

AMENDMENT

OFFERED IN THE SENATE

BY SENATOR FRENCH

TO: CSSB 21(RES), Draft Version "N"

1 Page 1, line 11, following "Board;":

2 Insert "relating to the financing of oil processing facilities on the North Slope by
3 the Alaska Industrial Development and Export Authority;"

4

5 Page 29, following line 26:

6 Insert new bill sections to read:

7 **"* Sec. 30.** 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 44.88.800 and 44.88.810, whether by purchase, gift, or lease.

11 *** Sec. 31.** AS 44.88 is amended by adding new sections to read:

12 **Article 9A. Interest in Oil and Gas Resources.**

13 **Sec. 44.88.800. Acquisition of interest in businesses.** (a) The authority may
14 acquire, through purchase or other means, an interest in a lease held by a corporation
15 or other business entity in an oil or natural gas field in the state that has been explored,
16 but only if the authority determines the leaseholder has made reasonable efforts to
17 obtain financing from the private sector to develop the lease and those efforts have, in
18 whole or part, been unsuccessful. The authority shall exercise due diligence in
19 acquiring a leasehold interest under this section.

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

23 **Sec. 44.88.810. Alaska resource development fund.** (a) The Alaska resource

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

6 (b) The authority may use money from the fund to carry out the purpose of the
7 fund set out in (a) of this section.

8 * Sec. 32. AS 44.88.900(10) is amended to read:

9 (10) "project" means

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

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

19 (C) commercial activity by a business enterprise;

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

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

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

30 (G) a plant or facility that enhances, provides for, or promotes
31 economic development with respect to transportation, communications,

1 community public purposes, technical innovations, prototype commercial
2 applications of intellectual property, or research;

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

6 (I) infrastructure for an area that is designated as a military
7 facility zone under AS 26.30;

8 **(J) development of an oil and gas field by providing**
9 **working or venture capital in exchange for an equity interest;"**
10

11 Renumber the following bill sections accordingly.
12

13 Page 30, line 27:

14 Delete "30"

15 Insert "33"

16
17 Page 30, line 31:

18 Delete "sec. 37"

19 Insert "sec. 40"