

AMENDMENT

OFFERED IN THE SENATE

TO: CSSB 192(RES), Draft Version "B"

1 Page 1, line 1, following "tax;":

2 Insert "**relating to participation by the Alaska Industrial Development and Export**
3 **Authority in the development of oil and gas resources in the state;**"

4
5 Page 2, following line 5:

6 Insert new bill sections to read:

7 "*** Sec. 2.** AS 44.88.080 is amended by adding a new paragraph to read:

8 (32) to acquire an interest in a project as necessary or appropriate to
9 provide working or venture capital for an oil or natural gas development project under
10 AS 44.88.650 - 44.88.660, whether by purchase, gift, or lease;

11 *** Sec. 3.** AS 44.88 is amended by adding new sections to read:

12 **Sec. 44.88.650. Acquisition of interest in businesses.** (a) The authority may
13 acquire, through purchase or other means, an interest in an in-state asset of a
14 corporation or other business entity that has a lease interest in an oil or natural gas
15 field in the state that has been explored, but only if the authority determines the
16 leaseholder has made reasonable efforts to obtain financing from the private sector to
17 develop the lease and those efforts have, in whole or part, been unsuccessful. The
18 authority shall exercise due diligence in acquiring an interest in an in-state asset of a
19 business entity under this section.

20 (b) If the authority acquires an interest in an in-state asset of a business entity
21 under this section, the authority may use the authority's assets, as appropriate, to aid in
22 the development of the oil or natural gas field in which the business entity has a lease
23 interest.

1 **Sec. 44.88.660. Alaska resource development fund.** (a) The Alaska resource
 2 development fund is established in the authority for the purpose of developing oil and
 3 gas resources, and consists of appropriations to the fund. The authority shall manage
 4 the fund and may create separate accounts within it. Income of the fund or of
 5 enterprises of the authority shall be separately accounted for and may be appropriated
 6 to the fund.

7 (b) The authority may use money from the fund to carry out the fund's
 8 purposes set out in (a) of this section.

9 * **Sec. 4.** AS 44.88.900(9) is amended to read:

10 (9) "project" means

11 (A) a plant or facility used or intended for use in connection
 12 with making, processing, preparing, transporting, or producing in any manner,
 13 goods, products, or substances of any kind or nature or in connection with
 14 developing or utilizing a natural resource, or extracting, smelting, transporting,
 15 converting, assembling, or producing in any manner, minerals, raw materials,
 16 chemicals, compounds, alloys, fibers, commodities and materials, products, or
 17 substances of any kind or nature;

18 (B) a plant or facility used or intended for use in connection
 19 with a business enterprise;

20 (C) commercial activity by a business enterprise;

21 (D) a plant or facility demonstrating technological advances of
 22 new methods and procedures and prototype commercial applications for the
 23 exploration, development, production, transportation, conversion, and use of
 24 energy resources;

25 (E) infrastructure for a new tourism destination facility or for
 26 the expansion of a tourism destination facility; in this subparagraph, "tourism
 27 destination facility" does not include a hotel or other overnight lodging facility;

28 (F) a plant or facility, other than a plant or facility described in
 29 (D) of this paragraph, for the generation, transmission, development,
 30 transportation, conversion, or use of energy resources;

31 (G) a plant or facility that enhances, provides for, or promotes

1 economic development with respect to transportation, communications,
 2 community public purposes, technical innovations, prototype commercial
 3 applications of intellectual property, or research;

4 (H) a plant or facility used or intended for use as a federal
 5 facility, including a United States military, national guard, or coast guard
 6 facility;

7 **(I) development of an oil and gas lease by providing**
 8 **working or venture capital in exchange for an equity interest;**

9 * **Sec. 5.** The uncoded law of the State of Alaska is amended by adding a new section to
 10 read:

11 ANALYSIS AND REPORT ON ALASKA RESIDENT INVESTMENT PROGRAM.
 12 The Alaska Industrial Development and Export Authority shall research the possibility of
 13 creating a program through which a resident of the state could invest the resident's permanent
 14 fund dividend or other funds in an in-state oil or gas asset acquired by the authority under
 15 AS 44.88.650 and report its findings to the legislature on December 31, 2012."

16
 17 Renumber the following bill section accordingly.

18
 19 Page 2, line 6:

20 Delete "This"

21 Insert "Section 1 of this"