

Am. 23

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE Coloumbe

TO: CSHB 381(RES), Draft Version "G"

1 Page 1, line 4, following "agreements;":

2 Insert "relating to utility rates for gas transported through a gas pipeline
3 advanced, owned, or operated by the Alaska Gasline Development Corporation;"
4

5 Page 3, following line 29:

6 Insert a new bill section to read:

7 "** Sec. 7. AS 31.25.080 is amended by adding new subsections to read:

8 (h) An owner or operator of a gas pipeline advanced, operated, or owned, in
9 whole or in part, by the corporation, or a subsidiary of the corporation, may not charge
10 a utility in the state more than \$7 for each 1,000 cubic feet of natural gas."
11

12 Renumber the following bill sections accordingly.
13

14 Page 4, line 6:

15 Delete "sec. 8"

16 Insert "sec. 9"
17

18 Page 4, line 10:

19 Delete "secs. 8 and 9"

20 Insert "secs. 9 and 10"
21

22 Page 4, line 22:

23 Delete "sec. 11"

- 1 Insert "sec. 12"
- 2
- 3 Page 5, line 12:
- 4 Delete "sec. 13"
- 5 Insert "sec. 14"
- 6
- 7 Page 5, line 18:
- 8 Delete "secs. 13 and 14"
- 9 Insert "secs. 14 and 15"
- 10
- 11 Page 12, line 4:
- 12 Delete "sec. 16"
- 13 Insert "sec. 17"
- 14
- 15 Page 12, line 10:
- 16 Delete "sec. 16"
- 17 Insert "sec. 17"
- 18
- 19 Page 13, line 11:
- 20 Delete "sec. 16"
- 21 Insert "sec. 17"
- 22
- 23 Page 13, line 12:
- 24 Delete "sec. 16"
- 25 Insert "sec. 17"
- 26
- 27 Page 13, line 16:
- 28 Delete "6 - 8, 11, 13, 16, 21, and 22"
- 29 Insert "6 - 9, 12, 14, 17, 22, and 23"
- 30
- 31 Page 13, line 18:

- 1 Delete "sec. 16"
- 2 Insert "sec. 17"
- 3
- 4 Page 14, line 23:
 - 5 Delete "Sections 9, 14, and 17 - 19"
 - 6 Insert "Sections 10, 15, and 18 - 20"
 - 7
- 8 Page 14, line 24:
 - 9 Delete "sec. 16"
 - 10 Insert "sec. 17"
 - 11
- 12 Page 14, line 27:
 - 13 Delete "sec. 23 of this Act, secs. 2 - 4, 6 - 8, 11, 13, 16, 21, and 22"
 - 14 Insert "sec. 24 of this Act, secs. 2 - 4, 6 - 9, 12, 14, 17, 22, and 23"
 - 15
- 16 Page 14, line 29:
 - 17 Delete "sec. 23(a)"
 - 18 Insert "sec. 24(a)"
 - 19
- 20 Page 14, line 30:
 - 21 Delete "sec. 24 of this Act, secs. 9, 14, and 17 - 19"
 - 22 Insert "sec. 25 of this Act, secs. 10, 15, and 18 - 20"
 - 23
- 24 Page 15, line 2:
 - 25 Delete "10, 12, 15, and 20"
 - 26 Insert "11, 13, 16, and 21"

Am. 24

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE Eiam

TO: CSHB 381(RES), Draft Version "G"

1 Page 1, lines 2 - 3:

2 Delete "relating to the calculation of the value of property for purposes of the
3 local contribution for public school funding"

4 Insert "relating to local contributions for public school funding"

5

6 Page 2, line 12, following "include":

7 Insert "(i) tax revenue resulting from property taxes on a gas treatment plant,
8 carbon capture facility, or liquefied natural gas facility related to a natural gas project,
9 as defined in AS 43.59.100;

10 (ii)"

LEGAL SERVICES

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MEMORANDUM

April 30, 2026

SUBJECT: Gasline Legislation: Local Contribution
(CSHB 381(RES); 34-GH2038\G.26)

TO: Representative Robyn Niayuq Frier
Co-Chair of the House Resources Committee
Attn: Calvin Zuelow

FROM: Marie Marx 
Legislative Counsel

Attached is the amendment you requested exempting certain tax revenue from AS 14.17.990's definition of "local contribution." Specifically, the amendment exempts tax revenue resulting from property taxes on a gas treatment plant, carbon capture facility, or liquefied natural gas facility related to a natural gas project, as defined in AS 43.59.100.

