

HOUSE JOURNAL
ALASKA STATE LEGISLATURE
THIRTY-FOURTH LEGISLATURE
SECOND SESSION

Juneau, Alaska

Monday

May 18, 2026

One Hundred Nineteenth Day

Pursuant to adjournment the House was called to order by Speaker Edgmon at 9:38 a.m.

Roll call showed 40 members present.

The invocation was offered by the Chaplain, Representative Saddler. Representative Story moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

With respect for all beliefs and believers, I offer this prayer:

Almighty God, we come together today on the first day of the last week of our legislative session, mindful of the great responsibility entrusted to us as public servants.

We ask you to bless this assembly and the work we do on behalf of our beloved Alaska. We ask for the gift of wisdom to guide our discussions, the grace to listen to one another, and a unified spirit to seek the common good of all our people.

May you give us grace to forgive those who trespass against us, and help us to understand that differences of opinion between us reflect different, but no less principled or deeply held principles. We are all your children. At a time when our bodies and spirits may flag, we ask for you to uplift us, heal us, and restore us with the energy to meet and overcome our every challenge.

May the words we speak today, the actions we take today, and the votes we cast today, reflect a spirit of integrity, fairness, and justice.

And finally, Lord, we ask you to preserve the health and happiness of all who serve in this building, so that we may better serve thy will with peace and joy. All this we ask in the name of Jesus Christ, your Son, and our Savior. Amen.

The Pledge of Allegiance was led by Representative St. Clair.

CERTIFICATION OF THE JOURNAL

Representative Kopp moved and asked unanimous consent that the journal for the 118th legislative day be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

MESSAGES FROM THE SENATE

HCR 19

A message dated May 17 was read stating the Senate passed:

HOUSE CONCURRENT RESOLUTION NO. 19

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 143, relating to the terms of office of municipal school board members; and relating to the size of the city council in second class cities.

HCR 19 was referred to the Chief Clerk for enrollment.

HJR 28

A message dated May 17 was read stating the Senate passed:

HOUSE JOINT RESOLUTION NO. 28

Calling on the United States Congress to pass the Kids Online Safety Act.

HJR 28 was referred to the Chief Clerk for enrollment.

HB 363

A message dated May 17 was read stating the Senate passed:

CS FOR HOUSE BILL NO. 363(MLV)

"An Act relating to the sale of alcohol; relating to the sale or dispensing of alcoholic beverages by patriotic organizations; relating to club licenses; and providing for an effective date."

CSHB 363(MLV) was referred to the Chief Clerk for enrollment.

HB 23

A message dated May 17 was read stating the Senate passed:

CS FOR HOUSE BILL NO. 23(L&C)

"An Act renaming the State Commission for Human Rights the Alaska State Commission for Civil Rights; relating to removal of commissioners of the Alaska State Commission for Civil Rights; relating to reports from the Alaska State Commission for Civil Rights; relating to the definition of 'employer' for the purposes of the Alaska State Commission for Civil Rights; and relating to local civil rights commissions."

with the following amendment, and it is transmitted for consideration:

SENATE CS FOR CS FOR HOUSE BILL NO. 23(FIN)(efd
add S)

"An Act renaming the State Commission for Human Rights the Alaska State Commission for Civil Rights; relating to investigations and conciliation by the Alaska State Commission for Civil Rights; relating to removal of commissioners of the Alaska State Commission for Civil Rights; relating to reports from the Alaska State Commission for Civil Rights; relating to the definition of 'employer' for the purposes of the Alaska State Commission for Civil Rights; relating to local civil rights commissions; and providing for an effective date."

(SCR 32 - title change resolution)

CSHB 23(L&C) is under Unfinished Business.

HB 27

A message dated May 17 was read stating the Senate passed:

CS FOR HOUSE BILL NO. 27(HSS)

"An Act relating to medical care for major emergencies."

with the following amendment, and it is transmitted for consideration:

CS FOR HOUSE BILL NO. 27(HSS) am S(efd add S)

"An Act relating to cardiopulmonary resuscitation education in public schools; relating to the duties of the Department of Education and Early Development; relating to medical care for major emergencies; and providing for an effective date."

(SCR 33 - title change resolution)

CSHB 27(HSS) is under Unfinished Business.

HB 133

A message dated May 17 was read stating the Senate passed CSHB 133(FIN) am with the following amendment, and it is transmitted for consideration:

SENATE CS FOR CS FOR HOUSE BILL NO.133(FIN) am S

"An Act establishing deadlines for the payment of contracts under the State Procurement Code; establishing deadlines for the payment of grants, contracts, and reimbursement agreements to nonprofit organizations, municipalities, and Alaska Native organizations; relating to reports from state agencies to the legislature detailing late payments made during 2026; relating to the state financial transactions Internet website; and providing for an effective date."

CSHB 133(FIN) am is under Unfinished Business.

SB 143

A message dated May 17 was read stating the Senate concurred in the House amendment to:

CS FOR SENATE BILL NO. 143(CRA)

"An Act relating to the terms of office of municipal school board

members; relating to the size of the city council in second class cities; and providing for an effective date."

thus adopting:

CS FOR SENATE BILL NO. 143(CRA) am H

"An Act relating to ethics and budget training for school board members; relating to the terms of office of municipal school board members; relating to the size of the city council in second class cities; and providing for an effective date."

(HCR 19 - title change resolution)

Messages dated May 17 were read stating the Senate passed the following, and they are transmitted for consideration:

FIRST READING AND REFERENCE OF SENATE RESOLUTIONS

SCR 32

SENATE CONCURRENT RESOLUTION NO. 32 by the Senate Finance Committee:

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 23, renaming the State Commission for Human Rights the Alaska State Commission for Civil Rights; relating to removal of commissioners of the Alaska State Commission for Civil Rights; relating to reports from the Alaska State Commission for Civil Rights; relating to the definition of 'employer' for the purposes of the Alaska State Commission for Civil Rights; and relating to local civil rights commissions.

was read the first time.

SCR 33

SENATE CONCURRENT RESOLUTION NO. 33 by the Senate Rules Committee:

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of

the Alaska State Legislature, concerning House Bill No. 27, relating to medical care for major emergencies.

was read the first time.

REPORTS OF STANDING COMMITTEES

SB 24

The Finance Committee considered:

CS FOR SENATE BILL NO. 24(FIN)

"An Act relating to tobacco, tobacco products, electronic smoking products, nicotine, and products containing nicotine; raising the minimum age to purchase, exchange, or possess tobacco, a product containing nicotine, or an electronic smoking product; relating to the tobacco use education and cessation fund; relating to the taxation of electronic smoking products and vapor products; and providing for an effective date."

and recommends it be replaced with:

HOUSE CS FOR CS FOR SENATE BILL NO. 24(FIN)
(same title)

The report was signed by Representatives Josephson, Schrage, and Foster, Co-chairs, with the following individual recommendations:

Do pass (6): Moore, Hannan, Galvin, Josephson, Schrage, Foster

No recommendation (2): Allard, Tomaszewski

Amend (2): Bynum, Jimmie

The following fiscal note(s) apply to HCS CSSB 24(FIN):

10. Fiscal, Dept. of Revenue
11. Zero, Dept. of Administration
12. Zero, Dept. of Administration
13. Zero, Dept. of Commerce, Community, & Economic Development

14. Zero, Dept. of Health
15. Zero, Dept. of Law
16. Zero, Dept. of Public Safety
17. Zero, Alaska Judiciary System

CSSB 24(FIN) is on today's calendar.

SB 79

The Finance Committee considered:

SENATE BILL NO. 79

"An Act relating to wage payments."

and recommends it be replaced with:

HOUSE CS FOR SENATE BILL NO. 79(FIN)

"An Act relating to wage payments; and providing for an effective date."

(technical title change)

The report was signed by Representatives Schrage, Josephson, and Foster, Co-chairs, with the following individual recommendations:

Do pass (5): Jimmie, Galvin, Hannan, Bynum, Foster

No recommendation (6): Tomaszewski, Stapp, Allard, Moore, Schrage, Josephson

The following fiscal note(s) apply to HCS SB 79(FIN):

3. Zero, Dept. of Labor & Workforce Development

SB 79 was referred to the Rules Committee.

REPORTS OF SPECIAL COMMITTEES

HB 263

The Conference Committee with limited powers of free conference considering CSHB 263(FIN) am and SCS CSHB 263(FIN) am S recommends the following be adopted:

CONFERENCE CS FOR HOUSE BILL NO. 263

"An Act making appropriations for the operating and loan program expenses of state government and for certain programs; capitalizing funds; amending appropriations; making supplemental appropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

The report was signed by Representatives Josephson (Chair), Schrage, Stapp; and Senators Hoffman (Chair), Stedman, Cronk.

A fiscal note packet was attached.

The report was received in the Chief Clerk's office at 3:11 p.m., May 17.

The report is under Unfinished Business.

HB 265

The Conference Committee with limited powers of free conference considering CSHB 265(FIN) am and SCS CSHB 265(FIN) recommends the following be adopted:

CONFERENCE CS FOR HOUSE BILL NO. 265

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

The report was signed by Representatives Josephson (Chair), Schrage, Stapp; and Senators Hoffman (Chair), Stedman, Cronk.

A fiscal note packet was attached.

The report was received in the Chief Clerk's office at 3:11 p.m., May 17.

The report is under Unfinished Business.

SPECIAL ORDER OF BUSINESS

Representative Kopp moved and asked unanimous consent that the notice and publication requirements be waived and the citations on the first special order citation calendar be taken up as a Special Order of Business. There being no objection, it was so ordered.

Representative Kopp moved and asked unanimous consent that the House approve the citations on the first special order citation calendar. There being no objection, the following citations were approved and sent to enrolling:

Honoring - Corrine and James "Jamie" Marks
By Senator Kiehl; Representatives Hannan, Story

Honoring - Trooper Anthony "Tony" Beck
By Senator Rauscher

Honoring - Charlie Lamphear
By Senators Rauscher, Cronk

In Memoriam - Lonnie Rae Raulerson
By Representative Allard

In Memoriam - Richard "Rich" Irvin Mauer
By Senator Cronk; Representative Story

In Memoriam - Dima Kulmanovsky
By Senators Kawasaki, Cronk; Representative Carrick

In Memoriam - June Weinstock
By Senator Kawasaki; Representatives Carrick, Dibert

In Memoriam - Keith Brian Michael Gianni
By Senator Kawasaki; Representatives Dibert, Stapp

**INTRODUCTION, FIRST READING, AND REFERENCE
OF HOUSE RESOLUTIONS****HCR 27**

HOUSE CONCURRENT RESOLUTION NO. 27 by the House
Finance Committee:

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 79, relating to wage payments.

was read the first time.

HCR 28

HOUSE CONCURRENT RESOLUTION NO. 28 by the House Community and Regional Affairs Committee:

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 250, relating to data centers; and relating to utility service for data centers.

was read the first time.

CONSIDERATION OF THE DAILY CALENDAR

SECOND READING OF HOUSE BILLS

SB 180

The Speaker stated that, without objection, the following, which was held from the May 17 calendar (page 2740), would be taken up first and was read the second time:

CS FOR SENATE BILL NO. 180(L&C)

"An Act relating to the regulation of liquefied natural gas import facilities by the Regulatory Commission of Alaska; and providing for an effective date."

with the:

Journal Page

L&C RPT HCS(L&C) NEW TITLE 2DP 3NR 1AM	2570
FN1: ZERO(CED)	2570

Representative Kopp moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original bill:

HOUSE CS FOR CS FOR SENATE BILL NO. 180(L&C)

"An Act relating to the development of the Susitna River power project by the Alaska Energy Authority; relating to the regulation of liquefied natural gas import facilities by the Regulatory Commission of Alaska; and providing for an effective date."

(HCR 20 – title change resolution)

Representative Frier objected.

The question being: "Shall the House adopt HCS CSSB 180(L&C)?"
 The roll was taken with the following result:

CSSB 180(L&C)
 Second Reading
 Adopt Labor & Commerce HCS

YEAS: 28 NAYS: 10 EXCUSED: 0 ABSENT: 2

Yeas: Bynum, Costello, Coulombe, Dibert, Eischeid, Elam, Fields, Galvin, Hall, Himschoot, Holland, Jimmie, Johnson, Kopp, McCabe, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schrage, Schwanke, St. Clair, Story, Stutes, Tomaszewski, Underwood, Vance

Nays: Carrick, Edgmon, Foster, Frier, Gray, Hannan, Josephson, Mears, Mina, Stapp

Absent: Allard, Moore

Jimmie changed from "NAY" to "YEA"

And so, HCS CSSB 180(L&C) was adopted

Amendment No. 1 was offered by Representative Gray:

Page 1, line 1, following "Act" (title amendment):

Insert "**establishing an income tax on certain entities producing or transporting oil or gas in the state;**"

Page 1, following line 4:

Insert new bill sections to read:

**** Section 1.** AS 43.20 is amended by adding a new section to read:

Sec. 43.20.019. Tax on income of certain oil and gas pass-through entities. (a) Each taxable year, a tax is imposed on the entire taxable income derived from sources in the state of every qualified entity. The tax is computed as follows:

If the taxable income is:	Then the tax is:
Less than \$1,000,000	zero
\$1,000,000 but less than \$2,000,000	5 percent of the taxable income over \$1,000,000
\$2,000,000 but less than \$3,000,000	\$50,000 plus 6

	percent of the taxable income over \$2,000,000
\$3,000,000 but less than \$4,000,000	\$110,000 plus 7 percent of the taxable income over \$3,000,000
\$4,000,000 but less than \$5,000,000	\$180,000 plus 8 percent of the taxable income over \$4,000,000
\$5,000,000 or more	\$260,000 plus 9.4 percent of the taxable income over \$5,000,000.

