



May 1, 2026

Senator Cathy Giessel, Chair
Senate Resources Committee

Re: Senate Bill 280, Oil & Gas Property Tax; Muni Tax (version 34-GS2038\G)

Dear Chair Giessel, and members of Senate Resources Committee,

The Alaska Chamber (the Chamber) writes in opposition of Committee Substitute for Senate Bill 280, an act relating to oil and gas; relating to the regulation of liquefied natural gas import facilities by the Regulatory Commission of Alaska; relating to the Alaska Gasline Development Corporation; establishing an income tax on certain entities producing or transporting oil or gas in the state; relating to the taxation of certain natural gas pipeline property and related facilities; relating to the calculation of the value of oil-and-gas-related property for purposes of the local contribution for public school funding; relating to limitations on municipal oil and gas property taxes; relating to an alternative volumetric throughput tax on certain natural gas pipelines and related facilities and a pipeline community impact fee; and providing for an effective date.

The Alaska Chamber is the state's largest statewide business advocacy organization. Our mission is to promote a healthy business environment in Alaska. The Chamber has more than 700 members and represents businesses of all sizes and industries from across the state, representing 58,000 Alaskan workers and \$4.6 billion in wages.

The Chamber remains a strong supporter of the Alaska LNG Project and recognizes its generational importance to Alaska's energy security and economic future. We have significant concerns that the revised version of this bill moves the state in the wrong direction.

The Alaska LNG Project represents one of the most important opportunities before Alaska, providing long-term, reliable energy for Alaskans, strengthening our economy, and reducing the likelihood that our state will need to import natural gas in the long term. The Chamber strongly supports efforts to advance this project. However, the revised SB 280 introduces substantial new costs, taxes, and regulatory requirements that risk undermining its viability.

The addition of an \$800 million upfront impact fee and significantly increased ongoing taxes dramatically change the economic framework of the project. At a time when global LNG projects compete fiercely for investment, layering on new costs and uncertainty sends a troubling signal to investors and developers. The project already faces tight margins and complex financing challenges, adding additional financial burdens at this stage could delay or potentially halt progress altogether.

Equally concerning is the expansion of regulatory oversight and legislative involvement in project-level decisions. Introducing new approval requirements, disclosure mandates, and governance changes injects uncertainty into a process that depends on long-term stability and predictability. Large-scale infrastructure investments like Alaska LNG require confidence that the rules will remain consistent over time.



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The Alaska Chamber has several longstanding policy positions to support and encourage the growth of the oil and gas industry here in Alaska, including a specific position to "Support and encourage a positive investment climate that provides certainty and stability for statewide oil and gas activities; oppose efforts to increase oil and gas taxes." The Chamber has another policy position to "Oppose new targeted taxes." SB 280 is in direct conflict with these positions as it seeks to impose a targeted tax, that specifically targets not just S corporations, but on **certain oil and gas pass-through entities**. This change threatens direct and indirect jobs in the oil and gas industry and poses a significant risk to our state's energy future by discouraging investment and potentially reducing production, which will ironically lead to even less revenue for the State. These consequences would undermine the recent advances made in Alaska's energy sector and call into question the stability of investing in our state.

The stakes are high. If this project fails due to misalignment between the state and developers, Alaska faces the very real possibility of relying on imported natural gas for the foreseeable future, resulting in higher energy costs for families and businesses and the loss of a transformative economic opportunity.

We urge the Legislature to refocus on policies that enable the Alaska LNG Project to move forward successfully. This means maintaining a competitive, stable fiscal framework and avoiding measures that could unintentionally derail progress. Alaska has a rare opportunity to secure a long-term energy solution and significant economic benefits for its people. We urge you to work collaboratively with project developers to ensure that opportunity is realized.

For these reasons, the Alaska Chamber respectfully opposes the current version of SB 280 (34-GS2038\G) and encourages continued dialogue to reach a solution that supports both project viability and long-term benefits for all Alaskans.

Sincerely,

A handwritten signature in black ink that reads "Kati Capozzi". The signature is written in a cursive, flowing style.

Kati Capozzi
President and CEO

From: [Meg Waite](#)
To: [Senate Resources](#)
Subject: Constituent Comment from Meg Waite, Fairbanks AK on Senate Bill 280 Please Vote NO
Date: Thursday, April 30, 2026 2:49:53 PM

Hello,

My name is Meg Waite, and I am writing to share public comment on Senate Bill 280. **I respectfully urge a NO vote.**

My perspective is shaped in part by my late grandfather, Warren Ariel Waite, who served with the Idaho State Tax Commission for over 20 years, retiring in 1997 as Budget Director. His work instilled in me the importance of careful, transparent, and responsible use of public funds.

