

LEG. FINANCE - BILLS 1977 - 1978 815

HB 827 cont., thru HB 831 815

## ATTACHMENT

Bill/Resolution No. SB 73ASSUMPTIONS:

1. Estimated FY79 Payroll (Total System)	=	\$214,000,000
2. State Contribution Rate to Fund Bill	=	.14 %
3. State TRS Matching Rate to Fund Bill	=	.14 %
4. School District Rate to Fund Bill	=	.14 %

COST ANALYSIS:

<u>Employer</u>	<u>Payroll</u>		<u>Rate</u>	<u>Cost</u>	<u>Appropriation</u>
1. Department of Education	\$ 5,800,000	X	.14 %	\$ 8,120	To Their Budget
2. University of Alaska	\$ 43,500,000	X	.14 %	\$ 60,900	To Their Budget
				<u>\$ 69,020</u>	
3. State TRS Matching	\$214,000,000	X	.14 %	\$299,600	To TRS Match
4. State TRS Regular Budget:					
Personal Services				\$ 20,647	To Personal Service
Travel				\$ -0-	To Travel
Contractual				\$ 40,000	To Contractual
Commodities				\$ 300	To Commodities
Equipment				<u>\$ 800</u>	To Equipment
				<u>\$430,357</u>	
5. All School Districts	\$164,700,000	X	.14 %	<u>\$230,580</u>	
				<u>\$660,947</u>	

REMARKS:

1. To calculate the contributions due to the system, input service credit data and handle correspondence will require the following personal services:

One regular full-time employee - Benefit Technician (Range 12).  
Salary and merit increase at 6% first year.

Monthly Salary	\$1,371 x 12 =	\$16,452
Plus 25.5% benefits	=	4,195
TOTAL		<u>\$20,647</u>

2. Estimated costs for major data processing system modifications are \$40,000.  
3. Commodities - \$300 per year.  
4. Equipment (desk, chair, calculator) = \$ 800

Retirement system affected: TRS

This bill is identical to SB 73 introduced January 27, 1977 in the first session of the Tenth Legislature (summary attached), except that no more than 180 days of unused sick leave may be converted to creditable service under TRS.

The Act takes effect July 1, 1978.

SUMMARY OF SENATE BILL NO. 73

Retirement system affected: TRS

Permits a teacher to apply unused sick leave in computing years of creditable service. Requires a teacher electing this option, and his last employer, to make additional contributions to the retirement fund according to specified formula. Requires applications for the unused sick leave credit to be received by the Department of Administration at least 90 days before retirement.

Introduced: 2/14/78  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY DUNCAN

2 HOUSE BILL NO. 828

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to teacher retirement credit for un-  
7 used sick leave; and providing for an effective date."

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

9 \* Section 1. AS 14.25 is amended by adding a new section to read:

10 Sec. 14.25.125. UNUSED SICK LEAVE CREDIT. (a) A teacher may  
11 elect to apply his unused sick leave in computing the total number of  
12 years of creditable service under sec. 120(c)(1) of this chapter. The  
13 additional years, or fraction of a year, of creditable service shall be  
14 computed by dividing the number of days of unused sick leave by 172.

15 (b) If the teacher elects to receive the credit, an additional  
16 contribution to the fund shall be paid by the teacher and his last em-  
17 ployer. The additional contributions payable by the teacher and his  
18 employer shall be computed by multiplying the number of years of credit-  
19 able service realized under (a) of this section times the base period  
20 contributions made under secs. 50 and 70 of this chapter by the teacher  
21 and employer, respectively, for the last full year of the teacher's  
22 employment.

23 (c) Applications for the unused sick leave credit must be received  
24 by the administrator no less than 90 days before the date of retirement.

25 (d) A teacher may not apply more than 130 days of unused sick  
26 leave to compute creditable service under (a) of this section.

27 \* Sec. 2. This Act takes effect July 1, 1978.

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# COMMITTEE REPORT

## HOUSE

4/14/78

FURTHER: \_\_\_\_\_

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had HR 828

"An Act relating to teacher retirement credit for unused sick leave;  
e.d."  
under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass                       recommends it do not pass  
 recommends it do pass with attached amendment(s)  
 recommends it be replaced with CS for \_\_\_\_\_  
and \_\_\_\_\_  new title       same title  
 AND attaches a Letter of Intent               New Fiscal Note  
 reports it back without recommendation  
 and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
Chairman

COMMITTEE REPORT

HOUSE

2/  
2/14/78

FURTHER: FINANCE

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on HESS has had HB 828  
"An Act relating to teacher retirement credit for unused sick leave; eff. date."

under consideration and (<sup>majority</sup> ~~a majority~~ of the committee) (the committee reports it back as follows)

- (  ) recommends it do pass                      ( ) recommends it do not pass
- ( ) recommends it do pass with attached amendment(s)
- ( ) recommends it be replaced with CS for \_\_\_\_\_

and \_\_\_\_\_ ( ) new title              ( ) same title

- ( ) AND attaches a Letter of Intent              ( ) New Fiscal Note
- ( ) reports it back without recommendation
- ( ) and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

~~ADD TO DO PASS~~  
~~Charles Han Do Pass~~  
~~Tom [unclear] Do Pass~~  
Buchholt

~~same with no rec~~  
~~Do Not Pass~~  
~~Do Not Pass~~

Charles Han  
Chairman

Introduced: 2/14/78  
Referred: Health, Education &  
Social Services and Finance

4935  
Baldwin

1 IN THE HOUSE

BY DUNCAN

2 HOUSE BILL NO. 828

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

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22 employment.

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24 by the administrator no less than 90 days before the date of retirement.

25 (d) A teacher may not apply more than 180 days of unused sick  
26 leave to compute creditable service under (a) of this section.

27 \* Sec. 2. This Act takes effect July 1, 1978.

ALASKA STATE LEGISLATURE

TENTH Legislature SECOND Session

HOUSE BILL NO. 828

By DUNCAN

"An Act relating to teacher retirement credit for unused sick leave; and providing for an effective date."

Teacher retirement credit

Introduced in the House ... 2/14/78

HISTORY IN THE HOUSE

19 78	Read first time and referred to Committee on HESS and Finance												
Feb 14	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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Yeas	Yeas												
Nays	Nays												
Absent	Absent												
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PASS	Effective Date												
Yeas	Yeas												
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	Reported correctly engrossed												
	Signed by Speaker												
	Sent to Senate												
	CHIEF CLERK OF THE HOUSE												

HISTORY IN THE SENATE

19	Read first time and referred to Committee on												
	Reported back with recommendation that												
	Read second time and												
	Read third time and												
	<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused		
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Reconsideration													
PASS	Effective Date												
Yeas	Yeas												
Nays	Nays												
Absent	Absent												
Excused	Excused												
	Reported correctly engrossed												
	Signed by President												
	Returned to House												
	SECRETARY OF THE SENATE												

HISTORY IN THE HOUSE

19	Received from Senate
	Concurred in Senate amendment thus adopting:
	Failed to concur in Senate amendment; asked Sen. to recede
	Senate receded from amendment
	Senate failed to recede from amendment
	FCC appointed by House
	FCC appointed by Senate
	FCC adopted
	To enrolling
	Reported correctly enrolled
	Sent to Governor
	..... by Governor
	Filed with Lt. Governor
	Chapter No. ....



# RECORDS CERTIFICATION

I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Smith  
Signature of Camera Operator

2/23/90  
Date

# COMMITTEE REPORT

## HOUSE

3/29/78

FURTHER: \_\_\_\_\_

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had SSHB 830

"An Act establishing the Alaska Oil and Gas Conservation Commission; effective date."

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass                       recommends it do not pass  
 recommends it do pass with attached amendment(s)  
 recommends it be replaced with CS for \_\_\_\_\_

and \_\_\_\_\_  new title                       same title

- AND attaches a Letter of Intent                       New Fiscal Note  
 reports it back without recommendation  
 and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

[Signature]  
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[Signature]  
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Chairman

Original sponsors: Chatterton and Malone

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 830 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska Oil and Gas Conserva-  
7 tion Commission; and providing for an effective date."

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

9 \* Section 1. AS 31.05 is amended by adding new sections to read:

10 CHAPTER 5. ALASKA OIL AND GAS CONSERVATION ACT [CONSERVATION].

11 Sec. 31.05.005. ALASKA OIL AND GAS CONSERVATION COMMISSION CREATED.

12 (a) There is created as an independent quasi-judicial agency of the  
13 state the Alaska Oil and Gas Conservation Commission, composed of three  
14 commissioners appointed by the governor and confirmed by the legislature  
15 in joint session.

16 (b) The governor shall designate one member of the commission as  
17 chairman of the commission. This member shall serve as chairman for a  
18 term of four years, but may be appointed for successive terms.

19 Sec. 31.05.007. TERM OF OFFICE; VACANCY; REMOVAL. (a) The term  
20 of office of each member is six years. The governor shall designate who  
21 among his initial appointees shall serve respectively for terms of two  
22 years, four years and six years. A commissioner, upon the expiration of  
23 his term, shall continue to hold office until his successor is appointed  
24 and qualified.

25 (b) A vacancy arising in the office of a commissioner shall be  
26 filled by appointment by the governor and confirmed by the legislature  
27 in joint session, and an appointee selected to fill a vacancy shall hold  
28 office for the balance of the full term for which his predecessor on the  
29 commission was appointed.

1 (c) A vacancy in the commission does not impair the authority of a  
2 quorum of commissioners to exercise all the powers and perform all the  
3 duties of the commission.

4 (d) The governor may remove a commissioner from office for cause  
5 including but not limited to incompetence, neglect of duty or misconduct  
6 in office. A commissioner, to be removed for cause, shall be given a  
7 copy of the charges against him and afforded an opportunity to be pub-  
8 licly heard in person or by counsel in his own defense upon not less  
9 than 10 days notice. If a commissioner is removed for cause, the gover-  
10 nor shall file with the lieutenant governor a complete statement of all  
11 charges made against the commissioner and his finding based on the  
12 charges, together with a complete record of the proceedings.

13 Sec. 31.05.009. QUALIFICATIONS OF MEMBERS. Members shall be  
14 qualified as follows: one member shall be a licensed professional  
15 engineer with educational and professional background in the field of  
16 petroleum engineering; one member shall be a geologist with educational  
17 and professional background in the field of petroleum geology; one  
18 member need not be trained and experienced in the fields of petroleum  
19 engineering or petroleum geology.

20 Sec. 31.05.011. QUORUM. Two members of the commission constitute  
21 a quorum for the transaction of business, for the performance of a duty,  
22 or for the exercise of a power of the commission.

23 Sec. 31.05.013. OATH OF OFFICE. Each commissioner and the execu-  
24 tive director of the commission, before entering upon the duties of his  
25 office, shall take and subscribe to the oath prescribed for principal  
26 officers of the state.

27 Sec. 31.05.015. COMPENSATION OF MEMBERS OF THE COMMISSION. Mem-  
28 bers of the commission are in the exempt service and shall receive an  
29 annual salary.

1           Sec. 31.05.017. PRINCIPAL OFFICE; SEAL. (a) The commission shall  
2 establish a principal office and branch offices necessary to discharge  
3 its business efficiently. For the convenience of the public or of  
4 parties to a proceeding the commission may hold meetings, hearings or  
5 other proceedings at other locations.

6           (b) The commission shall have an official seal.

7           Sec. 31.05.021. LEGAL COUNSEL. (a) The Department of Law shall  
8 provide full-time legal counsel to the commission. The legal counsel  
9 provided by the Department of Law is subject to the approval of the  
10 commission.

11           (b) The commission may, subject to the approval of the attorney  
12 general, contract for the services of additional specialized legal  
13 counsel or legal consultants.

14           Sec. 31.05.023. COMMISSION STAFF. (a) The commission shall  
15 employ an executive director and other staff as it considers necessary  
16 to carry out its responsibilities.

17           (b) The professional staff of the commission, the executive direc-  
18 tor, and the personal secretary of each commissioner are in the exempt  
19 service under AS 39.25.110.

20           (c) The secretarial and clerical staff of the commission, except  
21 the personal secretary of each commissioner, are in the classified  
22 service.

