

H B

1 4 3

Offered: 2/18/85
Referred: Transportation

Original sponsor: House Special Committee
on Oil and Gas

1 IN THE HOUSE BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 143 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to oil and gas activities along a
7 highway right-of-way; and providing for an effective
8 date."

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

10 * Section 1. AS 19.40.200 is amended by adding new subsections to read:

11 (b) The prohibition on disposal of state land under (a) of this
12 section does not apply to a

13 (1) disposal necessary for an oil and gas lease under
14 AS 38.05.180;

15 (2) a state lease or materials sale necessary for explora-
16 tion, development, production, or transportation of oil and gas or
17 reconstruction or maintenance of the highway.

18 (c) Before the sale of materials under (b)(2) of this section to
19 a private entity or person or to a state agency the state shall give
20 due consideration to the availability of materials from private
21 sources in the area where the materials are needed.

22 * Sec. 2. AS 19.40.210 is amended to read:

23 Sec. 19.40.210. PROHIBITION OF OFF-ROAD VEHICLES. Off-road
24 vehicles are prohibited on land within five miles of the right-of-way
25 of the highway. However, this prohibition does not apply to off-road
26 vehicles necessary for oil and gas exploration, development, produc-
27 tion, or transportation or to a person who holds a mining claim in the
28 vicinity of the highway and who must use land within five miles of the
29 right-of-way of the highway to gain access to the [HIS] mining claim.

- 1 * Sec. 3. This Act is retroactive to October 5, 1980.
- 2 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
- 3 10.070(c).

STATE OF ALASKA
THE LEGISLATURE

POUCH Y - STATE CAPITOL
JUNEAU, ALASKA 99811
907-465-3800

LEGISLATIVE AFFAIRS AGENCY
LEGISLATIVE REFERENCE LIBRARY

May, 1988

Copies of minutes listed below were originally included in this file. The minutes are available on the STAIRS database CMPR. In order to save space copies of minutes have not been left in the files.

Mary Van Nimwegen

HT 2-18-85 8:30am

CSSB 115 RES

AN ACT RELATING TO LAND USE AND DISPOSAL NEAR A HIGHWAY RIGHT-OF-WAY;
AND PROVIDING FOR AN EFFECTIVE DATE.

PRIME SPONSOR: RESOURCES COMMITTEE

CO-SPONSORS:

CURRENT STATUS: (H) TRSP

DATE		PAGE	ACTION
01/31/85	(S)	185	READ THE FIRST TIME
02/11/85	(S)	264	RES RPT CS 7 DP NEW TITLE
02/11/85	(S)	264	LETTER OF INTENT WITH COMMITTEE REPORT
02/19/85	(S)	328	TRSP RPT 4 DP RESOURCES CS
02/21/85	(S)	346	RLS RPT CALENDAR TODAY
02/21/85	(S)	352	READ THE SECOND TIME
02/21/85	(S)	352	RES CS ADOPTED UNAN CONSENT NEW TITLE
02/21/85	(S)	352	ADVANCED TO THIRD READING UNAN CONSENT
02/21/85	(S)	353	READ THE THIRD TIME CSSB 115 RES
02/21/85	(S)	353	PASSED Y20 N- X- A-

SB 115

MEASURE HISTORY

PAGE 02 OF 02

DATE		PAGE	ACTION
02/21/85	(S)	353	EFFECTIVE DATE SAME AS PASSAGE
02/21/85	(S)	353	SENATE LETTER OF INTENT ADOPTED
02/21/85	(S)	357	TRANSMITTED TO (H)
02/22/85	(H)	408	READ THE FIRST TIME
03/01/85	(H)	493	O&G WAIVED TO RESOURCES
03/04/85	(H)	509	RES WAIVED TO TRSP TRANSPORTATION RULES

Original sponsor: House Special Committee
on Oil and Gas

1 IN THE HOUSE

BY THE HOUSE SPECIAL
COMMITTEE ON OIL AND GAS

2 CS FOR HOUSE BILL NO. 143 (Oil and Gas)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relat' to oil and gas activities along
7 highway rights-of-way."

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

9 * Section 1. AS 19.40.200 is amended to read:

10 Sec. 19.40.200. PROHIBITION ON DISPOSAL OF LAND WITHIN FIVE
11 MILES OF THE HIGHWAY. The state may not dispose of state land under
12 AS 38 which is within five miles of the right-of-way of the highway.
13 This section does not apply to an oil and gas lease under
14 AS 38.05.180.

15 * Sec. 2. AS 19.40.210 is amended to read:

16 Sec. 19.40.210. PROHIBITION OF OFF-ROAD VEHICLES. Off-road
17 vehicles are prohibited on land within five miles of the right-of-way
18 of the highway. However, this prohibition does not apply to off-road
19 vehicles necessary for oil and gas exploration conducted under an oil
20 and gas lease issued under AS 38.05.180 or to a person who holds a
21 mining claim in the vicinity of the highway and who must use land
22 within five miles of th) right-of-way of the highway to gain access to
23 the [HIS] mining claim.

DEPARTMENT OF NATURAL RESOURCES

PROPOSED AMENDMENT TO HB 143

1. Delete Section 1 and insert:

*except for purposes of reconstruction
or maintenance of this highway*

*Section 1. AS 19.40.200 is amended to read:

Section 19.40.200. PROHIBITION OF DISPOSAL WITHIN FIVE MILES OF THE HIGHWAY. The state may not dispose of state land under AS 38 which is within five miles of the right-of-way of the highway. This section does not apply to an oil and gas lease under AS 38.05.180, or to a disposal necessary for exploration, development, production, or transportation of oil and gas ~~or for reconstruction and maintenance of existing highways.~~

the north of 68° North latitude.

2. Add a new section to read:

*Sec. 3. This Act takes effect immediately in accordance with AS 01.10.070(c).

3. Change title to read: "An Act relating to oil and gas activities along highway rights-of-way; and providing for an effective date."

