

HB

174

<TARGET><BILL>HB 174</BILL><SUBJECT>HB
174</SUBJECT><COMM>HRES27</COMM></TARGET>

Alaska State Legislature

REPRESENTATIVE
ERIC FEIGE
House District 12

House Resources Committee Co-Chair
Education Committee
Transportation Committee
Joint Armed Services Committee



During Session:
State Capitol Room 126
Juneau, Alaska 99801-1182
(907) 465-4859
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House of Representatives

Sponsor Statement

*oil
lease?*

"An Act relating to the period in which a permit authorizing activities in the state related to mineral resources, oil or gas, or transportation projects is valid when activities authorized by the permit have been stayed by a court or administrative order."

Over the past several years the state of Alaska has established a permitting system and structure to help managers oversee various types of projects undertaken in Alaska. It is one of the most comprehensive permitting regimes in the world. Applicants must pass a rigorous system of checks to gain the permission of the state for their activities. They must reapply periodically to keep their permits current and up to date with changing regulations and other environmental conditions. I compare it to a pilot's checklist where items like the gear, flaps, and nosewheel steering are replaced by municipal, state and federal laws that need to be complied with.

Over the years, other organizations have used the court system to delay or terminate resource development projects throughout our state. In many cases they have attempted to obtain a stay of a project, effectively freezing a project in its tracks. Unfortunately the permits obtained for any project, usually at great expense, are often tied to the calendar and expire after a fixed time period. Environmental lawyers use the power of a stay to force a company to spend money on the renewal of permits and other expenses to bleed their cash reserves dry. Eventually the stay may be lifted and the suit determined to be frivolous, but the economic damage to a legitimate resource developer will be severe. This tactic does little beyond the existing permit system to advance the environment's interests but hinders our resource based economy greatly.

HB 174 seeks to eliminate the "get a stay and bleed 'em" tactic employed by environmental lawyers. Under this bill, if an entity has obtained permits in conjunction with a project that is stayed as the result of court action then the expiration of those permits is automatically extended as long as the stay is in place. This in effect removes cost of permit renewal as a back door financial leveraging tactic and allows litigation to proceed fairly without undue cost to the defendant.

27th Legislature(2011-2011)

Bill History/Action for 27th Legislature

BILL: HB 174

SHORT TITLE: EXTENDING STAYED PERMITS

BILL VERSION:

CURRENT STATUS: (H) RES

STATUS DATE: 02/25/11

THEN JUD

SPONSOR(s): REPRESENTATIVE(s) FEIGE, Pruitt, Costello, Dick, Thompson, Saddler, Chenault, Johnson, Munoz, Hawker, T. Wilson, Fairclough, P. Wilson

TITLE: "An Act relating to the period in which a permit authorizing activities in the state related to mineral resources, oil or gas, or transportation projects is valid when activities authorized by the permit have been stayed by a court or administrative order."

Bill Number: _____

Jrn-Date	Jrn-Page	Action
02/25/11	0344	(H) READ THE FIRST TIME - REFERRALS
02/25/11	0344	(H) RES, JUD
02/25/11	0344	(H) REFERRED TO RESOURCES
03/07/11	0393	(H) COSPONSOR(S): FAIRCLOUGH, P. WILSON

Similar Subject Match or Exact Subject Match

ADMINISTRATIVE PROCEDURE

COURTS

ENVIRONMENTAL CONCERNS

FISH & GAME (BOTH)

HIGHWAYS

INJUNCTIONS

MINERALS

MINING

MUNICIPALITIES

OIL & GAS

PERMITS

PUBLIC WORKS

RESOURCES

TRANSPORTATION

Bill Number: _____

[Return to Basis Main Menu \(27th Legislature\)](#)

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 1, 2011

SUBJECT: Sectional summary of HB 174 (Work Order No. 27-LS0546\B)

TO: Representative Eric Feige
Attn: Linda Hay

FROM: Brian J. Kane *BJK*
Legislative Counsel

You have requested a sectional summary of HB 174, a bill relating to the period in which a permit authorizing activities in the state related to mineral resources, oil or gas, or transportation projects is valid when activities authorized by the permit have been stayed by a court or administrative order.

Please note that a sectional summary of a bill is not an authoritative interpretation of a bill. The bill itself is the best statement of its contents.

Section 1 of the bill, for purposes of Title 27 on mining, states that the amount of time in which a permit is valid shall be extended for an equal amount of time as the exploration, development, or production of mineral resources subject to the permit is stayed by an order of a court or administrative agency. The section also defines "court or administrative agency" and "permit."

