

SENATE BILL NO. 35

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY SENATOR COSTELLO

Introduced: 1/25/17

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing a program for individuals to participate as owners in an Alaska**
2 **liquefied natural gas project; and providing for an effective date."**

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

4 * **Section 1.** AS 44.25 is amended by adding a new section to read:

5 **Article 4. Individual Investment in an Alaska Liquefied Natural Gas Project.**

6 **Sec. 44.25.200. Individual participation in ownership of an Alaska**
7 **liquefied natural gas project.** (a) The commissioner shall offer individuals the
8 opportunity to participate as a co-owner in an Alaska liquefied natural gas project.

9 (b) The commissioner shall provide written notice to an individual receiving
10 an ownership interest under this section. The notice must

11 (1) describe the type of ownership interest received by the individual;

12 (2) include a certificate of ownership; the certificate may be transferred
13 or assigned by an individual to another person.

14 (c) The state is not liable for a decline in value in an ownership interest

1 acquired under this section.

2 (d) If a certificate of ownership is lost, the individual, transferee, or assignee
3 may apply to the commissioner for a replacement in the manner established by the
4 commissioner by regulation.

5 (e) If the state receives a dividend or other income for the interest held by the
6 state on its own behalf or on behalf of individuals who share in the ownership of the
7 state's interest under this section, the state shall pay the proportionate share of the
8 dividend or income received to the individual as soon as practicable after the receipt
9 by the state of the dividend or income. A payment to an individual holding a
10 certificate of ownership under this section is not subject to payment of interest by the
11 state. An individual receiving payment under this section is liable for any federal,
12 state, or local tax applicable to the receipt of the payment.

13 (f) Within 30 days after the first day of each regular session of the legislature,
14 the commissioner shall report to the legislature the number of individuals applying for
15 an ownership interest in an Alaska liquefied natural gas project during the
16 immediately preceding calendar year, the total amount of money received from those
17 individuals, and the amount invested in the ownership interest of the state in an Alaska
18 liquefied natural gas project.

19 (g) In this section,

20 (1) "Alaska liquefied natural gas project" has the meaning given in
21 AS 31.25.390;

22 (2) "commissioner" means the commissioner of revenue.

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

25 **APPLICABILITY.** If AS 44.25.200, enacted by sec. 1 of this Act, is applicable on the
26 first day of January that is more than six months after the effective date of this Act.

27 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
28 read:

29 **TRANSITION; REGULATIONS.** The commissioner of revenue may adopt
30 regulations necessary to implement AS 44.25.200, enacted by sec. 1 of this Act. The
31 regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the

- 1 effective date of this Act.
- 2 * **Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).