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

BILL SHEFFIELD, GOVERNOR

POUCH M
JUNEAU, ALASKA 99811
PHONE: 907-465-2400

January 31, 1985

The Honorable Mike Davis, Chairman
House Special Committee on Oil and Gas
Pouch V
Juneau, AK 99811

Dear Representative Davis:

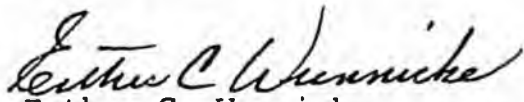
The Department of Natural Resources is requesting amendment of AS 19.40.200 and AS 19.40.210 to allow oil and gas exploration and development within five miles of the right-of-way of the Dalton Highway (North Slope Haul Road).

The statute presently prohibits the disposal of state land under AS 38 and use of off-road vehicles within five miles of the highway. "State land" under AS 38 includes oil and gas leases for exploration and production rights.

Although the department does not believe it was the intent of the 1980 Legislature to prohibit oil and gas activities along the highway, the statute as presently written may be interpreted to have that effect. Oil and Gas Lease Sale 47 (Kuparuk Uplands) is tentatively scheduled for May 21, 1985 and contains approximately 611,840 acres. Of that total, some 230,000 acres (52 of the 113 tracts) are within the five-mile corridor and will have to be deleted from the sale without clarification of the statutes cited above. Final notice of Sale 47 is scheduled to be given March 22, 1985.

I appreciate the willingness of your Committee to introduce HB 143, which would rectify the apparent oversight. Thank you in advance for your consideration and timely action on the bills.

Sincerely,


Esther C. Wunnicke
Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 143
 Title: Exploration and Development
in Highway Rights-of-Way
 Sponsor: _____
 Requestor: Rep. Davis
 Date of Request: 1/31/85

FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected: NRMEC
 BRU, Program or Subprogram(s) Affected: _____
Minerals and Energy Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: Ned Farquhar
 Division: Commissioner's Office

Phone: 465-2400
 Date: January 31, 1985

Approved by Commissioner: [Signature]
 Agency: Natural Resources

Date: January 31, 1985

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 115
 Title: Exploration and Development
in Highway Rights-of-Way
 Sponsor: _____
 Requestor: Sen. Sturgulewski
 Date of Request: 1/31/85

FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected: NRMEC
 BRU, Program or Subprogram(s) Affected: Minerals and Energy Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: Ned Farquhar
 Division: Commissioner's Office

Phone: 465-2400
 Date: January 31, 1985

Approved by Commissioner: Wm D Smyly
 Agency: Natural Resources

Date: January 31, 1985

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Guest Editorial

Stevens Village Opposes State Selections Around Yukon Crossing

By Village Council
Stevens Village

Fairbanks, Alaska — Stevens Village wishes to express its extreme concern and fear over the State of Alaska selecting lands within the haul road corridor around the Yukon Crossing near Stevens Village and to alert the general public to this happening in order to rally more public support to prevent this from happening.

These are lands that the people of Stevens Village have traditionally used, occupied, and governed. The lands are subsistence lands and as such are needed to remain in that use to maintain the subsistence economy and the traditional lifestyle of the people of Stevens Village.

The people of Stevens Village are struggling to survive and to protect their culture and traditional lifestyle. In order to do this, they have to have a say in what goes on in their traditional lands that they use. They oppose the State selecting these lands because of the State's insensitivity in dealing with Stevens Village in the past.

For example, during pipeline days, the State rushed to build the Hickel Highway through Stevens Village's lands without the village's permission and without the construction permit being granted yet for the pipeline from the Federal government.

If the State selects these lands and then encourages settlement and/or development there, it will have a devastating effect on the people of Stevens Village. Why

start a new settlement only to wipe out another one? The haul road is for transportation purposes and for reasons of safety and efficiency it needs to remain free of settlement and/or development. This will save the State money in the long run.

We are asking the people of Alaska to support us in this by contacting the State Department of Natural Resources and our representatives in the State Legislature.

By keeping these lands in a natural state it will help to insure the survival of the Stevens Village people and their culture, for without that Alaska can never be a great land.

Letters to the Editor

Dear Editor:

As 1991 looms on the horizon, with the as-yet indistinct but potentially disruptive impacts on all Alaskans, it is reasonable to note a trend among many Native Alaskans that flies in the face of long-held stereotypes held by many non-natives. This trend makes the task of preparing for the upcoming battle over corporate and land ownership between the Native corporations and potential outside owners that much more hopeful.

A good number of Native

ed people choose not to drink there may be social, economic and political consequences which we had not anticipated.

An example of this trend can be seen in the recently enacted policies of the Alaska Federation of Natives and the Association of Village Council Presidents (AVCP), both of which have in recent years adopted policies of no drinking during their annual meeting. AVCP even contacts local villages when any of their representatives

BACKGROUND ON HB 143
DEPARTMENT OF NATURAL RESOURCES
February 6, 1985
House Oil and Gas and Resources Committees

DISPOSALS UNDER AS 38 NECESSARY FOR OIL AND GAS DEVELOPMENT:

- Oil and gas leases under AS 38.05.180 convey exploratory drilling rights and production rights for any oil and gas discovered.
- Material (sand and gravel) sales under AS 38.05.110-.120 are needed for roads, drill pads, offshore artificial drilling islands, causeways, and other facilities. "Sales" are also made to the Department of Transportation and Public Facilities for highway reconstruction and maintenance.
- Oil and gas pipeline right-of-way leases under AS 38.35 are the required authorization to construct an oil or gas pipeline on or across state land.
- Leases under AS 38.05.070 are held by private service companies and contractors in the Prudhoe Bay Industrial Tract Subdivision. These companies and contractors sell, rent, and repair equipment and provide services to oil and gas lessees. Alyeska Pipeline Service Co. also holds leases (for example, construction camp site).

ACTIVITIES IMMEDIATELY AFFECTED BY THE PROPOSED LEGISLATION:

- Oil and Gas Lease Sale 47 (Kuparuk Uplands) is tentatively scheduled for May 21, 1985, and contains approximately 611,840 acres. Of that total, about 230,00 acres (52 of the 113 tracts) are within five miles of the highway and would have to be deleted from the sale without the proposed clarification of existing statute. Final notice of Sale 47 is scheduled to be given March 22, 1985.
- Seismic exploration using off-road vehicles is currently prohibited within the 10-mile corridor.

