

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 2, line 14, following "**project**";

2 Insert "**relating to the duties of the Oil and Gas Competitiveness Review Board**;"

3

4 Page 53, following line 13:

5 Insert a new bill section to read:

6 "*** Sec. 57.** AS 43.98.050 is amended to read:

7 **Sec. 43.98.050. Duties.** The duties of the board include the following:

8 (1) establish and maintain a salient collection of information related to
9 oil and gas exploration, development, and production in the state and related to tax
10 structures, rates, and credits in other regions with oil and gas resources;

11 (2) review historical, current, and potential levels of investment in the
12 state's oil and gas sector;

13 (3) identify factors that affect investment in oil and gas exploration,
14 development, and production in the state, including tax structure, rates, and credits;
15 royalty requirements; infrastructure; workforce availability; and regulatory
16 requirements;

17 (4) review the competitive position of the state to attract and maintain
18 investment in the oil and gas sector in the state as compared to the competitive
19 position of other regions with oil and gas resources;

20 (5) in order to facilitate the work of the board, establish procedures to
21 accept and keep confidential information that is beneficial to the work of the board,
22 including the creation of a secure data room and confidentiality agreements to be
23 signed by individuals having access to confidential information;

1 (6) make written findings and recommendations to the Alaska State
2 Legislature before

3 (A) January 31, 2015, or as soon thereafter as practicable,
4 regarding

5 (i) changes to the state's regulatory environment and
6 permitting structure that would be conducive to encouraging increased
7 investment while protecting the interests of the people of the state and
8 the environment;

9 (ii) the status of the oil and gas industry labor pool in
10 the state and the effectiveness of workforce development efforts by the
11 state;

12 (iii) the status of the oil-and-gas-related infrastructure of
13 the state, including a description of infrastructure deficiencies; and

14 (iv) the competitiveness of the state's fiscal oil and gas
15 tax regime when compared to other regions of the world;

16 (B) **January 15, 2017, regarding**

17 (i) **the state's tax structure and rates on oil and gas**
18 **produced south of 68 degrees North latitude;**

19 (ii) **a tax structure that takes into account the unique**
20 **economic circumstances for each oil and gas producing area south**
21 **of 68 degrees North latitude;**

22 (iii) **a reduction in the gross value at the point of**
23 **production for oil and gas produced south of 68 degrees North**
24 **latitude that is similar to the reduction in gross value at the point of**
25 **production in AS 43.55.160(f) and (g);**

26 (iv) **other incentives for oil and gas production south**
27 **of 68 degrees North latitude;**

28 (C) January 31, 2021, or as soon thereafter as practicable,
29 regarding

30 (i) changes to the state's fiscal regime that would be
31 conducive to increased and ongoing long-term investment in and

1 development of the state's oil and gas resources;
2 (ii) alternative means for increasing the state's ability to
3 attract and maintain investment in and development of the state's oil
4 and gas resources; and
5 (iii) a review of the current effectiveness and future
6 value of any provisions of the state's oil and gas tax laws that are
7 expiring in the next five years."
8

9 Renumber the following bill sections accordingly.

10

11 Page 56, line 6:

12 Delete "61"

13 Insert "62"

14

15 Page 56, line 9:

16 Delete "secs. 62 and 63"

17 Insert "secs. 63 and 64"