Local contributions. AS 14.12.020(c) requires that cities and boroughs contribute to the costs of funding the public education system. The statute provides, in relevant part, that "[t]he borough assembly for a borough school district, and the city council for a city school district, shall provide the money that must be raised from local sources to maintain and operate the district." This requirement is commonly referred to as the "required local contribution." A city or borough school district may make an additional contribution to the public school funding for the district, up to the funding cap set out in AS 14.17.410(c). This contribution is commonly referred to as the "voluntary local contribution." Under AS 14.17.410(c), the maximum allowable voluntary local contribution a city or borough school district may make is the greater of:

- (1) the equivalent of a two mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Commerce, Community, and Economic Development under AS 14.17.510 and AS 29.45.110; or
- (2) 23 percent of the total of the district's basic need for the fiscal year under (b)(1) of this section and any additional funding distributed to the district in a fiscal year according to (b) of this section.

AS 14.17.990 currently defines the term "local contribution" for purposes of public school funding under AS 14.17 as "appropriations and the value of in-kind services made

by a district." The Department of Education and Early Development (DEED) has, for purposes of AS 14.17.990, defined "appropriations" to mean "money appropriated to a district's school operating fund by the city or borough."¹

Some school districts also provide "outside the cap" funding, i.e. funding outside of the definition of "local contribution" established by AS 14.17.410(c), AS 14.17.990, and 4 AAC 09.990. For example, in 2023, the City and Borough of Juneau provided \$2,340,737 in "outside the cap" funding for pupil transportation, community schools, and student activities.²

Amendment G.26 changes the meaning of the term "local contribution" to expressly exclude tax revenue resulting from property taxes on a gas treatment plant, carbon capture facility, or liquefied natural gas facility related to a natural gas project, as defined in AS 43.59.100. Therefore, under the changes made in Amendment G.26, school districts may not include tax revenue resulting from property taxes on a gas treatment plant, carbon capture facility, or liquefied natural gas facility related to a natural gas project, as defined in AS 43.59.100, when calculating the voluntary local contributions for the districts. A city or borough could therefore increase a school district's "outside the cap" funding using this tax revenue.

Equal protection. Changing how the voluntary local contribution is calculated under the public school funding formula may raise equal protection issues under the Alaska Constitution if a disparity in education funding results from the change in law. The modification to the public school funding formula made in Amendment G.26 may provide some school districts with a monetary advantage over other districts that do not benefit from Amendment G.26. For example, a city or borough could increase a school district's "outside the cap" funding using tax revenue resulting from property taxes on a gas treatment plant, carbon capture facility, or liquefied natural gas facility related to a natural gas project, as defined in AS 43.59.100. Other districts would not get these funding advantages, and a disparity in education funding could result. Ultimately, analysis of whether a disparity in education funding exists depends on the actual fiscal impact the changes have on each school district. DEED or Legislative Finance may be able to provide a comprehensive analysis of the fiscal impact the changes made in

¹ 4 AAC 09.990; *see also* Letter from DEED Commissioner Dr. Deena Bishop to School District Superintendents and Business Managers, Dec. 1, 2023, https://education.alaska.gov/faq_local_contribution/2023-12-01_DEED-Local-Contribution-Memo-to-Districts.pdf, at p. 3 ("DEED will honor an interpretation of 'local contribution' as only including appropriations to or funds reported in a school district's operating fund.").

² *Id.* *See also* Ordinance 2022-06(b)(AR) An Ordinance Appropriating up to \$2,340,737 to the Manager for Juneau School District Special Revenue Fund Deficits and Current Year Student Activities; Funding Provided by General Funds (adopted Apr. 17, 2023).

