
REPRESENTATIVE

DONNA MEARS

HB 206

Sponsor Statement:

Article 8 Section 2 of the Alaska State Constitution charges the legislature with providing for the utilization, development, and conservation of state natural resources for the maximum benefit of the people of Alaska. In providing for that maximum benefit, the legislature has sought to balance the need to give the people of Alaska a fair take with the need to provide a robust and competitive business environment for industry.

In Alaska, strict confidentiality provisions in statute prevent public access to, and analysis of, oil and gas producers' tax information. Under law, DOR may only disclose tax return information at the unit level and only if aggregated among at least 3 producers. That confidentiality makes it difficult for policymakers to assess whether our tax policies are meeting their stated goals.

Since SB 21 in 2013, the development and price environment affecting North Slope producers has changed dramatically. In that context, it's reasonable to reevaluate whether our system achieves its objectives in today's climate. This legislation would allow that analysis.

Other states such as Texas have recognized the policy interest in public access to oil and gas producers' tax information. HB 206 would require the Department of Revenue to release six categories of information—monthly, by unit, by producer—upon request from the public:

1. The amount of oil and gas produced by working interest owner,
2. The gross value of that product at the point of production,
3. Marketing costs of that product,
4. The production tax value of that product,
5. The tax due in relation to that product, and
6. The amount of royalty due with respect to that product.

In doing so, HB 206 would align our disclosure regime with that of Texas and provide lawmakers with the information they need to make effective policy.

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