

**SB 280**

**Supporting a Gasline for Alaskans  
Act**

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

**SENATE RESOURCES COMMITTEE**

**MAY 15, 2026**

**#34-GS2038\L**

## The SAGA Act

**The SB 280 Version L Senate Resources CS addresses certain important gasline policy changes and some technical, clarifying, and conforming changes from the prior CS**

## Changes in CS Version L:

- Deletes a section of the bill that exempted a municipality's AVT revenue from application toward its maximum education spending cap was, now subjecting that revenue to the cap, if spent on education. [Deletions]
- Modifies existing law regarding the public notice requirements of the Open Meetings Act as applied to AGDC: 10 days general notice; 3 days in exigent circumstances; and within 24 hours that AGDC becomes aware of the date set for a regular meeting. [Sec. 9, pages 3-4]
- Clarifies what constitutes a "cost overrun" that may not be passed on to Alaska ratepayers; for the gas pipeline constructed from the North Slope to Southcentral Alaska, an overrun is an amount over \$15 billion. [Sec. 12, page 7-8]

## Changes in CS Version L, continued:

- Includes the committee's adopted amendment from the prior CS ensuring that Cook Inlet producers have the ability access to the capacity in the gas pipeline. [Sec. 12, page 8]
- Changes to AGDC transparency sections: Removes provisions regarding the legislature's access to confidential information in regular or special session; makes technical changes to information that may not be subject to a confidentiality agreements and to the legislature's ability to obtain information related to effects on the state, project economics, and appropriations. [Sec. 14, page 9-10]

## Changes in CS Version L, continued:

- Changes the requirement for legislative approval of relationships with foreign entities to a quarterly notification requirement. [Sec. 22, page 13-14]
- Establishes RCA oversight authority to: (1) Ensure the gas pipeline cost overruns over \$15 billion are not passed on to Alaska ratepayers, and (2) Ensure price caps of \$12/Mcf before the LNG plant is in commercial operations and \$5/Mcf after the LNG plant is in commercial operations. [Sec. 25, page 16]

## Changes in CS Version L, continued:

### Oil & Gas Production Tax System

- Raises the oil tax “minimum floor” tax rate from the existing 4% to 6% for North Slope production, effective January 1, 2027. [Sec. 29, pages 21-24; Sec. 68, page 51]
- Rephrases the DOR determination of prevailing value of oil or gas to ensure that the mandated application policy applies only when oil or gas sold at no cost or unreasonably low cost, and not when oil or gas is produced and not sold or produced and stored. [Sec. 31, page 30]

## Changes in CS Version L, continued:

### Oil & Gas Production Tax System, continued

- Clarifies that the infrastructure maintenance surcharge of \$0.30 per barrel is intended for use specifically along the James Dalton Highway Corridor. [Sec. 37, page 36-37, Sec. 43.55.325]
- Deletes a disclosure requirement inadvertently appearing in the prior CS having to do with aggregated information for the prevailing value determination under the bill. [Deletion]

## Changes in CS Version L, continued:

- Makes technical clarifications to existing the petroleum property tax definition of “taxable property” that a “marine export terminal” and a “liquified natural gas plant” are subject to the tax; for an existing LNG facility not currently taxed, the tax receives a delayed effective date of January 1, 2030. [Sec. 43, page 39-40]

# Changes in CS Version L, continued:

## Alternative Volumetric Tax

- Changes to AVT Rates:

- Gas Treatment Plant/CCUS Facility:

- Initially (In-State Demand): \$0.06/Mcf
    - Excess of 0.25 Bcf (Export Demand): \$0.10/Mcf

- Gas Pipeline:

- Initially (In-State Demand): \$0.06/Mcf
    - Excess of 0.25 Bcf (Export Demand): \$0.15/Mcf

- LNG Export Facility:

- On commercial operations: \$0.15/Mcf

[Sec. 45, page 40-41, Sec. 43.59.010]

# Changes in CS Version L, continued:

## Alternative Volumetric Tax, continued

- CPI Inflation Adjustments to AVT Rates:
  - Gas Treatment Plant/CCUS Facility & Gas Pipeline:
    - After five years of operations, then begins annually
    - Restarts annually on export operations
  - LNG Export Facility:
    - Annually on commercial operations

[Sec. 45, page 41-42]

# No Changes to Revenue Sharing from Prior CS:

- **Revenue sharing & distributions:**

Gas Treatment Plant/CCUS Facility:

→50% to the North Slope Borough

→50% to the state

Gas Pipeline:

→50% to municipalities along the corridor, based on ratio of miles of pipeline located in municipal boundary; for unorganized boroughs, state retains proceeds

→50% apportioned to all communities in the state via the Community Assistance Program (CAP)