Amendment G.26 would have on each school district and on the public school funding system as a whole.

However, even if a disparity in education funding results from the changes made in Amendment G.26, the disparity might not violate the Alaska Constitution's equal protection clause. The Alaska Constitution provides that "all persons are equal and entitled to equal rights, opportunities, and protection under the law[.]"³ "The common question in equal protection cases is whether two groups of people who are treated differently are similarly situated and thus entitled to equal treatment."⁴ While the Alaska Constitution recognizes that different classes of people may be treated differently, classifications must bear a fair and substantial relation to a valid public purpose to pass constitutional muster.⁵ The changes made to public education funding in Amendment G.26 would be subject to this equal protection analysis. A court would consider whether school districts that benefit from the changes are similarly situated to school districts that do not. A court would also consider whether there is a valid public purpose served by treating some school districts differently from other school districts.

Here, it is possible that a court could find that school districts that benefit from the changes made in Amendment G.26 are not similarly situated to school districts that do not benefit from these changes. For example, some school districts may be located in a city or borough that has a gas treatment plant, carbon capture facility, or liquefied natural gas facility related to a natural gas project, while other school districts might not be. Additionally, some disparity already exists in the current public school funding system, as some districts currently have more (or less) tax revenue than others. In *Moore v. State*, a superior court recognized that education policy is complex, and that the legislature has discretion and a duty to decide how to provide an adequate education and how to allocate funding among districts.⁶ Therefore, it is possible that a court could find that, even if a disparity in education funding results from the changes made in Amendment G.26, the changes do not violate the Alaska Constitution's equal protection clause.

Federal disparity test. When determining state aid entitlements to school districts, states are generally prohibited from taking into consideration impact aid payments.⁷ However, a state may take impact aid payments into consideration if the Impact Aid Program

³ Art. I, sec. 1, Constitution of the State of Alaska.

⁴ *Gonzales v. Safeway Stores, Inc.*, 882 P.2d 389, 396 (Alaska 1994).

⁵ *Wilson v. Municipality of Anchorage*, 669 P.2d 569, 572 (Alaska 1983).

⁶ *Moore v. State*, No. 3AN-04-9756, 2007 WL 8310251, at *79 (Alaska Super. June 21, 2007); see also *Matanuska-Susitna Borough v. State*, 931 P.2d 391 (Alaska 1997) (upholding the school funding formula).

⁷ 20 U.S.C. 7709(a).

Representative Robyn Niayuq Frier

April 30, 2026

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"determines and certifies . . . that the State has in effect a program of State aid that equalizes expenditures for free public education among [school districts] in the State."⁸ The disparity test is the method by which the Impact Aid Program determines whether a state's program of state aid equalizes expenditures among school districts.⁹ Whether specific types or amounts of local funding may affect the state's ability to pass the federal disparity test is a highly fact-specific question and application of the disparity test involves a complex calculation. Ultimately, to pass the disparity test, the difference in the amount of per-pupil funding may not be more than 25 percent between a school district that has revenues and expenditures in the fifth percentile and a school district with revenues and expenditures in the ninety-fifth percentile.¹⁰

Amendment G.26 does not explicitly change the maximum amount that a school district may provide under the voluntary local contribution. However, as discussed above, Amendment G.26 may have the effect of allowing a district to increase the district's "outside the cap" funding. Therefore, it is possible that the changes in this bill could result in the state failing the disparity test. If the state fails the disparity test, then the state would not be able to subtract the district's federal impact aid from the state's share of the district's public school funding. The state therefore would be responsible for a greater contribution to public education funding. You may wish to discuss with DEED and the United States Department of Education whether, with the changes made in Amendment G.26, the state can still pass the federal disparity test. Ultimately, however, it is the Impact Aid Program, and not the department or school districts, that determines and certifies that the state has in effect a program of state aid that equalizes expenditures for free public education among school districts in the state.

If I can be of further assistance, please let me know.

MYM:boo

26-155.boo

Attachment

⁸ 20 U.S.C. 7709(b).