DEPARTMENT OF NATURAL RESOURCES

PROPOSED AMENDMENT TO HB 143

1. Delete Section 1 and insert:

*Section 1. AS 19.40.200 is amended to read:

Section 19.40.200. PROHIBITION ON DISPOSAL WITHIN FIVE MILES OF THE HIGHWAY. The state may not dispose of state land under AS 38 which is within five miles of the right-of-way of the highway. This section does not apply to an oil and gas lease under AS 38.05.180, or to a disposal necessary for exploration, development, production, or transportation of oil and gas or for reconstruction and maintenance of existing highways.

2. Add a new section to read:

*Sec. 3. This Act takes effect immediately in accordance with AS 01.10.070(c).

3. Change title to read: "An Act relating to oil and gas activities along highway rights-of-way; and providing for an effective date."

INTRODUCTION OF BILLS (House)(cont'd)

HB 141 (cont'd)

Finally, the bill sets out in detail the factors that should be considered when granting discretionary parole; the procedures for granting, revoking, or rescinding parole; and the considerations that must be addressed when deciding whether an alleged parole violator is to be released pending revocation proceedings.

Drafts of the bill have been extensively discussed by members of criminal justice agencies, and this final version addresses the concerns they have regarding our current system of parole. I urge your prompt action on this measure.

Kroto-Deshka
Pub. Use Area
(creating)

HCUSE BILL NO. 142, by Reps. Martin and Marrou. Would create the Kroto-Deshka Public Use Area. The area consists of approximately 25,000 acres along a tributary to the Susitna River, one of the most popular king salmon fishing spots in the Susitna River drainage system. Creation of the public use area would protect and maintain habitats and populations of fish and wildlife, and "... perpetuate public uses ... including fishing, hunting, trapping, viewing, photography and general public recreation in a high quality environment."

Under the bill the Department of Natural Resources (DNR) would manage the surface and subsurface estate of the area. DNR would hold public hearings and develop and adopt a management plan, based on those hearings, with the concurrence of the Dept. of Fish & Game (DFG). DFG would be responsible for the management of fish and game resources and public use of fish and wildlife.

The area would be open to mineral leasing if the commissioner of DNR determines it is not inconsistent. Valid leases and multiple use permits remain valid and continue in full force. DNR may issue surface leases for up to five years. Prohibits DNR from selling land within the public use area, and closes land to mineral entry (claims rather than leases). Prohibits the state from acquiring privately owned land by eminent domain, but would allow purchase, exchange or other means acquiring land for the area. Lists land to be included in public use area. No effective date (takes effect 90 days after Governor signs bill).

Introduced January 30 and referred to Resources, Finance.

Oil & Gas
Activities
(haul road
right-of-way)

HOUSE BILL NO. 143, by the House Special Committee on Oil & Gas. Amends section of state law relating to disposal of state land within five miles of the North Slope haul road (AS 19.40.200, James Dalton Highway. Prohibition on Disposal of Land Within Five Miles of the Highway) to read: "The state may not dispose of land under AS 38 [Public Lands] which is within five miles of the right-of-way of the highway. This section does not apply to an oil and gas lease under AS 38.05.180 [Oil and Gas Leasing]; other state land disposals necessary for oil and gas exploration, development, production, or transportation; or other state land disposals necessary for highway maintenance and construction."

INTRODUCTION OF BILLS (House)(cont'd)

HB 143 (cont'd)

Amends section relating to off-road vehicles on the haul road (AS 19.40.210), to allow the use of off-road vehicles that support oil and gas exploration, development, production or transportation.

Does not provide an effective date (takes effect 90 days after Governor signs bill).

Introduced January 30 and referred to the House Special Committee on Oil and Gas, then Transportation. The Speaker added a Resources referral. To Oil & Gas, then Resources, then Transportation.

Campaign
Contributors
(public info)

HOUSE BILL NO. 144, by Reps. Martin and Marrou. Would make the list containing the names of each state resident who requested a tax credit for campaign contributions available to the public under laws governing public information (current law states that these lists may not be made public except on order of the state supreme court). Does not provide an effective date (takes effect 90 days after Governor signs bill).

Introduced January 30 and referred to State Affairs, then Judiciary.

Home Rule
Charters
(adoption by
2nd class
cities)

HOUSE BILL NO. 145, by Rep. Binkley. Authorizes a second class city to adopt a charter for its own government if the Dept. of Community & Regional Affairs determines from the best figures available that the population of the city is at least 3,500 permanent residents (adds language to AS 29.13.010, Municipal Charter Adoption). Amends section relating to organizational grants (AS 29.18.180) in order that a second class city that is reclassified as a first class or home rule city would be entitled to an organizational grant equal to \$10 for every voter who voted in the charter election. No effective date (takes effect 90 days after Governor signs bill).

Introduced January 30 and referred to Community & Regional Affairs, then Finance.

Housing Loans
(for perm.
disabled)

HOUSE BILL NO. 146, by Reps. Furnace and Collins. Adds new section to Alaska Housing Finance Corporation (AHFC) laws (AS 18.56) establishing a residential housing loan program for the permanently disabled under the special mortgage loan purchase program. Would allow loans to disabled persons or to the parent or guardian if they are living with the disabled person.

The loan would have a fixed annual interest rate of six percent, and could not exceed the maximum loan amount for a single family residence under the special mortgage loan program. The appraised value of the residence could not exceed the loan amount by more than 25 percent. AHFC could not require the borrower to make a down payment. States that the equity in the home could not be used to deny the borrower state benefits to which the borrower would otherwise be entitled. The borrower could be required to prove present and future financial ability to repay the loan, but loans could be denied solely because of circumstances caused by the

COMMITTEE REPORTS (House)

Oil & Gas Producers & Pipelines
(allowable depreciation) HOUSE BILL NO. 101, (see page 134). Reported back to the House February 15 by the House Special Committee on Oil & Gas recommending as follows: Marrou and Pignalberi recommended it do pass. Davis (Chair), Sund, Cotten and Szymanski have no recommendation. To Resources.

Royalty Oil
(procedural requirements) HOUSE BILL NO. 103, (see page 135). Reported back to the House February 15 by the House Special Committee on Oil & Gas recommending adoption of a substitute and that it do pass. Concurring: Davis (Chair), Cotten, Sund, Pourchot and Szymanski. Not concurring: Pignalberi had no recommendation. To Resources.

