

**HOUSE BILL NO. 16**

IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES FATE, Whitaker, Chenault, Holm

Introduced: 1/21/03

Referred: House Special Committee on Oil and Gas, Resources, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 "An Act amending the standards applicable to determining whether, for purposes of the  
2 Alaska Stranded Gas Development Act, a proposed new investment constitutes a  
3 qualified project, and repealing the deadline for applications relating to the development  
4 of contracts for payments in lieu of taxes and for royalty adjustments that may be  
5 submitted for consideration under that Act; and providing for an effective date."

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

7 \* **Section 1.** AS 43.82.100 is amended to read:

8 **Sec. 43.82.100. Qualified project.** Based on information available to the  
9 commissioner, the commissioner may determine that a proposal for new investment is  
10 a qualified project under this chapter only if the project

11 (1) is a project that principally involves the production, processing,  
12 and transportation of natural gas derived from the area of the state lying north of  
13 64 degrees North latitude, including discrete facilities or portions of discrete

1 **facilities that are necessary to produce, gather, process, condition, compress, or**  
 2 **distribute the natural gas,**

3 **(A) by pipeline to one or more markets outside the state by**  
 4 **means of an Alaska North Slope natural gas project; for purposes of this**  
 5 **subparagraph, "Alaska North Slope natural gas project" has the meaning**  
 6 **given "North Slope natural gas pipeline" as that term is defined in**  
 7 **AS 38.35.120(a)(1)(B) that is constructed or modified to follow generally a**  
 8 **route that parallels the Trans Alaska Pipeline System and the Alaska**  
 9 **Highway to the Canadian border to transport natural gas; or**

10 **(B)** for [THE] export **as** [OF] liquefied natural gas;

11 (2) would produce at least 500,000,000,000 cubic feet of stranded gas  
 12 within 20 years from the commencement of commercial operations; and

13 (3) is capable, subject to applicable commercial regulation and  
 14 technical and economic considerations, of making gas available to meet the reasonably  
 15 foreseeable demand in this state for gas within the economic proximity of the project.

16 \* **Sec. 2.** AS 43.82.170 is repealed.

17 \* **Sec. 3.** This Act takes effect immediately under AS 01.10.070(c).