

AMENDMENT #1

OFFERED IN THE HOUSE
TO: HJR 9 (FLOOR)

BY REPRESENTATIVE GARA

Sam Kito
SAM KITO
JOSEPHSON
My E. Greenberg
Harriet Drummond

K. A. ...



1 Page 3, line 30:
2 Insert:
3 "and
4 **WHEREAS** for many years we have believed the oil in the 1002 Area of ANWR has a high
5 monetary value; and,
6

7 **WHEREAS** oil under Senate Bill 21, adopted in 2013, Alaska's production tax produces a
8 roughly 50% lower production tax rate and very low revenue for all oilfields that became
9 production units in 2003 or after; and,
10

11 **WHEREAS** according to Scott Goldsmith's 2014 study during the SB 21 Repeal campaign,
12 these post-2002, or so-called "GVR" units produce so little revenue for Alaskans that they
13 will provide Alaska with a near zero, or negative net present value even at high prices above
14 \$100/bbl (the prices Dr. Goldsmith used in making his estimate in mid-2014); and,
15

16 **WHEREAS** Alaska is facing major budget problems, and selling our oil for less than it is
17 worth will harm our ability to educate Alaskans, maintain and build infrastructure, provide
18 safe communities and provide affordable energy and safe sanitation for Alaskans; and,
19

20 **WHEREAS** this provision of SB 21 is inconsistent with the Alaska Constitution's mandate
21 that Alaska's resources be developed for the "maximum benefit" of Alaska's people; and,
22

23 **WHEREAS** Alaska's production tax, SB 21, applies to oil produced in the 1002 area;
24

25 Page 4, line 20:
26 Delete:
27 ".
28

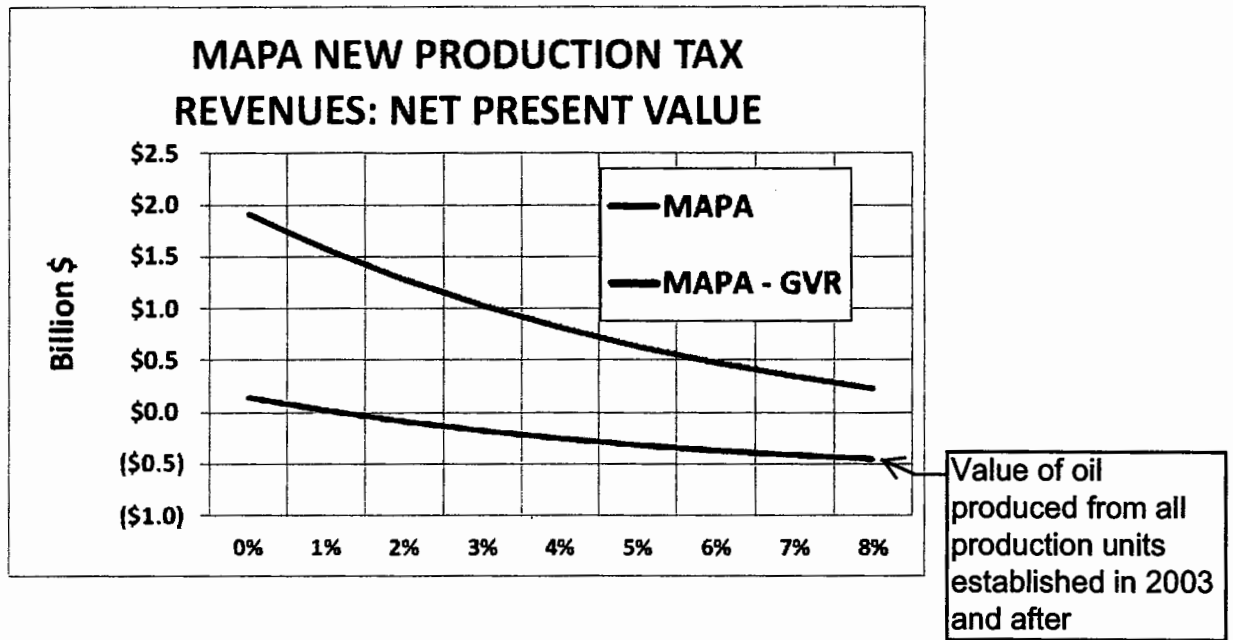
1 Page 4, line 20:

2 Insert:

3 “; and be it

4 **FURTHER RESOLVED** that the special tax break in Senate Bill 21 adopted in 2013 for
5 post-2002 units should be rewritten to ensure that if the ANWR 1002 area is opened for
6 production, Alaskans should receive a fair share for this oil, rather than a near zero or
7 negative net present value.”

Distributed by: Rep. Gara for HJR 9



Source: Scott Goldsmith Report, May 2014, p. 19 (red line represents oil in all fields unitized after 2003)