

HOUSE BILL NO. 264

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE RAMRAS

Introduced: 1/19/10

Referred: Community and Regional Affairs, Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the right-of-way for, and a state property tax exemption concerning,**
2 **a pipeline transporting oil produced on the outer continental shelf to an established**
3 **pipeline in the state."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 *** Section 1.** AS 38.35.015 is amended to read:

6 **Sec. 38.35.015. Powers of the commissioner.** The commissioner has all
7 powers necessary and proper to implement the policy, purposes, and provisions of this
8 chapter, so as to subserve, as the exercise of reasoned discretion determines, the public
9 interest, convenience, and necessity, including but not limited to

10 (1) granting leases of state land for pipeline right-of-way purposes;

11 (2) leasing, purchasing, or otherwise acquiring (including condemning
12 by declaration of taking) easements or other interests in land in this state for the
13 purpose of utilizing or granting leases of the land, easements, or interests for pipeline
14 right-of-way purposes;

1 (3) purchasing interests in pipelines in accordance with options
2 included in right-of-way leases;

3 (4) investigating any matters concerning any lessee with a view to
4 assuring compliance by it with its right-of-way lease, this chapter, and any other
5 applicable state or federal law;

6 (5) developing from time to time and maintaining a comprehensive
7 master plan for pipeline transportation development;

8 (6) developing and promoting programs to foster efficient, economical,
9 and safe pipeline transportation services in the state;

10 (7) coordinating the activities of the commissioner under this chapter
11 with the transportation and other relevant activities of other public agencies and
12 authorities;

13 (8) constructing, extending, enlarging, improving, repairing, acquiring,
14 operating, or engaging in transportation, service, or sale by any pipeline or providing
15 for these by contract, lease, or other arrangement on those terms that the commissioner
16 may consider necessary, convenient, or desirable with any agency, corporation, or
17 person, including but not limited to any carrier or any state agency, when the
18 commissioner determines that a lessee carrier is not willing to undertake and complete
19 the action within a reasonable time, and to sell, lease, grant, and dispose of any
20 property constructed or acquired in the exercise of this power;

21 **(9) expediting the review of and taking action on a right-of-way**
22 **application for the construction and operation of an oil pipeline in the state for**
23 **transporting oil produced on the outer continental shelf to an oil pipeline system**
24 **in the state that was in existence on January 1, 2010.**

25 * **Sec. 2.** AS 43.56.020(b) is amended to read:

26 (b) There is exempt from state taxes levied or authorized under
27 AS 43.56.010(a),

28 **(1)** before the construction commencement date, property that is
29 committed by contract or other agreement for use in this state primarily for the
30 production or pipeline transportation of gas or unrefined oil, or in the operation or
31 maintenance of facilities for the production or pipeline transportation of gas or

1 unrefined oil; and

2 (2) for 20 tax years immediately following commencement of
3 commercial operations, the real and personal property used or committed by
4 contract or other agreement for use in the state for the pipeline transportation of
5 unrefined oil produced on the outer continental shelf to an oil pipeline system in
6 the state that was in existence on January 1, 2010; in this paragraph,
7 "commencement of commercial operations" means the first flow of oil in the oil
8 pipeline that generates revenue to the owners.

9 * **Sec. 3.** AS 43.56.020 is amended by adding a new subsection to read:

10 (d) The real and personal property exempt from state taxes under (b)(2) of this
11 section is not exempt from local taxes levied or authorized under AS 29.45.080 and
12 AS 43.56.010(b). A tax paid to a municipality for the real and personal property
13 exempt from state taxes under (b)(2) of this section may be credited against the tax
14 levied under AS 43.56.010(a) in the manner provided for municipal taxes paid on
15 taxable property under AS 43.56.010(d).