

Original sponsor: Poland

Offered: 5/4/77
Referred: Rules

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 274 am H

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 may be taken in kind
12 rather than in money if the commissioner [, WITH THE CONSENT OF THE
13 ALASKA ROYALTY OIL AND GAS DEVELOPMENT ADVISORY BOARD,] determines that
14 the taking in kind would be in the best interest of the state. [THE
15 CONSENT OF THE BOARD IS REQUIRED ONLY WITH RESPECT TO OIL AND GAS ROYALTY
16 IN-KIND UNDER SEC. 183 OF THIS CHAPTER.] However, royalties on oil and
17 gas shall be taken in kind unless

18 (1) the commissioner determines that the taking in money would
19 be in the best interest of the state; and

20 (2) the Alaska Royalty Oil and Gas Development Advisory Board
21 approves the taking in money.

22 (b) The commissioner shall submit a determination to take royalty
23 in money approved under (a) of this section to the legislature at the
24 first opportunity during a current session or, if the legislature is not
25 in session, at the next regular session. The legislature, within 60
26 days or by the adjournment of the session, whichever comes sooner, may
27 revoke the determination by concurrent resolution.

28 * Sec. 2. AS 38.06.055(a) is amended to read:

29 (a) In addition to the approval by the board required under sec.

1 50 of this chapter, no sale, exchange or other disposition of oil or gas
2 or of the rights or waiver of the rights to receive future production of
3 royalty oil or gas may be made by the commissioner of natural resources
4 under AS 38.05.183 without the prior approval of the legislature by a
5 concurrent resolution concurred in by a majority of the members of each
6 house except for sales, exchanges, or other dispositions made for a term
7 of no more than one year, which may be entered into to relieve a shortage
8 of storage capacity.

9 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
10 070(c).