

AMENDMENT #2

OFFERED IN THE HOUSE
TO: CSHB 81(RES)

BY REPRESENTATIVE WOOL

1 Page 1, line 1:

2 Delete "authorizing the commissioner of natural resources to modify a net profit
3 share"

4 Insert "relating to the modification of a royalty or net profit share in an oil and
5 gas or gas only"

6

7 Page 7, following line 20:

8 Insert new bill sections to read:

9 "** Sec. 6. AS 38.05.180 is amended by adding a new subsection to read:

10 (mm) The commissioner may grant a royalty or net profit share modification
11 under (j) of this section only if the Alaska Royalty Oil and Gas Development Advisory
12 Board recommends that the commissioner approve the royalty or net profit share
13 modification.

14 * Sec. 7. AS 38.06.040(a) is amended to read:

15 (a) The board shall

16 (1) in accordance with the criteria set out in AS 38.06.070, develop a
17 plan for the wise development of the state's oil and gas royalty interests; the plan of
18 development shall be consistent with

19 (A) growth of the private sector of the economy;

20 (B) environmental standards required by law; and

21 (C) public fiscal stability;

22 (2) hold public hearings on proposed sales, exchanges, or other
23 disposals of royalty oil or gas to determine whether the proposals comply with

1 AS 38.06.070;

2 (3) examine proposed sales, exchanges, or other disposal of, and
3 recommend to the legislature that it approve or disapprove a proposed sale, exchange,
4 or other disposal of

5 (A) the oil or gas that is obtained by the state as royalty under
6 AS 38.05.182; or

7 (B) the rights to receive future oil or gas production under state
8 leases; [AND]

9 (4) recommend to the commissioner of natural resources the conditions
10 relating to the sale, delivery, transportation, refining, or processing of oil or gas that
11 [WHICH] the commissioner may include in the offer and sale of oil or gas obtained by
12 the state as royalty under AS 38.05.182; and

13 (5) review a royalty or net profit share modification under
14 AS 38.05.180 and recommend that the commissioner approve or disapprove the
15 modification."