23           (d) In addition to its staff of regular employees, the commission  
24 may contract for and engage the services of consultants and experts the  
25 commission considers necessary.

26           Sec. 31.05.025. CONFLICT OF INTEREST. (a) Members and employees  
27 of the commission, except clerical and secretarial staff, are subject  
28 to AS 39.50.

29           (b) A member of the commission shall disqualify himself from

1 voting upon any matter before the commission in which he has a conflict  
2 of interest.

3 Sec. 31.05.026. RELATIONSHIP TO DEPARTMENT OF NATURAL RESOURCES.

4 (a) The department shall have standing before the commission to raise  
5 all issues relating to state-owned land without regard to the type of  
6 proprietary interest held by the state in that land.

7 (b) With respect to federal land from which the state or any sub-  
8 division of the state is entitled under federal law to receive a share  
9 of the federal royalty interest, the department shall have the same  
10 standing before the commission as if it were the holder of the equiva-  
11 lent royalty interest.

12 (c) When both the department and the commission have the authority  
13 to require, and do require, the submission of substantially the same  
14 information from persons subject to this chapter, the commission, in  
15 order to alleviate the administrative burdens placed on those persons,  
16 may by regulation enter into an agreement with the department whereby  
17 either the commission or the department shall have the responsibility to  
18 collect the information lawfully required by both.

19 (d) For budget and audit procedures and considerations, the com-  
20 mission shall have the same standing as any other major state agency.  
21 Whenever practicable the commission may enter into state interagency  
22 agreements concerning administrative, employee relations, and fiscal  
23 duties.

24 (e) The department shall have the same standing (no more or less)  
25 before the commission as granted by law to any other proprietary in-  
26 terest.

27 Sec. 31.05.027. APPLICATION. The authority of the commission  
28 applies to all land in the state lawfully subject to its police powers.  
29 It applies to land of the United States or to land subject to the juris-

1 diction of the United States only to the extent that control and super-  
2 vision of conservation of oil and gas and prevention of waste by the  
3 United States on its land fails to carry out the intent and purposes of  
4 this chapter, and otherwise applies to federal land so far as an officer  
5 of the United States having jurisdiction, or his authorized representa-  
6 tive, shall approve any of the provisions of this chapter or orders of  
7 the commission which affect land. The authority of the commission  
8 further applies to all land included in a voluntary cooperative or unit  
9 plan of development or operation entered into in accordance with AS  
10 38.05.180(m).

11 \* Sec. 2. AS 39.50.200(9) is amended by adding a new subparagraph to  
12 read:

13 (NN) Alaska Oil and Gas Conservation Commission (AS  
14 31.05).

15 \* Sec. 3. AS 43.55.020(e) is amended to read:

16 (e) Gas produced in excess of that needed for safety purposes, ex-  
17 cept gas used in the operation of a lease or property in drilling for or  
18 producing oil or gas, or for repressuring, is considered, for the pur-  
19 pose of this chapter and in the amount used, as gas produced from a  
20 lease or property. Gas flared beyond the amount authorized for safety  
21 by the Alaska Oil and Gas Conservation Commission [DEPARTMENT OF NATURAL  
22 RESOURCES] under AS 31.05 [31.05.170(11)(H)] is considered as gas pro-  
23 duced, except that it is subject to a penalty equal to the tax computed  
24 under sec. 16 of this chapter as adjusted by sec. 12 of this chapter per  
25 thousand cubic feet of gas for the month in which the gas was flared.

26 \* Sec. 4. AS 31.05.010 is repealed.

27 \* Sec. 5. All references in AS 31.05 to department or Department of  
28 Natural Resources shall be read as Alaska Oil and Gas Conservation Commission  
29 in order to implement this Act.

1 \* Sec. 6. After the effective date of this Act, all orders, regulations,  
2 and other rulings of the division of oil and gas shall remain in effect until  
3 expressly revoked or modified by the commission.

4 \* Sec. 7. This Act takes effect January 1, 1979.  
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R/b CS for SSB 830

THE LEGISLATURE OF THE STATE OF ALASKA  
 TENTH LEGISLATURE

#

I. REQUEST  
 Bill Resolution No. SSHB 830  
 Title An Act Establishing the Oil and Gas Conservation Commission  
 Requested by Commissioner LeResche Date 3/13/78

II. FISCAL DETAIL  
 Agency Affected Division of Oil and Gas Conservation of Department of Natural Resources  
 Program Category Affected NRMEC  
 Budget Request Unit(s) Affected Oil and Gas Conservation

EXPENDITURES (Thousands of Dollars)

	FY 78	1/2 year FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		8.5	18.2	19.3	20.6	21.9
200 TRAVEL						
300 CONTRACTUAL		3.3	7.1	7.6	8.1	8.6
400 COMMODITIES		.2	.3	.3	.4	.4
500 EQUIPMENT		.7	1.5	1.6	1.7	1.8
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		12.7	27.1	28.8	30.8	32.7

FUNDING (Thousands of Dollars)

GENERAL FUND		12.7	27.1	28.8	30.8	32.7
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

These estimates assume that the present Oil and Gas Conservation Committee would be selected for the new Commission serving in the dual capacity as Commissioner (Chief Petroleum Engineer), Commissioner (Chief Petroleum Geologist) and Commissioner (Director). Since there is not sufficient top level work to keep three commissioners busy, a savings of approximately \$300,000/year could be realized in this manner. Help is needed at the lower levels.

IV. DATE March 13, 1978 PREPARED BY O.K. Gilbreth  
 AGENCY Oil and Gas Conservation  
 PHONE 279-1433  
 Original: Legislative Finance  
 Budget and Management  
 Prime Sponsor: Legislative Counsel

POSITION TITLE

Administrative Assistant

	<u>Type of Expenditure</u>	<u>Amount</u>	<u>Detail</u>
100	Personal Services	\$17,055	13,644 + 25% benefits=17,055
200	Travel	--	
300	Contractual	6,700	Rent, word processing, utilities, telephone
400	Commodities	300	
500	Equipment	<u>1,400</u>	
	Total	\$25,455	

Discussion

One Administrative Assistant required starting 1/1/79

Original sponsors: Chatterton and Malone

Offered: 3/29/78  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 830

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska Oil and Gas Conserva-  
7 tion Commission; and providing for an effective date."

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

9 \* Section 1. AS 31.05 is amended by adding new sections to read:

10 CHAPTER 5. ALASKA OIL AND GAS CONSERVATION ACT [CONSERVATION].

11 Sec. 31.05.005. ALASKA OIL AND GAS CONSERVATION COMMISSION  
12 CREATED. (a) There is created as an independent quasi-judicial agency  
13 of the state the Alaska Oil and Gas Conservation Commission, composed of  
14 three commissioners appointed by the governor and confirmed by the  
15 legislature in joint session.

16 (b) The governor shall designate one member of the commission as  
17 chairman of the commission. This member shall serve as chairman for a  
18 term of four years, but may be appointed for successive terms.

19 Sec. 31.05.007. TERM OF OFFICE; VACANCY; REMOVAL. (a) The term  
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22 years, four years and six years. A commissioner, upon the expiration of  
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24 and qualified.

25 (b) A vacancy arising in the office of a commissioner shall be  
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4 (d) The governor may remove a commissioner from office for cause  
5 including but not limited to incompetence, neglect of duty or misconduct  
6 in office. A commissioner, to be removed for cause, shall be given a  
7 copy of the charges against him and afforded an opportunity to be pub-  
8 licly heard in person or by counsel in his own defense upon not less  
9 than 10 days notice. If a commissioner is removed for cause, the gover-  
10 nor shall file with the lieutenant governor a complete statement of all  
11 charges made against the commissioner and his finding based on the  
12 charges, together with a complete record of the proceedings.

13 Sec. 31.05.009. QUALIFICATIONS OF MEMBERS. Members shall be  
14 qualified as follows: one member shall be a licensed professional  
15 engineer with educational and professional background in the field of  
16 petroleum engineering; one member shall be a geologist with educational  
17 and professional background in the field of petroleum geology; one  
18 member need not be trained and experienced in the fields of petroleum  
19 engineering or petroleum geology.

20 Sec. 31.05.011. QUORUM. Two members of the commission constitute  
21 a quorum for the transaction of business, for the performance of a duty,  
22 or for the exercise of a power of the commission.

23 Sec. 31.05.013. OATH OF OFFICE. Each commissioner and the execu-  
24 tive director of the commission, before entering upon the duties of his  
25 office, shall take and subscribe to the oath prescribed for principal  
26 officers of the state.

27 Sec. 31.05.015. COMPENSATION OF MEMBERS OF THE COMMISSION. Mem-  
28 bers of the commission are in the exempt service and shall receive an  
29 annual salary.

1           Sec. 31.05.017. PRINCIPAL OFFICE; SEAL. (a) The commission shall  
2 establish a principal office and branch offices necessary to discharge  
3 its business efficiently. For the convenience of the public or of  
4 parties to a proceeding the commission may hold meetings, hearings or  
5 other proceedings at other locations.

6           (b) The commission shall have an official seal.

7           Sec. 31.05.021. LEGAL COUNSEL. (a) The Department of Law shall  
8 provide full-time legal counsel to the commission. The legal counsel  
9 provided by the Department of Law is subject to the approval of the  
10 commission.

11           (b) The commission may, subject to the approval of the attorney  
12 general, contract for the services of additional specialized legal  
13 counsel or legal consultants.

14           Sec. 31.05.023. COMMISSION STAFF. (a) The commission shall  
15 employ an executive director and other staff as it considers necessary  
16 to carry out its responsibilities.

17           (b) The professional staff of the commission, the executive direc-  
18 tor, and the personal secretary of each commissioner are in the exempt  
19 service under AS 39.25.110.

20           (c) The secretarial and clerical staff of the commission, except  
21 the personal secretary of each commissioner, are in the classified  
22 service.

23           (d) In addition to its staff of regular employees, the commission  
24 may contract for and engage the services of consultants and experts the  
25 commission considers necessary.

26           Sec. 31.05.025. CONFLICT OF INTEREST. (a) Members and employees  
27 of the commission, except clerical and secretarial staff, are subject  
28 to AS 39.50.

29           (b) A member of the commission shall disqualify himself from

1 voting upon any matter before the commission in which he has a conflict  
2 of interest.

3 Sec. 31.05.026. RELATIONSHIP TO DEPARTMENT OF NATURAL RESOURCES.

4 (a) The department shall have standing before the commission to raise  
5 all issues relating to state-owned land without regard to the type of  
6 proprietary interest held by the state in that land.

7 (b) With respect to federal land from which the state or any sub-  
8 division of the state is entitled under federal law to receive a share  
9 of the federal royalty interest, the department shall have the same  
10 standing before the commission as if it were the holder of the equiva-  
11 lent royalty interest.

12 (c) When both the department and the commission have the authority  
13 to require, and do require, the submission of substantially the same  
14 information from persons subject to this chapter, the commission, in  
15 order to alleviate the administrative burdens placed on those persons,  
16 may by regulation enter into an agreement with the department whereby  
17 either the commission or the department shall have the responsibility to  
18 collect the information lawfully required by both.

19 (d) For budget and audit procedures and considerations, the com-  
20 mission shall have the same standing as any other major state agency.  
21 Whenever practicable the commission may enter into state interagency  
22 agreements concerning administrative, employee relations, and fiscal  
23 duties.

24 (e) The department shall have the same standing (no more or less)  
25 before the commission as granted by law to any other proprietary in-  
26 terest.

27 Sec. 31.05.027. APPLICATION. The authority of the commission  
28 applies to all land in the state lawfully subject to its police powers.  
29 It applies to land of the United States or to land subject to the juris-

1 diction of the United States only to the extent that control and super-  
2 vision of conservation of oil and gas and prevention of waste by the  
3 United States on its land fails to carry out the intent and purposes of  
4 this chapter, and otherwise applies to federal land so far as an officer  
5 of the United States having jurisdiction, or his authorized representa-  
6 tive, shall approve any of the provisions of this chapter or orders of  
7 the commission which affect land. The authority of the commission  
8 further applies to all land included in a voluntary cooperative or unit  
9 plan of development or operation entered into in accordance with AS  
10 38.05.180(m).

