

Presented by Assemblyman Aase
Introduced:
Referred to:

A RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 309

A RESOLUTION REQUESTING THE ALASKA STATE LEGISLATURE
NOT TO CONSIDER SB 294, "AN ACT RELATING TO THE
ALASKA MINERAL SEVERANCE TAX; AND PROVIDING FOR AN
EFFECTIVE DATE."

WHEREAS the State administration has introduced SB 294 which would, in effect, change the present Mining License Tax from a "net" to a "gross" tax on minerals severed from the land; and

WHEREAS there are several presently known potentially large low-grade ore deposits in Southeastern Alaska; and

WHEREAS these mineral deposits, including the former Alaska-Juneau gold mine, the Klukwan iron deposit, the Yakobi Island copper-nickel deposit, the Brady Glacier nickel-copper deposit, and the Snettisham iron deposit are all of interest to various segments of the mining industry; and

WHEREAS the development of any of these deposits would do much to stabilize the economy of the Juneau area now faced with the capital move; and

WHEREAS the City and Borough of Juneau in particular has entered into a unit agreement including the Juneau Gold Belt properties and is seeking proposals for the development of these properties in an effort to diversify its economy; and

WHEREAS the proposed change in the Mining License Tax from a "net" to a "gross" tax could well preclude the development and production of such a large tonnage low-grade deposit and would likewise force an operator to recover only the high-grade portion of an ore body, leaving the lower-grade material in the ground, being a technique which would not conserve our natural resources; and

WHEREAS similar tax legislation enacted several years ago in the Canadian Province of British Columbia did result in a 50% reduction in exploration expenditures and the closure or reduced scale operations of several mines which is the basis for the predicted effect in this State;

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Juneau, Alaska:

That the Alaska State Legislature be respectfully requested to take no action on SB 294 and any legislation that may be introduced of a similar nature which, in effect, would increase the already escalated cost of mining operations or which could be expected to preclude any "new starts" in this industry in Alaska.

Copies of this Resolution shall be sent to the Honorable Jay S. Hammond, Governor of Alaska, and the Honorable Kay Poland, Chairman of the Senate Resources Committee.

ADOPTED this 17th day of April, 1975.

Wm R Macomber
Mayor

Attest:

Elmer J Emery
Clerk