSION
FISCAL NOTE

REQUEST: _____
 Revision Date: 4/13/87
 Title: An act relating to state land withdrawn from mineral location, etc.
 Sponsor: Cochill, Faiks, et al
 Requestor: Senate Resources

Bill Version: SB 137
 Publish Date: _____

Agency Affected: Natural Resources
 BRU: Geological and Geophysical Surveys
 Components: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 87	FY 88	FY 89	FY 90	FY 91	FY 92
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FEDERAL FUNDS						
OTHER						
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FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

The fiscal consequences of SB 137 are difficult to quantify precisely because the projected offer is directly related to the amount of land withdrawn from mineral entry in any one calendar year and the amount of resource information readily available for each parcel.

Prepared by: Wyatt Gilbert *WG* Phone: 465-2520
 Division: Geological and Geophysical Surveys Date: 4/13/87

Approved by Commissioner *James Boston Gorman* Date: 4/15/87
 Agency: Natural Resources

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)
- Senate Secretary

AMENDMENT TO CSSB 200(Res)

Delete lines 17-26 and insert:

Sec. 27.09.048. EXTENSION OR MODIFICATION OF LOAN. The department may grant an extension on a loan or may modify the conditions of a loan when the borrower is able to show, to the commissioner's satisfaction, that the borrower has been prevented from mining by circumstances beyond the miner's control, such as a poor mining season or legal injunctions against the federal or state government. An extension or modification may not include any reduction in the amount or rate of interest charged under the loan or a cancellation of interest due under the loan, although payment of the interest and principal of the loan may be extended or postponed beyond the original term of the loan. During the period of any extension, interest may continue to accrue or may be suspended, at the commissioner's discretion.

MCO = classification?
regulation?

Original sponsors: Coghill, Faiks,
Bennett, et al.

1 IN THE SENATE BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 137 (Resources) am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to state land withdrawn from mineral
7 location or mining."

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

9 * Section 1. AS 38.05.185 is amended by adding new subsections to read:

10 (d) The commissioner shall submit a report to the legislature
11 and to the governor within the first 10 days of the convening of each
12 regular session of the legislature detailing the state land closed to
13 mineral location and mining during the previous calendar year. The
14 report shall include

- 15 (1) the known resource values of the area;
16 (2) the reason for the closure;
17 (3) the effective date of the closure; and
18 (4) the legal description of the land involved in the
19 closure.

20 (e) Each area closed under (a) of this section remains closed to
21 mineral location and mining until the commissioner issues an order
22 altering the status of the land or until the closure is disapproved by
23 act of the legislature. In addition to an act of the legislature
24 disapproving a closure by the commissioner, the legislature may by
25 resolution make recommendations to the commissioner on future manage-
26 ment of the area involved.

27 (f) Each report prepared under (d) of this section that reports
28 on an area of more than 5,120 acres shall include a mineral assessment
29 report for the area.

1 (g) Every 10 years, the commissioner shall submit a report to
2 the governor and the legislature concerning state land that is at that
3 time withdrawn from mineral location or mining, including state land
4 withdrawn from multiple use by the legislature. The commissioner may
5 make recommendations in each report regarding existing closures of
6 state land.

7 * Sec. 2. Notwithstanding AS 38.05.185(g), as enacted by sec. 1 of this
8 Act, the first report to the governor and legislature shall be delivered to
9 the legislature five years after the effective date of this Act.