The Oil & Gas substitute changes the title only (now reads "An Act relating to prerequisites for the disposal of royalty oil and gas; and providing for an effective date.")

Board of Pharmacy
(extending) HOUSE BILL NO. 123, (see page 147). Reported back to the House February 15 by Labor & Commerce as follows: Navarre (Chair), Davis, Boucher and Koponen recommend it do pass. Pearce, Collins and Hanley had no recommendation. To Health, Education and Social Services.

Older Alaskans Commission
(extending) HOUSE BILL NO. 124, (see page 147). Reported back to the House February 15 by State Affairs recommending it do pass. Concurring: Hurley (Chair), Navarre, Boucher, Cato, Jenkins, and M. M. Miller. To Health, Education & Social Services. The committee further attached the following letter:

The House State Affairs Committee had under consideration for "Sunset Review" the Older Alaskans Commission pursuant to your referral under AS 44.66.050. The Committee has determined that there is a public need for the Commission and recommends "do pass" to HB 124 "An act extending the Older Alaskans Commission; and providing for an effective date."

In accordance with statutory requirement a public hearing was held on the review of the Board and the Committee examined the performance audit of the activities of the Board prepared by the Legislative Budget & Audit Division."

The letter was signed by Hurley (Chairman), M.M. Miller, Cato, Boucher, Navarre, Jenkins and Collins.

AK Securities Act
(revising) HOUSE BILL NO. 126, (see page 154). Reported back to the House February 15 by Labor & Commerce recommending it do pass. Concurring: Navarre (Chair), Koponen, Hanley, Pearce, Collins and Davis. To Judiciary.

Oil & Gas Activities
(haul road right-of-way) HOUSE BILL NO. 14, (see page 190). Reported back to the House February 11 by House Special Committee on Oil & Gas recommending it be replaced with a CS and that it do pass. Concurring: Davis (Chairman), Sund, Szymanski, Pignalberi, Marrou and Cotten. Not concurring: Pourchot. To Resources.

The Oil & Gas substitute changes existing law so that the prohibition on disposal of state land within five miles of the

COMMITTEE REPORTS (House)

HB 143, (cont'd)

James Dalton highway (North Slope haul road) does not apply to a disposal necessary for an oil and gas lease; exploration, development, production, or transportation of oil and gas north of 68 degrees north latitude; or reconstruction or maintenance of the highway (current law prohibits disposal of state land under title 38 (public lands) which is within five miles of the right-of-way of the James Dalton highway).

The prohibition against off-road vehicles does not apply to off-road vehicles necessary for oil and gas exploration conducted under and oil and gas leases (original version stated the prohibition did not apply to off-road vehicles supporting oil and gas exploration, development, production or transportation).

The Oil & Gas substitute also adds an immediate effective date.

Board Members
Term of Office
(expiration
dates)

HOUSE BILL NO. 152, (see page 197). Reported back to the House February 15 by State Affairs recommending as follows: M. M. Miller and Jenkins recommend it do pass. Hurley (Chair), Navarre, Cato, Boucher and Collins had no recommendation. To Judiciary. The committee further attached a letter of intent:

"It is the intent of the House State Affairs Committee that in passing HB 152 that the mechanism for replacing board members established in this legislation be used to retain a functioning board until a suitable replacement is found for a member whose term has expired.

The committee remains concerned, however, that the discretion allowed the Governor through HB 152 in making appointments, could be abused and that there may be substantial constitutional questions in allowing a board member to retain a seat beyond their term of appointment.

It is the wish of the committee, therefore, that the House Judiciary committee, in reviewing HB 152, address these concerns and make any amendments appropriate in addressing these problems."

State
Employment
(state leave)

HOUSE BILL NO. 153, (see page 198). Reported back to the House February 15 by State Affairs recommending it be replaced with a substitute and that it do pass. Concurring: Hurley (Chair), Navarre, Collings, Cato, Boucher and M. M. Miller. Not concurring: Jenkins had no recommendation. To Finance.

The State Affairs substitute leaves out a section of the bill that would have allowed state officers or employees to donate personal or annual leave to another employee (see HB 70 (AMS), page 214). Also deletes changes to sections relating to employees of the division of marine highway (see explanation in governor's letter, page 198). Changes language in section relating to positions in the partially exempt service, stating that when the personnel board changes the position included in the partially exempt service, the commissioner of administration shall submit a list of those positions to the lieutenant governor for publication in the

COMMITTEE REPORTS (House)

HB 133. (cont'd)

--the owner of a motor vehicle is required to renew the certificate of inspection at least once a year (in Senate version renewal must be done twice a year).

--the Commissioner of Commerce & Economic Development may adopt regulations to implement the law (in Senate version the Commissioner may adopt "procedural" regulations).

--the definition of "motor vehicle" means a truck of more than 10,000 pounds unladen gross vehicle weight used upon a public highway (in Senate version the definition also includes trailers over 5,000 pounds unladen gross vehicle weight).

Oil & Gas
Activities
(has road
of-way)

HOUSE BILL NO. 143. (see pages 190;285). Reported back to the House February 18 by Resources recommending it be replaced with a substitute and as follows: Shultz (Co-Chair), M. W. Miller, Thompson, Pearce, Jenkins and Cato recommend it do pass. Herrmann (Co-Chair) had no recommendation. Wallis signed "no rec with 68 degree latitude." To Transportation.

The Resources substitute contains none of the original language. It amends AS 19.40.200 (James Dalton Highway. Prohibition on Disposal of Land within Five Miles of the Highway), stating prohibition does not apply to a disposal necessary for an oil and gas lease under state leasing laws; a state lease or materials sale necessary for exploration, development, production, or transportation of oil and gas or reconstruction or maintenance of the highway. The section also states that before the sale of materials to a private entity or person or to a state agency, the state shall give due consideration to the availability of materials from private sources in the area where the materials are needed.

Amends section prohibiting off-road vehicles within five miles of the James Dalton Highway (AS 19.40.210), stating the prohibition does not apply to off-road vehicles necessary for oil and gas exploration, development, production, or transportation (currently prohibition does not apply to a person who holds a mining claim in the vicinity who must use the right-of-way to gain access to the claim.)