⁹ 34 C.F.R. 222.162.

¹⁰ 20 U.S.C. 7709(b)(2)(A).

Am. 25

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE Erwin

TO: CSHB 381(RES), Draft Version "G"

1 Page 1, line 4, following "agreements;":

2 Insert "relating to revenue from a North Slope natural gas project;"

3

4 Page 3, following line 29:

5 Insert new bill sections to read:

6 ** Sec. 7. AS 37.05.610(a) is amended to read:

7 (a) The Alaska affordable energy fund is created as a special account in the
8 general fund. The fund consists of [THE AMOUNT DETERMINED AND
9 DEPOSITED IN THE FUND UNDER (b) OF THIS SECTION AND] interest earned
10 on the fund balance. The purpose of the fund is to provide a source from which the
11 legislature may appropriate money to develop infrastructure to deliver energy to areas
12 of the state that are not expected to have or do not have direct access to a North Slope
13 natural gas pipeline.

14 * Sec. 8. AS 37.14 is amended by adding new sections to read:

15 **Article 12. Constitutional Education Fund.**

16 **Sec. 37.14.900. Alaska education fund.** (a) Under art. IX, sec. 18,
17 Constitution of the State of Alaska, the Alaska education fund is established as a
18 separate fund in the state treasury.

19 (b) Notwithstanding any other provision of law, the Alaska education fund
20 consists of all revenue received by the state associated with a North Slope natural gas
21 project that remains after

22 (1) the payment to the Alaska permanent fund under AS 37.13.010;

23 and

1 (2) the payments to municipalities, reserves, and communities in the
2 unorganized borough under AS 43.59.040.

3 (c) The commissioner of revenue is the fiduciary of the Alaska education
4 fund. The commissioner of revenue shall manage and invest the fund assets as
5 provided in AS 37.10.071.

6 (d) In this section, "North Slope natural gas project" has the meaning given to
7 "natural gas project" in AS 43.59.100."

8

9 Renumber the following bill sections accordingly.

10

11 Page 4, line 6:

12 Delete "sec. 8"

13 Insert "sec. 10"

14

15 Page 4, line 10:

16 Delete "secs. 8 and 9"

17 Insert "secs. 10 and 11"

18

19 Page 4, line 22:

20 Delete "sec. 11"

21 Insert "sec. 13"

22

23 Page 5, line 12:

24 Delete "sec. 13"

25 Insert "sec. 15"

26

27 Page 5, line 18:

28 Delete "secs. 13 and 14"

29 Insert "secs. 15 and 16"

30

31 Page 12, line 4:

1 Delete "sec. 16"

2 Insert "sec. 18"

3

4 Page 12, line 10:

5 Delete "sec. 16"

6 Insert "sec. 18"

7

8 Page 12, following line 21:

9 Insert a new bill section to read:

10 **** Sec. 23. AS 37.05.610(b) is repealed.**

11

12 Renumber the following bill sections accordingly.

13

14 Page 13, line 11:

15 Delete "sec. 16"

16 Insert "sec. 18"

17

18 Page 13, line 12:

19 Delete "sec. 16"

20 Insert "sec. 18"

21

22 Page 13, line 16:

23 Delete "6 - 8, 11, 13, 16, 21, and 22"

24 Insert "6, 9, 10, 13, 15, 18, 24, and 25"

25

26 Page 13, line 18:

27 Delete "sec. 16"

28 Insert "sec. 18"

29

30 Page 14, line 23:

31 Delete "Sections 9, 14, and 17 - 19"

1 Insert "Sections 11, 16, and 19 - 21"

2

3 Page 14, line 24:

4 Delete "sec. 16"

5 Insert "sec. 18"

6

7 Page 14, following line 26:

8 Insert a new bill section to read:

9 **** Sec. 28.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 **CONDITIONAL EFFECT: EDUCATION FUND.** Sections 7, 8, and 23 of this Act
12 take effect only if

13 (1) a constitutional amendment to art. IX, Constitution of the State of Alaska,
14 establishing an education fund and allowing the proceeds of a state tax or license to be
15 dedicated to and deposited into the fund by law is passed by the Thirty-Fourth Alaska State
16 Legislature and approved by the voters at the 2026 general election; and

17 (2) the conditions in sec. 26(a) of this Act are met."

