

SENATE BILL NO. 32

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - FIRST SESSION

BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

Introduced: 1/12/01

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the Right-of-Way Leasing Act; and providing for an effective date."**

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

3 *** Section 1.** AS 38.35.020(a) is amended to read:

4 (a) Rights-of-way on state land including rights-of-way [OVER, UNDER,
5 ALONG, ACROSS, OR UPON THE RIGHT-OF-WAY OF A PUBLIC ROAD OR
6 HIGHWAY OR THE RIGHT-OF-WAY OF A RAILROAD OR OTHER PUBLIC
7 UTILITY, OR] across, upon, over, or under a river or other body of water or land
8 belonging to or administered by the state may be granted by noncompetitive lease by
9 the commissioner for pipeline purposes for the transportation of oil, products, or
10 natural gas under those conditions prescribed by statute [LAW] or by
11 [ADMINISTRATIVE] regulation. Except to the extent authorized by an oil and gas
12 lease or unit agreement approved by the state, a [NO] person may **not** engage in any
13 construction or operation of any part of an oil, products, or natural gas pipeline, which
14 in whole or in part is or is proposed to be on state land unless that person has obtained
15 from the commissioner a right-of-way lease of the land under this chapter.

1 * **Sec. 2.** AS 38.35.110 is amended to read:

2 **Sec. 38.35.110. Term of lease.** Each lease of state land for pipeline right-of-
3 way purposes must contain a provision that the lease shall run for a specified term of
4 not greater than 30 years, and shall be renewable for additional periods of up to **30**
5 [10] years each, so long as the lessee is in commercial operation and is in full
6 compliance with all state law, including [BUT NOT LIMITED TO] state law
7 pertaining to regulation and taxation of the pipeline facility, and is in compliance with
8 all terms of the lease. In making this determination the commissioner shall take into
9 consideration the cost of the proposed pipeline, its useful life, and the probable
10 financing requirement for the proposed pipeline.

11 * **Sec. 3.** AS 38.35.140(b) is amended to read:

12 (b) The lessee shall reimburse the state for all reasonable costs incurred in
13 processing an application filed under AS 38.35.050 and in monitoring the
14 construction, **operation, maintenance, and termination** of the pipeline on the right-
15 of-way.

16 * **Sec. 4.** AS 38.35.230(9) is amended to read:

17 (9) "state land" means

18 (A) "state land" as defined in AS 38.05.965;

19 (B) public land of the United States selected by the state under
20 **sec. 6** [§ 6] of the Alaska Statehood Act of 1958 (PL 85-508; 72 Stat. 399), as
21 amended, and real property of the United States transferred to the state under
22 **secs. 21, 35, and 45** [§§ 21, 35 and 45] of the Alaska Omnibus Act of 1959
23 (PL 86-70; 73 Stat. 141), as amended;

24 (C) any interest owned by the state in land, **if the interest is**
25 **sufficient to permit the state to lease it under the authority of this chapter;**

26 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
27 read:

28 **APPLICABILITY.** This Act applies to all new right-of-way leases, and amendments
29 and renewals of existing leases, issued under AS 38.35 and entered into on or after the
30 effective date of this Act.

31 * **Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).