



# LAWS OF ALASKA

2001

**Source**  
HCS CSSB 158(FIN)

**Chapter No.**  
38

## AN ACT

Directing the commissioner of revenue to prepare a report to the legislature relating to the state's participation in owning or financing a gas pipeline project; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

**Approved by the Governor:** June 25, 2001  
**Actual Effective Date:** June 26, 2001

AN ACT

1 Directing the commissioner of revenue to prepare a report to the legislature relating to the  
2 state's participation in owning or financing a gas pipeline project; and providing for an  
3 effective date.

4

5 \* **Section 1.** The uncoded law of the State of Alaska is amended by adding a new section  
6 to read:

7 REPORT OF THE COMMISSIONER OF REVENUE. (a) In furtherance of the  
8 public policy that the State of Alaska "encourage . . . the development of its resources by  
9 making them available for maximum use consistent with the public interest," and the  
10 obligation of the legislature to "provide for the utilization, development, and conservation of  
11 all natural resources belonging to the State . . . for the maximum benefit of its people," the  
12 commissioner of revenue shall, not later than January 31, 2002, provide to the governor and  
13 legislature a comprehensive report, with recommendations, addressing options for the state to  
14 participate in the commercial development of the state's natural gas resources through

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- 1 ownership of or provision of financing for a gas pipeline project. The report must consider  
2 whether
- 3 (1) the state should participate by taking an equity position in a gas pipeline  
4 project by
- 5 (A) owning all or a portion of the project; or  
6 (B) establishing a state-owned public corporation or authority to  
7 construct and operate the project;
- 8 (2) the state should participate in financing the project and, if so,  
9 (A) whether it should
- 10 (i) issue debt, in the form of its general obligation bonds or  
11 revenue bonds of a state-owned public corporation or authority or in another  
12 appropriate form; or  
13 (ii) guarantee debt; and  
14 (B) what terms it, or its public corporation or authority, should require  
15 as conditions for provision of financial support for the project;
- 16 (3) the state is able to participate under (1) or (2) of this subsection; the  
17 consideration given under this subsection must examine the effect of that participation on the  
18 state's cash flow, its continuing ability to pay for essential public services, and the effect of its  
19 participation on the state's financial integrity and creditworthiness;
- 20 (4) state participation under (1) or (2) of this subsection would
- 21 (A) create additional risks for the completion and operation of the  
22 project;
- 23 (B) more likely than not cause the project to be completed and to  
24 operate successfully; and  
25 (C) accrue benefits or detriments for other parties participating with  
26 the state or its public corporation or authority in the completion and operation of the  
27 project; and
- 28 (5) the state should participate in a gas pipeline project by establishing a  
29 private corporation, which would be composed of Alaska residents who wish to become  
30 shareholders, that would own a portion of the project or assist in the construction and  
31 operation of the project.

1 (b) The commissioner of revenue shall

2 (1) contract with a qualified and suitable firm or person qualified by education  
3 or experience or of demonstrated competence for the performance of the requirements  
4 described in (a) of this section; the contract awarded under this paragraph is made for a  
5 purpose in which timely performance is essential that makes a procurement under AS 36.30  
6 through competitive sealed bidding or competitive sealed proposals impracticable;

7 (2) require, as a term of the contract, that the person or one or more  
8 representatives of the firm with which the commissioner contracts under (1) of this subsection  
9 meet with the legislators who, during the Twenty-Second Alaska State Legislature, constitute  
10 the membership of the Joint Committee on Natural Gas Pipelines, for the purposes of  
11 allowing review of the data and providing information to those legislators or designees  
12 regarding the preparation and content of the report to be prepared under (a) of this section;

13 (3) provide progress reports regarding the preparation of the report to the  
14 chairs of the committees described in (2) of this subsection at intervals of no more than 60  
15 days; and

16 (4) prepare and deliver a comprehensive report with final recommendations.

17 \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
18 read:

19 **CONDITIONAL EFFECT.** This Act takes effect only if the Twenty-Second Alaska  
20 State Legislature adopts a final version of Senate Concurrent Resolution 14, establishing the  
21 Joint Committee on Natural Gas Pipelines as a joint interim committee of the Alaska State  
22 Legislature.

23 \* **Sec. 3.** If under sec. 2 of this Act this Act takes effect, it takes effect immediately under  
24 AS 01.10.070(c).