

ALASKA STATE LEGISLATURE

RESOURCES COMMITTEE

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SB 275 Sectional Analysis Version H

Alaska Gasline Transparency and Accountability Act

- Section 1: AS 24.20.201(a)(11). Extends LB&A authority over AGDC for annual post audits.
- Section 2: AS 24.20.206(8). Provides LB&A duty for annual post audits and operational and performance evaluations of AGDC, including for ownership and management interests, investments, and projects of the corporation.
- Section 3: AS 31.25.080(a)(6). Conforming to create exception under AS 31.25.120(b) to AGDC's authority to transfer or dispose of interests.
- AS 31.25.080(a)(24). Conforming to create an exception under AS 31.25.280 to AGDC's authority to enter into certain contracts.
- Section 4: AS 31.25.090(f). Conforming to create an exception under later new subsection (l) to AGDC's authority to enter into confidentiality agreements to protect information to carry out its functions.
- Section 5: AS 31.25.090(g). Clarifies that legislators and their staff and consultants may, at AGDC's discretion, sign nondisclosure agreements to review information protected by existing confidentiality agreements.
- Section 6: AS 31.25.090(h). Conforming to create an exception under AS 31.25.275 to the confidential nature of information and trade secrets of AGDC or certain information pertaining to the particulars of the business or affairs of private entities.
- Section 7: AS 31.25.090(i). Provides that after enactment, at the request of a legislator, AGDC shall enter into a nondisclosure agreement to allow release of information protected by a confidentiality agreement, and that legislative committees may discuss information protected by a confidentiality agreement in executive session if each legislator present has signed a nondisclosure agreement.
- AS 31.25.090(k). Creates a mechanism for an existing confidentiality agreement to be waived, in whole or in part, to allow public release of information protected by a confidentiality agreement, which may include necessary redactions.

AS 31.25.090(l). Establishes that after enactment, AGDC may not enter into confidentiality agreements over specific enumerated items, including contract terms that govern a financial agreement or commitment, including in-kind payments or services that bind AGDC to duties or liabilities; contract terms that govern ownership or management structure of a subsidiary; or information related to an option contract under AS 31.25.125.

- Section 8: AS 31.25.120(b). Prevents AGDC from divesting ownership or management interests in subsidiaries without legislative approval by law.
- Section 9: AS 31.25.125. Establishes that, when negotiating with another entity for participation in a revenue-generating project, AGDC shall negotiate an option to acquire an interest in the project, the terms of which must be approved by the legislature by law. When the option is ripe for exercise, AGDC shall notify the legislature; the legislature must have at least 180 days to consider whether to acquire the interest. DOR shall cooperate and assist the legislature, including providing recommendations on funding sources and analyzing fiscal impacts. When exercising authority to acquire the interest, the legislature shall act as a prudent investor. The legislature must authorize acquiring the interest by law. Revenue generated by the interest is available for appropriation.
- Section 10: AS 31.25.145. Mandates that revenue generated by a subsidiary of the corporation must be separately accounted and available for appropriation, including for operations of the corporation.
- Section 11: AS 31.25.275. Imposes a duty on AGDC to publish an online database certain information about owners, investors, lenders, and creditors involved in projects developed, owned, or managed by AGDC as well as certain information related to purchasers of the gas.
- AS 31.25.280. Establishes that AGDC may not enter into legal relationships like partnerships, joint ventures, or gas purchase agreements with a foreign entity, either directly or indirectly through another entity, unless the legislature approves of the legal relationship by law.
- AS 31.25.285. Requires AGDC to notify the legislature when an entity in a legal relationship with AGDC with at least a 10% interest has experienced or will experience a significant change in ownership structure.
- Section 12: AS 31.25.390. Conforming to add definitions for “foreign entity” and “subsidiary of corporation” as used in AS 31.25.
- Section 13: AS 38.05.180(mm). Establishes a duty on the DNR commissioner, when taking oil or gas royalty in value, and where the actual sales price was unreasonable low, to ensure the State’s royalty share is based on a price that is the reasonable prevailing value of similar oil or gas for that field. Prevents DNR from basing its determination on a price for oil or gas that was also unreasonably low despite the location of same field. DNR shall prepare a written report on the determination. A summary of the determined value must be published online.
- Section 14: AS 43.05.230(a)(6). Conforming to create an exception under AS 43.55.020(o) to the duty of state employees and agents toward nondisclosure of certain information.
- Section 15: AS 43.05.230(k). Conforming to change phrasing regarding public information relating to the choice of gas production taxes paid in kind under AS 43.55.014.

