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Martin
10/31/15

CS FOR SENATE BILL NO. 3001(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - THIRD SPECIAL SESSION

BY THE SENATE FINANCE COMMITTEE

**Offered:
Referred:**

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act making supplemental appropriations; making appropriations to capitalize**
2 **funds; and providing for an effective date."**

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

4 * **Section 1.** LEGISLATIVE INTENT. (a) It is the intent of the legislature that the
5 appropriations made in secs. 2 - 4 of this Act be accounted for separately from the unrestricted
6 general fund.

7 (b) It is the intent of the legislature that the appropriation made in sec. 5(a) of this Act
8 be paid in an expedited manner, resulting in a successful state acquisition of the interest in the
9 Alaska liquefied natural gas project currently held by TransCanada Alaska Development Inc.
10 by December 1, 2015.

11 * **Sec. 2.** DEPARTMENT OF LAW. The sum of \$10,100,000 is appropriated from the
12 general fund to the Department of Law, civil division, oil, gas, and mining, for contractual
13 services with law firms to assist in drafting and reviewing contracts related to the Alaska
14 liquefied natural gas project and to provide legal and regulatory support for state participation

in the Alaska liquefied natural gas project for the fiscal year ending June 30, 2016.

* **Sec. 3.** DEPARTMENT OF NATURAL RESOURCES. The sum of \$2,126,000 is appropriated from the general fund to the Department of Natural Resources, administration and support services, North Slope gas commercialization, for a marketing lead position, a marketing analyst position, work related to Federal Energy Regulatory Commission resource reporting reviews and drafting, facilities review for commercial aspects, commercial analysis and support, and audits associated with the termination of the agreement with TransCanada Alaska Development Inc. for the fiscal year ending June 30, 2016.

* **Sec. 4.** DEPARTMENT OF REVENUE. The sum of \$1,381,000 is appropriated from the general fund to the Department of Revenue, administration and support, natural gas commercialization, for personal services for work on financial analysis, project financing, governance, and the revenue aspects of marketing and taxes; for travel; for contractual review of project financing; and for other costs related to performing work for the Alaska liquefied natural gas project for the fiscal year ending June 30, 2016.

* **Sec. 5.** FUND CAPITALIZATION. (a) The sum of \$68,455,000 is appropriated from the general fund to the Alaska liquefied natural gas project fund (AS 31.25.110) to acquire the interest currently held by TransCanada Alaska Development Inc. in the Alaska liquefied natural gas project.

(b) The sum of \$75,600,000 is appropriated from the general fund to the Alaska liquefied natural gas project fund (AS 31.25.110) to fund the state's share of preliminary front-end engineering and design work for the Alaska liquefied natural gas project.

(c) The statutory designated program receipts received as reimbursement for costs of field work paid from the Alaska liquefied natural gas project fund (AS 31.25.110) during the fiscal year ending June 30, 2016, estimated to be \$2,900,000, are appropriated to the Alaska liquefied natural gas project fund (AS 31.25.110).

(d) The statutory designated program receipts received as reimbursement for costs of field work paid from the in-state natural gas pipeline fund (AS 31.25.100) during the fiscal year ending June 30, 2016, estimated to be \$1,300,000, are appropriated to the in-state natural gas pipeline fund (AS 31.25.100).

* **Sec. 6.** LAPSE OF APPROPRIATIONS. The appropriations made in sec. 5 of this Act are for the capitalization of funds and do not lapse.

1 * **Sec. 7. RETROACTIVITY.** If secs. 2 - 5 of this Act take effect after November 15, 2015,
2 secs. 2 - 5 of this Act are retroactive to November 15, 2015.

3 * **Sec. 8. CONTINGENCY.** The appropriation made in sec. 5(b) of this Act is contingent on
4 adoption of a work plan and budget for the Alaska liquefied natural gas project for calendar
5 year 2016 by the State of Alaska, the Alaska Gasline Development Corporation, ExxonMobil
6 Alaska Production Inc., ConocoPhillips Alaska, Inc., and BP Exploration (Alaska) Inc. by
7 December 31, 2015.

8 * **Sec. 9.** This Act takes effect immediately under AS 01.10.070(c).