Adds an immediate effective date.

State
Airports
(utilities &
encroachment's)

HOUSE BILL NO. 159. (see page 204). Reported back to the House February 22 by Community & Regional Affairs recommending it be replaced with a substitute and recommends as follows: Goll (Chair), Gruenberg, Wallis and Koponen recommend it do pass. Furnace and Marrou recommend it do not pass. Phillips has no recommendation. To Transportation.

The C&RA substitute changes section relating to the cost of changing, relocating, or removal of utility facilities incident to airport or public utility projects. States that the cost is to be paid by the department as a cost of airport construction, provided that the utility facility is properly installed in accordance with

Offered: 2/11/85
Referred: Transportation

Original sponsor: Resources Committee

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE BILL NO. 115 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION
5 A BILL *HB 143* *narrows it!*
6 For an Act entitled: "~~An Act relating to land use and disposal near a~~
7 ~~highway right-of-way; and providing for an effective~~
8 ~~date.~~"

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. AS 19.40.200 is amended by adding new subsections to read:
11 (b) The prohibition on disposal of state land under (a) of this
12 section does not apply to a
13 (1) disposal necessary for an oil and gas lease under
14 AS 38.05.180;
15 (2) a state lease or materials sale necessary for explora-
16 tion, development, production, or transportation of oil and gas or
17 reconstruction or maintenance of the highway.
18 (c) Before the sale of materials under (b)(2) of this section to
19 a private entity or person or to a state agency the state shall give
20 due consideration to the availability of materials from private
21 sources in the area where the materials are needed.
22 * Sec. 2. AS 19.40.210 is amended to read:
23 Sec. 19.40.210. PROHIBITION OF OFF-ROAD VEHICLES. Off-road
24 vehicles are prohibited on land within five miles of the right-of-way
25 of the highway. However, this prohibition does not apply to off-road
26 vehicles necessary for oil and gas exploration, development, produc-
27 tion, or transportation or to a person who holds a mining claim in the
28 vicinity of the highway and who must use land within five miles of the
29 right-of-way of the highway to gain access to the [HLS] mining claim.

1 * Sec. 3. This Act is retroactive to October 5, 1980.

2 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-

3 10.070(c).

c

BACKGROUND ON SB 115
DEPARTMENT OF NATURAL RESOURCES
February 8, 1985
Senate Resources Committee

DISPOSALS UNDER AS 38 NECESSARY FOR OIL AND GAS DEVELOPMENT:

- Oil and gas leases under AS 38.05.180 convey exploratory drilling rights and production rights for any oil and gas discovered.
- Material (sand and gravel) sales are made to private entities under AS 38.05.110-120 for roads, drill pads, offshore artificial drilling islands, causeways, and other facilities. "Sales" are also made to the Department of Transportation and Public Facilities for highway reconstruction and maintenance under AS 38.05.810 (public and charitable use).
- Oil and gas pipeline right-of-way leases under AS 38.35 are the required authorization to construct an oil or gas pipeline on or across state land.
- Leases under AS 38.05.070 are held by private service companies and contractors in the Prudhoe Bay Industrial Tract Subdivision. These companies and contractors sell, rent, and repair equipment and provide services to oil and gas lessees. Alyeska Pipeline Service Co. also holds leases (for example, construction camp site).

ACTIVITIES IMMEDIATELY AFFECTED BY THE PROPOSED LEGISLATION

- Oil and Gas Lease Sale 47 (Kuparuk Uplands) is tentatively scheduled for May 21, 1985, and contains approximately 611,840 acres. Of that total, about 230,000 acres (52 of the 113 tracts) are within five miles of the highway and would have to be deleted from the sale without the proposed clarification of existing statute. Final notice of Sale 47 is scheduled to be given March 22, 1985.
- Seismic exploration using off-road vehicles is currently prohibited within the 10-mile corridor.
- Several existing material sales to the Department of Transportation and Public Facilities, and current pending applications for continued materials requirements of Alyeska will be in jeopardy.

BILL SHEFFIELD, GOVERNOR

REPLY TO:

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

1st NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

POUCH K - STATE CAPITOL
JUNEAU, ALASKA 99811
PHONE: (907) 465-3600

February 12, 1985

The Honorable Arliss Sturgulewski, Chairman
Senate Resources Committee
Alaska State Senate
Pouch V
Juneau, Alaska 99811

Re: CSSB 115 (Res)

Dear Senator Sturgulewski:

Kay Brown, director of the division of oil and gas, has asked us to respond to your inquiry whether there would be any negative legal implications from the retroactive application of the proposed amendments to AS 19.40.200 - 19.40.210 contained in the referenced bill. 1/ We believe that there would not.

Although retrospective laws are generally not favored, curative legislation is encouraged. Here, the legislation is in part being proposed to validate certain existing AS 38.05 disposals and off-road vehicle activities which might otherwise be void for failure to conform with the existing proscriptions of

1/ You will recall that the inquiry was made at your meeting of February 8, at which time Ms. Brown proposed that the provisions of CSSB 115 (Res) be made retroactive. We had earlier advised Ms. Brown that any question regarding the validity of existing uses of state land along the Dalton Highway could be resolved in the context of an attorney general's opinion. However, on February 4, it was brought to our attention that at least one existing oil and gas lease would be void unless made valid by retroactive application of the proposed amendments contained in the bill.

AS 19.40.200 - 19.40.210. These disposals and activities were authorized by state officials under the mistaken belief that the provisions of AS 19.40.200 - 19.40.210 were limited in scope to certain circumstances of primary concern to the legislature when the original Act was passed, namely, the prohibition of cabin site and other land surface disposals under AS 38.05 and of hunting with ORVs along the Haul Road corridor. The plain language of the statute, however, exceeds this narrow application, even though a broad interpretation reportedly was not the legislature's original intent.

