

Introduced: 3/23/77
Referred: Resources

1 IN THE SENATE

BY POLAND

2 SENATE BILL NO. 274 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the taking of oil and gas royalty-
7 in-kind; and providing for an effective date."

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

9 * Section 1. AS 38.05.182 is amended to read:

10 Sec. 38.05.182. ROYALTY ON NATURAL RESOURCES. (a) Any royalty
11 provided for in secs. 135 - 181 of this chapter shall [MAY] be taken in
12 kind rather than in money unless [IF] the commissioner, with the consent
13 of the board [ALASKA ROYALTY OIL AND GAS DEVELOPMENT ADVISORY BOARD],
14 determines that the taking in money [KIND] would be in the best interest
15 of the state. The consent of the board is required only with respect to
16 oil and gas royalty-in-kind under sec. 183 of this chapter. The action
17 of the commissioner and the board with respect to oil and gas royalty-
18 in-kind under sec. 183 of this chapter is subject to the prior approval
19 of the legislature in accordance with AS 38.06.055, except for nonrenew-
20 able contracts not exceeding one year in duration which may be entered
21 into to relieve a shortage of storage capacity. In this section "board"
22 means the Alaska Royalty Oil and Gas Development Advisory Board.

23 * Sec. 2. AS. 38.05.182 is amended by adding a new subsection to read:

24 (b) A purchaser of royalty oil on a one year non-renewable basis
25 remains eligible to negotiate a long term purchase agreement in
26 accordance with all the other provisions of AS 38.05.182, AS 38.05.183,
27 and AS 38.06.055.

28 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
29 070(c).