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House Bill 223

Sponsor Statement

"An Act relating to the production tax and royalty rates on certain gas; and providing for an effective date."

House Bill No. 223 represents a crucial step in revitalizing Alaska's natural gas industry, particularly focusing on the Cook Inlet region. This bill addresses a longstanding barrier to investment in this sector: the current production tax and royalty rates. By proposing strategic modifications to these rates, HB 223 aims to elevate Alaska's competitiveness and attractiveness for natural gas investments.

This legislation is crafted to stimulate economic growth and ensure a stable natural gas supply for our state. It introduces vital changes, such as allowing more flexible royalty and leasing options, reducing royalty rates for specific leases in the Cook Inlet sedimentary basin, and implementing a tax cap for gas production in the region. Additionally, it establishes a zero-tax rate for new gas exploration efforts post-June 5, 2023, with a focus on in-state utility prioritization.

The impact of HB 223 extends beyond mere economic metrics; it's about securing a prosperous future for Alaska through a more robust and dynamic natural gas industry. This bill specifically targets the revision of tax and royalty rates for natural gas production in the Cook Inlet basin, ensuring that the changes are focused and effective, without altering other aspects of the state's oil and gas laws.

If you have additional questions, please contact Craig Valdez in my office at 907-465-4859.