Nevertheless, even curative legislation must comply with certain legal requirements. Among these is the requirement of AS 01.10.090 for an express statement of retroactivity. The legislative drafting manual suggests that language providing for retroactive application of a bill be set out in a separate section immediately preceding the effective date section, and that the retroactive section and the sections of the bill that are to be retroactive have immediate effective dates. Thus, CSSB 115 (Res) should contain an additional section to read:

* Sec. 3. Sections 1 - 2 of this Act are retroactive to October 5, 1980. 2/

From a constitutional standpoint, a curative Act may not impair the obligation of contracts, take property without due process of law, or interfere with purely judicial matters. We are not aware of any potential problems arising in these three areas of concern if the presently proposed amendments to AS 19.40.200 - 19.40.210 are made retroactive to the effective date of the original Act. To the contrary, retroactive application will avoid the possibility of finding invalid existing uses of state land previously authorized by state officials.

In sum, we are of the opinion that CSSB 115 (Res), which grants new rights rather than takes away existing rights,

2/ The present Section 3, providing for an immediate effective date, would be renumbered Section 4.

The Honorable Arliss Sturgulewski, Chairman
Senate Resources Committee

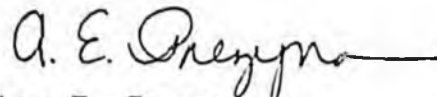
February 12, 1985

Page 3

will present no negative legal implications if its provisions are applied retroactively. To the contrary, because of the uncertain validity of some existing uses of state land, we strongly encourage inclusion in the bill of a retrospective clause such as the one we have suggested.

Very truly yours,

NORMAN GORSUCH
ATTORNEY GENERAL



By: Ann E. Prezyna
Assistant Attorney General

AEP/ma

cc: Kay Brown, Director
Division of Oil and Gas
Department of Natural Resources

Arthur H. Peterson
Assistant Attorney General
Department of Law - Juneau

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: SB 115
 Title: Exploration and Development
in Highway Rights-of-Way
 Sponsor: _____
 Requestor: Sen. Sturgulewski
 Date of Request: 1/31/85

FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected: NRMEC
 BRU, Program or Subprogram(s) Affected: _____
Minerals and Energy Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: Ned Farquhar
 Division: Commissioner's Office

Phone: 465-2400
 Date: January 31, 1985

Approved by Commissioner: James D. Amodeo
 Agency: Natural Resources

Date: January 31, 1985

Distribution (by Agency preparing fiscal note):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

7/1/84

DEPARTMENT OF NATURAL RESOURCES

PROPOSED AMENDMENT TO HB 143

1. Delete Section 1 and insert:

*except for purposes of
reconstruction or maintenance of
the highway*

*Section 1. AS 19.40.200 is amended to read:

Section 19.40.200. PROHIBITION ON DISPOSAL WITHIN FIVE MILES OF THE HIGHWAY. The state may not dispose of state land under AS 38 which is within five miles of the right-of-way of the highway. This section does not apply to an oil and gas lease under AS 38.05.130, or to a disposal necessary for exploration, development, production, or transportation of oil and gas ~~or for reconstruction and maintenance of existing highways.~~

, north of 68° N. latitude

2. Add a new section to read:

*Sec. 3. This Act takes effect immediately in accordance with AS 01.10.070 (c).

3. Change title to read: "An Act relating to oil and gas activities along highway rights-of-way; and providing for an effective date."

BACKGROUND ON HB 143
DEPARTMENT OF NATURAL RESOURCES
February 6, 1985
House Oil and Gas and Resources Committees

DISPOSALS UNDER AS 38 NECESSARY FOR OIL AND GAS DEVELOPMENT:

- Oil and gas leases under AS 38.05.180 convey exploratory drilling rights and production rights for any oil and gas discovered.
- Material (sand and gravel) sales under AS 38.05.110-.120 are needed for roads, drill pads, offshore artificial drilling islands, causeways, and other facilities. "Sales" are also made to the Department of Transportation and Public Facilities for highway reconstruction and maintenance.
- Oil and gas pipeline right-of-way leases under AS 38.35 are the required authorization to construct an oil or gas pipeline on or across state land.
- Leases under AS 38.05.070 are held by private service companies and contractors in the Prudhoe Bay Industrial Tract Subdivision. These companies and contractors sell, rent, and repair equipment and provide services to oil and gas lessees. Alyeska Pipeline Service Co. also holds leases (for example, construction camp site).

ACTIVITIES IMMEDIATELY AFFECTED BY THE PROPOSED LEGISLATION:

- Oil and Gas Lease Sale 47 (Kuparuk Uplands) is tentatively scheduled for May 21, 1985, and contains approximately 611,840 acres. Of that total, about 230,00 acres (52 of the 113 tracts) are within five miles of the highway and would have to be deleted from the sale without the proposed clarification of existing statute. Final notice of Sale 47 is scheduled to be given March 22, 1985.
- Seismic exploration using off-road vehicles is currently prohibited within the 10-mile corridor.

DEPARTMENT OF NATURAL RESOURCES

PROPOSED AMENDMENT TO HB 143

1. Delete Section 1 and insert:

*Section 1. AS 19.40.200 is amended to read:

Section 19.40.200. PROHIBITION ON DISPOSAL WITHIN FIVE MILES OF THE HIGHWAY. The state may not dispose of state land under AS 38 which is within five miles of the right-of-way of the highway. This section does not apply to an oil and gas lease under AS 38.05.180, or to a disposal necessary for exploration, development, production, or transportation of oil and gas ~~or for reconstruction and maintenance of existing highways.~~

No 68° latitude

except for purpose of recon or main of the Highway.

2. Add a new section to read:

*Sec. 3. This Act takes effect immediately in accordance with AS 01.10.070(c).

3. Change title to read: "An Act relating to oil and gas activities along highway rights-of-way; and providing for an effective date."

Guest Editorial

Stevens Village Opposes State Selections Around Yukon Crossing

By Village Council
Stevens Village

Fairbanks, Alaska — Stevens Village wishes to express its extreme concern and fear over the State of Alaska selecting lands within the haul road corridor around the Yukon Crossing near Stevens Village and to alert the general public to this happening in order to rally more public support to prevent this from happening.

These are lands that the people of Stevens Village have traditionally used, occupied, and governed. The lands are subsistence lands and as such are needed to remain in that use to maintain the subsistence economy and the traditional lifestyle of the people of Stevens Village.

