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1 (1) advise the board of the city or borough school district
2 or regional educational attendance area, regarding all aspects of pro-
3 grams of special education undertaken within the district or attendance
4 area;

5 (2) submit a report in writing to the state Special Education
6 Advisory Council established under sec. 197 of this chapter concerning
7 the quality and adequacy of programs of special education undertaken in
8 the district or attendance area;

9 (3) if a request is made under sec. 207(c)(4) of this chap-
10 ter, submit plans to the department specifying the period of time needed
11 to establish or augment a program of special education;

12 (4) forward to the state Special Education Advisory Council
13 established under sec. 197 of this chapter complaints and suggestions of
14 persons in the district or attendance area interested in special educa-
15 tion.

16 (b) The members of a local special education advisory council
17 shall be granted access to information concerning special education
18 programs maintained in the district and attendance area subject to the
19 requirements of confidentiality imposed by law and regulation.

20 Sec. 14.30.197. CREATION OF COUNCIL. There is established in the
21 Department of Education the Special Education Advisory Council.

22 Sec. 14.30.198. COMPOSITION. The Special Education Advisory
23 Council consists of nine members appointed by the governor. Persons
24 appointed shall be individuals involved in or concerned with the educa-
25 tion of exceptional children, including handicapped individuals,
26 teachers, parents or guardians of exceptional children, officials of the
27 department or city or borough school districts, and administrators of
28 programs of special education.

29 Sec. 14.30.199. TERMS OF OFFICE. (a) Members of the Special

1 Education Advisory Council shall be appointed for overlapping terms of
2 three years.

3 (b) The governor shall appoint the initial members of the Special
4 Education Advisory Council within 30 days of the effective date of this
5 Act. Of the nine initial appointees to the council, three shall be
6 appointed for three-year terms, three for two-year terms, and three for
7 one-year terms.

8 (c) Subsequent terms for all members of the Special Education
9 Advisory Council are three years.

10 (d) A vacancy occurring in the membership of the Special Education
11 Advisory Council shall be filled by appointment of the governor for the
12 unexpired portion of the vacated term.

13 Sec. 14.30.201. MEETINGS. The Special Education Advisory Council
14 shall meet at the call of the chairman not less frequently than twice a
15 year. A majority of the members constitutes a quorum.

16 Sec. 14.30.202. COMPENSATION, PER DIEM, AND EXPENSES. Members of
17 the Special Education Advisory Council receive no salary, but are en-
18 titled to per diem, reimbursement for travel and costs of child care
19 consequent to service on the council, and other expenses authorized by
20 law for boards and commissions.

21 Sec. 14.30.203. DUTIES. The Special Education Advisory Council
22 shall

23 (1) annually submit a report to the division evaluating the
24 quality and adequacy of special education programs in the state and
25 recommending improvements in those programs;

26 (2) comment publicly on any regulations proposed to be adop-
27 ted under secs. 180 - 350 of this chapter or any other law if the regu-
28 lations affect the education of exceptional children;

29 (3) comment publicly on any regulations proposed to be adop-

1 ted which pertain to procedures for distribution of funds received from
2 the federal government under P.L. 94-142 (Education for all Handicapped
3 Children Act of 1975);

4 (4) assist the division in developing and reporting any
5 information and evaluations which may assist the United States Commis-
6 sioner of Education in the performance of his responsibilities under
7 sec. 618 of P.L. 94-142 (Education for all Handicapped Children Act of
8 1975, 20 U.S.C. 1418).

9 Sec. 14.30.204. IMPLEMENTATION OF RECOMMENDATIONS OF THE COUNCIL.

10 (a) The department shall implement the recommendations of the Special
11 Education Advisory Council made under sec. 203(1) of this chapter or
12 shall state in a written reply to the council why the recommendations
13 cannot be implemented.

14 (b) If the department declines to implement the recommendations of
15 the council, the department and the council shall attempt to find an
16 alternative solution acceptable to both.

17 (c) If efforts under (b) of this section are unsuccessful, the
18 board shall, upon application of either the department or the council,
19 conduct public hearings to investigate the bases of the disagreement and
20 to resolve the dispute.

21 Sec. 14.30.205. SUPERVISORS OF SPECIAL EDUCATION. The board of
22 each city and borough school district, and the board of each regional
23 educational attendance area, shall appoint a supervisor of special
24 education who shall

25 (1) consult with and assist a city or borough school dis-
26 trict, or the board of a regional educational attendance area, in im-
27 plementing the regulations and directives of the division;

28 (2) assist a city or borough school district, or the board of
29 a regional educational attendance area, in identifying, diagnosing, and

1 evaluating exceptional children and in developing programs of special
2 education for those children;

3 (3) approve all placements of children in programs of special
4 education;

5 (4) assist and foster the formation of joint agreements be-
6 tween two or more city or borough school districts, or regional educa-
7 tional attendance areas, for the purpose of providing programs of
8 special education for children whose needs are such that they cannot be
9 appropriately served in their district of residence;

10 (5) investigate and evaluate programs of special education at
11 the request of the division or at his own initiative;

12 (6) maintain a list of professional persons both inside and
13 outside the school district or regional educational attendance area who
14 are qualified to furnish independent evaluations of children, and make
15 that information available upon request to the public;

16 (7) coordinate and conduct preservice and inservice training
17 of regular classroom teachers;

18 (8) receive complaints with respect to any matter relating to
19 the identification, evaluation, or educational placement of an excep-
20 tional child, or the provision of a free, appropriate public education
21 to a child;

22 (9) perform other duties which may be assigned by the divi-
23 sion.

24 Sec. 14.30.206. PROGRAMS PROVIDED. (a) A city or borough school
25 district, regional educational attendance area, or the department, as
26 may be required under secs. 180 - 350 of this chapter, shall provide an
27 exceptional child one or more of the following programs of special
28 education, whichever is appropriate in light of his needs, and a child
29 is so entitled:

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1 (1) a regular education program coupled with additional
2 direct instruction, consultation service, materials, equipment or aid
3 provided children or their regular classroom teachers which directly
4 benefits children requiring special education;

5 (2) a regular education program except that 25 per cent of
6 the time which would otherwise be devoted to regular education of the
7 child in conducted regular classrooms is allocated to supplementary
8 individual or small group instruction in special resource classrooms;

9 (3) a regular education program except that 60 per cent of
10 the time which would otherwise be devoted to regular education is al-
11 cated to instruction in special education classrooms, work-study pro-
12 grams, or occupational or pre-occupational training programs;

13 (4) full-time special class teaching or treatment in a public
14 school building for children who are unable to participate to any extent
15 in a regular education program;

16 (5) itinerant, home, or hospital programs;

17 (6) occupational and pre-occupational training in conjunction
18 with full-time special class teaching, in which children are assigned to
19 full-time special education classes in a public school building, at
20 home, in a special day school or other facility, in a hospital, or in a
21 short- or long-term residential school;

22 (7) full-time teaching or treatment in a special day school
23 or other facility;

24 (8) hospital school consisting of one or more permanent
25 teaching stations located within a hospital;

26 (9) teaching or treatment at a short- or long-term resi-
27 dential school;

28 (10) teaching or treatment in a program designed for excep-
29 tional children between the ages of birth and five years of age;

1 (11) if a child is an integrated exceptional student in the
2 secondary schools, access to the following, which shall be distinct and
3 separate services:

4 (A) a reading clinic, consisting of a remedial unit,
5 which may be utilized by regular as well as special education
6 students;

7 (B) a diagnostic clinic, which shall function as a co-
8 ordination unit and include an educational diagnostician who will
9 work with the child study team in preparing and coordinating the
10 individual educational programs for integrated students, as well as
11 reviewing and evaluating the progress of each integrated student;

12 (C) a learning center served by a special education
13 teacher and aides who will help exceptional students complete
14 classroom assignments using whatever media the educational diagno-
15 stician or study team may recommend; however, the function of the
16 center does not include remediation of a student's handicap;

17 (D) counseling services provided both regular and
18 special education students;

19 (12) any combination or modification of programs (1) - (11) of
20 this subsection or other programs, services, treatments, or experimental
21 provisions which obtain the prior approval of the department.

22 (b) City and borough school districts and regional educational
23 attendance areas shall provide medical and psychological evaluation and
24 services to children participating in programs under (a) of this section
25 if needed. Social services shall also be provided the parents of excep-
26 tional children if the need for those services is related to a child's
27 special needs.

28 (c) City and borough school districts and regional educational
29 attendance areas shall provide instructional support services to chil-

1 dren participating in programs under (a) of this section if needed.

2 Sec. 14.30.207. ELIGIBILITY FOR PLACEMENT. (a) A child is eli-
3 gible for placement in a program required to be made available under
4 sec. 206(a)(1) - (10) and (12) and 206(b) and (c) of this chapter if
5 after evaluation conducted in accordance with sec. 208 of this chapter
6 the child study team recommends placement in the program.

7 (b) A child is eligible for admission to a program required to be
8 made available under sec. 206(a)(11) of this chapter if the department
9 finds that the child has substantial disabilities and that the child
10 could benefit from participation in the program.

11 (c) A child is eligible for placement in an institution inside or
12 outside the state if

13 (1) a program of special education appropriate to the child's
14 needs is not available in the city or borough school district or re-
15 gional educational attendance area where the child resides;

16 (2) the curriculum, instruction, and facilities offered by
17 the institution are appropriate to the child's needs;

18 (3) the curriculum, instruction and facilities offered by the
19 institution are approved by the department;

20 (4) after determination of the special needs of the child and
21 after examination of plans prepared by the local special education
22 advisory council detailing the time required to establish facilities in
23 the city or borough school district or regional educational attendance
24 area where the child resides, the department concludes that an adequate
25 program of special education cannot be made available in the local
26 district or area in sufficient time;

27 (5) the parents or guardians of the child concur;

28 (6) the city or borough school board or the board of the
29 regional educational attendance area concurs;

1 (7) the division concurs;

2 (8) the commissioner concurs.

3 Sec. 14.30.208. EVALUATIONS. Before placement of a child in a
4 program of special education, again within 10 months of the date of
5 placement, and at least annually thereafter, an evaluation of the child
6 and the program in which placement of the child is being considered or
7 in which the child has been placed will be undertaken in accordance with
8 secs. 209 - 214 of this chapter. The purpose of these evaluations is to
9 determine if the child is likely to benefit or is benefiting from parti-
10 cipation in the program.

11 Sec. 14.30.209. NOTICE OF EVALUATION. Before the commencement of
12 an evaluation to determine whether a child referred under sec. 211 of
13 this chapter requires special education, the parents or guardian of the
14 child shall be afforded written notice in the parents' or guardian's
15 native language, unless it clearly is not feasible to do so, of the
16 purpose and nature of the evaluation and of the procedural safeguards
17 provided in secs. 211 - 214 of this chapter.

18 Sec. 14.30.211. EVALUATION PROCEDURE. (a) An evaluation for pur-
19 poses of determining whether a child enrolled in regular education
20 requires special education may be initiated by a school official, parent
21 or guardian, judicial officer, social worker, or physician, referring
22 that child to the supervisor of special education for the city or
23 borough school district or regional educational attendance area.

24 (b) The supervisor of special education shall appoint a child
25 study team. The child study team shall complete its evaluation within
26 35 days of the date the child was referred under (a) of this section.

27 Sec. 14.30.212. INPUT REQUIRED IN EVALUATION. An evaluation of a
28 child undertaken for purposes of determining whether a child referred
29 under sec. 211 of this chapter requires special education shall reflect

1 assessments by

2 (1) a teacher who has dealt with the child in a regular
3 classroom;

4 (2) a member of the educational staff of the city or borough
5 school district or regional educational attendance area;

6 (3) a psychologist;

7 (4) a nurse, social worker, guidance or adjustment counselor
8 of the general home situation and pertinent family history factors;

9 (5) those other specialists the necessity of whose assess-
10 ments becomes evident during the course of an evaluation, and who might
11 include a physician, a neurologist, an audiologist, an ophthalmologist,
12 an occupational therapist, a physical therapist, a specialist competent
13 in speech, language and perceptual factors, or a psychiatrist.

14 Sec. 14.30.213. COMPOSITION OF CHILD STUDY TEAM. The membership
15 of the child study team shall include one or both of the child's parents
16 or a guardian, the receiving specialist, a psychologist or other evalu-
17 ator, the child's current or most recent teacher, an administrative
18 representative of the local school district, and those other specialists
19 as may be required, including but not limited to a physician, nurse,
20 occupational or physical therapist, social worker, counselor, neurolo-
21 gist, psychiatrist, an audiologist, an ophthalmologist, and a speech and
22 language pathologist. When appropriate, other persons may also be
23 included such as the child himself or other professional persons sug-
24 gested by the parents who are currently working with the child outside
25 the school system. The composition of the child study team may vary
26 from child to child, but the team consistency for any given child should
27 be maintained.