- Section 16: AS 43.20.019. Establishes a 9.4% tax on the income over \$5 million of certain North Slope natural gas pipeline-related entities. The tax applies to the income of S-corp and LLC natural gas pipeline carriers; producers transporting natural gas by pipeline; producers supplying natural gas to a natural gas pipeline carrier; entities involved in gas treatment or carbon capture activities related to natural gas transported by pipeline; entities involved in LNG processing related to natural gas transported by pipeline; and entities engaged in the sale of natural gas transported by pipeline. The tax also applies to the unitary business income of these entities.
- Section 17: AS 43.20.030(a). Conforming to ensure existing tax statutes relating to filing a return apply to taxpayers under AS 43.20.019.
- Section 18: AS 43.20.031(i). Conforming to ensure existing tax statutes relating to the combined method of accounting apply to taxpayers under AS 43.20.019.
- Section 19: AS 43.20.144(d). Conforming existing tax calculation statutes relating to computing the sales factor to eliminate unnecessary phrases due to changes to the choice of gas production taxes paid in kind under AS 43.55.014.
- Section 20: AS 43.20.144(f). Conforming existing tax calculation statutes relating to computing the extraction factor to modify phrases due to changes to the choice of gas production taxes paid in kind under AS 43.55.014.
- Section 21: AS 43.55.014(a). Eliminates ability of a gas producer to unilaterally elect to pay gas tax in physical gas product; establishes ability of the State to accept gas tax in physical gas product from North Slope producers paying royalty in kind, if the DOR commissioner specifically determines that it is in the best interest of the state. DOR shall submit the determination to the legislature. The legislature may revoke a determination by concurrent resolution within 60 days after receiving the determination during a regular session or before adjournment, whichever is sooner.
- Section 22: AS 43.55.014(b). Conforming existing production tax levy statute relating to delivery of tax payment in kind to modify phrasing due to changes to the choice of gas production taxes paid in kind.
- Section 23: AS 43.55.014(d). Conforming existing underpayment of tax statute to modify phrases due to changes to the choice of gas production taxes paid in kind.
- Section 24: AS 43.55.020(f). Establishes a duty on DOR under subsection (f)(3), when the actual sales price was unreasonable low, to ensure production tax payments to the State are based on a price that is the reasonable prevailing value of similar oil or gas for that field.
- Section 25: AS 43.55.020(n). Prevents DOR from basing its determination under subsection (f) on a price for oil or gas that was also unreasonably low despite the location of same field. DOR shall prepare a written report on the determination under subsection (o). A summary of the determined value must be published online.
- Section 26: AS 43.55.023(c). Conforming existing tax credit statutes to apply to the satisfy the surcharge under AS 43.55.320.

- Section 27: AS 43.55.023(e). Conforming existing transferable tax credit certificate statutes apply to satisfy the surcharge under AS 43.55.320.
- Section 28: AS 43.55.025(h). Conforming existing production tax credit certificate statutes apply to satisfy the surcharge under AS 43.55.320.
- Section 29: AS 43.55.030(a). Conforming existing tax statutes relating to filing certain forms to modify phrasing due to changes to the choice of gas production taxes paid in kind under AS 43.55.014.
- Section 30: AS 43.55.160(h)(1). Eliminates, after January 1, 2026, for the determination of production tax value, a producer’s ability to deduct against oil production taxes lease expenditures incurred on the North Slope to explore for, develop, or produce gas deposits.
- Section 31: AS 43.55.165(a)(1)(A). Conforming to create an exception under later new subsection (t) to the determination of costs that may count as lease expenditures for purposes of deduction against oil production taxes.
- Section 32: AS 43.55.165(e)(11). Conforming to add to the list of surcharges that are disallowed, for the determination of lease expenditures for purposes of deduction against oil production taxes, the surcharge under AS 43.55.320.
- Section 33: AS 43.55.165(t). Eliminates, after January 1, 2026, for the determination of lease expenditures for purposes of deduction against oil production taxes, a producer’s ability to use costs incurred on the North Slope to explore for, develop, or produce gas deposits.
- Section 34: AS 43.55.201(b). Conforming to add to the list of surcharges that are imposed in addition to other existing surcharges under AS 43.55 the surcharge under AS 43.55.320.
- Section 35: AS 43.55.320. Establishes a surcharge of \$0.15 per 1,000 cubic feet of natural gas processed and liquified in the state. The surcharge is in addition to other taxes and surcharges imposed under AS 43.55.
- Section 36: AS 43.55.900(24). Conforming to add to the definition of “surcharge” as used in AS 43.55 the surcharge of AS 43.55.320.
- Section 37: Uncodified Law. Establishes applicability of various situations governed by provisions of the Act to become effective based on effective dates of related sections of the Act.
- Section 38: Uncodified Law. Provides transition provisions for certain actions to take place on certain dates concerning AGDC’s duties under AS 31.25.275 and under AS 31.25.125.
- Section 39: Uncodified Law. Establishes retroactive applicability of certain sections of the Act and the dates of retroactivity.
- Section 40: Sections 15, 19-23, and 29 take effect on July 1, 2026.
- Section 41: Sections 16-18, 26-28, 32, and 34-36 take effect on January 1, 2027.
- Section 42: Except for Sections 40 and 41, the Act has an immediate effective date under AS 01.10.070(c).