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Referred: Resources and
Finance

1 IN THE SENATE

BY FERGUSON BY REQUEST

2

SENATE BILL NO. 352

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IN THE LEGISLATURE OF THE STATE OF ALASKA

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FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act establishing a National Petroleum - Alaska

7

Special Revenue Fund; and providing for an effective

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date."

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

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* Section 1. FINDINGS. The legislature finds that:

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(1) the United States Congress, by 42 U.S.C. 6508 (P.L. 96-514),

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provided that the state shall receive 50 percent of receipts derived from

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competitive leasing of oil and gas in the National Petroleum Reserve -

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Alaska;

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(2) P.L. 96-514 further provides that in the allocation of such

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funds by the state, priority shall be given to use by those municipalities

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of state most directly or severely impacted by the development of oil and

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gas leased under P.L. 96-514;

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(3) virtually all of the National Petroleum Reserve - Alaska

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lies within the corporate limits of the North Slope Borough, a home rule

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municipality of the state, and the Reserve has within its borders the

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municipalities of Atkasuk, Barrow, Nuiqsut and Wainwright;

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(4) because of the continuing nature of the congressional appro-

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priation a special revenue fund should be established to comply with the

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directive of the federal act; and

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(5) in order to insure compliance with P.L. 96-514 and provide

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for an orderly disposition of funds to municipalities severely and directly

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impacted by National Petroleum Reserve - Alaska development, it is neces-

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sary to establish a special revenue fund to segregate the monies received

1 from the federal government under P.L. 96-514 and to establish criteria by
2 which grants may be made from that special revenue fund to impacted
3 municipalities.

4 * Sec. 2. AS 44.99 is amended by adding a new section to read:

5 Sec. 44.99.200. NATIONAL PETROLEUM RESERVE - ALASKA, SPECIAL
6 REVENUE FUND. (a) The National Petroleum Reserve - Alaska Special
7 Revenue Fund is established. The fund consists of all money disbursed
8 to the state by the federal government pursuant to P.L. 96-514 since
9 the effective date of that act.

10 (b) The commissioner of revenue shall manage the National Petro-
11 leum Reserve - Alaska Special Revenue Fund.

12 (c) It is the intent of the legislature that each year at least
13 50 percent of all money in the National Petroleum Reserve - Alaska
14 Special Revenue Fund be appropriated to the Department of Community
15 and Regional Affairs for subsequent allocation to municipalities that
16 demonstrate impact from National Petroleum Reserve - Alaska develop-
17 ment. The Department of Community and Regional Affairs shall adopt
18 regulations under which municipalities impacted by National Petroleum
19 Reserve - Alaska development may apply for and receive block grants.
20 The department shall give priority in the allocation of grants to
21 those municipalities that are experiencing or will experience the most
22 direct, immediate and severe impact from oil and gas leasing activi-
23 ties within the National Petroleum Reserve - Alaska. Municipalities
24 may use grant funds received under this subsection only for the fol-
25 lowing activities and services in conjunction with oil and gas leasing
26 activities within the National Petroleum Reserve - Alaska:

- 27 (1) planning;
- 28 (2) construction, maintenance, and operation of essential
29 public facilities by the municipalities; and

1 (3) other necessary public services provided by the munic-
2 ipalities.

3 (d) Funds disbursed under (c) of this section may not be used
4 for the retirement of municipal debt.

5 (e) Amounts received by the state under (a) of this section and
6 not paid under (c) of this section shall be used by the state for the
7 following facilities and services;

8 (1) planning;

9 (2) construction, maintenance, and operation of essential
10 public facilities; and

11 (3) other necessary public services.

12 * Sec. 3. Chapter 94, SLA 1984 is repealed.

13 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
14 10.070(c).