**2017 SESSION OPERATING BUDGET AMENDMENT PROPOSAL**

**OFFERED IN:** The House Finance Department of Natural Resources Subcommittee

**TO:** HB 57 / HB 59

**OFFERED BY:** Representative Guttenberg

**RECOMMENDED STATUTE CHANGE:**

Repeal AS 38.05.180(f)(1), (2), (3), (4)(A), (5)

Or require legislative approval of any credits the Commissioner recommends

**EXPLANATION:**

Since enactment in 2008, this provision has not been effective in stimulating increased North Slope production. In their January 2017 Indirect Expenditure Report, LFD recommended continuation of the EIC because exploration in the unit is ongoing.

The commissioner’s potential future use of this EIC could worsen the state’s budget deficit. Requiring legislative approval would help to guard against that eventuality.