

Am. 1

34-GH2038\G.27
Nauman
4/30/26

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FRIER

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

1 Page 1, lines 2 - 3:

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

4 Insert "local contributions for public school funding"

5

6 Page 2, lines 20 - 21:

7 Delete "**for which**"

8 Insert "**that**"

9

10 Page 12, line 20:

11 Delete "AS 43.59.010, 43.59.020"

12 Insert "AS 43.59.020"

13

14 Page 13, line 16, following "if":

15 Insert ", before July 1, 2046,"

16

17 Page 14, lines 20 - 26:

18 Delete all material and insert:

19 "** Sec. 24. The uncodified law of the State of Alaska is amended by adding a new section to
20 read:

21 CONDITIONAL EFFECT: END OF TAX ABATEMENT; NOTIFICATION TO
22 THE REVISOR OF STATUTES. (a) Sections 9, 14, and 17 - 19 of this Act take effect if,
23 before July 1, 2046,

1 (1) the conditions in sec. 23(a) are met; and
2 (2) the ramp-up period, as described in AS 43.59.010, added by sec. 16 of this
3 Act, ends.

4 (b) The commissioner of revenue shall notify the revisor of statutes in writing within
5 30 days after making the determination under (a)(2) of this section that the ramp-up period
6 has ended.

7 * **Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to
8 read:

9 **CONDITIONAL EFFECT: LAW ENACTMENT.** Sections 5, 10, 12, 15, and 20 of
10 this Act take effect only if the conditions in sec. 23(a) of this Act are met."

11
12 Renumber the following bill sections accordingly.

13
14 Page 14, line 30, through page 15, line 1:

15 Delete all material and insert:

16 ** **Sec. 27.** Sections 9, 14, and 17 - 19 of this Act take effect on the earlier of:

17 (1) the day after the date the commissioner of revenue determines, under sec.
18 24 of this Act, that the ramp-up period has ended; or

19 (2) July 1, 2046."

20
21 Page 15, line 2:

22 Delete "Sections 5, 10, 12, 15, and 20 of this Act"

23 Insert "If, under sec. 25 of this Act, secs. 5, 10, 12, 15, and 20 of this Act take effect,
24 they"

Am 2

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FIELDS

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

1 Page 1, line 5, following "Alaska;":

2 Insert "relating to costs incurred by certain electric utilities for renewable energy
3 and battery energy storage;"

4

5 Page 4, following line 1:

6 Insert a new bill section to read:

7 **** Sec. 8.** AS 42.05.431 is amended by adding a new subsection to read:

8 (i) Costs incurred by an electric cooperative utility organized under AS 10.25
9 that participates in an electric reliability organization certificated by the commission
10 under AS 42.05.760 must be allowed in the rates charged by the utility if the costs are
11 approved by the utility's board of directors in connection with a new or purchased
12 renewable energy facility or battery energy storage system with a nameplate capacity
13 of less than 15,000 kilowatts or power purchased from a renewable energy facility or
14 battery energy storage system with a nameplate capacity of less than 15,000 kilowatts.
15 In this subsection, "renewable energy facility" means a facility that generates
16 electricity from geothermal, wind, solar, hydroelectric, hydrokinetic, tidal, or biomass
17 energy or another renewable energy resource."

18

19 Renumber the following bill sections accordingly.

20

21 Page 4, line 6:

22 Delete "sec. 8"

23 Insert "sec. 9"

1

2 Page 4, line 10:

3 Delete "secs. 8 and 9"

4 Insert "secs. 9 and 10"

5

6 Page 4, line 22:

7 Delete "sec. 11"

8 Insert "sec. 12"

9

10 Page 5, line 12:

11 Delete "sec. 13"

12 Insert "sec. 14"

13

14 Page 5, line 18:

15 Delete "secs. 13 and 14"

16 Insert "secs. 14 and 15"

17

18 Page 12, line 4:

19 Delete "sec. 16"

20 Insert "sec. 17"

21

22 Page 12, line 10:

23 Delete "sec. 16"

24 Insert "sec. 17"

25

26 Page 13, line 11:

27 Delete "sec. 16"

28 Insert "sec. 17"

29

30 Page 13, line 12:

31 Delete "sec. 16"

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

- 1 Delete "10, 12, 15, and 20"
- 2 Insert "11, 13, 16, and 21"

Am. 3

34-GH2038\G.2
Nauman
4/26/26

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FIELDS

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

1 Page 12, following line 9:

2 Insert a new bill section to read:

3 **** Sec. 18.** AS 43.59.040(b), enacted by sec. 16 of this Act, is repealed and reenacted to
4 read:

5 (b) The department shall separately account for the tax collected under (a) of
6 this section. Each year, the legislature may appropriate to the constitutionally
7 established education fund 50 percent of the tax collected under (a) of this section."
8

9 Renumber the following bill sections accordingly.
10

11 Page 13, line 16:

12 Delete "21, and 22"

13 Insert "22, and 23"
14

15 Page 14, following line 19:

16 Insert a new bill section to read:

17 **** Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 **CONDITIONAL EFFECT.** Section 18 of this Act takes effect only if, under sec. 24 of
20 this Act, sec. 16 of this Act has taken effect and a constitutional amendment to art. IX,
21 Constitution of the State of Alaska, establishing an education fund is passed by the Thirty-
22 Fourth Alaska State Legislature and approved by the voters at the 2026 general election."
23

1 Renumber the following bill sections accordingly.

2

3 Page 14, line 23:

4 Delete "and 17 - 19"

5 Insert "17, 19, and 20"

6

7 Page 14, line 27:

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

9 Insert "sec. 24 of this Act, secs. 2 - 4, 6 - 8, 11, 13, 16, 22, and 23"

10

11 Page 14, line 29:

12 Delete "sec. 23(a)"

13 Insert "sec. 24(a)"

14

15 Page 14, following line 29:

16 Insert a new bill section to read:

17 **** Sec. 28.** If sec. 18 of this Act takes effect, it takes effect on the day after the date the
18 2026 general election is certified."

19

20 Renumber the following bill sections accordingly.

21

22 Page 14, line 30:

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

24 Insert "sec. 26 of this Act, secs. 9, 14, 17, 19, and 20"

25

26 Page 15, line 2:

27 Delete "20"

28 Insert "21"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FIELDS

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

1 Page 1, line 5, following "Alaska;":

2 Insert "relating to revenue received from the state's royalty gas;"

3

4 Page 4, following line 1:

5 Insert new bill sections to read:

6 **** Sec. 8.** AS 42.45.045(b) is amended to read:

7 (b) The authority shall administer the fund as a fund distinct from other funds
8 of the authority. The fund consists of

9 (1) money appropriated to the fund by the legislature, **including**
10 **appropriations made under (m) of this section,** to provide grants for certain energy
11 projects determined by the legislature;

12 (2) gifts, bequests, contributions from other sources, and federal
13 money;

14 (3) interest earned on the fund balance; and

15 (4) investments to be managed by the Department of Revenue, which
16 shall be the fiduciary of the fund under AS 37.10.071.

17 *** Sec. 9.** AS 42.45.045 is amended by adding a new subsection to read:

18 (m) Each year, the legislature may appropriate to the fund 20 percent of the
19 revenue received from the state's royalty gas transported in an Alaska liquefied natural
20 gas project that remains after the payment to the Alaska permanent fund under
21 AS 37.13.010. In this subsection, "Alaska liquefied natural gas project" has the
22 meaning given in AS 31.25.390."
23

1 Renumber the following bill sections accordingly.

2

3 Page 4, line 6:

4 Delete "sec. 8"

5 Insert "sec. 10"

6

7 Page 4, line 10:

8 Delete "secs. 8 and 9"

9 Insert "secs. 10 and 11"

10

11 Page 4, line 22:

12 Delete "sec. 11"

13 Insert "sec. 13"

14

15 Page 5, line 12:

16 Delete "sec. 13"

17 Insert "sec. 15"

18

19 Page 5, line 18:

20 Delete "secs. 13 and 14"

21 Insert "secs. 15 and 16"

22

23 Page 12, line 4:

24 Delete "sec. 16"

25 Insert "sec. 18"

26

27 Page 12, line 10:

28 Delete "sec. 16"

29 Insert "sec. 18"

30

31 Page 12, following line 17:

1 Insert a new bill section to read:

2 **"* Sec. 21. AS 37.05.610 is repealed."**

3

4 Renumber the following bill sections accordingly.

5

6 Page 13, line 11:

7 Delete "sec. 16"

8 Insert "sec. 18"

9

10 Page 13, line 12:

11 Delete "sec. 16"

12 Insert "sec. 18"

13

14 Page 13, line 16:

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

16 Insert "6, 7, 10, 13, 15, 18, 24, and 25"

17

18 Page 13, line 18:

19 Delete "sec. 16"

20 Insert "sec. 18"

21

22 Page 14, line 23:

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

24 Insert "Sections 11, 16, and 19, 20, and 22"

25

26 Page 14, line 24:

27 Delete "sec. 16"

28 Insert "sec. 18"

29

30 Page 14, line 27:

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

1 Insert "sec. 26 of this Act, secs. 2 - 4, 6, 7, 10, 13, 15, 18, 24, and 25"

2

3 Page 14, line 29:

4 Delete "sec. 23(a)"

5 Insert "sec. 26(a)"

6

7 Page 14, line 30:

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

9 Insert "sec. 27 of this Act, secs. 11, 16, 19, 20, and 22"

10

11 Page 15, following line 1:

12 Insert a new bill section to read:

13 "*** Sec. 30.** Sections 8, 9, and 21 of this Act take effect immediately under
14 AS 01.10.070(c)."

