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Memo

S Fin CS SB 138 version 28-GS-2806\R

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Revision 2

By: Bruce Campbell

Summary of Proposed Changes

From Senate Finance CS for CCSB 138 (RES) Work Draft \Y to Work Draft \R

Title

Significantly shorter title, per instructions from Senate Finance Committee.

Intent

Intent language at the beginning of the bill is removed. (Amendment #9, Kelly)

AGDC Sections

Page 2, line 23

Changes the term "benefit" to "maximum benefit". (Amendment #8, Administration)

Page 4:

Removes an amendment which would have prohibited DNR and DOR commissioners from being appointed to the AGDC board of directors (formerly Section 4). (Fairclough Amendment #10) (AGDC board is not changed.)

Page 4, lines 24-27

Adds language requiring the AGDC board to appoint a program director for an AK LNG project. The director serves at the pleasure of the board, and reports to the executive director and the board. (Amendment #6, Administration)

Page 7, lines 15-19

Adds language enabling AGDC to enter into contracts relating to an AK LNG project, but only after consulting with the DNR and DOR commissioners. Outlines some of the contracts AGDC can enter into. (Amendment #7, Administration)

DOR Sections

Page 24, lines 20-23

Restores a reporting requirement inadvertently left out the prior version; the reporting requirement is in existing statute and is not new to SB 138. (Technical revision)

Page 24, line 26 Removes "REPEALED" phrase that was a drafting error in the prior version (Technical revision)

Page 26, lines 7-11 Restores a new subsection (k) to 43.05.230, confidentiality of taxpayer information, that was mistakenly left out of the prior version. The new subsection was originally in SB 138. The language makes public the name of each entity that elects to pay production tax with gas, and the amount of gas produced from each lease that an election applies to. (Technical revision)

Tax Sections

Page 26 Removes two sections in the prior version that were close duplicates. The former Sections 33 and 34 amended the sales apportionment factor involved in calculating corporate income tax. The Administration may seek to add this language again, but is not prepared to do so at this time. (Administration / Technical revision)

Uncodified Sections

Page 52, line 25 to Page 53, line 8 Adds a new section to uncodified law prohibiting a public officer of the state who participated substantially in contract negotiations under AS 38.05.020(b)(11), related to an Alaska LNG project from working for or receiving compensation from another party, or affiliate of a party, to those contracts, for three years. (Olson Amendment #3)

Technical Sections

Page 55, lines 29-31 Amends effective dates based on section renumbering.

BWC/RD