

passed

28-GS2806LA.29
Nauman/Bullock
4/2/14

AMENDMENT

#1

Feigle

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 1, line 1:

2 Delete "purposes, powers, and duties of the"

3

4 Page 4, following line 11:

5 Insert a new bill section to read:

6 "** Sec. 3. AS 31.25.020(a) is amended to read:

7 (a) The corporation shall be governed by a board of directors consisting of

8 (1) five public members; and

9 (2) two individuals designated by the governor that are each the head

10 of a principal department of the state, except that the commissioner of natural
11 resources and the commissioner of revenue may not be designated to serve on the

12 board [UNLESS THE PROJECT FOR WHICH A LICENSE IS ISSUED UNDER
13 AS 43.90 HAS BEEN ABANDONED OR IS NO LONGER RECEIVING THE

14 INDUCEMENTS IN AS 43.90.110(a) OR THE COMMISSIONER OF NATURAL
15 RESOURCES AND THE COMMISSIONER OF REVENUE ARE NO LONGER

16 SIGNATORIES ON A VALID CONTRACT UNDER AS 43.90]."

17

18 Renumber the following bill sections accordingly.

19

20 Page 14, line 3:

21 Delete "sec. 14"

22 Insert "sec. 15"

23

- 1 Page 17, line 24:
- 2 Delete "sec. 17"
- 3 Insert "sec. 18"
- 4
- 5 Page 21, line 16:
- 6 Delete "sec. 27"
- 7 Insert "sec. 28"
- 8
- 9 Page 25, line 9:
- 10 Delete "sec. 30"
- 11 Insert "sec. 31"
- 12
- 13 Page 31, line 18:
- 14 Delete "sec. 37"
- 15 Insert "sec. 38"
- 16
- 17 Page 53, lines 24 - 25:
- 18 Delete "sec. 23"
- 19 Insert "sec. 24"
- 20
- 21 Page 54, line 25:
- 22 Delete "sec. 14"
- 23 Insert "sec. 15"
- 24
- 25 Page 56, line 6:
- 26 Delete "Sections 1 - 14, 16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
- 27 Insert "Sections 1 - 15, 17, 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
- 28
- 29 Page 56, line 8:
- 30 Delete "Section 38"
- 31 Insert "Section 39"

1

2 Page 56, line 9:

3 Delete "secs. 62 and 63"

4 Insert "secs. 63 and 64"

passed

28-GS2806\I.A.11
Bullock
4/1/14

AMENDMENT

#3

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 4, following line 11:

2 Insert a new bill section to read:

3 "* **Sec. 3.** AS 31.25.020 is amended by adding a new subsection to read:

4 (e) A public member appointed by the governor under (b) of this section shall
5 be a citizen of the United States. Notwithstanding AS 39.05.100, a person appointed
6 under (b) of this section is not required to be or have been a registered voter in the
7 state and is not required to reside in the state."
8

9 Renumber the following bill sections accordingly.
10

11 Page 14, line 3:

12 Delete "sec. 14"

13 Insert "sec. 15"
14

15 Page 17, line 24:

16 Delete "sec. 17"

17 Insert "sec. 18"
18

19 Page 21, line 16:

20 Delete "sec. 27"

21 Insert "sec. 28"
22

23 Page 25, line 9:

1 Delete "sec. 30"

2 Insert "sec. 31"

3

4 Page 31, line 18:

5 Delete "sec. 37"

6 Insert "sec. 38"

7

8 Page 53, lines 24 - 25:

9 Delete "sec. 23"

10 Insert "sec. 24"

11

12 Page 54, line 25:

13 Delete "sec. 14"

14 Insert "sec. 15"

15

16 Page 56, line 6:

17 Delete "Sections 1 - 14, 16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

18 Insert "Sections 1 - 15, 17, 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"

19

20 Page 56, line 8:

21 Delete "Section 38"

22 Insert "Section 39"

23

24 Page 56, line 9:

25 Delete "secs. 62 and 63"

26 Insert "secs. 63 and 64"

passed

28-GS2806V.A.48
Nauman/Bullock
4/2/14

AMENDMENT

#4

OFFERED IN THE HOUSE

BY REPRESENTATIVE HAWKER

TO: CSSB 138(FIN) am

- 1 Page 9, line 2, following "fund":
- 2 Insert "of the state"

as amended

passed

28-GS2806\I.A.67
Bullock
4/4/14

AMENDMENT

8

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 4, following line 24:

2 Insert new bill sections to read:

3 **"* Sec. 4.** AS 31.25.050 is amended to read: *a.*

4 **Sec. 31.25.050. Legal counsel.** Except as provided in (b) of this section, the
5 [THE] corporation shall retain legal counsel to advise the corporation in legal matters
6 and represent it in litigation.