15

16 Page 15, line 2:

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

18 Insert "12, 14, 17, and 23"

Am. 5

34-GH2038\G.4
Nauman
4/27/26

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FIELDS

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

1 Page 1, line 5, following "Alaska;":

2 Insert "relating to the calculation of lease expenditures for purposes of the oil and
3 gas production tax;"

4

5 Page 4, following line 1:

6 Insert a new bill section to read:

7 **** Sec. 8.** AS 43.55.165(e) is amended to read:

8 (e) For purposes of this section, lease expenditures do not include

9 (1) depreciation, depletion, or amortization;

10 (2) oil or gas royalty payments, production payments, lease profit
11 shares, or other payments or distributions of a share of oil or gas production, profit, or
12 revenue, except that a producer's lease expenditures applicable to oil and gas produced
13 from a lease issued under AS 38.05.180(f)(3)(B), (D), or (E) include the share of net
14 profit paid to the state under that lease;

15 (3) taxes based on or measured by net income;

16 (4) interest or other financing charges or costs of raising equity or debt
17 capital;

18 (5) acquisition costs for a lease or property or exploration license;

19 (6) costs arising from fraud, wilful misconduct, gross negligence,
20 violation of law, or failure to comply with an obligation under a lease, permit, or
21 license issued by the state or federal government;

22 (7) fines or penalties imposed by law;

23 (8) costs of arbitration, litigation, or other dispute resolution activities

1 that involve the state or concern the rights or obligations among owners of interests in,
2 or rights to production from, one or more leases or properties or a unit;

3 (9) costs incurred in organizing a partnership, joint venture, or other
4 business entity or arrangement;

5 (10) amounts paid to indemnify the state; the exclusion provided by
6 this paragraph does not apply to the costs of obtaining insurance or a surety bond from
7 a third-party insurer or surety;

8 (11) surcharges levied under AS 43.55.201 or 43.55.300;

9 (12) an expenditure otherwise deductible under (b) of this section that
10 is a result of an internal transfer, a transaction with an affiliate, or a transaction
11 between related parties, or is otherwise not an arm's length transaction, unless the
12 producer establishes to the satisfaction of the department that the amount of the
13 expenditure does not exceed the fair market value of the expenditure;

14 (13) an expenditure incurred to purchase an interest in any corporation,
15 partnership, limited liability company, business trust, or any other business entity,
16 whether or not the transaction is treated as an asset sale for federal income tax
17 purposes;

18 (14) a tax levied under AS 43.55.011 or 43.55.014;

19 (15) costs incurred for dismantlement, removal, surrender, or
20 abandonment of a facility, pipeline, well pad, platform, or other structure, or for the
21 restoration of a lease, field, unit, area, tract of land, body of water, or right-of-way in
22 conjunction with dismantlement, removal, surrender, or abandonment; a cost is not
23 excluded under this paragraph if the dismantlement, removal, surrender, or
24 abandonment for which the cost is incurred is undertaken for the purpose of replacing,
25 renovating, or improving the facility, pipeline, well pad, platform, or other structure;

26 (16) costs incurred for containment, control, cleanup, or removal in
27 connection with any unpermitted release of oil or a hazardous substance and any
28 liability for damages imposed on the producer or explorer for that unpermitted release;
29 this paragraph does not apply to the cost of developing and maintaining an oil
30 discharge prevention and contingency plan under AS 46.04.030;

31 (17) costs incurred to satisfy a work commitment under an exploration

1 license under AS 38.05.132;

2 (18) that portion of expenditures, that would otherwise be qualified
3 capital expenditures, as defined in AS 43.55.023, incurred during a calendar year that
4 are less than the product of \$0.30 multiplied by the total taxable production from each
5 lease or property, in BTU equivalent barrels, during that calendar year, except that,
6 when a portion of a calendar year is subject to this provision, the expenditures and
7 volumes shall be prorated within that calendar year;

8 (19) costs incurred for repair, replacement, or deferred maintenance of
9 a facility, a pipeline, a structure, or equipment, other than a well, that results in or is
10 undertaken in response to a failure, problem, or event that results in an unscheduled
11 interruption of, or reduction in the rate of, oil or gas production; or costs incurred for
12 repair, replacement, or deferred maintenance of a facility, a pipeline, a structure, or
13 equipment, other than a well, that is undertaken in response to, or is otherwise
14 associated with, an unpermitted release of a hazardous substance or of gas; however,
15 costs under this paragraph that would otherwise constitute lease expenditures under (a)
16 and (b) of this section may be treated as lease expenditures if the department
17 determines that the repair or replacement is solely necessitated by an act of war, by an
18 unanticipated grave natural disaster or other natural phenomenon of an exceptional,
19 inevitable, and irresistible character, the effects of which could not have been
20 prevented or avoided by the exercise of due care or foresight, or by an intentional or
21 negligent act or omission of a third party, other than a party or its agents in privity of
22 contract with, or employed by, the producer or an operator acting for the producer, but
23 only if the producer or operator, as applicable, exercised due care in operating and
24 maintaining the facility, pipeline, structure, or equipment, and took reasonable
25 precautions against the act or omission of the third party and against the consequences
26 of the act or omission; in this paragraph,

27 (A) "costs incurred for repair, replacement, or deferred
28 maintenance of a facility, a pipeline, a structure, or equipment" includes costs
29 to dismantle and remove the facility, pipeline, structure, or equipment that is
30 being replaced;

31 (B) "hazardous substance" has the meaning given in

1 AS 46.03.826;

2 (C) "replacement" includes renovation or improvement;

3 (20) costs incurred to construct, acquire, or operate a refinery or crude
 4 oil topping plant, regardless of whether the products of the refinery or topping plant
 5 are used in oil or gas exploration, development, or production operations; however, if
 6 a producer owns a refinery or crude oil topping plant that is located on or near the
 7 premises of the producer's lease or property in the state and that processes the
 8 producer's oil produced from that lease or property into a product that the producer
 9 uses in the operation of the lease or property in drilling for or producing oil or gas, the
 10 producer's lease expenditures include the amount calculated by subtracting from the
 11 fair market value of the product used the prevailing value, as determined under
 12 AS 43.55.020(f), of the oil that is processed;

13 (21) costs of lobbying, public relations, public relations advertising, or
 14 policy advocacy;

15 (22) costs incurred as part of a capital expenditure or other action taken
 16 for a carbon management purpose under AS 38.05.081 or a carbon offset project under
 17 AS 38.95.400 - 38.95.499;

18 (23) costs incurred for carbon capture or carbon storage, including fees
 19 incurred under AS 41.06.160, surcharges incurred under AS 41.06.175, or costs
 20 associated with obtaining, operating, or maintaining a license or lease under
 21 AS 38.05.700 - 38.05.795; in this paragraph.

22 (A) "carbon capture" means the process of capturing carbon
 23 dioxide from a chemical, mechanical, or industrial process, or directly from the
 24 ambient atmosphere, and reducing the carbon dioxide to a concentrated form,
 25 including a supercritical fluid; "carbon capture" does not include gas
 26 processing or gas treatment;

27 (B) "carbon storage" means the long-term geologic storage of
 28 carbon dioxide in a carbon storage facility permitted under AS 41.06.120 or a
 29 Class VI injection well, as defined in 40 C.F.R. 146.5(f);

30 **(24) costs incurred related to a liquefied natural gas project,**
 31 **including**

- 1 **(A) exploration or production costs of natural gas intended**
- 2 **for liquefaction;**
- 3 **(B) costs related to construction or operation of a natural**
- 4 **gas pipeline, spur line, or intake or offtake lines used for transportation of**
- 5 **natural gas intended for liquefaction;**
- 6 **(C) a natural gas treatment or liquefaction facility; or**
- 7 **(D) a marine terminal facility."**
- 8

9 Renumber the following bill sections accordingly.

10

11 Page 4, line 6:

- 12 Delete "sec. 8"
- 13 Insert "sec. 9"

14

15 Page 4, line 10:

- 16 Delete "secs. 8 and 9"
- 17 Insert "secs. 9 and 10"

18

19 Page 4, line 22:

- 20 Delete "sec. 11"
- 21 Insert "sec. 12"

22

23 Page 5, line 12:

- 24 Delete "sec. 13"
- 25 Insert "sec. 14"

26

27 Page 5, line 18:

- 28 Delete "secs. 13 and 14"
- 29 Insert "secs. 14 and 15"

30

31 Page 12, line 4:

1 Delete "sec. 16"

2 Insert "sec. 17"

3

4 Page 12, line 10:

5 Delete "sec. 16"

6 Insert "sec. 17"

7

8 Page 13, following line 7:

9 Insert a new bill section to read:

10 **** Sec. 23.** The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 APPLICABILITY. AS 43.55.165(e), as amended by sec. 8 of this Act, applies to costs
13 incurred on or after January 1, 2027."

