

ALASKA STATE LEGISLATURE

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HOUSE SPECIAL COMMITTEE ON OIL & GAS

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Legislation Proposed to Strengthen Protection **of Property Rights and Water Supplies** **“Property Rights Protection Act” and** **“Water Supply Protection Act” to be filed**

(WASILLA) – Rep. Vic Kohring (R-Wasilla/Mat-Su), Chairman of the House Oil & Gas Committee, announced the Committee will promote legislation during the 2004 session to strengthen existing private property rights and water protections pertaining to shallow natural gas exploration and development.

The proposed *Property Rights Protection Act* reinforces that developers of shallow natural gas (SNG) may not trespass or enter upon a person's property without adequate notice and consultation. It also requires that a "surface use agreement" be negotiated in good faith that is acceptable to property owners. The Committee will also explore additional protections for property owners subject to constitutional limitations. "The goal is to ensure the maximum rights and protections of private property owners, which has always been a high priority of mine," said Kohring.

In addition, the Act will make it clear that local regulations of SNG are already currently allowed under House Bill 69, and that the State may override them only if they constitute a "taking" of a state interest and/or are in violation of Alaska's Constitution. "There has been some confusion as to the role of the State under existing law, so this Act will make it clear that reasonable local regulations are already permitted. However, Alaska's Constitution prevents local governments from barring the State from developing the State's oil and gas resources," said Kohring.

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Finally, the Act will propose amendments to the State's SNG leasing program including allowing for additional public notice and comments.

The proposed ***Water Supply Protection Act*** will provide the necessary language making it clear that water supplies will be protected from SNG development. "Despite Alaska's existing strong water protection regulations, there remain concerns that water supplies could still be threatened by SNG development. This statute will provide language making it clear that the State is required to protect water supplies from such development," according to Kohring.

The Oil and Gas Committee intends to complement the current thorough review of SNG laws by the Alaska Departments of Natural Resources and Environmental Conservation, and the Alaska Oil & Gas Conservation Commission. "Shallow natural gas is a new industry and new concerns have been raised. This legislation will address them while the industry is still in its early years," said Kohring.

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