The people of Stevens Village are struggling to survive and to protect their culture and traditional lifestyle. In order to do this, they have to have a say in what goes on in their traditional lands that they use. They oppose the State selecting these lands because of the State's insensitivity in dealing with Stevens Village in the past.

For example, during pipeline days, the State rushed to build the Hickel Highway through Stevens Village's lands without the village's permission and without the construction permit being granted yet for the pipeline from the Federal government.

If the State selects these lands and then encourages settlement and/or development there, it will have a devastating effect on the people of Stevens Village. Why

start a new settlement only to wipe out another one?

The haul road is for transportation purposes and for reasons of safety and efficiency it needs to remain free of settlement and/or development. This will save the State money in the long run.

We are asking the people of Alaska to support us in this by contacting the State Department of Natural Resources and our representatives in the State Legislature.

By keeping these lands in a natural state it will help to insure the survival of the Stevens Village people and their culture, for without that Alaska can never be a great land.

Letters to the Editor

Dear Editor:

As 1991 looms on the horizon, with the as-yet indistinct but potentially disruptive impacts on all Alaskans, it is reasonable to note a trend among many Native Alaskans that flies in the face of long-held stereotypes held by many non-natives. This trend makes the task of preparing for the upcoming battle over corporate and land ownership between the Native corporations and potential outside owners that much more hopeful.

A good number of Native

ed people choose not to drink, there may be social, economic and political consequences which we had not anticipated.

An example of this trend can be seen in the recently enacted policies of the Alaska Federation of Natives and the Association of Village Council Presidents (AVCP), both of which have in recent years adopted policies of no drinking during their annual meetings. AVCP even contacts local villages when any of their representatives

STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

POUCH M
JUNEAU, ALASKA 99811
PHONE: 907-465-2400

OFFICE OF THE COMMISSIONER

January 31, 1985

The Honorable Mike Davis, Chairman
House Special Committee on Oil and Gas
Pouch V
Juneau, AK 99811

Dear Representative Davis:

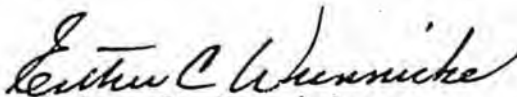
The Department of Natural Resources is requesting amendment of AS 19.40.200 and AS 19.40.210 to allow oil and gas exploration and development within five miles of the right-of-way of the Dalton Highway (North Slope Haul Road).

The statute presently prohibits the disposal of state land under AS 38 and use of off-road vehicles within five miles of the highway. "State land" under AS 38 includes oil and gas leases for exploration and production rights.

Although the department does not believe it was the intent of the 1980 Legislature to prohibit oil and gas activities along the highway, the statute as presently written may be interpreted to have that effect. Oil and Gas Lease Sale 47 (Kuparuk Uplands) is tentatively scheduled for May 21, 1985 and contains approximately 611,840 acres. Of that total, some 230,000 acres (52 of the 113 tracts) are within the five-mile corridor and will have to be deleted from the sale without clarification of the statutes cited above. Final notice of Sale 47 is scheduled to be given March 22, 1985.

I appreciate the willingness of your Committee to introduce HB 143, which would rectify the apparent oversight. Thank you in advance for your consideration and timely action on the bills.

Sincerely,


Esther C. Wunnicke
Commissioner

STATE OF ALASKA 1985 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: HB 143
 Title: Exploration and Development
in Highway Rights-of-Way
 Sponsor: _____
 Requestor: Rep. Davis
 Date of Request: 1/31/85

FISCAL DETAIL

Agency Affected: Natural Resources
 Program Category Affected: NRMEC
 BRU, Program or Subprogram(s) Affected:
Minerals and Energy Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90
OPERATING						
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 SUPPLIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS						
800 MISCELLANEOUS						
TOTAL OPERATING		-0-	-0-	-0-	-0-	-0-

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL		-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: Attach a separate page if necessary

No fiscal impact.

Prepared By: Ned Farquhar
 Division: Commissioner's Office

Phone: 465-2400
 Date: January 31, 1985

Approved by Commissioner: [Signature]
 Agency: Natural Resources

Date: January 31, 1985

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

7/1/84

Original sponsor: House Special Committee on Oil and Gas

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 143 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to oil and gas activities along a
7 highway right-of-way; and providing for an effective
8 date."

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

10 * Section 1. AS 19.40.200 is amended by adding new subsections to read:

11 (b) The prohibition on disposal of state land under (a) of this
12 section does not apply to a

13 (1) disposal necessary for an oil and gas lease under
14 AS 38.05.180;

15 (2) a state lease or materials sale necessary for explora-
16 tion, development, production, or transportation of oil and gas or
17 reconstruction or maintenance of the highway.

18 (c) Before the sale of materials under (b)(2) of this section to
19 a private entity or person or to a state agency the state shall give
20 due consideration to the availability of materials from private
21 sources in the area where the materials are needed.

22 * Sec. 2. AS 19.40.210 is amended to read:

23 Sec. 19.40.210. PROHIBITION OF OFF-ROAD VEHICLES. Off-road
24 vehicles are prohibited on land within five miles of the right-of-way
25 of the highway. However, this prohibition does not apply to off-road
26 vehicles necessary for oil and gas exploration, development, produc-
27 tion, or transportation or to a person who holds a mining claim in the
28 vicinity of the highway and who must use land within five miles of the
29 right-of-way of the highway to gain access to the [HIS] mining claim.

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* Sec. 3. This Act is retroactive to October 5, 1980.

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

Original sponsor: House Special Committee
on Oil and Gas

1 IN THE HOUSE

BY THE HOUSE SPECIAL
COMMITTEE ON OIL AND GAS

2 CS FOR HOUSE BILL NO. 143 (Oil and Gas)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to oil and gas activities along
7 highway rights-of-way."

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

9 * Section 1. AS 19.40.200 is amended to read:

10 Sec. 19.40.200. PROHIBITION ON DISPOSAL OF LAND WITHIN FIVE
11 MILES OF THE HIGHWAY. The state may not dispose of state land under
12 AS 38 which is within five miles of the right-of-way of the highway.
13 This section does not apply to an oil and gas lease under
14 AS 38.05.180.