18

19 Renumber the following bill sections accordingly.

20

21 Page 14, line 27:

22 Delete "sec. 23 of this Act, secs. 2 - 4, 6 - 8, 11, 13, 16, 21, and 22"

23 Insert "sec. 26 of this Act, secs. 2 - 4, 6, 9, 10, 13, 15, 18, 24, and 25"

24

25 Page 14, line 29:

26 Delete "sec. 23(a)"

27 Insert "sec. 26(a)"

28

29 Page 14, line 30:

30 Delete "sec. 24 of this Act, secs. 9, 14, and 17 - 19"

31 Insert "sec. 27 of this Act, secs. 11, 16, and 19 - 21"

1

2 Page 15, following line 1:

3 Insert a new bill section to read:

4 **"* Sec. 31.** If, under sec. 28 of this Act, secs. 7, 8, and 23 of this Act take effect, they take
5 effect on the later of

6 (1) the day after the date the 2026 general election is certified; or

7 (2) the day after the date the commissioner of revenue determines that the
8 conditions in sec. 26(a) have been met."

9

10 Renumber the following bill section accordingly.

11

12 Page 15, line 2:

13 Delete "10, 12, 15, and 20"

14 Insert "12, 14, 17, and 22"

Am. 26

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

TO: CSHB 381(RES), Draft Version "G"

1 Page 1, lines 4 - 5:

2 Delete "relating to the duties of the Regulatory Commission of Alaska;"

3

4 Page 3, line 30, through page 4, line 1:

5 Delete all material.

6

7 Renumber the following bill sections accordingly.

8

9 Page 4, line 6:

10 Delete "sec. 8"

11 Insert "sec. 7"

12

13 Page 4, line 10:

14 Delete "secs. 8 and 9"

15 Insert "secs. 7 and 8"

16

17 Page 4, line 22:

18 Delete "sec. 11"

19 Insert "sec. 10"

20

21 Page 5, line 12:

22 Delete "sec. 13"

23 Insert "sec. 12"

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Page 5, line 18:

Delete "secs. 13 and 14"

Insert "secs. 12 and 13"

Page 9, lines 4 - 8:

Delete all material.

Reletter the following subsection accordingly.

Page 9, lines 9 - 11:

Delete "The department shall review a certification issued under (c) of this section. After review, and if the certification is found to be accurate and complete,"

Insert "If the department determines that the requirements of (b) of this section have been met,"

Page 12, line 4:

Delete "sec. 16"

Insert "sec. 15"

Page 12, line 10:

Delete "sec. 16"

Insert "sec. 15"

Page 12, line 19:

Delete "AS 42.05.141(j);"

Page 13, line 11:

Delete "sec. 16"

Insert "sec. 15"

- 1 Page 13, line 12:
2 Delete "sec. 16"
3 Insert "sec. 15"
4
- 5 Page 13, line 16:
6 Delete "6 - 8, 11, 13, 16, 21, and 22"
7 Insert "6, 7, 10, 12, 15, 20, and 21"
8
- 9 Page 13, line 18:
10 Delete "sec. 16"
11 Insert "sec. 15"
12
- 13 Page 14, line 23:
14 Delete "Sections 9, 14, and 17 - 19"
15 Insert "Sections 8, 13, and 16 - 18"
16
- 17 Page 14, line 24:
18 Delete "sec. 16"
19 Insert "sec. 15"
20
- 21 Page 14, line 27:
22 Delete "sec. 23 of this Act, secs. 2 - 4, 6 - 8, 11, 13, 16, 21, and 22"
23 Insert "sec. 22 of this Act, secs. 2 - 4, 6, 7, 10, 12, 15, 20, and 21"
24
- 25 Page 14, line 29:
26 Delete "sec. 23(a)"
27 Insert "sec. 22(a)"
28
- 29 Page 14, line 30:
30 Delete "sec. 24 of this Act, secs. 9, 14, and 17 - 19"
31 Insert "sec. 23 of this Act, secs. 8, 13, and 16 - 18"