28 Sec. 14.30.214. REASSIGNMENT OF CHILD; ABOLITION OF PROGRAMS. (a)
29 If evaluations conducted under sec. 208 of this chapter show a child

1 not to be benefiting from participation in a program and it appears that
2 another program may benefit a child more, or if a program has benefited
3 a child sufficiently to permit reassignment to another program, the
4 child shall be reassigned to the other program.

5 (b) If evaluations conducted under sec. 208 of this chapter con-
6 sistently show children not to be benefiting from participation in a
7 program, that program shall be abolished.

8 Sec. 14.30.215. INDIVIDUALIZED EDUCATIONAL PROGRAM. (a) The
9 child study team shall develop in writing an individualized educational
10 program for a child determined to require special education after an
11 evaluation conducted under sec. 208 of this chapter. An individualized
12 educational program shall include

13 (1) a statement of the present levels of educational perfor-
14 mance of the child;

15 (2) a statement of annual goals, including short-term in-
16 structional objectives;

17 (3) a statement of the specific educational and medical
18 services to be provided to a child, and the extent to which the child
19 will be able to participate in regular educational programs;

20 (4) the projected date for initiation and anticipated dura-
21 tion of those services;

22 (5) a statement whether family guidance or counseling ser-
23 vices are indicated;

24 (6) appropriate objective criteria and evaluation procedures
25 for determining, on at least an annual basis, whether instructional
26 objectives are being achieved and whether the child is able to return to
27 regular classes;

28 (7) a statement comparing the outcome expected if the child
29 is placed in regular classes as opposed to special classes.

1 (b) The needs of the child, not the availability of transporta-
2 tion, shall determine the specific educational services included in an
3 individualized educational program developed under (a) of this section.

4 (c) An individualized program developed for a child shall provide
5 that the child, to the maximum extent appropriate, is educated with
6 children who are not exceptional, and that special classes, separate
7 schooling, or other removal of handicapped children from the regular
8 educational environment shall occur only when the nature or severity of
9 the handicap is such that education in regular classes with the use of
10 supplementary aids and services cannot be achieved satisfactorily.

11 Sec. 14.30.216. DIAGNOSTIC CLASSROOM. (a) If a child study team
12 does not collect sufficient information about a child from an evaluation
13 conducted in accordance with sec. 208 of this chapter to allow the team
14 to develop an individualized educational program, the child shall be
15 referred to a diagnostic classroom.

16 (b) If a child study team refers a child to a diagnostic class-
17 room, it shall

18 (1) prepare a list of specific questions pertaining to iden-
19 tifying discrepancies between the child's behavior and that exhibited by
20 the average child for the diagnostic teacher to answer;

21 (2) prescribe a method of monitoring the diagnostic proce-
22 dures, documenting the procedures, and documenting the results obtained;

23 (3) meet at least once every two weeks with the diagnostic
24 teacher to discuss results and progress to date.

25 (c) The ages of the youngest and eldest child in a diagnostic
26 classroom may not differ by more than three years, except if the divi-
27 sion of special education finds particular circumstances warrant.

28 (d) Children referred to a diagnostic classroom may participate in
29 other school programs as circumstances warrant.

1 (e) Placement in a diagnostic classroom shall terminate when the
2 child study team has collected sufficient information to develop an
3 individualized educational program, but in no event longer than eight
4 weeks.

5 (f) The child study team shall convene to develop an individual-
6 ized educational program five days before the expiration of the eight-
7 week period, or before, as appropriate.

8 Sec. 14.30.217. MAXIMUM NUMBER OF EXCEPTIONAL CHILDREN IN AN IN-
9 TEGRATED CLASS. No more than four exceptional children participating in
10 a program required under sec. 206(a)(1), (2) or (3) of this chapter may
11 be placed in a regular classroom.

12 Sec. 14.30.218. MAXIMUM CLASS SIZE FOR AN INTEGRATED CLASSROOM.

13 (a) A regular class which includes one or more certified exceptional
14 children may not exceed 20 in number for kindergarten through third
15 grade, and may not exceed 24 for grades 4 through 12. For the purpose
16 of computing the number of children in a class, the following weighting
17 factors shall be applied:

Type of Student	Weight Factor
Normal	1.0
Gifted	1.5
Learning Disabled	2.0
Mentally Retarded	2.0
Orthopedically Handicapped	2.0
Visually Impaired	2.0
Hearing Impaired	2.0
Emotionally Disturbed	2.5
Behavior Disorder	2.5
Blind	2.5
Deaf	2.5

1 arrived at through negotiations conducted between the city or borough
2 school district or regional educational attendance area and the depart-
3 ment at the time approval of the program is obtained.

4 Sec. 14.30.221. REPRESENTATION OF CHILD. Whenever the parents or
5 the guardian of the child are not known, unavailable, or the child is
6 committed to the custody of the Department of Health and Social Ser-
7 vices, and the child has been determined to require special education
8 after an evaluation undertaken under sec. 208 of this chapter, a person
9 not employed by the Department of Education, a city or borough school
10 district or a regional educational attendance area shall be appointed
11 under AS 09.65.130 to represent the interests of the child.

12 Sec. 14.30.222. PREFERENCES OF PARENTS. (a) If a child has been
13 determined to require special education in an evaluation undertaken in
14 accordance with sec. 208 of this chapter and the parents or guardian
15 desire a program of regular education, the child is entitled to regular
16 education unless the city or borough school district, regional educa-
17 tional attendance area, or the department determines that placement in a
18 regular education program would seriously endanger the health or safety
19 of the child or substantially disrupt the program for students.

20 (b) If a child has been determined to require special education in
21 an evaluation undertaken in accordance with sec. 208 of this chapter and
22 the parents or guardian desire a program of special education different
23 than the program recommended by the individualized education program,
24 the child is entitled to placement in the recommended program only,
25 unless the placement is appealed and other placement found appropriate
26 in hearings conducted under secs. 224 - 226 of this chapter.

27 (c) No school age child with special needs may be refused admis-
28 sion or continued attendance in public school without the prior written
29 approval of the department. No child so refused shall be denied an

1 alternative form of education approved by the department.

2 Sec. 14.30.223. NOTICE OF CHANGE OR REFUSAL TO CHANGE. When the
3 department, a city or borough school district, or a regional educational
4 attendance area proposes to change, or refuses to accede to a parent's
5 request to initiate or change, the identification, evaluation, or educa-
6 tional placement of a child or the provision of free appropriate public
7 education to the child, the parents or guardian of the child shall be
8 afforded written notice in the parents' or guardian's native language,
9 unless it clearly is not feasible to do so, of the purpose and nature of
10 the change, or reason for the refusal, and of the procedural safeguards
11 provided in secs. 224 and 226 of this chapter.

12 Sec. 14.30.224. HEARINGS. (a) A parent or guardian is entitled
13 to a hearing with respect to any matter relating to the identification,
14 evaluation, or educational placement of an exceptional child, including
15 a determination under sec. 208 of this chapter that regular education
16 for a child would be dangerous for the child and disruptive to others,
17 or the provision of free appropriate education for the child.

18 (b) A hearing under this section shall be conducted before an em-
19 ployee of the department not directly involved in the care and education
20 of the child, unless the parents or guardian desire a program of special
21 education other than the program recommended by the individualized
22 education program developed for the child, in which case the hearing
23 shall be conducted before the Special Education Advisory Council, except
24 that no council member directly involved in the care and education of
25 the child may hear the case.

26 Sec. 14.30.225. DUE PROCESS IN HEARINGS. Any party to a hearing
27 conducted by the department or the Special Education Advisory Council,
28 under secs. 223 - 226 of this chapter, respectively, is entitled to

29 (1) be accompanied and advised by counsel and by individuals

1 with special knowledge or training with respect to the problems of ex-
2 ceptional children;

3 (2) present evidence, including the results of an independent
4 evaluation of the child conducted at the expense of the parent or guard-
5 ian;

6 (3) confront, cross-examine and compel the attendance of
7 witnesses;

8 (4) receive a written or electronic verbatim record of the
9 hearing;

10 (5) receive findings of fact and a decision in writing.

11 Sec. 14.30.226. DECISION. A decision made by the department or
12 the Special Education Advisory Council under secs. 223 - 225 of this
13 chapter shall be final, subject to an appeal made under sec. 228 of this
14 chapter. Findings and decisions made by the department shall be trans-
15 mitted to the Special Education Advisory Council.

16 Sec. 14.30.227. INTERLOCUTORY PLACEMENT. During the course of
17 proceedings conducted under secs. 223 - 226 of this chapter, unless the
18 department, the city or borough school district, or the regional educa-
19 tional attendance area and the parents or guardian otherwise agree, the
20 child shall remain in his existing educational placement, or, if apply-
21 ing for initial admission to a public school, shall, with the consent of
22 the parents or guardian, be placed in the program of regular education
23 until all proceedings are completed.

24 Sec. 14.30.228. SUPERIOR COURT REVIEW. (a) The superior court
25 has jurisdiction over taken appeals from decisions made under secs.
26 223 - 226 of this chapter by the department or the Special Education
27 Advisory Council.

28 (b) An appeal taken under this section shall, at the request of a
29 party or on the court's own motion, be heard de novo.

1 (c) The court shall base its decision on the preponderance of the
2 evidence and may order the child placed in that program and such other
3 relief as it finds appropriate.

4 Sec. 14.30.229. RECORDS. (a) City and borough school districts
5 and regional educational attendance areas shall maintain records of the
6 individualized education program for each child, and record and provide
7 to the department upon request that information pertaining to excep-
8 tional children and programs of special education which the department
9 specifies.

10 (b) The department shall keep those records and afford that access
11 to records which the United States Commissioner of Education may find
12 necessary.

13 Sec. 14.30.232. PARENT ACCESS TO RECORDS; CONFIDENTIALITY. (a)
14 The parents, guardian, or persons with custody of a child are entitled
15 to examine all relevant records with respect to identification, evalua-
16 tion, and educational placement of a child, including the clinical
17 history developed and the record of the evaluation conducted under sec.
18 208 of this chapter.

19 (b) Except as provided in (a) of this section, records of the
20 evaluation conducted under sec. 208 of this chapter are confidential.
21 Only that information which is needed to care for a child may be re-
22 leased to persons directly concerned with the care of the child. Local
23 special education advisory councils and the Special Education Advisory
24 Council are entitled to that information needed to evaluate whether a
25 program benefits children.

26 Sec. 14.30.233. REPORTS. (a) A city or borough school district,
27 regional educational attendance area, or private institution caring for
28 children referred under this chapter shall

29 (1) establish, in accordance with standards developed by the

1 department, cost accounting procedures pertaining to per-pupil costs and
2 program costs; reporting procedures pertaining to total receipts and
3 expenditures; forms, schedules, rates and audits; and

4 (2) make reports to the department at the time, in the
5 manner, and on the forms which the department may require.

6 (b) Within 10 days after the convening of the legislature each
7 year the commissioner shall submit a report stating the number of ex-
8 ceptional children enrolled in programs of special education, the cost
9 of their instruction and support, the manner in which money appropriated
10 has been expended, to what extent the expenditures have been reimbursed,
11 and any other information the commissioner determines should be in-
12 cluded.

13 (c) City and borough school districts and regional educational
14 attendance areas shall annually report to the department by age level
15 the sex, national origin, race and religion of children in special
16 education classes, and the distribution of these characteristics in all
17 children attending school in the district or attendance area by age
18 level.

19 Sec. 14.30.234. NONDISCRIMINATION. (a) Testing and evaluation
20 materials and procedures utilized for purposes of evaluation and place-
21 ment of exceptional children shall be provided and administered in the
22 child's native language or mode of communication, unless it is clearly
23 not feasible to do so, and no single procedure shall be the sole crite-
24 rion for determining an appropriate educational program for a child.

25 (b) If a report made under sec. 233(c) of this chapter shows a
26 substantial discrepancy in the occurrence of the characteristics of sex,
27 national origin, race, and religion between children in special educa-
28 tion classes in contrast to the remainder of the children in a city or
29 borough school district or rural educational attendance area, the de-

1 partment shall file a complaint with the State Commission for Human
2 Rights alleging discriminatory conduct prohibited by AS 18.80.255.

3 Sec. 14.30.235. SPECIAL EDUCATION IN INSTITUTIONS. (a) The
4 department shall establish and maintain a program of special education
5 in each institution operated by the Department of Health and Social
6 Services caring for children with exceptional needs.

7 (b) As necessary, the department shall join with the Department of
8 Health and Social Services to coordinate the operation of the program of
9 special education with other programs undertaken in institutions oper-
10 ated by the Department of Health and Social Services; otherwise the
11 department shall direct and supervise the education of children in in-
12 stitutions operated by the Department of Health and Social Services.

13 Sec. 14.30.236. DIRECTOR. (a) Each program of special education
14 maintained in an institution caring for exceptional children operated by
15 the Department of Health and Social Services shall be administered by a
16 director appointed by the commissioner of education with the concurrence
17 of the chief administrator of the institution.

