

HOUSE BILL NO. 247

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES JOSEPHSON, Story

Introduced: 1/20/26

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the climate change response fund and grant program; relating to a
2 new oil surcharge; and providing for an effective date."

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

4 * **Section 1.** AS 43.55.023(c) is amended to read:

5 (c) A credit or portion of a credit under this section

6 (1) may not be used to reduce a person's tax liability under
7 AS 43.55.011(e) for any calendar year below zero;

8 (2) may, if not used under this subsection, be applied in a later
9 calendar year;

10 (3) may, regardless of when the credit was earned, be used to satisfy a
11 tax, interest, penalty, fee, or other charge that

12 (A) is related to the tax due under this chapter for a prior year,
13 except for a surcharge under AS 43.55.201 - 43.55.299, [OR] 43.55.300, or
14 43.55.400 or the tax levied by AS 43.55.011(i) or 43.55.014; and

1 (B) has not, for the purpose of art. IX, sec. 17(a), Constitution
 2 of the State of Alaska, been subject to an administrative proceeding or
 3 litigation.

4 * **Sec. 2.** AS 43.55.025(h) is amended to read:

5 (h) A producer that purchases a production tax credit certificate may apply the
 6 credits against its production tax levied by AS 43.55.011(e). Regardless of the price
 7 the producer paid for the certificate, the producer may receive a credit against its
 8 production tax liability for the full amount of the credit, but for not more than the
 9 amount for which the certificate is issued. A production tax credit or a portion of a
 10 production tax credit or a production tax credit certificate or a portion of a production
 11 tax credit certificate allowed under this section

12 (1) may not be applied more than once;

13 (2) may be applied in a later calendar year;

14 (3) may, regardless of when the credit was earned, be applied to satisfy
 15 a tax, interest, penalty, fee, or other charge that

16 (A) is related to the tax due under this chapter for a prior year,
 17 except for a surcharge under AS 43.55.201 - 43.55.299, [OR] 43.55.300, or
 18 43.55.400 or the tax levied by AS 43.55.011(i) or 43.55.014; and

19 (B) has not, for the purpose of art. IX, sec. 17(a), Constitution
 20 of the State of Alaska, been subject to an administrative proceeding or
 21 litigation.

22 * **Sec. 3.** AS 43.55.165(e)(11) is amended to read:

23 (11) surcharges levied under AS 43.55.201, [OR] 43.55.300, or
 24 43.55.400;

25 * **Sec. 4.** AS 43.55.201(b) is amended to read:

26 (b) The surcharge imposed by (a) of this section is in addition to the tax
 27 imposed by AS 43.55.011 and is due on the last day of the month on oil produced
 28 from each lease or property during the preceding month. The surcharge is in addition
 29 to the surcharges [SURCHARGE] imposed by AS 43.55.300 - 43.55.310 and
 30 43.55.400.

31 * **Sec. 5.** AS 43.55.300(b) is amended to read:

1 (b) The surcharge imposed by (a) of this section is in addition to the tax
 2 imposed by AS 43.55.011 and is due on the last day of the month on oil produced
 3 from each lease or property during the preceding month. The surcharge is in addition
 4 to the **surcharges** [SURCHARGE] imposed by AS 43.55.201 - 43.55.231 **and**
 5 **43.55.400.**

6 * **Sec. 6.** AS 43.55 is amended by adding a new section to read:

7 **Article 3A. Climate Change Response Surcharge on Oil.**

8 **Sec. 43.55.400. Surcharge levied.** (a) A producer of oil shall pay a surcharge
 9 of \$.20 per barrel of oil produced from each lease or property in the state, less any oil
 10 the ownership or right to which is exempt from taxation.

11 (b) The surcharge imposed by (a) of this section is in addition to the tax
 12 imposed by AS 43.55.011 and is due on the last day of the month on oil produced
 13 from each lease or property during the preceding month. The surcharge is in addition
 14 to the surcharges imposed by AS 43.55.201 - 43.55.231 and 43.55.300 - 43.55.310.

15 (c) A producer of oil shall make a report of production on March 31 of the
 16 year following the calendar year of production and in the same manner and under the
 17 same penalties as required under AS 43.55.011 - 43.55.180.

18 (d) Oil not considered under AS 43.55.020(e) to be produced from a lease or
 19 property is not considered to be produced from a lease or property for purposes of this
 20 section.

