

SBIL26

SENATE FINANCE COMMITTEE REPORT

DATE: 4/14/92

FURTHER:

DATE TURNED INTO OFFICE: 5/7/92

The Finance Committee considered SENATE BILL NO. 126

"An Act relating to the review and reporting requirements of agencies of the state relating to the state mineral policy; and providing for an effective date."

and recommends:

- replace with _____ CS _____ (FINANCE)
or adopt previous CS SB 126 (RES)
 attaches amendment(s)

- same title
 new title
 technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

- do pass
 do not pass
 no recommendation
 individual recommendations

NEW FISCAL NOTES: Dept/Date
 zero fiscal notes DEC 4-14-92
DEFG 4-16-92

fiscal notes _____

appropriation--no fiscal note

PREVIOUS FISCAL NOTES: Dept/Date
 zero fiscal notes DOED 4-14-92

fiscal notes DMR 4.6 4-13-92

DO PASS:

Lee Adams
Robert Adams
Robert Adams
1. Robert Adams
Co-Chair: Signature/Recommendation

OTHER RECOMMENDATIONS:

2. _____
Co-Chair: Signature/Recommendation

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO.

Revision Date: 13-Apr-92 Department Affected: Natural Resources
 Title: State Mineral Policy Reporting BRU: Land Management
 Components: Land Management
 Sponsor: Senator Frank
 Requestor: Senate Finance COMPONENT SERIAL NO. 431

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	4.6	2.3	2.3	2.3	2.3	2.3
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	4.6	2.3	2.3	2.3	2.3	2.3

CAPITAL						
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REVENUE						
Funding Source:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	4.6	2.3	2.3	2.3	2.3	2.3
FEDERAL FUNDS						
OTHER						
Funding Source: 1007						
TOTAL	2.3	2.3	2.3	2.3	2.3	2.3

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS:	(Attach a separate page if necessary)	date <u>4/14/92</u>	Comite Aide (initial) <u>TCO</u>
See Attached		Changes in <u>CSB 126 (RES)</u> reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.	

Prepared by: Ron Swanson Phone: 762-2680
 Division: Land Management Date: 13-Apr-92

Approved by Commissioner: Harold C. Heitz Date: 13-Apr-92
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

No. 2

FISCAL NOTE

Bill Version: SB 126

**STATE OF ALASKA
1992 LEGISLATIVE SESSION**

(S) Publish Date: 4-14-92

Revision Date: 4/13/92

Department Affected: Commerce & Econ. Dev.

Title: State Agency Review and Report on
Activities/Actions Which Affect Mining

BRU: Economic Development

Sponsor: Senator Frank

Component: _____

Requestor: Senator Frank

COMPONENT SERIAL NO.

8	0	1
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0

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

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER						
FUND SOURCE:	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None

ANALYSIS (Attach a separate page if necessary.)
 This bill amends the Minerals Policy Act (AS 44.99.110) and requires state agencies to review statutory authority, administrative regulations, and procedures applicable to the minerals industry. It is essentially an amended version of HB 97 incorporating this division's recommended changes. SB 126 is consistent with recommendations by the Alaska Minerals Commission.

Prepared By: Albert H. Clough, Development Specialist Phone: 465-2017

Division: Economic Development Date: 4/13/92

Approved by Commissioner: Glenn A. Olds *[Signature]* 4-14-92

Agency: Department of Commerce & Economic Development Date: 4/13/92

Distribution (by preparer): Leg. Fin., Legle Changes in CSSB 126 (ES) a. Ofc., and Impacted Agency(ies). Page 1 of 1

SS/dg11874D/041392a

(Rev. 12/81)

fiscal note is appropriate.

4/14/92 Tom Olin TLO

Fiscal Note SB 26, continued.