11 \* Sec. 2. AS 39.50.200(9) is amended by adding a new subparagraph to  
12 read:

13 (NN) Alaska Oil and Gas Conservation Commission (AS  
14 31.05).

15 \* Sec. 3. AS 43.55.020(e) is amended to read:

16 (e) Gas produced in excess of that needed for safety purposes, ex-  
17 cept gas used in the operation of a lease or property in drilling for or  
18 producing oil or gas, or for repressuring, is considered, for the pur-  
19 pose of this chapter and in the amount used, as gas produced from a  
20 lease or property. Gas flared beyond the amount authorized for safety  
21 by the Alaska Oil and Gas Conservation Commission [DEPARTMENT OF NATURAL  
22 RESOURCES] under AS 31.05 [31.05.170(11)(H)] is considered as gas pro-  
23 duced, except that it is subject to a penalty equal to the tax computed  
24 under sec. 16 of this chapter as adjusted by sec. 12 of this chapter per  
25 thousand cubic feet of gas for the month in which the gas was flared.

26 \* Sec. 4. AS 31.05.010 is repealed.

27 \* Sec. 5. All references in AS 31.05 to department or Department of  
28 Natural Resources shall be read as Alaska Oil and Gas Conservation Commission  
29 in order to implement this Act.

\* Sec. 6. This Act takes effect January 1, 1979.

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Introduced: 3/13/78  
Referred: Resources and  
Finance

1 IN THE HOUSE

BY CHATTERTON AND MALONE

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 830

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska Oil and Gas Conserva-  
7 tion Commission; and providing for an effective date."

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

9 \* Section 1. AS 31.05 is amended by adding new sections to read:

10 CHAPTER 5. ALASKA OIL AND GAS CONSERVATION ACT [CONSERVATION].

11 Sec. 31.05.005. ALASKA OIL AND GAS CONSERVATION COMMISSION

12 CREATED. (a) There is created as an independent quasi-judicial agency  
13 of the state the Alaska Oil and Gas Conservation Commission, composed of  
14 three commissioners appointed by the governor and confirmed by the  
15 legislature in joint session.

16 (b) The governor shall designate one member of the commission as  
17 chairman of the commission. This member shall serve as chairman for a  
18 term of four years, but may be appointed for successive terms.

19 Sec. 31.05.007. TERM OF OFFICE; VACANCY; REMOVAL. (a) The term  
20 of office of each member is six years. The governor shall designate who  
21 among his initial appointees shall serve respectively for terms of two  
22 years, four years and six years. A commissioner, upon the expiration of  
23 his term, shall continue to hold office until his successor is appointed  
24 and qualified.

25 (b) A vacancy arising in the office of commissioner shall be  
26 filled by appointment by the governor and confirmed by the legislature  
27 in joint session, and an appointee selected to fill a vacancy shall hold  
28 office for the balance of the full term for which his predecessor on the  
29 commission was appointed.

1 (c) A vacancy in the commission does not impair the authority of a  
2 quorum of commissioners to exercise all the powers and perform all the  
3 duties of the commission.

4 (d) The governor may remove a commissioner from office by and with  
5 the consent of a majority of the legislature.

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7 qualified as follows: one member shall be a licensed professional  
8 engineer with educational and professional background in the field of  
9 petroleum engineering; one member shall be a geologist with professional  
10 background in the field of petroleum geology; one member shall be a  
11 person trained and experienced in a field other than petroleum engineer-  
12 ing or petroleum geology.

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20 Sec. 31.05.015. COMPENSATION OF MEMBERS OF THE COMMISSION. Mem-  
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22 annual salary equal to that of a commissioner of a principal executive  
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24 Sec. 31.05.017. PRINCIPAL OFFICE; SEAL. (a) The commission shall  
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9 employ an executive director and other staff as it considers necessary  
10 to carry out its responsibilities.

11           (b) The professional staff of the commission and the personal  
12 secretary of each commissioner are in the partially exempt service under  
13 AS 39.25.120.

14           (c) The secretarial and clerical staff of the commission, except  
15 the personal secretary of each commissioner, are in the classified  
16 service under AS 39.25.100.

17           (d) The executive director shall receive an annual salary equal to  
18 that of a commissioner of a principal executive department.

19           (e) In addition to its staff of regular employees, the commission  
20 may contract for and engage the services of consultants and experts the  
21 commission considers necessary.

22           Sec. 31.05.025. CONFLICT OF INTEREST. (a) No member or employee  
23 of the commission may hold an interest in any oil and gas lease in  
24 Alaska issued by the state or the United States.

25           (b) No member or employee of the commission may have an official  
26 connection with, or hold stock or securities in, or have any pecuniary  
27 interest in, any company engaged in the exploration for or development  
28 of oil and gas in Alaska, or the primary business of which is the pro-  
29 vision of goods or services to a company so engaged.

1 (c) This section is in addition to the requirements of AS 39.50,  
2 AS 39.51, and other applicable state law.

3 (d) The commission shall cause a copy of (a) - (c) of this section  
4 to be prominently posted at each office established by the commission.

5 Sec. 31.05.027. APPLICATION. The authority of the commission  
6 applies to all land in the state lawfully subject to its police powers.  
7 It applies to land of the United States or to land subject to the juris-  
8 diction of the United States only to the extent that control and super-  
9 vision of conservation of oil and gas and prevention of waste by the  
10 United States on its land fails to carry out the intent and purposes of  
11 this chapter, and otherwise applies to federal land so far as an officer  
12 of the United States having jurisdiction, or his authorized representa-  
13 tive, shall approve any of the provisions of this chapter or orders of  
14 the commission which affect land.

15 \* Sec. 2. AS 39.50.200(9) is amended by adding a new subparagraph to  
16 read:

17 (NN) Alaska Oil and Gas Conservation Commission (AS  
18 31.05).

19 \* Sec. 3. AS 43.55.020(e) is amended to read:

20 (e) Gas produced in excess of that needed for safety purposes, ex-  
21 cept gas used in the operation of a lease or property in drilling for or  
22 producing oil or gas, or for repressuring, is considered, for the pur-  
23 pose of this chapter and in the amount used, as gas produced from a  
24 lease or property. Gas flared beyond the amount authorized for safety  
25 by the Alaska Oil and Gas Conservation Commission [DEPARTMENT OF NATURAL  
26 RESOURCES] under AS 31.05 [31.05.170(11)(H)] is considered as gas pro-  
27 duced, except that it is subject to a penalty equal to the tax computed  
28 under sec. 16 of this chapter as adjusted by sec. 12 of this chapter per  
29 thousand cubic feet of gas for the month in which the gas was flared.

1 \* Sec. 4. AS 31.05.010 is repealed.

2 \* Sec. 5. All references in AS 31.05 to department or Department of  
3 Natural Resources shall be read as Alaska Oil and Gas Conservation Commission  
4 in order to implement this Act.

5 \* Sec. 6. This Act takes effect January 1, 1979.

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# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Irish  
Signature of Camera Operator

2/23/90  
Date

**COMMITTEE REPORT  
SENATE**

6/3/78

FURTHER: \_\_\_\_\_

Date: June 13, 1978

Mr. President:

The Committee on FINANCE has had CSSSHB 830 (Fin) establishing the Alaska Oil and Gas Conservation Commission

under consideration and (a majority of the committee) (the committee reports it back as follows)

- ( ) recommends it do pass                      ( ) recommends it do not pass
- ( ) recommends it do pass with attached amendment(s)
- ( ) recommends it be replaced with CS for \_\_\_\_\_
- and \_\_\_\_\_ ( ) new title            ( ) same title
- ( ) AND attaches a Letter of Intent            ( ) New Fiscal Note
- (X) reports it back without recommendation
- ( ) and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:  
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OTHER RECOMMENDATIONS:  
11/10/78 - 11/10/78  
11/10/78 - 11/10/78  
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\_\_\_\_\_  
\_\_\_\_\_

Chairman  
Chairman

Introduced: 3/13/78  
Referred: Resources and  
Finance

1 IN THE HOUSE

BY CHATTERTON AND MALONE

2 SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 830

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska Oil and Gas Conserva-  
7 tion Commission; and providing for an effective date."

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

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22 years, four years and six years. A commissioner, upon the expiration of  
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25           (b) No member or employee of the commission may have an official  
26 connection with, or hold stock or securities in, or have any pecuniary  
27 interest in, any company engaged in the exploration for or development  
28 of oil and gas in Alaska, or the primary business of which is the pro-  
29 vision of goods or services to a company so engaged.

1 (c) This section is in addition to the requirements of AS 39.50,  
2 AS 39.51, and other applicable state law.

3 (d) The commission shall cause a copy of (a) - (c) of this section  
4 to be prominently posted at each office established by the commission.

5 Sec. 31.05.027. APPLICATION. The authority of the commission  
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7 It applies to land of the United States or to land subject to the juris-  
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9 vision of conservation of oil and gas and prevention of waste by the  
10 United States on its land fails to carry out the intent and purposes of  
11 this chapter, and otherwise applies to federal land so far as an officer  
12 of the United States having jurisdiction, or his authorized representa-  
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20 (e) Gas produced in excess of that needed for safety purposes, ex-  
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28 under sec. 16 of this chapter as adjusted by sec. 12 of this chapter per  
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3 Natural Resources shall be read as Alaska Oil and Gas Conservation Commission  
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5 \* Sec. 6. This Act takes effect January 1, 1979.

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R10 CS for SSHB 830

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

#

I. REQUEST  
 Bill Resolution No. SSHB 830  
 Title An Act Establishing the Oil and Gas Conservation Commission  
 Requested by Commissioner LeResche Date 3/13/78

II. FISCAL DETAIL  
 Agency Affected Division of Oil and Gas Conservation of Department of Natural Resources  
 Program Category Affected NRMEL  
 Budget Request Unit(s) Affected Oil and Gas Conservation

EXPENDITURES (Thousands of Dollars)

	FY 78	1/2 year FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		8.5	18.2	19.3	20.6	21.9
200 TRAVEL						
300 CONTRACTUAL		3.3	7.1	7.6	8.1	8.6
400 COMMODITIES		.2	.3	.3	.4	.4
500 EQUIPMENT		.7	1.5	1.6	1.7	1.8
600 LAND & STRUCTURES						
700 GRANTS CLAIMS ETC						
<b>TOTAL</b>		<b>12.7</b>	<b>27.1</b>	<b>28.8</b>	<b>30.8</b>	<b>32.7</b>

FUNDING (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
GENERAL FUND		12.7	27.1	28.8	30.8	32.7
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
FULL TIME						
PART TIME						
TEMPORARY						

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

These estimates assume that the present Oil and Gas Conservation Committee would be selected for the new Commission serving in the dual capacity as Commissioner (Chief Petroleum Engineer), Commissioner (Chief Petroleum Geologist) and Commissioner (Director). Since there is not sufficient top level work to keep three commissioners busy, a savings of approximately \$300,000/year could be realized in this manner. Help is needed at the lower levels.

IV. DATE March 13, 1978 PREPARED BY O.K. Gilbreth  
 AGENCY Oil and Gas Conservation  
 PHONE 273-1433  
 Original: Legislative Finance  
 cc: Budget and Management  
 Finance Systems and Legislative Services

POSITION TITLE

Administrative Assistant

	<u>Type of Expenditure</u>	<u>Amount</u>	<u>Detail</u>
100	Personal Services	\$17,055	13,644 + 25% benefits=17,055
200	Travel	--	
300	Contractual	6,700	Rent, word processing, utilities, telephone
400	Commodities	300	
500	Equipment	<u>1,400</u>	
	Total	\$25,455	

Discussion

One Administrative Assistant required starting 1/1/79

Introduced: 2/14/78  
Referred: Resources and  
Finance

1 IN THE HOUSE

BY CHATTERTON AND MALONE

2 HOUSE BILL NO. 830

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska Oil and Gas Conserva-  
7 tion Commission; and providing for an effective date."

