

HB

344

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: HB344CSRES-DNR-CPL
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: Natural Resources
Title Mining Fees, Rentals and Royalties RDU Resource Development
Component Claims, Permits and Leases
Sponsor Rep. Fare
Requester House Resources Component No. 2460

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (GF 1004)	1.0	1.0	1.0	1.0	1.0	1.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill provides a mechanism for mining claim holders to avoid accidental or inadvertent abandonment of their claims due to errors or delays in properly recording or filing of certificates of location, statements of annual labor or claim rental payments. This provides a much needed option to the existing statutes that will create a benefit to the overall mining industry and primarily to the small miners.

Current mining statutes provide a very strict framework of filing deadlines. If a deadline for filing the required information or delivering payments on rentals or royalties is missed, the claims are automatically abandoned and the miner must wait a full year until he can restake the claims. During this time they are open to staking by others. It is unfortunate that, despite the best intentions of the miners, inadvertent

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Date/Time 2/23/04

Approved by: Thomas Irwin, Commissioner
Agency Natural Resources

Date 2/23/04

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BILL NO. HB344CSRES-DNR-CPL-02

ANALYSIS CONTINUATION

delays to filing do occur. This has resulted in small family operations that have been active for generations sometimes losing their claims and, in some cases, their livelihood.

This bill provides an effective option to cure abandonment by paying all accrued rents due and/or filing delinquent documents, plus paying a fine equal to the annual rent.

Total Revenue Impact. The revenue impact would be minimal, but positive, as rentals on claims that would have been abandoned would be allowed to continue and fines would be collected in an amount equal to those rentals. An approximate total \$1,000 per year is estimated.

Cost to Implement. There is essentially no cost to implementing this mechanism as it would be handled by existing staff and the additional work load would be minimal.

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House District 7

House of Representatives CS for HB 344

"An Act relating to annual rental fees, statements of annual labor, and production royalty for mining claims; and providing a cure for abandonment."

CS for House Bill 344 is designed to keep the small Alaska Mining Industry in business. Since the 1980's Alaska has seen the small miner disappear from the streams and hills in part because of the costs associated with the industry, but also because of a glitch in Alaska's statute. That language causes a miner to automatically lose their claims if the required paperwork is filed just one day late.

CS for HB 344 will fix the language granting an extension to that deadline. It allows a miner to keep the claims by filing the paperwork and paying a penalty equal to one years rent.

Alaska was founded on mining and long before oil was the meat and potatoes industry in the state. Mom and Pop mines brought their poke to the local community and spent it in the local community. HB 344 will be an important first step in reviving an industry that is good for the local community and the state as a whole.