	FY 92	FY 93
100 Personal Services		
Land & Water NRM I (Range 18A)	4.6	2.3
FY 92 -- for identification and assessment of existing statutes, regs. and procedures affecting mining (1 mo./yr.)		
FY 93 and beyond -- for updating the identification and assessment of statutes, regs. and procedures (.5 mo./yr.).		
 Total	 \$ 4.6	 \$ 2.3

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. SB 126

Revision Date: 14-Apr-92
Title: Review and Reporting
Requirements re: State Mineral Policy
Sponsor: Sen. Frank
Requestor: Sen. Frank

Department Affected: Environmental Conservation
BRU: Environmental Quality
Componen EQ Projects

COMPONENT SERIAL NO. 1 | 0 | 1 | 6

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0.0	0.0	0.0			
TRAVEL	0.0	0.0	0.0			
CONTRACTUAL	0.0	0.0	0.0			
SUPPLIES	0.0	0.0	0.0			
EQUIPMENT	0.0	0.0	0.0			
LAND&STRUCTURES	0.0	0.0	0.0			
GRANTS, CLAIMS	0.0	0.0	0.0			
MISCELLANEOUS	0.0	0.0	0.0			
TOTAL OPERATING	0.0	0.0	0.0			

CAPITAL						
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REVENUE						
FUND SOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0			
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL	0.0	0.0	0.0			

POSITIONS:

FULL-TIME	0.0	0.0	0.0			
PART-TIME						
TEMPORARY						

Estimate of current year impac none

ANALYSIS: (Attach a separate page if necessary.)

The Department would perform this review with existing resources.

Prepared by: Janice Adair *Janice Adair*
Division: Commissioner's Office

Phone: 465-5010
Date: 4/14/92

Approved by Commissioner: Janice Adair *Janice Adair*
Agency: Environmental Conservation

Date: 4/14/92

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

BILL NO. CSSB 126

Revision Date: 04/14/92

Department Affected: Fish and Game

Title: Mineral policy of the state

BRU: Habitat

Component: Habitat

Sponsor: Senator Frank

Requestor: Senate Resources
Expenditures/Revenues: (Thousands of Dollars)

COMPONENT SERIAL NO.

4	8	6
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OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER FUND SOURCE:	0	0	0	0	0	0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Geron Bruce G.B.

Phone: 465-4100

Division: Commissioner's Office

Date: 4/16/92

Approved by Commissioner: [Signature]

Agency: Department of Fish and Game

Date: 4/16/92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. OSC., & Impacted Agency(ies).

CS FOR SENATE BILL NO. 126 (RESOURCES)
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 SEVENTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE RESOURCES COMMITTEE

Offered: 4/14/92
 Referred: Finance

Sponsor(s): SENATORS FRANK, Sturgulewski, Pearce, Uchling, Jones

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the review and reporting requirements of agencies of the state relating
 2 to the state mineral policy; and providing for an effective date."

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

4 * Section 1. AS 44.99.110 is amended by adding new subsections to read:

5 (b) Each agency listed in (g) of this section shall review its statutory authority, its
 6 administrative regulations, and its procedures applicable to mineral exploration and development
 7 to determine whether there are deficiencies or inconsistencies that must be addressed in order to
 8 comply with the policy established in (a) of this section.

9 (c) Each agency listed in (g) of this section shall forward to the commissioner of natural
 10 resources on October 1 of each year its previously unreported

11 (1) comments and recommendations on the resolution of the deficiencies and
 12 inconsistencies in its statutory authority, its administrative regulations, and its procedures
 13 applicable to mineral exploration and development;

14 (2) progress that it has made on the resolution of the deficiencies and

1 inconsistencies that were identified in earlier reports.

2 (d) Notwithstanding (c) of this section, every four years each agency listed in (g) of this
3 section shall compile and forward to the commissioner of natural resources its unreported and
4 previously reported comments and recommendations under (c)(1) of this section and progress
5 under (c)(2) of this section.

6 (e) The commissioner shall assemble the comments, recommendations, and reports
7 received under (c) or (d) of this section and forward them, unedited, to the governor and the
8 legislature within the first 10 days of each regular session of the legislature.

9 (f) Each agency listed in (g) of this section shall work with mining interests, coastal
10 resource service areas, the public, and other resource users to propose solutions to inconsistencies
11 and deficiencies identified.

