

SENATE
RESOURCES
COMMITTEE

MARCH 13, 2026

SB 275 Alaska Gasline Transparency & Accountability Act

*Strengthening fiscal responsibility and
transparency in development of
Alaska's gasline*

Alaska Constitution Article VIII, Section 2:

The legislature shall provide for the utilization, development, and conservation of all natural resources belonging to the State, including land and waters, for the maximum benefit of its people.

SB 275 updates Alaska's gasline and revenue laws under today's unique circumstances. It implements:

- (1) Transparency and oversight in the project development process**
- (2) Reasonable financial returns to Alaska**

SB 275
Transparency & Oversight
Provisions

LB&A oversight over AGDC for annual post-audits and to evaluate ownership and management interests, investments, and projects of AGDC

- **Annual operational and performance evaluation**

**Section 1, page 2
Section 2, page 3**

AGDC may enter into nondisclosure agreements with public agents, expressly including members of the legislature and their staffers and advisors, for review of items protected by confidentiality agreements

- Existing discretionary authority on AGDC**
- Clarified to apply to legislators individually and legislative agents**

Section 5, page 7

Express avenue for parties to an existing confidentiality agreement to waive confidentiality, in whole or in part, to allow publication of documents, including with redactions as necessary

- **Including: Contracts, pending contracts, specific terms, records and files, a confidentiality agreement itself**

Section 7, pages 8-9

On effective date of the Act, at the request of a legislator, AGDC shall enter into a nondisclosure agreement with the legislator and other public agents; items may be discussed in committee in executive session.

- Removes AGDC discretionary authority to maintain confidentiality**

Section 7, page 8

AGDC to publicly disclose in an internet database information regarding owners and investors in gasline projects and purchasers of the gas

- Information on owners, investors, lenders, creditors of gasline projects, when value of involvement is at least \$2 million**
- Information on gas purchasers, including destination state or country**

Section 11, pages 11-14

AGDC and its subsidiaries and business partners may not form a legal relationship with a foreign entity without legislative authorization

- **Includes partnerships, joint ventures, joint ownerships, mergers, gas purchase agreements**
- **Legislative approval by law**

Section 11, page 14

AGDC to notify the legislature when an entity in a legal business relationship with AGDC has a significant change in ownership structure

- **Partnering entity of at least 10% share significantly divests or AGDC becomes aware of the entity's plan to significantly divest ownership in an AGDC subsidiary**

Section 11, pages 14-15

AGDC may not further divest ownership in a subsidiary without legislative authorization

- **Legislative approval by law**

Section 8, page 9

SB 275
Financial Returns
Provisions

Eliminates deductions against oil production taxes for gas lease expenditures

- **Applies to North Slope producers**

Section 30, page 28

Section 33, page 34

A gas producer may no longer unilaterally elect to pay gas production taxes in physical gas product instead of monetary payment; State can unilaterally elect to accept gas production taxes in physical gas

- Applies to North Slope producers**
- DOR Commissioner to make a written best interest determination**
- Submit to legislature during current or next session**
- Legislature has 60 days to revoke the determination by concurrent resolution**

Section 21, page 22

DOR to ensure that production tax is appropriately paid even when oil or gas is sold at a price that does not represent the reasonably prevailing value; DOR must determine a reasonably prevailing value and must publish online a specific, written rationale

- **Same quality, kind, and character prevailing for the field**
- **May not use other unreasonably low cost oil or gas as a basis for the valuation**
- **Must publish a summary and make available full written report**

**Section 24, page 24
Section 25, pages 24-25**

Similarly, DNR to ensure that royalty is appropriately paid even when oil or gas is sold at a price that does not represent the reasonably prevailing value; DNR must determine a reasonably prevailing value and must publish online a specific, written rationale

- Same quality, kind, and character prevailing for the field**
- May not use other unreasonably low cost oil or gas as a basis for the valuation**
- Must publish a summary and make available full written report**

Section 13, pages 15-16

9.4% tax on the income over \$5 million of S-corp and LLC natural gas pipeline carriers, producers, and entities performing carbon capture, LNG processing, and LNG sales activities, and those comprising the unitary business

- Taxable income is determined using the same method as for C-corporations**
- Includes the taxable amount attributable to entities comprising the unitary business**

Section 16, pages 17-20

Surcharge of \$0.15 per 1000 cubic feet for processing and liquefaction of natural gas

- **Applies to entities processing natural gas by cooling for the purpose of converting to LNG for transportation or storage**
- **Does not apply to small capacity plants**

Section 35, pages 34-35

Revenue generated through AGDC ownership or investment share in a subsidiary must be separately accounted and placed in separate fund and available for appropriation

- Deposited in the general fund**
- May be used on AGDC operations**

Section 10, page 11

AGDC to negotiate a contractual option to acquire an interest in revenue-generating projects which must be approved by the legislature. When the State's option to acquire the interest becomes ripe, AGDC to notify the legislature. The State must have, at minimum, six months to exercise its option to acquire the interest. DOR shall assist, including proposing sources of funding to enable exercise of the option. The legislature must approve acquiring the interest.

- Legislative approvals of the terms of the option and for acquiring the interest are by law**
- Revenue generated separately accounted and placed in separate fund and available for appropriation**

Section 9, pages 9-10

Additional Discussion & Questions?