14

15 Renumber the following bill sections accordingly.

16

17 Page 13, line 11:

18 Delete "sec. 16"

19 Insert "sec. 17"

20

21 Page 13, line 12:

22 Delete "sec. 16"

23 Insert "sec. 17"

24

25 Page 13, line 16:

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

27 Insert "6, 7, 9, 12, 14, 17, 22, and 24"

28

29 Page 13, line 18:

30 Delete "sec. 16"

31 Insert "sec. 17"

1

2 Page 14, line 23:

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

4 Insert "Sections 10, 15, and 18 - 20"

5

6 Page 14, line 24:

7 Delete "sec. 16"

8 Insert "sec. 17"

9

10 Page 14, following line 26:

11 Insert a new bill section to read:

12 **** Sec. 27.** Section 8 of this Act takes effect January 1, 2027."

13

14 Renumber the following bill section accordingly.

15

16 Page 14, line 27:

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

18 Insert "sec. 25 of this Act, secs. 2 - 4, 6, 7, 9, 12, 14, 17, 22, and 24"

19

20 Page 14, line 29:

21 Delete "sec. 23(a)"

22 Insert "sec. 25(a) "

23

24 Page 14, line 30:

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

26 Insert "sec. 26 of this Act, secs. 10, 15, and 18 - 20"

27

28 Page 15, line 2:

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

30 Insert "11, 13, 16, and 21"

Am. 6

34-GH2038\G.5
Nauman
4/27/26

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FIELDS

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

1 Page 1, line 5, following "Alaska;":

2 Insert "relating to the oil and gas production tax;"

3

4 Page 4, following line 1:

5 Insert new bill sections to read:

6 ** Sec. 8. AS 43.55.160(h) is amended to read:

7 (h) For oil produced on and after January 1, 2022, except as provided in (b),
8 (f), and (g) of this section, for the purposes of AS 43.55.011(e)(3), the annual
9 production tax value of oil taxable under AS 43.55.011(e) produced by a producer
10 during a calendar year

11 (1) from leases or properties in the state that include land north of 68
12 degrees North latitude is the gross value at the point of production of that oil, less the
13 producer's lease expenditures under AS 43.55.165 for the calendar year incurred to
14 explore for, develop, or produce oil and gas deposits located in the state north of 68
15 degrees North latitude or located in leases or properties in the state that include land
16 north of 68 degrees North latitude, as adjusted under AS 43.55.170; **for oil produced**
17 **on and after January 1, 2026, lease expenditures deductible under this paragraph**
18 **may not include costs incurred to explore for, develop, or produce gas deposits**
19 **located in the state north of 68 degrees North latitude or located in leases or**
20 **properties in the state that include land north of 68 degrees North latitude;**

21 (2) before or during the last calendar year under AS 43.55.024(b) for
22 which the producer could take a tax credit under AS 43.55.024(a), from leases or
23 properties in the state outside the Cook Inlet sedimentary basin, no part of which is

1 north of 68 degrees North latitude, other than leases or properties subject to
2 AS 43.55.011(p), is the gross value at the point of production of that oil, less the
3 producer's lease expenditures under AS 43.55.165 for the calendar year incurred to
4 explore for, develop, or produce oil and gas deposits located in the state outside the
5 Cook Inlet sedimentary basin and south of 68 degrees North latitude, other than oil
6 and gas deposits located in a lease or property that includes land north of 68 degrees
7 North latitude or that is subject to AS 43.55.011(p) or, before January 1, 2027, from
8 which commercial production has not begun, as adjusted under AS 43.55.170;

9 (3) from leases or properties subject to AS 43.55.011(p) is the gross
10 value at the point of production of that oil, less the producer's lease expenditures under
11 AS 43.55.165 for the calendar year incurred to explore for, develop, or produce oil and
12 gas deposits located in leases or properties subject to AS 43.55.011(p) or, before
13 January 1, 2027, located in leases or properties in the state outside the Cook Inlet
14 sedimentary basin, no part of which is north of 68 degrees North latitude from which
15 commercial production has not begun, as adjusted under AS 43.55.170;

16 (4) from leases or properties in the state no part of which is north of 68
17 degrees North latitude, other than leases or properties subject to (2) or (3) of this
18 subsection, is the gross value at the point of production of that oil less the producer's
19 lease expenditures under AS 43.55.165 for the calendar year incurred to explore for,
20 develop, or produce oil and gas deposits located in the state south of 68 degrees North
21 latitude, other than oil and gas deposits located in a lease or property in the state that
22 includes land north of 68 degrees North latitude, and excluding lease expenditures that
23 are deductible under (2) or (3) of this subsection or would be deductible under (2) or
24 (3) of this subsection if not prohibited by (b) of this section, as adjusted under
25 AS 43.55.170; a separate annual production tax value shall be calculated for

26 (A) oil produced from each lease or property in the Cook Inlet
27 sedimentary basin;

28 (B) oil produced from each lease or property outside the Cook
29 Inlet sedimentary basin, no part of which is north of 68 degrees North latitude,
30 other than leases or properties subject to (3) of this subsection.

31 * **Sec. 9.** AS 43.55.165(a) is amended to read:

1 (a) For purposes of this chapter, a producer's lease expenditures for a calendar
2 year are

3 (1) costs, other than items listed in (e) of this section, that are

4 (A) **except as provided in (t) of this section**, incurred by the
5 producer during the calendar year after March 31, 2006, to explore for,
6 develop, or produce oil or gas deposits located within the producer's leases or
7 properties in the state or, in the case of land in which the producer does not
8 own an operating right, operating interest, or working interest, to explore for
9 oil or gas deposits within other land in the state; and

10 (B) allowed by the department by regulation, based on the
11 department's determination that the costs satisfy the following three
12 requirements:

13 (i) the costs must be incurred upstream of the point of
14 production of oil and gas;

15 (ii) the costs must be ordinary and necessary costs of
16 exploring for, developing, or producing, as applicable, oil or gas
17 deposits; and

18 (iii) the costs must be direct costs of exploring for,
19 developing, or producing, as applicable, oil or gas deposits;

20 (2) a reasonable allowance for that calendar year, as determined under
21 regulations adopted by the department, for overhead expenses that are directly related
22 to exploring for, developing, or producing, as applicable, the oil or gas deposits; and

23 (3) lease expenditures incurred in a previous calendar year, subject to
24 (l) - (r) of this section, that

25 (A) met the requirements of AS 43.55.160(e) in the year in
26 which the lease expenditures were incurred;

27 (B) have not been deducted in the determination of the
28 production tax value of oil and gas under AS 43.55.160(a) or (h) in a previous
29 calendar year;

30 (C) were not the basis of a credit under this title; and

31 (D) were incurred to explore for, develop, or produce an oil or

1 gas deposit located in the state outside the Cook Inlet sedimentary basin.

2 * **Sec. 10.** AS 43.55.165 is amended by adding a new subsection to read:

3 (t) For oil produced on and after January 1, 2026, lease expenditures under
4 this section do not include costs incurred to explore for, develop, or produce gas
5 deposits located in the state north of 68 degrees North latitude or located in leases or
6 properties in the state that include land north of 68 degrees North latitude. For
7 purposes of this section and AS 43.55.160(h), the department shall establish a
8 reasonable method for allocating lease expenditures between the production of oil and
9 the production of gas. When determining the reasonable method for allocation under
10 this subsection, the department shall consider allocation of lease expenditures in
11 proportion of BTU equivalent barrels of oil and gas produced from each lease or
12 property."

13
14 Renumber the following bill sections accordingly.

15
16 Page 4, line 6:

17 Delete "sec. 8"

18 Insert "sec. 11"

19
20 Page 4, line 10:

21 Delete "secs. 8 and 9"

22 Insert "secs. 11 and 12"

23
24 Page 4, line 22:

25 Delete "sec. 11"

26 Insert "sec. 14"

27
28 Page 5, line 12:

29 Delete "sec. 13"

30 Insert "sec. 16"

31

1 Page 5, line 18:

2 Delete "secs. 13 and 14"

3 Insert "secs. 16 and 17"

4

5 Page 6, line 9:

6 Delete "250,000,000"

7 Insert "200,000"

8

9 Page 6, line 11:

10 Delete "six"

11 Insert "three"

12

13 Page 12, line 4:

14 Delete "sec. 16"

15 Insert "sec. 19"

16

17 Page 12, line 10:

18 Delete "sec. 16"

19 Insert "sec. 19"

20

21 Page 13, line 11:

22 Delete "sec. 16"

23 Insert "sec. 19"

24

25 Page 13, line 12:

26 Delete "sec. 16"

27 Insert "sec. 19"

28

29 Page 13, following line 12:

30 Insert a new bill section to read:

31 **** Sec. 26.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 RETROACTIVITY. Sections 8 - 10 of this Act are retroactive to January 1, 2026."

3

4 Renumber the following bill sections accordingly.

5

6 Page 13, line 16:

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

8 Insert "6, 7, 11, 14, 16, 19, 24, and 25"

9

10 Page 13, line 18:

11 Delete "sec. 16"

12 Insert "sec. 19"

13

14 Page 14, line 23:

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

16 Insert "Sections 12, 17, and 20 - 22"

17

18 Page 14, line 24:

19 Delete "sec. 16"

20 Insert "sec. 19"

21

22 Page 14, following line 26:

23 **** Sec. 29.** Sections 8 - 10 and 26 of this Act take effect immediately under
24 AS 01.10.070(c)."

