

Fiscal Note

State of Alaska
2026 Legislative Session

Bill Version: SB 280
Fiscal Note Number: _____
() Publish Date: _____

Identifier: SB280CS(RES)-DCCED-AGDC-04-27-26
Title: OIL & GAS PROPERTY TAX; MUNI TAX
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Senate Resources

Department: Department of Commerce, Community and
Economic Development
Appropriation: Alaska Gasline Development Corporation
Allocation: Alaska Gasline Development Corporation
OMB Component Number: 2986

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2027 Appropriation Requested	Included in Governor's FY2027 Request	Out-Year Cost Estimates					
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
OPERATING EXPENDITURES								
Personal Services	275.9		275.9	275.9	275.9	275.9	275.9	275.9
Travel	5.2		5.2	5.2	5.2	5.2	5.2	5.2
Services	1,942.4		1,887.4	1,887.4	3,887.4	3,887.4	3,887.4	3,887.4
Commodities	10.5		0.5	0.5	0.5	0.5	0.5	0.5
Capital Outlay								
Grants & Benefits								
Miscellaneous								
Total Operating	2,234.0	0.0	2,169.0	2,169.0	4,169.0	4,169.0	4,169.0	4,169.0

Fund Source (Operating Only)

1004 Gen Fund (UGF)	2,234.0		2,169.0	2,169.0	4,169.0	4,169.0	4,169.0
Total	2,234.0	0.0	2,169.0	2,169.0	4,169.0	4,169.0	4,169.0

Positions

Full-time	1.0		1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2026) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2027) cost: 245,000.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version/comments:

Updated to reflect new committee substitute.

Prepared By: Frank Richards, President	Phone: (907)330-1396
Division: Alaska Gasline Development Corporation	Date: 04/27/2026
Approved By: Hannah Lager, Administrative Services Director	Date: 04/27/26
Agency: Department of Commerce, Community, and Economic Development	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2026 LEGISLATIVE SESSION

BILL NO. CSSB280(RES)

Analysis

This version of the bill requires AGDC to disclose information that is currently confidential, make public information on negotiated agreements and upcoming sale and purchase agreements. Additionally, AGDC is required to construct a spur line to Fairbanks.

If this legislation is adopted, the Alaska Gasline Development Corporation (AGDC) will add one Attorney 5 (general counsel), located in Anchorage, to advise AGDC management on increased legal compliance requirements and make legal determinations during routine AGDC business. Legal guidance will be necessary to determine how to share information when prohibited by confidentiality agreements as well as determine when notification of changes in ownership or structure of entity in a legal relationship with the Corporation is required. AGDC will also be required under CSSB280 to obtain legislative approval "by law" which is interpreted to mean that legislation will need to be drafted, passed by both houses of the Legislature, and be signed by the Governor. The General Counsel will draft and oversee the necessary legislation and lead legislative conversations to obtain the appropriate legislative approval for the transfer, sale, or other form of disposal of ownership or management interest in a subsidiary of the corporation, participation or acquiring an interest in a revenue generating project, or when entering into a legal relationship with a foreign entity. The General Counsel will also be necessary as AGDC develops and operates the Fairbanks Gasline Project as required under CSSB280. Funding is included for office setup, supplies, and travel to attend board meetings and to participate in legislative hearings in Juneau.

To minimize AGDC state employees, and as required in Sec. 9 AS31.25.080 (h), contractual support will be utilized for the following tasks: Outside Legal Counsel, Joint Venture Accounting & Audit & Audit, Information Technology (IT) Systems, Legislative Liaison, Commercial Management, and the Fairbanks Gasline Project. These responsibilities are detailed below.

Outside Legal Counsel: AGDC will contract with outside legal counsel to provide specialized support in anticipation of litigation where the release of confidential information required by CSSB280 would conflict with definitive agreements and other contracts and agreements currently in place with Glenfarne.

Joint Venture Accounting & Audit: AGDC will contract for an Accountant/Auditor to manage increased accounting requirements under CSSB280, assist with gathering and reporting financial information required in Sec. 31.25.275, and for coordinating and reporting to Legislative Budget & Audit (LB&A) Committee during audits and respond inquiries.

IT Systems: AGDC will contract for an IT Management Systems Lead for increased data and communication requirements under CSSB280. AGDC is required to develop and maintain data management systems and a searchable public internet website as described in Sec. 31.25.275 and update data quarterly at a minimum. Additionally, AGDC will develop, administer, and maintain a data room for sharing confidential information. There are one-time costs (\$30.0) for the purchase of needed software and hardware.

Legislative Liaison: AGDC will contract for increased staffing for legislative liaison activities as required under CSSB280. The Legislative Liaison will work with AGDC management, the General Counsel, Legislature, and the Governor to develop and pass legislation in a timely manner, to coordinate anticipated numerous hearings, coordinate and respond promptly to requests for information, assist the Legislature in understanding financial implications of proposals, as well as to ensure all required notifications to the Legislature are timely and compliant with CSSB280.

Commercial Management: AGDC will contract for increased staffing to support commercial management activities as required under CSSB280. The Commercial Manager will assist the current Commercial Director in State interest option program requirements and support other AGDC team members in the required legislative reviews and

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approvals under Sec. 31.25.135.

AGDC will increase its office space to accommodate new staff and contractors who will be supporting the new requirements in CSSB280.

Fairbanks Gasline Project. Subsection AS 31.25.080(j) of CSSB280 requires the construction of a direct spur line to Fairbanks and the Fairbanks North Star Borough. This gas distribution infrastructure is separate from the Alaska LNG Project and would be regulated under the Regulatory Commission of Alaska (RCA). AGDC previously developed a Fairbanks spur line concept in 2014 as part of the Alaska Stand-Alone Pipeline (ASAP) Project. The ASAP scope, design, cost estimate, and permitting is outdated will require updating to meet the current needs of Fairbanks gas users. To meet the requirements of CSSB280, AGDC requires the capital to contract for owner’s team resources that will oversee the development, permitting, construction, and operations of the new Fairbanks Gasline Project. AGDC’s owner’s team will also manage and coordinate key interfaces between the Fairbanks Gasline Project, including State and local government, the RCA, landowners, utilities, industrial users, military installations, the Alaska LNG Project, and other stakeholders.

Costs included in this fiscal note are as shown below. For purposes of this fiscal note, costs are shown from the general fund. However, if the Alaska LNG Fund (AS 31.25.110) was used, capitalization equal to planned expenditures would be needed.

Personal Services:

\$275.9 One Attorney 5 (general counsel), range 25, step L, in Anchorage

Travel:

\$5.2 Four trips for Attorney at \$1.3 per trip

Services:

- \$55.0 Office set up, hardware and software in FY2027 only
- \$1,000.0 Contracted outside counsel in all years
- \$150.0 Contracted Accountant and Audit support in all years
- \$150.0 Contracted Information Technology support in all years
- \$250.0 Contracted Legislative Liaison in all years
- \$250.0 Contracted Commercial Management support in all years
- \$62.4 Additional leased office space in all years
- \$25.0 Core and allocated support costs for the position in all years
- \$2,000.0 Operation of the Fairbanks Spur Gasline beginning in FY2030

Commodities:

- \$10.0 One time setup costs for new position in FY2027 only
- \$0.5 Annual office supplies in FY2028 and future years

Capital Appropriations:

\$245,000.0 Construction of a direct spur line to Fairbanks and the Fairbanks North Star Borough