7 *** Sec. 5.** AS 31.25.050 is amended by adding a new subsection to read:

8 (b) The attorney general shall

9 (1) be the legal counsel for the corporation for legal services related to
10 the development of contracts and agreements by the corporation that relate to an
11 Alaska liquefied natural gas project; and

12 (2) consult with the corporation when procuring outside counsel for
13 legal services related to an Alaska liquefied natural gas project."

14
15 Renumber the following bill sections accordingly.

16
17 Page 14, line 3:

18 Delete "sec. 14"

19 Insert "sec. 16"

20

21 Page 17, line 24:

22 Delete "sec. 17"

23 Insert "sec. 19"

*insert
for the Corporation*

1

2 Page 21, line 16:

3 Delete "sec. 27"

4 Insert "sec. 29"

5

6 Page 25, line 9:

7 Delete "sec. 30"

8 Insert "sec. 32"

9

10 Page 31, line 18:

11 Delete "sec. 37"

12 Insert "sec. 39"

13

14 Page 53, lines 24 - 25:

15 Delete "sec. 23"

16 Insert "sec. 25"

17

18 Page 54, line 25:

19 Delete "sec. 14"

20 Insert "sec. 16"

21

22 Page 56, line 6:

23 Delete "Sections 1 - 14, 16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

24 Insert "Sections 1 - 16, 18, 19, 25 - 29, 31, 32, 39, 41, and 57 - 63"

25

26 Page 56, line 8:

27 Delete "sec. 38"

28 Insert "sec. 40"

29

30 Page 56, line 9:

31 Delete "secs. 62 and 63"

1 Insert "secs. 64 and 65"

passed

28-GS2806\I.A.68
Bullock
4/4/14

AMENDMENT

#9

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

- 1 Page 30, lines 19 - 20:
- 2 Delete "upstream of the point of production of gas"
- 3 Insert "and, under AS 43.55.020(e), considered as gas produced from a lease or
- 4 property for the purpose of AS 43.55.011 - 43.55.180"
- 5
- 6 Page 30, line 21:
- 7 Delete "for"
- 8 Insert "in"
- 9
- 10 Page 30, line 22:
- 11 Delete "a reservoir"
- 12 Insert "and, under AS 43.55.020(e), considered as gas produced from a lease or
- 13 property for the purpose of AS 43.55.011 - 43.55.180"

passed

28-GS2806\I.A.71
Bullock
4/4/14

AMENDMENT

OFFERED IN THE HOUSE

#10

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 30, lines 12 - 17:

2 Delete all material and insert:

3 "(d) An assessment under AS 43.05.245 against a producer for an
4 underpayment of a tax levied by this section may be made in terms of an amount of
5 gas or an amount of money, as determined under regulations adopted by the
6 department. If the assessment is made in terms of money, the amount for a month of
7 production for an oil and gas lease subject to an effective election under (a) of this
8 section is the product of the number of units of gas by which the producer's delivery to
9 the state was less than the amount required by (b) of this section, multiplied by the
10 gross value at the point of production for each unit of the gas other than gas that was
11 not subject to tax or gas that was delivered to the state under (b) of this section. The
12 department may allow a credit or refund under AS 43.05.275 for an overpayment of a
13 tax levied by this section that may be issued in the form of gas or money, as
14 determined under regulations adopted by the department. If the refund is allowed in
15 terms of money, the amount of the credit or refund for a month of production for an oil
16 and gas lease subject to an effective election under (a) of this section is the product of
17 the number of units of gas by which the producer's delivery to the state was more than
18 the amount required under (b) of this section, multiplied by the gross value at the point
19 of production for each unit of the gas other than gas that was not subject to tax or gas
20 that was delivered to the state under (b) of this section. Interest that is determined as a
21 percentage of the amount of a tax underpayment or overpayment and a penalty that is
22 a percentage of the amount of a tax underpayment are calculated as a percentage of the
23 amount of money determined in this subsection. An amount of gas that was less than

1 the amount required to be delivered to the state under (b) of this section or an amount
2 of gas that was more than the amount required to be delivered to the state under (b) of
3 this section that is adjusted as provided by a gas balancing agreement to which the
4 state is a party under AS 38.05.020(b)(11) is not subject to assessment under
5 AS 43.05.245 or a credit or refund under AS 43.05.275. In this subsection, "unit"
6 means a unit of measurement for gas identified by the department under regulations
7 adopted by the department and may be expressed as 1,000 cubic feet, 1,000,000
8 British thermal units, or another appropriate unit of measurement specified by the
9 department under regulations adopted by the department."