Section 2 of the bill, for purposes of Title 31 on oil and gas, states that the amount of time in which a permit is valid shall be extended for an equal amount of time as the exploration, development, or production of mineral resources subject to the permit is stayed by an order of a court or administrative agency. The section also defines "court or administrative agency" and "permit."

Section 3 of the bill states that, for a project in the state transportation plan developed under AS 44.42.050 for which a permit is required, the amount of time in which a permit is valid shall be extended for an equal amount of time as the transportation project subject to the permit is stayed by an order of a court or administrative agency. The section also defines "court or administrative agency" or "permit."

BJK:plm
11-112.plm

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
 Bill Version HB174
 () Publish Date _____

Identifier (file name) HB174-DNR-MLD-03-14-11
 Title EXTENDING STAYED PERMITS
 Sponsor _____ Rep. Feige
 Requester _____ House RES
 Dept. Affected Natural Resources
 Appropriation Resource Development
 Allocation Mining and Land Development
 OMB Component Number 2460

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other (please identify)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost _____

POSITIONS

Full-time	0	0	0	0	0	0	0	0
Part-time	0	0	0	0	0	0	0	0
Temporary	0	0	0	0	0	0	0	0

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version

Prepared by Wyn Menefee, Acting Director
 Division Mining, Land & Water
 Approved by Daniel S. Sullivan
Department of Natural Resources

Phone 269-8501
 Date/Time 3/11/11 1:00 PM
 Date 3/14/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB174

Analysis

HB 174 requires state and municipal agencies, including the Department of Natural Resources (DNR), to extend the period of time for which certain authorizations are effective if the authorization has been stayed by a court or administrative order. Specifically, this bill applies to authorizations issued for mining activities under AS 27, projects authorized by the Oil & Gas Conservation Commission under AS 31, and transportation projects listed in the state transportation plan by the Alaska Department of Transportation & Public Facilities under AS 44.

DNR already routinely extends authorizations that have been stayed by a court or administrative order, therefore, the proposed legislation will not require the department to undertake any additional efforts that would require additional staff or resources.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
Bill Version HB174
() Publish Date _____

HB174-DOT-SWDES-3-11-11
Title Permit Extension Dept. Affected DOT&PF
Appropriation Design & Construction
Allocation SW Design & Engineering Svcs
Sponsor Rep Feige + 12
Requester H RES OMB Component Number 2357

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	Appropriation Required	Information					
	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version

Prepared by Brenda Hewitt
Division Commissioner's Office
Approved by Marc Luiken, Commissioner
Commissioner's Office

Phone 465-4772
Date/Time 3/13/11 12:00 AM
Date 3/13/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB174

Analysis

House Bill 174 requires state and municipal agencies to extend the time period for permits if the permit has been stayed by a court or administrative order.

This bill would have zero fiscal impact on the Department of Transportation.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
Bill Version 27-LS0546B
() Publish Date _____

Identifier (file name) HB174-DEC-CO-03-10-11
Title Extending Stayed Permits Dept. Affected Environmental Conserv
Appropriation Administration
Allocation Office of the Commissioner
Sponsor Representative Feige
Requester House Resources Committee OMB Component Number 633

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation	Information					
	Required	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES	FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Personal Services	0.0		0.0	0.0	0.0	0.0	0.0
Travel	0.0		0.0	0.0	0.0	0.0	0.0
Services	0.0		0.0	0.0	0.0	0.0	0.0
Commodities	0.0		0.0	0.0	0.0	0.0	0.0
Capital Outlay	0.0		0.0	0.0	0.0	0.0	0.0
Grants	0.0		0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0		0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES							
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0		0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0		0.0	0.0	0.0	0.0	0.0
1004 GF	0.0		0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0		0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0		0.0	0.0	0.0	0.0	0.0
Other (please identify)	0.0		0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost 0.0

POSITIONS

Full-time	0.0		0.0	0.0	0.0	0.0	0.0
Part-time	0.0		0.0	0.0	0.0	0.0	0.0
Temporary	0.0		0.0	0.0	0.0	0.0	0.0

Why this fiscal note differs from previous version (if initial version, please note as such)

Not applicable, initial version.

Prepared by Mary Siroky, Director
Division Administrative Services
Approved by Dan Easton
Deputy Commissioner

Phone (907) 465-5256
Date/Time 3/10/11 10:25 AM
Date 3/11/2011

FISCAL NOTE

**STATE OF ALASKA
2011 LEGISLATIVE SESSION**

BILL NO. HB 174

Analysis

There are no fiscal impacts on the Department of Environmental Conservation programs from this proposed legislation.