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129

HOUSE COMMITTEE REPORT

(9)

Date Referred: April 26, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 4-27-89

The RESOURCES Committee considered:

CSSB 129 (FINANCE)

CS FOR SENATE BILL NO. 129 (Finance)

[MINING LEASES, CLAIMS, RENT & ROYALTIES]

"Act relating to mining; and providing for an effective date."

RECOMMENDATIONS:

- replaced with _____ [] the same title
- _____ [] a new title
- have attached amendment(s)
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS: (Date/Dept)

- fiscal impact _____
- zero fiscal note _____
- zero with analysis _____

- fiscal note(s) DNR 4-20-89
- zero fiscal note(s) _____
- zero fn/analysis _____

SIGNING DO PASS:

SIGNING:
(Check approp. column)

	Do Not Pass	No Rec	Amend
<i>Barth</i>		X	
<i>W. Umase</i>		X	

Chairman's Signature

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: CSSB 129 (Finance)

PUBLISH DATE: 4/22/89

FISCAL NOTE

REQUEST:

Revision Date: 20-Apr-89
Title: An Act relating to rent and royalty payments for mining claims.
Sponsor: Senate Rules
Requestor: Governor

Agency Affected: Natural Resources
BRU: Mining Management Management/Administration
Components: Mining Management Administrative Services

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		35.9	37.0	38.2	39.4	40.8
TRAVEL		0.0	0.0	0.0	0.0	0.0
CONTRACTUAL		1.5	1.5	1.5	1.5	1.5
SUPPLIES		0.5	0.5	0.5	0.5	0.5
EQUIPMENT		4.0				
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	41.9	39.0	40.2	41.4	42.8
CAPITAL		240.0	0.0	0.0	0.0	0.0
REVENUE		750.0	750.0	770.0	770.0	800.0

FUNDING: (Thousands of Dollars)

GENERAL FUND		281.9	39.0	40.2	41.4	42.8
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	281.9	39.0	40.2	41.4	42.8

POSITIONS:

FULL-TIME		1.0	1.0	1.0	1.0	1.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Gerald Gallagher Phone: 762-2165
Division: Mining Management Date: 20-Apr-89
Approved by Commissioner: Lennie Gorsuch Date: 20-Apr-89
Agency: Department of Natural Resources

Distribution (by preparer) :
Legislative Finance 4/21/89
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

This replaced previous DNR - F&S + A&M coming over



Alaska State Legislature

HOUSE OF REPRESENTATIVES COMMITTEE ON RESOURCES

POUCH V
JUNEAU, ALASKA 99811
(907) 468-3718

6(I) COMPROMISE

1. Rents and royalties will be paid on all state lands where mining activity is taking place.
2. Rents and royalties will be paid on all offshore mining leases.
3. The rental will be similar to the Governor's proposal in HB 99 except it will be capped at \$2.50 rather than \$5.00 and the rental will be set in statute rather than regulation.

0 - 5 years	\$.50 / acre
6 - 10 years	\$ 1.00 / acre
11 or more	\$ 2.50 / acre

The rental would be increased every 10 years based on the Anchorage Consumer Price Index.

4. Royalty - 3% on the net income
5. Reclamation

Section 7. AS 27.05 is amended by adding a new section to read:

27.05.250 RECLAMATION. (a) The commissioner shall require reclamation of state land from the effects of mining.

(b) The commissioner shall adopt regulations under this section and under AS 38 to implement (a) of this section. The regulations must require a miner to submit to the commissioner and receive approval on a reclamation plan before undertaking any mining activity. The regulations must also establish penalties for noncompliance with the regulations. On a determination by the Commissioner that a miner has failed to follow the reclamation plan, the commissioner shall require proof of financial responsibility before the miner undertakes any further mining activity.

(c) In order to provide to provide for an effective reclamation program, when adopting regulations under this section and AS 38, the commissioner shall consult with the commissioners of environmental conservation and fish and game.

(d) This section does not apply to reclamation carried out under AS 27.21.

Sec. 11. The commissioner of natural resources shall adopt the regulations required by AS 27.05.250, added by Sec. 7 of this Act, by July 1, 1991.

Sec. 14. Section 7 and 11 of this Act take effect June 1, 1990.