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Governor Bill Walker
STATE OF ALASKA

April 6, 2015

The Honorable Kevin Meyer
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Meyer:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to the assessment of property for the property tax for a North Slope natural gas project.

Due to the achievements by the Municipal Advisory Gas Project Review Board and the Alaska Liquefied Natural Gas project, it is time to move forward with legislation to address the property tax on a North Slope natural gas project. Revenues from the property tax on a North Slope natural gas project are anticipated to provide vital support for the State and local governments to establish sustainable fiscal platforms.

The bill would provide a framework for the assessment of property tax on a North Slope natural gas project once the project begins to transport gas. The assessment for property exclusively used for a North Slope natural gas project would be based on the full and true value of the property determined by adjusted original cost and annualized throughput. The bill would define a North Slope natural gas project for the purposes of the property tax to include a gas treatment plant, a gas pipeline, a liquefaction plant, and a marine terminal. Consistent with the concerns expressed by local governments and legislative direction last year, the property tax on existing North Slope oil and gas and pipeline properties would be unchanged by this bill.

There is still much work to be done before this all-important project can be built. This bill demonstrates my Administration's continued commitment to building a gasline to provide gas to Alaskans and liquefied natural gas to world markets. I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in blue ink that reads "Bill Walker".

Bill Walker
Governor

Enclosure