21 (e) The surcharge shall be deposited into the general fund and accounted for
 22 under AS 37.05.142. The legislature may appropriate the surcharge to the climate
 23 change response fund established in AS 44.46.200.

24 * **Sec. 7.** AS 43.55.900(24) is amended to read:

25 (24) "surcharge" means

26 (A) when used in AS 43.55.201 - 43.55.299, the surcharge
 27 levied by AS 43.55.201;

28 (B) when used in AS 43.55.300 - 43.55.310, the surcharge
 29 levied by AS 43.55.300;

30 **(C) when used in AS 43.55.400, the surcharge levied by**
 31 **AS 43.55.400;**

1 * **Sec. 8.** AS 44.46.020(a) is amended to read:

2 (a) The Department of Environmental Conservation shall

3 (1) have primary responsibility for coordination and development of
4 policies, programs, and planning related to the environment of the state and of the
5 various regions of the state;

6 (2) have primary responsibility for the adoption and enforcement of
7 regulations setting standards for the prevention and abatement of all water, land,
8 subsurface land, and air pollution, and other sources or potential sources of pollution
9 of the environment, including by way of example only, petroleum and natural gas
10 pipelines;

11 (3) promote and develop programs for the protection and control of the
12 environment of the state;

13 (4) take actions that are necessary and proper to further the policy
14 declared in AS 46.03.010;

15 (5) adopt regulations for

16 (A) the prevention and control of public health nuisances;

17 (B) the regulation of sanitation and sanitary practices in the
18 interest of public health;

19 (C) standards of cleanliness and sanitation in connection with
20 the construction, operation, and maintenance of a camp, cannery, food
21 handling establishment, food manufacturing plant, mattress manufacturing
22 establishment, industrial plant, school, barbershop, hairdressing, hair braiding,
23 manicuring, esthetics, tattooing, permanent cosmetic coloring, body piercing,
24 or ear piercing establishment, soft drink establishment, beer and wine
25 dispensaries, and for other similar establishments in which lack of sanitation
26 may create a condition that causes disease;

27 (D) the regulation of quality and purity of commercially
28 compressed air sold for human respiration;

29 **(6) administer the climate change response fund and award**
30 **climate change response grants under AS 44.46.200.**

31 * **Sec. 9.** AS 44.46 is amended by adding a new section to read:

1 **Article 2. Climate Change Response.**

2 **Sec. 44.46.200. Climate change response fund and grants.** (a) The climate
3 change response fund is established in the general fund. The fund consists of money
4 appropriated to the fund.

5 (b) Money in the fund may be expended by the department for climate change
6 response grants under (c) of this section without further appropriation. Money in the
7 fund does not lapse. The fund is not a dedicated fund.

8 (c) A nongovernmental organization, political subdivision of the state, or tribal
9 government may apply to the department for a climate change response grant to be
10 used to build, repair, upgrade, or improve a capital asset or other infrastructure in
11 response to climate change. The application must provide evidence acceptable to the
12 department that the applicant

13 (1) meets the threshold for anticipated or real risk from climate change
14 as established by the department;

15 (2) has secured and will maintain adequate property loss insurance for
16 the replacement cost of the capital asset or other infrastructure or has another program
17 of insurance acceptable to the department; and

18 (3) has a preventive maintenance plan for the capital asset or other
19 infrastructure and will adequately adhere to the preventive maintenance plan after
20 completion of the proposed project.

21 (d) The department shall establish priorities for the award of grants under this
22 section. The department shall award grants in the order of priority established. In
23 establishing priorities, the department shall consider how the project will

24 (1) protect or improve public health;

25 (2) protect or improve climate change resiliency; and

26 (3) mitigate environmental damage and loss of life and property caused
27 by adverse weather events and climate change.

28 (e) On or before the 10th day following the convening of each first regular
29 session of the legislature, the commissioner shall submit a report on the fund,
30 including grants made, to the chief clerk of the house of representatives and the senate
31 secretary and notify the legislature that the report is available.

- 1 (f) In this section,
- 2 (1) "commissioner" means the commissioner of environmental
- 3 conservation;
- 4 (2) "department" means the Department of Environmental
- 5 Conservation;
- 6 (3) "fund" means the climate change response fund.
- 7 * **Sec. 10.** This Act takes effect immediately under AS 01.10.070(c).