



AMENDMENT #4

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: HCS CSSB 21(FIN)

1 Page 25, line 18, through page 26, line 4:

2 Delete all material and insert:

3 "(f) Except as provided in (g) of this section, on and after January 1, 2014, in
4 the calculation of an annual production tax value of a producer under (a)(1) of this
5 section, the gross value at the point of production of oil or gas meeting one or more of
6 the following criteria is reduced by 20 percent:

7 (1) the oil or gas is produced from a lease or property that does not
8 contain a lease that was within a unit on January 1, 2003;

9 (2) the oil or gas is produced from a participating area established after
10 December 31, 2011, that is within a unit formed under AS 38.05.180(p) before
11 January 1, 2003, if the participating area does not contain a reservoir that had
12 previously been in a participating area established before December 31, 2011;

13 (3) the oil or gas is produced from acreage that was added to an
14 existing participating area by the Department of Natural Resources on and after
15 January 1, 2014, and the producer demonstrates to the department that the volume of
16 oil or gas produced is from acreage added to an existing participating area.

17 (g) A reduction under (f) of this section may not reduce the gross value at the
18 point of production below zero."

19

20 Reletter the following subsection accordingly.

21

22 Page 26, following line 16:

23 Insert a new subsection to read:

1 "(i) In this section, "participating area" means a reservoir or portion of a
2 reservoir producing or contributing to production as approved by the Department of
3 Natural Resources."
4

5 Page 29, following line 24:

6 Insert new bill sections to read:

7 "* **Sec. 34.** AS 43.55.024(j) is repealed January 1, 2019.

8 * **Sec. 35.** AS 43.55.160(f)(3) is repealed January 1, 2021."
9

10 Renumber the following bill sections accordingly.
11

12 Page 30, following line 17:

13 Insert a new bill section to read:

14 "* **Sec. 41.** The uncodified law of the State of Alaska is amended by adding a new section to
15 read:

16 **CONDITIONAL EFFECT.** (a) Section 34 of this Act takes effect only if the volume
17 of oil production for calendar year 2018 does not exceed the volume of oil produced for
18 calendar year 2012. The commissioner of natural resources shall notify the lieutenant
19 governor and the revisor of statutes before January 1, 2019, or as soon as practicable
20 thereafter, if the volume of oil production for calendar year 2018 is greater than the volume of
21 oil produced during calendar year 2012.

22 (b) Section 35 of this Act takes effect only if the volume of oil production for
23 calendar year 2020 does not exceed the volume of oil produced for calendar year 2012. The
24 commissioner of natural resources shall notify the lieutenant governor and the revisor of
25 statutes before January 1, 2021, or as soon as practicable thereafter, if the volume of oil
26 production for calendar year 2020 is greater than the volume of oil produced during calendar
27 year 2012."