

Introduced: 5/7/76
Referred: Resources

1 IN THE SENATE

BY THE STATE AFFAIRS COMMITTEE

2 SPONSOR SUBSTITUTE FOR SENATE BILL NO. 692

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the disposal of royalty gas; and
7 providing for an effective date."

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

9 * Section 1. AS 38.06 is amended by adding a new section to read:

10 Sec. 38.06.052. DISPOSAL OF ROYALTY GAS. (a) At least 30 days
11 before the board approves a bid for the sale, exchange or other disposal
12 of gas that would result in its export from the state in the form of
13 methane, ethane, propane, butanes or heavier gaseous alkanes or other
14 gaseous hydrocarbons, either in the liquid or gaseous state, notice of
15 the terms and conditions of the bid and solicitation for additional bids
16 shall be

17 (1) published in three newspapers of general circulation in
18 the state and two industry or trade publications of general circulation
19 in the United States;

20 (2) furnished to all Alaska legislators.

21 (b) The board may not approve a bid for the sale, exchange or dis-
22 posal of gas that would result in a contract for the export of gas from
23 the state if the terms and conditions of additional bids are substanti-
24 ally equal to or better than the original bid and provide for the use of
25 gas in the state or its conversion within the state to other products.

26 (c) No contract for the sale of gas other than for use in the
27 state or conversion to other products in the state may be firm for more
28 than three years. After that period, continuation of the contract is
29 conditional upon the state not receiving offers which are equal to or

1 better than the contract and provide for the use of the gas in the state
2 or its conversion in the state into other products.

3 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
4 070(c).

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