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

9 \* Section 1. (a) It is the intent of the legislature that the state's  
10 regulatory responsibilities and the exercise of its police powers with re-  
11 spect to oil and gas development be vested in an independent regulatory  
12 commission, and that the exercise of these powers be separated in fact and  
13 appearance from the exercise of the state's power as owner or proprietor of  
14 oil and gas resources.

15 (b) The legislature finds that the state's regulatory and police power  
16 with respect to oil and gas development should be exercised with reference to  
17 general but clear criteria and objectives established by the legislature.

18 \* Sec. 2. AS 31 is amended by adding a new chapter to read:

19 CHAPTER 10. ALASKA OIL AND GAS CONSERVATION ACT.

20 Sec. 31.10.010. ALASKA OIL AND GAS CONSERVATION COMMISSION

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27 term of four years, but may be appointed for successive terms.

28 Sec. 31.10.020. TERM OF OFFICE; VACANCY. (a) The term of office  
29 of each member is six years. The governor shall designate who among his

1 initial appointees shall serve respectively for terms of two years, four  
2 years and six years. A commissioner, upon the expiration of his term,  
3 shall continue to hold office until his successor is appointed and  
4 qualified.

5 (b) A vacancy arising in the office of commissioner shall be  
6 filled by appointment by the governor and confirmed by the legislature  
7 in joint session, and an appointee selected to fill a vacancy shall hold  
8 office for the balance of the full term for which his predecessor on the  
9 commission was appointed.

10 (c) A vacancy in the commission does not impair the authority of a  
11 quorum of commissioners to exercise all the powers and perform all the  
12 duties of the commission.

13 Sec. 31.10.030. REMOVAL OF COMMISSIONERS. The governor may remove  
14 a commissioner from office by and with the consent of a majority of the  
15 legislature.

16 Sec. 31.10.040. QUALIFICATIONS OF MEMBERS. Members shall be  
17 qualified as follows: one member shall be a licensed professional  
18 engineer with educational and professional background in the field of  
19 petroleum engineering; one member shall be a geologist with professional  
20 background in the field of petroleum geology; one member shall be a  
21 person trained and experienced in a field other than petroleum engineer-  
22 ing or petroleum geology.

23 Sec. 31.10.050. QUORUM. Two members of the commission constitute  
24 a quorum for the transaction of business, for the performance of a duty,  
25 or for the exercise of a power of the commission.

26 Sec. 31.10.060. OATH OF OFFICE. Each commissioner and the execu-  
27 tive director of the commission, before entering upon the duties of his  
28 office, shall take and subscribe to the oath prescribed for principal  
29 officers of the state.

1           Sec. 31.10.070. COMPENSATION OF MEMBERS OF THE COMMISSION. Mem-  
2       bers of the commission are in the exempt service and shall receive an  
3       annual salary equal to that of a commissioner of a principal executive  
4       department.

5           Sec. 31.10.080. PRINCIPAL OFFICE; SEAL. (a) The commission shall  
6       establish a principal office and branch offices necessary to discharge  
7       its business efficiently. For the convenience of the public or of  
8       parties to a proceeding the commission may hold meetings, hearings or  
9       other proceedings at other locations.

10          (b) The commission shall have an official seal.

11          Sec. 31.10.090. LEGAL COUNSEL. (a) The Department of Law shall  
12       provide full-time legal counsel to the commission. The legal counsel  
13       provided by the Department of Law is subject to the approval of the  
14       commission.

15          (b) The commission may, subject to the approval of the attorney  
16       general, contract for the services of additional specialized legal  
17       counsel or legal consultants.

18          Sec. 31.10.100. COMMISSION STAFF. (a) The commission shall  
19       employ an executive director and other staff as it considers necessary  
20       to carry out its responsibilities.

21          (b) The professional staff of the commission and the personal  
22       secretary of each commissioner are in the partially exempt service under  
23       AS 39.25.120.

24          (c) The secretarial and clerical staff of the commission, except  
25       the personal secretary of each commissioner, are in the classified  
26       service under AS 39.25.100.

27          (d) The executive director shall receive an annual salary equal to  
28       that of a commissioner of a principal executive department.

29          (e) In addition to its staff of regular employees, the commission

1 may contract for and engage the services of consultants and experts the  
2 commission considers necessary.

3 Sec. 31.10.110. CONFLICT OF INTEREST. (a) No member or employee  
4 of the commission may hold an interest in any oil and gas lease in  
5 Alaska issued by the state or the United States.

6 (b) No member or employee of the commission may have an official  
7 connection with, or hold stock or securities in, or have any pecuniary  
8 interest in, any company engaged in the exploration for or development  
9 of oil and gas in Alaska, or the primary business of which is the pro-  
10 vision of goods or services to a company so engaged.

11 (c) This section is in addition to the requirements of AS 39.50,  
12 AS 39.51, and other applicable state law.

13 (d) The commission shall cause a copy of (a) - (c) of this section  
14 to be prominently posted at each office established by the commission.

15 Sec. 31.10.120. APPLICATION. The authority of the commission  
16 applies to all land in the state lawfully subject to its police powers.  
17 It applies to land of the United States or to land subject to the juris-  
18 diction of the United States only to the extent that control and super-  
19 vision of conservation of oil and gas by the United States, on its land  
20 fails to carry out the intent and purposes of this chapter and otherwise  
21 applies to federal land so far as an officer of the United States having  
22 jurisdiction, or his authorized representative, shall approve any of the  
23 provisions of this chapter or orders of the commission which affect  
24 land.

25 Sec. 31.10.130. POWERS AND DUTIES OF THE COMMISSION. (a) The  
26 commission has jurisdiction and authority over all persons and property,  
27 public and private, necessary to carry out the purposes and intent of  
28 this chapter.

29 (b) The commission shall investigate to determine whether or not

1 facts exist which justify or require action by it.

2 (c) The commission shall adopt regulations and orders and take  
3 other appropriate action to carry out the purposes of this chapter.

4 (d) The commission may require

5 (1) identification of ownership of wells, producing leases,  
6 tanks, plants and drilling structures;

7 (2) the making and filing of reports, well logs, drilling  
8 logs, electric logs, lithologic logs, directional surveys, and all other  
9 subsurface information on a well drilled for oil or gas, or for the  
10 discovery of oil or gas, or for geologic information, and the required  
11 reports and information shall be filed within 30 days after the comple-  
12 tion, abandonment, or suspension of the well;

13 (3) the drilling, casing and plugging of wells in a manner  
14 which will prevent the escape of oil or gas out of one stratum into  
15 another, the intrusion of water into an oil or gas stratum, the pollu-  
16 tion of fresh water supplies by oil, gas or salt water, and prevent  
17 blowouts, cavings, seepages and fires;

18 (4) the furnishing of a reasonable bond with sufficient  
19 surety conditions for the performance of the duty to plug each dry or  
20 abandoned well or the repair of wells;

21 (5) the operation of wells with efficient gas-oil and water-  
22 oil ratios, and may fix these ratios;

23 (6) the gauging or other measuring of oil and gas to deter-  
24 mine the quality and quantity of oil and gas;

25 (7) every person who produces oil or gas in the state to keep  
26 and maintain for a period of five years in the state complete and  
27 accurate records of the quantities of oil and gas produced, which shall  
28 be available for examination by the commission or its agents at all  
29 reasonable times;

1 (8) the measuring and monitoring of oil and gas pool pres-  
2 sures.

3 (e) The commission may regulate, for conservation purposes,

4 (1) the drilling, producing and plugging of wells;

5 (2) the shooting and chemical treatment of wells;

6 (3) the spacing of wells;

7 (4) the disposal of salt water, nonpotable water and oil  
8 field wastes;

9 (5) the contamination or waste of underground water;

10 (6) the production rate of oil and gas from a well or pro-  
11 perty.

12 (f) The commission may classify wells as oil or gas wells for  
13 purposes material to the interpretation or enforcement of this chapter.

14 (g) The commission may by regulation require that development and  
15 production of an oil or gas pool be accomplished only in accordance with  
16 a development and production plan approved by the commission.

17 Sec. 31.10.140. CONFIDENTIAL REPORTS. (a) For all wells for  
18 which a permit to drill has been issued by the commission since  
19 January 3, 1959, the commission may require

20 (1) the making and filing of flow test information reports,  
21 well logs, drilling logs, electric logs, lithologic logs, directional  
22 surveys, and all other subsurface information on a well drilled for oil  
23 or gas, or for the discovery of oil or gas, or for geologic information;  
24 and

25 (2) the filing of all logs, except experimental logs, dip-  
26 meter surveys, and velocity surveys run on a well and not required by  
27 (1) of this subsection.

28 (b) Reports and information required under (a)(1) and (2) of this  
29 section shall be filed within 30 days after the completion, abandonment,

1 or suspension of a well. However, under (a)(1) of this section, the  
2 commission may not require the making of a log on a well completed,  
3 abandoned or suspended before June 19, 1970.

4 (c) The reports and information marked confidential by the opera-  
5 tor shall be kept confidential for 24 months following the 30-day filing  
6 period unless the owner of the well gives written permission to release  
7 the reports and information at an earlier date. Well location, depth,  
8 status and production data and production reports required by the com-  
9 mission to be filed after the 30-day filing period shall be considered  
10 public information and shall not be classified confidential. "Produc-  
11 tion data", as used in this subsection, means volume, gravity and gas-  
12 oil ratio of all production of oil or gas after the well begins regular  
13 production.

14 Sec. 31.10.150. REGULATIONS OF THE COMMISSION. The adoption of  
15 regulations and the issuance of orders of the commission shall be in  
16 accordance with the Administrative Procedure Act (AS 44.62).

17 Sec. 31.10.160. PERMITS AND FEES TO DRILL WELLS. A person desir-  
18 ing to drill a well in search of oil or gas, or to facilitate the pro-  
19 duction of oil or gas, shall notify the commission of his intent on a  
20 form prescribed by the commission and shall pay a fee of \$100 for a  
21 permit for each well sought to be drilled. Upon receipt of notification  
22 and fee, the commission shall promptly issue a permit to drill, unless  
23 the drilling of the well is contrary to law or a regulation or order of  
24 the commission, or unless the person is in violation of a commission  
25 regulation, order or stipulation pertaining to drilling, plugging or  
26 abandonment of a well, or if the drilling of the well is not in accor-  
27 dance with a development or production plan approved by the commission,  
28 and the target of the well is a pool or formation regarding which the  
29 commission has required the submission of a plan in accordance with sec.

1 130(g) of this chapter. The drilling of a well is prohibited until a  
2 permit to drill is obtained in accordance with this chapter.

3 Sec. 31.10.170. ESTABLISHMENT OF DRILLING UNITS FOR POOLS. (a)  
4 For the maximization of recovery, to protect and enforce the correlative  
5 rights of lessees in a pool, and to avoid the reduced recovery which  
6 might result from too small a number of wells, the commission shall,  
7 after a hearing, establish a drilling unit or units for each pool. The  
8 establishment of a unit for gas shall be limited to the production of  
9 gas.

10 (b) Each well drilled on a drilling unit shall be drilled under  
11 regulations and in accordance with the spacing pattern as the commission  
12 prescribes for the pool in which the well is located. Exceptions to the  
13 regulations and spacing pattern may be granted where it is shown, after  
14 notice and hearing, that the unit is partly outside the pool, or for  
15 some other reason a well so located on the unit would be nonproductive,  
16 or topographical conditions are such as to make the drilling at such a  
17 location unduly burdensome. If an exception is granted, the commission  
18 shall take such action as will offset any advantage which the person  
19 securing the exception may have over other producers by reason of the  
20 drilling of the well as an exception, and so that drainage from de-  
21 veloped units to the tract with respect to which the exception is  
22 granted will be prevented or minimized, and the producer of the well  
23 drilled as an exception will be allowed to produce no more than a just  
24 and equitable share of the oil and gas in the pool.

