

SENATE BILL NO. 143

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE RESOURCES COMMITTEE

Introduced: 3/14/01

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act authorizing the Department of Natural Resources to enter into agreements with**
2 **a person or persons desiring to own an oil or natural gas pipeline proposed to be located**
3 **on state land for the purposes of providing for payment of the reasonable costs incurred**
4 **in preparing for activities before receipt of an application under the Alaska Right-of-**
5 **Way Leasing Act and for activities relating to the processing of an application under**
6 **that Act; and providing for an effective date."**

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

8 * **Section 1.** AS 38.35.140(b) is amended to read:

9 (b) The **lease applicant or** lessee shall reimburse the state for all reasonable
10 costs incurred in processing an application filed under AS 38.35.050 and in
11 monitoring the construction of the pipeline on the right-of-way.

12 * **Sec. 2.** AS 38.35 is amended by adding a new section to read:

13 **Sec. 38.35.145. Agreement to provide for payment of preapplication costs.**

1 (a) To accommodate preliminary work in advance of the receipt of an application for
2 a lease under this chapter, the department may enter into an agreement with a
3 prospective lessee desiring to own an oil or natural gas pipeline that is proposed to be
4 located in whole or in part on state land. The agreement must provide that the
5 prospective lessee reimburse the department for the reasonable costs of work incurred
6 in preparing for activities before receipt of an application.

7 (b) Expenditure of amounts received by the department under (a) of this
8 section is subject to appropriation by the legislature. Appropriations made to satisfy
9 the requirement of (a) of this section may be made by general appropriations of
10 program receipts conditioned on compliance with the program review provisions of
11 AS 37.07.080(h).

12 (c) The department may not exercise authority to enter into an agreement
13 under (a) of this section after December 31, 2003, but an agreement entered into
14 before January 1, 2004, is valid and enforceable on and after that date.

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