Alaska is already facing real budget challenges. We are having a hard time funding basic services like schools. In that context, ***it does not make financial sense to reduce state revenue unless there is clear and strong evidence that the return will outweigh the cost.***

Right now, that case has not been clearly made.

There is not enough transparent information about the full cost of the Alaska LNG project or how it will be financed. Without that, it is difficult to understand why these tax incentives are needed or ***what level of risk the state would be taking on.***

There are also **real questions about the market.** ***Many large LNG projects around the world are already under construction and expected to come online soon. When supply increases, prices tend to drop. That creates uncertainty about whether a high cost project like Alaska LNG will be competitive.***

Given these factors, ***this is a high cost and high risk investment with unclear returns.***

There are more practical options that could deliver results sooner and keep more value here in Alaska.

Microgrids are one example. A microgrid is a local energy system that can combine different sources like diesel, natural gas, hydro, wind, solar, and battery storage, all working together to power a specific area.

These are smaller local energy systems that are already widely used across Alaska, especially in rural communities. They can be built step by step, adjusted over time, and maintained locally. ***That means jobs, skills, and dollars stay in our communities. They also help keep power on during outages, which supports businesses and critical services.***

I encourage legislators to work with groups already doing this work, including the Alaska Center for Energy and Power, National Laboratory of the Rockies Alaska Campus, University of Alaska researchers, the Alaska Small Business Development Center, local utility cooperatives, and labor organizations such as the International Brotherhood of Electrical Workers ***to form a task force or conduct a feasibility study focused on practical deployment. These groups are focused on solutions that can be built, scaled, and maintained in Alaska communities.***

A step by step approach to energy development is more flexible, lower risk, and easier to evaluate over time than committing to one very large project with many unknowns.

For these reasons, *I respectfully urge a no vote on Senate Bill 280.*

Thank you for your time and consideration,

Megan "Meg" Waite
Ester Gold Camp, Fairbanks, Alaska

Meg Waite

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UAF- Student, CNSM, CLA

"Let your curiosity be greater than your fear" -Pema Chödrön

From: [Joshua Knicely](#)
To: [Senate Resources](#)
Subject: Public Comment on Senate Bill 280
Date: Thursday, April 30, 2026 2:05:42 PM

Hello,

I am writing to publicly comment on Senate Bill 280, which would give tax breaks to AK LNG developers. I ask that you all vote no on Senate Bill 280.

Alaska is having major tax revenue issues. We don't even have the tax revenue to keep our schools open, but we're supposed to have enough to give yet more tax breaks to rich oil and gas companies?
<https://www.alaskanewssource.com/2026/02/25/anchorage-school-board-votes-close-multiple-schools-overhaul/>

<https://www.webcenterfairbanks.com/2025/02/05/3-schools-fairbanks-north-star-borough-set-closure/>

Worse, these developers haven't even demonstrated a need for these subsidies. How are we supposed to believe that they need these subsidies when they won't even provide a full estimate of project costs? And on top of that, the AK LNG project will never be financially viable. There are over a dozen major LNG projects around the world under construction already. Those will finish long before we can even start and flood the market with LNG. What happens when a market is suddenly flooded? Prices drop. The current projections for AK LNG - which already say it's not financially viable - don't even include this.

<https://www.forbes.com/sites/michaellynch/2025/07/25/the-risks-around-the-alaskan-lng-project/>

<https://www.lngindustry.com/liquid-natural-gas/23122021/nine-noteworthy-lng-projects-by-2027/>

Investing in AK LNG is idiotic and irresponsible. Please vote no on Senate Bill 280.

Thank you for your time and consideration,
Dr. Knicely

From: [Chuck Casper](#)
To: [House Resources](#); [Senate Resources](#)
Subject: CS SB280G/CS HB381G Support
Date: Wednesday, April 29, 2026 9:29:33 AM

At first I was skeptical of the Alternative Volumetric Tax;now I support it.
CS SB280G and CS HB381G are on the right track, but need to find the right balance.

DOR sensitivity analysis of LNG of breakeven price is helpful (4-27-26 CS SB280G).
The status quo without AVT is too high.
The AVT in the original bill is too low.
Split the difference between those two LNG break even prices,
and back-calculate to find the more optimal AVT rate (\$0.xx/MCF).

PS: To improve investor confidence, pass the tax bill with unanimous support in both chambers.

Thanks!