LNG Export Facility:

→50% to the Kenai Peninsula Borough

→50% to the state

**Phase 1: GTP & Pipeline Only, In-State Demand Only (65 BCF / year)**

**Estimated Revenue Per Jurisdiction (\$ millions)**

	<b>AVT Rate</b>	<b>State</b>	<b>Anchorage</b>	<b>Fairbanks North Star Borough</b>	<b>North Slope Borough</b>	<b>Kenai Borough</b>	<b>MatSu Borough</b>	<b>Denali Borough</b>	<b>Other</b>	<b>TOTAL</b>
<b>GTP</b>	<b>6 cents</b>	\$2.0			\$2.0					\$4.0
<b>Pipeline (miles)</b>	<b>6 cents (50%)</b>	\$0.8		\$0.1	\$0.4	\$0.1	\$0.4	\$0.2		\$2.0
<b>Pipeline (population)</b>	<b>6 cents (50%)</b>		\$0.6	\$0.2*	\$0.2	\$0.1	0.2*	\$0.1	\$0.6	\$2.0
<b>TOTAL</b>		<b>\$2.8</b>	<b>\$0.6</b>	<b>\$0.3</b>	<b>\$2.6</b>	<b>\$0.2</b>	<b>\$0.6</b>	<b>\$0.3</b>	<b>\$0.6</b>	<b>\$8.0</b>

\* Population distributions to Fairbanks North Star Borough, North Slope Borough, & Mat-Su Borough are to the boroughs only; cities within the boroughs receive separate distributions under the CAP.

**Phase 2: Full LNG Development for Export (1.2 TCF / year GTP & Pipeline; 1.0 TCF / year LNG)**

**Estimated Revenue Per Jurisdiction (\$ millions)**

	AVT Rate	State	Anchorage	Fairbanks North Star Borough	North Slope Borough	Kenai Borough	MatSu Borough	Denali Borough	Other	TOTAL
<b>GTP</b>	<b>10 cents</b>	\$60			\$60					\$120
<b>Pipeline (miles)</b>	<b>15 cents (50%)</b>	\$35		\$1	\$20	\$4	\$20	\$10		\$90
<b>Pipeline (population)</b>	<b>15 cents (50%)</b>		\$36	\$8*	\$1	\$5*	\$11*	\$1	\$28	\$90
<b>LNG</b>	<b>15 cents (50%)</b>	\$75				\$75				\$150
<b>TOTAL</b>		<b>\$170</b>	<b>\$36</b>	<b>\$9</b>	<b>\$81</b>	<b>\$84</b>	<b>\$31</b>	<b>\$11</b>	<b>\$28</b>	<b>\$450</b>

\* Population distributions to Fairbanks North Star Borough, North Slope Borough, & Mat-Su Borough are to the boroughs only; cities within the boroughs receive separate distributions under the CAP.

## Changes in CS Version L, continued:

### Community Impact Program

- Adopts changes to the Community Impact Program that differ in monetary amounts and distribution mechanisms than the committee's adopted amendment from the prior CS.

[Sec. 46, page 45-47, Sec. 44.33.850]

# Changes in CS Version L, continued:

## Community Impact Program

### → Gasline Construction Impact Account

- Fund is established from receipts of the gas pipeline developer of a \$50 million one-time payment to the State.
- DCCED distributes grants to communities along the pipeline corridor, based on need, severity of impacts, and relationship to effects of construction.
- Annual reporting to the legislature on disbursements.

[Sec. 46, page 45-47, Sec. 44.33.850(b)]

## Changes in CS Version L, continued:

### Community Impact Program, continued

#### → Statewide Gasline Impact Account

- Fund is established from receipts of the gas pipeline developer of \$30 million annually to the State.
- DCCED distributes grants statewide according to the Community Assistance Program (CAP).
- Expires after five years and balance is distributed.
- Total value of the grants = \$150 million.

[Sec. 46, page 45-47, Sec. 44.33.850(c)]

## **Changes in CS Version L, continued:**

### **Changes Related to Conditional & Timing Effects** **Community Impact Program**

- The AVT does not initiate unless the Gasline Construction Impact Account receives \$50 million from the developer. [Sec. 45, page 42, Sec. 43.59.015(a)(1); Sec. 62, page 50]
- The AVT is suspended, and petroleum property tax restored, whenever the developer fails to make an annual payment of \$30 million to the Statewide Gasline Impact Account. [Sec. 45, page 43, Sec. 43.59.015(b)]

## **Changes in CS Version L, continued:**

### **AVT Sunset – 10 Years**

- The AVT established under the CS repeals after 10 years following commencement of commercial operations of the LNG Export Facility.

[Sec. 63, page 50]

# **Additional Discussion & Questions?**