12 (g) The requirements of (b) - (f) of this section apply to

13 (1) the Department of Commerce and Economic Development;

14 (2) the Department of Environmental Conservation;

15 (3) the Department of Fish and Game;

16 (4) the Department of Natural Resources;

17 (5) the Department of Revenue;

18 (6) the office of management and budget;

19 (7) the Alaska Railroad Corporation;

20 (8) the University of Alaska; and

21 (9) any other agency of the state designated by the Alaska Minerals Commission.

22 * Sec. 2. INITIAL REPORT. In making the initial report required under AS 44.99.110, as amended
23 by sec. 1, of this Act, the agencies listed in AS 44.99.110(g), as added by sec. 1 of this Act, shall report
24 as required under AS 44.99.110(d), as added by sec. 1 of this Act.

25 * Sec. 3. This Act takes effect immediately under AS 01.10.070(c).

STEVE FRANK

119 N. Cushman, Rm. 213
Fairbanks, Alaska 99701
(907) 452-3421

Alaska State Legislature



While in Juneau
P.O. Box V
Juneau, Alaska 99811
(907) 465-3709
Capitol Rm. 417

Senate

TO: Senator Pat Pourchot, Co-Chairman
Senate Finance Committee

FROM: Senator Steve Frank

RE: CSSB 126 (Res) - "An act relating to the review and reporting requirements of agencies of the state relating to the state mineral policy."

DATE: April 29, 1992

I would like to request that you schedule Senate Bill 126 in the Senate Finance Committee at your earliest convenience.

This legislation would require certain entities of the state to report annually to the commissioner of the Department of Natural Resources on inconsistencies with regard to their procedures and regulations applicable to mineral exploration and development that have occurred during the previous year. The commissioner would then compile and forward those reports to the legislature and the governor. In addition every four years a cumulative report including all previously reported information would be required. The first four year report would be submitted at the beginning of the 1993 legislative session.

Legislation enacted in 1988 required all state agencies, boards and commissions to submit these reports, and that requirement was fulfilled in 1989.

The Alaska Mineral Commission has recommended that this procedure be repeated on an annual basis. This legislation would accomplish that goal, and it requires only affected agencies (those listed in the bill) to report. It also adds to the list the University of Alaska and the Alaska Railroad Corporation - entities that were not required to report in 1989.

Senate Bill 126 would improve the legislature's ability to track statutory and regulatory changes affecting the mineral industry

March 13, 1991

SB 126
FISCAL NOTE ANALYSIS
DEPARTMENT OF REVENUE

AS 44.99.110 contains a declaration of the mineral policy of the state with regard to state mineral resources including metals, industrial minerals, and coal. That policy establishes that mineral exploration and development be given fair and equitable consideration with other resource uses, be encouraged through reasonable and consistent nonduplicative regulations, be considered in developing a statewide transportation infrastructure system, be encouraged through appropriate public information, education, scientific research, technical studies, and University of Alaska program involvement, and that economic development of the state mineral industry be encouraged with Pacific Rim nations.

SB 126 would require the Department of Revenue, among others, to (1) review its statutory authority, regulations, and procedures applicable to mineral exploration and development to determine whether they comply with the state mineral policy, (2) to report any inconsistencies, and progress made on resolving previously identified inconsistencies, to the commissioner of natural resources on October 1 of each year, and (3) to work with mining interests, coastal resource areas, the public, and other resource users to propose solutions to any identified inconsistencies. The report would then be forwarded to the governor and the legislature within the first 10 days of each regular session of the legislature.

These review and reporting requirements would be repealed July 1, 1995 and would have no fiscal impact on the Department of Revenue.

FISCAL NOTE ? P.P.

Dept. of Revenue

DEPARTMENT OF FISH AND GAME POSITION PAPER

Bill No: Senate Bill 126

Sponsor: Senators Frank, Sturgulewski, Pearce, Uehling, and Jones

Division: Habitat

Bill Title: An Act relating to the review and reporting requirements of agencies of the state relating to the state mineral policy; and providing for an effective date.

Department Position: The department is neutral on this bill but does propose two amendments.