1

2 Page 15, line 2:

3 Delete "10, 12, 15, and 20"

4 Insert "9, 11, 14, and 19"

Am. 27

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE Frier

TO: CSHB 381(RES), Draft Version "G"

1 Page 1, line 6:

2 Delete "**community benefit agreements**"

3 Insert "**a designated community impact fund**"

4

5 Page 13, lines 19 - 29:

6 Delete all material and insert:

7 "(1) deposit \$30,000,000 into a designated community impact fund with the
8 following conditions:

9 (A) the fund administrator shall pay an impacted municipality from the
10 fund 25 percent of the anticipated costs to the municipality related to construction of
11 the gas pipeline;

12 (B) in addition to the payments under (A) of this paragraph, an
13 impacted municipality may submit to the fund administrator additional actual costs
14 related to the effects of construction for reimbursement from the fund;

15 (C) the fund administrator shall pay reimbursements under (B) of this
16 section to impacted communities at least quarterly;

17 (D) the fund shall be administered by the primary owner who
18 contributes to the fund;"

19

20 Renumber the following paragraphs accordingly.

21

22 Page 14, lines 11 - 16:

23 Delete all material.

1

2 Renumber the following paragraph accordingly.

3

4 Page 14, line 19:

5 Delete ","

6 Insert ";"

7

8 Page 14, following line 19:

9 Insert a new paragraph to read:

10 "(2) "impacted municipality" means the North Slope Borough, Fairbanks
11 North Star Borough, Denali Borough, Municipality of Anchorage, Matanuska-Susitna
12 Borough, and Kenai Peninsula Borough."

LEGAL SERVICES

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MEMORANDUM

May 1, 2026

SUBJECT: Community Impact Fund Amendment
(CSHB 381(RES); Work Order 34-GH2038\G.31)

TO: Representative Julie Coulombe
Attn: Emily Durfee

FROM: Emily Nauman
Director 

Attached is an amendment that adds to the conditional language in sec. 23 a condition that property owners commit to and capitalize a community impact fund. Please consider the following notes that arose during drafting.

Local and Special. The attached amendment requires community impact payments to specific, listed municipalities. References to specific areas of the state by name may raise an issue under the state constitutional prohibition against local and special legislation. Article II, sec. 19, of the Alaska Constitution states, in part:

The legislature shall pass no local or special act if a general act can be made applicable. Whether a general act can be made applicable shall be subject to judicial determination.

To determine whether an act is "local" or "special," a court will consider whether it is "reasonably related to a matter of common interest to the whole state."¹ The question of whether a "general act can be made applicable" is specifically a matter for judicial determination.² If the court determines that the legislation is not "of statewide application," it will evaluate whether the legislation has a fair and substantial relationship to legitimate purposes.³ To satisfy the "fair and substantial relationship" standard, the classification established by the legislation must be tailored to the purpose of the legislation. If the legislature enacts the bill and it is challenged as a local or special act, evidence in the legislative record justifying the use of targeted legislation may ultimately determine the outcome. Alternatively, if you would like to address the issue in the

¹ *Abrams v. State*, 534 P.2d 91, 94 (Alaska 1975).

² *Id.*

³ *State v. Lewis*, 559 P.2d 630, 643 (Alaska 1977).

Representative Julie Coulombe

May 1, 2026

Page 2

amendment, you could instead add to the amendment a more general description (e.g., a municipality of a specific size or population, adjacent to certain infrastructure).

Cost Overruns. Would you like the amendment to specify what happens if the costs of reimbursement exceed the amount available in the fund?

