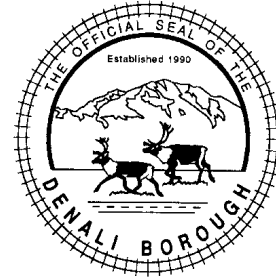


DENALI BOROUGH

P.O. Box 480 • Healy, Alaska 99743
Phone: (907) 683-1330 • Fax: (907) 683-1340
Email: dbgov@denaliborough.com
Website: www.denaliborough.org



May 14, 2026

To:

Co-Chair Foster, Co-Chair Josephson, Members of House Finance

Re: HB 381- CS Alternative Volumetric Tax

Dear House Finance Members,

Thank you for the opportunity to share perspective on HB381 CS and the AKLNG project at large. I previously provided testimony on to House and Senate Resources and will keep it brief and to the point.

As proposed, Phase 1 of the project would include 87 miles of pipe and related components in the Denali Borough, a \$1.5 billion investment based on current estimates. This is four times the value of all taxable real and personal property (Full Value Determination, FVD) in the borough based on last year's assessment.

The Alternative Volumetric Tax (AVT) as proposed in the CS would be new revenue for the borough. The CS AVT includes \$.15/ 1000 cubic feet of gas with 50% going to a statewide fund to be distributed per capita. The revenue would allow the borough to continue to invest in critical services for borough residents, and the over 500,000 visitors we host each year. We support the revenue sharing aspect as well, and this concept was supported by the previous Municipal Advisory Gas Board during past iterations of the project.

I strongly encourage you to ensure that the AVT payments flow directly to municipalities. This must remain a direct alternative to property taxes – and only property taxes, which otherwise would be assessed, administered, and collected at the local level. AVT payments to municipalities directly hosting project infrastructure should not be subject to legislative appropriation.

The Denali Borough supports the inclusion of the Fairbanks spur line, to ensure access to gas by our electric utility, Golden Valley Electric Association.

We advocated for an escalation to the AVT that more closely tracked actual inflation and support the CS language of a rolling average of the previous five years based on Anchorage prices.

Finally, there will be project impacts on the Borough and throughout the Railbelt corridor during construction, and prior to the gas flowing. I strongly support the Community Impact Fund. Asking municipalities to cover construction impact costs on a reimbursable basis is asking us to make investments without the means to do so.

Thank you for the opportunity to provide comments on the legislation before you.

Chris Noel
Denali Borough Mayor