

CS FOR HOUSE BILL NO. 181(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY THE HOUSE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 1/30/14

Referred: Finance

Sponsor(s): REPRESENTATIVE FOSTER

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the accounting for money received by the state from the mining
2 license tax, mining lease payments, and royalties from mining on state tide and
3 submerged land within a municipality, and the availability of that money for
4 appropriation to certain boroughs and municipalities outside of a borough."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * **Section 1.** AS 38.05.250 is amended by adding new subsections to read:

7 (e) After making the deposit due to the permanent fund under
8 AS 37.13.010(a), 50 percent of the remaining amount of mineral lease rentals,
9 royalties, and royalty sale proceeds received for a lease under this section that is
10 located on state tide and submerged land within a municipality shall be deposited into
11 the general fund and separately accounted for under AS 37.05.142. The director shall
12 apportion the amount of rent, royalty, and royalty sale proceeds for a lease that is not
13 entirely on state tide and submerged land within a municipality based on the amount
14 of surface area of the lease that is on state tide and submerged land within a

1 municipality.

2 (f) Upon request

3 (1) by the commissioner of commerce, community, and economic
4 development, the legislature may appropriate money from the rent, royalty, and
5 royalty sale proceeds that are separately accounted for under (e) of this section from a
6 lease or portion of a lease on state tide and submerged land within a borough to that
7 borough; and

8 (2) by the commissioner of commerce, community, and economic
9 development or the commissioner of natural resources, the legislature may appropriate
10 money from the rent, royalty, and royalty sale proceeds that are separately accounted
11 for under (e) of this section from a lease or portion of a lease on state tide and
12 submerged land within a municipality outside of a borough to that municipality.

13 (g) Nothing in (e) of this section creates a dedicated fund or limits the
14 authority of a department to request funds or the authority of the legislature to
15 appropriate funds.

16 * **Sec. 2.** AS 43.65.010 is amended by adding new subsections to read:

17 (j) Proceeds from the tax imposed under this chapter shall be deposited into
18 the general fund and separately accounted for under AS 37.05.142.

19 (k) The commissioner shall adopt regulations for apportioning the proceeds
20 from tax received under this chapter based on the net income attributable to mining
21 subject to tax under this chapter on property, on state tide and submerged land within
22 each borough and within each municipality outside of a borough and in the area in the
23 state that is on state tide and submerged land that is not within a municipality. The
24 accounting for the proceeds from the tax under (j) of this section shall identify the
25 amount of proceeds from tax apportioned to state tide and submerged land within a
26 borough and a municipality outside of a borough in which there is mining activity
27 under the regulations adopted under this subsection.

28 (l) Upon request

29 (1) by the commissioner of commerce, community, and economic
30 development, the legislature may appropriate not more than 50 percent of the proceeds
31 from the tax that are separately accounted for and apportioned to state tide and

1 submerged land within a borough under (j) and (k) of this section to the borough; and

2 (2) by the commissioner of commerce, community, and economic
3 development or the commissioner of natural resources, the legislature may appropriate
4 not more than 50 percent of the proceeds from the tax that are separately accounted for
5 and apportioned to state tide and submerged land within a municipality outside of a
6 borough under (j) and (k) of this section to the municipality outside of a borough.

7 (m) Nothing in (l) of this section creates a dedicated fund or limits the
8 authority of a department to request funds or the authority of the legislature to
9 appropriate funds.