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Nauman
4/13/14

CS FOR HOUSE BILL NO. 325()

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - SECOND SESSION

BY

**Offered:
Referred:**

Sponsor(s): REPRESENTATIVES MUÑOZ, Seaton, Peggy Wilson, Kawasaki, Kito III

A BILL

FOR AN ACT ENTITLED

1 **"An Act increasing the balance of the oil and hazardous substance release prevention**
2 **and response fund required to suspend the surcharge levied on oil produced in the state;**
3 **increasing the amount of a surcharge levied on oil produced in the state; creating a new**
4 **surcharge on petroleum products refined from crude oil and refined in the state or**
5 **imported into the state; relating to oil discharge prevention and contingency plans;**
6 **relating to the oil and hazardous substance release prevention account; relating to the**
7 **oil and hazardous substance release prevention and response fund; and providing for an**
8 **effective date."**

9 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

10 *** Section 1.** AS 43.55.221(d) is amended to read:

11 (d) If the commissioner of administration reports that the sum reported under
12 (b) of this section equals or exceeds **\$75,000,000** [\$50,000,000], the commissioner of

revenue shall suspend imposition and collection of the surcharge levied and collected under AS 43.55.201. Suspension of the imposition and collection of the surcharge begins on the first day of the calendar quarter next following the commissioner's receipt of the commissioner of administration's report under (b) of this section. Before the first day of a suspension authorized by this subsection, the commissioner shall make a reasonable effort to notify all persons who are known to the department to be paying the surcharge under AS 43.55.201 that the surcharge will be suspended.

* **Sec. 2.** AS 43.55.221(e) is amended to read:

(e) Except as provided in AS 43.55.231, if the commissioner of administration reports that the sum reported under (b) of this section is less than **\$75,000,000** [\$50,000,000], the commissioner of revenue shall require imposition and collection of the surcharge authorized under AS 43.55.201. If the surcharge is not in effect, reimposition of the surcharge begins on the first day of the calendar quarter next following the commissioner's receipt of the commissioner of administration's report under (b) of this section. Before the first day of reimposition of the surcharge authorized by this subsection, the commissioner shall make a reasonable effort to notify all persons who are known to the department to be required to pay the surcharge under AS 43.55.201 that the surcharge will be reimposed.

* **Sec. 3.** AS 43.55.300(a) is amended to read:

(a) **There is levied** [EVERY PRODUCER OF OIL SHALL PAY] a surcharge **(1) on a producer of oil, of \$.07 for each** [OF \$.04 PER] barrel of oil produced from each lease or property in the state, less any oil the ownership or right to which is exempt from taxation;

(2) on a refiner of crude oil, of \$.005 for each gallon of petroleum products refined from crude oil in the state; or

(3) on an importer of petroleum products refined from crude oil for resale, of \$.005 for each gallon of petroleum products refined from crude oil imported into the state not subject to a tax under AS 43.40.

* **Sec. 4.** AS 43.55.300(b) is amended to read:

(b) The surcharge imposed by (a)(**1**) of this section is in addition to the tax imposed by AS 43.55.011. **A surcharge imposed by (a) of this section** [AND] is due

on the last day of the month [ON OIL PRODUCED FROM EACH LEASE OR PROPERTY DURING THE PRECEDING MONTH]. The surcharge is in addition to the surcharge imposed by AS 43.55.201 - 43.55.231.

* **Sec. 5.** AS 43.55.300(c) is amended to read:

(c) A producer of oil shall make a report of production on March 31 of the year following the calendar year of production and in the same manner and under the same penalties as required under AS 43.55.011 - 43.55.180. **A refiner of crude oil or an importer of petroleum products refined from crude oil for resale shall report the volume of refined crude oil imported or refined to the department on March 31 of the year following the calendar year of the importation of petroleum products refined from crude oil or the refining of the crude oil.**

* **Sec. 6.** AS 43.55.310 is amended to read:

Sec. 43.55.310. Use of revenue derived from surcharge. The legislature may appropriate the annual estimated balance of the account maintained under AS 37.05.142 for deposits into the general fund of the proceeds of **a** [THE] surcharge levied under AS 43.55.300 to the oil and hazardous substance release prevention account in the oil and hazardous substance release prevention and response fund established by AS 46.08.010.

* **Sec. 7.** AS 46.04.030(a) is amended to read:

(a) A person may not cause or permit the operation of an oil terminal facility in the state unless an oil discharge prevention and contingency plan for the facility has been approved by the department and the person is in compliance with the plan. **The department may require a plan to be submitted in a word searchable electronic format.**

* **Sec. 8.** AS 46.04.030 is amended by adding a new subsection to read:

(s) The department may collect a fee for approving a plan under this section.

* **Sec. 9.** AS 46.08.040(c) is amended to read:

(c) Notwithstanding other provisions of this section, money from the fund may not be used for a purpose specified in (a)(1)(B) or (C) or (a)(2) of this section unless money is available from an appropriation made specifically for that purpose. [THE LEGISLATURE MAY USE NOT MORE THAN THREE PERCENT OF THE

1 ESTIMATED ANNUAL BALANCE OF THE PREVENTION ACCOUNT TO
2 MAKE APPROPRIATIONS FOR THE PURPOSES DESCRIBED IN (a)(2)(E) OF
3 THIS SECTION.]

4 * **Sec. 10.** AS 46.08.040(a)(2)(E) and 46.08.040(a)(2)(H)(iii) are repealed.

5 * **Sec. 11.** This Act takes effect immediately under AS 01.10.070(c).