This measure would require each state resource agency, the Division of Governmental Coordination, University of Alaska, Alaska Railroad Corporation, Department of Commerce and Economic Development and any other agency designated by the Alaska Minerals Commission to annually review its statutory authority, administrative regulations and procedures applicable to mineral exploration and development to determine whether there are deficiencies or inconsistencies that must be addressed to comply with the Mineral Policy Act. It would further require that the Commissioner of Natural Resources assemble the comments, recommendations, and reports and forward them to the Governor and Legislature. The reporting requirements would sunset in 1995.

The bill serves as a followup to the Mineral Policy Act which required a similar, one-time, exercise. As worded, the proposed annual review does, however, invite year-to-year duplication in reporting that will require staff time to prepare and which does not appear to provide a commensurate benefit to the Legislature.

To avoid year-to-year duplication in an agency's reporting to the Legislature under this bill, it is suggested that the bill be amended to require the submission of previously unreported comments, recommendations, and progress. The following amendments are, therefore, proposed:

Line 9:

"I (c) Each agency listed in (e) of this section shall forward its previously unreported comments and . . ."

Line 13

"listed in (e) of this section shall also describe previously unreported [ON THE] progress that it has made on the resolution of . . ."

Commissioner's Sign

FISCAL NOTE & P.P.
Dept. of Fish & Game

Date

3/3/91

SB 126
March 12, 1991

This legislation requires specific state agencies to review and report on their activities which impact mineral exploration and development. It is similar to HB 97; the difference being SB 126 specifies which state agencies are required to review and report, whereas HB 97 requires all state agencies to comply. In a position paper and analysis of HB 97 this department recommended it be amended to include only those state agencies which impact mining.

SB 126 would be amended to the Minerals Policy Act (AS 44.99.110). The changes implemented would make very positive improvements to the act. The small agency effort required to comply with the review and reporting requirement would make available significant data to the agency, administration, and legislature. These data could be used to help eliminate duplication of and conflicting state regulations and actions.

This type of legislation is recommended by the Alaska Minerals Commission. Furthermore, it is supported by this department.

Glenn A. Olds

Glenn A. Olds Spec. Asst. II

Commissioner,
Department of Commerce and Economic Development

Fiscal Note: ? PP

Dept. of Commerce (ARR)

STATE OF ALASKA

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

400 WILLOUGHBY AVENUE
JUNEAU, ALASKA 99801-1796
PHONE: (907) 465-2400
FACSIMILE: (907) 586-2754

March 11, 1991

The Honorable Lloyd Jones, Chair
Senate Resources Committee
P.O. Box V
Juneau, AK 99811

Dear Senator Jones:

Subject: Senate Bill 126, which relates to the review and reporting requirements of the state agencies relating to state mineral policy.

Position: The Department supports this bill. The enactment of AS 44.99.110, the Mineral Policy Act, required in (2) that mineral development be encouraged through reasonable and consistent nonduplicative regulations and administrative stipulations. SB 126 is a vehicle for the resolution of deficiencies and inconsistencies of procedures in a number of state agencies.

Background: The original Mineral Policy legislation specified "if inconsistencies or deficiencies are identified" during the subsequent ten month review period by state agencies, "a state department, board, commission or agency should work with mining interests, coastal resource service areas, the public and other resource users to propose solutions to the inconsistencies or deficiencies."

SB 126 requires that a named group of state agencies forward to the Commissioner of DNR by October 1 of each year comments and recommendations re the resolution of deficiencies and inconsistencies in its statutory authority, its administrative regulations and its procedures applicable to mineral exploration and development. Each of the named agencies shall also report on the progress made toward resolution of these inconsistencies that were identified in earlier reports.

The Commissioner shall assemble these reports and forward them, unedited, to the legislature within the first 10 days of the session.

Recommendation: The list of 8 specific agencies affected by this legislation should be expanded to include the Mental Health Lands Trust.