(b) For purposes of calculating taxable income under this section,

(1) taxable income of a qualified entity is determined under AS 43.20.144 as if the qualified entity were taxable as a C corporation, as defined by 26 U.S.C. 1361(a)(2) (Internal Revenue Code), as that section read on January 1, 2026;

(2) notwithstanding AS 43.20.021 and AS 43.20.036, a qualified entity may not apply as a credit or deduction against tax liability a credit or deduction allowed as to federal taxes under 26 U.S.C. (Internal Revenue Code), except that the qualified entity may take a credit or deduction allowed for a C corporation under (1) of this subsection.

(c) The tax under this section does not apply to a corporation subject to tax under AS 43.20.011 or to an entity that is part of a unitary business with a corporation subject to tax under AS 43.20.011.

(d) A public corporation is exempt from the tax under this section. If a qualified entity is held in part by a public corporation, income in proportion to the ownership interest held by the public corporation is exempt from the tax under this section. The department may direct each owner of a qualified entity that is owned in part by the Alaska Gasline Development Corporation (AS 31.25) to file a return with the department. Notwithstanding AS 40.25.100(a) and AS 43.05.230(a), a return filed by the Alaska Gasline Development Corporation under this subsection is a public record and is not confidential.

(e) For the purpose of determining the tax due under this section, the department shall

(1) aggregate the taxable income of two or more entities

if the department determines that, without the provisions of this section, the taxable income would reasonably be expected to be attributed to a single entity;

(2) except as provided in (c) of this section, include in the calculation of taxable income of the qualified entity income that is attributable to an entity that is part of a unitary business with the qualified entity paying tax under this section; and

(3) adopt regulations to prevent evasion of taxes imposed under this section.

(f) For purposes of calculating income under this section, a qualified entity may deduct from income a payment to the shareholder, owner, member, or partner of the qualified entity, if

(1) the shareholder, owner, member, or partner is a taxpayer under this chapter;

(2) the payment does not include a transfer of property;

(3) the payment is included in the shareholder's, owner's, member's, or partner's income for purposes of this chapter; and

(4) the payment was not made with the specific intent to reduce or evade the payment of tax under this chapter.

(g) In this section,

(1) "carbon capture" and "carbon storage" have the meanings given in AS 43.55.165(e)(23);

(2) "pipeline" means a pipeline that transports oil or gas from north of 68 degrees North latitude to a location outside of the lease or property where the oil or gas is produced for the direct purpose of sale and delivery of the oil or gas to a commercial market;

(3) "qualified entity"

(A) means a sole proprietorship, partnership, limited liability company, or entity that has elected to file federal returns under 26 U.S.C. 1361 - 1379 (Internal Revenue Code) that

(i) has taxable income;

(ii) owns, operates, manages, or controls an entity that has taxable income;

(iii) holds an ownership, investment, or similar interest in an entity that has taxable income; or

(iv) owns an operating right, operating interest, or working interest in a mineral interest of an entity with taxable income;

- (B) does not include a natural person;
- (4) "taxable income" means income
- (A) from the production of oil or gas from a lease or property in the state;
- (B) from the transportation of oil or gas by pipeline in the state;
- (C) from the supply of oil or gas for transportation by pipeline in the state, whether directly, to an intermediary, or as an intermediary;
- (D) from gas treatment, carbon capture, or carbon storage activities in the state;
- (E) from liquefied natural gas processing in the state;
- (F) from the marine transportation of liquefied natural gas produced in the state; and
- (G) of an entity that is part of a unitary business with a carrier or producer paying tax under this section as provided under (e)(2) of this section.

* **Sec. 2.** AS 43.20.030(a) is amended to read:

(a) If a **taxpayer** [CORPORATION], or a partnership that has a **taxpayer** [CORPORATION] as a partner, is required to make a return under the provisions of the Internal Revenue Code, **the taxpayer** [IT] shall file with the department, within 30 days after the federal return is required to be filed, a return setting out

(1) the amount of tax due under this chapter, less credits claimed against the tax; and

(2) other information for the purpose of carrying out the provisions of this chapter that the department requires.

* **Sec. 3.** AS 43.20.031(i) is amended to read:

(i) A **taxpayer that** [CORPORATION WHICH] is a member of a group of unitary corporations **or entities that** [WHICH] collectively has income from business activity taxable both inside and outside the state, or income from other sources both inside and outside the state, shall determine its income from sources in this state by use of the combined method of accounting."

Page 1, line 5:

Delete "**Section 1**"

Insert "**Sec. 4**"

Renumber the following bill sections accordingly.

Page 1, following line 8:

Insert new bill sections to read:

*** Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY: OIL AND GAS ENTITY TAX. The tax established under AS 43.20.019, added by sec. 1 of this Act, applies to a qualified entity for a tax year beginning on or after January 1, 2026. In this section, "qualified entity" has the meaning given in AS 43.20.019(g), added by sec. 1 of this Act.

*** Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: PAYMENT OF TAX. A person subject to the tax levied under AS 43.20.019, added by sec. 1 of this Act, before the effective date of sec. 1 of this Act, shall pay the balance of the tax due for a tax year ending before January 1, 2027, by January 1, 2027. Until January 1, 2027, the Department of Revenue shall waive interest that would otherwise accrue under AS 43.05.225 and civil and criminal penalties accruing under AS 43.05.220, 43.05.245, and 43.05.290, that are a result of the retroactivity of secs. 1 - 3 of this Act.

*** Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY OF REGULATIONS. Notwithstanding a contrary provision of AS 44.62.240, if the Department of Revenue expressly designates in a regulation that the regulation applies retroactively to a specific date, a regulation adopted by the Department of Revenue to implement, interpret, make specific, or otherwise carry out secs. 1 - 3 of this Act applies retroactively to that date.

*** Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY. Sections 1 - 3, 6, and 7 of this Act are retroactive to January 1, 2026."

Renumber the following bill section accordingly.

Representative Gray moved and asked unanimous consent that Amendment No. 1 be adopted.

There was objection.

Representative Gray moved and asked unanimous consent to withdraw Amendment No. 1. There being no objection, it was so ordered.

Amendment No. 2 was offered by Representative Kopp:

Page 1, line 1 (title amendment):

Delete "**development of the Susitna River power project by the Alaska Energy Authority**"

Insert "**taxation of certain natural gas project property and related facilities; relating to local contributions for public school funding; relating to municipal property taxes; relating to the Alaska Gasline Development Corporation; relating to revenue from a North Slope natural gas project; relating to revenue received from the state's royalty gas; relating to an alternative volumetric tax on natural gas throughput; relating to agreements related to a natural gas project and a designated community impact fund; relating to the regulation of liquefied natural gas import facilities by the Regulatory Commission of Alaska; relating to an Alaska liquefied natural gas project mitigation fund**"

Page 1, lines 5 - 9:

Delete all material and insert:

*** Section 1.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LEGISLATIVE FINDINGS. The legislature finds that the tax treatment in this Act is necessary to advance a major natural gas project and to ensure that

(1) the project maximizes the benefit to the state by ensuring direct and affordable access to natural gas to the residents of the state; and

(2) communities affected by the natural gas project are protected from the negative effects of the project.

*** Sec. 2.** AS 14.17.510 is amended by adding a new subsection to read:

(d) In this section, the full and true value of the taxable real and personal property does not include property subject to the alternative volumetric tax levied under AS 43.59.

*** Sec. 3.** AS 14.17.990(6) is amended to read:

(6) "local contribution"

(A) means appropriations and the value of in-kind

services made by a district;

(B) does not include revenue from the alternative volumetric tax levied by the municipality under AS 43.59;

* **Sec. 4.** AS 29.45.080(c) is amended to read:

(c) A municipality may levy and collect a tax on the full and true value of that portion of taxable property taxable under AS 43.56 as assessed by the Department of Revenue which value, when combined with the value of property otherwise taxable by the municipality, does not exceed the product of the percentage determined in (f) of this section of the average per capita assessed full and true value of property in the state multiplied by the number of residents of the taxing municipality. **Property subject to the alternative volumetric tax levied under AS 43.59.020 is not included in the value of property for the purpose of making the calculation under this subsection.**

* **Sec. 5.** AS 31.25.010 is amended to read:

Sec. 31.25.010. Structure. The Alaska Gasline Development Corporation is a public corporation and government instrumentality acting in the best interest **and as a fiduciary** of the state for the purposes required by AS 31.25.005, located for administrative purposes in the Department of Commerce, Community, and Economic Development, but having a legal existence independent of and separate from the state. The corporation may not be terminated as long as it has bonds, notes, or other obligations outstanding. The corporation may dissolve when no bonds, notes, or other obligations of the corporation or a subsidiary of the corporation are outstanding and the corporation or a subsidiary of the corporation is no longer engaged in the development, financing, construction, or operation of an in-state natural gas pipeline or an Alaska liquefied natural gas project. Upon termination of the corporation, its rights and property pass to the state.

* **Sec. 6.** AS 31.25.040(b) is amended to read:

(b) The board shall **by regulation adopted under AS 44.62 (Administrative Procedure Act)** adopt and publish procedures to govern the procurement by the corporation of supplies, services, professional services, and construction. The procurement procedures must

(1) reflect competitive bidding principles and provide vendors reasonable and equitable opportunities to participate

in the procurement process;**(2) include procurement methods to meet emergency and extraordinary circumstances;****(3) comply with the five percent preference under AS 36.30.321(a); and****(4) provide for an Alaska veterans' preference that is consistent with the Alaska veterans' preference in AS 36.30.175.**

* **Sec. 7.** AS 31.25.080(a) is amended to read:

(a) In addition to other powers granted in this chapter, the corporation may

(1) determine the form of ownership and the operating structure of an in-state natural gas pipeline developed by the corporation and may, **subject to AS 31.25.120(b)**, enter into agreements with other persons for joint ownership, joint operation, or both of an in-state natural gas pipeline or an Alaska liquefied natural gas project;

(2) plan, finance, construct, develop, acquire, maintain, and operate a pipeline system and other transportation mechanism, including pipelines, compressors, storage facilities, and other related facilities, equipment, and works of public improvement, in the state to facilitate production, transportation, and delivery of natural gas or other related natural resources to the point of consumption or to the point of distribution for consumption;

(3) lease or rent facilities, structures, and properties;

(4) exercise the power of eminent domain and file a declaration of taking under AS 09.55.240 - 09.55.460 to acquire land or an interest in land that is necessary for an in-state natural gas pipeline or an Alaska liquefied natural gas project; the exercise of powers by the corporation under this paragraph may not exceed the permissible exercise of the powers by the state;

(5) acquire, by purchase, lease, or gift, land, structures, real or personal property, an interest in property, a right-of-way, a franchise, an easement, or other interest in land, or an interest in or right to capacity in a pipeline system determined to be necessary or convenient for the development, financing, construction, or operation of an in-state natural gas pipeline project or an Alaska liquefied natural gas project or part of an in-state natural gas pipeline project or an Alaska liquefied natural gas project;

(6) **subject to AS 31.25.120(b)**, transfer or otherwise dispose of all or part of an in-state natural gas pipeline project, an

Alaska liquefied natural gas project, or an interest in an asset of the corporation;

(7) elect to provide transportation of natural gas as a contract carrier, common carrier, or otherwise;

(8) provide light, water, security, and other services for property of the corporation;

(9) conduct hearings to gather and develop data consistent with the purpose and powers of the corporation;

(10) advocate for new pipeline capacity before the Federal Energy Regulatory Commission;

(11) make and execute agreements, contracts, and other instruments necessary or convenient in the exercise of the powers and functions of the corporation under this chapter, including a contract with a person, firm, corporation, governmental agency, or other entity;

(12) sue and be sued in its own name;

(13) adopt an official seal;

(14) adopt bylaws for the regulation of its affairs and the conduct of its business and adopt regulations and policies in connection with the performance of its functions and duties;

(15) employ fiscal consultants, engineers, attorneys, appraisers, and other consultants and employees that may, in the judgment of the corporation, be required and fix and pay their compensation from funds available to the corporation;

(16) procure insurance against a loss in connection with its operation;

(17) borrow money as provided in this chapter to carry out its corporate purposes and issue its obligations as evidence of borrowing;

(18) include in a borrowing the amounts necessary to pay financing charges, to pay interest on the obligations, and to pay the interest, consultant, advisory, and legal fees, and other expenses that are necessary or incident to the borrowing;

(19) receive, administer, and comply with the conditions and requirements of an appropriation, gift, grant, or donation of property or money;

(20) do all acts and things necessary, convenient, or desirable to carry out the powers expressly granted or necessarily implied in this chapter;

(21) invest or reinvest, subject to its contracts with

noteholders and bondholders, money or funds held by the corporation, including funds in the in-state natural gas pipeline fund (AS 31.25.100) and the Alaska liquefied natural gas project fund (AS 31.25.110), in obligations or other securities or investments in which banks or trust companies in the state may legally invest funds held in reserves or sinking funds or funds not required for immediate disbursement, and in certificates of deposit or time deposits secured by obligations of, or guaranteed by, the state or the United States;

(22) enter into, as it determines to be necessary or appropriate, any swap or hedge, cap, or other contract providing for payments based on levels of or changes in interest rates or indices or in the cost or price of any commodity, supply, or expense expected to be used or incurred in connection with the acquisition, construction, or operation of any facility or property owned, leased, or operated by the corporation, or an option with respect to any of the foregoing;

(23) except as provided in (g) of this section, acquire an ownership or participation interest in an Alaska liquefied natural gas project, natural gas treatment facilities, natural gas pipeline facilities, liquefaction facilities, marine terminal facilities related to the infrastructure of an Alaska liquefied natural gas project, or an entity or joint venture that has an ownership interest in or is engaged in the planning, financing, acquisition, maintenance, construction, and operation of an Alaska liquefied natural gas project;

(24) after consultation with the commissioner of revenue and the commissioner of natural resources, enter into contracts relating to an Alaska liquefied natural gas project, including contracts for services related to operation, marketing, transportation, gas treatment, marine terminal operation, or liquefaction.

