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COMMITTEE REPORT

4/15

HOUSE

(11)

FURTHER:

Ruler

4/7/82

Date: 4/14/82

Mr. Speaker:

The Committee on FINANCE has had HB 889

"An Act relating to the sale of royalty oil by the State of Alaska to Doyon, Ltd.; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HB 889 (Fin.) same title
- do pass new title
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

Robert H. Adams
Hansen
R. B. Hutchinson
Hubert
John L. Kinn
Jack L. Kinn
Jack Miller

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Sam G. ...

Robert H. Adams
 CHAIRMAN

COMMITTEE REPORT

HOUSE

4/7

(7)

FURTHER: FINANCE

3/29/82

Date: 4-7-82

Mr. Speaker:

The Committee on SPECIAL GAS PIPELINE COMMITTEE has had HB 889

"An Act relating to the sale of royalty oil by the State of Alaska to Doyon, Ltd.; and providing for an effective date."

under consideration and (a-majority-of-the-committee)-(the-committee)----- reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for HF 889 (GP) same title
 new title
- and recommends it to pass

- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation *zero fiscal note with analysis*
- referred to the _____ Committee *Supp #38 + memo*

MEMBERS SIGNING DO PASS

Rick Halford

Don Rogers

[Signature]

Christy [Signature]

MEMBERS HAVING OTHER RECOMMENDATIONS:

[Signature] No Rec

Rick Halford
CHAIRMAN

International Brotherhood

of Electrical Workers

TELEPHONE
(907) 456-4248
or 456-4249

VERN C. (Bud) GARRISON
BUSINESS MANAGER • FINANCIAL SECRETARY



60 HALL STREET
FAIRBANKS, ALASKA 99701

GEORGE A. ROBERTS
PRESIDENT

Local 1547

APRIL 12, 1982

DEAR LEGISLATOR,

WE REQUEST THAT YOU SUPPORT THE NECESSARY LEGISLATION TO ENABLE DOYON NATIVE CORPORATION TO PURCHASE STATE ROYALTY OIL.

DOYON HAS COMMITTED THEMSELVES TO A UNION BUILT REFINERY AND WE IN THE LABOR INDUSTRY STRONGLY SUPPORT LOCAL NATIVE CORPORATIONS WHO CONTRIBUTE TO OUR COMMUNITY LABOR MARKET.

SINCERELY YOURS,

A handwritten signature in cursive script, appearing to read "Andy Maestas".

ANDY MAESTAS
BUSINESS AGENT
IBEW, FBKS 1547

AIM:JCD



KB 888
+
KB 889

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 29, 1982

The Honorable Joe L. Hayes
Speaker of the House
Alaska State Legislature
Pouch V
Juneau, AK 99811

Dear Mr. Speaker:

Under the authority of art. III, sec. 18 of the Alaska Constitution, I am transmitting two bills which provide legislative approval of royalty oil contracts. One bill covers the contract between the state and Tesoro Alaska Petroleum Company, and the other bill covers the contract between the state and Doyon, Ltd.

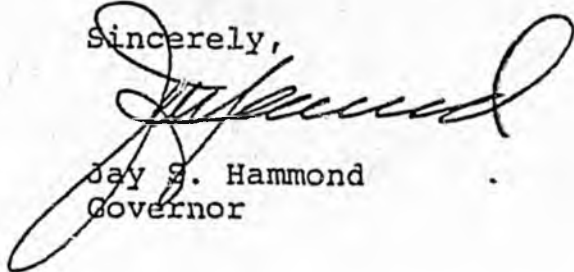
These contracts are described in great detail in the 238-page "Review of Alaska Royalty Oil Policy and Findings for Proposed Disposition of Royalty Oil," issued by the Department of Natural Resources on February 26, 1982. Copies of these findings and a 14-page summary of these findings have previously been made available to the legislature and individual legislators for review. The Doyon contract submitted for approval is a contract referred to in the findings as "Doyon I."

These contracts are being submitted for legislative approval for two reasons. First, although this administration has always taken the position that the statutory requirement of legislative approval of royalty oil contracts is unconstitutional (AS 38.06.055), as a matter of comity I have always respected the legislature's desire to have a direct voice in major disposals of royalty oil. Therefore, these contracts contain provisions requiring approval by the legislature before they become effective. Second, these bills would ratify the agreements for the sale of oil. This ratification would cure any procedural defect that may have occurred in the process of entering into these contracts.

Although we believe that all necessary steps have been taken, the statutes and regulations governing the disposal of royalty oil represent often conflicting desires and goals, both procedural and substantive. For example, even

if statutorily requiring legislative approval were constitutional, the present statutes provide, on the one hand, that the legislature is to approve the contract by enacting legislation (AS 38.06.055(a)), but, on the other hand, they also provide that a report of the Royalty Board "shall be submitted for legislative review at the time of (sic) resolution for legislative approval of a proposed disposition of royalty oil and gas is introduced in the legislature" (AS 38.06.070(c)). Since legislative approval is required anyway as a matter of contract, I believe it only prudent to present these contracts for legislative approval and ratification at this time.

Sincerely,



Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HR 220
 Title Act relating to the sale of royalty oil by the State of Alaska to Doyon,
 Requested by House Resources Date 4/7/82

II. FISCAL DETAIL

Agency Affected Natural Resources/Revenue
 Program Category Affected Royalty Payments/Severance Tax Payments
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
Revenues Lost	0	0	0	0	0	0
TOTAL						

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

IV. DATE April 7, 1982 PREPARED BY House Special Gas Pipeline Committee
 AGENCY _____
 Original: Legislative Finance PHONE _____
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)



Official Business

Alaska State Legislature

House of Representatives

Office of The Majority Leader

Pouch V
State Capitol
Juneau, Alaska 99811

April 7, 1982

MEMORANDUM

TO: Al Adams
Finance Committee Chairman

FROM: Rick Halford
House Special Gas Pipeline Committee Chairman

SUBJECT: 0 Fiscal Note for HB 889

A handwritten signature in cursive script that reads "Rick Halford".

The House Special Gas Pipeline Committee has moved HB 889 "An Act relating to the sale of royalty oil by the State of Alaska to Doyon, Ltd.; and providing for an effective date." - with a 0 Fiscal Note.

However, the Commissioner of Natural Resources has assured this Committee that he will forward to your Committee, an extensive detailed fiscal analysis to accompany the 0 Fiscal Note, for your review and consideration.

ENDED TITLE:

ACT RELATING TO THE SALE OF ROYALTY OIL BY THE STATE
ALASKA TO DOYON, LTD.;
D PROVIDING FOR AN EFFECTIVE DATE

TIME SPONSOR: HOUSE RULES COMMITTEE.

CO-SPONSORS:

CURRENT STATUS: 4/07/82 IN (H) FINANCE

889 HOUSE ACTION

DATE SEQ PAGE

LEGISLATIVE ACTION

DATE	SEQ	PAGE	LEGISLATIVE ACTION
3/29/82	01	0956	FIRST READING -- COMMITTEE REPORTS
3/29/82	02	0954	GOV TRANSMITTAL LETTER
3/29/82	03	0956	CONTRACT JOINT SUPPL #6
4/07/82	04	1177	GAS -- C304, NR01
4/07/82	05	1177	ZERO F/NOTE W/ANALYSIS HSE SUPPL #3B FINANCE RULES

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