

SENATE BILL NO. 125

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY SENATOR YUNDT

Introduced: 3/12/25

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing the Alaska Gasline Finance Corporation; and relating to**
2 **contributions from permanent fund dividends for the financing of a natural gas**
3 **pipeline."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 * **Section 1.** AS 31 is amended by adding a new chapter to read:

6 **Chapter 27. Alaska Gasline Finance Corporation.**

7 **Sec. 31.27.010. Alaska Gasline Finance Corporation.** The Alaska Gasline
8 Finance Corporation is established in the Department of Revenue. The corporation is a
9 public corporation and government instrumentality managed by a board of directors.
10 The purpose of the corporation is to finance a natural gas pipeline in the state.

11 **Sec. 31.27.020. Board of directors.** (a) The corporation shall be governed by a
12 board of directors consisting of

- 13 (1) four public members; and
14 (2) the commissioner of revenue.

(b) The governor shall appoint the public members of the board. When appointing a public member to the board, the governor shall consider an individual's expertise and experience in natural gas project construction financing, large project financing, and other expertise and experience that is relevant to the purpose, powers, and duties of the corporation. Public members of the board serve staggered five-year terms. A public member serves at the pleasure of the governor. A vacancy shall be filled in the same manner as the original appointment.

Sec. 31.27.030. Purpose; powers. (a) The corporation shall develop and have primary responsibility for financing a natural gas pipeline in the state.

(b) The corporation may enter into agreements with other state agencies as necessary or convenient to implement this chapter.

(c) The corporation may contract for the services of underwriters, paying agents, trustees, escrow agents, rating agencies, insurance providers, credit enhancement providers, accountants, financial advisors, legal counsel, and other services as are necessary or desirable to accomplish the financing of a natural gas pipeline.

Sec. 31.27.040. Fund. (a) The Alaska Gasline Finance Corporation fund is established in the corporation. The fund consists of

- (1) money appropriated to the fund by the legislature;
- (2) proceeds from the sale of ownership shares in a natural gas pipeline, including from share purchases under AS 43.23.135; and
- (3) other money of the corporation that the corporation decides to deposit in the fund.

(b) Money in the fund may be invested in the same manner and on the same conditions as permitted for investment of funds belonging to the state or held in the treasury under AS 37.10.070.

Sec. 31.27.050. Shares. (a) The corporation shall offer shares of a natural gas pipeline to the public. Except as provided in (b) of this section, the minimum investment amount is \$2,500.

(b) At the time of the initial share offering, the corporation shall offer shares of a natural gas pipeline with no minimum or maximum investment amount.

1 **Sec. 31.27.060. Regulations.** The corporation may adopt regulations necessary
2 to implement the provisions of this chapter.

3 **Sec. 31.27.090. Definitions.** In this chapter,

4 (1) "corporation" means the Alaska Gasline Finance Corporation;

5 (2) "fund" means the Alaska Gasline Finance Corporation fund;

6 (3) "natural gas pipeline" has the meaning given in AS 31.25.390.

7 * **Sec. 2.** AS 43.23 is amended by adding a new section to read:

8 **Sec. 43.23.135. Natural gas pipeline share purchase.** (a) Notwithstanding
9 AS 43.23.200, the electronic Alaska permanent fund dividend application must allow
10 an applicant to direct that the applicant's dividend payment be invested in shares of a
11 natural gas pipeline financed by the Alaska Gasline Finance Corporation. A share
12 purchase under this subsection must be for the entire amount of the permanent fund
13 dividend that the applicant is entitled to receive. An applicant may not make
14 contributions under AS 43.23.130 or donations under AS 43.23.230 if the applicant
15 makes a share purchase under this subsection.

16 (b) To make a share purchase under this section, an applicant must agree to
17 purchasing shares with at least three consecutive years of permanent fund dividend
18 payments. There is no penalty for violation of an agreement under this subsection.

19 (c) A parent, guardian, or other authorized representative may elect to
20 purchase shares under this subsection on behalf of an individual. A public agency that
21 claims a permanent fund dividend on behalf of an individual under AS 43.23.015(e)
22 may not elect to make a share purchase from the dividend under this section.

23 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
24 read:

25 ALASKA GASLINE FINANCE CORPORATION BOARD. Notwithstanding
26 AS 39.05.055, the governor shall set the terms of the initially appointed public members of
27 the board as follows:

28 (1) two members shall serve two-year terms;

29 (2) one member shall serve a three-year term; and

30 (3) one member shall serve a five-year term.