

Introduced: 3/20/70
Referred: Resources and
Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 HOUSE BILL NO. 793

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to leases on mineral lands; and provid-
7 ing for an effective date."

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

9 * Section 1. AS 38.05.140(d) is amended to read:

10 (d) The commissioner, for the purpose of encouraging the greatest
11 ultimate recovery of coal, oil, gas, oil shale, phosphate, sodium,
12 potassium, and sulphur, and in the interest of conservation of natural
13 resources, [MAY,] after public hearing, or, when the state's title to
14 land beneath navigable waters has been legally challenged by the United
15 States and litigation initiated, may waive, suspend, refund, or reduce
16 the rental, or minimum royalty, or reduce the royalty on an entire
17 leasehold, or on any tract or portion of a leasehold segregated for
18 royalty purposes, whenever in his judgment it is necessary to do so in
19 order to promote development, or whenever in his judgment the lease
20 cannot be successfully operated under its terms. If the commissioner,
21 in the interest of conservation, directs or assents to the suspension
22 of operations and production under a lease granted, the payment of
23 acreage rental or of minimum royalty prescribed by the lease may be
24 suspended during the period of suspension of operations and production.
25 The term of the lease shall be extended by adding the period of suspen-
26 sion to the lease.

27 * Sec. 2. AS 38.05.140 is amended by adding a new subsection to read:

28 (e) The provisions of (d) of this section that apply to waiver,
29 suspension, refund or reduction of rental or minimum royalty shall

1 apply to rental or minimum royalty paid before or after the effective
2 date of this Act on any lease covering land beneath navigable waters
3 which, according to the records of the division of lands, is in effect
4 on the effective date of this Act.

5 * Sec. 3. This Act shall become effective on the day after its passage
6 and approval or on the day it becomes law without approval.