* **Sec. 8.** AS 31.25.080 is amended by adding new subsections to read:

(h) If the corporation or a subsidiary of the corporation negotiates with another entity to acquire an interest in an Alaska liquefied natural gas project, the corporation shall provide an opportunity for municipalities in the state to purchase a portion of the corporation's right to acquire additional equity interest in the natural gas project not exercised by the corporation, through an

entity managed by the corporation. A municipality may not acquire a direct interest in a natural gas project under this subsection.

(i) The corporation shall, to the maximum extent possible, use contractors and suppliers in the state in order to benefit from the experience of workers and businesses in the state in arctic engineering and construction.

* **Sec. 9.** AS 31.25.090(f) is amended to read:

(f) **Subject to the restrictions in this section, the** [THE] corporation may enter into confidentiality agreements necessary to acquire or provide information to carry out its functions. If a state agency determines that a law or provision of a contract to which the state agency is a party requires the state agency to preserve the confidentiality of the information and that delivering the information to the corporation would violate the confidentiality provision of that law or contract, the state agency shall

(1) identify the applicable law or contract provision to the corporation; and

(2) obtain the consent of the person who has the right to waive the confidentiality of the information under the applicable law or contract provision before the state agency transfers the information to the corporation.

* **Sec. 10.** AS 31.25.090 is amended by adding new subsections to read:

(j) The parties to a confidentiality agreement entered into under (f) of this section may agree to waive confidentiality, in whole or in part, to allow the release of information to a legislator or a public agent or for publication. Information released under this subsection may include reasonable redactions. Information released under this subsection may include

(1) a contract or agreement or a specific term of a contract or agreement;

(2) a pending contract or agreement or a specific term of a pending contract or agreement;

(3) a record, file, or other information in possession of the corporation, a subsidiary of the corporation, or an entity partnered with the corporation; or

(4) the confidentiality agreement or terms of the confidentiality agreement.

(k) Notwithstanding (g) or (j) of this section, information

subject to a confidentiality agreement entered into by the corporation may be discussed in a legislative committee in regular or executive session if all parties to the confidentiality agreement consent to the session, the consent is lawful, and one or more of the consenting parties is available to testify at the session.

(l) A confidentiality agreement entered into under (f) of this section may not

(1) prevent compliance with an administrative or court order mandating disclosure;

(2) make confidential contract terms, or prospective contract terms, that bind the corporation, a subsidiary of the corporation, or an entity with which the corporation, or a subsidiary of the corporation, has a legal relationship to assume fiscal or performance liability, obligation, or risk that could extend to or encumber the state with that fiscal or performance liability, obligation, or risk, either directly or indirectly; in this paragraph, "legal relationship" means a partnership, joint venture, joint ownership agreement, or other legally binding business arrangement formed for the purpose of shared ownership or management of, or pooling of resources for, an entity in which the corporation, or a subsidiary of the corporation, has an ownership or management interest;

(3) except as provided in (m) of this section, make confidential information that may lead to

(A) a significant fiscal liability, obligation, or risk to the state; or

(B) appropriations or other state funding or in-kind payments or services from the state;

(4) make confidential contract terms governing the ownership or management structure of a subsidiary of the corporation; or

(5) make confidential information related to a state interest option under AS 31.25.125.

(m) A confidentiality agreement entered into under (f) of this section may make confidential specific known or reasonably anticipated project economics or costs related to the Alaska liquefied natural gas project only if the parties to the contract agree

(1) that release of the project economics or costs would cause commercial or competitive harm to an entity involved in the

Alaska liquefied natural gas project; and

(2) to release reasonable estimated ranges or a summarization of project economics and costs sufficient for a legislator or a public agent to assess the fiscal liability, obligation, or risk to the state.

(n) In this section, "public agent" means

(1) a public agency, as defined in AS 40.25.220, or an agent or contractor of a public agency;

(2) an agent or contractor of a member of the legislature or of a legislative committee.

* **Sec. 11.** AS 31.25.120 is amended by adding a new subsection to read:

(b) Unless the legislature approves the action by law, the corporation may not transfer, sell, or otherwise dispose of an ownership or management interest in a subsidiary of the corporation.

* **Sec. 12.** AS 31.25 is amended by adding a new section to read:

Sec. 31.25.125. Involvement in revenue-generating projects. (a) If the corporation negotiates with another entity for participation by the corporation in a revenue-generating project, the corporation shall negotiate an option for the state to acquire an interest in the project. The corporation shall immediately notify the president of the senate, the speaker of the house of representatives, and the chairs of the finance committee of each house of the legislature on each occasion that an option is available for consideration by the legislature under (b)(1) of this section.

(b) An option negotiated under this section must

(1) before being agreed to, be approved by the legislature by law; and

(2) allow the state to exercise the option for at least six months after notification of the legislature under (d) of this section.

(c) At the request of the legislature, a state agency shall cooperate with and assist the legislature in determining whether to approve under (b)(1) of this section the terms of an option negotiated under (a) of this section.

(d) The corporation shall immediately notify the president of the senate, the speaker of the house of representatives, and the chairs of the finance committee of each house of the legislature on

each occasion that the state may exercise an option negotiated under (a) of this section. The corporation shall notify the legislature under this subsection on the later of the date that

(1) the corporation determines, with reasonable assurance and considering the totality of circumstances, including review of all relevant financial information, that the revenue-generating project will be completed, with or without state investment; or

(2) a final investment decision is made for the revenue-generating project.

(e) The state may not acquire an interest in a revenue-generating project under this section unless the interest is approved by the legislature by law. When making an investment decision under this section, the legislature shall act as a prudent investor.

(f) The Department of Revenue shall cooperate with and assist the legislature in determining whether to acquire an interest in a revenue-generating project under (e) of this section by exercising an option negotiated under (a) of this section, including by identifying potential funding sources for exercising the option and potential fiscal effects on the state. If requested by the legislature, another state agency shall cooperate with and assist the legislature with making a determination under (e) of this section.

(g) The corporation, and any other entity participating in a revenue-generating project, shall

(1) cooperate with and assist the legislature in determining whether to approve the terms of an option negotiated under (a) of this section or to acquire an interest in the project by exercising an option negotiated under this section;

(2) provide information requested by the legislature related to the project, including

(A) information necessary for the legislature to act as a prudent investor; and

(B) financial records of or related to the revenue-generating project; and

(3) ensure that at least one representative of the corporation and of each participating entity are available to testify during public hearings of legislative committees requesting testimony.

(h) In this section,

(1) "corporation" includes a subsidiary of the corporation; notwithstanding the definition of "subsidiary of the corporation" in AS 31.25.390, a subsidiary of a corporation does not include a partially owned subsidiary for purposes of this section;

(2) "revenue-generating project" means a project, entity ownership, legal business arrangement, partnership, joint venture, or other commercial endeavor expected to generate revenue.

* **Sec. 13.** AS 31.25.130(a) is amended to read:

(a) Except **as otherwise provided in this chapter and except** for AS 44.62.310 - 44.62.319 (Open Meetings Act), AS 44.62 (Administrative Procedure Act) does not apply to this chapter. The corporation shall make available to members of the public copies of the regulations adopted under (b) - (e) of this section.

* **Sec. 14.** AS 31.25 is amended by adding a new section to article 1 to read:

Sec. 31.25.145. Accounting. (a) The corporation shall deposit into separate accounts in the general fund revenue

(1) generated by a subsidiary of the corporation; and

(2) resulting from an option negotiated under AS 31.25.125.

(b) The legislature may appropriate the annual estimated balance in the accounts for operations of the corporation or for any other purpose.

* **Sec. 15.** AS 31.25.160 is amended by adding a new subsection to read:

(g) The corporation, or a subsidiary of the corporation, may issue bonds only if the legislature approves issuance of the bonds. The limitation in this section does not apply

(1) to refunding bonds; refunding bonds may be issued without further approval by the legislature in a principal amount sufficient to provide funds for the payment of all bonds to be refunded by the refunding bonds and, in addition, for the payment of all other amounts that the corporation considers appropriate in connection with the refunding, including expenses incident to the redeeming, calling, retiring, or paying of the outstanding bonds, the funding of reserves, and the issuance of the refunding bonds; or

(2) if the total outstanding bonds of the corporation are

less than \$5,000,000.

* **Sec. 16.** AS 31.25 is amended by adding a new section to read:

Sec. 31.25.285. Legislative notification of ownership change. (a) The corporation shall promptly notify the president of the senate, the speaker of the house of representatives, and the chairs of the finance committee of each house of the legislature if

(1) an entity in a legal relationship with the corporation, or a subsidiary of the corporation, has a significant change in ownership structure; or

(2) the corporation becomes aware that an entity in a legal relationship with the corporation, or a subsidiary of the corporation, plans to make a significant change in ownership structure.

(b) In this section, "legal relationship" means a partnership, joint venture, joint ownership agreement, or other legally binding business arrangement

(1) of which the corporation, or a subsidiary of the corporation, has at least a 10 percent interest; or

(2) that has an interest in a third entity in which the corporation, or a subsidiary of the corporation, also has at least a 10 percent interest; and

(3) that formed for the purpose of shared ownership or shared management of, or pooling of resources for, an entity in which the corporation, or a subsidiary of the corporation, has an ownership or management interest.

* **Sec. 17.** AS 31.25.390 is amended by adding a new paragraph to read:

(8) "subsidiary of the corporation" includes a subsidiary partially owned by the corporation.

* **Sec. 18.** AS 37.14 is amended by adding a new section to read:

Article 12. Constitutional Education Fund.

Sec. 37.14.900. Alaska education fund. (a) Under art. IX, sec. 18, Constitution of the State of Alaska, the Alaska education fund is established as a separate fund in the state treasury.

(b) Notwithstanding any other provision of law, the Alaska education fund consists of all revenue received by the state associated with a North Slope natural gas project that remains after

(1) the payment to the Alaska permanent fund under AS 37.13.010; and

(2) the appropriations to municipalities under AS 44.33.850.

(c) The commissioner of revenue is the fiduciary of the Alaska education fund. The commissioner of revenue shall manage and invest the fund assets as provided in AS 37.10.071.

(d) In this section, "North Slope natural gas project" has the meaning given to "natural gas project" in AS 43.59.100.

* **Sec. 19.** AS 43.56.010(a) is amended to read:

(a) **Except as provided in AS 43.59.010 and 43.59.020, an** [AN] annual tax of 20 mills is levied each tax year beginning January 1, 1974, on the full and true value of taxable property taxable under this chapter.

* **Sec. 20.** AS 43.56.020(d) is amended to read:

(d) Taxable property **subject to tax abatement under AS 43.59.010 or the volumetric tax imposed under AS 43.59.020** [OF A NATURAL GAS PIPELINE PROJECT OWNED OR FINANCED BY THE ALASKA GASLINE DEVELOPMENT CORPORATION OR A JOINT VENTURE, PARTNERSHIP, OR OTHER ENTITY THAT INCLUDES THE ALASKA GASLINE DEVELOPMENT CORPORATION] is exempt from state taxes levied or authorized under AS 43.56.010(a) and municipal taxes levied or authorized under AS 43.56.010(b) [BEFORE THE COMMENCEMENT OF COMMERCIAL OPERATIONS OF THAT NATURAL GAS PIPELINE PROJECT. IN THIS SUBSECTION, "COMMENCEMENT OF COMMERCIAL OPERATIONS" MEANS THE FIRST FLOW OF NATURAL GAS IN THE PROJECT THAT GENERATES REVENUE TO THE OWNERS OF THE NATURAL GAS PIPELINE PROJECT].

* **Sec. 21.** AS 43 is amended by adding a new chapter to read:

Chapter 59. Natural Gas Project Temporary Tax Abatement and Volumetric Tax.

Sec. 43.59.010. Temporary tax abatement. (a) Property of a natural gas project is not subject to the taxes levied under AS 29.45.080, AS 43.56.010, or AS 43.59.020 during the temporary tax abatement period. The abatement period begins on the effective date of this section and ends on the earlier of

(1) the day after the natural gas project achieves a throughput of 500,000,000 cubic feet of natural gas a day, calculated as a rolling average over a consecutive 30-day period;

or

(2) five years after the date of commencement of commercial operations of the natural gas project.

(b) A natural gas project is eligible for the tax abatement under this section only if the department determines that the project is eligible under AS 43.59.025.

Sec. 43.59.020. Imposition of alternative volumetric tax.

(a) The owner of property subject to tax under this section shall pay an alternative volumetric tax on the throughput of the property. The alternative volumetric tax applies beginning on the day after the expiration of the abatement period under AS 43.59.010.

(b) The volumetric tax is the sum of the amounts calculated under this subsection for each component of a natural gas project. The tax for a component is calculated by multiplying the tax rate for the component, set out under (c) of this section, by the component weight, calculated under (d) of this section, by the total units of component throughput, defined under (e) of this section, for the tax period.

(c) The tax rate is

(1) \$0.06 for a gas pipeline component;

(2) \$0.12 for a gas treatment plant and carbon capture facility component;

(3) \$0.12 for a liquefied natural gas plant component.

(d) The component weight is the capital expenditures for a completed component divided by the total capital expenditures for all completed components. The department shall calculate the component weights upon commencement of commercial operations of each major phase of the project. The department shall calculate the final and fixed component weight upon commencement of commercial operations of the project. Each time a component weight is calculated under this subsection, the department shall provide the revised component weight to each taxpayer under this section and to a municipality collecting the tax due under this section.

(e) A unit of component throughput is 1,000 cubic feet of natural gas.

(f) Beginning after the first year the tax applies to throughput of a natural gas project, the tax rate for throughput under (c) of this section shall increase by one percent on January 1 of each

year.

(g) A natural gas project is subject to the alternative volumetric tax levied under this section only if the department determines that the project is eligible under AS 43.59.025.

(h) The tax levied under this section is in place of

(1) all state taxes levied on taxable property, including property used or committed by contract or other agreement for use in the natural gas project;

(2) taxes levied under AS 43.56.010; and

(3) taxes levied under AS 29.45.080.

