

Introduced: 2/6/79  
Referred: Resources and  
Finance

1 IN THE SENATE

BY SACKETT, COLLETTA AND STIMSON

2 SENATE BILL NO. 109

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the oil and gas exploration incen-  
7 tive credit; and providing for an effective date."

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

9 \* Section 1. AS 38.05.180(i) is amended to read:

10 (i) The commissioner shall [MAY] provide for the establishment of  
11 an exploration incentive credit system under which a lessee of state  
12 land drilling an exploratory well on that land may earn credits based  
13 upon the footage drilled and the region in which the well is situated.  
14 The commissioner shall [MAY] also provide for credits to be earned by  
15 persons performing geophysical work on state land, if that work is  
16 performed during the two seasons immediately preceding an announced  
17 lease sale and on land included within the sale area and the geophysical  
18 information is made public following the sale. Credits may not exceed  
19 50 per cent of the cost of the drilling or geophysical work. Credits  
20 may be used during a limited period established by the commissioner and  
21 may be assigned during that period. Credits may be applied against (1)  
22 oil and gas royalty and rental payments payable to the state or (2)  
23 taxes payable under AS 43.55. No credit may exceed 50 per cent of the  
24 payment toward which it is being applied. Amounts due the Alaska perma-  
25 nent fund (AS 37.10.065) and the Alaska renewable resources development  
26 fund (AS 37.11.020) shall be calculated before the application of  
27 credits under this subsection.

28 \* Sec. 2. The commissioner of natural resources shall issue the regula-  
29 tions required to implement the provisions of AS 38.05.180(i) so that they

1 will become effective within 90 days of the effective date of this Act.

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

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