



LAWS OF ALASKA

1998

Source
HB 242

Chapter No.
114

AN ACT

Relating to unpaid, underpaid, and overpaid royalty and net profit share payments due on leases of state land and to the collection and payment of interest on those payments.

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

THE ACT FOLLOWS ON PAGE 1

Approved by the Governor: June 19, 1998

Actual Effective Date: September 17, 1998

AN ACT

1 Relating to unpaid, underpaid, and overpaid royalty and net profit share payments due on
2 leases of state land and to the collection and payment of interest on those payments.

3

4 * Section 1. AS 38.05.135(d) is amended to read:

5 (d) If a royalty or net profit share payment to which the state is entitled under
6 AS 38.05.135 - 38.05.181 is not paid or is underpaid when it becomes due under (c)
7 of this section, the unpaid amount of the royalty or net profit share payment bears
8 interest in a calendar quarter at the rate of five percentage points above the annual rate
9 charged member banks for advances by the 12th Federal Reserve District as of the first
10 day of that calendar quarter, or at the annual rate of 11 percent, whichever is greater,
11 compounded quarterly as of the last day of that quarter.

12 * Sec. 2. AS 38.05.135(e) is amended to read:

13 (e) If a royalty or net profit share payment to which the state is entitled

1 under AS 38.05.135 - 38.05.181 is overpaid, interest [INTEREST] at the rate and
2 compounded in the manner provided in (d) of this section shall be allowed and paid
3 on the [AN] overpayment. The interest allowance is subject to the following:

4 (1) if the state grants a credit against future payments for the
5 overpayment, the state shall pay interest on the overpayment

6 (A) from the date that is the later of the date the
7 overpayment was

8 (i) due; or

9 (ii) received;

10 (B) to the date that is the earlier of the date

11 (i) of notice to the lessee of the credit; or

12 (ii) on which the lessee actually takes the credit;

13 (2) if the state refunds the overpayment, the state shall pay interest
14 on the overpayment

15 (A) from the date that is the later of the date the
16 overpayment was

17 (i) due; or

18 (ii) received;

19 (B) to the date the state issues the refund [OF A ROYALTY
20 OR NET PROFIT SHARE PAYMENT MADE UNDER AS 38.05.135 -
21 38.05.181].

22 * Sec. 3. AS 38.05.135 is amended by adding new subsections to read:

23 (f) The issuance by the state and acceptance by a lessee of a credit or refund
24 of an overpayment under (e) of this section does not affect any right of the state or
25 lessee to claim an adjustment and interest on the overpayment.

26 (g) Notwithstanding (d) and (e) of this section, interest may not be paid on

27 (1) an underpayment of a royalty or net profit share due under this title
28 if the amount of interest is \$150 or less and the underpayment is paid up within 60
29 days after the date upon which the payment was due under (c) of this section without
30 regard to an extension of time for filing of the necessary royalty or net profit report;

31 or

- 1 (2) an overpayment of a royalty or net profit share due under this title
2 if the amount of interest is \$150 or less and the state issues a credit for or refund of
3 the overpayment within 60 days after receipt of the overpayment.