(i) An owner of property subject to tax under this section shall, on or before the last day of each month, file a return with the department and with each municipality collecting tax under this section. The return must state the throughput, in cubic feet of natural gas for each day, for each component of property subject to tax for the month preceding the month in which the return is due and include an installment payment for the month of the return. An installment payment is considered delinquent if the payment is not received by the department on or before the last day of each month.

(j) The tax levied under this section is due annually, on the calendar year. The owner of the property shall, on or before April 30 each year, pay any remaining tax due under this section for tax accruing from throughput in the previous calendar year. A tax payment under this subsection is considered delinquent if the payment is not received by the department on or before April 30 each year.

(k) Notwithstanding AS 43.05.220, if a tax payment or installment payment required under this section is delinquent, the department or a municipality shall assess a penalty of 15 percent of the amount of delinquent taxes and interest on the delinquent taxes, exclusive of penalty, at the rate specified in AS 43.05.225.

Sec. 43.59.025. Eligibility. (a) A natural gas project is eligible for the tax abatement under AS 43.59.010 and the alternative volumetric tax under AS 43.59.020 only if the department determines that the plans for the project meet the requirements of this section.

(b) To be eligible under this section, plans for the project must include a spur line meeting the requirements of this subsection that serves the City of Fairbanks and the Fairbanks

North Star Borough. The spur line must

(1) have sufficient capacity to serve reasonably projected residential, commercial, and industrial demand in the Interior area of the state;

(2) be scheduled to begin operations within two years after the commencement of commercial operations of a major component of the natural gas project;

(3) be designed to connect with local distribution infrastructure capable of delivering natural gas to the City of Fairbanks and the surrounding urban area;

(4) be designed and operated to deliver gas at the lowest reasonable cost consistent with safe and reliable service; and

(5) allocate costs, including capital, financing, construction, operations, and maintenance costs,

(A) across all consumers systemwide; costs related to financing, construction, operations, or maintenance of the spur line may not be allocated solely to the Interior area of the state; in this subparagraph, "systemwide" means the area from the North Slope to the Southcentral regions of the state; and

(B) justly, reasonably, and not unduly discriminatorily.

(c) If the department determines that the requirements of (b) of this section have been met, the department shall issue a written determination that the natural gas project is eligible for the tax abatement under AS 43.59.010 and the alternative volumetric tax under AS 43.59.020.

Sec. 43.59.030. Collection and allocation of alternative tax.

The department shall levy and collect the alternative volumetric tax imposed by AS 43.59.020 on the portion of the project property located in the unorganized borough. A municipality may levy and collect the alternative volumetric tax imposed by AS 43.59.020 on the portion of the project property located in the municipality. The department shall adopt regulations providing for a methodology to determine the amount that each municipality and the department may levy based on the proportion of capital expenditures located within each municipality and in the unorganized borough.

Sec. 43.59.040. Administrative appeals; distraint of property. (a) A decision by the department regarding the imposition or calculation of the tax levied under AS 43.59.020

may be appealed to the department for an informal conference under AS 43.05.240, and a final decision may be appealed to the office of administrative hearings under AS 43.05.405.

(b) The remedy of distraint of property set out in AS 43.20.270 applies to the tax levied in this section. However, only the property subject to tax under AS 43.59.020 may be distrained.

Sec. 43.59.050. Termination of status. The alternative volumetric tax applicable to a natural gas project under AS 43.59.020 terminates on January 1, 2032, if commencement of construction of the first 730 miles of the gas pipeline has not begun by that date.

Sec. 43.59.060. Reporting; regulations. (a) The owner of property subject to tax under this section shall, at the request of the department, provide to the department the information necessary to calculate the tax under this section, including capital expenditures made by the owner. Notwithstanding AS 40.25.100(a) and AS 43.05.230, the department shall hold confidential proprietary information provided to the department under this subsection at the request of the owner. In this subsection "proprietary information" means information that, if publicly disclosed, would adversely affect the competitive position of the owner or materially diminish the commercial value of the information to the owner.

(b) The department shall adopt regulations under AS 44.62 (Administrative Procedure Act) to implement this chapter, including procedures for

- (1) measuring throughput;
- (2) throughput reporting;
- (3) calculating the rolling average of throughput; and
- (4) reporting and verifying capital expenditures for the purposes of the calculations under AS 43.59.020(d) and adopting regulations under AS 43.59.030.

Sec. 43.59.100. Definitions. In this chapter,

(1) "capital expenditure" means an actual expenditure incurred to acquire, construct, improve, or maintain a natural gas project or a component of a natural gas project;

(2) "commencement of commercial operations" means the first flow of natural gas through a natural gas project or a component of a natural gas project that treats, transports, or

processes a commercial amount of natural gas;

(3) "gas pipeline"

(A) means a main natural gas pipeline from the outlet flange of the gas treatment plant on the North Slope to the inlet flange of the liquefied natural gas plant located in the Kenai Peninsula region of the state;

(B) does not include any gas lines downstream of any offtake point between a gas treatment plant and a liquefied natural gas plant;

(4) "gas treatment plant" means a facility and the related activities required to receive natural gas from a Prudhoe Bay unit gas transmission line, a Point Thomson unit gas transmission line, or other facilities, to treat the natural gas to pipeline specifications, to dispose of or deliver byproducts, to deliver liquid products for further transportation, and to deliver treated natural gas for transportation through a gas pipeline;

(5) "liquefied natural gas plant" means a facility for liquefying natural gas and includes structures, equipment, underlying land rights, and other associated systems, storage, and facilities for off-loading liquefied natural gas;

(6) "natural gas project" and "project" means a natural gas project that includes, collectively, a Prudhoe Bay unit gas transmission line, a Point Thomson unit gas transmission line, a gas pipeline, a gas treatment plant, a liquefied natural gas plant, and a marine terminal; in this paragraph,

(A) "marine terminal" means a terminal and those facilities required to receive liquefied natural gas from the boundary of the liquefied natural gas plant for marine transportation, including auxiliary vessels used in the operation of the terminal;

(B) "Point Thomson unit gas transmission line" means a natural gas transmission line from the outlet flange of the Point Thomson unit production facility to the inlet flange of the gas treatment plant; and

(C) "Prudhoe Bay unit gas transmission line" means a natural gas transmission line from the outlet flange of the Prudhoe Bay unit central gas facility to the inlet flange of the gas treatment plant;

(7) "spur line"

(A) means

(i) a natural gas transmission or lateral line that branches from the main gas pipeline for the primary purpose of delivering natural gas to a local community or utility distribution system; and

(ii) compressing and metering equipment and interconnection facilities related to the transmission or lateral line described in (A)(i) of this paragraph;

(B) does not include infrastructure used for the export of natural gas or lateral lines not necessary for delivering natural gas to a local community or utility distribution system;

(8) "throughput"

(A) means

(i) the volume of natural gas measured by summing all volumes sold or otherwise delivered at each outlet or offtake point along the gas pipeline; and

(ii) natural gas consumed as fuel for the operation of a liquefaction facility;

(B) does not include natural gas consumed as fuel for pipeline compression.

* **Sec. 22.** AS 44.33 is amended by adding a new section to read:

Article 13A. Alaska Liquefied Natural Gas Project Mitigation Fund.

Sec. 44.33.850. Alaska liquefied natural gas project mitigation fund. (a) The Alaska liquefied natural gas project mitigation fund is established as a separate fund in the state treasury. The department shall administer the fund for the purposes set out in this section. Money in the fund does not lapse. Nothing in this section creates a dedicated fund. Each fiscal year, the legislature may appropriate to the fund up to \$90,000,000 of revenue received by the state from an Alaska liquefied natural gas project.

(b) In a fiscal year, if the legislature appropriates less than or equal to \$30,000,000 to the fund, the department shall distribute the balance of the fund, in equal amounts, to the North Slope Borough, the Fairbanks North Star Borough, the Denali Borough, the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough.

(c) In a fiscal year, if the legislature appropriates more than \$30,000,000 but less than or equal to \$60,000,000 to the fund, the

department shall distribute

(1) \$5,000,000 each to the North Slope Borough, the Fairbanks North Star Borough, the Denali Borough, the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough; and

(2) the remainder of the balance of the fund equally to the North Slope Borough and the Kenai Peninsula Borough.

(d) In a fiscal year, if the legislature appropriates more than \$60,000,000 to the fund, the department shall distribute

(1) \$5,000,000 each to the North Slope Borough, the Fairbanks North Star Borough, the Denali Borough, the Municipality of Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula Borough;

(2) \$15,000,000 each to the North Slope Borough and the Kenai Peninsula Borough; and

(3) the remainder of the balance of the fund proportionately to each municipality in the state based on the municipality's population, except that money may not be distributed to a municipality benefiting from a spur line.

(e) In this section,

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

(2) "department" means the Department of Commerce, Community, and Economic Development;

(3) "fund" means the Alaska liquefied natural gas project mitigation fund established under (a) of this section;

(4) "spur line" means a natural gas transmission or lateral line that branches from the main gas pipeline for the primary purpose of delivering natural gas to a local community or utility distribution system.

* **Sec. 23.** AS 42.05.711(v) is repealed.

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

REQUIRED REPORT: PHASE TWO OF THE ALASKA LIQUEFIED NATURAL GAS PROJECT. (a) Before a final investment decision is made on phase two of the Alaska liquefied natural gas project, the Alaska Gasline Development Corporation shall deliver a report to the senate secretary and the chief clerk of the house of representatives and shall notify the legislature that the report is available. The report must include

(1) a discussion and review of the effects and effectiveness of this Act on the Alaska liquefied natural gas project;

(2) if applicable, suggestions for additional changes to law related to the Alaska liquefied natural gas project, before implementation of phase two.

(b) In this section,

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

(2) "phase two" means a phase of the Alaska liquefied natural gas project that includes a liquefied natural gas plant, as defined in AS 31.25.390, and other related infrastructure required for the export of liquefied natural gas.

* **Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY: ALASKA GASLINE DEVELOPMENT CORPORATION CONFIDENTIALITY AGREEMENTS, SUBSIDIARIES, NOTIFICATIONS, LEGAL RELATIONSHIPS. (a) AS 31.25.080(a)(1) and (6) as amended by sec. 7 of this Act, apply to a transfer or disposition occurring on or after the effective date of sec. 7 of this Act.

(b) AS 31.25.090(*l*), added by sec. 10 of this Act, applies to a confidentiality agreement entered into on or after the effective date of sec. 10 of this Act.

(c) AS 31.25.145, added by sec. 14 of this Act, applies to revenue generated on and after the effective date of sec. 14 of this Act.

(d) AS 31.25.285, added by sec. 16 of this Act, applies to a legal relationship entered into on or after the effective date of sec. 16 of this Act. In this subsection, "legal relationship" has the meaning given in AS 31.25.285(b), added by sec. 16 of this Act.

* **Sec. 26.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: EXISTING OPTIONS. (a) Within 30 days after the effective date of sec. 12 of this Act, the Alaska Gasline Development Corporation shall notify the president of the senate, the speaker of the house of representatives, and the chairs of the finance committee of each house of the legislature of any existing options to invest in a revenue-generating project, as required under AS 31.25.125, added by sec. 12 of this Act.

(b) An option for state participation in a revenue-generating project negotiated by the Alaska Gasline Development Corporation

agreed to before the effective date of AS 31.25.125, added by sec. 12 of this Act, must allow the state to exercise the option for at least 180 days after the corporation notifies the legislature under AS 31.25.125, added by sec. 12 of this Act.

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

CONDITIONAL EFFECT: ALTERNATIVE VOLUMETRIC TAX; NOTIFICATION TO THE REVISOR OF STATUTES. (a) Sections 1 - 4, 19 - 21, and 24 of this Act take effect only if, before July 1, 2060, the commissioner of revenue determines that the primary owner of property that could be taxable under AS 43.59.020, added by sec. 21 of this Act, has committed to

(1) deposit \$40,000,000 into a designated community impact fund with the following conditions:

(A) the fund administrator shall pay an impacted municipality from the fund 25 percent of the anticipated costs to the municipality related to construction of the gas pipeline;

(B) in addition to the payments under (A) of this paragraph, an impacted municipality may submit to the fund administrator additional actual costs related to the effects of construction for reimbursement from the fund;

(C) the fund administrator shall pay reimbursements under (B) of this paragraph to impacted municipalities at least quarterly;

(D) the fund shall be administered by the primary owner who contributes to the fund;

(2) negotiate a project labor agreement for the construction of an economically viable gas pipeline project; in this paragraph, "project labor agreement" means a comprehensive collective bargaining agreement between the contractors of the owner of the gas treatment plant, carbon capture facility, liquefied natural gas plant, and gas pipeline and the appropriate labor representatives to ensure expedited construction with labor stability for the project by qualified residents of the state; and

(3) construct a spur line; to meet the requirement of this paragraph, the owner responsible for constructing the spur line shall

(A) on or before completion of construction of 730 miles of the gas pipeline, timely and in good faith begin all necessary permit applications and take action on any other regulatory requirements necessary for the construction of the spur line,

including, if the Regulatory Commission of Alaska has jurisdiction over the tariffs,

(i) initiating a tariff proceeding; and

(ii) filing with the commission for systemwide tariff treatment for the spur line with an economically viable gas sales contract, and not for tariff treatment that allocates costs for financing, construction, operations, and maintenance of the spur line solely to the Interior region of the state; in this sub-subparagraph, "systemwide" means the area from the North Slope to the Southcentral region of the state; and

(B) begin construction on a spur line within one year after receiving all permits and meeting the necessary regulatory requirements described in (A) of this paragraph.

(b) If the commissioner of revenue determines that the conditions in (a) of this section have been met, the commissioner of revenue shall notify the revisor of statutes in writing within 30 days after making the determination.