Sincerely,

Harold C. Heinze
Harold C. Heinze
Commissioner

cc: Committee Members
Senator Frank
Bruce Kendall, Legislative Liaison, Office of the Governor

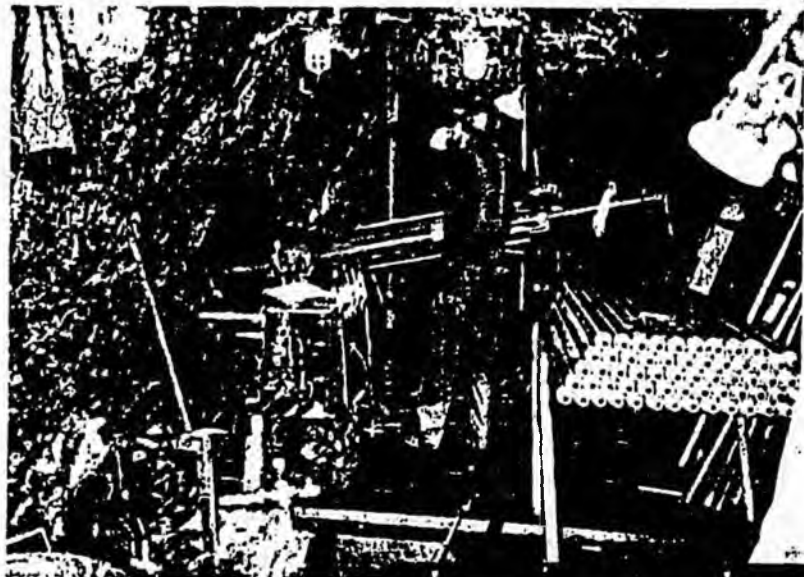
FISCAL NOTE : PP
DNR



Report of the **ALASKA MINERALS COMMISSION**



JANUARY 1991



Minerals Commission Recommendation

EXECUTIVE SUMMARY

Hard-rock mining made a very significant contribution to the minerals sector of the Alaskan economy in 1990 after a nearly 50 year period of relative dormancy. This trend will continue as the level of hard rock exploration has nearly doubled and many very promising deposits are near development decisions.

In contrast, production during 1990 from many small gold placer mines was only half that of 1989 due to new environmental constraints. Environmental regulations also played a role in the U.S. Borax Quartz Hill project near Ketchikan, which will be on indefinite hold due in part to adverse decisions on environmental permits.

The recommendations of the Alaska Minerals Commission address some of the more important and timely concerns of the mining industry. The order in which they are presented is prioritized to reflect the urgency with which they need to be addressed, but does not necessarily imply that later recommendations have diminished importance to the long term growth and health of the industry.

The 35 recommendations of the Alaska Minerals Commission are listed below:

I. TAXATION:

Recommendation #1: The Governor and Legislature should move to exempt in-place minerals from municipal taxation.

II. MENTAL HEALTH LANDS:

Recommendation #2: The Governor and the Legislature should make the prompt settlement of the Mental Health Lands lawsuit a top priority during the upcoming legislative session.

III. LAND ACCESS AND AVAILABILITY:

Recommendation #3: The Governor should direct the appropriate agencies to assert the state's rights on all known RS2477 trails as quickly as possible.

Recommendation #4: The Governor and Legislature should urge the U.S. Congress and federal administration to implement the provisions of the Alaska National Interest Lands Conservation Act (ANILCA) protecting prior existing rights and exemptions allowed in the act.

Recommendation #5: In conformity with sections 101d and 1326b of ANILCA, no more federal land in Alaska should be withdrawn from mineral entry by either wilderness designation or by de facto withdrawals such as the Areas of Critical Environmental Concern.

Recommendation #6: The State of Alaska should select some 2.5 million acres in the southern National Petroleum Reserve-Alaska (NPR-A).

IV. WATER QUALITY ISSUES:

Recommendation #7: The Governor should direct the Department of Environmental Conservation (DEC) to implement a policy that allows discharge water mixing zones to extend downstream to the point of the next substantiated use.

Recommendation #8: DEC should also be directed by the Governor to revise the water quality standards for turbidity to attainable levels.

Recommendation #9: The Governor should direct DEC to strongly resist attempts by EPA to force the State of Alaska to expand the list of waterbodies classified as threatened or impaired by nonpoint sources of discharge.