25

26 Renumber the following bill sections accordingly.

27

28 Page 14, line 27:

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

30 Insert "sec. 27 of this Act, secs. 2 - 4, 6, 7, 11, 14, 16, 19, 24, and 25"

31

1 Page 14, line 29:

2 Delete "sec. 23(a)"

3 Insert "sec. 27(a)"

4

5 Page 14, line 30:

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

7 Insert "sec. 28 of this Act, secs. 12, 17, and 20 - 22"

8

9 Page 15, line 2:

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

11 Insert "13, 15, 18, and 23"

Am. 7

AMENDMENT

OFFERED IN THE HOUSE
TO: CSHB 381(RES)

BY REPRESENTATIVE FIELDS

- 1 Page 8, line 29:
- 2 Delete "all"
- 3 Insert "export consumers and state"

Am. 8

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FIELDS

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

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

2 Insert "relating to natural gas project agreements, including community benefit
3 agreements;"

4

5 Page 1, line 6:

6 Delete "relating to community benefit agreements for natural gas project
7 impacts;"

8

9 Page 3, following line 29:

10 Insert a new bill section to read:

11 **** Sec. 7. AS 31.30 is amended by adding a new section to read:**

12 **Sec. 31.30.080. Natural gas project community benefit agreements. (a)**

13 Each owner of property that could be taxable under AS 43.59.020 shall

14 (1) enter into a community benefit agreement with each community
15 within 50 miles of

16 (A) a gas treatment plant, carbon capture facility, or liquefied
17 natural gas plant; or

18 (B) the gas pipeline corridor;

19 (2) set aside a portion of revenue from a gas treatment plant, carbon
20 capture facility, liquefied natural gas plant, or gas pipeline, as applicable, deposit the
21 revenue into an impact fund, and distribute the revenue in the fund to compensate
22 communities described in (1) of this subsection for the actual and direct effects of the
23 gas treatment plant, carbon capture facility, liquefied natural gas plant, or gas pipeline,

1 in accordance with the terms of the community benefit agreement required under (1)
2 of this subsection.

3 (b) If an owner of property that could be taxable under AS 43.59.020 has not
4 entered into a community benefit agreement required under (a) of this section before
5 construction begins on a gas treatment plant, carbon capture facility, liquefied natural
6 gas plant, or pipeline, as applicable, a community may seek

7 (1) an injunction to stop construction or to prevent the operation of the
8 gas treatment plant, carbon capture facility, liquefied natural gas plant, or pipeline; and

9 (2) any other appropriate relief.

10 (c) In this section,

11 (1) "community" means a municipality but does not include a city
12 inside a borough;

13 (2) "community benefit agreement" means an agreement related to a
14 community's unique needs for emergency response, local hire, infrastructure and
15 housing, decommissioning, and any other concerns and priorities of the community
16 relating to a natural gas project;

17 (3) "gas pipeline" means a gas pipeline, as defined in AS 43.59.100,
18 that is expected to be subject to the temporary tax abatement under AS 43.59.010 or
19 the alternative volumetric tax under AS 43.59.020."
20

21 Renumber the following bill sections accordingly.

22

23 Page 4, line 6:

24 Delete "sec. 8"

25 Insert "sec. 9"

26

27 Page 4, line 10:

28 Delete "secs. 8 and 9"

29 Insert "secs. 9 and 10"

30

31 Page 4, line 22:

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

1 Page 13, line 18:

2 Delete "sec. 16"

3 Insert "sec. 17"

4

5 Page 13, lines 19 - 29:

6 Delete all material.

7

8 Renumber the following paragraphs accordingly.

9

10 Page 14, lines 11 - 16:

11 Delete all material.

12

13 Page 14, line 7:

14 Delete "(3)"

15

16 Page 14, line 23:

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

18 Insert "Sections 10, 15, and 18 - 20"

19

20 Page 14, line 24:

21 Delete "sec. 16"

22 Insert "sec. 17"

23

24 Page 14, line 27:

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

26 Insert "sec. 24 of this Act, secs. 2 - 4, 6 - 9, 12, 14, 17, 22, and 23"

27

28 Page 14, line 29:

29 Delete "sec. 23(a)"

30 Insert "sec. 24(a)"

31

1 Page 14, line 30:

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

3 Insert "sec. 25 of this Act, secs. 10, 15, and 18 - 20"

4

5 Page 15, line 2:

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

7 Insert "11, 13, 16, and 21"

Am. 7

34-GH2038\G.28
Nauman
4/30/26

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FIELDS

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

- 1 Page 13, line 29, following "subsection;":
- 2 Insert "revenue from the fund created under this paragraph must be distributed equally
- 3 on a per capita basis to communities within 50 miles of the gas pipeline;"

Am. 1a

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

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 16 - 17:

6 Delete "commissioner of revenue determines that"

7

8 Page 13, lines 19 - 29:

9 Delete all material and insert:

10 "(1) deposit \$25,000,000 into a joint designated community impact fund with
11 the following conditions:

12 (A) upon commencement of construction of the gas pipeline, the fund
13 administrator shall pay an impacted municipality from the fund 25 percent of the
14 anticipated costs to the municipality related to construction of the gas pipeline;

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

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

20 (D) the fund administrator shall reimburse impacted municipalities
21 from the fund under (B) of this paragraph in equal percentages if the total balance of
22 the fund is insufficient to reimburse all costs submitted;

23 (E) the fund shall be administered collectively by the property owners

1 who contribute to the fund;"

2

3 Renumber the following paragraphs accordingly.

4

5 Page 14, line 3:

6 Delete "; and"

7 Insert "."

8

9 Page 14, lines 4 - 6:

10 Delete all material.

11

12 Page 14, line 7:

13 Delete "commissioner of revenue"

14 Insert "Department of Revenue"

15

16 Page 14, line 8:

17 Delete "commissioner of revenue"

18 Insert "Department of Revenue"

19

20 Page 14, lines 11 - 16:

21 Delete all material.

22

23 Renumber the following paragraph accordingly.

24

25 Page 14, line 19:

26 Delete "."

27 Insert ";"

28

29 Page 14, following line 19:

30 Insert a new paragraph to read:

31 "(2) "impacted municipality" means the North Slope Borough, Fairbanks

1 North Star Borough, Denali Borough, Municipality of Anchorage, Matanuska-Susitna
2 Borough, and Kenai Peninsula Borough."

3

4 Page 14, line 28:

5 Delete "commissioner of revenue"

6 Insert "Department of Revenue"

LEGAL SERVICES

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MEMORANDUM

April 30, 2026

SUBJECT: Community Impact Fund Amendment
(CSHB 381(RES); Work Order 34-GH2038\G.24)

TO: Representative Dan Saddler
Attn: Melodie Wilterdink

FROM: Emily Nauman
Director 

An amendment creating and capitalizing a community impact fund is attached. Please consider the following notes that arose during drafting.

Notice to Revisor. It is unclear under the amendment who would determine if the condition under sec. 23 of the Act has occurred. As a minimum, to ensure functionality of the amendment, sec. 23(b), which requires the commissioner of revenue to notify the revisor of statutes if the conditional effect is satisfied, is retained in the amendment. Would you like to replace the person responsible for notifying the revisor under the amendment?

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

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

² *Id.*

Representative Dan Saddler

April 30, 2026

Page 2

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 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).

ELN:lei

26-146.lei

Attachment

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

Am. 11

34-GH2038\G.25
Nauman
4/30/26

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

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

- 1 Page 10, line 8:
2 Delete "2030"
3 Insert "2032"
4 Following "operations":
5 Insert "of the first 750 miles of the gas pipeline"
6
7 Page 12, line 13:
8 Delete "2030"
9 Insert "2032"
10
11 Page 12, line 14, following "operations":
12 Insert "of the first 750 miles of the gas pipeline"

Am. 12

34-GH2038\G.22
Nauman
4/30/26

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

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

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

2 Insert "relating to the in-state natural gas pipeline fund administered by the
3 Alaska Gasline Development Corporation;"

4

5 Page 3, following line 29:

6 Insert a new bill section to read:

7 **** Sec. 7. AS 31.25.100 is amended to read:**

8 **Sec. 31.25.100. In-state natural gas pipeline fund.** The in-state natural gas
9 pipeline fund is established in the corporation and consists of money appropriated to
10 it. The corporation shall determine fund management and may contract with the
11 Department of Revenue for fund management. Unless otherwise provided by law,
12 money appropriated to the fund lapses into the general fund on the day this section is
13 repealed. Interest and other income received on money in the fund shall be separately
14 accounted for and may be appropriated to the fund. The corporation may use money
15 appropriated to the fund without further appropriation

16 **(1) for the cost of managing the fund and for the planning, financing,**
17 **development, acquisition, maintenance, construction, and operation of the in-state**
18 **natural gas pipeline described in AS 31.25.005(4) and for the purposes in**
19 **AS 31.25.005(4), (6), and (7); and**