25 (c) When two or more separately owned tracts of land are embraced  
26 within an established drilling unit, persons owning the drilling rights  
27 in it and the right to share in the production from it may agree to pool  
28 their interests and develop their land as a drilling unit. If the  
29 persons do not agree to pool their interests, the commission may enter

1 an order pooling and integrating their interests for the development of  
2 their land as a drilling unit for the maximization of recovery, for the  
3 protection of correlative rights, or to avoid the drilling of unneces-  
4 sary wells. Orders effectuating such pooling shall be made after notice  
5 and hearing, and shall be upon terms and conditions which will afford to  
6 the owner of each tract the opportunity to recover or receive his just  
7 and equitable share of the oil and gas in the pool without unnecessary  
8 expense. Operations incident to the drilling of a well upon a portion  
9 of a unit covered by a pooling order shall be considered for all pur-  
10 poses to be the conduct of the operation upon each separately owned  
11 tract in the unit by the several lessees of it. The portion of the  
12 production allocated to the lessee of each tract included in a drilling  
13 unit formed by a pooling order shall, when produced, be considered as if  
14 it had been produced from the tract by a well drilled on it. If pooling  
15 is effectuated, the cost of development and operation of the pooled unit  
16 chargeable by the operator to the other interested lessee is limited to  
17 the actual and reasonable expenditures for this purpose, including a  
18 reasonable charge for supervision. As to lessees who refuse to agree  
19 upon pooling, the order shall provide for reimbursement for costs  
20 chargeable to each lessee out of, and only out of, production from the  
21 unit belonging to such lessee. In the event of a dispute relative to  
22 the costs, the commission shall determine the proper costs upon notice  
23 to all interested parties and hearing. Appeals may be taken from the  
24 determination as from any other order of the commission. If a lessee  
25 drills and operates, or pays the expense of drilling and operating the  
26 well for the benefit of others, then in addition to any other right  
27 conferred by the pooling order, the lessee drilling or operating has a  
28 lien on the share of production from the unit accruing to the interest  
29 of each of the other lessees for the payment of his proportionate share

1 of such expenses. All the oil and gas subject to the lien, or so much  
2 of the oil and gas subject to the lien as is necessary shall be marketed  
3 and sold by the creditor, and the proceeds applied in payment of the  
4 expenses secured by the lien, with the balance, if any, payable to the  
5 debtor.

6 (d) The Commission shall, in all instances where a unit has been  
7 formed out of land or areas of more than one ownership, require the  
8 operator, upon request of a lessee, but subject to the right of the  
9 operator to market production and collect the proceeds with respect to a  
10 lessee in default, as provided in (c) of this section, to deliver to the  
11 lessee or his assigns his proportionate share of the production from the  
12 well common to the drilling unit. The lessee receiving his share shall  
13 provide at his own expense proper receptacles for the receipt and  
14 storage of it.

15 (e) If persons owning the drilling or other rights in separate  
16 tracts embraced within a drilling unit fail to agree upon the pooling of  
17 the tracts and the drilling of the well on the unit, and if the commis-  
18 sion is without authority to require pooling as provided by this sec-  
19 tion, then, subject to all other applicable provisions of this chapter,  
20 the lessee of each tract embraced within the drilling unit may drill on  
21 his tract, but the allowable production from the tract shall be the  
22 proportion of the allowable production for the full drilling unit as the  
23 area of the separately owned tract bears to the full drilling unit.

24 Sec. 31.10.180. UNITIZATION AND UNITIZED OPERATION OF POOLS AND  
25 INTEGRATION OF INTERESTS BY AGREEMENT. (a) To maximize, or to assist  
26 in maximizing recovery, and to protect the correlative rights of persons  
27 owning interests in the tracts of land affected, these persons may  
28 validly integrate their interests to provide for the unitized manage-  
29 ment, development, and operation of such tracts of land as a unit.

1 Where, however, they have not agreed to integrate their interests, the  
2 commission, upon proper petition or on its own motion, after notice and  
3 hearing, has jurisdiction, power and authority, and it is its duty to  
4 make and enforce orders and do the things necessary or proper to carry  
5 out the purposes of this section.

6 (b) If upon the filing of a petition by a person owning an in-  
7 terest in the tracts affected, or on the commission's own motion, and  
8 after notice and hearing, all in the form and manner and in accordance  
9 with the procedure and requirements provided in this section, the com-  
10 mission finds that (1) the unitized management, operation and further  
11 development of a pool or portion of a pool is reasonably necessary in  
12 order to effectively carry on pressure control, pressure-maintenance or  
13 repressuring operations, cycling operations, water flooding operations,  
14 or any combination of these, or any other form of joint effort calcu-  
15 lated to substantially increase the ultimate recovery of oil and gas  
16 from the pool; (2) one or more of the unitized methods of operation as  
17 applied to the pool or portion of it is feasible, and will maximize  
18 recovery; and (3) the unitization and adoption of one or more of the  
19 unitized methods of operation is for the common good, it shall make a  
20 finding to that effect and make an order creating the unit and providing  
21 for the unitization and unitized operation of the pool or portion of it  
22 described in the order, upon the terms and conditions, as may be shown  
23 by the evidence to be fair, reasonable, equitable, and which are neces-  
24 sary or proper to protect, safeguard and adjust the respective rights  
25 and obligations of the several persons affected, including royalty  
26 owner, owners of overriding royalties, oil and gas payments, carried  
27 interests, mortgages, lien claimants and others, as well as the lessees.  
28 The petition or motion shall set out a description of the proposed unit  
29 area with a map or plat of it attached, shall allege the existence of

1 the facts required to be found by the commission as provided in this  
2 subsection and shall have attached to it a recommended plan of unitiza-  
3 tion applicable to the proposed unit area and which the petitioner or  
4 the commission considers to be fair, reasonable and equitable.

5 (c) The order of the commission may define the boundary of the  
6 area to be included within the unit area and prescribe with reasonable  
7 detail the plan of unitization applicable to it. Each unit and unit  
8 area shall be limited to all or a portion of a single pool. Only so  
9 much of a pool as has been defined and determined to be productive of  
10 oil and gas by actual drilling operations may be so included within the  
11 unit area. A unit may be created to embrace less than the whole of a  
12 pool only where it is shown by the evidence that the area to be so  
13 included within the unit area is of a size and shape as may be reason-  
14 ably required for the successful and efficient conduct of the unitized  
15 method of operation for which the unit is created, and that the conduct  
16 of it will have no material adverse effect upon the remainder of the  
17 pool. The plan of unitization for each unit and unit area shall be one  
18 suited to the needs and requirements of the particular unit dependent  
19 upon the facts and conditions found to exist with respect to it. In  
20 addition to other terms, provisions, conditions and requirements found  
21 by the commission to be reasonably necessary or proper to carry out the  
22 purpose of this chapter, and subject to the further requirements of this  
23 section, each plan of unitization shall contain fair, reasonable and  
24 equitable provisions for

25 (1) the efficient unitized management or control of the  
26 further development and operation of the unit area for the recovery of  
27 oil and gas from the pool affected; under such a plan the actual opera-  
28 tions within the unit area may be carried on in whole or in part by the  
29 unit itself, or by one or more of the lessees within the unit area as

1 the unit operator subject to the supervision and direction of the unit,  
2 dependent upon what is most beneficial or expedient; the designation of  
3 the unit operator shall be by vote of the lessees in the unit in a  
4 manner provided in the plan of unitization and not by the commission;

5 (2) the division of interest or formula for the apportionment  
6 and allocation of the unit production, among and to the several sepa-  
7 rately owned tracts within the unit area such as will reasonably permit  
8 persons otherwise entitled to share in or benefit by the production from  
9 such separately owned tracts to produce and receive, instead, their  
10 fair, equitable and reasonable share of the unit production or other  
11 benefits of it; a separately owned tract's fair, equitable, and reason-  
12 able share of the unit production shall be measured by the value of each  
13 such tract for oil and gas purposes and its contributing value to the  
14 unit in relation to like values of other tracts in the unit, taking into  
15 account acreage, the quantity of oil and gas recoverable from it, loca-  
16 tion on the structure, its probable productivity of oil and gas in the  
17 absence of unit operations, the burden of operations to which the tract  
18 will or is likely to be subjected, or so many of these factors, or such  
19 other pertinent engineering, geological or operating factors as may be  
20 reasonably susceptible of determination; "unit production" as that term  
21 is used in this chapter means all oil and gas produced from a unit area  
22 from the effective date of the order of the commission creating the unit  
23 regardless of the well or tract within the unit area from which the same  
24 is produced;

25 (3) the manner in which the unit and the further development  
26 and operation of the unit area shall or may be financed and the basis,  
27 terms and conditions on which the cost and expense of it shall be appor-  
28 tioned among and assessed against the tracts and interests made charge-  
29 able with it, including a detailed accounting procedure governing all

1 charges and credits incident to such operations; upon terms and condi-  
2 tions as to time and rate of interest as may be fair to all concerned,  
3 reasonable provision shall be made in the plan of unitization for  
4 carrying or otherwise financing lessees who are unable to promptly meet  
5 their financial obligations in connection with the unit;

6 (4) the procedure and basis upon which wells, equipment and  
7 other properties of the several lessees within the unit area are to be  
8 taken over and used for unit operations, including the method of arriv-  
9 ing at the compensation for it, or of otherwise proportionately equal-  
10 izing or adjusting the investment of the several lessees in the project  
11 as of the effective date of unit operation;

12 (5) the creation of an operating committee to have general  
13 overall management and control of the unit and the conduct of its  
14 business and affairs and the operations carried on by it, together with  
15 the creation or designation of other subcommittees, boards or officers  
16 to function under the authority of the operating committee as may be  
17 necessary, proper or convenient in the efficient management of the unit,  
18 defining the powers and duties of all the committees, boards and offi-  
19 cers, and prescribing their tenure and time and method for their selec-  
20 tion;

21 (6) the time when the plan of unitization becomes effective;

22 (7) the time when and the conditions under which and the  
23 method by which the unit shall or may be dissolved and its affairs wound  
24 up.

25 (d) No order of the commission creating a unit and prescribing the  
26 plan of unitization applicable to it becomes effective until the plan of  
27 unitization has been signed or ratified in writing, or approved by the  
28 lessees of record of not less than 62.5 per cent of the unit area  
29 affected by it and by the owners of record of not less than 62.5 per

1 cent (exclusive of royalty interests owned by lessees or by subsidiaries  
2 of any lessee) of the landowners' royalty interests in and to the unit  
3 area, and the commission has made a finding either in the order creating  
4 the unit or in a supplemental order that the plan of unitization has  
5 been so signed, ratified or approved by lessees and royalty owners  
6 owning the required percentage interest in and to the unit area. Where  
7 the plan of unitization has not been signed, ratified or approved by the  
8 lessees and royalty owners owning the required percentage interest in  
9 and to the unit area at the time the order creating the unit is made,  
10 the commission shall, upon petition and notice, hold additional and  
11 supplemental hearings as may be requested or required to determine if  
12 and when the plan of unitization has been signed, ratified or approved  
13 by lessees and royalty owners owning the required percentage interest in  
14 and to the unit area and shall, in respect to the hearing, make and  
15 enter a finding of its determination in this regard. If the lessees and  
16 royalty owners, or either, owning the required percentage interest in  
17 and to the unit area have not signed, ratified or approved the plan of  
18 unitization within a period of six months from the date on which the  
19 order creating the unit is made, the order creating the unit ceases to  
20 be of further force and effect and shall be revoked by the commission.  
21 Revocation does not limit the commission's authority under sec. 130 of  
22 this chapter.

23 (e) From the effective date of an order of the commission creating  
24 a unit and prescribing the plan of unitization applicable to it, the  
25 operation of a well producing from the pool or portion of it within the  
26 unit area defined in the order by persons other than the unit or persons  
27 acting under its authority or except in the manner and to the extent  
28 provided in the plan of unitization is unlawful and is prohibited.

29 (f) The obligation or liability of the lessees or other owners of

1 the oil and gas rights in the several separately owned tracts for the  
2 payment of unit expense shall at all times be several and not joint or  
3 collective and in no event shall a lessee or other owner of the oil and  
4 gas rights in the separately owned tract be chargeable with, obligated  
5 or liable, directly or indirectly, for more than the amount apportioned,  
6 assessed or otherwise charged to his interest in such separately owned  
7 tract under the plan of unitization and then only to the extent of the  
8 lien provided for in this chapter.