(c) In this section,

(1) "gas pipeline" means a gas pipeline, as defined in AS 31.25.390, that is expected to be subject to the alternative volumetric tax under AS 43.59.020, enacted by sec. 21 of this Act;

(2) "impacted municipality" means the North Slope Borough, Fairbanks North Star Borough, Denali Borough, Municipality of Anchorage, Matanuska-Susitna Borough, and Kenai Peninsula Borough;

(3) "spur line" means a spur line, as defined in AS 43.59.100, enacted by sec. 21 of this Act, used for the primary purpose of delivering natural gas to the City of Fairbanks and the Fairbanks North Star Borough.

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

CONDITIONAL EFFECT: EDUCATION FUND. Section 18 of this Act takes effect only if

(1) a constitutional amendment to art. IX, Constitution of the State of Alaska, establishing an education fund and allowing the proceeds of a state tax or license to be dedicated to and deposited into the fund by law is passed by the Thirty-Fourth Alaska State Legislature and approved by the voters at the 2026 general election; and

(2) the conditions in sec. 27(a) of this Act are met.

* **Sec. 29.** If, under sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24 of this Act take effect, they take effect on the day after the date the commissioner of revenue determines that the conditions in sec. 27(a) of this Act have been met.

* **Sec. 30.** If, under sec. 28 of this Act, sec. 18 of this Act takes effect, it takes effect on the later of

(1) the day after the date the 2026 general election is certified; or

(2) the day after the date the commissioner of revenue determines that the conditions in sec. 27(a) of this Act have been met.

* **Sec. 31.** Except as provided in secs. 29 and 30 of this Act, this Act takes effect immediately under AS 01.10.070(c)."

Representative Kopp moved and asked unanimous consent that Amendment No. 2 be adopted.

There was objection.

Amendment No. 1 to Amendment No. 2 was offered by Representative Kopp:

Page 1, line 5 of the amendment, following the first occurrence of "to":

Insert **"the determination of the value of taxable real and personal property for purposes of calculating"**

Page 2, lines 5 - 10 of the amendment:

Delete all material.

Renumber the following bill sections of the amendment accordingly.

Page 21, line 15 of the amendment:

Delete "sec. 7"

Insert "sec. 6"

Page 21, line 16 of the amendment:

Delete "sec. 7"

Insert "sec. 6"

Page 21, line 17 of the amendment:

Delete "sec. 10"

Insert "sec. 9"

Page 21, line 18 of the amendment:

Delete "sec. 10"

Insert "sec. 9"

Page 21, line 19 of the amendment:

Delete "sec. 14"

Insert "sec. 13"

Page 21, line 20 of the amendment:

Delete "sec. 14"

Insert "sec. 13"

Page 21, line 21 of the amendment:

Delete "sec. 16"

Insert "sec. 15"

Page 21, line 22 of the amendment:

Delete "sec. 16"

Insert "sec. 15"

Page 21, line 23 of the amendment:

Delete "sec. 16"

Insert "sec. 15"

Page 21, line 27 of the amendment:

Delete "sec. 12"

Insert "sec. 11"

Page 21, line 30 of the amendment:

Delete "sec. 12"

Insert "sec. 11"

Page 22, line 2 of the amendment:

Delete "sec. 12"

Insert "sec. 11"

Page 22, line 3 of the amendment:

Delete "sec. 12"

Insert "sec. 11"

Page 22, line 7 of the amendment:

Delete "Sections 1 - 4, 19 - 21, and 24"

Insert "Sections 1 - 3, 18 - 20, and 23"

Page 22, line 9 of the amendment:

Delete "sec. 21"

Insert "sec. 20"

Page 23, lines 20 - 21 of the amendment:

Delete "sec. 21"

Insert "sec. 20"

Page 23, lines 25 - 26 of the amendment:

Delete "sec. 21"

Insert "sec. 20"

Page 23, line 30 of the amendment:

Delete "Section 18"

Insert "Section 17"

Page 24, line 5 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 26(a)"

Page 24, line 6 of the amendment:

Delete "sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24"

Insert "sec. 26 of this Act, secs. 1 - 3, 18 - 20, and 23"

Page 24, line 8 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 26(a)"

Page 24, line 9 of the amendment:

Delete "sec. 28 of this Act, sec. 18"

Insert "sec. 27 of this Act, sec. 17"

Page 24, line 13 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 26(a)"

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 28 and 29"

Representative Kopp moved and asked unanimous consent that Amendment No. 1 to Amendment No. 2 be adopted.

Objection was heard and withdrawn.

There being no further objection, Amendment No. 1 to Amendment No. 2 was adopted.

Amendment No. 2 to Amendment No. 2 as amended was offered by Representative Kopp:

Page 14, lines 20 - 21 of the amendment:

Delete "increase by one percent on January 1 of each year"

Insert "be adjusted on January 1 of each year for inflation, using 100 percent of the average of the annual change over the preceding five calendar years in the Consumer Price Index for all urban consumers for urban Alaska, as determined by the United States Department of Labor, Bureau of Labor Statistics. However, the annual adjustment under this subsection must increase the rates by at least one percent and not more than two percent."

Representative Kopp moved and asked unanimous consent that Amendment No. 2 to Amendment No. 2 as amended be adopted.

Representative Frier objected.

Representative Galvin moved and asked unanimous consent to abstain from voting because of a conflict of interest. Objection was heard, and she was required to vote.

The question being: "Shall Amendment No. 2 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 2 to Amendment No. 2 as amended

YEAS: 29 NAYS: 11 EXCUSED: 0 ABSENT: 0

Yeas: Allard, Bynum, Costello, Coulombe, Dibert, Eischeid, Elam, Fields, Hall, Himschoot, Holland, Johnson, Kopp, McCabe, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schrage, Schwanke, St. Clair, Stapp, Story, Stutes, Tomaszewski, Underwood, Vance

Nays: Carrick, Edgmon, Foster, Frier, Galvin, Gray, Hannan, Jimmie, Josephson, Mears, Mina

And so, Amendment No. 2 to Amendment No. 2 as amended was adopted.

Amendment No. 3 to Amendment No. 2 as amended was not offered.

Amendment No. 4 to Amendment No. 2 as amended was offered by Representative Ruffridge:

Page 1, lines 7 - 8 of the amendment:

Delete "**relating to revenue received from the state's royalty gas;**"

Page 12, lines 11 - 26 of the amendment:

Delete all material.

Renumber the following bill sections of the amendment accordingly.

Page 22, line 7 of the amendment:

Delete "19 - 21, and 24"

Insert "18 - 20, and 23"

Page 22, line 9 of the amendment:

Delete "sec. 21"

Insert "sec. 20"

Page 23, lines 20 - 21 of the amendment:

Delete "sec. 21"

Insert "sec. 20"

Page 23, lines 25 - 26 of the amendment:

Delete "sec. 21"

Insert "sec. 20"

Page 23, line 28, through page 24, line 5 of the amendment:
Delete all material.

Renumber the following bill sections of the amendment accordingly.

Page 24, line 5 of the amendment:
Delete "sec. 27(a)"
Insert "sec. 26(a)"

Page 24, line 6 of the amendment:
Delete "sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24"
Insert "sec. 26 of this Act, secs. 1 - 4, 18 - 20, and 23"

Page 24, line 8 of the amendment:
Delete "sec. 27(a)"
Insert "sec. 26(a)"

Page 24, lines 9 - 13 of the amendment:
Delete all material.

Renumber the following bill section of the amendment accordingly.

Page 24, line 14 of the amendment:
Delete "secs. 29 and 30"
Insert "sec. 27"

Representative Ruffridge moved and asked unanimous consent that Amendment No. 4 to Amendment No. 2 as amended be adopted.

Representative Himschoot objected.

The question being: "Shall Amendment No. 4 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 4 to Amendment No. 2 as amended

YEAS: 23 NAYS: 17 EXCUSED: 0 ABSENT: 0

Yeas: Allard, Bynum, Costello, Coulombe, Elam, Foster, Hannan, Johnson, Kopp, McCabe, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schwanke, St. Clair, Stapp, Stutes, Tomaszewski, Underwood, Vance

Nays: Carrick, Dibert, Edgmon, Eischeid, Fields, Frier, Galvin, Gray, Hall, Himschoot, Holland, Jimmie, Josephson, Mears, Mina, Schrage, Story

And so, Amendment No. 4 to Amendment No. 2 as amended was adopted.

Amendment No. 5 to Amendment No. 2 as amended was not offered.

Amendment No. 6 to Amendment No. 2 as amended was offered by Representative Kopp:

Page 2, line 18 of the amendment, following "**to**":

Insert "**tax abatement under AS 43.59.010 or to**"

Representative Kopp moved and asked unanimous consent that Amendment No. 6 to Amendment No. 2 as amended be adopted.

Representative Frier objected.

The question being: "Shall Amendment No. 6 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 6 to Amendment No. 2 as amended

YEAS: 38 NAYS: 2 EXCUSED: 0 ABSENT: 0

Yeas: Allard, Bynum, Carrick, Costello, Coulombe, Dibert, Edgmon, Eischeid, Elam, Fields, Foster, Galvin, Gray, Hall, Hannan, Himschoot, Holland, Johnson, Josephson, Kopp, McCabe, Mears, Mina, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schrage, Schwanke, St. Clair, Stapp, Story, Stutes, Tomaszewski, Underwood, Vance

Nays: Frier, Jimmie

And so, Amendment No. 6 to Amendment No. 2 as amended was adopted.

Amendment No. 7 to Amendment No. 2 as amended was offered by Representative Holland:

Page 1, line 8 of the amendment, following "gas;":

Insert "**establishing an infrastructure maintenance surcharge on oil and a related Dalton Highway pipeline corridor maintenance fund;**"

Page 12, following line 26 of the amendment:

Insert new bill sections to read:

**** Sec. 19.** AS 43.55.023(c) is amended to read:

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

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

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

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

(A) is related to the tax due under this chapter for a prior year, except for a surcharge under AS 43.55.201 - 43.55.299, [OR] 43.55.300, or 43.55.320 or the tax levied by AS 43.55.011(i) or 43.55.014; and

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

*** Sec. 20.** AS 43.55.023(e) is amended to read:

(e) A person to which a transferable tax credit certificate is issued under (d) of this section may transfer the certificate to another person, and a transferee may further transfer the certificate. Subject to the limitations set out in (a) - (d) of this section, and notwithstanding any action the department may take with respect to the applicant under (g) of this section, the owner of a certificate may apply the credit or a portion of the credit shown on the certificate

(1) against a tax levied by AS 43.55.011(e); however, a credit shown on a transferable tax credit certificate may not be applied under this paragraph to reduce a transferee's total tax

liability under AS 43.55.011(e) for oil and gas produced during a calendar year to less than 80 percent of the tax that would otherwise be due without applying that credit; any portion of a credit not used under this paragraph may be applied in a later period; or

(2) regardless of when the credit was earned, to satisfy a tax, interest, penalty, fee, or other charge that

(A) is related to the tax due under this chapter, except for a surcharge under AS 43.55.201 - 43.55.299₂ [OR] 43.55.300, **or 43.55.320** or the tax levied by AS 43.55.011(i) or 43.55.014;

(B) is for a calendar year before the year in which the certificate is applied; and

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

* **Sec. 21.** AS 43.55.025(h) is amended to read:

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

(1) may not be applied more than once;

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

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

(A) is related to the tax due under this chapter for a prior year, except for a surcharge under AS 43.55.201 - 43.55.299₂ [OR] 43.55.300, **or 43.55.320** or the tax levied by AS 43.55.011(i) or 43.55.014; and

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

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

(e) For purposes of this section, lease expenditures do not include

- (1) depreciation, depletion, or amortization;
- (2) oil or gas royalty payments, production payments, lease profit shares, or other payments or distributions of a share of oil or gas production, profit, or revenue, except that a producer's lease expenditures applicable to oil and gas produced from a lease issued under AS 38.05.180(f)(3)(B), (D), or (E) include the share of net profit paid to the state under that lease;
- (3) taxes based on or measured by net income;
- (4) interest or other financing charges or costs of raising equity or debt capital;
- (5) acquisition costs for a lease or property or exploration license;
- (6) costs arising from fraud, wilful misconduct, gross negligence, violation of law, or failure to comply with an obligation under a lease, permit, or license issued by the state or federal government;
- (7) fines or penalties imposed by law;
- (8) costs of arbitration, litigation, or other dispute resolution activities that involve the state or concern the rights or obligations among owners of interests in, or rights to production from, one or more leases or properties or a unit;
- (9) costs incurred in organizing a partnership, joint venture, or other business entity or arrangement;
- (10) amounts paid to indemnify the state; the exclusion provided by this paragraph does not apply to the costs of obtaining insurance or a surety bond from a third-party insurer or surety;
- (11) surcharges levied under AS 43.55.201, [OR] **43.55.300, or 43.55.320**;
- (12) an expenditure otherwise deductible under (b) of this section that is a result of an internal transfer, a transaction with an affiliate, or a transaction between related parties, or is otherwise not an arm's length transaction, unless the producer establishes to the satisfaction of the department that the amount of the expenditure does not exceed the fair market value of the expenditure;
- (13) an expenditure incurred to purchase an interest in any corporation, partnership, limited liability company, business trust, or any other business entity, whether or not the transaction is treated as an asset sale for federal income tax purposes;
- (14) a tax levied under AS 43.55.011 or 43.55.014;

(15) costs incurred for dismantlement, removal, surrender, or abandonment of a facility, pipeline, well pad, platform, or other structure, or for the restoration of a lease, field, unit, area, tract of land, body of water, or right-of-way in conjunction with dismantlement, removal, surrender, or abandonment; a cost is not excluded under this paragraph if the dismantlement, removal, surrender, or abandonment for which the cost is incurred is undertaken for the purpose of replacing, renovating, or improving the facility, pipeline, well pad, platform, or other structure;

(16) costs incurred for containment, control, cleanup, or removal in connection with any unpermitted release of oil or a hazardous substance and any liability for damages imposed on the producer or explorer for that unpermitted release; this paragraph does not apply to the cost of developing and maintaining an oil discharge prevention and contingency plan under AS 46.04.030;

