

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 185

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the state's royalty on natural
7 resources and the sale of the royalty products."

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

9 * Section 1. AS 38.05 is amended by adding new sections to read:

10 Sec. 38.05.362. ROYALTY ON NATURAL RESOURCES. Any royalty pro-
11 vided for in secs. 135 - 180 of this chapter may be taken in kind
12 rather than in money at the discretion of the commissioner if he
13 determines that the taking in kind would be to the best advantage of
14 the state.

15 Sec. 38.05.363. SALE OF ROYALTY PRODUCTS. (a) The sale of any
16 mineral, including oil and gas, obtained by the state as a royalty under
17 sec. 362 of this chapter shall be by competitive bid and the sale made
18 to the highest responsible bidder, except that competitive bidding is
19 not required when the commissioner determines that the best interest of
20 the state does not require it and that no competition exists.

21 (b) The commissioner may reject all bids if he determines that
22 because of the amount of the bids or the lack of responsibility on the
23 part of the bidders, the acceptance of the bids would not be in the
24 best interest of the state.

25 (c) If the commissioner determines that a sale or other disposal
26 of royalty products is not to be made by competitive bid, he shall
27 make public, in writing, the specific findings and reasons on which
28 his determination is based.

29 (d) Details of bidding shall be established by regulation by the

1 commissioner.
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