

33-LS1237U
Nauman
3/15/24

CS FOR HOUSE BILL NO. 388(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE RESOURCES COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE RESOURCES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to state loans for oil and gas development projects in the Cook Inlet**
2 **sedimentary basin; relating to the Alaska Industrial Development and Export**
3 **Authority; relating to a report to the legislature related to oil and gas development**
4 **projects in the Cook Inlet sedimentary basin; and providing for an effective date."**

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

6 * **Section 1.** AS 44.88 is amended by adding a new section to read:

7 **Sec. 44.88.385. Cook Inlet oil and gas development projects; report.** The
8 authority shall evaluate oil and gas development projects that have the potential to
9 increase oil and gas production from the Cook Inlet sedimentary basin. Each year, the
10 authority shall prepare a report related to those oil and gas development projects and
11 shall, by the first day of each regular session of the legislature, deliver the report to the
12 senate secretary and the chief clerk of the house of representatives and notify the
13 legislature that the report is available. At the request of a legislative committee, a
14 representative of the authority shall appear in that committee to review the report. For

each oil and gas development project, the report must include

- (1) a cost estimate for the project;
- (2) the potential recoverable gas from the project;
- (3) the projected rate of return for the project; and
- (4) if the authority recommends a reserve-based loan for the project,

the amount necessary to be appropriated for deposit into the Cook Inlet reserve-based lending fund.

* **Sec. 2.** AS 44.88 is amended by adding a new section to read:

Article 10A. Cook Inlet Reserve-Based Lending.

Sec. 44.88.850. Cook Inlet reserve-based lending fund. (a) The Cook Inlet reserve-based lending fund is established in the authority outside of the revolving fund. The fund consists of appropriations made to the fund by the legislature.

(b) The authority may use money in the fund to make one or more reserve-based loans to fund oil and gas development projects the authority considers necessary to increase oil and gas production from the Cook Inlet sedimentary basin.

* **Sec. 3.** AS 44.88.900 is amended by adding new paragraphs to read:

(20) "oil and gas development project" means a development project to produce proven oil or gas reserves;

(21) "reserve-based loan" means a loan made against and secured by an oil and gas field or undeveloped or developed oil and gas assets.

* **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).