(17) costs incurred to satisfy a work commitment under an exploration license under AS 38.05.132;

(18) that portion of expenditures, that would otherwise be qualified capital expenditures, as defined in AS 43.55.023, incurred during a calendar year that are less than the product of \$0.30 multiplied by the total taxable production from each lease or property, in BTU equivalent barrels, during that calendar year, except that, when a portion of a calendar year is subject to this provision, the expenditures and volumes shall be prorated within that calendar year;

(19) costs incurred for repair, replacement, or deferred maintenance of a facility, a pipeline, a structure, or equipment, other than a well, that results in or is undertaken in response to a failure, problem, or event that results in an unscheduled interruption of, or reduction in the rate of, oil or gas production; or costs incurred for repair, replacement, or deferred maintenance of a facility, a pipeline, a structure, or equipment, other than a well, that is undertaken in response to, or is otherwise associated with, an unpermitted release of a hazardous substance or of gas; however, costs under this paragraph that would otherwise constitute lease expenditures under (a) and (b) of this section may be treated as lease expenditures if the department determines that the repair or replacement is solely necessitated by an act of war, by an unanticipated grave natural disaster or other natural

phenomenon of an exceptional, inevitable, and irresistible character, the effects of which could not have been prevented or avoided by the exercise of due care or foresight, or by an intentional or negligent act or omission of a third party, other than a party or its agents in privity of contract with, or employed by, the producer or an operator acting for the producer, but only if the producer or operator, as applicable, exercised due care in operating and maintaining the facility, pipeline, structure, or equipment, and took reasonable precautions against the act or omission of the third party and against the consequences of the act or omission; in this paragraph,

(A) "costs incurred for repair, replacement, or deferred maintenance of a facility, a pipeline, a structure, or equipment" includes costs to dismantle and remove the facility, pipeline, structure, or equipment that is being replaced;

(B) "hazardous substance" has the meaning given in AS 46.03.826;

(C) "replacement" includes renovation or improvement;

(20) costs incurred to construct, acquire, or operate a refinery or crude oil topping plant, regardless of whether the products of the refinery or topping plant are used in oil or gas exploration, development, or production operations; however, if a producer owns a refinery or crude oil topping plant that is located on or near the premises of the producer's lease or property in the state and that processes the producer's oil produced from that lease or property into a product that the producer uses in the operation of the lease or property in drilling for or producing oil or gas, the producer's lease expenditures include the amount calculated by subtracting from the fair market value of the product used the prevailing value, as determined under AS 43.55.020(f), of the oil that is processed;

(21) costs of lobbying, public relations, public relations advertising, or policy advocacy;

(22) costs incurred as part of a capital expenditure or other action taken for a carbon management purpose under AS 38.05.081 or a carbon offset project under AS 38.95.400 - 38.95.499;

(23) costs incurred for carbon capture or carbon storage,

including fees incurred under AS 41.06.160, surcharges incurred under AS 41.06.175, or costs associated with obtaining, operating, or maintaining a license or lease under AS 38.05.700 - 38.05.795; in this paragraph,

(A) "carbon capture" means the process of capturing carbon dioxide from a chemical, mechanical, or industrial process, or directly from the ambient atmosphere, and reducing the carbon dioxide to a concentrated form, including a supercritical fluid; "carbon capture" does not include gas processing or gas treatment;

(B) "carbon storage" means the long-term geologic storage of carbon dioxide in a carbon storage facility permitted under AS 41.06.120 or a Class VI injection well, as defined in 40 C.F.R. 146.5(f).

* **Sec. 23.** AS 43.55.201(b) is amended to read:

(b) The surcharge imposed by (a) of this section is in addition to the tax imposed by AS 43.55.011 and is due on the last day of the month on oil produced from each lease or property during the preceding month. The surcharge is in addition to the surcharge imposed by AS 43.55.300 - 43.55.310 **and 43.55.320**.

* **Sec. 24.** AS 43.55 is amended by adding new sections to article 3 to read:

Sec. 43.55.320. Infrastructure maintenance surcharge on oil. (a) Every producer of oil shall pay a surcharge of \$0.30 per barrel of oil produced from each lease or property in the state, less any oil the ownership or right to which is exempt from taxation.

(b) The surcharge imposed by (a) of this section is in addition to the tax imposed by AS 43.55.011 and the surcharges imposed by AS 43.55.201 and 43.55.300.

(c) A tax credit authorized under this chapter may not be applied to reduce a producer's liability for the surcharge.

(d) The surcharge is due on the last day of the month on oil produced from each lease or property during the preceding month. The surcharge shall be paid at the same time and in the same manner as the surcharge imposed under AS 43.55.201.

Sec. 43.55.325. Dalton Highway pipeline corridor maintenance fund. (a) The Dalton Highway pipeline corridor maintenance fund is established in the general fund.

(b) The legislature may appropriate to the fund the revenue collected under AS 43.55.320 and other money.

(c) Money in the fund may be used by the legislature to make appropriations for maintenance and operation costs of the James Dalton Highway (AS 19.40) and within the James Dalton Highway corridor.

(d) Nothing in this section creates a dedicated fund.

* **Sec. 25.** AS 43.55.900(24) is amended to read:

(24) "surcharge" means

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

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

(C) when used in AS 43.55.320 - 43.55.325, the surcharge levied by AS 43.55.320;"

Renumber the following bill sections of the amendment accordingly.

Page 22, line 7 of the amendment:

Delete "19 - 21, and 24"

Insert "26 - 28, and 31"

Page 22, line 9 of the amendment:

Delete "sec. 21"

Insert "sec. 28"

Page 23, lines 20 - 21 of the amendment:

Delete "sec. 21"

Insert "sec. 28"

Page 23, lines 25 - 26 of the amendment:

Delete "sec. 21"

Insert "sec. 28"

Page 24, line 5 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 34(a)"

Page 24, line 6 of the amendment:

Delete "sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24"

Insert "sec. 34 of this Act, secs. 1 - 4, 26 - 28, and 31"

Page 24, line 8 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 34(a)"

Page 24, line 9 of the amendment:

Delete "sec. 28"

Insert "sec. 35"

Page 24, line 13 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 34(a)"

Page 24, following line 13 of the amendment:

Insert a new bill section to read:

"* Sec. 38. Sections 19 - 25 of this Act take effect July 1, 2026."

Renumber the following bill section of the amendment accordingly.

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 36 - 38"

Representative Holland moved and asked unanimous consent that Amendment No. 7 to Amendment No. 2 as amended be adopted.

Representative Kopp objected.

The question being: "Shall Amendment No. 7 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 7 to Amendment No. 2 as amended

YEAS: 17 NAYS: 23 EXCUSED: 0 ABSENT: 0

Yeas: Carrick, Dibert, Edgmon, Eischeid, Fields, Foster, Galvin, Gray, Hall, Hannan, Himschoot, Holland, Josephson, Mears, Mina, Schrage, Story

Nays: Allard, Bynum, Costello, Coulombe, Elam, Frier, Jimmie, Johnson, Kopp, McCabe, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schwanke, St. Clair, Stapp, Stutes, Tomaszewski, Underwood, Vance

And so, Amendment No. 7 to Amendment No. 2 as amended was not adopted.

Amendment No. 8 to Amendment No. 2 as amended was offered by Representative Holland:

Page 1, line 10 of the amendment, following "**facilities**":

Insert "**and utility rates approved**"

Page 6, following line 18 of the amendment:

Insert a new subsection to read:

"(j) An owner or operator of a gas pipeline advanced, operated, or owned, in whole or in part, by the corporation, or a subsidiary of the corporation,

(1) may not recoup cost overruns from the construction of the first phase of a gas pipeline by increasing the rates charged to a utility; in this paragraph,

(A) "cost overrun" means a cost in excess of \$15,000,000,000;

(B) "first phase of a gas pipeline" means at least 730 miles of 42-inch pipeline constructed to transport natural gas from the North Slope and deliver the natural gas to in-state consumers;

(2) may not charge a utility in the state more than

(A) \$12 for each 1,000 cubic feet of natural gas after completion of the gas pipeline, but before the completion of a related liquefied natural gas plant;

(B) \$5 for each 1,000 cubic feet of natural gas after completion of a liquefied natural gas plant related to the gas pipeline."

Page 12, following line 26 of the amendment:

Insert a new bill section to read:

**** Sec. 19.** AS 42.05 is amended by adding a new section to read:

Sec. 42.05.387. Rates charged by Alaska Gasline Development Corporation gas pipeline. (a) An owner or

operator of a gas pipeline advanced, operated, or owned, in whole or in part, by the Alaska Gasline Development Corporation, or a subsidiary of the corporation,

(1) may not recoup cost overruns from the construction or operation of the gas pipeline by increasing the rates charged to a utility; in this paragraph, "cost overrun" means a cost in excess of the costs initially projected before commencement of construction of the pipeline;

(2) may not charge a utility in the state more than

(A) \$12 for each 1,000 cubic feet of natural gas after completion of the gas pipeline, but before the completion of a related liquefied natural gas plant;

(B) \$5 for each 1,000 cubic feet of natural gas after completion of a liquefied natural gas plant related to the gas pipeline.

(b) The commission has jurisdiction to enforce this section to the extent not preempted by federal law.

(c) In this section,

(1) "gas pipeline" has the meaning given in AS 31.25.390;

(2) "liquefied natural gas plant" has the meaning given in AS 31.25.390."

Renumber the following bill sections of the amendment accordingly.

Page 22, line 7 of the amendment:

Delete "19 - 21, and 24"

Insert "19 - 22, and 25"

Page 22, line 9 of the amendment:

Delete "sec. 21"

Insert "sec. 22"

Page 23, lines 20 - 21 of the amendment:

Delete "sec. 21"

Insert "sec. 22"

Page 23, lines 25 - 26 of the amendment:

Delete "sec. 21"

Insert "sec. 22"

Page 24, line 5 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 6 of the amendment:

Delete "sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24"

Insert "sec. 28 of this Act, secs. 1 - 4, 20 - 22, and 25"

Page 24, line 8 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 9 of the amendment:

Delete "sec. 28"

Insert "sec. 29"

Page 24, line 13 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 30 and 31"

Representative Holland moved and asked unanimous consent that Amendment No. 8 to Amendment No. 2 as amended be adopted.

Representative Kopp objected.

The Speaker stated that, without objection, the House would recess to a call of the Chair; and so, the House recessed at 12:02 p.m.

AFTER RECESS

The Speaker called the House back to order at 1:16 p.m.

SECOND READING OF SENATE BILLS

SB 180

The following was before the House with Amendment No. 8 to Amendment No. 2 as amended pending:

HOUSE CS FOR CS FOR SENATE BILL NO. 180(L&C)

"An Act relating to the development of the Susitna River power project by the Alaska Energy Authority; relating to the regulation of liquefied natural gas import facilities by the Regulatory Commission of Alaska; and providing for an effective date."

The question being: "Shall Amendment No. 8 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 8 to Amendment No. 2 as amended

YEAS: 14 NAYS: 26 EXCUSED: 0 ABSENT: 0

Yeas: Edgmon, Eischeid, Fields, Foster, Frier, Gray, Hannan, Himschoot, Holland, Jimmie, Josephson, Mears, Mina, Story

Nays: Allard, Bynum, Carrick, Costello, Coulombe, Dibert, Elam, Galvin, Hall, Johnson, Kopp, McCabe, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schrage, Schwanke, St. Clair, Stapp, Stutes, Tomaszewski, Underwood, Vance

And so, Amendment No. 8 to Amendment No. 2 as amended was not adopted.

Amendment No. 9 to Amendment No. 2 as amended was not offered.

Amendment No. 10 to Amendment No. 2 as amended was offered by Representative Holland:

Page 2, following line 20 of the amendment:

Insert a new bill section to read:

"* **Sec. 5.** AS 29.45.080(c), as amended by sec. 4 of this Act, is amended to read:

(c) A municipality may levy and collect a tax on the full and true value of that portion of taxable property taxable under AS 43.56 as assessed by the Department of Revenue which value, when combined with the value of property otherwise taxable by the municipality, does not exceed the product of the percentage determined in (f) of this section of the average per capita assessed full and true value of property in the state multiplied by the number of residents of the

taxing municipality. [PROPERTY SUBJECT TO THE ALTERNATIVE VOLUMETRIC TAX LEVIED UNDER AS 43.59.020 IS NOT INCLUDED IN THE VALUE OF PROPERTY FOR THE PURPOSE OF MAKING THE CALCULATION UNDER THIS SUBSECTION.]"

Renumber the following bill sections of the amendment accordingly.

Page 12, lines 25 - 26 of the amendment:

Delete "to "natural gas project" in AS 43.59.100"

Insert "in AS 38.05.965"

Page 12, following line 30 of the amendment:

Insert a new bill section to read:

"* **Sec. 21.** AS 43.56.010(a), as amended by sec. 20 of this Act, is amended to read:

(a) **An** [EXCEPT AS PROVIDED IN AS 43.59.020, AN] annual tax of 20 mills is levied each tax year beginning January 1, 1974, on the full and true value of taxable property taxable under this chapter.

Renumber the following bill sections of the amendment accordingly.

Page 13, following line 12 of the amendment:

Insert a new bill section to read:

"* **Sec. 23.** AS 43.56.020(d), as amended by sec. 22 of this Act, is amended to read:

(d) Taxable property **of a natural gas pipeline project owned or financed by the Alaska Gasline Development Corporation or a joint venture, partnership, or other entity that includes the Alaska Gasline Development Corporation** [SUBJECT TO TAX ABATEMENT UNDER AS 43.59.010 OR THE VOLUMETRIC TAX IMPOSED UNDER AS 43.59.020] is exempt from state taxes levied or authorized under AS 43.56.010(a) and municipal taxes levied or authorized under AS 43.56.010(b) **before the commencement of commercial operations of that natural gas pipeline project. In this subsection, "commencement of commercial operations" means the first flow of natural gas in the project that generates revenue to the owners of the natural gas pipeline project.**"

Renumber the following bill sections of the amendment accordingly.

