

MAINE STATE LEGISLATURE

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FIRST SPECIAL SESSION
(EMERGENCY)

ONE HUNDRED AND FIRST LEGISLATURE

Legislative Document

No. 1663

S. P. 680

In Senate, January 6, 1964

The Committee on Natural Resources suggested.

CHESTER T. WINSLOW, Secretary

Presented by Senator Brown of Hancock.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-FOUR

**AN ACT to Promote Mining in the State and Reclassifying Certain Waters in
Hancock County.**

Emergency preamble. Whereas, acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the development and expansion of the state's economy is of vital importance and concern to the people of Maine; and

Whereas, the state's progressive program of prospecting and mining known and suspected mineral deposits has encouraged mining companies to invest in the exploration of possible sites; and

Whereas, the exploration carried on in the area of Blue Hill indicates the presence of sufficient ore for commercial purposes; and

Whereas, the realization of a mining operation in this area will provide employment and business opportunities which will benefit the people of Hancock County and Maine; and

Whereas, the following legislation is vitally necessary to the operation of the proposed mine; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., c. 39-B, § 5, amended. The last 2 paragraphs of section 5 of

chapter 39-B of the Revised Statutes, as enacted by section 2 of chapter 293 of the public laws of 1957 and as amended, are further amended to read as follows:

The holder of a license to mine shall make royalty and rental payment as follows:

I. Rental. Property within the terms of a license to mine is subject to an annual rental of \$5 per acre, payable in advance, **except as provided by section 9;**

II. Royalty. Royalty payment of 5% of the adjusted fair market value of the minerals or metals removed from the ground is charged on an annual basis, and shall be applied to defray rental charges up to the maximum rental chargeable in any one year. All royalty payments in excess of the maximum rental charges shall be paid ~~as hereinbefore stated~~ **annually.**

Each mining license or lease may contain a provision for a minimum royalty applicable to all mining operations on or under state owned lands. Minimum royalties shall be applied against actual royalties set forth herein. A minimum royalty shall be based on each ton of material removed from state owned land. The amount shall be negotiated by the Maine Mining Bureau and the lessee to provide an equitable return to the State for removal of the natural resources and shall not be an unnecessary burden to the development of mining operations in the State.

A. The adjusted fair market value ~~for~~ shall be:

1. For such products as have a posted field or market price at the mine head ~~shall be~~, the posted field or market price at the time of removal from the ground ~~without~~ **after** deductions ~~except~~ **of** those expenses of **mining**, hoisting, crushing and loading necessary to place the severed ~~product~~ **products** in marketable form and at a marketable place, **or**

~~2. The adjusted fair market value for~~ **For** such severed products as must be processed or beneficiated before they reach a marketable form, ~~shall be~~ the fair value of such severed products in their first marketable form as ore concentrate at point of concentration, after deduction of expenses of **mining**, hoisting, crushing, loading, transportation, processing ~~and~~, **beneficiation including the capital costs of a concentrator and mining equipment, amortized or depreciated over periods of years agreed upon by the Maine Mining Bureau and the lessee, and local administrative costs** **or**

3. In case said severed products have no market value at the mine or as a concentrate, the adjusted fair market value shall be the value of such severed products when they first reach a marketable form, after deduction of expenses of **mining, hoisting, crushing, loading, transportation, processing ~~and~~, **beneficiation and smelting, including the capital costs of a concentrator and mining equipment, amortized or depreciated over periods of years agreed upon by the Maine Mining Bureau and the lessee, and administrative costs** and after deduction of the value of any other materials or articles which are combined with, mixed with, absorbed in, or absorbed by said severed products in the process of turning said**

severed products into their first marketable form. There shall ~~also~~ be deducted the expenses of such combining, mixing or absorbing processes.

In the event the lessee also mines or concentrates ore from land owned other than by the State only that percentage of capital costs of the concentrator, mining equipment and administrative costs directly attributable to the material removed from state owned lands and processed through the concentrator shall be deducted in determining the royalties due the State.

All fee, rental and royalty moneys accruing from operations under **prospectors' permits** the license to mine or mining lease shall be ~~used for schools and shall be paid into the "Unorganized Territory Capital Working Fund," described in section 167 of chapter 47~~ paid into the Maine Mining Bureau for administration and control of all prospecting, development or mine activity conducted in areas administered by the bureau. Such fund shall be nonlapsing. The bureau may, with the approval of the Governor and Council, assign such sums as it deems proper to other state agencies for preservation, development or replacement of natural resources.'

Sec. 2. R. S., c. 79, § 15, amended. Subsections XL and XLIV of that part of section 15 of chapter 79 of the Revised Statutes, under the caption "**Penobscot River Basin**", as enacted by section 2 of chapter 426 of the public laws of 1955, are amended to read as follows:

'**XL.** Coastal streams, segments and tributaries thereof, not otherwise defined, above tidewater, entering tidewater between Billings Cove in Sedgwick and the head of tide on the Union River at Ellsworth, **except that section of Carleton Stream between First Pond and Second Pond in Blue Hill** — Class B-1.'

'**XLIV.** Carleton Stream, Blue Hill, main stem, from the outlet of **First Pond** to tidewater at Salt Pond ~~to the sawmill of C. M. Allen & Son~~ — Class B-2 — Unclassified.'

Sec. 3. R. S., c. 79, § 16, sub-§ III, additional. Section 16 of chapter 79 of the Revised Statutes, as enacted by section 8 of chapter 426 of the public laws of 1955 and as amended, is further amended by adding a new subsection III, to read as follows:

'**III.** **First Pond and Second Pond in the Town of Blue Hill in Hancock County** — Unclassified.'

Sec. 4. Deposit of tailings. The Maine Mining Bureau is authorized to permit Denison Mines Limited, Toronto, Ontario to dump tailings from their mining and milling operations in Hancock County into Second Pond, Blue Hill Township, in accordance with standard mining and milling practices. Denison Mines Limited has agreed to control the bulk of these tailings within the present limits of Second Pond. This section shall apply to any company designated by Denison Mines Limited to operate the mining properties involved.'

Emergency clause. In view of the emergency cited in the preamble, this act shall take effect when approved.