

Introduced: 5/31/80
Referred: Resources and
Finance

BY THE RULES COMMITTEE
BY REQUEST (for the Joint
Gas Pipeline Committee)

1 IN THE HOUSE

2 HOUSE BILL NO. 1039

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act approving the second amendment to the agreement
7 for the sale and purchase of state royalty oil between
8 the State of Alaska and the Alpetco Company; and provid-
9 ing for an effective date."

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

11 * Section 1. FINDINGS AND PURPOSE. (a) The legislature finds that

12 (1) an agreement for the sale and purchase of state royalty oil
13 was executed on February 22, 1978, by the State of Alaska and the Alaska
14 Petrochemical Company, was amended on May 17, 1978, and was assigned to the
15 Alpetco Company under an assignment executed on December 13, 1979, and ap-
16 proved by the state on February 4, 1980;

17 (2) the agreement for the sale and purchase of state royalty oil
18 between the state and the Alaska Petrochemical Company may be amended under
19 article XXII of the agreement;

20 (3) the state and the Alpetco Company mutually desire to reduce
21 the amount of crude oil that the state must sell to the Alpetco Company under
22 the agreement;

23 (4) the state and the Alpetco Company mutually desire that certain
24 provisions of the agreement be amended to clarify the obligations of the
25 state and the Alpetco Company under the agreement;

26 (5) an amendment to the agreement for the sale and purchase of
27 state royalty oil under article XXII of the agreement may be executed by the
28 state and the Alpetco Company only with proper prior authorization, including
29 approval by the legislature;

1 (6) the second amendment to the agreement for the sale and pur-
2 chase of state royalty oil has been submitted to the legislature for its
3 consideration and approval; and

4 (7) the second amendment to the agreement for the sale and pur-
5 chase of state royalty oil is in the best interests of the state and its
6 citizens.

7 (b) It is the purpose of this Act to approve the second amendment to
8 the agreement for the sale and purchase of state royalty oil between the
9 State of Alaska and the Alpetco Company, dated May 30, 1980, in accordance
10 with the terms of the agreement providing for the sale and purchase of state
11 royalty oil entitled "Agreement for the Sale and Purchase of State Royalty
12 Oil", dated February 22, 1978, and to do so in a manner which

13 (1) conforms to provisions of law requiring legislative review and
14 approval of contracts for the sale of state royalty oil and gas; and

15 (2) is consistent with the opinion in State of Alaska and Depart-
16 ment of Revenue v. A.L.I.V.E. Voluntary, 606 P.2d 769 (1980), which calls
17 into question the use of a concurrent resolution to take legislative action
18 that binds parties other than the legislature.

19 * Sec. 2. AMENDMENT APPROVED. The amendment to the "Agreement for the
20 Sale and Purchase of State Royalty Oil" between the State of Alaska, acting
21 through the commissioner of natural resources, and the Alpetco Company, dated
22 May 30, 1980, and presented for legislative review and approval by the gover-
23 nor on May 30, 1980, is approved, and the agreement, as so amended, is
24 ratified and confirmed.

25 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
26 070(c).