

CS FOR SENATE BILL NO. 239(O&G)
 IN THE LEGISLATURE OF THE STATE OF ALASKA
 EIGHTEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE SPECIAL COMMITTEE ON OIL AND GAS

Offered: 2/4/94
 Referred: Judiciary

Sponsor(s): SENATE SPECIAL COMMITTEE ON OIL AND GAS

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to evidence of financial responsibility provided by persons who
 2 conduct oil operations; and providing for an effective date."

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

4 * Section 1. AS 46.04.040(b) is amended to read:

5 (b) A person may not cause or permit the operation of a pipeline or an
 6 exploration or production facility in the state unless the person has furnished to the
 7 department, and the department has approved, proof of financial ability to respond in
 8 damages. Proof of financial responsibility required for

9 (1) a pipeline or an offshore exploration or production facility is
 10 \$50,000,000 per incident;

11 (2) [. PROOF OF FINANCIAL RESPONSIBILITY REQUIRED FOR]
 12 an onshore production facility is

13 (A) \$20,000,000 per incident if the facility produces over
 14 10,000 barrels per day of oil;

1 (B) \$10,000,000 per incident if the facility produces over
2 5,000 barrels per day but not more than 10,000 barrels per day of oil:

3 (C) \$5,000,000 per incident if the facility produces over
4 2,500 barrels per day but not more than 5,000 barrels per day of oil:

5 (D) \$1,000,000 per incident if the facility produces 2,500
6 barrels per day or less of oil:

7 (3) [. PROOF OF FINANCIAL RESPONSIBILITY REQUIRED FOR]
8 an onshore exploration facility is \$1,000,000 [\$5,000,000] per incident.

9 * Sec. 2. Section 6, ch. 102, SLA 1992, is repealed.

10 * Sec. 3. If this Act takes effect after June 1, 1994, sec. 2 of this Act is retroactive to
11 June 1, 1994.

12 * Sec. 4. This Act takes effect immediately under AS 01.10.070(c).