9 (g) Subject to such reasonable limitations as may be set out in  
10 the plan of unitization, the unit has a first and prior lien upon the  
11 leasehold estate and all other oil and gas rights (exclusive of a land-  
12 owners' royalty interest) in and to each separately owned tract. the  
13 interest of the owners in and to the unit production and all equipment  
14 in the possession of the unit, to secure the payment of the amount of  
15 the unit expense charged to and assessed against such separately owned  
16 tract. The interest of the lessee or other persons who by lease, con-  
17 tract or otherwise are obligated or responsible for the cost and expense  
18 of developing and operating a separately owned tract for oil and gas in  
19 the absence of unitization shall, however, be primarily responsible for  
20 and charged with any assessment for unit expense made against the tract  
21 and resort may be had to overriding royalties, oil and gas payments, or  
22 other interests which otherwise are not chargeable with these costs,  
23 only in the event the owner of interest primarily responsible fails to  
24 pay the assessment of the production to the credit thereof, or produc-  
25 tion is insufficient for that purpose. If the owner of any royalty  
26 interest, overriding royalty, oil or gas payment, or any other interest  
27 which under the plan of unitization is not primarily responsible for it  
28 pays in whole or in part the amount of an assessment for unit expense  
29 for the purpose of protecting such interest, or the amount of the

1 assessment in whole or in part is deducted from the unit production to  
2 the credit of such interest, the owner of it is to the extent of the  
3 payment or deduction subrogated to all the rights of the unit with  
4 respect to the interest or interests primarily responsible for the  
5 assessment. A part of the unit production allocated to each separately  
6 owned tract shall be regarded as royalty to be distributed to and among,  
7 or the proceeds of it paid to, the royalty owners free and clear of all  
8 unit expense and free of any lien for it.

9 (h) Property rights, leases, contracts and all other rights and  
10 obligations shall be regarded as amended and modified to the extent  
11 necessary to conform to the provisions and requirements of this chapter  
12 and to any valid and applicable plan of unitization or order of the  
13 commission made and adopted under this chapter, but otherwise remain in  
14 effect. No unit may permit the underlifting or overlifting of an ali-  
15 quot of unit production unless an emergency order is approved by the  
16 commission.

17 (i) Nothing contained in this chapter shall be construed to re-  
18 quire a transfer to or vesting in the unit of title to the separately  
19 owned tracts or leases on them within the unit area, other than the  
20 right to use and operate them to the extent set out in the plan of  
21 unitization; nor shall the unit be regarded as owning the unit produc-  
22 tion. The unit production and the proceeds from the sale of it shall be  
23 owned by the several persons to whom it is allocated under the plan of  
24 unitization. All property, whether real or personal, which the unit may  
25 in any way acquire, hold or possess, shall not be acquired, held or  
26 possessed by the unit for its own account but shall be acquired, held  
27 and possessed by the unit for the account and as agent of the several  
28 lessees and shall be the property of the lessees as their interests  
29 appear under the plan of unitization, subject, however, to the right of

1 the unit to the possession, management, use or disposal of the same in  
2 the proper conduct of its affairs, and subject to any lien the unit may  
3 have on it to secure the payment of unit expense. Neither the unit  
4 production or proceeds of the sale of it, nor the other receipts shall  
5 be treated, regarded, or taxed as income or profits of the unit; but  
6 instead, all such receipts shall be the income of the several persons to  
7 whom or to whose credit the same are payable under the plan of unitiza-  
8 tion. To the extent the unit may receive or disburse the receipts it  
9 shall only do so as a common administrative agent of the persons to whom  
10 the receipts are payable.

11 (j) The amount of the unit production allocated to each separately  
12 owned tract within the unit, and only that amount, regardless of the  
13 well or wells in the unit area from which it may be produced and regard-  
14 less of whether it is more or less than the amount of the production  
15 from the well or wells, if any, on any such separately owned tract,  
16 shall for all intents, uses and purposes be regarded and considered as  
17 production from the separately owned tract, and, except as may be  
18 otherwise authorized in this chapter, or in the plan of unitization  
19 approved by the commission, shall be distributed among or the proceeds  
20 of it paid to the persons entitled to share in the production from the  
21 separately owned tract in the same manner, in the same proportions, and  
22 upon the same condition that they would have participated and shared in  
23 the production or proceeds of it from such separately owned tract had  
24 not the unit been organized, and with the same legal effect. If ade-  
25 quate provisions are made for the receipt of it, the share of the unit  
26 production allocated to each separately owned tract shall be delivered  
27 in kind to the persons entitled to it by virtue of ownership of oil and  
28 gas rights in it or by purchase from the owners subject to the rights of  
29 the unit to withhold and sell the same in payment of unit expense under

# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

1 the unit to the possession, management, use or disposal of the same in  
2 the proper conduct of its affairs, and subject to any lien the unit may  
3 have on it to secure the payment of unit expense. Neither the unit  
4 production or proceeds of the sale of it, nor the other receipts shall  
5 be treated, regarded, or taxed as income or profits of the unit; but  
6 instead, all such receipts shall be the income of the several persons to  
7 whom or to whose credit the same are payable under the plan of unitiza-  
8 tion. To the extent the unit may receive or disburse the receipts it  
9 shall only do so as a common administrative agent of the persons to whom  
10 the receipts are payable.

11 (j) The amount of the unit production allocated to each separately  
12 owned tract within the unit, and only that amount, regardless of the  
13 well or wells in the unit area from which it may be produced and regard-  
14 less of whether it is more or less than the amount of the production  
15 from the well or wells, if any, on any such separately owned tract,  
16 shall for all intents, uses and purposes be regarded and considered as  
17 production from the separately owned tract, and, except as may be  
18 otherwise authorized in this chapter, or in the plan of unitization  
19 approved by the commission, shall be distributed among or the proceeds  
20 of it paid to the persons entitled to share in the production from the  
21 separately owned tract in the same manner, in the same proportions, and  
22 upon the same condition that they would have participated and shared in  
23 the production or proceeds of it from such separately owned tract had  
24 not the unit been organized, and with the same legal effect. If ade-  
25 quate provisions are made for the receipt of it, the share of the unit  
26 production allocated to each separately owned tract shall be delivered  
27 in kind to the persons entitled to it by virtue of ownership of oil and  
28 gas rights in it or by purchase from the owners subject to the rights of  
29 the unit to withhold and sell the same in payment of unit expense under

1 assessment in whole or in part is deducted from the unit production to  
2 the credit of such interest, the owner of it is to the extent of the  
3 payment or deduction subrogated to all the rights of the unit with  
4 respect to the interest or interests primarily responsible for the  
5 assessment. A part of the unit production allocated to each separately  
6 owned tract shall be regarded as royalty to be distributed to and among,  
7 or the proceeds of it paid to, the royalty owners free and clear of all  
8 unit expense and free of any lien for it.

9 (h) Property rights, leases, contracts and all other rights and  
10 obligations shall be regarded as amended and modified to the extent  
11 necessary to conform to the provisions and requirements of this chapter  
12 and to any valid and applicable plan of unitization or order of the  
13 commission made and adopted under this chapter, but otherwise remain in  
14 effect. No unit may permit the underlifting or overlifting of an ali-  
15 quot of unit production unless an emergency order is approved by the  
16 commission.

17 (i) Nothing contained in this chapter shall be construed to re-  
18 quire a transfer to or vesting in the unit of title to the separately  
19 owned tracts or leases on them within the unit area, other than the  
20 right to use and operate them to the extent set out in the plan of  
21 unitization; nor shall the unit be regarded as owning the unit produc-  
22 tion. The unit production and the proceeds from the sale of it shall be  
23 owned by the several persons to whom it is allocated under the plan of  
24 unitization. All property, whether real or personal, which the unit may  
25 in any way acquire, hold or possess, shall not be acquired, held or  
26 possessed by the unit for its own account but shall be acquired, held  
27 and possessed by the unit for the account and as agent of the several  
28 lessees and shall be the property of the lessees as their interests  
29 appear under the plan of unitization, subject, however, to the right of

1 the plan of unitization, and subject further to the call of the unit on  
2 such portions of the gas for operating purposes as may be provided in  
3 the plan of unitization.

4 (k) No agreement or plan for the development and operation of a  
5 field or pool of oil or gas as a unit, if approved by the commission for  
6 the purpose of maximizing recovery, violates a statute of the state  
7 prohibiting monopolies or acts, arrangements, agreements, contracts,  
8 combinations or conspiracies in restraint of trade or commerce.

9 (l) Operations carried on under and in accordance with the plan of  
10 unitization shall be regarded and considered as a fulfillment of a  
11 compliance with all of the provisions, covenants and conditions, express  
12 or implied, of the several oil and gas leases upon land included within  
13 the unit area, or other contracts pertaining to the development of it  
14 insofar as the leases or other contracts may relate to the pool or  
15 portion of it included in the unit area. Wells drilled or operated on  
16 any part of the unit area no matter where located shall for all purposes  
17 be regarded as wells drilled on each separately owned tract within the  
18 unit area.

19 (m) Nothing in this section or in any plan of unitization shall be  
20 construed as increasing or decreasing the implied covenants of a lease  
21 in respect to a common source of supply or land not included within the  
22 unit area of a unit.

23 (n) The unit area of a unit may be enlarged to include adjoining  
24 portions of the same pool, including the unit area of another unit, and  
25 a new unit created for the unitized management, operation and further  
26 development of the enlarged unit area, or the plan of unitization may be  
27 otherwise amended, all in the same manner, upon the same conditions and  
28 subject to the same limitations as provided with respect to the creation  
29 of a unit in the first instance; except that where the amendment to the

1 plan of unitization relates only to the rights and obligations as be-  
2 tween lessees the requirement that it be signed, ratified, and approved  
3 by royalty owners of record of not less than 62.5 per cent of the unit  
4 area does not apply.

5 Sec. 31.10.190. PENALTIES. (a) A person who wilfully violates a  
6 provision of this chapter, or a regulation or order of the commission  
7 adopted under this chapter, is subject to a penalty of not more than  
8 \$5,000 for each act of violation and for each day that the violation  
9 continues, unless the penalty for violation is otherwise provided for  
10 and made exclusive in this chapter.

11 (b) If a person, for the purpose of evading this chapter, or any  
12 regulation or order of the commission adopted under this chapter, wil-  
13 fully makes or has made a false entry in a record, account or memorandum  
14 required by this chapter, or by a regulation or order, or wilfully  
15 omits, or causes to be omitted, from a record, account or memorandum,  
16 full, true and correct entries as required by this chapter, or by a  
17 regulation or order, or removes from the state or destroys, mutilates,  
18 alters or falsifies such record, account or memorandum, the person is  
19 guilty of a misdemeanor, and upon conviction is punishable by a fine of  
20 not more than \$5,000, or by imprisonment for not more than six months,  
21 or by both.

22 (c) A person who knowingly aids or abets another person in the  
23 violation of any provision of this chapter, or a regulation or order of  
24 the commission adopted under this chapter, is subject to the same  
25 penalty as that prescribed by this chapter for the violation by the  
26 other person.

27 (d) The penalties provided in this section are recoverable by suit  
28 filed by the attorney general in the name and on behalf of the commis-  
29 sion in the superior court of the judicial district in which the de-

1 fendant resides or in which any defendant resides, if there is more than  
2 one defendant, or in the superior court of the judicial district in  
3 which the violation occurs. The payment of a penalty does not relieve a  
4 person on whom the penalty is imposed from liability to any other person  
5 for damages arising out of the violation.

6 (e) The commission may impose a penalty payment on every 1,000  
7 cubic feet of natural gas flared, vented or produced contrary to an  
8 order of the commission. The penalty shall be the fair market value of  
9 the natural gas at the point of flaring, venting, or production.

10 Sec. 31.10.200. INJUNCTIVE RELIEF. (a) Whenever it appears that  
11 a person is violating or threatening to violate any provision of this  
12 chapter, or any regulation or order of the commission, the commission  
13 shall bring suit against that person in the superior court of the judi-  
14 cial district where the violation occurs or is threatened, to restrain  
15 the person from continuing the violation or from carrying out the threat  
16 of violation. In the suit, the court shall have jurisdiction to grant  
17 to the commission, without bond or otherwise undertaking, such prohibi-  
18 tory and mandatory injunctions as the facts warrant.