15 * Sec. 2. AS 19.40.210 is amended to read:

16 Sec. 19.40.210. PROHIBITION OF OFF-ROAD VEHICLES. Off-road
17 vehicles are prohibited on land within five miles of the right-of-way
18 of the highway. However, this prohibition does not apply to off-road
19 vehicles necessary for oil and gas exploration conducted under an oil
20 and gas lease issued under AS 38.05.180 or to a person who holds a
21 mining claim in the vicinity of the highway and who must use land
22 within five miles of the right-of-way of the highway to gain access to
23 the [HIS] mining claim.

HB 139

HB 139 was referred to the Finance Committee.

The letter of intent, which was signed by Chairman Goll, appears below:

COMMUNITY & REGIONAL AFFAIRS COMMITTEE
LETTER OF INTENT
FOR
CSHB 139(C&RA)

"The House Committee on Community and Regional Affairs has considered House Bill 139 at length.

During committee discussion the following areas were considered appropriate for the focus of regulation.

1. Establishment of adequate accounting procedures to ensure proper documentation of financial activity;
2. Provision of an annual status report on ongoing projects;
3. Project completion within 7 years, with funds lapsing after that time subject to reappropriation;
4. Compliance with local and state laws required;
5. Prohibition of discrimination in hiring by contractors including all constitutional protections plus prohibition of discrimination based upon political affiliation or opinions;
6. Funds to be deposited in a federally insured interest bearing account or federally insured instrument;
7. Audit requirements; and
8. Encouragement of local hire."

HB 143

The Transportation Committee has considered HOUSE BILL NO. 143 (relating to oil and gas activities along highway rights-of-way) and reports it back as follows: Cato (Chairman), Pignalberi, Furnace, Davis, Marrou and Shultz recommend do pass; Herrmann has no recommendation.

HB 143 was referred to the Rules Committee for placement on the calendar.

HB 159

The Transportation Committee has considered HOUSE BILL NO. 159 (relating to utilities and encroachments in state

HB 44

intent, and in light of the fiscal situation of the state as we develop the FY 1986 budget, the committee understands that the possibility for passage of this legislation would be greatly jeopardized if there were to be a fiscal impact resulting in the need for an appropriation in FY 86.

It is the intent of the committee, therefore, that the bill be passed in a form that will require no appropriation for FY 86."

HB 71

The Finance Committee has considered HOUSE BILL NO. 71 (making a special appropriation to the Alaska permanent fund; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 71 (State Affairs) (page 660) and reports it back as follows: Adams (Chairman), Szymanski, Duncan, Larson, Binkley and Cotten recommend do pass; Frank and Rieger recommend do not pass; Ringstad, Pourchot and Uehling have no recommendation.

HB 71 was referred to the Rules Committee for placement on the calendar.

HB 92

The Finance Committee has considered HOUSE BILL NO. 92 (relating to child and spousal support; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 92 (Judiciary) (page 717) and reports it back as follows: Adams (Chairman), Ringstad, Szymanski, Duncan, Larson, Pourchot, Uehling, Rieger, Frank, Binkley and Cotten recommend do pass. A fiscal note was attached.

HB 92 was referred to the Rules Committee for placement on the calendar.

The fiscal note appears in House Journal Supplement No. 46.

HB 139

The Community & Regional Affairs Committee has considered HOUSE BILL NO. 139 (relating to the administration of certain grants passed by the legislature; effective date), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 139 (Community & Regional Affairs) (same title) and reports it back as follows: Goll (Chairman) recommends do pass; Wallis recommends do not pass; Koponen and Gruenberg have no recommendation; Phillips signed "Do Pass, if amended"; Furnace signed "Gutless Wonder, do not pass without amendments". A letter of intent was attached.

COMMUNICATIONS

A memorandum, dated February 8, 1985, from Representative Fuller, Chairman of the Legislative Council, was read stating the Chairman has appointed Niilo Koponen to the Alaska Commission on Postsecondary Education as per AS 14.42.015(a)(7).

A letter dated February 8, 1985, from Deputy Commissioner, James K. Barnett, Department of Natural Resources, was received, enclosing proposed revisions to the regulations of the Department. A copy of the letter and attachment were distributed to every member. The letter and attachment are on file in the Chief Clerk's office.

A letter dated February 8, 1985, from Larry D. Crawford, Executive Director of the Alaska Power Authority was received, with a copy of the proposed draft regulation changes and public notice of adoption. The letter and attachments were duplicated for each member and a copy is on file in the Chief Clerk's office.

REPORTS OF SPECIAL COMMITTEESHB 143

The House Special Committee on Oil and Gas has considered HOUSE BILL NO. 143 (oil and gas activities along highway rights-of-way), recommends it be replaced with COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 143 (Oil and Gas):

"An Act relating to oil and gas activities along a highway right-of-way; and providing for an effective date."

and reports it back as follows: Davis (Chairman), Sund, Szymanski, Pignalberi, Marrou and Cotten recommend do pass. Pourchot has no recommendation. A zero fiscal note was attached.

HB 143 was referred to the Resources Committee.

INTRODUCTION, FIRST READING AND REFERENCE
OF HOUSE RESOLUTIONS

HCR 7

HOUSE CONCURRENT RESOLUTION NO. 7 by the Rules Committee:

Establishing a Joint Special Committee
on Foreign Trade.

was read the first time and referred to the Rules Committee
for placement on the calendar.

INTRODUCTION, FIRST READING AND REFERENCE
OF HOUSE BILLS

HB 186

HOUSE BILL NO. 186 by Szymanski and Clocksin, entitled:

"An Act creating the Anchorage Coastal
Wildlife Refuge."

was read the first time and referred to the Resources and
Finance Committees.

HB 187

HOUSE BILL NO. 187 by M.M.Miller, entitled:

"An Act relating to the Inmate
Education Advisory Council."

was read the first time and referred to the Health,
Education & Social Services, Judiciary and the Finance
Committees.

HB 188

HOUSE BILL NO. 188 by M.M.Miller, Clocksin, Marrou,
Pignalberi and Sund, entitled:

"An Act relating to alternative
correctional facilities for prisoners
participating in community service or
employment programs."

was read the first time and referred to the Health,
Education & Social Services, Judiciary and the Finance
Committees.