Page 20, following line 24 of the amendment:

Insert a new bill section to read:

"* **Sec. 27.** AS 14.17.510(d), 14.17.990(6)(B); AS 43.59.010, 43.59.020, 43.59.025, 43.59.030, 43.59.040, 43.59.050, 44.59.060, 43.59.100, and 44.33.850 are repealed."

Renumber the following bill sections of the amendment accordingly.

Page 21, line 15 of the amendment:

Delete "sec. 7"

Insert "sec. 8"

Page 21, line 16 of the amendment:

Delete "sec. 7"

Insert "sec. 8"

Page 21, line 17 of the amendment:

Delete "sec. 10"

Insert "sec. 11"

Page 21, line 18 of the amendment:

Delete "sec. 10"

Insert "sec. 11"

Page 21, line 19 of the amendment:

Delete "sec. 14"

Insert "sec. 15"

Page 21, line 20 of the amendment:

Delete "sec. 14"

Insert "sec. 15"

Page 21, line 21 of the amendment:

Delete "sec. 16"

Insert "sec. 17"

Page 21, line 22 of the amendment:

Delete "sec. 16"

Insert "sec. 17"

Page 21, line 23 of the amendment:

Delete "sec. 16"

Insert "sec. 17"

Page 21, line 27 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 21, line 30 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 22, line 2 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 22, line 3 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 22, line 7 of the amendment:

Delete "19 - 21, and 24"

Insert "20, 22, 24, and 28"

Page 22, line 9 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 23, lines 20 - 21 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 23, lines 25 - 26 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 23, line 30 of the amendment:

Delete "Section 18"

Insert "Section 19"

Page 24, line 5 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 31(a)"

Page 24, following line 5 of the amendment:

Insert a new bill section to read:

**** Sec. 33.** The uncodified law of the State of Alaska is amended by adding a new section to read:

CONDITIONAL EFFECT: TAX SUNSET. (a) Sections 5, 21, 23, and 27 of this Act take effect only if the conditions in sec. 31(a) of this Act are met.

(b) The commissioner of revenue shall notify the revisor of statutes in writing within 30 days after commencement of commercial operations of a liquefied natural gas plant. In this section,

(1) "commencement of commercial operations" means the first flow of a commercial amount of natural gas through a liquefied natural gas plant that is part of a natural gas project;

(2) "natural gas project" means a natural gas project that includes, collectively, a Prudhoe Bay unit gas transmission line, a Point Thomson unit gas transmission line, a gas pipeline, a gas treatment plant, a liquefied natural gas plant, and a marine terminal;

(3) "liquefied natural gas plant" means a facility for liquefying natural gas and includes structures, equipment, underlying land rights, and other associated systems, storage, and facilities for off-loading liquefied natural gas."

Renumber the following bill sections of the amendment accordingly.

Page 24, line 6 of the amendment:

Delete "sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24"

Insert "sec. 31 of this Act, secs. 1 - 4, 20, 22, 24, and 28"

Page 24, line 8 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 31(a)"

Page 24, line 9 of the amendment:

Delete "sec. 28 of this Act, sec. 18"

Insert "sec. 32 of this Act, sec. 19"

Page 24, line 13 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 31(a)"

Page 24, following line 13 of the amendment:

Insert a new bill section to read:

**** Sec. 36.** If, under sec. 33 of this Act, secs. 5, 21, 23, and 27 of this Act take effect, they take effect the earlier of

(1) 10 years after the date of commencement of commercial operations of a liquefied natural gas plant, as described in sec. 33 of this Act; or

(2) January 1, 2050."

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 34 - 36"

Representative Holland moved and asked unanimous consent that Amendment No. 10 to Amendment No. 2 as amended be adopted.

Representative Kopp objected.

The question being: "Shall Amendment No. 10 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 10 to Amendment No. 2 as amended

YEAS: 18 NAYS: 21 EXCUSED: 0 ABSENT: 1

Yeas: Carrick, Dibert, Edgmon, Eischeid, Foster, Frier, Galvin, Gray, Hall, Hannan, Himschoot, Holland, Jimmie, Josephson, Mears, Mina, Schrage, Story

Nays: Allard, Bynum, Costello, Coulombe, Elam, Johnson, Kopp, McCabe, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schwanke, St. Clair, Stapp, Stutes, Tomaszewski, Underwood, Vance

Absent: Fields

And so, Amendment No. 10 to Amendment No. 2 as amended was not adopted.

Amendment No. 11 to Amendment No. 2 as amended was not offered.

Amendment No. 12 to Amendment No. 2 as amended was offered by Representative Josephson:

Page 1, line 9 of the amendment:

Following "**agreements**":

Insert "**and payment**"

Delete "**and a designated community impact fund**"

Insert "; **relating to community impact grants**"

Page 21, following line 10 of the amendment:

Insert a new bill section to read:

"* **Sec. 25.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPROPRIATION FOR COMMUNITY IMPACT GRANTS. After the state receives the \$40,000,000 payment committed to the state under sec. 28(a)(1) of this Act, the legislature may appropriate \$40,000,000 to the Department of Commerce, Community, and Economic Development for payment of community impact grants to eligible communities. The department shall use the money appropriated to the department under this section to timely distribute grants to communities for activities, services, or facilities that offset actual or expected effects of construction of a gas pipeline. When administering grants under this section, the department shall prioritize granting awards based on the needs of the community, the severity of the effects caused by construction of the pipeline, and the correlation of the effect to the construction of the pipeline. In this section, "gas pipeline" has the meaning given in AS 31.25.390."

Renumber the following bill sections of the amendment accordingly.

Page 22, line 7 of the amendment:

Delete "and 24"

Insert "24, and 25"

Page 22, lines 11 - 22 of the amendment:

Delete all material and insert:

"(1) pay \$40,000,000 to the state, which the legislature may appropriate to the Department of Commerce, Community, and

Economic Development for payment of community impact grants to eligible communities in accordance with sec. 25 of this Act;"

Page 23, lines 22 - 24 of the amendment:

Delete all material.

Renumber the following paragraph of the amendment accordingly.

Page 24, line 5 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 6 of the amendment:

Delete "sec. 27"

Insert "sec. 28"

Delete "and 24"

Insert "24, and 25"

Page 24, line 8 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 9 of the amendment:

Delete "sec. 28"

Insert "sec. 29"

Page 24, line 13 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 30 and 31"

Representative Josephson moved and asked unanimous consent that Amendment No. 12 to Amendment No. 2 as amended be adopted.

Objection was heard and withdrawn. There being no further objection, Amendment No. 12 to Amendment No. 2 as amended was adopted.

Amendment No. 13 to Amendment No. 2 as amended was offered by Representative Josephson:

Page 12, line 28 of the amendment:

Delete "**AS 43.59.010 and 43.59.020**"

Insert "**AS 43.59.020**"

Page 13, line 1 of the amendment:

Delete "**tax abatement under AS 43.59.010 or**"

Page 13, line 14 of the amendment:

Delete "**Temporary Tax Abatement and**"

Page 13, lines 15 - 25 of the amendment:

Delete all material.

Page 13, lines 28 - 29 of the amendment:

Delete "on the day after the expiration of the abatement period under AS 43.59.010"

Insert "upon commencement of commercial operations of the gas pipeline component of the natural gas project"

Page 15, lines 16 - 17 of the amendment:

Delete "the tax abatement under AS 43.59.010 and"

Page 16, line 12 of the amendment:

Delete "the tax abatement under AS 43.59.010 and"

Representative Josephson moved and asked unanimous consent that Amendment No. 13 to Amendment No. 2 as amended be adopted.

Representative Kopp objected.

The question being: "Shall Amendment No. 13 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 13 to Amendment No. 2 as amended

YEAS: 16 NAYS: 24 EXCUSED: 0 ABSENT: 0

Yeas: Carrick, Edgmon, Eischeid, Foster, Frier, Galvin, Gray, Hall, Hannan, Himschoot, Holland, Jimmie, Josephson, Mina, Schrage, Story

Nays: Allard, Bynum, Costello, Coulombe, Dibert, Elam, Fields, Johnson, Kopp, McCabe, Mears, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schwanke, St. Clair, Stapp, Stutes, Tomaszewski, Underwood, Vance

And so, Amendment No. 13 to Amendment No. 2 as amended was not adopted.

Amendment No. 14 to Amendment No. 2 as amended was offered by Representative Eischeid:

Page 1, line 10 of the amendment:

Delete "**regulation of liquefied natural gas import facilities by the**"

Page 6, following line 18 of the amendment:

Insert a new subsection to read:

"(j) An owner or operator of a gas pipeline advanced, operated, or owned, in whole or in part, by the corporation, or a subsidiary of the corporation, may not charge a utility in the state more than

(1) \$12 for each 1,000 cubic feet of natural gas after completion of the gas pipeline, but before the completion of a related liquefied natural gas plant;

(2) \$5 for each 1,000 cubic feet of natural gas after completion of a liquefied natural gas plant related to the gas pipeline."

Page 12, following line 26 of the amendment:

Insert a new bill section to read:

**** Sec. 19.** AS 42.05 is amended by adding a new section to read:

Sec. 42.05.387. Rates charged by Alaska Gasline Development Corporation gas pipeline. (a) An owner or operator of a gas pipeline advanced, operated, or owned, in whole or in part, by the Alaska Gasline Development Corporation, or a subsidiary of the corporation, may not charge a utility in the state

more than

(1) \$12 for each 1,000 cubic feet of natural gas after completion of the gas pipeline, but before the completion of a related liquefied natural gas plant;

(2) \$5 for each 1,000 cubic feet of natural gas after completion of a liquefied natural gas plant related to the gas pipeline.

(b) The commission has jurisdiction to enforce this section to the extent not preempted by federal law.

(c) In this section,

(1) "gas pipeline" has the meaning given in AS 31.25.390;

(2) "liquefied natural gas plant" has the meaning given in AS 31.25.390."

Renumber the following bill sections of the amendment accordingly.

Page 22, line 7 of the amendment:

Delete "19 - 21, and 24"

Insert "19 - 22, and 25"

Page 22, line 9 of the amendment:

Delete "sec. 21"

Insert "sec. 22"

Page 23, lines 20 - 21 of the amendment:

Delete "sec. 21"

Insert "sec. 22"

Page 23, lines 25 - 26 of the amendment:

Delete "sec. 21"

Insert "sec. 22"

Page 24, line 5 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 6 of the amendment:

Delete "sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24"

Insert "sec. 28 of this Act, secs. 1 - 4, 20 - 22, and 25"

Page 24, line 8 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 9 of the amendment:

Delete "sec. 28"

Insert "sec. 29"

Page 24, line 13 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 30 and 31"

Representative Eischeid moved and asked unanimous consent that Amendment No. 14 to Amendment No. 2 as amended be adopted.

Representative Kopp objected.

The question being: "Shall Amendment No. 14 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 14 to Amendment No. 2 as amended

YEAS: 16 NAYS: 24 EXCUSED: 0 ABSENT: 0

Yeas: Carrick, Edgmon, Eischeid, Foster, Frier, Gray, Hall, Hannan, Himschoot, Holland, Jimmie, Josephson, Mears, Mina, Schrage, Story

Nays: Allard, Bynum, Costello, Coulombe, Dibert, Elam, Fields, Galvin, Johnson, Kopp, McCabe, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schwanke, St. Clair, Stapp, Stutes, Tomaszewski, Underwood, Vance

And so, Amendment No. 14 to Amendment No. 2 as amended was not adopted.

Amendment No. 15 to Amendment No. 2 as amended was not offered.

Amendment No. 16 to Amendment No. 2 as amended was offered by Representative Mears:

Page 1, line 10 of the amendment:

Delete "**regulation of liquefied natural gas import facilities by the**"

Page 6, following line 18 of the amendment:

Insert a new subsection to read:

"(j) An owner or operator of a gas pipeline advanced, operated, or owned, in whole or in part, by the corporation, or a subsidiary of the corporation, may not recoup cost overruns from the construction of the first phase of a gas pipeline by increasing the rates charged to a utility. In this subsection,

(1) "cost overrun" means a cost in excess of \$15,000,000,000;

(2) "first phase of a gas pipeline" means at least 730 miles of 42-inch pipeline constructed to transport natural gas from the North Slope and deliver the natural gas to in-state consumers."

Page 12, following line 26 of the amendment:

Insert a new bill section to read:

**** Sec. 19.** AS 42.05 is amended by adding a new section to read:

Sec. 42.05.387. Rates charged by Alaska Gasline Development Corporation gas pipeline. (a) An owner or operator of a gas pipeline advanced, operated, or owned, in whole or in part, by the Alaska Gasline Development Corporation, or a subsidiary of the corporation, may not recoup cost overruns from the construction of the first phase of a gas pipeline by increasing the rates charged to a utility. In this section, "cost overrun" and "first phase of a gas pipeline" have the meanings given in AS 31.25.080(j).

(b) The commission has jurisdiction to enforce this section to the extent not preempted by federal law."

Renumber the following bill sections of the amendment accordingly.

Page 22, line 7 of the amendment:

Delete "19 - 21, and 24"

Insert "20 - 22, and 25"

Page 22, line 9 of the amendment:

Delete "sec. 21"

Insert "sec. 22"

Page 23, lines 20 - 21 of the amendment:

Delete "sec. 21"

Insert "sec. 22"

Page 23, lines 25 - 26 of the amendment:

Delete "sec. 21"

Insert "sec. 22"

Page 24, line 5 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 6 of the amendment:

Delete "sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24"

Insert "sec. 28 of this Act, secs. 1 - 4, 20 - 22, and 25"

Page 24, line 8 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 9 of the amendment:

Delete "sec. 28"

Insert "sec. 29"

Page 24, line 13 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 30 and 31"

Representative Mears moved and asked unanimous consent that Amendment No. 16 to Amendment No. 2 as amended be adopted.