passed

28-GS2806\I.A.72
Bullock
4/4/14

AMENDMENT

11

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 47, line 23:

2 Delete "oil or gas"

3 Insert "oil and gas"

4

5 Page 48, line 1:

6 Delete "oil or gas"

7 Insert "oil and gas"

8

9 Page 48, lines 2 - 3:

10 Delete "oil or gas"

11 Insert "oil and gas"

12

13 Page 48, lines 8 - 9:

14 Delete "oil or gas"

15 Insert "oil and gas"

16

17 Page 48, line 17:

18 Delete "oil or gas"

19 Insert "oil and gas"

20

21 Page 48, line 18:

22 Delete "oil or gas"

23 Insert "oil and gas"

passed

28-GS2806\I.A.73
Bullock
4/4/14

AMENDMENT

#12

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 52, line 15, following "transporting":

2 Insert "the"

3

4 Page 52, line 19, following "gas":

5 Insert "after completion of mechanical separation"

6

7 Page 52, line 21:

8 Delete "gas"

9 Insert "the gas after mechanical separation"

10

11 Page 52, line 24:

12 Following "the":

13 Insert "gas processing"

14 Following "pipeline":

15 Insert "downstream of the gas processing plant"

16

17 Page 52, line 25, following "system":

18 Insert "downstream of the gas processing plant"

19

20 Page 52, line 26, following "transporting":

21 Insert "the"

passed

28-GS2806\I.A.74
Bullock
4/4/14

AMENDMENT

#13

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 13, line 28, following "confidential":

2 Insert "and must be made available to the public at least 90 days before the
3 proposed effective date for the terms"

4

5 Page 13, following line 31:

6 Insert a new paragraph to read:

7 "(13) consult with the Alaska Gasline Development Corporation in
8 the development of agreements or contracts under (10) or (11) of this subsection
9 for project services related to a gas treatment plant, pipeline, liquefaction facility,
10 marine terminal, or marine transportation services necessary to transport
11 natural gas to market;"

12

13 Renumber the following paragraph accordingly.

14

15 Page 15, line 22, following "confidential":

16 Insert "and must be made available to the public at least 90 days before the proposed
17 effective date for the terms"

18

19 Page 15, following line 25:

20 Insert a new paragraph to read:

21 "(13) consult with the Alaska Gasline Development Corporation in the
22 development of agreements or contracts under (10) or (11) of this subsection for
23 project services related to a gas treatment plant, pipeline, liquefaction facility, marine

1 terminal, or marine transportation services necessary to transport natural gas to
2 market;"

3

4 Renumber the following paragraphs accordingly.

5

6 Page 30, line 10:

7 Delete "AS 38.05.020(b)(13)"

8 Insert "AS 38.05.023(b)(14)"

Passed -
as amended

28-GS2806 I.A.80
Nauman/Bullock
4/4/14

AMENDMENT

#14

Feigl

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 13, line 30:

2 Delete "the legislature only"

3 Insert "members of the legislature under confidentiality agreements, either"

4

5 Page 13, line 31:

6 Delete "under confidentiality agreements":

7 Insert "with any member of the legislature individually"

8

9 Page 15, line 24:

10 Delete "the legislature only"

11 Insert "members of the legislature under confidentiality agreements, either"

12

13 Page 15, line 25:

14 Delete "under confidentiality agreements":

15 Insert "with any member of the legislature individually"

and then respective
agents & contractors
on request

Conform language
to the remainder
of the amendment

passed
as amended

28-GS2806\I.A.81
Nauman/Bullock
4/4/14

AMENDMENT

#15

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

match
A0269 Duties &
Respon.
Language
EXACTLY

1 Page 53, line 18, following "BOARD.":

2 Insert "(a)"

3

4 Page 53, line 20, following "project.":

5 Insert "The board shall review available information, hold public meetings, and
6 provide to the governor by December 15 of each year annual reports that

7 (1) review the potential effects and benefits of new infrastructure for North
8 Slope natural gas development, whether designed to provide natural gas for in-state sale or for
9 export, or both, on communities in the state, including consideration of tax structure under
10 AS 29.45 and AS 43.56, and consideration of other payments before construction of new
11 infrastructure associated with North Slope natural gas development;