20 **(2) to support the engineering, design, environmental review,**
21 **right-of-way acquisition, permitting and other preconstruction development**
22 **activities for the spur line required under AS 43.59.030."**

23

1 Renumber the following bill sections accordingly.

2

3 Page 4, line 6:

4 Delete "sec. 8"

5 Insert "sec. 9"

6

7 Page 4, line 10:

8 Delete "secs. 8 and 9"

9 Insert "secs. 9 and 10"

10

11 Page 4, line 22:

12 Delete "sec. 11"

13 Insert "sec. 12"

14

15 Page 5, line 12:

16 Delete "sec. 13"

17 Insert "sec. 14"

18

19 Page 5, line 18:

20 Delete "secs. 13 and 14"

21 Insert "secs. 14 and 15"

22

23 Page 6, lines 26 - 27:

24 Delete "does not apply to a spur line; taxable property associated with a spur line
25 remains subject to tax under AS 43.56.010"

26 Insert "applies to a spur line serving the City of Fairbanks and the Fairbanks North
27 Star Borough"

28

29 Page 6, line 31:

30 Delete "the department determines that"

31

1 Page 7, line 12, following "plant":

2 Insert ";

3 (4) \$0.05 for each 1,000 cubic feet of natural gas transported through a
4 spur line serving the City of Fairbanks and the Fairbanks North Star Borough"

5

6 Page 7, line 19:

7 Delete "the department determines that"

8

9 Page 8, line 10, through page 9, line 13:

10 Delete all material and insert:

11 "Sec. 43.59.030. Eligibility. (a) A natural gas project is eligible for the tax
12 abatement under AS 43.59.010 or the alternative volumetric tax under AS 43.59.020
13 only if

14 (1) the Alaska Gasline Development Corporation establishes and
15 maintains a wholly owned subsidiary for the sole purpose of advancing the
16 development, engineering, permitting, financing, construction, ownership, and
17 operation of a spur line to provide natural gas to the City of Fairbanks and the
18 Fairbanks North Star Borough;

19 (2) the subsidiary described under (1) of this subsection undertakes all
20 actions necessary to advance the spur line in parallel with the gas pipeline, with the
21 objective of achieving a final investment decision in sufficient time to ensure that the
22 spur line is constructed, commissioned, and capable of accepting and delivering
23 natural gas before the commencement of commercial operations of Phase 2 of the
24 Alaska liquefied natural gas project;

25 (3) the spur line described in (1) of this subsection

26 (A) has sufficient capacity to serve reasonably projected
27 residential, commercial, and industrial demand in the Interior area of the state;

28 (B) is designed to interconnect with local distribution systems
29 serving Fairbanks and the surrounding region; and

30 (C) is designed and operated to deliver natural gas at the lowest
31 reasonable cost consistent with safe and reliable service;

1 (4) the first right of refusal for purchasing natural gas transported
2 through the pipeline is prioritized as follows:

3 (A) in-state utilities;

4 (B) the federal government;

5 (C) businesses with a physical presence in the state.

6 (b) In this section, the "Alaska Gasline Development Corporation" means the
7 corporation created under AS 31.25.010."

8

9 Page 9, line 18, following "AS 43.59.020(b)(2)":

10 Insert "and (4)"

11

12 Page 9, line 26, following "AS 43.59.020(b)(2)":

13 Insert "and (4)"

14

15 Page 12, line 4:

16 Delete "sec. 16"

17 Insert "sec. 17"

18

19 Page 12, line 10:

20 Delete "sec. 16"

21 Insert "sec. 17"

22

23 Page 13, line 11:

24 Delete "sec. 16"

25 Insert "sec. 17"

26

27 Page 13, line 12:

28 Delete "sec. 16"

29 Insert "sec. 17"

30

31 Page 13, line 16:

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

LEGAL SERVICES

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MEMORANDUM

April 30, 2026

SUBJECT: Local Preference: Constitutional Issue
(CSHB 381(RES); Work Order No. 34-GH2038\G.22)

TO: Representative Dan Saddler
Attn: Melodie Wilterdink

FROM: Emily Nauman
Director 

Attached is the amendment you requested related to eligibility for the pipeline tax abatement and alternative volumetric tax. The requirement in sec. 43.59.030(a)(4) of the amendment likely violates the Commerce Clause of the United States Constitution. The United States Supreme Court struck down a very similar law in *Commonwealth of Pennsylvania v. State of W. Virginia*.¹ In that case, states of Pennsylvania and Ohio sued West Virginia to prevent the enforcement of a West Virginia statute that required natural gas produced in the state to be prioritized for local use before being exported to other adjacent states. The Court struck down the law, holding that a state cannot enact legislation that disrupts or regulates interstate commerce by giving preference to local consumers.² Although I only had a brief time to research this issue, I suspect a similar argument would also apply to international commerce under the Foreign Commerce Clause of the United States Constitution.

Please let me know if you would like additional information.

ELN:boo
26-158.boo

Attachment

¹ 262 U.S. 553, 587 (1923).

² *Id.*, at 599 - 600.

Am. 13

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

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

- 1 Page 15, line 2:
- 2 Delete "July 1, 2046"
- 3 Insert "January 1, 2056"

Am. 14

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

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

1 Page 6, lines 7 - 8:

2 Delete "the earlier of

3 (1)"

4

5 Page 6, lines 10 - 12:

6 Delete "; or

7 (2) six years after the date of commencement of commercial operations

8 of the major component of the project"

9

10 Page 6, line 16:

11 Delete "(a)(1)"

12 Insert "(a)"

13

14 Page 6, line 18:

15 Delete "either (a)(1) or (2)"

16 Insert "(a)"

Am. 15

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

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

- 1 Page 7, line 17, following "Statistics.":
- 2 Insert "However, the tax amount under (b)(1), (2), or (3) of this section may not
- 3 exceed \$0.25 for each 1,000 cubic feet of natural gas throughput."

Am. 16

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

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

1 Page 2, line 22:

2 Delete "AS 43.59.020(b)(1) or (b)(3)"

3 Insert "AS 43.59.020(b)"

4

5 Page 3, line 1:

6 Delete "AS 43.59.020(B)(1) OR (B)(3)"

7 Insert "AS 43.59.020(b)"

8

9 Page 3, line 7:

10 Delete "property"

11 Insert "a gas treatment plant, carbon capture facility, portion of a gas pipeline, or
12 liquefied natural gas plant within the municipality"

13

14 Page 3, line 10:

15 Delete "AS 43.59.020(b)(1) or (3)"

16 Insert "AS 43.59.020(b)"

17

18 Page 3, lines 13 - 14:

19 Delete "AS 43.59.020(b)(1) or (3)"

20 Insert "AS 43.59.020(b)"

21

22 Page 3, line 15:

23 Delete "property"

1 Insert "the gas treatment plant, carbon capture facility, portion of a gas pipeline, or
2 liquefied natural gas plant within the municipality"

3

4 Page 3, line 16:

5 Delete "AS 43.59.020(b)(1) or (3)"

6 Insert "AS 43.59.020(b)"

7

8 Page 3, line 17:

9 Delete "property subject to tax under AS 43.59.020(b)(1) or (3)"

10 Insert "gas treatment plant, carbon capture facility, portion of a gas pipeline, or
11 liquefied natural gas plant within the municipality subject to tax under AS 43.59.020(b)"

12

13 Page 3, following line 29:

14 Insert a new subsection to read:

15 "(e) In this section. "carbon capture facility" and "gas treatment plant" mean a
16 "carbon capture facility" and "gas treatment plant" associated with a natural gas
17 project, as defined in AS 43.59.100, and "gas pipeline" and "liquefied natural gas
18 plant" have the meanings given in AS 43.59.100."

19

20 Page 6, lines 7 - 8:

21 Delete "the earlier of

22 (1)"

23

24 Page 6, line 9:

25 Delete "250,000.000"

26 Insert "500,000.000"

27

28 Page 6, lines 10 - 12:

29 Delete "; or

30 (2) six years after the date of commencement of commercial operations
31 of a major component of the project"

1

2 Page 7, lines 6 - 17:

3 Delete all material and insert:

4 "(b) For each gas treatment plant, carbon capture facility, gas pipeline, or
5 liquefied natural gas plant, the rate of tax is6 (1) \$0.02 for each 1,000 cubic feet of natural gas throughput after the
7 qualified property achieves a throughput of 500,000,000 cubic feet of natural gas a
8 day;9 (2) \$0.04 for each 1,000 cubic feet of natural gas throughput after the
10 qualified property achieves an average throughput of 750,000,000 cubic feet of natural
11 gas a day;12 (3) \$0.06 for each 1,000 cubic feet of natural gas throughput after the
13 qualified property achieves an average throughput of 1,000,000,000 cubic feet of
14 natural gas a day.15 (c) For purposes of determining the tax rate under (b) of this section, the
16 department shall calculate the average throughput based on a rolling average of
17 throughput over a consecutive 30-day period. Once a throughput threshold has been
18 met under (b) of this section, and the tax rate has increased, the tax rate is not reduced
19 if the average throughput subsequently decreases. The year after the tax reaches the
20 rate of \$0.06 for each 1,000 cubic feet of natural gas throughput, and each year
21 thereafter, the rate of tax shall increase by two percent."
22

23 Page 7, line 26:

24 Delete "under (b)(1) and (3) this section"

25 Insert "on a gas treatment plant, carbon capture facility, portion of a gas pipeline
26 within a municipality, or liquefied natural gas plant"

27

28 Page 7, line 28, following "AS 29.45.085(a).":

29 Insert "If a municipality elects to exempt from taxation the portion of a gas pipeline
30 within the municipality, the tax under this section is reduced proportionately to the length of
31 the gas pipeline within the municipality. To determine the proportion of gas pipeline within a

1 municipality under this subsection, the length of pipeline in a municipality is divided by the
2 total length of the pipeline."

