

**ALASKA STATE LEGISLATURE  
HOUSE SPECIAL COMMITTEE ON OIL AND GAS**

April 5, 2002

8:06 a.m.

**COMMITTEE CALENDAR**

OVERVIEW: OIL & GAS INCENTIVES

**TAPES**

02-20, SIDE(S) A & B

**CALL TO ORDER**

REPRESENTATIVE HUGH FATE, Vice Chair, called the meeting of the House Special Committee on Oil and Gas to order at 8:06 a.m. [For the minutes on HB 302, see the 9:15 a.m. minutes for this date.]

**PRESENT**

Members present were Representatives Fate, Dyson, Chenault, Kohring, and Guess. Excused were Representatives Ogan and Joule.

**SUMMARY OF INFORMATION**

MARK MYERS, Director, Division of Oil & Gas, Department of Natural Resources, gave a presentation and offered a handout discussing types of incentives in general - exploration incentive credits (with a reference to HB 307), royalty reduction, the discovery royalty program, and the shallow natural gas leasing program. He discussed what is working, what is not, what should be eliminated, and what needs to be improved.

WILSON CONDON, Commissioner, Department of Revenue, offered a general discussion of tax issues, including incentives and disincentives. [No handout was provided.] Included were the basic tax rate; the economic limiting factor (ELF); lack of recognition in the taxing structure for a competitive situation in new investments; and firms that make money here and invest elsewhere versus firms that make money here and invest here.

## **ANNOUNCEMENTS**

There were no announcements.

## **COMMITTEE ACTION**

The committee took no action.

## **ADJOURNMENT**

VICE CHAIR FATE called an at-ease at 9:00 a.m. in order to prepare for the hearing on legislation. [For the minutes on HB 302, see the 9:15 a.m. minutes for this date.]

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Second Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.