ELN:boo

26-162.boo

Attachment

Am. 28

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FRIER

TO: CSHB 381(RES), Draft Version "G"

1 Page 1, line 3:

2 Delete "**limitations on**"

3

4 Page 2, line 14, through page 3, line 3:

5 Delete all material.

6

7 Renumber the following bill sections accordingly.

8

9 Page 3, lines 7 - 10:

10 Delete "property eligible for

11 (1) abatement under AS 43.59.010 during the period described in
12 AS 43.59.010; or

13 (2) the alternative volumetric tax under AS 43.59.020(b)(1) or (3)"

14 Insert "a gas treatment plant, carbon capture facility, or liquefied natural gas plant"

15

16 Page 3, lines 13 - 17:

17 Delete "(1) have the state collect the volumetric tax under AS 43.59.020(b)(1) or (3),
18 as applicable, and allocate revenue to the municipality under AS 43.59.040; or

19 (2) enter into an agreement with an owner of property that would be
20 subject to the volumetric tax under AS 43.59.020(b)(1) or (3) to receive an equity
21 interest in the property subject to tax under AS 43.59.020(b)(1) or (3)"

22 Insert "enter into an agreement with the owner of the gas treatment plant, carbon
23 capture facility, or liquefied natural gas plant to receive an equity interest in the gas treatment

1 plant, carbon capture facility, or liquefied natural gas plant"

2

3 Page 3, line 20:

4 Delete "(b)(2)"

5 Insert "(b)"

6

7 Page 3, following line 29:

8 Insert a new subsection to read:

9 "(e) In this section, "carbon capture facility," "gas treatment plant," and
10 "liquefied natural gas plant" mean a "carbon capture facility," "gas treatment plant," or
11 "liquefied natural gas plant" associated with a natural gas project, as defined in
12 AS 43.59.100."

13

14 Page 4, line 3:

15 Delete "AS 43.59.010 and 43.59.020"

16 Insert "AS 43.59.020"

17

18 Page 4, lines 6 - 9:

19 Delete all material.

20

21 Renumber the following bill sections accordingly.

22

23 Page 4, line 10:

24 Delete "secs. 8 and 9"

25 Insert "sec. 6"

26

27 Page 4, line 22:

28 Delete "sec. 11"

29 Insert "sec. 8"

30

31 Page 4, lines 30 - 31:

1 Delete "the tax abatement levied under AS 43.59.010 or to"

2

3 Page 5, lines 5 - 6:

4 Delete ", if elected by the municipality under AS 29.45.085,"

5

6 Page 5, lines 12 - 17:

7 Delete all material.

8

9 Renumber the following bill sections accordingly.

10

11 Page 5, line 18:

12 Delete "secs. 13 and 14"

13 Insert "sec. 10"

14

15 Page 5, lines 23 - 24:

16 Delete "[, IF ELECTED BY THE MUNICIPALITY UNDER AS 29.45.085,]"

17

18 Page 5, following line 29:

19 Insert a new bill section to read:

20 **** Sec. 12.** AS 43.56.210(5) is amended to read:

21 (5) "taxable property"

22 (A) means real and tangible personal property used or
23 committed by contract or other agreement for use within this state primarily in
24 the exploration for, production of, or pipeline transportation of gas or unrefined
25 oil (except for property used solely for the retail distribution or liquefaction of
26 natural gas), or in the operation or maintenance of facilities used in the
27 exploration for, production of, or pipeline transportation of gas or unrefined
28 oil; "taxable property" includes

29 (i) machinery, appliances, supplies, and equipment;

30 (ii) drilling rigs, wells (whether producing or not),

31 gathering lines and transmission lines, pumping stations, compressor

1 stations, power plants, topping plants, and processing units;

2 (iii) roads, tank farms, tanker terminals, docks and other
3 port facilities, and air strips;

4 (iv) aircraft and motor vehicles owned by a person
5 whose principal business in the state is the exploration for, production
6 of, or pipeline transportation of gas or unrefined oil and whose
7 operation of the aircraft or motor vehicle directly relates to the conduct
8 of that business;

9 (v) maintenance equipment and facilities, and
10 maintenance camps and other related facilities; and

11 (vi) communications facilities owned by a person
12 whose principal business in the state is the exploration for, production
13 of, or pipeline transportation of gas or unrefined oil and whose
14 operation of the communications facilities directly relates to the
15 conduct of that business;

16 (B) does not include

17 (i) permanent residences;