3

4 Page 9, line 18:

5 Delete "AS 43.59.020(b)(2)"

6 Insert "AS 43.59.020(b)"

7

8 Page 9, lines 25 - 26:

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

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

12

13 Page 13, lines 8 - 12:

14 Delete all material.

15

16 Renumber the following bill section accordingly.

17

18 Page 13, line 16:

19 Delete "21, and 22"

20 Insert "and 21"

21

22 Page 14, line 27:

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

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

25

26 Page 14, line 29:

27 Delete "sec. 23(a)"

28 Insert "sec. 22(a)"

29

30 Page 14, line 30:

31 Delete "sec. 24"

I Insert "sec. 23"

Am. 17

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

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

1 Page 2, line 22:

2 Delete "AS 43.59.020(b)(1) or (b)(3)"

3 Insert "AS 43.59.020(b)"

4

5 Page 3, line 1:

6 Delete "AS 43.59.020(B)(1) OR (B)(3)"

7 Insert "AS 43.59.020(b)"

8

9 Page 3, line 7:

10 Delete "property"

11 Insert "a gas treatment plant, carbon capture facility, portion of a gas pipeline, or
12 liquefied natural gas plant within the municipality"

13

14 Page 3, line 10:

15 Delete "AS 43.59.020(b)(1) or (3)"

16 Insert "AS 43.59.020(b)"

17

18 Page 3, lines 13 - 14:

19 Delete "AS 43.59.020(b)(1) or (3)"

20 Insert "AS 43.59.020(b)"

21

22 Page 3, line 15:

23 Delete "property"

1 Insert "the gas treatment plant, carbon capture facility, portion of a gas pipeline, or
2 liquefied natural gas plant within the municipality"

3

4 Page 3, line 16:

5 Delete "AS 43.59.020(b)(1) or (3)"

6 Insert "AS 43.59.020(b)"

7

8 Page 3, line 17:

9 Delete "property subject to tax under AS 43.59.020(b)(1) or (3)"

10 Insert "gas treatment plant, carbon capture facility, portion of a gas pipeline, or
11 liquefied natural gas plant within the municipality subject to tax under AS 43.59.020(b)"

12

13 Page 3, following line 29:

14 Insert a new subsection to read:

15 "(e) In this section, "carbon capture facility" and "gas treatment plant" mean a
16 "carbon capture facility" and "gas treatment plant" associated with a natural gas
17 project, as defined in AS 43.59.100, and "gas pipeline" and "liquefied natural gas
18 plant" have the meanings given in AS 43.59.100."

19

20 Page 6, lines 7 - 8:

21 Delete "the earlier of

22 (1)"

23

24 Page 6, lines 10 - 12:

25 Delete "; or

26 (2) six years after the date of commencement of commercial operations
27 of a major component of the project"

28

29 Page 7, lines 6 - 17:

30 Delete all material and insert:

31 "(b) For each gas treatment plant, carbon capture facility, gas pipeline, or

1 liquefied natural gas plant, the rate of tax is

2 (1) \$0.02 for each 1,000 cubic feet of natural gas throughput after the
3 qualified property achieves a throughput of 250,000,000 cubic feet of natural gas a
4 day;

5 (2) \$0.04 for each 1,000 cubic feet of natural gas throughput after the
6 qualified property achieves an average throughput of 500,000,000 cubic feet of natural
7 gas a day;

8 (3) \$0.06 for each 1,000 cubic feet of natural gas throughput after the
9 qualified property achieves an average throughput of 750,000,000 cubic feet of natural
10 gas a day;

11 (4) \$0.08 for each 1,000 cubic feet of natural gas throughput after the
12 qualified property achieves an average throughput of 1,000,000,000 cubic feet of
13 natural gas a day.

14 (c) For purposes of determining the tax rate under (b) of this section, the
15 department shall calculate the average throughput based on a rolling average of
16 throughput over a consecutive 30-day period. Once a throughput threshold has been
17 met under (b) of this section, and the tax rate has increased, the tax rate is not reduced
18 if the average throughput subsequently decreases. The year after the tax reaches the
19 rate of \$0.08 for each 1,000 cubic feet of natural gas throughput, and each year
20 thereafter, the rate of tax shall increase by 2.5 percent."

21
22 Page 7, line 26:

23 Delete "under (b)(1) and (3) this section"

24 Insert "on a gas treatment plant, carbon capture facility, portion of a gas pipeline
25 within a municipality, or liquefied natural gas plant"

26
27 Page 7, line 28, following "AS 29.45.085(a).":

28 Insert "If a municipality elects to exempt from taxation the portion of a gas pipeline
29 within the municipality, the tax under this section is reduced proportionately to the length of
30 the gas pipeline within the municipality. To determine the proportion of gas pipeline within a
31 municipality under this subsection, the length of pipeline in a municipality is divided by the

1 total length of the pipeline."

2

3 Page 9, line 18:

4 Delete "AS 43.59.020(b)(2)"

5 Insert "AS 43.59.020(b)"

6

7 Page 9, lines 25 - 26:

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

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

11

12 Page 13, lines 8 - 12:

13 Delete all material.

14

15 Renumber the following bill section accordingly.

16

17 Page 13, line 16:

18 Delete "21, and 22"

19 Insert "and 21"

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 - 8, 11, 13, 16 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"

31 Insert "sec. 23"

Am. 18

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

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

1 Page 2, line 22:

2 Delete "AS 43.59.020(b)(1) or (b)(3)"

3 Insert "AS 43.59.020(b)"

4

5 Page 3, line 1:

6 Delete "AS 43.59.020(B)(1) OR (B)(3)"

7 Insert "AS 43.59.020(b)"

8

9 Page 3, line 7:

10 Delete "property"

11 Insert "a gas treatment plant, carbon capture facility, portion of a pipeline, or liquefied
12 natural gas plant within the municipality"

13

14 Page 3, line 10:

15 Delete "AS 43.59.020(b)(1) or (3)"

16 Insert "AS 43.59.020(b)"

17

18 Page 3, lines 13 - 14:

19 Delete "AS 43.59.020(b)(1) or (3)"

20 Insert "AS 43.59.020(b)"

21

22 Page 3, line 15:

23 Delete "property"

1 Insert "the gas treatment plant, carbon capture facility, portion of a pipeline, or
2 liquefied natural gas plant within the municipality"

3

4 Page 3, line 16:

5 Delete "AS 43.59.020(b)(1) or (3)"

6 Insert "AS 43.59.020(b)"

7

8 Page 3, line 17:

9 Delete "property subject to tax under AS 43.59.020(b)(1) or (3)"

10 Insert "gas treatment plant, carbon capture facility, portion of a gas pipeline, or
11 liquefied natural gas plant within the municipality subject to tax under AS 43.59.020(b)"

12

13 Page 3, following line 29:

14 Insert a new subsection to read:

15 "(e) In this section, "carbon capture facility," "gas treatment plant," "gas
16 pipeline," and "liquefied natural gas plant" have the meanings given in AS 43.59.100."

17

18 Page 6, lines 7 - 8:

19 Delete "the earlier of

20 (1)"

21

22 Page 6, line 9:

23 Delete "250,000,000"

24 Insert "100,000,000"

25

26 Page 6, lines 10 - 12:

27 Delete "; or

28 (2) six years after the date of commencement of commercial operations
29 of a major component of the project"

30

31 Page 7, lines 6 - 17:

1 Delete all material and insert:

2 "(b) For each gas treatment plant, carbon capture facility, gas pipeline, or
3 liquefied natural gas plant, the rate of tax is

4 (1) \$0.01 per 1,000 cubic feet of natural gas throughput after the
5 property achieves a throughput of 100,000,000 cubic feet of natural gas per day;

6 (2) \$0.02 per 1,000 cubic feet of natural gas throughput after the
7 property achieves an average throughput of 200,000,000 cubic feet of natural gas per
8 day;

9 (3) \$0.03 per 1,000 cubic feet of natural gas throughput after the
10 property achieves an average throughput of 300,000,000 cubic feet of natural gas per
11 day;

12 (4) \$0.04 per 1,000 cubic feet of natural gas throughput after the
13 property achieves an average throughput of 400,000,000 cubic feet of natural gas per
14 day;

15 (5) \$0.05 per 1,000 cubic feet of natural gas throughput after the
16 property achieves an average throughput of 500,000,000 cubic feet of natural gas per
17 day;

18 (6) \$0.06 per 1,000 cubic feet of natural gas throughput after the
19 property achieves an average throughput of 600,000,000 cubic feet of natural gas per
20 day;

21 (7) \$0.07 per 1,000 cubic feet of natural gas throughput after the
22 property achieves an average throughput of 700,000,000 cubic feet of natural gas per
23 day;

24 (8) \$0.08 per 1,000 cubic feet of natural gas throughput after the
25 property achieves an average throughput of 800,000,000 cubic feet of natural gas per
26 day;

27 (9) \$0.09 per 1,000 cubic feet of natural gas throughput after the
28 property achieves an average throughput of 900,000,000 cubic feet of natural gas per
29 day;

30 (10) \$0.10 per 1,000 cubic feet of natural gas throughput after the
31 property achieves an average throughput of 1,000,000,000 cubic feet of natural gas per

1 day.