V. GEOLOGICAL AND GEOPHYSICAL MAPPING:

Recommendation #10: The Governor and the Legislature should invest at least \$5 million per year for at least 10 years to produce basic geologic and geophysical maps necessary for successful mineral exploration programs.

VI. OTHER STATE ISSUES:

STATE MINERAL POLICIES:

Recommendation #11: The Legislature and Governor should enact legislation redefining multiple use of state land and water, such as Senate Bill 35 which was submitted in the 16th Legislature.

Recommendation #12: The Governor should establish that, consistent with Section 1 of Article 8 of the State Constitution, mineral development is in the best interest of the State, and must be recognized in state land management actions.

Recommendation #13: The Legislature and Governor should enact legislation limiting withdrawals of land prior to mineral assessments similar to Senate Bill 34 which was submitted in the 16th Legislature.

Recommendation #14: All agencies which impact mining should be required by the Governor and Legislature to report their action regarding mineral land availability to the Commissioner of the Department of Natural Resources by October of each year as proposed in CSSB 178 during the 16th Legislature.

RESOURCE CABINET:

Recommendation #15: The Governor should include the Commissioner of the Department of Commerce and Economic Development as a member of the Resource Cabinet.

STATE LAND MANAGEMENT:

Recommendation #16: The Governor should review the statutory authority, administrative regulations, and current orders, actions and procedures of all state agencies and take such measures and actions necessary to eliminate overlapping or conflicting regulatory authority and duplication of permitting requirements.

COASTAL ZONE MANAGEMENT:

Recommendation #17: The Governor and Legislature should request the Attorney General's office to review the 1980 opinion precluding legislative oversight of the Coastal Management Program.

Recommendation #18: The Legislature should establish a schedule to update and reevaluate coastal management plans, recognizing resource development as an acceptable land-use option.

Recommendation #19: The Legislature should identify the future role and scope of authority of the coastal resource management programs and boards.

COAL ISSUES:

Recommendation #20: The Governor should initiate a review of coal development issues to establish a state coal policy that will provide direction for Alaska's domestic energy supply and for the expansion

March 12, 1991

For: Senator Lloyd Jones, Chairman Senate Resource Committee

The Alaska Minerals Commission endorses:

S.B. 126 - An Act relating to the review and reporting requirements of agencies of the state relating to the state mineral policy; and providing for an effective date.

S.B. 127 - An Act relating to the Use of State Land.

Earl H. Beistline
Earl H. Beistline, Chairman
Alaska Minerals Commission

Minerals Commission
Position Paper (Beistline)

MEMORANDUM

To: Senator Steve Frank

From: Alaska Minerals Commission, E. Beistline *Eel*

Subject: SB 126, 17th Legislature, First Session
An Act relating to the review and reporting requirements of the State relating to the State Mineral Policy and providing for an effective date.

Date: March 12, 1991

Senate Bill #126 pertains to the Declaration of State Mineral Policy as stated in AS 44.99.110 which was created by the Legislature acting under Article VIII, Section 1 of the Constitution of the State of Alaska.

SB #126 amends AS 44.99.110 by requiring state agencies as listed in (e) of the Bill to review its administrative regulations and procedures applicable to mineral exploration and development to determine if there are deficiencies or inconsistencies that exist in deference to State Mineral Policy. Each agency listed in (e) is then required to forward findings, comments and recommendations to the Commissioner of Natural Resources for his assembling the information and forwarding the reports, unedited to the Governor and Legislature for appropriate review and action.

The essence of this bill was as stated in CSSB No. 178 in the Sixteenth Legislature - second session. The Alaska Minerals Commission first recommended such a bill in its January 1989 report.

A reason for obtaining and reviewing the information requested is to correct any inconsistencies that may exist that are in conflict with the State Mineral Policy. Thus one agency may have responsibilities in its specific area and in working toward accomplishing its objectives may inadvertently not recognize adverse cross over affects on another agency which in turn affects the states' mineral policy. Once such information becomes known, appropriate cooperative and coordinated action can be taken to resolve the issue. As examples, DFG may develop regulations that have cross over affects on DEC and DNR with reference to the States' Mineral Policy or the University of Alaska may take action that could have a cross over affect involving training of future leaders of the states' mineral industry. Also, an agency may develop regulations not realizing the affect it may have on the States' Mineral Policy.

