

HOUSE BILL NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE MCKAY

**Introduced:
Referred:**

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to appeals of administrative decisions related to oil or gas; establishing**
2 **an oil and gas production working group; and providing for an effective date."**

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

4 * **Section 1.** AS 22.10.020(d) is amended to read:

5 (d) The superior court has jurisdiction in all matters appealed to it from a
6 subordinate court, or administrative agency when appeal is provided by law, and has
7 jurisdiction over petitions for relief in administrative matters under AS 44.62.305. The
8 hearings on appeal from a final order or judgment of a subordinate court or
9 administrative agency, except

10 **(1)** an appeal under AS 43.05.242, shall be on the record unless the
11 superior court, in its discretion, grants a trial de novo, in whole or in part; [. THE]
12 hearings on appeal from a final order or judgment under AS 43.05.242 shall be on the
13 record; **and**

14 **(2) a hearing under (j) of this section shall be de novo.**

1 * **Sec. 2.** AS 22.10.020 is amended by adding a new subsection to read:

2 (j) A person who is dissatisfied with the disposition of an administrative
3 matter related to oil or gas may appeal to the superior court. The questions reviewed
4 on appeal are limited to the questions presented in the administrative matter.

5 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
6 read:

7 **OIL AND GAS PRODUCTION WORKING GROUP.** (a) The oil and gas production
8 working group is established in the legislature to determine methods to increase oil and gas
9 exploration and production in the state, including methods to

10 (1) ensure state-owned seismic data is public and easily accessible;

11 (2) require applicable state departments and agencies to meet regularly with
12 oil and gas lease owners and oil and gas producers and explorers to develop recommendations
13 to increase oil and gas exploration and production in the state;

14 (3) require the state departments and agencies participating in meetings
15 described in (2) of this subsection to prepare reports to the legislature on the meetings that
16 include recommendations developed as a result of the meetings;

17 (4) reduce bonding costs for new wells;

18 (5) reduce oil, gas, and oil and gas lease costs;

19 (6) determine whether funds in the oil and hazardous substance release
20 prevention and response fund (AS 46.08.010) could be used to offset the bonding costs
21 described in (4) of this subsection;

22 (7) streamline contingency plans for oil spills;

23 (8) allow the Department of Environmental Conservation to act as first
24 responders when there is an oil or gas emergency or spill;

25 (9) replace the use of computer-based air quality modeling with actual air
26 quality measurements in the air quality permitting process within the Department of
27 Environmental Conservation;

28 (10) limit the involvement of the Alaska Oil and Gas Conservation
29 Commission in the engineering and operation of oil and gas wells;

30 (11) reduce the time between the time of initial investment and oil production;

31 (12) reduce duplication of state work related to oil and gas, including

1 evaluating whether a single state agency may be responsible for all oil and gas-related tasks;

2 (13) reduce environmental restrictions that impede oil and gas activities;

3 (14) export liquefied natural gas directly from the state; and

4 (15) restructure the process for appeals of administrative decisions related to
5 oil and gas exploration and production.

6 (b) The working group shall recommend changes to the legislature before the
7 beginning of the Second Regular Session of the Thirty-Third Alaska State Legislature for
8 consideration during that session. The working group shall submit the recommendations in a
9 report to the chief clerk of the house of representatives and the senate secretary and notify the
10 legislature that the report is available.

11 (c) The working group consists of

12 (1) two members of the House Resources Committee appointed by the speaker
13 of the house of representatives, one of whom is a member of the majority caucus, and one of
14 whom is a member of the minority caucus;

15 (2) two members of the Senate Resources Committee appointed by the
16 president of the senate, one of whom is a member of the majority caucus, and one of whom is
17 a member of the minority caucus;

18 (3) the commissioner of natural resources, or the commissioner's designee;

19 (4) the commissioner of revenue, or the commissioner's designee;

20 (5) the commissioner of environmental conservation, or the commissioner's
21 designee;

22 (6) one commissioner of the Alaska Oil and Gas Conservation Commission,
23 appointed by the governor.

24 (d) The working group shall select a chair from among the members of the working
25 group.

26 (e) The working group terminates the day after the working group delivers the report
27 described in (b) of this section.

28 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).