2 (c) For purposes of determining the tax rate under (b) of this section, the
3 department shall calculate the average throughput based on a rolling average of
4 throughput over a consecutive 30-day period. Once a throughput threshold has been
5 met under (b) of this section, and the tax rate has increased, the tax rate is not reduced
6 if the average throughput subsequently decreases. The year after the tax reaches the
7 rate of \$0.10 per 1,000 cubic feet of natural gas throughput, and each year thereafter,
8 the rate of tax shall increase by three percent."
9

10 Page 7, line 26:

11 Delete "under (b)(1) and (3) of this section"

12 Insert "on a gas treatment plant, carbon capture facility, portion of a pipeline within a
13 municipality, or liquefied natural gas plant"
14

15 Page 7, line 28, following "AS 29.45.085(a).":

16 Insert "If a municipality elects to exempt from taxation the portion of a gas pipeline
17 within the municipality, the tax under this section is reduced proportionately to the length of
18 the gas pipeline within the municipality. To determine the proportion of gas pipeline within a
19 municipality under this subsection, the length of pipeline in a municipality is divided by the
20 total length of the pipeline."
21

22 Page 9, line 18:

23 Delete "AS 43.59.020(b)(2)"

24 Insert "AS 43.59.020(b)"
25

26 Page 9, lines 25 - 26:

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

29 Insert "50 percent of the tax collected under AS 43.59.020(b)"
30

31 Page 13, lines 8 - 12:

1 Delete all material.

2

3 Renumber the following bill section accordingly.

4

5 Page 13, line 16:

6 Delete "21, and 22"

7 Insert "and 21"

8

9 Page 14, line 27:

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

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

12

13 Page 14, line 29:

14 Delete "sec. 23(a)"

15 Insert "sec. 22(a)"

16

17 Page 14, line 30:

18 Delete "sec. 24"

19 Insert "sec. 23"

Am. 19

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

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

1 Page 2, lines 20 - 22:

2 Delete "for which the municipality has, under AS 29.45.085(a), elected to have
3 taxed under AS 43.59.020(b)(1) or (b)(3)"

4 Insert "subject to taxation under AS 43.59.020"

5
6 Page 2, line 30, through page 3, line 1:

7 Delete "FOR WHICH THE MUNICIPALITY HAS, UNDER AS 29.45.085(a),
8 ELECTED TO HAVE TAXED UNDER AS 43.59.020(b)(1) OR (b)(3)"

9 Insert "SUBJECT TO TAXATION UNDER AS 43.59.020"

10

11 Page 3, lines 4 - 29:

12 Delete all material and insert:

13 "** Sec. 6. AS 29.45 is amended by adding a new section to read:

14 **Sec. 29.45.085. Alternative volumetric tax election; equity option.** (a) A
15 municipality may by ordinance elect to exempt from taxation property eligible for the
16 alternative volumetric tax under AS 43.59.020(b)(1) or (3). If a municipality by
17 ordinance elects to exempt property from tax under this subsection, the municipality
18 shall enter into an agreement with an owner of property that would be subject to the
19 volumetric tax under AS 43.59.020(b)(1) or (3) to receive an equity interest in the
20 property subject to tax under AS 43.59.020(b)(1) or (3) in lieu of the property taxes
21 that would otherwise be collected under AS 43.59.020(b)(1) or (3).

22 (b) An equity interest accrued under (a) of this section

23 (1) may be structured as an ownership interest, revenue interest, or

1 other equivalent participation;
2 (2) must be in proportion to the value determined as if the property
3 were subject to tax under AS 43.59.020(b)(1) or (3);
4 (3) must entitle the municipality to distributions, participation, voting
5 and governance rights, contractual rights, and options, consistent with other equity
6 holders.
7 (c) An equity interest accrued under this section is exempt from the limitations
8 in AS 29.45.080(c) - (f) and 29.45.090."
9

10 Page 5, line 5:

11 Delete "**elected by the municipality**"
12 Insert "**subject to an equity agreement**"
13

14 Page 5, lines 15 - 16:

15 Delete "elected by the municipality"
16 Insert "subject to an equity agreement"
17

18 Page 5, line 24:

19 Delete "ELECTED BY THE MUNICIPALITY"
20 Insert "SUBJECT TO AN EQUITY AGREEMENT"
21

22 Page 6, line 26:

23 Delete "(1)"
24

25 Page 6, line 27:

26 Delete "; and"
27 Insert "."
28

29 Page 6, lines 28 - 29:

30 Delete all material.
31

1 Page 7, lines 26 - 27:

2 Delete "apply only if the municipality in which the taxable property is located has
3 elected under AS 29.45.085 to exempt the property from taxation"

4 Insert "do not apply if the municipality in which the taxable property is located has
5 entered into an equity agreement related to that property"

6

7 Page 12, line 18:

8 Delete all material and insert:

9 **** Sec. 19. AS 43.59.010 is repealed.**

10

11 Page 12, line 20:

12 Delete "AS 43.59.010, 43.59.020"

13 Insert "AS 43.59.020"

Am. 2Q

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE MEARS

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

1 Page 13, lines 19 - 23:

2 Delete "each community within 50 miles of

3 (A) a gas treatment plant, carbon capture facility, or liquefied natural
4 gas plant; or

5 (B) the gas pipeline corridor"

6 Insert "the North Slope Borough, the Fairbanks North Star Borough, the Denali
7 Borough, the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai
8 Peninsula Borough"

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

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120 4th Street, Room 3


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Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 29, 2026

SUBJECT: Local and Special
(CSHB 381(RES); 34-GH2038\G.19)

TO: Representative Donna Mears
Attn: Ariel Svetlik

FROM: Emily Nauman
Director 

Attached is your amendment replacing the requirement that property owners commit to enter into community benefit agreements with any community within 50 miles of a gas treatment plant, carbon capture facility, or liquefied natural gas plant with a requirement that the property owners enter into an agreement with specific listed municipalities. References to specific areas of the state 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. Alternately, if you would like to avoid the issue entirely, you

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 Donna Mears

April 29, 2026

Page 2

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

If I can be of further assistance, please advise.

ELN:lei

26-143.lei

Attachment

Am. 21

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE MEARS

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

1 Page 1, line 6, following "**throughput**";:

2 Insert "**relating to the Alaska Gasline Development Corporation**;"

3

4 Page 4, following line 1:

5 Insert new bill sections to read:

6 **** Sec. 8.** AS 42.08.320(b) is amended to read:

7 (b) In the review of a precedent agreement submitted under (a) of this section
8 [OR A RELATED CONTRACT SUBMITTED UNDER AS 42.05.433(b) OR (c)],
9 the commission shall

10 (1) conclude that a precedent agreement or related contract negotiated
11 at arm's length between the parties is just and reasonable unless the commission finds
12 that unlawful market activity affected the rate or unfair dealing, such as fraud or
13 duress, affected the formation of the contract;

14 (2) review and may conduct an investigation and hearing to determine
15 whether a contract submitted under (a) of this section is just and reasonable; the
16 commission shall either approve the contract as presented or, if the commission finds
17 that a contract is not just and reasonable, disapprove the contract; if the commission
18 has not acted within 180 days after the submission of a contract, the contract shall be
19 considered approved and shall take effect immediately; a contract that is approved or
20 considered approved under this paragraph and the associated firm transportation
21 service agreement are not subject to further review by the commission.

22 *** Sec. 9.** AS 42.08.530(a) is amended to read:

23 (a) A [EXCEPT AS PROVIDED IN AS 38.35.200(c), A] final order of the

1 commission under this chapter is subject to judicial review under AS 44.62.560 and
2 44.62.570.

3 * **Sec. 10.** AS 42.08.900(7) is amended to read:

4 (7) "natural gas pipeline" **means a total system of pipe and**
5 **connected facilities for the transportation, treatment or conditioning, delivery,**
6 **storage, or further transportation of natural gas, including all pipe, compressor**
7 **stations, station equipment, and all other facilities used or necessary for an**
8 **integral line of pipe to carry out the transportation of the natural gas** [HAS THE
9 MEANING GIVEN IN AS 31.25.390];"

10

11 Renumber the following bill sections accordingly.

12

13 Page 4, line 6:

14 Delete "sec. 8"

15 Insert "sec. 11"

16

17 Page 4, line 10:

18 Delete "secs. 8 and 9"

19 Insert "secs. 11 and 12"

20

21 Page 4, line 22:

22 Delete "sec. 11"

23 Insert "sec. 14"

24

25 Page 5, line 12:

26 Delete "sec. 13"

27 Insert "sec. 16"

28

29 Page 5, line 18:

30 Delete "secs. 13 and 14"

31 Insert "secs. 16 and 17"

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Page 12, line 4:

Delete "sec. 16"

Insert "sec. 19"

Page 12, following line 9:

Insert a new bill section to read:

**** Sec. 21.** AS 43.59.030(c), enacted by sec. 19 of this Act, is amended to read:

(c) The Regulatory Commission of Alaska, in consultation with [THE ALASKA GASLINE DEVELOPMENT CORPORATION AND] the department, shall certify in writing that

- (1) the project is designed to maximize in-state use of natural gas; and
- (2) the plans for the project meet the requirements of (b) of this

section."