If there are questions on the forgoing information or if additional information is needed, please contact the Alaska Minerals Commission. Thank you kindly for your positive action on the recommendation of the Minerals Commission.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 126

Revision Date: _____
 Title: Review and Reporting
 Requirements re: State Mineral Policy
 Sponsor: Senator Frank
 Requestor: Senator Frank

Department Affected: DEC
 BRU: Environmental Quality
 Component: EQ Projects

COMPONENT SERIAL NO.

1	1	0	1	1	6
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0.0	0.0	0.0	0.0		
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0		

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0		
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0		

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0		
PART-TIME						
TEMPORARY						

Estimate of current year impact: NONE

ANALYSIS: (Attach a separate page if necessary.)
 The department would perform this review with existing resources.

Prepared by: Janice Adair
 Division: Commissioner's Office

Phone: 465-2600
 Date: 3-12-91

Approved by Commissioner: [Signature]
 Agency: Dept of Environmental Conservation

Date: 2-17-91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Outdated 1991 Note

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STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 126

Revision Date: 12-Mar-91 Department Affected: Natural Resources
 Title: State Mineral Policy Reporting BRU: Land & Water Management
 Components: Land & Water Management
 Sponsor: Senator Frank
 Requestor: Senate Resources COMPONENT SERIAL NO. 431

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	4.6	2.3	2.3	2.3	2.3	2.3
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	4.6	2.3	2.3	2.3	2.3	2.3

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	4.6	2.3	2.3	2.3	2.3	2.3
FEDERAL FUNDS						
OTHER						
TOTAL	4.6	2.3	2.3	2.3	2.3	2.3

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of Current year impact:

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: Ron Swanson Phone: 762-2680
 Division: Land & Water Management Date: 12-Mar-91
 Approved by Commissioner: Harold Heinze Date: 12-Mar-91
 Agency: Department of Natural Resources

Distribution (by preparer) : Legislative Finance, legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Outdated 1991 Note.

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Fiscal Note SB 26, continued.

	FY 92	FY 93
100 Personal Services		
Land & Water NRM I (Range 18A)	4.6	2.3
FY 92 -- for identification and assessment of existing statutes, regs. and procedures affecting mining (1 mo./yr.)		
FY 93 and beyond -- for updating the identification and assessment of statutes, regs. and procedures (.5 mo./yr.).		
Total	\$ 4.6	\$ 2.3

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 126

Revision Date: _____ Department Affected: Office of the Governor
 Title: "An Act relating to the review and reporting requirements of agencies..." BRU: Office of Management & Budget
 Component: _____
 Sponsor: Sens. Frank, Sturgulewski, Pearch, Uehling, Jones
 Requestor: Senator Frank COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS						
OTHER						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

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

Estimate of current year impact: none

ANALYSIS: (Attach a separate page if necessary.)
 No fiscal impact on the Office of the Governor.

Prepared By: Michael A. Nizich, Director *M. Nizich* Phone: 465-3616
 Division: Division of Administrative Services Date: 3/11/91
 Approved by Commissioner: D. Max Hodel, Chief of Staff
 Agency: Office of the Governor Date: _____

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Outdated 1991 Note.

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB126

Revision Date: _____
Title: Review and Reporting Requirements
relating to state mineral policy
Sponsor: Frank, Sturgulewski, et.al.
Requestor: _____

Department Affected: Department of Revenue
BRU: Revenue Operations
Component: Income and Excise Audit
COMPONENT SERIAL NO. | 1 | 1 | 3 |

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LANDS & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0		
CAPITAL	0.0	0.0	0.0	0.0		
REVENUE	0.0	0.0	0.0	0.0		

FUNDING: (Thousands of Dollars)

GENERAL FUND	0.0	0.0	0.0	0.0		
FEDERAL FUNDS						
OTHER						
TOTAL	0.0	0.0	0.0	0.0		

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0		
PART-TIME	0.0	0.0	0.0	0.0		
TEMPORARY	0.0	0.0	0.0	0.0		

Estimate of current year impact: _____

ANALYSIS: Attach a separate page for analysis.