18 (b) The director is an employee of the Department of Education.

19 Sec. 14.30.237. STAFF. The number and composition of the staff of
20 programs of special education in institutions caring for exceptional
21 children operated by the Department of Health and Social Services shall
22 be determined by the Department of Education with the concurrence of the
23 Department of Health and Social Services.

24 Sec. 14.30.238. SCHOOL TERM. The school term for programs of
25 special education in institutions caring for exceptional children oper-
26 ated by the Department of Health and Social Services is 12 months a
27 year.

28 Sec. 14.30.239. STATE REIMBURSEMENT OF THE COST OF RECREATION
29 PROGRAMS. The department shall reimburse a home rule or general law

1 municipality or regional educational attendance area one-half the cost
2 of recreation provided exceptional children if the program is granted
3 prior approval by the division of special education. Costs reimbursable
4 under this section include the cost of transporting the children to and
5 from the site of the program of recreation.

6 Sec. 14.30.241. STATE REIMBURSEMENT OF THE FULL COST OF EDUCATION.

7 (a) Notwithstanding the provisions of sec. 285(b) of this chapter, the
8 state shall reimburse a city or borough school district or regional
9 educational attendance area the full cost to the district or attendance
10 area occasioned by the attendance of an exceptional child at a clinical
11 nursery school, day care center, or other institution for the care,
12 education, or treatment of retarded children; or an educational, habita-
13 tional, or day care facility operated by the Department of Health and
14 Social Services or other sponsor.

15 (b) Notwithstanding the provisions of sec. 285(b) of this chapter,
16 the state shall reimburse a city or borough school district or regional
17 educational attendance area the full cost to the district or attendance
18 area of purchase of vehicles or installation of special equipment for
19 the transportation of exceptional children if the expenditure is found
20 to be justified by the department.

21 (c) Notwithstanding the provisions of sec. 285(b) of this chapter,
22 the state shall reimburse a city or borough school district or regional
23 educational attendance area the full cost to the district or attendance
24 area of the provision of medical or psychological services to children
25 or the provision of special services to the parents of exceptional
26 children provided in accordance with sec. 206(b) of this chapter.

27 (d) Notwithstanding the provisions of sec. 285(b) of this chapter,
28 the state shall reimburse a city or borough school district or regional
29 educational attendance area the full cost to the district or attendance

1 area of transportation to and from recreation programs at any state
2 facility offering recreation programs which are approved by the depart-
3 ment.

4 Sec. 14.30.242. REGULATIONS. The board shall adopt regulations to
5 carry out the purposes of secs. 180 - 350 of this chapter, including
6 regulations which

7 (1) provide for a procedure by which the special needs of
8 exceptional children may be defined in a manner which emphasizes the
9 development of a full narrative description of each child's develop-
10 mental potential so as to minimize the possibility of stigmatization and
11 to assure the maximum possible development of an exceptional child; in
12 addition, such a procedure shall be sufficiently flexible to adequately
13 define the needs of children with multiple needs and children who are
14 potentially children with special needs for whom an appropriate educa-
15 tion would include preventive programs, classes, and assignments;

16 (2) govern consolidated applications for payments under P.L.
17 94-142 (Education for all Handicapped Children Act of 1975) which are
18 consistent with (1) - (7) of sec. 612 of that Act (20 U.S.C. 1412(1) -
19 (7)) and sec. 613(a) (20 U.S.C. 1413(a));

20 (3) provide participating city and borough school districts
21 and regional educational attendance areas with joint responsibility for
22 implementing programs receiving payments under P.L. 94-142 (Education
23 for all Handicapped Children Act of 1975) in compliance with sec. 614-
24 (c)(2)(B) of that Act (20 U.S.C. 1414(c)(2)(B));

25 (4) specify qualifications of persons undertaking evaluations
26 of children under sec. 208 of this chapter;

27 (5) define circumstances in which the evaluations required
28 under sec. 208 of this chapter may be waived;

29 (6) define the circumstances in which the department shall

1 undertake the placement of children in programs of special education
2 under sec. 285 of this chapter, and establish standards pertaining to
3 the method and order of the placement; however, regulations adopted
4 under this paragraph may not be construed to deny admission to any
5 program operated by the Department of Health and Social Services to
6 which the child is otherwise eligible to be admitted;

7 (7) foster greater use of instructional support services;

8 (8) develop certification standards for educational personnel
9 employed in programs of special education;

10 (9) define the circumstances under which children may be
11 considered so handicapped that their attendance in public schools is not
12 feasible;

13 (10) govern the evaluation and reevaluation of children being
14 considered for placement in programs of special education and the con-
15 comitant consultation with parents and the obtaining of their consent;

16 (11) establish procedures to assure that testing and evalua-
17 tion materials and procedures utilized for the purposes of evaluation
18 and placement of handicapped children will be selected and administered
19 so as not to be racially or culturally discriminatory.

20 Sec. 14.30.243. REGULATIONS JOINTLY ADOPTED. The board, with the
21 concurrence of the commissioner of the Department of Health and Social
22 Services, shall adopt regulations which

23 (1) govern provision of medical or psychological services
24 concomitant with provision of special services provided exceptional
25 children under this chapter;

26 (2) govern provision of social services to the parents of
27 exceptional children if the need for those services is related to the
28 child's special needs;

29 (3) govern the operation of programs of special education in

1 institutions operated by the Department of Health and Social Services.

2 * Sec. 6. AS 14.30.186(d) is amended to read:

3 (d) A school district or a regional educational attendance area
4 required by secs. 10 - 305 of this chapter to provide special services
5 for exceptional children may, subject to the approval of the department,
6 cooperate with one or more school districts or regional educational
7 attendance areas in providing special classes. If, under the coopera-
8 tive agreement, there are no special classes offered within a school
9 district or regional educational attendance area, exceptional children
10 may attend special classes in the cooperating school district or re-
11 gional educational attendance area providing the special classes.

12 * Sec. 7. AS 14.30.186 is amended by adding new subsections to read:

13 (e) If, under a cooperative agreement, there are no special
14 classes offered within a school district or regional educational atten-
15 dance area and children attend special classes in a cooperating school
16 district or attendance area, then the district or area providing classes
17 shall be designated in the cooperating agreement as the operating agent.
18 Funds received by an operating agent from a city or borough school
19 district or regional educational attendance area, or appropriated by the
20 operating agent for the purposes of the cooperative agreement, shall be
21 deposited along with gifts and grants in a separate account by the
22 treasurer of the operating agent.

23 (f) Consistent with regulations adopted and guidelines and direc-
24 tives issued by the department, a city or borough school district or
25 regional educational attendance area shall identify the school age
26 children residing within the district or attendance area who have
27 special needs, evaluate the needs of those children, develop an indivi-
28 dualized educational program for those children, provide or contract
29 with any public or private school, agency, or institution for the provi-

1 sion of special services and instructional support services, and main-
2 tain a record of the identification, evaluation, program, and services
3 actually provided.

4 * Sec. 8. AS 14.30.191(c) is repealed and re-enacted to read:

5 (c) Upon completion of the evaluation conducted in accordance with
6 sec. 208 of this chapter, a parent may obtain an independent educational
7 evaluation of the child at public expense from a child evaluation clinic
8 or facility approved by the Department of Education or the Department of
9 Health and Social Services.

10 * Sec. 9. AS 14.30.347 is amended to read:

11 Sec. 14.30.347. TRANSPORTATION OF EXCEPTIONAL CHILDREN. When
12 transportation is required to be provided as part of special services,
13 exceptional children shall be carried with other children, except when
14 the nature of their physical or mental handicaps is such that it is in
15 the best interest of the exceptional children, as determined by the
16 special education administrator or the child study team [SCHOOL DIS-
17 TRICT] that they be transported separately because of lack of special
18 services, attendants, or equipment on the regular buses. State reim-
19 bursement for transportation of exceptional children shall be as pro-
20 vided for transportation of all other pupils except that eligibility for
21 reimbursement shall not be subject to restriction based on the minimum
22 distance between the school and the residence of the exceptional child.

23 * Sec. 10. AS 14.30.347 is amended by adding a new subsection to read:

24 (b) If exceptional children are transported separately, the city
25 or borough school district, regional educational attendance area, or the
26 department shall provide

27 (1) that no exceptional child be continuously transported for
28 more than one hour, or 50 miles, whichever is less, to or from school;

29 (2) a qualified attendant on each vehicle which transports

1 one or more children younger than age four with substantial difficul-
2 ties, or which transports any exceptional child who is prone to behavior
3 which could distract the driver;

4 (3) inservice training, to be completed within six months of
5 employment, for operators and attendants of vehicles transporting excep-
6 tional children to acquaint them with the needs of children and to equip
7 them to meet those needs;

8 (4) that any need or problem which may cause difficulty
9 during transportation, such as seizures, a tendency to suffer motion
10 sickness, and disabilities such as an inability to see, hear, or com-
11 municate, are ascertained through consultation with the child's parents,
12 guardian, or teachers, and communicated to the operator and attendant of
13 the vehicle in which the child is transported;

14 (5) that the exceptional child is assisted on and off the
15 vehicle and in and out of the classroom, whenever such assistance is
16 necessary;

17 (6) whatever special equipment is necessary for the safety
18 and comfort of the child;

19 (7) that all special equipment necessary for the transporta-
20 tion of the exceptional child is kept in operational order at all times.

21 * Sec. 11. AS 14.30.350(1) is repealed and re-enacted to read:

22 (1) "exceptional child" or "exceptional children", means a
23 school age child, or children, who, because of temporary or more per-
24 manent adjustment difficulties or attributes arising from intellectual,
25 sensory, emotional, or physical factors, including giftedness, cerebral
26 dysfunctions, perceptual factors, speech and language disorders, or
27 other specific learning disabilities or abilities or any combination of
28 these, is certified as unable to progress effectively in a regular
29 school program and requires special classes, instruction periods, or

1 other special education services, including transportation, in order to
2 develop successfully his individual educational potential;

3 * Sec. 12. AS 14.30.350 is amended by adding new paragraphs to read:

4 (3) "child study team" means a group of individuals respon-
5 sible for certifying, assessing and reviewing the needs of a child re-
6 ferred to it and for developing a written individualized educational
7 program based upon its assessment of a child who is to be assigned to a
8 special education program;

9 (4) "director" means the director of the division of special
10 education;

11 (5) "division" means the division of special education;

12 (6) "instructional support services" means any necessary
13 services that are required to supplement or enhance the basic special
14 education program or the regular education program; these shall include
15 but not be limited to nurses, speech and language therapists, psycholo-
16 gists, physical therapists, occupational therapists, librarian-media
17 specialists, special reading teachers, counselors, social workers,
18 physicians, music, art and physical education teachers and teacher
19 aides;

20 (7) "integrated classes" means classes within the regular
21 educational program to which exceptional children have been assigned;

22 (8) "regular education" means the school program and pupil
23 assignment which normally leads to college preparatory or technical
24 education or to a career;

25 (9) "school age child requiring special education" means any
26 child with special needs who requires special education as determined in
27 accordance with secs. 180 - 350 of this chapter and the regulations
28 adopted by the department;

29 (10) "school age child" means any person from birth through

1 the age of 21, inclusive, who has not attained a high school diploma or
2 its equivalent or who has not yet completed his prescribed education
3 program; a pupil who becomes 22 years of age while participating in a
4 program under this chapter may continue his participation in the program
5 for the remainder of the current school year;

6 (11) "special education" means educational programs and
7 assignments, namely special classes, programs or services designed to
8 develop the educational potential of children with special needs, in-
9 cluding but not limited to speech pathology, group therapy, and voca-
10 tional training, special education includes, but is not limited to,
11 educational placements of children by city or borough school districts
12 or regional educational attendance areas, the Department of Health and
13 Social Services, and the Department of Education in accordance with the
14 regulations of the Department of Education;

15 (12) "school term" means the regular school year plus addi-
16 tional days, up to and including the full 12 months for those exception-
17 al children who may need the extra days in order to maintain or retain
18 the accomplishments made during the regular school year; the determina-
19 tion of eligibility for the extended term will be made by the child
20 study team;

21 (13) "institution" means any agency, other than the public
22 agencies charged with education, which has exceptional students on the
23 premises.

24 * Sec. 13. AS 14.30.186(a), (b) and (c); 14.30.191(a) and (d); and 14.-
25 30.231 are repealed.

Committee

LETTER OF INTENT FOR CSHB-848

The House HESS Committee recognizes that many teachers are expected to provide educational services for mainstreamed exceptional children. The Committee further recognizes that many of these teachers have had little or no training in the teaching of exceptional children.

It is the intent of the Committee that CSHB 848 provide the financial support for a program of training non-specialized teachers of exceptional children.

In addition, the Department of Education is strongly urged to require by regulation, pursuant to AS 14.20.020 (c), that teacher training in the education of exceptional children be a requirement for both certification and recertification. The Department of Education is additionally urged to require by regulation, pursuant to AS 14.03.030, that each district board provide a minimum of two days inservice training for all teachers in the district in the education of exceptional students.