12 (2) provide recommendations for changes to the oil and gas exploration,
13 production, and pipeline transportation property taxes under AS 43.56 related to infrastructure
14 for commercialization of natural gas that would facilitate development of a major natural gas
15 project and mitigate financial effects on communities from development of a North Slope
16 natural gas project;

17 (3) provide recommendations for changes to AS 29.45.080 related to the
18 commercialization of natural gas that would facilitate development of a North Slope natural
19 gas project and mitigate financial effects on communities from a North Slope natural gas
20 project;

21 (4) provide recommendations for legislative or other options to minimize the
22 financial effects on communities in proximity to North Slope natural gas project infrastructure
23 during construction of a natural gas pipeline and associated infrastructure; and

- 1 (5) provide recommendations on the effects on and benefits to communities
- 2 not in proximity to a North Slope natural gas project.
- 3 (b)"

A 0

the Denali Borough, the Matanuska-Susitna Borough, the Municipality of Anchorage, and the Kenai Peninsula Borough;

5. One member of an organization representing the interest of municipalities in the state, regardless of where that person resides in the state; and
6. Two members of the public in the state who do not reside in the North Slope Borough, the Fairbanks North Star Borough, the Denali Borough, the Matanuska-Susitna Borough, the Municipality of Anchorage, or the Kenai Peninsula Borough.

The Commissioner of the Department of Revenue or the Commissioner's designee serves as the chair of the Municipal Advisory Gas Project Review Board.

DUTIES AND RESPONSIBILITIES

The Municipal Advisory Gas Project Review Board shall review available information, hold public meetings and, provide annual reports by December 15 of each year to the Governor that include:

1. The potential impact and benefits of new infrastructure for North Slope natural gas development, whether designed to provide natural gas for in-state sale or for export, or both, on communities in the state, including consideration of tax structure under AS 29.45 and AS 43.56, and consideration of other payments before construction of new infrastructure associated with North Slope natural gas development;
2. Recommendations for changes to the oil and gas exploration, production, and pipeline transportation property taxes under AS 43.56 related to infrastructure for commercialization of natural gas that would facilitate development of a major natural gas project and mitigate financial impacts to communities affected by development of a North Slope natural gas project;
3. Recommendations for changes to AS 29.45.080 related to the commercialization of natural gas that would facilitate development of a North Slope natural gas project and mitigate financial impacts to communities affected by a North Slope natural gas project;
4. Recommendations for legislative or other options to minimize the financial impact to communities in proximity to North Slope natural gas project infrastructure during construction of a natural gas pipeline and associated infrastructure; and
5. Recommendations on the impact and benefits to communities not in proximity to a North Slope natural gas project.

ADMINISTRATIVE SUPPORT

Consistent with law and available appropriations, the Department of Revenue shall provide administrative support for the Municipal Advisory Gas Project Review Board using existing personnel and monetary resources. The Department of Revenue and other State agencies are not

passed

28-GS2806\I.A.86
Nauman/Bullock
4/4/14

AMENDMENT

#16

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 4, line 21:

2 Delete "shall"

3 Insert "may"

4

5 Page 4, line 22, following "The":

6 Insert "board may appoint a separate program director for an in-state natural gas
7 pipeline as described in the July 1, 2011, project plan prepared under former AS 38.34.040
8 and defined in AS 31.25.390. A"

9

10 Page 4, line 24:

11 Delete "the board and"

passed
as
amended

28-GS2806 I.A.83
Nauman/Bullock
4/4/14

AMENDMENT

#17

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

TO: CSSB 138(FIN) am

1 Page 55, following line 30:

2 Insert a new bill section to read:

3 "* **Sec. 61.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 LEGISLATIVE BRIEFINGS. Before the first flow of gas in a North Slope natural gas
6 project developed under the authority of this Act, the parties to the project shall, at least once
7 each calendar quarter, provide briefings to interested legislators, legislative staff, and
8 legislative consultants on the progress of a North Slope natural gas project developed under
9 the authority of this Act. A briefing under this section must be accompanied by a written
10 report provided by the Department of Natural Resources of the amount of money the state
11 may be obligated to pay a third party under an agreement or contract under
12 AS 38.05.020(b)(10) or (11) if a North Slope natural gas project is terminated before the first
13 flow of gas in the project."

14

15 Renumber the following bill sections accordingly.

16

17 Page 56, line 6:

18 Delete "61"

19 Insert "62"

20

21 Page 56, line 9:

22 Delete "secs. 62 and 63"

23 Insert "secs. 63 and 64"

insert —
"every 4 months"