18 (ii) office buildings requiring substantial local
19 government services;

20 (iii) oil and gas pipeline systems owned and operated by
21 a public utility that is certificated under AS 42.05.221 and is regulated
22 by the Regulatory Commission of Alaska;

23 (iv) aircraft and motor vehicles, except aircraft and
24 motor vehicles taxable under (A)(iv) of this paragraph; [AND]

25 (v) communications facilities, except communications
26 facilities taxable under (A)(vi) of this paragraph; **and**

27 **(vi) property related to a gas treatment plant, as**
28 **defined in AS 43.59.100."**

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30 Page 5, line 31:

31 Delete "Temporary Tax Abatement and"

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Page 6, lines 1 - 31:

Delete all material.

Page 7, lines 4 - 5:

Delete "day after the expiration of the ramp-up period for the natural gas project, as described in AS 43.59.010"

Insert "first date of commencement of commercial operations of a major component of the project"

Page 7, line 6, following "is":

Insert "\$0.15 for each 1,000 cubic feet of natural gas transported through a gas pipeline."

Page 7, lines 7 - 12:

Delete all material.

Page 7, lines 26 - 28:

Delete all material.

Reletter the following subsections accordingly.

Page 8, lines 10 - 11:

Delete "the tax abatement under AS 43.59.010 or"

Page 9, line 12:

Delete "the tax abatement under AS 43.59.010 and"

Page 9, line 18:

Delete "AS 43.59.020(b)(2)"

Insert "AS 43.59.020(b)"

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Page 9, lines 25 - 26:

Delete "100 percent of the tax collected under AS 43.59.020(b)(1) and (3) and 50 percent of the tax collected under AS 43.59.020(b)(2)"

Insert "50 percent of the tax collected under AS 43.59.020(b)"

Page 10, line 6:

Delete "tax abatement and"

Page 10, lines 7 - 8:

Delete "AS 43.59.010 and 43.59.020 terminate"

Insert "AS 43.59.020 terminates"

Page 10, following line 25:

Insert a new paragraph to read:

"(3) "gas treatment plant" means a facility and the related activities required to receive natural gas from a Prudhoe Bay unit gas transmission line, a Point Thomson unit gas transmission line, or other facilities, to treat the natural gas to pipeline specifications, to dispose of or deliver byproducts, to deliver liquid products for further transportation, and to deliver treated natural gas for transportation through a gas pipeline;"

Renumber the following paragraphs accordingly.

Page 12, lines 4 - 18:

Delete all material.

Renumber the following bill sections accordingly.

Page 12, line 19, following "AS 42.05.141(j);":

Insert "AS 43.56.210(5)(B)(vi);"

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Page 12, line 20:

Delete "AS 43.59.010, 43.59.020"

Insert "AS 43.59.020"

Page 13, line 11:

Delete "sec. 16"

Insert "sec. 13"

Page 13, line 12:

Delete "sec. 16"

Insert "sec. 13"

Page 13, line 16:

Delete "Sections 2 - 4, 6 - 8, 11, 13, 16, 21, and 22"

Insert "Sections 2 - 6, 8, 10, 12, 13, 15, and 16"

Page 13, line 18:

Delete "sec. 16"

Insert "sec. 13"

Page 14, line 18:

Delete "the temporary tax abatement under AS 43.59.010 or"

Page 14, lines 20 - 26:

Delete all material.

Renumber the following bill sections accordingly.

Page 14, line 27:

Delete "sec. 23 of this Act, secs. 2 - 4, 6 - 8, 11, 13, 16, 21, and 22"

1 Insert "sec. 17 of this Act, secs. 2 - 6, 8, 10, 12, 13, 15 , and 16"

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3 Page 14, line 29:

4 Delete "sec. 23(a)"

5 Insert "sec. 17(a)"

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7 Page 14, line 30, through page 15, line 1:

8 Delete all material.

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10 Renumber the following bill section accordingly.

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12 Page 15, line 2:

13 Delete "Sections 5, 10, 12, 15, and 20"

14 Insert "Sections 7, 9, 11, and 14"