ALASKA STATE LEGISLATURE

TENTH Legislature SECOND Session

HOUSE BILL NO. 848

By MEEKINS

"An Act relating to special education."

special education

Introduced in the House 2-14-1978

HISTORY IN THE HOUSE

1978

Feb. 14

Read first time and referred to Committee on HESS and Finance

Reported back with recommendation that

Read second time and

Read third time and

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

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

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 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

HOUSE JOURNAL

LETTER OF INTENT

CSHB 854 (RESOURCES)

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature

Dear Mr. Speaker:

The Resources Committee substitute for House Bill 854 makes numerous changes in the legislation as proposed by the Governor. Two of these changes involve the deletion of the following language:

1. Subsection (f) on page 6.
2. In subsection (j) the following sentence (at the top of page 8 in the original bill) - "The commissioner may provide by regulation and in the lease that the lessee may earn production rights only to the depth drilled at the beginning of production from the lease."

The record should show that the committee's intent in deleting these two items was not to limit the discretion of the Commissioner of Natural Resources in these areas, but simply the result of its determination that the authority in both of these areas is implied, and does not require special authorizing language in the bill.

Alvin Osterback

Alvin Osterback, Chairman
House Resources Committee

Date: 4/14/78

To Finance
Committee

R10 Fin.
CS

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

H

FISCAL NOTE

I. REQUEST

Bill/Resolution No. CSHB 854
Title Leasing and exploration of state land for oil and gas development
Requested by Governor Date _____

II. FISCAL DETAIL

Agency Affected Department of Natural Resources
Program Category Affected _____
Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

CSHB 854

FUNDING (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

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

Existing administrative staff are capable of evaluating and carrying out lease sales under any of the proposed leasing methods within the reporting period unless the number and volume of sales is significantly larger than expected. Should net profits or a post-discovery type leasing method be used by the State, prior to production some auditing and/or assessing functions will have to be increased. However, some of these services are now being performed by Department of Revenue personnel in reserves tax assessing, and by 1983, or thereabouts and beyond, when the impact of production is felt, may be interchangeable with Natural Resources personnel.

Jack Roderick

IV. DATE February 6, 1978 PREPARED BY Jack Roderick
AGENCY Commissioner's Office, Dept. of Nat. Resources
PHONE 279-5577

Original: Legislative Finance
cc: Budget and Management
Prime Sponsor (First Legislator Named)

Original sponsor: Rules Committee by
request of the Governor

Offered: 4/14/78
Referred: Finance

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 854

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 the leasing and exploration of
7 state land for oil and gas development."

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

9 Section 1. AS 38.05.180 is repealed and re-enacted to read:

10 Sec. 38.05.180. OIL AND GAS LEASING. (a) The legislature finds
11 that

12 (1) the people of Alaska have an interest in the development
13 of the state's oil and gas resources to

14 (A) maximize the economic recovery of the resources;

15 (B) maximize competition among parties seeking to ex-
16 plore and develop the resources;

17 (C) maximize use of Alaska's human resources in the
18 development of the resources;

19 (2) it is in the best interests of the state to encourage an
20 assessment of its oil and gas resources and to allow the maximum flexi-
21 bility in the methods of issuing leases to

22 (A) recognize the many varied geographical regions of
23 the state and the different costs of exploring for oil and gas in
24 these regions;

25 (B) minimize the adverse impact of exploration, develop-
26 ment, production, and transportation activity.

27 (b) The commissioner shall annually prepare and submit to the
28 legislature, between the first and the 15th day of each regular legis-
29 lative session, a proposed oil and gas leasing program specifying as

1 precisely as practicable the location of tracts proposed to be offered
2 for oil and gas leasing during the third and fourth calendar years
3 following the calendar year in which the proposed program is submitted
4 to the legislature. Within 60 days after receiving the proposed oil and
5 gas leasing program the legislature may by concurrent resolution dis-
6 approve all or any part of the proposed leasing program.

7 (c) Except as provided in (d) of this section, no oil and gas
8 lease issued by the commissioner shall be valid unless it was included
9 in a proposed leasing program submitted to the legislature during the
10 third and fourth calendar years preceding the year in which the lease is
11 issued and was in a part of the program not disapproved by the legis-
12 lature, except that an area proposed for leasing in the fourth calendar
13 year after the year in which the program is submitted to the legislature
14 may be leased if the commissioner repropose the area to the following
15 regular legislative session, and the area is not subsequently disap-
16 proved in accordance with (b) of this section.

17 (d) The commissioner may issue oil and gas leases in an area that
18 has not been included in a leasing program submitted, in accordance with
19 (b) of this section, to the legislature if

20 (1) the land to be leased was previously subject to a valid
21 state or federal oil and gas lease;

22 (2) the land to be leased is contiguous to land already under
23 state, federal or private lease, is no more than 5,760 acres in area,
24 and the commissioner finds, after hearing, that leasing of the land
25 would result in a substantial probability of exploratory drilling acti-
26 vity on or adjacent to the land to be leased; or

27 (3) the land to be leased is adjacent to land owned or con-
28 trolled by another party on which a discovery of commercial quantities
29 of oil or gas has been made, and where the commissioner finds, after

1 hearing, that there is a reasonable probability that the land to be
2 leased contains oil or gas in communication with the oil or gas dis-
3 covered on the land of the other party.

4 (e) Simultaneously with submission of the leasing program required
5 under (b) of this section, the commissioner shall submit to the legis-
6 lature a report containing the following:

7 (1) the schedule of all lease sales held during the preceding
8 calendar year, the bidding method or methods utilized, and an analysis
9 of the results of the bidding;

10 (2) a description of all lease sales to be held during the
11 current and next two succeeding calendar years and, if determined, the
12 bidding methods to be used;

13 (3) the reasons a particular bidding method has been
14 selected.

15 (f) The commissioner may issue oil and gas leases on state land to
16 the highest responsible qualified bidder determined by competitive
17 bidding under regulations adopted by the commissioner. Bidding may be
18 by sealed bid or according to any other bidding procedure the commis-
19 sioner determines is in the best interests of the state. Whenever,
20 under any of the leasing methods listed in this subsection, a royalty
21 share is reserved to the state, it is free of all lease or unit expen-
22 ses, including but not limited to separation, cleaning, dehydration,
23 gathering, salt water disposal, and preparation for transportation off
24 the lease or unit area. Following a pre-sale analysis, the commissioner
25 may choose at least one of the following leasing methods:

26 (1) a cash bonus bid with a fixed royalty share reserved to
27 the state of not less than 12 1/2 per cent in amount or value of the
28 production removed or sold from the lease;

29 (2) a cash bonus bid with a fixed royalty share reserved to

1 the state based on a sliding scale according to volume of production but
2 in no event less than 12 1/2 per cent in amount or value of the produc-
3 tion removed or sold from the lease;

4 (3) a cash bonus bid with a fixed royalty share reserved to
5 the state of not less than 12 1/2 per cent in amount or value of the
6 production removed or sold from the lease and a fixed share of the net
7 profit derived from the lease of not less than 30 per cent reserved to
8 the state;

9 (4) a fixed cash bonus with a royalty share reserved to the
10 state based on a sliding scale according to the volume of production as
11 the bid variable but not less than 12 1/2 per cent in amount or value of
12 the production removed or sold from the lease;

13 (5) a fixed cash bonus with a royalty share reserved to the
14 state as the bid variable but not less than 12 1/2 per cent in amount or
15 value of the production removed or sold from the lease;

16 (6) a fixed cash bonus with the share of the net profit
17 derived from the lease reserved to the state as the bid variable;

18 (7) a fixed cash bonus with a fixed royalty share reserved to
19 the state of not less than 12 1/2 per cent in amount or value of the
20 production removed or sold from the lease with the share of the net
21 profit derived from the lease reserved to the state as the bid variable.

22 (g) The share of the net profit derived from a lease reserved to
23 the state under (f) of this section is royalty sale proceeds for the
24 purpose of the Alaska permanent fund under AS 37.10.065;

25 (h) The commissioner may provide for the establishment of an
26 exploration incentive credit system under which a lessee of state land
27 drilling an exploratory well on that land may earn credits based upon
28 the footage drilled and the region in which the well is situated. The
29 commissioner may also provide for credits to be earned by persons per-

1 forming geophysical work on state land, if that work is performed during
2 the two seasons immediately preceding an announced lease sale and on
3 land included within the sale area and the geophysical information is
4 made public following the sale. Credits may not exceed 50 per cent of
5 the cost of the drilling or geophysical work. Credits may be used
6 during a limited period established by the commissioner and may be
7 assigned during that period. Credits may be applied against (1) cash
8 bonuses payable to the state for oil and gas leases, (2) oil and gas
9 royalty and rental payments payable to the state, or (3) taxes payable
10 under AS 43.55. No credit may exceed 50 per cent of the payment toward
11 which it is being applied. No credit may be applied against payments
12 under (1) of this subsection unless the legislature has appropriated an
13 amount sufficient to reimburse the Alaska permanent fund (AS 37.10.065)
14 and the Alaska renewable resources development fund (AS 37.11.020) for
15 revenue lost as a result of the credits applied to the sources of these
16 funds. Amounts due the funds shall be calculated before the application
17 of credits under this subsection.

18 (i) To prolong the economic life of an oil and gas field, the
19 commissioner shall adopt regulations for all bidding methods to allow
20 reduction of royalty on leases within the field to compensate for in-
21 creasing costs in the later stages of production decline. The commis-
22 sioner may not grant a reduction of royalty until two years' initial
23 production from the field has occurred and each lessee requesting the
24 reduction has made a clear showing that the revenue from all hydro-
25 carbons produced from the field is insufficient to produce a reasonable
26 rate of return with respect to that lessee's total investment in the
27 field.

28 (j) The commissioner may, in his discretion, defer any part of the
29 payment of a cash bonus, under (f) of this section, according to a

1 schedule announced at the time of the announcement of the lease sale,
2 but the payment shall be made in total no later than five years from the
3 date of the lease sale.

4 (k) The commissioner shall define all terms and adopt all regula-
5 tions necessary for a reasonable understanding and evaluation of a
6 particular bidding method before the public announcement of the terms of
7 proposed sale employing that method.

8 (l) At his discretion, the commissioner may enter into an agree-
9 ment whereby, with the consent of the lessee, the state's royalty share
10 of oil and gas production may be stored or retained in storage by the
11 lessee, or the commissioner may enter into an agreement with one or more
12 of the affected field lease holders to trade current royalty production
13 from a field for a like amount, kind, and quality of future production,
14 on the condition that the state receives back its stored or traded
15 royalty share during the first half of the estimated field life or no
16 later than 15 years after start of production, whichever is sooner.

17 (m) An oil and gas lease must cover a reasonably compact area not
18 exceeding 5,760 acres, and must be for a period of five years. The
19 commissioner may grant a lease for a term greater than five years but
20 not to exceed 10 years when he finds that the longer period is necessary
21 to encourage exploration and development in areas where environmental
22 conditions severely restrict operations. An oil and gas lease shall be
23 automatically extended if and for so long thereafter as oil or gas is
24 produced in paying quantities from the lease or, if the lease is com-
25 mitted to a unit approved by the commissioner. A lease issued under
26 this section covering land on which there is a well capable of producing
27 oil or gas in paying quantities does not expire because the lessee fails
28 to produce oil or gas unless the lessee is allowed reasonable time to
29 place the well on a producing status. Upon extension, the commissioner

1 may increase lease rentals so long as the increased rental rate does not
2 exceed 150 per cent of the rate for the preceding year. If drilling has
3 commenced on the expiration date of the primary term of the lease and is
4 continued with reasonable diligence, including such operations as re-
5 drilling, sidetracking, or other means necessary to reach the originally
6 proposed bottom hole location, the lease continues in effect until 90
7 days after drilling has ceased and for so long thereafter as oil or gas
8 is produced in paying quantities. An oil and gas lease issued under
9 this section which is subject to termination by reason of cessation of
10 production does not terminate if, within 60 days after production
11 ceases, reworking or drilling operations are commenced on the land under
12 lease and are thereafter conducted with reasonable diligence during the
13 period of nonproduction.

14 (n) The commissioner may establish by regulation that after a well
15 has been plugged and abandoned, the rental rate which was in effect
16 during the year of abandonment is maintained for the remainder of the
17 term. Rental is payable in advance and continues until income to the
18 state from royalty or net profit share exceeds rental income to the
19 state for that year; after the rental income schedule has been exceeded
20 for three consecutive years, the rental terminates. Oil and gas leases
21 shall provide for payment to the state of rental on the following basis:

- 22 (1) for the first year, \$1.00 per acre;
- 23 (2) for the second year, \$1.50 per acre;
- 24 (3) for the third year, \$2.00 per acre;
- 25 (4) for the fourth year, \$2.50 per acre;
- 26 (5) for the fifth year, \$3.00 per acre.

