

1 IN THE SENATE

BY SILIDES

2 SENATE BILL NO. 269

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to pipelines; and providing for an
7 effective date."

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

9 * Section 1. AS 38.35.120(a)(5) is amended to read:

10 (5) it will provide special fittings during construction and
11 connections, as determined by the Alaska Pipeline Commission under
12 AS 42.06.340, to facilities on the pipeline subject to the lease, both
13 on state land and other land in the state, for the purpose of delivering
14 crude oil or natural gas, depending on the kind of pipeline involved,
15 to persons (including the state and its political subdivisions) con-
16 tracting for the purchase at wholesale of crude oil or natural gas
17 transported by the pipeline when required by the public interest;

18 * Sec. 2. AS 38.35.120(a)(6) is amended to read:

19 (6) it shall, notwithstanding any other provision, provide
20 special fittings, connections and interchange facilities at state
21 expense at such times and at such places the state considers necessary
22 if the state determines to take a portion of its royalty or taxes in
23 oil or natural gas;

24 * Sec. 3. AS 38.35.120(c) is amended to read:

25 (c) The commissioner may insert in any right-of-way lease other
26 reasonable provisions and conditions that he determines the public
27 interest requires, including the requirement to install valves and
28 special fittings within the pipeline during its construction.

29 * Sec. 4. AS 38.35.225 is amended to read:

1 Sec. 38.35.225. BINDING EFFECT OF COVENANTS. By entering into
2 a lease under this chapter, the lessee is bound by all the covenants
3 provided for in the lease to the full extent of the power of the state
4 to impose those covenants under its authority as owner of the land to
5 be leased or under its police or regulatory powers or otherwise;
6 provided that the right of the lessee to challenge the power of the
7 state to require such a covenant as owner of the land to be leased or
8 under its police or regulatory powers or otherwise is preserved for a
9 period of three years or until such time as action to enforce the
10 covenant is taken by the state, whichever occurs first.

11 * Sec. 5. This Act takes effect on the day after its passage and approval
12 or on the day it becomes law without approval.
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