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**Sent:** Wednesday, April 15, 2026 1:19 PM  
**To:** Senate Resources <SenateResources@akleg.gov>  
**Cc:** Legislation, Department of LAW (LAW sponsored)  
<law.legislation@alaska.gov>; GOV.Legislative.Office  
<GOV.GLO@alaska.gov>; Sen. Cathy Giessel  
<Sen.Cathy.Giessel@akleg.gov>  
**Subject:** RE: SRES info request

Good afternoon:

On Monday, Senator Myers asked if Fairbanks had an LNG spur line owned by the IGU (a municipally-owned utility), how it would be taxed? Chair Giessel requested a written follow up.

Under the Alaska Constitution, Art. IX, Section 4 "[t]he real and personal property of the State or its political subdivisions shall be exempt from taxation..."

AS 29.45.030(a)(1) codifies this constitutional requirement, stating that a municipality must exempt "property owned by the municipality, state, or federal government" from ad valorem property taxes.

Because the state and municipalities are constitutionally barred from taxing each other's property, any spur line owned by a municipal utility is automatically exempt, regardless of whether it falls inside or outside the new alternative volumetric tax framework.

Please let me know if I may be of further assistance.

Thanks,

Parker W. Patterson  
Senior Assistant Attorney General