27 (o) Upon timely application as provided by regulation, the state
28 may issue to the holder of a federal or private lease, a state shore-
29 lands lease covering land within the exterior boundaries of the federal

1 or private lease which has been excluded on the basis of navigability or
2 which is later administratively or judicially determined to be shore-
3 land. The term of such a state shoreland lease shall be the same as the
4 term of the federal or private lease.

5 (p) To conserve the natural resources of all or a part of an oil
6 or gas pool, field, or like area, whether or not the part is then sub-
7 ject to a cooperative or unit plan of development or operation, lessees
8 and their representatives may unite with each other, or jointly or
9 separately with others, in collectively adopting or operating under a
10 cooperative or a unit plan of development or operation of the pool,
11 field, or like area, or a part of it, when determined and certified by
12 the commissioner to be necessary or advisable in the public interest.
13 The commissioner may, with the consent of the holders of leases in-
14 volved, establish, change, or revoke drilling, producing, net profit
15 share, and royalty requirements of the leases and adopt regulations with
16 reference to the leases, with like consent on the part of the lessees,
17 in connection with the institution and operation of a cooperative or
18 unit plan as he determines necessary or proper to secure the proper
19 protection of the public interest. The commissioner may require oil and
20 gas leases issued under this section to contain a provision requiring
21 the lessee to operate under a reasonable cooperative or unit plan, and
22 he may prescribe a plan under which the lessee must operate. The plan
23 must adequately protect all parties in interest, including the state.

24 (q) A plan authorized by (p) of this section, which includes land
25 owned by the state, may contain a provision vesting the commissioner, or
26 a person, committee, or state agency with authority to modify from time
27 to time the rate of prospecting and development and the quantity and
28 rate of production under the plan. All leases operated under a plan
29 approved or prescribed by the commissioner are excepted in determining

1 holdings or control under sec. 140 of this chapter. The provisions of
2 this section concerning cooperative or unit plans are in addition to,
3 and do not affect AS 31.05.

4 (r) Producing acreage on a known geologic structure of a producing
5 oil or gas field is excluded from chargeability as against the acreage
6 limitation provisions of sec. 140 of this chapter.

7 (s) When separate tracts cannot be individually developed and
8 operated in conformity with an established well-spacing or development
9 program, a lease, or a portion of a lease, may be pooled with other
10 land, whether or not owned by the state, under a communitization or
11 drilling agreement providing for an apportionment of production or
12 royalties among the separate tracts of land comprising the drilling or
13 spacing unit when determined by the commissioner to be in the public
14 interest. Operations or production under the agreement are considered
15 as operations or production as to each lease committed to the agreement.

16 (t) The commissioner may, on conditions which he prescribes,
17 approve drilling, or development contracts made by one or more lessees
18 of oil or gas leases, with one or more persons, when, in his discretion,
19 the conservation of natural resources or the public convenience or
20 necessity requires it or the interests of the state are best served.
21 All leases operated under approved drilling or development contracts,
22 and interests under them, are excepted in determining holding or control
23 under sec. 140 of this chapter.

24 (u) To avoid waste or to promote conservation of natural re-
25 sources, the commissioner may authorize the subsurface storage of oil or
26 gas whether or not produced from state land, in land leased or subject
27 to lease under this section. This authorization may provide for the
28 payment of a storage fee or rental on the stored oil or gas, or, instead
29 of the fee or rental, for a royalty other than that prescribed in the

1 lease when the stored oil or gas is produced in conjunction with oil or
2 gas not previously produced. A lease on which storage is so authorized
3 shall be extended at least for the period of storage and so long there-
4 after as oil or gas not previously produced is produced in paying quan-
5 tities.

6 (v) Each oil or gas lease issued by the state must contain a
7 provision requiring the lessee to furnish the Department of Labor a
8 quarterly report regarding the employment of state residents on the
9 leased property. The commissioner of labor shall adopt regulations
10 necessary to implement this subsection. No lease issued under this
11 chapter is valid unless it contains provisions requiring the employment
12 of qualified Alaska residents in accordance with AS 38.40.030, and
13 complies in all respects with the requirements of ch. 40 of this title.

14 (w) Notwithstanding any other provision of this section, land
15 which has been offered for lease within the previous five years and
16 which received no bids at competitive sale may be, at the discretion of
17 the commissioner, immediately offered for lease, under regulations
18 adopted by him, upon terms appearing most advantageous to the state,
19 including leasing noncompetitively. The commissioner shall use a
20 sliding scale royalty based upon such formulae as he determines to be in
21 the public interest but not less than 12 1/2 per cent at the beginning
22 of production from the lease in amount or value of the production re-
23 moved or sold from the lease. A lease must provide for payment to the
24 state of rental but need not adhere to the rental schedule in (n) of
25 this section nor to the 5,760-acres-per-lease limitation in (m) of this
26 section. The lease term may not exceed five years except as provided in
27 (m) and (o) of this section.

28 (x) In accordance with regulations adopted in advance, the commis-
29 sioner, with respect to any individual oil and gas lease sale, may, for

1 the purpose of promoting competition, restrict joint bidding among major
2 oil and gas companies.

3 (y) Each oil and gas lease shall give to the state the right to
4 purchase for in-state use up to 16 2/3 per cent of the volume of oil and
5 up to 49 per cent of the volume of gas produced from a lease issued in
6 accordance with this section, at the regulated price, or, if no regu-
7 lated price applies, at the fair market value at the point of sale,
8 except that any oil or gas obtained by the state as royalty or net
9 profits shall be credited against the amount that may be purchased under
10 this subsection. The commissioner may waive all or any part of this
11 right at the time of the announcement of a sale if he believes it to be
12 in the public interest. The disposal of oil and gas purchased under
13 this subsection shall be subject to the provisions governing the dis-
14 posal of royalty set out in sec. 183 of this chapter.

15 (z) A lessee or permittee conducting any exploration for, or
16 development or production of, oil or gas on state land shall provide the
17 commissioner access to all noninterpretive data obtained from that
18 activity and shall provide copies of that data, as the commissioner may
19 request. The confidentiality provisions of sec. 35 of this chapter
20 shall apply to the information obtained under this subsection.

21 (aa) A noncompetitive lease existing at the effective date of this
22 Act shall be extended for a period of two years and so long thereafter
23 as oil and gas is produced in paying quantities. A noncompetitive lease
24 extended under this subsection is subject to the regulations in force at
25 the expiration of the initial five-year term of the lease. No extension
26 may be granted, however, unless within a period of 90 days before the
27 expiration date an application for extension is filed by the record
28 title holder or an assignee whose assignment has been filed for ap-
29 proval, or an operator whose operating agreement has been filed for

1 of the Eleventh Legislature the commissioner of natural resources shall
2 submit a proposed oil and gas leasing program to the legislature in accor-
3 dance with AS 38.05.180(b), except that the proposed program shall cover all
4 areas to be leased in 1979 through 1983. No lease, except as authorized
5 under AS 38.05.180(d), shall be issued during 1979, 1980, or 1981 unless the
6 land to be leased was included in this proposed leasing program, and was not
7 disapproved by the legislature by concurrent resolution within 60 days of the
8 date it received the proposed program.

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Introduced: 2/17/78
Referred: Resources and Finance

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 854

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 the leasing and exploration of
7 state land for oil and gas development."

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

9 Section 1. AS 38.05.180 is repealed and re-enacted to read:

10 Sec. 38.05.180. OIL AND GAS LEASING. (a) The legislature finds
11 that

12 (1) the people of Alaska have an interest in the develop-
13 ment of the state's oil and gas resources to

14 (A) maximize the economic recovery of the resources;

15 (B) minimize the exploitation of these natural resources
16 in protection of the public interest;

17 (C) maximize competition among parties seeking to
18 explore and develop the resources;

19 (D) maximize use of Alaska's human resources in the
20 development of the resources;

21 (2) it is in the best interests of the state to encourage
22 an assessment of its oil and gas resources and to allow the maximum
23 flexibility in the methods of issuing leases to

24 (A) recognize the many varied geographical regions of
25 the state and the different costs of exploring for oil and gas in
26 these regions;

27 (B) recognize the need for stimulating development in
28 particular regions of the state;

29 (C) minimize the adverse impact of exploration, develop-

1 area to be offered for lease or to be excluded from leasing;

2 (B) public notice of and participation in development
3 of the leasing program;

4 (C) review by federal and local government agencies
5 which may be affected by the proposed leasing;

6 (D) consultation with local governments, oil and gas
7 lessees and permittees, and others engaged in activity on state
8 land;

9 (E) coordination of the program with the management
10 program developed under the Coastal Zone Management Act of 1972;
11 and

12 (F) the use of the capabilities and resources of all
13 state agencies in preparation of the leasing program, and for the
14 provision by agencies to the commissioner of any nonproprietary
15 information he requests.

16 (5) At the time the commissioner submits the leasing program
17 to the legislature, as required by (1) of this subsection, he shall
18 also submit to the legislature for its information, a report concern-
19 ing the use of the various leasing methods provided for in (c) of this
20 section. The report must include:

21 (A) the schedule of all lease sales held during the
22 preceding calendar year and the bidding method or methods uti-
23 lized;

24 (B) the schedule of all lease sales to be held the
25 following year and the bidding method or methods to be used;

26 (C) the benefits and costs associated with conducting
27 lease sales using the various bidding methods;

28 (D) the reasons why a particular bidding method was
29 selected; and

CORRECTION

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

Introduced: 2/17/78
Referred: Resources and Finance

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20 development of the resources;

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22 an assessment of its oil and gas resources and to allow the maximum
23 flexibility in the methods of issuing leases to

24 (A) recognize the many varied geographical regions of
25 the state and the different costs of exploring for oil and gas in
26 these regions;

27 (B) recognize the need for stimulating development in
28 particular regions of the state;

29 (C) minimize the adverse impact of exploration, develop-

1 ment, production, and transportation activity on the environment
2 of the state;

3 (D) maximize state revenue from profitable oil and gas
4 production, while minimizing revenue from unsuccessful explora-
5 tion and from marginal economic oil and gas production.

6 (b) The commissioner shall prepare, review, revise, and maintain
7 an oil and gas leasing program as follows:

8 (1) The leasing program shall be submitted to the legisla-
9 ture for its information within 10 days after the convening of each
10 regular session of the legislature. The leasing program must indicate
11 as precisely as practicable the size, timing, and location of leasing
12 activity which the commissioner determines will best meet state needs
13 for the following five-year period. The commissioner shall establish
14 the timing and location of leasing, to the maximum extent practicable,
15 so as to obtain a balance between the potential for environmental
16 damage, the potential for the discovery of oil and gas and the poten-
17 tial for adverse impact on the local communities in the state.

18 (2) After the leasing program has been prepared by the
19 commissioner, a lease shall be issued if it is for an area included in
20 the leasing program; however, leasing may continue until January 1,
21 1980 or until a program is prepared, whichever is sooner, and leasing
22 under (t) of this section may be excepted from the leasing program if
23 the commissioner finds it to be in the best interests of the state.

24 (3) The commissioner shall review the leasing program at
25 least once each year, at which time he may revise and reapprove the
26 program.

27 (4) The commissioner shall, by regulation, establish proce-
28 dures for

29 (A) receipt and consideration of nominations for any

1 area to be offered for lease or to be excluded from leasing;

2 (B) public notice of and participation in development
3 of the leasing program;

4 (C) review by federal and local government agencies
5 which may be affected by the proposed leasing;

6 (D) consultation with local governments, oil and gas
7 lessees and permittees, and others engaged in activity on state
8 land;

9 (E) coordination of the program with the management
10 program developed under the Coastal Zone Management Act of 1972;
11 and

12 (F) the use of the capabilities and resources of all
13 state agencies in preparation of the leasing program, and for the
14 provision by agencies to the commissioner of any nonproprietary
15 information he requests.

16 (5) At the time the commissioner submits the leasing program
17 to the legislature, as required by (1) of this subsection, he shall
18 also submit to the legislature for its information, a report concern-
19 ing the use of the various leasing methods provided for in (c) of this
20 section. The report must include:

21 (A) the schedule of all lease sales held during the
22 preceding calendar year and the bidding method or methods uti-
23 lized;

24 (B) the schedule of all lease sales to be held the
25 following year and the bidding method or methods to be used;

26 (C) the benefits and costs associated with conducting
27 lease sales using the various bidding methods;

28 (D) the reasons why a particular bidding method was
29 selected; and

1 (E) if applicable, the reason why more than 50 per
2 cent of the area leased in the upcoming year was or is to be
3 leased under one particular bidding method.

