

HOUSE BILL NO. 238

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE GUTTENBERG

Introduced: 4/24/17

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the payment of rents and royalties from oil shale leases; and relating**
2 **to royalties for certain areas in the Cook Inlet sedimentary basin."**

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

4 * **Section 1.** AS 38.05.160(b) is amended to read:

5 (b) For the privilege of mining, extracting, and disposing of the oil or other
6 minerals covered by the lease, the lessee shall pay to the state the royalties specified in
7 the lease and an annual rental at the rate of 50 cents an acre for the land included in the
8 lease. The rental paid for any one year shall be credited against the royalties accruing
9 for that year. [FOR THE PURPOSE OF ENCOURAGING THE PRODUCTION OF
10 PETROLEUM PRODUCTS FROM SHALES, THE COMMISSIONER MAY
11 WAIVE THE PAYMENT OF ROYALTY AND RENTAL DURING THE FIRST
12 FIVE YEARS OF THE LEASE.]

13 * **Sec. 2.** AS 31.05.030(i), 31.05.030(k); AS 38.05.180(f)(5), 38.05.180(f)(6), and
14 38.05.180(dd) are repealed.

1 * **Sec. 3.** The uncoded law of the State of Alaska is amended by adding a new section to
2 read:

3 TRANSITION. AS 38.05.160(b), as amended by sec. 1 of this Act, and the repeal of
4 AS 31.05.030(i), 31.05.030(k), AS 38.05.180(f)(5), 38.05.180(f)(6), and 38.05.180(dd) by
5 sec. 2 of this Act, apply to a lease entered into on or after the effective date of this Act.