Renumber the following bill sections accordingly.

Page 12, line 10:

Delete "sec. 16"

Insert "sec. 19"

Page 12, line 20:

Delete "AS 43.59.010, 43.59.020"

Insert "AS 43.59.020"

Page 12, following line 21:

Insert a new bill section to read:

**** Sec. 25.** AS 31.25.005, 31.25.007, 31.25.010, 31.25.020, 31.25.030, 31.25.035, 31.25.040, 31.25.045, 31.25.050, 31.25.060, 31.25.065, 31.25.080, 31.25.090, 31.25.100, 31.25.110, 31.25.120, 31.25.130, 31.25.140, 31.25.160, 31.25.170, 31.25.180, 31.25.190, 31.25.200, 31.25.210, 31.25.220, 31.25.230, 31.25.240, 31.25.250, 31.25.260, 31.25.270,

1 31.25.390; AS 36.30.850(b)(44), 36.30.850(b)(46); AS 37.05.610; AS 38.05.020(b)(13);
2 AS 38.34.010, 38.34.020, 38.34.099; AS 38.35.140(c), 38.35.200(c); 38.35.200(d)(2);
3 AS 39.25.110(11)(H), 39.25.110(43); AS 39.50.200(b)(64); AS 40.25.120(a)(13);
4 AS 42.05.433; AS 42.08.020; and AS 43.56.020(d) are repealed."

5

6 Renumber the following bill sections accordingly.

7

8 Page 13, line 11:

9 Delete "sec. 16"

10 Insert "sec. 19"

11

12 Page 13, line 12:

13 Delete "sec. 16"

14 Insert "sec. 19"

15

16 Page 13, following line 12:

17 Insert new bill sections to read:

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

20 **TRANSITION: ASSETS AND LIABILITIES OF AGDC.** (a) Assets of the Alaska
21 Gasline Development Corporation shall, at the time the corporation is dissolved under sec. 25
22 of this Act, transfer to the state.

23 (b) Obligations issued under former AS 31.25 do not constitute a debt, liability, or
24 obligation of the state or of a political subdivision of the state or a pledge of the faith and
25 credit of the state or of a political subdivision and are therefore not transferred to the state at
26 the time the Alaska Gasline Development Corporation is dissolved under sec. 25 of this Act.
27 This subsection applies to all debt, obligations, and liabilities of the corporation regardless of
28 how the debt, obligations, or liabilities are created, including by contract, tort, or bond or note
29 issuance. Except as provided in this subsection, a person may not bring suit against the state
30 or a political subdivision of the state other than the corporation in the courts of the state to
31 enforce or seek a remedy with respect to a debt, obligation, or liability of the corporation.

1 * **Sec. 29.** Section 26 of this Act is repealed."
2

3 Renumber the following bill sections accordingly.
4

5 Page 13, line 16:

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

7 Insert "6, 7, 11, 14, 16, 19, 26, and 27"

8 Following "if":

9 Insert ", before January 1, 2040,"
10

11 Page 13, line 18:

12 Delete "sec. 16"

13 Insert "sec. 19"
14

15 Page 14, lines 20 - 26:

16 Delete all material and insert:

17 **** Sec. 31.** The uncodified law of the State of Alaska is amended by adding a new section to
18 read:

19 **CONDITIONAL EFFECT; NOTIFICATION; AGDC.** (a) Sections 8 - 10, 21, 25, 28,
20 and 29 of this Act take effect if the conditions set out in sec. 30(a) of this Act have been met
21 and construction on a natural gas project has not commenced by January 1, 2030.

22 (b) Section 18 of this Act takes effect only if the conditions set out in sec. 30(a) of
23 this Act have been met and construction of a natural gas pipeline project has commenced by
24 January 1, 2030.

25 (c) The commissioner of revenue shall, on or before January 1, 2030, notify the
26 revisor of statutes whether construction on a natural gas project has commenced.

27 * **Sec. 32.** The uncodified law of the State of Alaska is amended by adding a new section to
28 read:

29 **CONDITIONAL EFFECT: END OF TAX ABATEMENT; NOTIFICATION TO**
30 **THE REVISOR OF STATUTES.** (a) Sections 12, 17, 20, 22, and 23 of this Act take effect if
31 the conditions set out in sec. 30(a) of this Act have been met.

1 (b) The commissioner of revenue shall notify the revisor of statutes in writing within
 2 30 days after making the determination under the ramp-up period, as described in
 3 AS 43.59.010, added by sec. 19 of this Act has ended.

4 * **Sec. 33.** The uncodified law of the State of Alaska is amended by adding a new section to
 5 read:

6 **CONDITIONAL EFFECT: TAX SUNSET.** Sections 5, 13, 15, and 24 of this Act take
 7 effect only if the conditions set out in sec. 30(a) of this Act are met."

8

9 Renumber the following bill sections accordingly.

10

11 Page 14, line 27:

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

13 Insert "sec. 30 of this Act, secs. 2 - 4, 6, 7, 11, 14, 16, 19, 26, and 27"

14

15 Page 14, line 29:

16 Delete "sec. 23(a)"

17 Insert "sec. 30(a)"

18

19 Page 14, line 30, through page 15, line 2:

20 Delete all material and insert:

21 **"* Sec. 35.** If, under sec. 32 of this Act, secs. 12, 17, 20, 22, and 23 of this Act take effect,
 22 they take effect on the earlier of

23 (1) the day after the date the commissioner of revenue determines, under sec.
 24 32 of this Act, that the ramp-up period has ended; or

25 (2) January 1, 2040.

26 * **Sec. 36.** If, under sec. 31(a) of this Act, secs. 8 - 10, 21, 25, 28, and 29 of this Act take
 27 effect, they take effect January 1, 2030.

28 * **Sec. 37.** If, under sec. 31(b) of this Act, sec. 18 of this Act takes effect, it takes effect
 29 January 1, 2040.

30 * **Sec. 38.** If, under sec. 33 of this Act, secs. 5, 13, 15, and 24 of this Act take effect, they
 31 take effect January 1, 2040."

Am. 22

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE MEARS

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

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

2 Insert "relating to reporting requirements for natural gas pipeline projects;"

3

4 Page 3, following line 29:

5 Insert a new bill section to read:

6 **** Sec. 7.** AS 31.25.270 is amended by adding new subsections to read:

7 (d) By February 15 and August 15 of each year, the board shall deliver a
8 report on natural gas pipeline projects in the state to the commissioner of revenue,
9 notify the governor and the legislature that the report is available, and publish notice to
10 the public on the Alaska Online Public Notice System under AS 44.62.175 that the
11 report is available on the corporation's Internet website. The board shall prepare this
12 report regardless of whether the corporation owns or operates the projects. The report
13 must

14 (1) describe any budget changes, cost savings, or overruns occurring in
15 the preceding two completed fiscal quarters;

16 (2) provide a current status of the projects, including construction
17 status, projected timeline for completion, and a description of any remaining phases of
18 construction;

19 (3) provide an assessment of the effect of the projects on the state labor
20 market, including

21 (A) the number of jobs created or affected, listed by region of
22 the state;

23 (B) the total estimated payroll dollars attributable to the

- 1 projects for the six months preceding the report; and
- 2 (C) the proportion of resident and nonresident employees or
- 3 contractors working on the projects;
- 4 (4) set out secured intake and offtake contracts, by annual volume.
- 5 (e) In (d) of this section, "natural gas pipeline projects" includes
- 6 (A) the Alaska liquefied natural gas project, or a similar
- 7 project; and
- 8 (B) a natural gas treatment facility, carbon capture or
- 9 underground storage facility, liquefaction facility, import or export facility, or
- 10 any other facility associated with a natural gas pipeline project."
- 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"

24 Insert "sec. 12"

25

26 Page 5, line 12:

27 Delete "sec. 13"

28 Insert "sec. 14"

29

30 Page 5, line 18:

31 Delete "secs. 13 and 14"

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

1 Delete "sec. 16"

2 Insert "sec. 17"

3

4 Page 14, following line 26:

5 Insert a new bill section to read:

6 **** Sec. 26.** Section 7 of this Act takes effect immediately under AS 01.10.070(c)."

7

8 Renumber the following bill sections accordingly.

9

10 Page 14, line 27:

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

12 Insert "sec. 24 of this Act, secs. 2 - 4, 6, 8, 9, 12, 14, 17, 22, and 23"

13

14 Page 14, line 29:

15 Delete "sec. 23(a)"

16 Insert "sec. 24(a)"

17

18 Page 14, line 30:

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

20 Insert "sec. 25 of this Act, secs. 10, 15, and 18 - 20"

21

22 Page 15, line 2:

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

24 Insert "11, 13, 16, and 21"