4 (c) The commissioner may issue oil and gas leases on state land
5 to the highest responsible qualified bidder determined by competitive
6 bidding under regulations adopted by the commissioner. Bidding may be
7 by sealed bid or according to any other bidding procedure the commis-
8 sioner determines is in the best interests of the state. Whenever,
9 under any of the leasing methods listed in this subsection, a royalty
10 share is reserved to the state, it is free of all lease or unit
11 expenses, including but not limited to separation, cleaning, dehydra-
12 tion, gathering, salt water disposal, and preparation for transporta-
13 tion off the lease or unit area. Following a pre-sale analysis, the
14 commissioner may choose at least one of the following leasing methods:

15 (1) bonus bidding

16 (A) a cash bonus bid with a fixed royalty share
17 reserved to the state of not less than 12 1/2 per cent in amount
18 or value of the production removed or sold from the lease or unit
19 area encompassing the lease;

20 (B) a cash bonus bid with a fixed royalty share re-
21 served to the state based on a sliding scale according to volume
22 of production but in no event less than 12 1/2 per cent in amount
23 or value of the production removed or sold from the lease or unit
24 area encompassing the lease;

25 (2) royalty bidding

26 (A) a fixed cash bonus with a royalty share reserved
27 to the state as the bid variable but not less than 12 1/2 per
28 cent in amount or value of the production removed or sold from
29 the lease or unit area encompassing the lease;

1 (B) a fixed cash bonus with a royalty share reserved
2 to the state based on a sliding scale according to the volume of
3 production as the bid variable but not less than 12 1/2 per cent
4 in amount or value of the production removed or sold from the
5 lease or unit area encompassing the lease;

6 (3) net profit bidding

7 (A) a cash bonus bid with a fixed royalty share
8 reserved to the state of not less than 12 1/2 per cent in amount
9 or value of the production removed or sold from the lease or unit
10 area encompassing the lease and a fixed share of the net profit
11 derived from the lease of not less than 30 per cent reserved to
12 the state;

13 (B) a fixed cash bonus with the share of the net
14 profit derived from the lease reserved to the state as the bid
15 variable;

16 (C) a fixed cash bonus with a fixed royalty share
17 reserved to the state of not less than 12 1/2 per cent in amount
18 or value of the production removed or sold from the lease or unit
19 area encompassing the lease with the share of the net profit
20 derived from the lease reserved to the state as the bid variable;

21 (D) the share of the net profit derived from a lease
22 reserved to the state under this subsection is royalty sale
23 proceeds for the purpose of the Alaska Permanent Fund under AS
24 37.10.065;

25 (4) a work commitment bid with a fixed cash bonus, or a
26 fixed royalty or a fixed sliding scale royalty or a fixed net profits
27 share reserved to the state, or any combination of these methods, at
28 the discretion of the commissioner, with a work commitment stated in a
29 dollar amount as the bid variable; however, in no event may a royalty

1 share reserved to the state be less than 12 1/2 per cent in amount or
2 value of the production removed or sold from the lease or unit area
3 encompassing the lease.

4 (d) To prolong the economical life of an oil and gas field, the
5 commissioner shall adopt regulations for all bidding methods to allow
6 reduction of royalty to compensate for increasing costs in the later
7 stages of production decline. The commissioner may grant such a
8 reduction of royalty so long as the reduced royalty begins no sooner
9 than two years after initial production from the lease.

10 (e) The commissioner may, in his discretion, defer any part of
11 the payment of a cash bonus, under (c) of this section, according to
12 a schedule announced at the time of the announcement of the lease
13 sale, but such payment shall be made in total no later than five years
14 from the date of the lease sale.

15 (f) The commissioner may withhold acreage from leasing in a
16 particular lease sale.

17 (g) The commissioner shall adopt regulations governing the cal-
18 culation of net profits for lease sales under (c)(3) of this section.
19 In the event of any dispute between the state and a lessee concerning
20 the calculation of the net profits under the regulation adopted under
21 this subsection, the burden of proof is on the lessee.

22 (h) The commissioner shall adopt regulations governing the
23 exploration work commitment leasing method under (c)(4) of this section.
24 The commissioner shall require either (i) a cash deposit for 20 per
25 cent of the work commitment or, (ii) a performance bond, in form and
26 substance and with a surety satisfactory to the commissioner, in the
27 principal amount of 20 per cent of the exploration work commitment
28 assuring the commissioner that the commitment will be faithfully dis-
29 charged in accordance with this section, the regulations, and the lease.

1 A lessee who fails to discharge a work commitment in its entirety is
2 liable to the state for the undischarged portion of the commitment.
3 At his discretion, the commissioner may terminate the work commitment
4 if he finds that the work would be unnecessary or cumulative.

5 (i) At his discretion, the commissioner may enter into an agree-
6 ment whereby, with the consent of the lessee, the state's royalty
7 share of oil and gas production may be stored or retained in storage
8 by the lessee, or the commissioner may enter into an agreement with
9 one or more of the affected field lease holders to trade current
10 royalty production from a field for a like amount, kind, and quality
11 of future production, on the condition that the state receives back
12 its stored or traded royalty share during the first half of the esti-
13 mated field life or no later than 15 years after start of production,
14 whichever is sooner.

15 (j) An oil and gas lease must cover a reasonably compact area
16 not exceeding 5,760 acres, and must be for a period of five years.
17 The commissioner may grant a lease for a term greater than five years
18 but not to exceed 10 years, where he finds that the longer period is
19 necessary to encourage exploration and development in areas where
20 environmental conditions severely restrict operations. An oil and gas
21 lease shall be automatically renewed if and for so long thereafter as
22 oil or gas is produced in paying quantities from the lease or, if the
23 lease is committed to a unit approved by the commissioner. A lease
24 issued under this section covering land on which there is a well
25 capable of producing oil or gas in paying quantities does not expire
26 because the lessee fails to produce oil or gas unless the lessee is
27 allowed reasonable time to place the well on a producing status. Upon
28 renewal, the commissioner may increase lease rentals so long as the
29 increased rental rate does not exceed 150 per cent of the rate for the

1 preceding year. The commissioner may provide by regulation and in the
2 lease that the lessee may earn production rights only to the depth
3 drilled at the beginning of production from the lease. If drilling
4 has commenced on the expiration date of the primary term of the lease
5 and is continued with reasonable diligence, including such operations
6 as re-drilling, sidetracking, or other means necessary to reach the
7 originally proposed bottom hole location, the lease continues in
8 effect until 90 days after drilling has ceased and for so long there-
9 after as oil or gas is produced in paying quantities.

10 (k) The commissioner may establish by regulation that after a
11 well has been plugged and abandoned, the rental rate which was in
12 effect during the year of abandonment is maintained for the remainder
13 of the term. Rental is payable in advance and continues until income
14 to the state from royalty, net profit, or exploration work commitment
15 exceeds rental income to the state for that year; after the rental
16 income schedule has been exceeded for three consecutive years, the
17 rental terminates. Oil and gas leases shall provide for payment to
18 the state of rental on the following basis:

- 19 (1) for the first year, \$1.00 per acre;
- 20 (2) for the second year, \$1.50 per acre;
- 21 (3) for the third year, \$2.00 per acre;
- 22 (4) for the fourth year, \$2.50 per acre;
- 23 (5) for the fifth year, \$3.00 per acre.

24 (l) Upon timely application as provided by regulation, the state
25 may issue to the holder of a federal or private lease, a state shore-
26 lands lease covering land within the exterior boundaries of the federal
27 or private lease which has been excluded on the basis of navigability
28 or which is later administratively or judicially determined to be
29 shoreland. The term of such a state shoreland lease shall be the same

1 as the term of the federal or private lease, but may not exceed five
2 years.

3 (m) To conserve the natural resources of all or a part of an oil
4 or gas pool, field, or like area, whether or not the part is then
5 subject to a cooperative or unit plan of development or operation,
6 lessees and their representatives may unite with each other, or jointly
7 or separately with others, in collectively adopting or operating under
8 a cooperative or a unit plan of development or operation of the pool,
9 field, or like area, or a part of it, when determined and certified by
10 the commissioner to be necessary or advisable in the public interest.
11 The commissioner may, with the consent of the holders of leases
12 involved, establish, change, or revoke drilling, producing, rental
13 minimum royalty, and royalty requirements of the leases and adopt
14 regulations with reference to the leases, with like consent on the
15 part of the lessees, in connection with the institution and operation
16 of a cooperative or unit plan as he determines necessary or proper to
17 secure the proper protection of the public interest. The commissioner
18 may require oil and gas leases issued under this section to contain a
19 provision requiring the lessee to operate under a reasonable coopera-
20 tive or unit plan, and he may prescribe a plan under which the lessee
21 must operate. The plan must adequately protect all parties in interest,
22 including the state.

23 (n) A plan authorized by (m) of this section, which includes
24 land owned by the state, may contain a provision vesting the commis-
25 sioner, or a person, committee, or state agency with authority to
26 modify from time to time the rate of prospecting and development and
27 the quantity and rate of production under the plan. All leases
28 operated under a plan approved or prescribed by the commissioner are
29 excepted in determining holdings or control under sec. 140 of this

1 chapter. The provisions of this section concerning cooperative or
2 unit plans are in addition to, and do not affect AS 31.05.

3 (o) Producing acreage on a known geologic structure of a produc-
4 ing oil or gas field is excluded from chargeability as against the
5 acreage limitation provisions of sec. 140 of this chapter.

6 (p) When separate tracts cannot be individually developed and
7 operated in conformity with an established well-spacing or development
8 program, a lease, or a portion of a lease, may be pooled with other
9 land, whether or not owned by the state, under a communitization or
10 drilling agreement providing for an apportionment of production or
11 royalties among the separate tracts of land comprising the drilling or
12 spacing unit when determined by the commissioner to be in the public
13 interest. Operations or production under the agreement are considered
14 as operations or production as to each lease committed to the agreement.

15 (q) The commissioner may, on conditions which he prescribes,
16 approve drilling, or development contracts made by one or more lessees
17 of oil or gas leases, with one or more persons, when, in his discretion,
18 the conservation of natural resources or the public convenience or
19 necessity requires it or the interests of the state are best served.
20 All leases operated under approved drilling or development contracts,
21 and interests under them, are excepted in determining holding or
22 control under sec. 140 of this chapter. Drilling or development
23 contracts may include, at the discretion of the commissioner, pro-
24 visions authorizing the state to share in the costs of exploration.

25 (r) To avoid waste or to promote conservation of natural resources,
26 the commissioner may authorize the subsurface storage of oil or gas
27 whether or not produced from state land, in land leased or subject to
28 lease under this section. This authorization may provide for the
29 payment of a storage fee or rental on the stored oil or gas, or,

1 instead of the fee or rental, for a royalty other than that prescribed
2 in the lease when the stored oil or gas is produced in conjunction
3 with oil or gas not previously produced in paying quantities.

4 (s) Each oil or gas lease issued by the state must contain a
5 provision requiring the lessee to furnish the Department of Labor a
6 quarterly report regarding the employment of state residents on the
7 leased property. The commissioner of labor shall adopt regulations
8 necessary to implement this subsection. No lease issued under this
9 chapter is valid unless it contains provisions requiring the employ-
10 ment of qualified Alaska residents in accordance with AS 38.40.030,
11 and complies in all respects with the requirements of ch. 40 of this
12 title.

13 (t) Notwithstanding any other provision of this section, land
14 which has been offered for lease within the previous five years but
15 which received no bids at competitive sale may be, at the discretion
16 of the commissioner, immediately offered for lease, under regulations
17 adopted by him, upon terms appearing most advantageous to the state,
18 including leasing noncompetitively. The commissioner shall use a
19 sliding scale royalty based upon such formulae as he determines to be
20 in the public interest but not less than 12 1/2 per cent at the begin-
21 ning of production from the lease in amount or value of the production
22 removed or sold from the lease or unit area encompassing the lease. A
23 lease must provide for payment to the state of rental but need not
24 adhere to the rental schedule in (k) of this section nor to the 5,760-
25 acres-per-lease limitation in (j) of this section. The lease term may
26 not exceed five years except as provided in (j) and (k).

27 (u) The commissioner may, by regulation, restrict joint bidding
28 by major or multi-national oil and gas companies to encourage competi-
29 tion.

1 (v) The state has the right to purchase not more than 16 2/3 per
2 cent of the volume of oil and up to 100 per cent of the volume of gas
3 produced from a lease issued in accordance with this section, at the
4 regulated price, or, if no regulated price applies, at the fair
5 market value at the point of sale, except that any oil or gas obtained
6 by the state as royalty or net profits shall be credited against the
7 amount that may be purchased under this subsection. Oil and gas
8 purchased under this section may be used by the state in the same
9 manner as it uses its royalty oil and gas.

10 (w) A lessee or permittee conducting any exploration for, or
11 development or production of, oil or gas on state land shall provide
12 the commissioner access to all data obtained from that activity and
13 shall provide copies of specific data, as the commissioner may request.

14 * Sec. 2. AS 38.05.135(b) is repealed and re-enacted to read:

15 (b) When minerals are to be leased, in addition to any other
16 notice given, notice must also be given as provided in secs. 305 and
17 345 of this chapter.

