

Passed

28-GS1647K.7
Nauman/Bullock
4/2/13

AMENDMENT

#1

OFFERED IN THE HOUSE

TO: HCS CSSB 21(RES), Draft Version "K"

- 1 Page 17, following line 11:
2 Insert a new bill section to read:
3 **"* Sec. 24.** AS 43.55.024(d) is amended to read:
4 (d) A producer may not take a tax credit under (c) of this section for any
5 calendar year after the later of
6 (1) **2022** [2016]; or
7 (2) if the producer did not have commercial oil or gas production from
8 a lease or property in the state before April 1, 2006, the ninth calendar year after the
9 calendar year during which the producer first has commercial oil or gas production
10 before May 1, 2016, from at least one lease or property in the state."
11
12 Renumber the following bill sections accordingly.
13
14 Page 29, line 6:
15 Delete "sec. 31"
16 Insert "sec. 32"
17
18 Page 29, line 20:
19 Delete "sec. 36"
20 Insert "sec. 37"
21
22 Page 29, line 24:
23 Delete "28, and 37"

1 Insert "29, and 38"

2

3 Page 29, line 25:

4 Delete "31"

5 Insert "32"

Passed

AMENDMENT

#18

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: HCS CSSB 21(RES), Draft Version "K"

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

2 Insert "allowing the Alaska Industrial Development and Export Authority to issue
3 bonds for an oil processing facility; creating a fund to finance construction or
4 improvement of an oil or gas processing facility"

5

6 Page 28, following line 29:

7 Insert new bill sections to read:

8 **** Sec. 37.** AS 44.88.140(a) is amended to read:

9 (a) Except as provided in AS 29.45.030(a)(1) **and AS 44.88.168**, the real and
10 personal property of the authority and its assets, income, and receipts are declared to
11 be the property of a political subdivision of the state and, together with any project or
12 development project financed under AS 44.88.155 - 44.88.159 or 44.88.172 -
13 44.88.177, and a leasehold interest created in a project or development project
14 financed under AS 44.88.155 - 44.88.159 or 44.88.172 - 44.88.177, devoted to an
15 essential public and governmental function and purpose, and the property, assets,
16 income, receipts, project, development project, and leasehold interests shall be exempt
17 from all taxes and special assessments of the state or a political subdivision of the
18 state, including, without limitation, all boroughs, cities, municipalities, school
19 districts, public utility districts, and other taxing units. All bonds of the authority are
20 declared to be issued by a political subdivision of the state and for an essential public
21 and governmental purpose and to be a public instrumentality, and the bonds, and the
22 interest on them, the income from them and the transfer of the bonds, and all assets,
23 income, and receipts pledged to pay or secure the payments of the bonds, or interest on

1 them, shall at all times be exempt from taxation by or under the authority of the state,
 2 except for inheritance and estate taxes and taxes on transfers by or in contemplation of
 3 death. Nothing in this section affects or limits an exemption from license fees,
 4 property taxes, or excise, income, or any other taxes, provided under any other law,
 5 nor does it create a tax exemption with respect to the interest of any business
 6 enterprise or other person, other than the authority, in any property, assets, income,
 7 receipts, project, development project, or lease whether or not financed under this
 8 chapter. By January 10 of each year, the authority shall submit to the governor a report
 9 describing the nature and extent of the tax exemption of the property, assets, income,
 10 receipts, project, development project, and leasehold interests of the authority under
 11 this section. The authority shall notify the legislature that the report is available.

12 * **Sec. 38.** AS 44.88 is amended by adding a new section to read:

13 **Sec. 44.88.168. Oil and gas infrastructure fund.** (a) The oil and gas
 14 infrastructure fund is established in the authority. The oil and gas infrastructure fund
 15 consists of money appropriated to the authority for deposit in the fund, and money
 16 deposited in the fund by the authority. The fund is not an account in the revolving loan
 17 fund established in AS 44.88.060, and the authority shall account for the fund
 18 separately from the revolving fund. Money in the fund may be used to finance the
 19 construction and improvement of an oil or gas processing facility on the North Slope
 20 and flow lines and other surface infrastructure for the facility.

21 (b) Notwithstanding AS 44.88.140, the state or a political subdivision of the
 22 state may levy a tax or special assessment on an oil or gas processing facility, flow
 23 lines, and other surface infrastructure for the facility financed by the oil and gas
 24 infrastructure fund.

25 (c) In this section, "North Slope" means that area of the state lying north of 68
 26 degrees North latitude."

27
 28 Renumber the following bill sections accordingly.

29
 30 Page 29, following line 21:

31 Insert a new bill section to read:

1 **"* Sec. 44.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 **LEGISLATIVE APPROVAL; NORTH SLOPE OIL OR GAS PROCESSING**
4 **FACILITY.** (a) The Alaska Industrial Development and Export Authority may issue bonds to
5 finance the construction and improvement of an oil or gas processing facility on the Alaska
6 North Slope and flow lines and other surface infrastructure for the facility. The processing
7 facility, flow lines, and other surface infrastructure for the facility shall be used to secure
8 bonds issued under this section. The principal amount of the bonds provided by the authority
9 for the facility, flow lines, and other surface infrastructure may not exceed \$200,000,000 and
10 may include the costs of funding reserves and other costs of issuing the bonds that the
11 authority considers reasonable and appropriate. Notwithstanding AS 44.88.140, an oil or gas
12 processing facility, flow lines, and other surface infrastructure for the facility constructed or
13 financed by the oil and gas infrastructure fund are subject to taxes and special assessments of
14 the state or a political subdivision of the state.

15 (b) This section constitutes the legislative approval required by AS 44.88.095(g) and
16 44.88.690.

17 (c) The prohibition on the issuance of bonds in an amount exceeding \$400,000,000
18 under AS 44.88.095 does not apply to bonds issued under this section, and the principal
19 amount of bonds issued under this section may not be considered in determining whether the
20 limit in AS 44.88.095 has been reached."

21
22 Renumber the following bill section accordingly.

23
24 Page 29, line 24:

25 Delete "37"

26 Insert "39"

Passed

28-GS1647\K.36
Nauman/Bullock
4/3/13

AMENDMENT

27

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: HCS CSSB 21(RES), Draft Version "K"

1 Page 28, lines 3 - 14:

2 Delete all material and insert:

3 "(6) make written findings and recommendations to the Alaska State
4 Legislature before

5 (A) January 31, 2015, or as soon thereafter as practicable,
6 regarding

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

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

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

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

18 (B) January 31, 2021, or as soon thereafter as practicable,
19 regarding

20 (i) changes to the state's fiscal regime that would be
21 conducive to increased and ongoing long-term investment in and
22 development of the state's oil and gas resources;

23 (ii) alternative means for increasing the state's ability to

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

7 Page 29, following line 2:

8 Insert a new bill section to read:

9 "* Sec. 39. AS 43.98.040, 43.98.050, 43.98.060, and 43.98.070 are repealed February 28,
10 2021."

11

12 Renumber the following bill sections accordingly.