19 (b) If the commission fails to bring suit to enjoin a violation or  
20 threatened violation within 10 days after receipt of written request to  
21 do so by a person who is or will be adversely affected by the violation,  
22 the person making the request may bring suit in his own behalf to re-  
23 strain the violation or threatened violation in the court in which the  
24 commission may bring suit. If the court finds that injunctive relief  
25 should be granted, the commission shall be made a party and shall be  
26 substituted for the person who brought the suit, and the injunction  
27 shall be issued as if the commission had at all times been the plain-  
28 tiff.

29 Sec. 31.10.210. RELATIONSHIP TO DEPARTMENT OF NATURAL RESOURCES.

1 (a) The department shall, with respect to land owned by the state, have  
2 the same standing before the commission as the owner of any lease or  
3 other interest in the state land.

4 (b) With respect to federal land from which the state or any  
5 subdivision of the state is entitled under federal law to receive a  
6 share of the federal royalty interest, the department shall have the  
7 same standing before the commission as if it were the holder of the  
8 equivalent royalty interest.

9 (c) When both the department and the commission have the authority  
10 to require, and do require, the submission of substantially the same  
11 information from persons subject to this chapter, the commission, in  
12 order to alleviate the administrative burdens placed on those persons,  
13 may by regulation enter into an agreement with the department whereby  
14 either the commission or the department shall have the responsibility to  
15 collect the information lawfully required by both.

16 Sec. 31.10.220. PROTECTION OF ECONOMIC INTERESTS OF PRODUCERS.

17 (a) The commission may not take any action with respect to the produc-  
18 tion or development of any field if it is shown that the proposed action  
19 would lower the expected discounted cash flow rate of return on total  
20 field investment to below 10 per cent. The commission shall give the  
21 affected parties opportunity through hearing to make this showing.

22 (b) The discounted cash flow rate of return shall be calculated  
23 after the deduction from gross income of property taxes imposed under AS  
24 43.56, production taxes imposed under AS 43.55, and one-eighth royalty  
25 interest; further, the calculation shall be made only with reference to  
26 future investments and revenues.

27 (c) The commission shall by regulation establish procedures for  
28 the calculation of the discounted cash flow rate of return. These  
29 procedures may take account of risk and other factors as may be appro-

1 priate.

2 Sec. 31.10.230. DEFINITIONS. In this chapter, unless the context  
3 otherwise requires,

4 (1) "commission" means the Alaska Oil and Gas Conservation  
5 Commission;

6 (2) "correlative rights" mean the opportunity afforded, so  
7 far as it is practicable to do so, to the owner of each property in a  
8 pool to maximize recovery of his just and equitable share of the oil or  
9 gas, or both, in the pool; being an amount, so far as can be practically  
10 determined, and so far as can practicably be obtained, substantially in  
11 the proportion that the quantity of recoverable oil or gas, or both,  
12 under the property bears to the total recoverable oil or gas, or both, in  
13 the pool, and for such purposes to use his just and equitable share of  
14 the reservoir energy;

15 (3) "department" means the Department of Natural Resources;

16 (4) "field" means a general area which is underlain or  
17 appears to be underlain by at least one pool, and includes the under-  
18 ground reservoir containing oil or gas; and the words "pool" and "field"  
19 mean the same thing when only one underground reservoir is involved, but  
20 "field" unlike "pool" may relate to two or more pools;

21 (5) "gas" includes all natural gas and all hydrocarbons  
22 produced at the wellhead not defined as oil;

23 (6) "maximize recovery" and "maximum recovery" mean the  
24 greatest possible recovery from a pool or field, subject to sec. 220 of  
25 this chapter, of the reservoir fluids as measured by their BTU content;

26 (7) "oil" includes crude petroleum oil and other hydrocarbons  
27 regardless of gravity which are produced at the wellhead in liquid form  
28 and the liquid hydrocarbons known as distillate or condensate recovered  
29 or extracted from gas, other than gas produced in association with oil

1 and commonly known as casinghead gas;

2 (8) "owner" means the person who has the right to drill into  
3 and produce from a pool and to appropriate the oil and gas he produces  
4 from a pool for himself and others;

5 (9) "person" includes a natural person, corporation, associ-  
6 ation, partnership, receiver, trustee, executor, administrator, guar-  
7 dian, fiduciary or other representative of any kind, and includes a  
8 department, agency or instrumentality of the state or a governmental  
9 subdivision of the state;

10 (10) "pool" means an underground reservoir containing, or  
11 appearing to contain, a common accumulation of oil or gas; each zone of  
12 a general structure which is completely separated from any other zone in  
13 the structure is covered by the term "pool";

14 (11) "producer" means the owner of a well or wells capable of  
15 producing oil or gas or both;

16 (12) "cubic foot of natural gas" means the volume of gas con-  
17 tained in one cubic foot of space measured at a pressure base of 14.73  
18 pounds per square inch absolute and a temperature base of 60 degrees  
19 Fahrenheit.

20 \* Sec. 3. AS 39.50.200(9) is amended by adding a new subparagraph to  
21 read:

22 (NN) Alaska Oil and Gas Conservation Commission (AS  
23 31.10).

24 \* Sec. 4. AS 43.55.020(e) is amended to read:

25 (e) Gas produced in excess of that needed for safety purposes, ex-  
26 cept gas used in the operation of a lease or property in drilling for or  
27 producing oil or gas, or for repressuring, is considered, for the pur-  
28 pose of this chapter and in the amount used, as gas produced from a  
29 lease or property. Gas flared beyond the amount authorized for safety

1 by the Alaska Oil and Gas Conservation Commission [DEPARTMENT OF NATURAL  
2 RESOURCES] under AS 31.10 [31.05.170(11)(H)] is considered as gas pro-  
3 duced, except that it is subject to a penalty equal to the tax computed  
4 under sec. 16 of this chapter as adjusted by sec. 12 of this chapter per  
5 thousand cubic feet of gas for the month in which the gas was flared.

6 \* Sec. 5. AS 38.05.180(n) is amended to read:

7 (n) A plan authorized by (m) of this section, which includes lands  
8 owned by the state, may contain a provision vesting the commissioner, or  
9 a person, committee, or state agency with authority to alter or modify  
10 from time to time the rate of prospecting and development and the  
11 quantity and rate of production under the plan. All leases operated  
12 under a plan approved or prescribed by the commissioner are excepted in  
13 determining holdings or control under sec. 140 of this chapter. The  
14 provisions of this section concerning cooperative or unit plans are in  
15 addition to, and do not affect AS 31.10 [31.05].

16 \* Sec. 6. AS 31.05 is repealed.

17 \* Sec. 7. This Act takes effect January 1, 1979.  
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Original sponsors: Chatterton and Malone

Offered: 3/29/78  
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 830

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act establishing the Alaska Oil and Gas Conserva-  
7 tion Commission; and providing for an effective date."

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

9 \* Section 1. AS 31.05 is amended by adding new sections to read:

10 CHAPTER 5. ALASKA OIL AND GAS CONSERVATION ACT [CONSERVATION].

11 Sec. 31.05.005. ALASKA OIL AND GAS CONSERVATION COMMISSION

12 CREATED. (a) There is created as an independent quasi-judicial agency  
13 of the state the Alaska Oil and Gas Conservation Commission, composed of  
14 three commissioners appointed by the governor and confirmed by the  
15 legislature in joint session.

16 (b) The governor shall designate one member of the commission as  
17 chairman of the commission. This member shall serve as chairman for a  
18 term of four years, but may be appointed for successive terms.

19 Sec. 31.05.007. TERM OF OFFICE; VACANCY; REMOVAL. (a) The term  
20 of office of each member is six years. The governor shall designate who  
21 among his initial appointees shall serve respectively for terms of two  
22 years, four years and six years. A commissioner, upon the expiration of  
23 his term, shall continue to hold office until his successor is appointed  
24 and qualified.

25 (b) A vacancy arising in the office of a commissioner shall be  
26 filled by appointment by the governor and confirmed by the legislature  
27 in joint session, and an appointee selected to fill a vacancy shall hold  
28 office for the balance of the full term for which his predecessor on the  
29 commission was appointed.

1 (c) A vacancy in the commission does not impair the authority of a  
2 quorum of commissioners to exercise all the powers and perform all the  
3 duties of the commission.

4 (d) The governor may remove a commissioner from office for cause  
5 including but not limited to incompetence, neglect of duty or misconduct  
6 in office. A commissioner, to be removed for cause, shall be given a  
7 copy of the charges against him and afforded an opportunity to be pub-  
8 licly heard in person or by counsel in his own defense upon not less  
9 than 10 days notice. If a commissioner is removed for cause, the gover-  
10 nor shall file with the lieutenant governor a complete statement of all  
11 charges made against the commissioner and his finding based on the  
12 charges, together with a complete record of the proceedings.

13 Sec. 31.05.009. QUALIFICATIONS OF MEMBERS. Members shall be  
14 qualified as follows: one member shall be a licensed professional  
15 engineer with educational and professional background in the field of  
16 petroleum engineering; one member shall be a geologist with educational  
17 and professional background in the field of petroleum geology; one  
18 member need not be trained and experienced in the fields of petroleum  
19 engineering or petroleum geology.

20 Sec. 31.05.011. QUORUM. Two members of the commission constitute  
21 a quorum for the transaction of business, for the performance of a duty,  
22 or for the exercise of a power of the commission.

23 Sec. 31.05.013. OATH OF OFFICE. Each commissioner and the execu-  
24 tive director of the commission, before entering upon the duties of his  
25 office, shall take and subscribe to the oath prescribed for principal  
26 officers of the state.

27 Sec. 31.05.015. COMPENSATION OF MEMBERS OF THE COMMISSION. Mem-  
28 bers of the commission are in the exempt service and shall receive an  
29 annual salary.

1           Sec. 31.05.017. PRINCIPAL OFFICE; SEAL. (a) The commission shall  
2 establish a principal office and branch offices necessary to discharge  
3 its business efficiently. For the convenience of the public or of  
4 parties to a proceeding the commission may hold meetings, hearings or  
5 other proceedings at other locations.

6           (b) The commission shall have an official seal.

7           Sec. 31.05.021. LEGAL COUNSEL. (a) The Department of Law shall  
8 provide full-time legal counsel to the commission. The legal counsel  
9 provided by the Department of Law is subject to the approval of the  
10 commission.

11           (b) The commission may, subject to the approval of the attorney  
12 general, contract for the services of additional specialized legal  
13 counsel or legal consultants.

14           Sec. 31.05.023. COMMISSION STAFF. (a) The commission shall  
15 employ an executive director and other staff as it considers necessary  
16 to carry out its responsibilities.

17           (b) The professional staff of the commission, the executive direc-  
18 tor, and the personal secretary of each commissioner are in the exempt  
19 service under AS 39.25.110.

20           (c) The secretarial and clerical staff of the commission, except  
21 the personal secretary of each commissioner, are in the classified  
22 service.

23           (d) In addition to its staff of regular employees, the commission  
24 may contract for and engage the services of consultants and experts the  
25 commission considers necessary.

26           Sec. 31.05.025. CONFLICT OF INTEREST. (a) Members and employees  
27 of the commission, except clerical and secretarial staff, are subject  
28 to AS 39.50.

29           (b) A member of the commission shall disqualify himself from

1 voting upon any matter before the commission in which he has a conflict  
2 of interest.

3 Sec. 31.05.026. RELATIONSHIP TO DEPARTMENT OF NATURAL RESOURCES.

4 (a) The department shall have standing before the commission to raise  
5 all issues relating to state-owned land without regard to the type of  
6 proprietary interest held by the state in that land.

7 (b) With respect to federal land from which the state or any sub-  
8 division of the state is entitled under federal law to receive a share  
9 of the federal royalty interest, the department shall have the same  
10 standing before the commission as if it were the holder of the equiva-  
11 lent royalty interest.

12 (c) When both the department and the commission have the authority  
13 to require, and do require, the submission of substantially the same  
14 information from persons subject to this chapter, the commission, in  
15 order to alleviate the administrative burdens placed on those persons,  
16 may by regulation enter into an agreement with the department whereby  
17 either the commission or the department shall have the responsibility to  
18 collect the information lawfully required by both.