18 * Sec. 3. AS 38.05.140(c) is amended to read:

19 (c) No person may take or hold at one time phosphate leases on
20 state lands exceeding in the aggregate 10,240 acres. No person may
21 take or hold sodium leases or permits during the life of sodium leases
22 on state lands, exceeding in the aggregate acreage 5,120 acres, except
23 that the commissioner may, where it is necessary in order to secure
24 the economic mining of sodium compounds, permit a person to take or
25 hold sodium leases or permits for up to 15,360 acres. No person may
26 take or hold at any one time oil or gas leases exceeding in the aggre-
27 gate 500,000 acres granted on tide and submerged lands, and 200,000
28 [500,000] acres on all land [LANDS] other than tide and submerged land
29 [LANDS], including leases held both as lessee and under option or

1 operating agreement from others. A person has five years from the
2 effective date of this Act to conform to the 200,000-acre upland
3 limitation. Where more than a single person holds an interest in an
4 oil or gas lease, each person shall be charged only with that percentage
5 of the total acreage which corresponds to its percentage share of the
6 total beneficial interest in the lease.

7 * Sec. 4. AS 38.05.145(b) is repealed.

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Original sponsor: Rules Committee by
request of the Governor

Offered: 5/16/78
Referred: Rules

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 3d CS FOR HOUSE BILL NO. 54

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 the administration of state land,
7 and providing for an effective date."

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

9 * Section 1. AS 38.05.050 is amended to read:

10 Sec. 38.05.050. FIXING SALE. The commissioner, upon recommenda-
11 tion of the director, [DIRECTOR, WITH THE APPROVAL OF THE COMMISSIONER,]
12 shall determine the lands to be sold, the limitations and conditions
13 which attach to the lands sold, and the terms of the sale. The director
14 shall fix the time of sale and the manner of giving notice of the sale.
15 The sale shall take place at the time and location specified in the
16 notice of sale and within the recording district where the property is
17 located or an adjacent recording district.

18 * Sec. 2. AS 38.05.115(a) and (b) are amended to read:

19 (a) The commissioner, upon recommendation of the director, shall
20 determine the timber and other materials to be sold, and the limita-
21 tions, conditions and terms of sale. The limitations, conditions and
22 terms shall include the utilization, development and maintenance of the
23 sustained yield principle, subject to preference among other beneficial
24 uses. The director may negotiate sales of timber or materials without
25 advertisement and on the limitations, conditions, and terms which he
26 considers are in the best interests of the state, subject to the ap-
27 proval of the commissioner. However, not more than 500 M.B.M. or equi-
28 valent other measure of timber or more than 25,000 cubic yards [\$5,000]
29 of materials may be sold by nonadvertised, negotiated sale to the same

1 purchaser within a one-year period.

2 (b) Negotiated sales [FOR TIMBER OR MATERIALS] not exceeding 50
3 M.B.M. or the equivalent other measure of timber or 2,500 cubic yards of
4 materials [A VALUE OF \$500] are exempt from the provisions of AS 34.15.-
5 150.

6 * Sec. 3. AS 38.05.115 is amended by adding a new subsection to read:

7 (c) The limitations of this section are not applicable to timber
8 which becomes state property under the provisions of AS 45.50.210 - AS
9 45.50.235.

10 * Sec. 4. AS 38.05 is amended by adding a new section to read:

11 Sec. 38.05.118. NEGOTIATED TIMBER SALES IN AREAS OF HIGH UNEMPLOY-
12 MENT. (a) Notwithstanding any other provision of secs. 110 - 120 of
13 this chapter, the director, with the approval of the commissioner, may
14 negotiate a sale of timber to a local manufacturer at appraised value.
15 The period of a contract for a sale of timber negotiated under this sec-
16 tion may not exceed 25 years. The contract shall provide that the
17 appraised value of timber remaining to be harvested under the provisions
18 of the contract shall be redetermined at least once every five years.

19 (b) Notice of intent to negotiate a contract authorized by (a) of
20 this section shall be given in accordance with sec. 305 of this chapter.

21 (c) No sale of timber may be negotiated by the director under this
22 section unless he first finds that, within an area proximate to the
23 business site which the manufacturer may economically serve, there
24 exists

25 (1) a high level of local unemployment;

26 (2) an underutilized timber manufacturing capacity; and

27 (3) an underutilized allowable cut of state timber.

28 * Sec. 5. AS 45.50.235 is amended by adding a new subsection to read:

29 (b) Timber property which becomes state property under the pro-

1 visions of this section may be sold under terms and conditions estab-
2 lished by the director of the division of lands.

3 * Sec. 6. This Act takes effect immediately in accordance with AS 01.-
4 10.070(c).

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Original sponsor: Rules Committee by
request of the Governor

Offered: 3/9/78
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 2d CS FOR HOUSE BILL NO. 54

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 the administration of state land;
7 and providing for an effective date."

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

9 * Section 1. AS 38.05.050 is amended to read:

10 Sec. 38.05.050. FIXING SALE. The commissioner, upon recommenda-
11 tion of the director, [DIRECTOR, WITH THE APPROVAL OF THE COMMISSIONER,]
12 shall determine the lands to be sold, the limitations and conditions
13 which attach to the lands sold, and the terms of the sale. The director
14 shall fix the time of sale and the manner of giving notice of the sale.
15 The sale shall take place at the time and location specified in the
16 notice of sale and within the recording district where the property is
17 located or an adjacent recording district.

18 * Sec. 2. AS 38.05.115(a) and (b) are amended to read:

19 (a) The commissioner, upon recommendation of the director, shall
20 determine the timber and other materials to be sold, and the limitations,
21 conditions and terms of sale. The limitations, conditions and terms
22 shall include the utilization, development and maintenance of the sus-
23 tained yield principle, subject to preference among other beneficial
24 uses. The director may negotiate sales of timber or materials without
25 advertisement and on the limitations, conditions, and terms which he
26 considers are in the best interests of the state, subject to the ap-
27 proval of the commissioner. However, not more than 500 M.B.M. or equiva-
28 lent other measure of timber or more than 25,000 cubic yards [\$5,000] of
29 materials may be sold by nonadvertised, negotiated sale to the same

1 purchaser within a one-year period.

2 (b) Negotiated sales [FOR TIMBER OR MATERIALS] not exceeding 50
3 M.B.M. or the equivalent other measure of timber or 2,500 cubic yards of
4 materials [A VALUE OF \$500] are exempt from the provisions of AS 34.15.-
5 150.

6 * Sec. 3. AS 38.05.115 is amended by adding a new subsection to read:

7 (c) The limitations of this section are not applicable to timber
8 which becomes state property under the provisions of AS 45.50.210 - AS
9 45.50.235.

10 * Sec. 4. AS 45.50.235 is amended by adding a new subsection to read:

11 (b) Timber property which becomes state property under the pro-
12 visions of this section may be sold under terms and conditions estab-
13 lished by the director of the division of lands.

14 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
15 10.070(c).

Original sponsor: Rules Committee by
request of the Governor

Offered: 5/14/77
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 54

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the administration of state land;
7 and providing for an effective date."

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

9 * Section 1. AS 38.05.050 is amended to read:

10 Sec. 38.05.050. FIXING SALE. The director, with the approval of
11 the commissioner, shall determine the lands to be sold, the limitations
12 and conditions which attach to the lands sold, and the terms of the
13 sale. The director shall fix the time of sale and the manner of
14 giving notice of the sale. The sale shall take place at the time and
15 location specified in the notice of sale and within the recording dis-
16 trict where the property is located or an adjacent recording district.

17 * Sec. 2. AS 38.05.115(a) and (b) are amended to read:

18 (a) The director, with the approval of the commissioner, [COMMIS-
19 SIONER, UPON RECOMMENDATION OF THE DIRECTOR,] shall determine the timber
20 and other materials to be sold, and the limitations, conditions and
21 terms of sale. The limitations, conditions and terms shall include the
22 utilization, development and maintenance of the sustained yield prin-
23 ciple, subject to preference among other beneficial uses. The director
24 may negotiate sales of timber or materials without advertisement and on
25 the limitations, conditions, and terms which he considers are in the
26 best interests of the state, subject to the approval of the commissioner.
27 However, not more than 500 M.B.M. or equivalent other measure of timber
28 or more than 25,000 cubic yards [\$5,000] of materials may be sold by
29 nonadvertised, negotiated sale to the same purchaser within a one-year

1 period.

2 (b) Negotiated sales [FOR TIMBER OR MATERIALS] not exceeding 50
3 M.B.M. or the equivalent other measure of timber or 2,500 cubic yards
4 of materials [A VALUE OF \$500] are exempt from the provisions of AS
5 34.15.150.

6 * Sec. 3. This Act takes effect immediately in accordance with AS 01.-
7 10.070(c).

Introduced: 1/14/77
Referred: Resources and
Judiciary

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE HOUSE

2 HOUSE BILL NO. 54

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the administration of state land;
7 and providing for an effective date."

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

9 * Section 1. AS 38.05.050 is amended to read:

10 Sec. 38.05.050. FIXING SALE. The director, with the approval of
11 the commissioner, shall determine the lands to be sold, the limitations
12 and conditions which attach to the lands sold, and the terms of the
13 sale. The director shall fix the time of sale and the manner of
14 giving notice of the sale. The sale shall take place at the time and
15 location specified in the notice of sale [AND WITHIN THE RECORDING
16 DISTRICT WHERE THE PROPERTY IS LOCATED].

17 * Sec. 2. AS 38.05.115(a) is amended to read:

18 (a) The commissioner, upon recommendation of the director, shall
19 determine the timber and other materials to be sold, and the limita-
20 tions, conditions and terms of sale. The limitations, conditions and
21 terms shall include the utilization, development and maintenance of
22 the sustained yield principle, subject to preference among other
23 beneficial uses. The director may negotiate sales of timber or
24 materials without advertisement and on the limitations, conditions,
25 and terms which he considers are in the best interests of the state,
26 subject to the approval of the commissioner. However, not more than
27 500 M.B.M. or equivalent other measure of timber or more than 25,000
28 cubic yards [\$5,000] of materials may be sold by nonadvertised,
29 negotiated sale to the same purchaser within a one-year period.

1 * Sec. 3. AS 38.05.115(b) is amended to read:

2 (b) Negotiated sales [FOR TIMBER OR MATERIALS] not exceeding 50
3 M.B.M. or the equivalent other measure of timber or 2,500 cubic yards
4 of materials [A VALUE OF \$500] are exempt from the provisions of AS
5 34.15.150.

6 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
7 10.010(c).

Introduced: 2/10/78
Referred: Health, Education &
Social Services and Finance

BY BUCHHOLDT, AKERS, ANDERSON,
NAKAK, OSTERBACK, PHILLIPS AND
SCHAEFFER

1 IN THE HOUSE

2 HOUSE BILL NO. 805

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Health and Social Services for the prevention
8 and treatment of otitis media; and providing for an
9 effective date."

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

11 * Section 1. The sum of \$162,082 is appropriated from the general fund to
12 the Department of Health and Social Services for the purposes of prevention
13 and treatment of otitis media.

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

HOUSE
JOURNAL SUPPLEMENT

March 24, 1978

Friday

No. 25

FISCAL NOTE

HB
907

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 907
 Title Repeal of Land Registration Act
 Requested by Governor Date 3/23/78

II. FISCAL DETAIL

Agency Affected Department of Natural Resources
 Program Category Affected DMRC
 Budget Request Unit(s) Affected Land & Water Div.

EXPENDITURES (Thousands of Dollars)

	FY 75	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

FULL TIME						
PART TIME						
TEMPORARY						

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

Repeal of this law will not incur additional funds. It is estimated that approximately \$30,000 to \$50,000 will be saved by the various agencies which administer this statute, including the Dept. of Natural Resources, the Department of Law, the District Recorder's Office, and the Court System. These savings will be reallocated to existing programs.

IV. DATE 3/23/78 PREPARED BY Patricia W. Conhead
 AGENCY Department of Natural Resources
 Original: Legislative Finance PHONE 462-2125
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/77)

Introduced: 3/24/78
Referred: Resources and
Judiciary

1 IN THE HOUSE

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

2 HOUSE BILL NO. 907

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act repealing the Land Registration Law, AS
7 34.10; and providing for an effective date."

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

9 * Section 1. AS 34.10.010 - 34.10.160, 34.10.180 - 34.10.240, and
10 38.05.035(a)(8) are repealed.

11 * Sec. 2. The Department of Natural Resources may not initiate any fore-
12 closure action under AS 34.10 after the effective date of this Act.

13 * Sec. 3. A right of repurchase created by former AS 34.10.220 and exist-
14 ing on the effective date of this Act may be exercised only if it is exer-
15 cised under that statute within three years following the effective date of
16 this Act. The Division of Lands shall publish notice of the expiration of
17 all such repurchase rights in the manner provided by AS 38.05.345 before
18 January 1, 1979 and again before January 1, 1980 and before January 1, 1981.

