S T A T E O F N E W Y O R K

7219

2011-2012 Regular Sessions

I N A S S E M B L Y

April 19, 2011

Introduced by M. of A. CROUCH -- read once and referred to the Committee on Environmental Conservation

AN ACT to amend the environmental conservation law, in relation to bids for oil and gas production leases on state lands

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision 4 of section 23-1101 of the environmental conservation law, as amended by chapter 707 of the laws of 1974 and as renumbered by chapter 722 of the laws of 1977, is amended to read as follows:

4. Any such oil, gas, or oil and gas lease or leases made and granted pursuant to this section shall be awarded [to the highest responsible bidder], after advertisement for sealed bids, TO THE BEST RESPONSIBLE BIDDER AS THE DEPARTMENT DETERMINES AFTER CONSIDERING BIDS WHICH SHALL INCLUDE BOTH A LEASE PAYMENT AMOUNT AND A ROYALTY PAYMENT AMOUNT. Such advertisements for bids shall be published in the official newspaper or newspapers, if any, or otherwise in a newspaper or newspapers designated for such purpose. Such advertisement shall contain a statement of the time and place where all bids received pursuant to such notice will be publicly opened and read. All bids received shall be publicly opened and read at the time and place specified. At least thirty days shall elapse between the first publication of such advertisement and the date specified for the opening and reading of bids. Bids shall be submitted on forms provided by the department, which forms shall indicate the method or methods for computing compensation to the state for the lease, INCLUDING A SEPARATE COMPONENT FOR LEASE PAYMENTS AND ROYALTY PAYMENTS, and shall contain such other directions as may be appropriate to secure comparability of bids submitted for any given lease. The department, in its discretion, shall determine the highest bid after taking into consideration the anticipated compensation to be returned to the state under any such lease by way of royalty payments, delayed lease rental

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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payments, bonuses or other compensation or consideration, or by a combination of any or all of the same. In cases where two or more responsible bidders submit identical bids, the department in its discretion, may award the lease involved to any of such bidders. The department in its discretion, may also reject any or all bids and readvertise for new bids. The department may disallow any bid if the bidder upon request fails to furnish satisfactory evidence of responsibility.

S 2. This act shall take effect on the one hundred twentieth day after it shall have become a law. Effective immediately, the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date is authorized to be made on or before such effective date.