19 (d) For budget and audit procedures and considerations, the com-  
20 mission shall have the same standing as any other major state agency.  
21 Whenever practicable the commission may enter into state interagency  
22 agreements concerning administrative, employee relations, and fiscal  
23 duties.

24 (e) The department shall have the same standing (no more or less)  
25 before the commission as granted by law to any other proprietary in-  
26 terest.

27 Sec. 31.05.027. APPLICATION. The authority of the commission  
28 applies to all land in the state lawfully subject to its police powers.  
29 It applies to land of the United States or to land subject to the juris-

1 diction of the United States only to the extent that control and super-  
2 vision of conservation of oil and gas and prevention of waste by the  
3 United States on its land fails to carry out the intent and purposes of  
4 this chapter, and otherwise applies to federal land so far as an officer  
5 of the United States having jurisdiction, or his authorized representa-  
6 tive, shall approve any of the provisions of this chapter or orders of  
7 the commission which affect land. The authority of the commission  
8 further applies to all land included in a voluntary cooperative or unit  
9 plan of development or operation entered into in accordance with AS  
10 38.05.180(m).

11 \* Sec. 2. AS 39.50.200(9) is amended by adding a new subparagraph to  
12 read:

13 (NN) Alaska Oil and Gas Conservation Commission (AS  
14 31.05).

15 \* Sec. 3. AS 43.55.020(e) is amended to read:

16 (e) Gas produced in excess of that needed for safety purposes, ex-  
17 cept gas used in the operation of a lease or property in drilling for or  
18 producing oil or gas, or for repressuring, is considered, for the pur-  
19 pose of this chapter and in the amount used, as gas produced from a  
20 lease or property. Gas flared beyond the amount authorized for safety  
21 by the Alaska Oil and Gas Conservation Commission [DEPARTMENT OF NATURAL  
22 RESOURCES] under AS 31.05 [31.05.170(11)(H)] is considered as gas pro-  
23 duced, except that it is subject to a penalty equal to the tax computed  
24 under sec. 16 of this chapter as adjusted by sec. 12 of this chapter per  
25 thousand cubic feet of gas for the month in which the gas was flared.

26 \* Sec. 4. AS 31.05.010 is repealed.

27 \* Sec. 5. All references in AS 31.05 to department or Department of  
28 Natural Resources shall be read as Alaska Oil and Gas Conservation Commission  
29 in order to implement this Act.

\* Sec. 6. This Act takes effect January 1, 1979.

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# RECORDS CERTIFICATION



I, the undersigned, an employee of the State of Alaska, do hereby certify that the microfilm images on this microform are accurate reproductions of the original records of the State of Alaska as accumulated during the regular course of business, and that it is the established policy and practice of this State to microfilm its records and to dispose of the original records after microfilm reproductions have been made.

James O. Irish  
Signature of Camera Operator

2/23/90  
Date

Introduced: 2/14/78  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY HAUGEN

2 HOUSE BILL NO. 831

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to withdrawal from retirement systems;  
7 and providing for an effective date."

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

9 \* Section 1. AS 14.25.150 is amended by adding a new subsection to read:

10 (b) Before processing a refund of a member's contribution, the  
11 division of retirement and benefits shall provide the member with a  
12 written explanation of his options for retirement. The options shall be  
13 clearly and simply stated to provide the member with sufficient informa-  
14 tion to intelligently decide to remain in the system or withdraw.

15 \* Sec. 2. AS 39.35.200 is amended by adding a new subsection to read:

16 (c) Before processing a refund of an employee's contribution, the  
17 division of retirement and benefits shall provide the employee with a  
18 written explanation of his options for retirement. The options shall be  
19 clearly and simply stated to provide the employee with sufficient infor-  
20 mation to intelligently decide to remain in the system or withdraw.

21 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-

22 070(c).

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*To Finance*

May 19, 1978

Legislative Board of Retirement Benefits analysis and recommendations on:

House Bill No. 831

The board endorses the attached fiscal note as an update of its previous analysis of HB 831.\*

The board's previous recommendation (a majority of the board recommended that HB 831 do not pass; one recommended that it do pass; and one was absent) remains unchanged.

TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST  
 Bill/Resolution No. HB 831  
 Title An Act Relating to Withdrawal From Retirement Systems  
 Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL  
 Agency Affected Administration - Division of Retirement and Benefits  
 Program Category Affected Retirement and Benefits  
 Budget Request Unit(s) Affected Public Employees and Teachers' Retirement Systems

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES		21.4	22.6	24.0	25.4	27.0
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES		.4				
500 EQUIPMENT		.6				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	22.4	22.6	24.0	25.4	27.0

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						
TRS		11.2	11.3	12.0	12.7	13.5
PERS		11.2	11.3	12.0	12.7	13.5

POSITIONS

FULL TIME						
PART TIME (2 Perm. Part-time)		1	1	1	1	1
TEMPORARY						

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

1. It is estimated that one permanent part-time Benefit Specialist will be required to calculate and communicate individual retirement options for the approximately 500 vested employees who terminate and request a refund annually in TRS and PERS.
2. It is estimated that one permanent part-time Data Processing Assistant will be required to screen and control the approximately 5,000 annual refund applications to determine those employees who are vested and require a retirement benefit calculation.

IV. DATE 5/17/78 PREPARED BY Paul B. Arnoldt - Director  
 AGENCY Division of Retirement and Benefits  
 PHONE 465-4660

Original: Legislative Finance  
 Budget and Management  
 Prime Sponsor (First Legislator Named) Representative Haugen  
 Office of the Governor (Keith Specking)  
 33-001 (Rev. 12/77)

SUMMARY OF HOUSE BILL NO. 831

Retirement systems affected: TRS and PERS

This bill requires that in the Teachers' Retirement System and the Public Employees' Retirement System when a person becomes entitled to a refund of his contribution on leaving service that division of retirement and benefits shall provide the person a written explanation of his options. The options must be clearly and simply stated to provide the person with sufficient information to intelligently decide whether to remain in the system or withdraw from it and receive the refund.

March 8, 1978

Legislative Board of Retirement Benefits analysis and recommendations on:

House Bill No. 831

The fiscal impact of this measure would be minimal. No detailed analysis is possible at this time.

A majority of the board recommends that HB 831 do not pass; one member recommends that it do pass; and one member was absent.

A majority of the board is persuaded that this information function, which is important, is already being adequately performed.

SUMMARY OF HOUSE BILL NO. 831

Retirement systems affected: TRS and PERS

This bill requires that in the Teachers' Retirement System and the Public Employees' Retirement System when a person becomes entitled to a refund of his contribution on leaving service that division of retirement and benefits shall provide the person a written explanation of his options. The options must be clearly and simply stated to provide the person with sufficient information to intelligently decide whether to remain in the system or withdraw from it and receive the refund.

THE LEGISLATURE OF THE STATE OF ALASKA  
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HB 831  
Title An Act Relating to Withdrawal From Retirement Systems  
Requested by \_\_\_\_\_ Date \_\_\_\_\_

II. FISCAL DETAIL

Agency Affected Administration - Division of Retirement and Benefits  
Program Category Affected Retirement and Benefits  
Budget Request Unit(s) Affected Public Employees and Teachers' Retirement Systems

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
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1. It is estimated that one permanent part-time Benefit Specialist will be required to calculate and communicate individual retirement options for the approximately 500 vested employees who terminate and request a refund annually in TRS and PERS.
2. It is estimated that one permanent part-time Data Processing Assistant will be required to screen and control the approximately 5,000 annual refund applications to determine those employees who are vested and require a retirement benefit calculation.

IV. DATE 5/17/78 PREPARED BY Paul B. Arnoldt - Director  
AGENCY Division of Retirement and Benefits  
PHONE 465-4460

Original: Legislative Finance  
cc: Budget and Management  
Prime Sponsor (First Legislator Named) Representative Haugen  
Office of the Governor (Keith Specking)

# COMMITTEE REPORT

## HOUSE

4/14/78

FURTHER: \_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on FINANCE has had HR 831

"An Act relating to withdrawal from retirement systems; e.d."

under consideration and (a majority of the committee) (the committee reports it back as follows)

- recommends it do pass                       recommends it do not pass  
 recommends it do pass with attached amendment(s)  
 recommends it be replaced with CS for \_\_\_\_\_

and \_\_\_\_\_  new title                       same title

- AND attaches a Letter of Intent                       New Fiscal Note  
 reports it back without recommendation  
 and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

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\_\_\_\_\_  
Chairman

# COMMITTEE REPORT

## HOUSE

2/14/78

FURTHER: FINANCE

Date: \_\_\_\_\_

Mr. Speaker:

The Committee on HESS has had HB 831  
"An Act relating to withdrawal from retirement systems; eff. date."

under consideration and (a majority of the committee) (~~the committee~~  
~~reports it back as follows~~)

recommends it do pass                      ( ) recommends it do not pass

( ) recommends it do pass with attached amendment(s)

( ) recommends it be replaced with CS for \_\_\_\_\_

and \_\_\_\_\_ ( ) new title                      ( ) same title

( ) AND attaches a Letter of Intent                      ( ) New Fiscal Note

( ) reports it back without recommendation

( ) and recommends it be referred to the \_\_\_\_\_ Committee

MEMBERS SIGNING DO PASS:

OTHER RECOMMENDATIONS:

ROLL DO PASS } Roll  
Sam Goff DO PASS }  
ROLL DO PASS }  
Charles Han DO PASS }  
Ch. Hattis DO PASS }  
Tom Zennaro DO PASS }  
T Buchholtz

Charles Han  
Chairman

4969  
Bernie

Introduced: 2/14/78  
Referred: Health, Education &  
Social Services and Finance

1 IN THE HOUSE

BY HAUGEN

2 HOUSE BILL NO. 831

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to withdrawal from retirement systems;  
7 and providing for an effective date."

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

9 \* Section 1. AS 14.25.150 is amended by adding a new subsection to read:

10 (b) Before processing a refund of a member's contribution, the  
11 division of retirement and benefits shall provide the member with a  
12 written explanation of his options for retirement. The options shall be  
13 clearly and simply stated to provide the member with sufficient informa-  
14 tion to intelligently decide to remain in the system or withdraw.

15 \* Sec. 2. AS 39.35.200 is amended by adding a new subsection to read:

16 (c) Before processing a refund of an employee's contribution, the  
17 division of retirement and benefits shall provide the employee with a  
18 written explanation of his options for retirement. The options shall be  
19 clearly and simply stated to provide the employee with sufficient infor-  
20 mation to intelligently decide to remain in the system or withdraw.

21 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-  
22 070(c).

ALASKA STATE LEGISLATURE

SEVENTH..... Legislature SECOND. Session

HOUSE ..... BILL..... NO. 031...

By HAUGEN .....

"An Act relating to withdrawal from retirement systems; and providing for an effective date."

Retirement systems, withdrawal

Introduced in the House ...2/14/... 19.78

HISTORY IN THE HOUSE

19	78	Read first time and referred to Committee on HESS and Finance																												
Feb	14	Reported back with recommendation that																												
		Read second time and																												
		Read third time and																												
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reconsideration</td> </tr> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> <tr> <td colspan="2">Reported correctly engrossed</td> </tr> <tr> <td colspan="2">Signed by Speaker</td> </tr> <tr> <td colspan="2">Sent to Senate</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reconsideration		PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused	Reported correctly engrossed		Signed by Speaker		Sent to Senate	
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CHIEF CLERK OF THE HOUSE																														

HISTORY IN THE SENATE

19		Read first time and referred to Committee on																												
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SECRETARY OF THE SENATE																														

HISTORY IN THE HOUSE

19		Received from Senate
		Concurred in Senate amendment thus adopting:
		Failed to concur in Senate amendment; asked Sen. to recede
		Senate receded from amendment
		Senate failed to recede from amendment
		FCC appointed by House
		FCC appointed by Senate
		FCC adopted
		To enrolling
		Reported correctly enrolled
		Sent to Governor
		..... by Governor
		Filed with Lt. Governor
		Chapter No. ....