19 * Sec. 4. This Act takes effect immediately in accordance with AS 01.-
20 10.070(c).

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Introduced: 4/28/78
Referred: State Affairs and
Finance

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 HOUSE BILL NO. 954

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities for the
8 acquisition of a site for a permanent maintenance
9 facility for state ferries; and providing for an
10 effective date."

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

12 * Section 1. The sum of \$1,000,000 is appropriated from the general fund
13 to the Department of Transportation and Public Facilities for the acquisition
14 of a site suitable for the maintenance of state ferries in Ketchikan.

15 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
16 070(c).

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Introduced: 3/3/78
Referred: Resources

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE JOINT RESOLUTION NO. 46

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 Requesting the Federal Energy Regulatory
6 Commission to schedule hearings in Alaska
7 on the impacts of the natural gas pipeline
8 from the North Slope.

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

10 WHEREAS the President of the United States and Congress have decided
11 that the speedy construction of a natural gas pipeline from the North Slope
12 to Fairbanks and then down the Alaska Highway to the lower forty-eight is in
13 the national interest; and

14 WHEREAS the trans-Alaska oil pipeline was planned and built with minimal
15 attention toward its socio-economic impact, especially on communities near
16 the pipeline corridor; and

17 WHEREAS residents of Alaska will be directly impacted by the construc-
18 tion of the natural gas pipeline, especially those living nearest to it; and

19 WHEREAS the Federal Energy Regulatory Commission has established, by
20 Administrative Order No. 1 of December 16, 1977, the Alaska Gas Project
21 Office "to act on behalf of the Commission in order to expeditiously and yet
22 comprehensively gather the necessary information of which the Commission must
23 be cognizant before it can intelligently analyze and rule upon future appli-
24 cations for permanent certification.... In performing these functions, the
25 Director shall have the authority to meet with all relevant entities and
26 groups....";

27 BE IT RESOLVED by the Alaska State Legislature that the Alaska Gas Pro-
28 ject Office of the Federal Energy Regulatory Commission is respectfully re-
29 quested to schedule hearings on socio-economic impacts in Alaskan communities

Original sponsor: Commerce Committee

Offered: 5/5/78
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 664 (Judiciary)

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 the practice of optometry."

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

8 * Section 1. AS 08.72.300(2) and (3) are amended to read:

9 (2) "optometry" is the employment of means or methods [,
10 OTHER THAN THE USE OF DRUGS,] for the diagnosis of an optical deficiency
11 or deformity, visual or muscular anomaly of the human eye, or the pre-
12 scription or application of lenses, prisms or ocular exercises for the
13 correction or relief of the human eye;

14 (3) "practicing optometry" means the diagnosis [, BY MEANS OR
15 METHODS OTHER THAN THE USE OF DRUGS,] of an optical deficiency or defor-
16 mity, visual or muscular anomaly of the human eye, or the prescription
17 of lenses, prisms or ocular exercises for the correction or relief of
18 the human eye, or the holding of oneself out as being able to do so;

19 * Sec. 2. AS 08.72 is amended by adding a new section to read:

20 Sec. 08.72.305. USE OF DRUGS FOR DIAGNOSIS. (a) No person prac-
21 ticing optometry may use drugs for diagnostic purposes unless he has

22 (1) passed the board's examination on the subject of pharma-
23 cology as it relates to optometry and the use of topically applied
24 drugs; and

25 (2) completed courses and clinical experience approved by the
26 board and offered by a recognized and accredited school or college of
27 optometry and passed an examination, given by that school or college,
28 which relates to topical application of drugs to the eye, including
29 proper responses to reactions which may result from topical application

CORRECTION

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

Introduced: 3/3/78
Referred: Resources

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 SENATE JOINT RESOLUTION NO. 46

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TENTH LEGISLATURE - SECOND SESSION

5 Requesting the Federal Energy Regulatory
6 Commission to schedule hearings in Alaska
7 on the impacts of the natural gas pipeline
8 from the North Slope.

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

10 WHEREAS the President of the United States and Congress have decided
11 that the speedy construction of a natural gas pipeline from the North Slope
12 to Fairbanks and then down the Alaska Highway to the lower forty-eight is in
13 the national interest; and

14 WHEREAS the trans-Alaska oil pipeline was planned and built with minimal
15 attention toward its socio-economic impact, especially on communities near
16 the pipeline corridor; and

17 WHEREAS residents of Alaska will be directly impacted by the construc-
18 tion of the natural gas pipeline, especially those living nearest to it; and

19 WHEREAS the Federal Energy Regulatory Commission has established, by
20 Administrative Order No. 1 of December 16, 1977, the Alaska Gas Project
21 Office "to act on behalf of the Commission in order to expeditiously and yet
22 comprehensively gather the necessary information of which the Commission must
23 be cognizant before it can intelligently analyze and rule upon future appli-
24 cations for permanent certification.... In performing these functions, the
25 Director shall have the authority to meet with all relevant entities and
26 groups....";

27 BE IT RESOLVED by the Alaska State Legislature that the Alaska Gas Pro-
28 ject Office of the Federal Energy Regulatory Commission is respectfully re-
29 quested to schedule hearings on socio-economic impacts in Alaskan communities

1 this year, especially in those located on or near the proposed route.

2 COPIES of this resolution shall be sent to the Federal Energy Regulatory
3 Commission; the Alaska Gas Project Office; and to the Honorable Ted Stevens
4 and the Honorable Mike Gravel, U. S. Senators, and the Honorable Don Young,
5 U. S. Representative, members of the Alaska delegation in Congress.

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Original sponsor: Commerce Committee

Offered: 5/5/78
Referred: Rules

1 IN THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 664 (Judiciary)

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 the practice of optometry."

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

8 * Section 1. AS 08.72.300(2) and (3) are amended to read:

9 (2) "optometry" is the employment of means or methods [,
10 OTHER THAN THE USE OF DRUGS,] for the diagnosis of an optical deficiency
11 or deformity, visual or muscular anomaly of the human eye, or the pre-
12 scription or application of lenses, prisms or ocular exercises for the
13 correction or relief of the human eye;

14 (3) "practicing optometry" means the diagnosis [, BY MEANS OR
15 METHODS OTHER THAN THE USE OF DRUGS,] of an optical deficiency or defor-
16 mity, visual or muscular anomaly of the human eye, or the prescription
17 of lenses, prisms or ocular exercises for the correction or relief of
18 the human eye, or the holding of oneself out as being able to do so;

19 * Sec. 2. AS 08.72 is amended by adding a new section to read:

20 Sec. 08.72.305. USE OF DRUGS FOR DIAGNOSIS. (a) No person prac-
21 ticing optometry may use drugs for diagnostic purposes unless he has

22 (1) passed the board's examination on the subject of pharma-
23 cology as it relates to optometry and the use of topically applied
24 drugs; and

25 (2) completed courses and clinical experience approved by the
26 board and offered by a recognized and accredited school or college of
27 optometry and passed an examination, given by that school or college,
28 which relates to topical application of drugs to the eye, including
29 proper responses to reactions which may result from topical application

1 of drugs to the eye.

2 (b) No person practicing optometry may administer drugs except for
3 recognition of pathology and diagnosis of a vision anomaly.

4 (c) Topical anesthetics, mydriatics, and cycloplegics may be used
5 by a person practicing optometry under conditions approved by the board;
6 the board may authorize the use of myotics for emergency purposes only.

7 * Sec. 3. AS 08.72.020 is amended to read:

8 Sec. 08.72.020. MEMBERSHIP OF BOARD AND TERMS OF OFFICE. The
9 board consists of five persons, appointed by the governor. Members
10 serve staggered terms of three years. [THE TERMS OF THE PUBLIC MEMBERS
11 OF THE BOARD SHALL BE SET SO THAT THEY DO NOT EXPIRE AT THE SAME TIME.]

12 * Sec. 4. AS 08.72.040 is amended to read:

13 Sec. 08.72.040. QUALIFICATIONS. Three board members shall be
14 licensed, practicing optometrists who have been residents for at least
15 three years. One shall be a licensed physician, board certified in
16 ophthalmology. One shall be a person who has [TWO SHALL BE PERSONS WHO
17 HAVE] no direct financial interest in the health care industry.

7HB 854

February 17, 1978

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

Under authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill extensively amending and updating AS 38.05.180, Oil and Gas Leasing.

I am pleased to present for your consideration this major piece of legislation dealing with Alaska's energy future. Not since statehood has the legislature addressed itself to determining how best to lease our petroleum land. Conditions have changed dramatically since then, both for the petroleum industry and the state, and it is time to make such a reappraisal.

The proposed changes will update the leasing law to provide increased public control over exploration, development, and production from state land, obtain a fair return from our non-renewable resources, and, at the same time, provide land from which explorers may find new energy supplies.

How Alaska leases its oil and gas lands will in large part determine our continuing relationship with the oil industry. Many of the problems we now confront in determining the state's fair share of the Prudhoe field could certainly best have been resolved at the time the initial leases were offered by the state. This legislation would make that more likely in the future.

As you are aware, Congress is presently debating a new law covering federal oil and gas leasing on the

Outer Continental Shelf. As you are also aware, much of the attractive OCS land is directly adjacent to Alaska's three-mile offshore land. For this reason, my proposed legislation attempts to be as inclusive as the federal OCS legislation, but more workable, and thus, hopefully, more acceptable to the oil and gas industry.

This legislation is designed to accomplish a number of important state objectives. First, it requires state land to be offered competitively under any of several new leasing methods, including bidding by royalty, sliding royalty net profits and work commitment or a combination of any of these methods. Under certain circumstances, land may be offered on a noncompetitive basis.

Second, it reduces the length of the term of a lease from ten years to five years, to assure that exploration begins promptly once state land is leased.

Under certain severe environmental conditions a lease may be for a longer period, but not to exceed ten years.

Third, the legislation increases rentals, including those on shut-in fields, to increase incentives to explore and produce oil and gas fields.

Fourth, the bill grants to the state the right to purchase up to 16 2/3 per cent of the oil and 100 per cent of the natural gas or gas products from the lease, thereby protecting sale commitment of royalty oil and gas in the event the state's royalty is reduced on marginal fields.

Fifth, it reduces the acreage limitation on state uplands so that more companies will have an opportunity to participate in exploring in Alaska and, for the same reason, it allows the state to restrict joint bidding by major or international oil companies.

Finally, the legislation provides that the executive branch will file two reports with the legislature each year. One will outline the state's leasing program for the forthcoming five years. The other will explain the leasing methods used or to be used. I have chosen this method of informing the legislature and the public because I believe there is a need to create as much certainty in leasing policies and procedures as possible. Requiring a five-year state

The Honorable Hugh Malone
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leasing program to be made public will, I believe, lead stability and predictability to the petroleum exploration business in Alaska and will also raise the level of consciousness of the citizens of Alaska about the workings of the oil business. I can think of no better way to the information the legislature and the public than to report on a regular basis what land will be made available for oil and gas leasing and by which of several leasing methods the state proposes to offer that land.

The second report will note which leasing methods were used during the preceding year and which methods are proposed to be used in the coming year. Hopefully, enough explanation as to why one method was chosen over another will help educate us all. Although this places an increased burden on those chosen to make these day-to-day decisions, I think it appropriate to use this public accounting procedure for all subsequent state oil and gas lease sales.

Through your leadership, the legislature and my Department of Natural Resources have worked together in an effort to find a solution to Alaska's future leasing policy.

The legislature's action in commissioning Dr. Mason Gaffney's study last year and the subsequent work by the department has paid dividends in developing our understanding of the options available to the state. I wish to thank you for your foresight and cooperation in this most important matter.

Sincerely,

Jay S. Hammond
Governor

THE LEGISLATURE OF THE STATE OF ALASKA
TENTH LEGISLATURE

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HOUSE BILL NO. 354
 Title Leasing and exploration of state land for oil and gas development
 Requested by Governor Date _____

II. FISCAL DETAIL
 Agency Affected Department of Natural Resources
 Program Category Affected _____
 Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL						

FUNDING (Thousands of Dollars)

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 78	FY 79	FY 80	FY 81	FY 82	FY 83
FULL TIME	0	0	0	0	0	0
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
 Existing administrative staff are capable of evaluating and carrying out lease sales under any of the proposed leasing methods within the reporting period unless the number and volume of sales is significantly larger than expected. Should net profits or a post-discovery type leasing method be used by the State, prior to production some auditing and/or assessing functions will have to be increased. However, some of these services are now being performed by Department of Revenue personnel in reserves tax assessing, and by 1983, or thereabouts and beyond, when the impact of production is felt, may be interchangeable with Natural Resources personnel.

IV. DATE February 6, 1978 PREPARED BY Jack Roderick
 AGENCY Commissioner's Office, Dept. of Nat. Resources
 PHONE 279-5577
 Original: Legislative Finance
 cc: Budget and Management
 . Prime Sponsor (First Legislator Named)