Prepared By: Carl Meyer *Carl Meyer* Phone: (907) 465-2320
Division: Income and Excise Audit Division Date: March 13, 1991
Approved by Commissioner: Lee E. Fisher *by Daniel*
Agency: Department of Revenue Date: 3/13/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Outdated 1991 Note

March 13, 1991

SB 126
FISCAL NOTE ANALYSIS
DEPARTMENT OF REVENUE

AS 44.99.110 contains a declaration of the mineral policy of the state with regard to state mineral resources including metals, industrial minerals, and coal. That policy establishes that mineral exploration and development be given fair and equitable consideration with other resource uses, be encouraged through reasonable and consistent nonduplicative regulations, be considered in developing a statewide transportation infrastructure system, be encouraged through appropriate public information, education, scientific research, technical studies, and University of Alaska program involvement, and that economic development of the state mineral industry be encouraged with Pacific Rim nations.

SB 126 would require the Department of Revenue, among others, to (1) review its statutory authority, regulations, and procedures applicable to mineral exploration and development to determine whether they comply with the state mineral policy, (2) to report any inconsistencies, and progress made on resolving previously identified inconsistencies, to the commissioner of natural resources on October 1 of each year, and (3) to work with mining interests, coastal resource areas, the public, and other resource users to propose solutions to any identified inconsistencies. The report would then be forwarded to the governor and the legislature within the first 10 days of each regular session of the legislature.

These review and reporting requirements would be repealed July 1, 1995 and would have no fiscal impact on the Department of Revenue.

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 126

Revision Date: _____ Department Affected: Commerce & Economic Development
 Title: State Agency Review and Report BRU: Economic Development
on Activities/Actions Which Effect Mining Component: _____

Sponsor: Senator Frank

Requestor: Senator Frank

COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

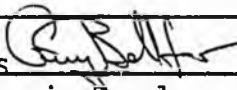
FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS: (Attach a separate page if necessary.) This Bill amends the Minerals Policy Act (AS 44.99.110) and requires State Agencies to review statutory authority, administrative regulations, and procedures applicable to the minerals industry. It is essentially an amended version of HB 97 incorporating this division's recommended changes. SB 126 is consistent with recommendations by the Alaska Minerals Commission.

Prepared By: Albert H. Clough, Development Specialist Phone: 465-2017

Division: Economic Development Date: March 12, 1991

Approved by Commissioner: Glenn A. Olds 

Agency: Department of Commerce and Economic Development Date: March 12, 1991

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Outdated 1991 Note

FISCAL NOTE

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STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 126

Revision Date: _____ Department Affected: Commerce & Econ. Development
Title: An act relating to the Review & BRU: ARRC (Alaska Railroad Corporation)

Reporting Requirements of Agencies-State Component: Mineral Policy

Sponsor: Sens. Frank, Sturgulewski, Pearce, Uehling & Jones

Requestor: _____ COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: James B. Blasingame, Director of Administration Phone: 265-2680

Division: ALASKA RAILROAD CORPORATION Date: 3/11/91

Approved by Commissioner: Glenn A. Olds *[Signature]* State ASST II

Agency: DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT Date: 3/12/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Outdated 1991 Note

SB 126

FISCAL NOTE

STATE OF ALASKA
1991 LEGISLATIVE SESSION

BILL NO. SB 126

Revision Date: 03/12/91 Department Affected: Fish and Game

Title: Mineral Policy of the State BRU: Habitat

Component: Habitat

Sponsor: Senator Frank

Requestor: _____ COMPONENT SERIAL NO.

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Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

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						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: no impact on current year

ANALYSIS: (Attach a separate page if necessary.)

Prepared By: Frank Rue, Director Phone: 465-4105

Division: Division of Habitat Date: 3/12/91

Approved by Commissioner: *Steve Somerville*

Agency: Department of Fish and Game Date: 3/13/91

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Outdated 1991 Note.