Chuck Casper
907-538-4900

From: [Paul Seaton](#)
To: [Senate Resources](#)
Subject: Take or Pay contracts and AKLNG testimony for SB280
Date: Friday, April 24, 2026 10:51:40 AM

'Take or Pay' contracts are the basis for financing a large natural gas pipeline and facilities. However, the potential liabilities seem to have been ignored in the presentations for AKLNG. That is a large buyer guarantees to buy a certain amount of gas for a long term - say 20 years - and that secure revenue stream provides the basis for loans to build the facility. If the Buyer does not want to take that much gas, say after 10 years, they still must pay the seller under the contract. The reverse is also the case. If the seller cannot supply the gas because of a breakdown, delay, or most anything except war, the seller must procure gas from others and get it to the buyer under the contract terms. This aligns with the buyer's contracts for the long term resale of that gas with other individual utilities etc. Generally a 20 year deal is at a fixed lower price, so the project bears responsibility of paying higher "spot" price yet delivering it to the buyer at the lower contract price. That is why Big Producers will not generally do a massive project unless they control the entire project instead of relying on an intermediary. The liability is just too much risk. They will 'participate' by agreeing to sell gas on certain terms and conditions to an intermediary because they do not have much 'take or pay risk' as they are simply using producing wells and delivering gas to the intermediary. However, the intermediary project will have the responsibility to take or pay the producer who has used that revenue stream as the basis for building complex oil, gas, and CO2 facilities. Who is the intermediary with both the upstream purchase and downstream sale risks? Is it AKLNG, AGDC, Glenfarne, or 8-Star LLC, or potentially the State? Other than a statement that the State is not financially liable for AGDC, we do NOT know the answer. The money could be so huge that a court might apportion liability after bankruptcies. Remember LLC stands for Limited Liability Corporation and Glenfarne is a Sub-S corp without deep pockets. Presentations have said the State could have an additional 5-25% equity position. Would that make us "deep pockets" for contract liability? These questions need to be answered before

support for the project is given. The State should not consider supporting this project through property tax reduction until these questions are resolved.

Thank you for considering these questions.

Paul Seaton

58395 Bruce Ave.

Homer AK 99603

From: [Charlie Franz](#)
To: [Senate Resources](#)
Subject: AK LNG Pipeline
Date: Friday, April 17, 2026 9:59:43 AM

Honorable Members of the Resources Committee

I have been monitoring the discussions about the gas pipeline in your committee and have some concerns I would like to share.

This is a major project with huge potential long term benefits to all Alaskans similar to our oil pipeline - do not waste the opportunity to have a significant, positive impact on the lives of Alaskans for many years to come.

As you discuss the "Maximum Benefit" concept please consider the maximum benefit to the people - not just the immediate, relatively short term tax benefits that could be squeezed out of the project. What will be the impact of having access to dependable, affordable fuel for the long term?

As our state's leaders, I expect you to facilitate - not block - or complicate economic development and energy independence. Lead, follow or get out of the way - we need the pipeline project to succeed.

Government should not try to manage such a complex and important project - you cannot point to a single project that

the government manages well.

Your efforts should be focused on how you can help to make this project successful.

Respectfully,

Charlie Franz

Homer

From: [Michael Jones](#)
To: [Senate Resources](#)
Subject: SB275, SB280, etc AKLNG
Date: Thursday, April 16, 2026 9:56:04 PM

Senate Resources Committee,

I have monitored recent Senate discussions about the AKLNG project. Regardless of the specific bill before you, several fundamental principles are missing from the conversation.

1. Act quickly. Every day of delay reduces the likelihood the project will be implemented. Prolonged debate risks killing the project; time is the project's primary enemy. Adopt a timetable that allows decisive movement to the next steps.
2. Define "maximum benefit" clearly. Is it benefit to state government coffers or to the people of Alaska? Current discussion focuses narrowly on extracting the highest possible tax revenue. That risks destroying project economics and producing zero revenue from a failed project. The analysis should recognize the biggest benefits are the downstream impacts on Alaskan households and businesses—affordable, dependable natural gas should be a statewide economic priority. A vibrant private economy resulting from low cost energy can create income for the state.
3. Tax policy must not be a project-killer. Any tax regime should enable, not block, project viability. If taxation makes the project uneconomic, the state receives nothing. Instituting a volumetric tax would incentivize continued resource development (and aligning the project's interests with the state's revenue interests) by tying additional revenue to additional resource development.
4. Limit the state's role to facilitation to reduce litigation risk and

create project certainty. Endless requests for extensive confidential commercial details read like due diligence for a state-owned investment rather than a taxing authority. Today's presentation and discussion about project construction and cost overrun risks is a prime example of the state legislature not staying within its taxation role.

Conclusion: Prioritize speed, define benefits as statewide (not just government) benefit, craft taxes that preserve project economics, and act as a facilitator.

Respectfully submitted,

Michael L. Jones

Resident, Homer