

SB 280

**Supporting A Gasline for Alaskans
Act**

**Summary of Changes
SRES Committee Substitute
Version H**

SENATE RESOURCES COMMITTEE

MAY 4, 2026

#34-GS2038\H

**The SB 280 Version H Senate Resources CS
makes some technical, clarifying, and
conforming changes and establishes some
substantive changes from the prior CS**

Changes in CS Version H:

- In exercising its purposes and duties, AGDC must act as a fiduciary in the state's best interest. [Sec. 8, page 3]
- Modifies existing AGDC procurement law, establishing that the Board must adopt regulations reflecting competitive bidding principles and equitable opportunities to vendors; addressing emergency situations; and when bidding is involved, incorporates a mechanism for Alaska bidder preference. [Sec. 9, pages 3-4; Sec. 17, page 12-13]
- From Version G, two limitations to reduce energy rates to Alaskans are re-established under RCA oversight authority [Sec. 10, pages 4-5]:
 - (1) Preventing passing on cost overruns from pipeline construction as charges to Alaskans, and
 - (2) Price caps for Alaskans of \$12/Mcf prior to commercial operations of the LNG Export Facility, or \$5/Mcf upon commercial operations of the LNG Export facility.

Changes in CS Version H, continued:

- Technical change of term “transportation agreement” to “gas sales agreement,” regarding gas supply priority to Alaskans over out-of-state supply, which reflects the currently expected business model advanced by AGDC. [Sec. 12, page 7-8]
- Deletes certain changes addressing the legislature’s ability to obtain information currently protected by existing confidentiality agreements, such as requesting to sign nondisclosure agreements and obtaining information in executive session. [Deletions]
- Technical change to merge the separate accounting requirements of revenue generated from an option exercised in a revenue-generating project and the revenue generated from a subsidiary of the corporation into one section. [Sec. 18, page 13]

Changes in CS Version H, continued:

- Deletes requirements of AGDC to establish an online public disclosure database. [Deletions]
- Deletes “gas purchase agreements” from the list of legal relationships with foreign entities that require legislative approval. [Sec. 21, page 14]
- The prevailing value determination for royalties included publication of the value determined and public reporting requirements that are now deleted. [Sec. 23, page 15, & conforming deletions]
- Similarly, the prevailing value determination for production taxes included publication of the value determined and public reporting requirements that are now deleted. [Sec. 27 & Sec. 28, pages 18-19, & conforming deletions]

Changes in CS Version H, continued:

- Modifies language of the new S-corp tax to ensure state corporations are exempt from the tax; however, qualified entities in partnership with state corporations are not exempt; AGDC must file a tax return that is not confidential. [Sec. 24, pages 16-17]
- Technical change to the new S-corp tax to delete reference to the mechanism for filing tax returns. [Deletion]
- Amends the types of income subject to the new S-corp tax, specifically clarifying that income from marine transportation of LNG produced in the state is covered by the tax, while removing the reference to income from sales of gas produced in the state. [Sec. 24, page 18]

Changes in CS Version H, continued:

New Surcharge & Pipeline Corridor Maintenance Fund

- Establishes a new infrastructure maintenance surcharge of \$0.30 per barrel of oil produced in the state. [Sec. 33 & Sec. 34, pages 25-26, & conforming changes]
- Revenue from the new surcharge is placed in a new Pipeline Corridor Maintenance Fund which is available for appropriation for maintenance and operations costs incurred by the State along the Dalton Highway Corridor and other impacted areas. [Sec. 34, pages 25-26, & conforming changes]

Changes in CS Version H, continued:

Changes Related to the Proposed Volumetric Tax

- Clarifies that current petroleum property taxes, when applicable, are in place of taxes for an LNG export facility and a marine terminal. [Sec. 39, page 28]
- Clarifies that when a qualified property subject to the tax has multiple owners, every owner pays in proportion to ownership share. [Sec. 43, page 30 and 31]
- Technical change to ensure that inflation adjustments to the AVT rates that begin at 10 years after commencement of commercial operations are based on each of the three components subject to the tax separately experiencing commencement. [Sec. 43, page 31]
- Clarifies that natural gas consumed as fuel for operations of the LNG facility includes fuel that is consumed for refrigeration purposes, which is not considered “throughput” that is subject to the AVT. [Sec. 43, page 33]

Changes in CS Version H, continued:

- Repealers, Applicability, Transitions, & Retroactivity Sections: Conforming changes related to changes of the CS. [Sec. 45 through Sec. 52, pages 34-36]
- Conditional Effect: Clarifies that the new AVT expires and reverts to existing property tax structures if construction of the gas pipeline has not begun by January 1, 2028, or if “at least one major component of and Alaska liquified natural gas project has not been completed” by January 1, 2032. [Sec. 53, page 36-37]

Additional Discussion & Questions?