

SB 275

Alaska Gasline Transparency and Accountability Act

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

Topic Contents

Page Number	Section	Statute	Policy Category	Topic Summary
Pages 2-3	Sec. 1; Sec. 2	AS 24.20.201(11); AS 24.20.206(8)	Governance & Transparency	Provides LB&A oversight over AGDC for annual post-audits and to evaluate ownership and management interests, investments, and projects of AGDC.
Page 7	Sec. 5	AS 31.25.090(g)	Governance & Transparency	Clarifies that 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.
Page 8	Sec. 7	AS 31.25.090(j)	Governance & Transparency	Establishes that upon the 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.
Pages 8-9	Sec. 7	AS 31.25.090(k)	Governance & Transparency	Provides an 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.
Page 9	Sec. 8	AS 31.25.120	Governance & Transparency	Prohibits AGDC from further divesting ownership in a subsidiary without legislative authorization.
Pages 9-10	Sec. 9	AS 31.25.125	Fiscal; Governance & Transparency	AGDC shall 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 shall 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 by law. Revenue generated from the project must be separately accounted and placed in separate fund and available for appropriation.

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Page 11	Sec. 10	AS 31.25.145	Fiscal; Governance & Transparency	Revenue generated to the State through AGDC's ownership or investment share in a subsidiary must be separately accounted and placed in separate fund and available for appropriation, including for AGDC operations.
Pages 11-14	Sec. 11	AS 31.25.275	Governance & Transparency	Requires AGDC to publicly disclose in an internet database information regarding owners and investors in gasline projects and purchasers of the gas.
Page 14	Sec. 11	AS 31.25.280	Governance & Transparency	Prohibits AGDC and its subsidiaries and business partners from forming a legal relationship with a foreign entity without legislative authorization.
Pages 14-15	Sec. 11	AS 31.25.285	Governance & Transparency	Requires AGDC to notify the legislature when an entity in a legal business relationship with AGDC has a significant change in ownership structure, i.e., if the 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, AGDC shall report the circumstance to the legislature.
Pages 15-16	Sec. 13	AS 38.05.180(mm)	Fiscal	Mandates DNR to ensure that when royalty is taken in money, it 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.
Pages 17-20	Sec. 16	AS 43.20.019	Fiscal	Under AS 43.20 (corporate income tax), establishes a 9.4% tax on the income over \$5 million of S-corp and LLC natural gas pipeline carriers, producers, and entities performing carbon capture and LNG processing activities, and those comprising the unitary business.
Page 22	Sec. 21	AS 43.55.014(a)	Fiscal	Eliminates ability of a gas producer to unilaterally elect to pay gas production taxes in physical gas product instead of monetary payment; establishes that the State can unilaterally elect to accept gas production taxes in physical gas.

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Pages 24-25	Sec. 24; Sec. 25	AS 43.55.020(f); AS 43.55.020(n)	Fiscal	Mandates 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.
Pages 28; 34	Sec. 30; Sec. 33	AS 43.55.160(h); AS 43.55.165(t)	Fiscal	Eliminates deductions against oil production taxes for gas lease expenditures.
Pages 34-35	Sec. 35	AS 43.55.320	Fiscal	Under AS 43.55 (oil & gas production tax), establishes a surcharge of \$0.15 per 1000 cubic feet for processing and liquefaction of natural gas.