

**SENATE BILL NO. 76**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY SENATORS THERRIAULT, Wilken, Kelly, Green

Introduced: 2/7/01  
Referred: Resources

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act amending the permissible period of renewal of a lease entered into under the**  
2   **Alaska Right-of-Way Leasing Act, and providing for treatment of a pending application**  
3   **for lease renewal as a lease continued under its existing terms until entry of the final**  
4   **determination affecting the application for renewal; and providing for an effective**  
5   **date."**

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

7    \* **Section 1.** AS 38.35.110 is amended to read:

8           **Sec. 38.35.110. Term of lease.** Each lease of state land for pipeline right-of-  
9           way purposes must contain a provision that the lease shall run for a specified term of  
10           not greater than 30 years, and shall be renewable for additional periods of up to **30**  
11           [10] years each, so long as the lessee is in commercial operation and is in full  
12           compliance with all state law, including but not limited to state law pertaining to  
13           regulation and taxation of the pipeline facility, and is in compliance with all terms of

1 the lease. In making this determination, the commissioner shall take into consideration  
 2 the cost of the proposed pipeline, its useful life, and the probable financing  
 3 requirement for the proposed pipeline.

4 \* **Sec. 2.** AS 38.35.110 is amended by adding a new subsection to read:

5 (b) If, not later than the date of expiration of the term of a lease made under  
 6 (a) of this section, the lessee of a lease renewable under (a) of this section requests  
 7 renewal and the lease has not been renewed, the commissioner shall continue the lease  
 8 subject to the terms and conditions that were applicable to the lease in effect at the  
 9 time of expiration of the lease's term. The commissioner shall continue the lease until  
 10 the commissioner determines the duration of the renewed lease and renews the lease  
 11 for that duration with any additional terms and conditions of the lease under renewal,  
 12 or until the commissioner denies renewal if the commissioner determines that the  
 13 lessee is not in commercial operation or that the lessee is not in full compliance with  
 14 state law, and the denial has been adjudicated to a final decision not subject to further  
 15 appeal.

16 \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to  
 17 read:

18 COMMISSIONER OF NATURAL RESOURCES TO AMEND CERTAIN  
 19 EXISTING LEASES UNDER ALASKA RIGHT-OF-WAY LEASING ACT TO  
 20 INCORPORATE PROVISION FOR RENEWAL PERIODS OF UP TO 30 YEARS. If,  
 21 before expiration of the term of the original specified term of a lease first entered into under  
 22 AS 38.35 that is in effect on the effective date of this Act, the lessee makes a written request,  
 23 the commissioner of natural resources shall amend the lease to amend the terms under which  
 24 the lease is renewable to conform to AS 38.35.110(a), amended by sec. 1 of this Act.

25 \* **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).