Representative Kopp objected.

The question being: "Shall Amendment No. 16 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 16 to Amendment No. 2 as amended

YEAS: 17 NAYS: 23 EXCUSED: 0 ABSENT: 0

Yeas: Carrick, Dibert, Edgmon, Eischeid, Foster, Frier, Gray, Hall, Hannan, Himschoot, Holland, Jimmie, Josephson, Mears, Mina, Schrage, Story

Nays: Allard, Bynum, Costello, Coulombe, Elam, Fields, Galvin, Johnson, Kopp, McCabe, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schwanke, St. Clair, Stapp, Stutes, Tomaszewski, Underwood, Vance

And so, Amendment No. 16 to Amendment No. 2 as amended was not adopted.

Amendment No. 17 to Amendment No. 2 as amended was offered by Representative Frier:

Page 16, line 30 of the amendment, following "**status.**":

Insert "(a)"

Page 17, following line 2 of the amendment:

Insert a new subsection to read:

"(b) The alternative volumetric tax applicable to a natural gas project under AS 43.59.020 terminates on January 1, 2034, if commencement of construction of phase two of the Alaska liquefied natural gas project has not begun by that date. In this subsection,

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

(2) "phase two" means a phase of the Alaska liquefied natural gas project that includes a liquefied natural gas plant, as defined in AS 31.25.390, and other related infrastructure required for the export of liquefied natural gas."

Representative Frier moved and asked unanimous consent that Amendment No. 17 to Amendment No. 2 as amended be adopted.

Representative Kopp objected.

The question being: "Shall Amendment No. 17 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 17 to Amendment No. 2 as amended

YEAS: 20 NAYS: 20 EXCUSED: 0 ABSENT: 0

Yeas: Carrick, Dibert, Edgmon, Eischeid, Fields, Foster, Frier, Galvin, Gray, Hall, Hannan, Himschoot, Holland, Jimmie, Johnson, Josephson, Mears, Mina, Schrage, Story

Nays: Allard, Bynum, Costello, Coulombe, Elam, Kopp, McCabe, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schwanke, St. Clair, Stapp, Stutes, Tomaszewski, Underwood, Vance

And so, Amendment No. 17 to Amendment No. 2 as amended was not adopted.

Amendment Nos. 18 and 19 to Amendment No. 2 as amended were not offered.

Amendment No. 20 to Amendment No. 2 as amended was offered by Representative Ruffridge:

Page 7, lines 2 - 4 of the amendment:

Delete "The parties to a confidentiality agreement entered into under (f) of this section may agree to waive confidentiality, in whole or in part, to allow the release of information to a legislator or a public agent or for publication"

Insert "If all parties to a confidentiality agreement entered into under (f) of this section agree to waive the confidentiality required by the agreement, in whole or in part, information subject to that waiver may be released to a legislator or a public agent"

Page 7, line 23, through page 8, line 1 of the amendment:

Delete all material.

Renumber the following paragraphs of the amendment accordingly.

Page 8, line 7 of the amendment, following "state;":

Insert "or"

Page 8, lines 8 - 9 of the amendment:

Delete all material.

Renumber the following paragraph of the amendment accordingly.

Page 8, line 10 of the amendment, following "to":

Insert "the existence of"

Page 8, line 16 of the amendment:

Delete "(1)"

Page 8, lines 18 - 21 of the amendment:

Delete "; and

(2) to release reasonable estimated ranges or a summarization of project economics and costs sufficient for a legislator or a public agent to assess the fiscal liability, obligation, or risk to the state"

Page 8, line 28 of the amendment, following "law":

Insert "under this subsection"

Page 8, line 30 of the amendment, following "corporation.":

Insert "The corporation shall notify the presiding officer of each house if the corporation intends to transfer, sell, or otherwise dispose of an ownership or management interest in a subsidiary of the corporation. The legislature shall have 90 legislative days to consider the transfer, sale, or disposition. If the legislature does not disapprove the transfer, sale, or disposition of an ownership interest within 90 legislative days, the corporation may move forward with the transfer, sale, or disposition. In this section, "legislative day" means a day the legislature is in regular or special session."

Page 9, line 7 of the amendment:

Delete "under (b)(1) of this section"

Page 9, lines 8 - 14 of the amendment:

Delete all material.

Reletter the following subsections of the amendment accordingly.

Page 9, line 19 of the amendment:

Delete "later"

Insert "earlier"

Page 9, line 30 of the amendment:

Delete "(e)"

Insert "(c)"

Page 10, line 3 of the amendment:

Delete "(e)"

Insert "(c)"

Page 10, lines 4 - 17 of the amendment:

Delete all material.

Reletter the following subsection of the amendment accordingly.

Page 11, lines 7 - 19 of the amendment:

Delete all material.

Renumber the following bill sections of the amendment accordingly.

Page 11, line 21 of the amendment:

Delete "The"

Insert "Unless prevented by a confidentiality agreement entered into and subject to AS 31.25.090, the"

Page 12, lines 9 - 10 of the amendment:

Delete "includes a subsidiary partially owned"

Insert "means a subsidiary controlled"

Page 21, line 21 of the amendment:

Delete "sec. 16"

Insert "sec. 15"

Page 21, line 22 of the amendment:

Delete "sec. 16"

Insert "sec. 15"

Page 21, line 23 of the amendment:

Delete "sec. 16"

Insert "sec. 15"

Page 22, line 7 of the amendment:

Delete "19 - 21, and 24"

Insert "18 - 20, and 23"

Page 22, line 9 of the amendment:

Delete "sec. 21"

Insert "sec. 20"

Page 23, lines 20 - 21 of the amendment:

Delete "sec. 21"

Insert "sec. 20"

Page 23, lines 25 - 26 of the amendment:

Delete "sec. 21"

Insert "sec. 20"

Page 23, line 30 of the amendment:

Delete "Section 18"

Insert "Section 17"

Page 24, line 5 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 26(a)"

Page 24, line 6 of the amendment:

Delete "sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24"

Insert "sec. 26 of this Act, secs. 1 - 4, 18 - 20, and 23"

Page 24, line 8 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 26(a)"

Page 24, line 9 of the amendment:

Delete "sec. 28 of this Act, sec. 18"

Insert "sec. 27 of this Act, sec. 17"

Page 24, line 13 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 26(a)"

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 28 and 30"

Representative Ruffridge moved and asked unanimous consent that Amendment No. 20 to Amendment No. 2 as amended be adopted.

Representative Mears objected.

The question being: "Shall Amendment No. 20 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 20 to Amendment No. 2 as amended

YEAS: 22 NAYS: 18 EXCUSED: 0 ABSENT: 0

Yeas: Allard, Bynum, Costello, Coulombe, Elam, Fields, Johnson, Kopp, McCabe, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schwanke, St. Clair, Stapp, Stutes, Tomaszewski, Underwood, Vance

Nays: Carrick, Dibert, Edgmon, Eischeid, Foster, Frier, Galvin, Gray, Hall, Hannan, Himschoot, Holland, Jimmie, Josephson, Mears, Mina, Schrage, Story

Frier changed from "YEA" to "NAY"

Jimmie changed from "YEA" to "NAY"

And so, Amendment No. 20 to Amendment No. 2 as amended was adopted.

Amendment No. 21 to Amendment No. 2 as amended was moved to the bottom of amendments.

Amendment No. 22 to Amendment No. 2 as amended was offered by Representative Holland:

Page 1, line 8 of the amendment, following the first occurrence of "gas;":

Insert "**establishing an income tax on certain entities producing or transporting oil or gas in the state;**"

Page 12, following line 26 of the amendment:

Insert new bill sections to read:

**** Sec. 19.** AS 43.20 is amended by adding a new section to read:

Sec. 43.20.019. Tax on income of certain oil and gas pass-through entities. (a) Each taxable year, a tax is imposed on the entire taxable income derived from sources in the state of every qualified entity. The tax is computed as follows:

If the taxable income is:	Then the tax is:
Less than \$1,000,000	zero
\$1,000,000 but less than \$2,000,000	5 percent of the taxable income over \$1,000,000
\$2,000,000 but less than \$3,000,000	\$50,000 plus 6 percent of the taxable income over \$2,000,000
\$3,000,000 but less than \$4,000,000	\$110,000 plus 7 percent of the taxable income over \$3,000,000
\$4,000,000 but less than \$5,000,000	\$180,000 plus 8 percent of the taxable income over \$4,000,000
\$5,000,000 or more	\$260,000 plus 9.4 percent of the taxable income over \$5,000,000.

(b) For purposes of calculating taxable income under this section,

(1) taxable income of a qualified entity is determined under AS 43.20.144 as if the qualified entity were taxable as a C corporation, as defined by 26 U.S.C. 1361(a)(2) (Internal Revenue Code), as that section read on January 1, 2026;

(2) notwithstanding AS 43.20.021 and AS 43.20.036, a qualified entity may not apply as a credit or deduction against tax liability a credit or deduction allowed as to federal taxes under 26 U.S.C. (Internal Revenue Code), except that the qualified entity may take a credit or deduction allowed for a C corporation under (1) of this subsection.

(c) The tax under this section does not apply to a corporation subject to tax under AS 43.20.011 or to an entity that is part of a unitary business with a corporation subject to tax under AS 43.20.011.

(d) A public corporation is exempt from the tax under this section. If a qualified entity is held in part by a public corporation, income in proportion to the ownership interest held by the public corporation is exempt from the tax under this section. The department may direct each owner of a qualified entity that is owned in part by the Alaska Gasline Development Corporation (AS 31.25) to file a return with the department. Notwithstanding AS 40.25.100(a) and AS 43.05.230(a), a return filed by the Alaska Gasline Development Corporation under this subsection is a public record and is not confidential.

(e) For the purpose of determining the tax due under this section, the department shall

(1) aggregate the taxable income of two or more entities if the department determines that, without the provisions of this section, the taxable income would reasonably be expected to be attributed to a single entity;

(2) except as provided in (c) of this section, include in the calculation of taxable income of the qualified entity income that is attributable to an entity that is part of a unitary business with the qualified entity paying tax under this section; and

(3) adopt regulations to prevent evasion of taxes imposed under this section.

(f) For purposes of calculating income under this section, a qualified entity may deduct from income a payment to the shareholder, owner, member, or partner of the qualified entity, if

(1) the shareholder, owner, member, or partner is a taxpayer under this chapter;

(2) the payment does not include a transfer of property;

(3) the payment is included in the shareholder's, owner's, member's, or partner's income for purposes of this chapter; and

(4) the payment was not made with the specific intent to reduce or evade the payment of tax under this chapter.

(g) In this section,

(1) "carbon capture" and "carbon storage" have the meanings given in AS 43.55.165(e)(23);

(2) "pipeline" means a pipeline that transports oil or gas from north of 68 degrees North latitude to a location outside of the lease or property where the oil or gas is produced for the direct purpose of sale and delivery of the oil or gas to a commercial market;

(3) "qualified entity"

(A) means a sole proprietorship, partnership, limited liability company, or entity that has elected to file federal returns under 26 U.S.C. 1361 - 1379 (Internal Revenue Code) that

(i) has taxable income;

(ii) owns, operates, manages, or controls an entity that has taxable income;

(iii) holds an ownership, investment, or similar interest in an entity that has taxable income; or

(iv) owns an operating right, operating interest, or working interest in a mineral interest of an entity with taxable income;

(B) does not include a natural person;

(4) "taxable income" means income

(A) from the production of oil or gas from a lease or property in the state;

(B) from the transportation of oil or gas by pipeline in the state;

(C) from the supply of oil or gas for transportation by pipeline in the state, whether directly, to an intermediary, or as an intermediary;

(D) from gas treatment, carbon capture, or carbon storage activities in the state;

(E) from liquefied natural gas processing in the state;

(F) from the marine transportation of liquefied natural gas produced in the state; and

(G) of an entity that is part of a unitary business with a carrier or producer paying tax under this section as provided under (e)(2) of this section.

* **Sec. 20.** AS 43.20.030(a) is amended to read:

(a) If a **taxpayer** [CORPORATION], or a partnership that has a **taxpayer** [CORPORATION] as a partner, is required to make a return under the provisions of the Internal Revenue Code, **the taxpayer** [IT] shall file with the department, within 30 days after the federal return is required to be filed, a return setting out

(1) the amount of tax due under this chapter, less credits claimed against the tax; and

(2) other information for the purpose of carrying out the provisions of this chapter that the department requires.

* **Sec. 21.** AS 43.20.031(i) is amended to read:

(i) A **taxpayer that** [CORPORATION WHICH] is a member of a group of unitary corporations **or entities that** [WHICH] collectively has income from business activity taxable both inside and outside the state, or income from other sources both inside and outside the state, shall determine its income from sources in this state by use of the combined method of accounting."

Renumber the following bill sections of the amendment accordingly.

Page 21, following line 23 of the amendment:

Insert a new bill section to read:

** **Sec. 29.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY: OIL AND GAS ENTITY TAX. The tax established under AS 43.20.019, added by sec. 19 of this Act, applies to a qualified entity for a tax year beginning on or after January 1, 2026. In this section, "qualified entity" has the meaning given in AS 43.20.019(g), added by sec. 19 of this Act."

Renumber the following bill sections of the amendment accordingly.

Page 22, following line 3 of the amendment:

Insert new bill sections to read:

** **Sec. 31.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: PAYMENT OF TAX. A person subject to the tax levied under AS 43.20.019, added by sec. 19 of this Act, before the effective date of sec. 19 of this Act, shall pay the balance of the tax due for a tax year ending before January 1, 2027, by January 1, 2027.

Until January 1, 2027, the Department of Revenue shall waive interest that would otherwise accrue under AS 43.05.225 and civil and criminal penalties accruing under AS 43.05.220, 43.05.245, and 43.05.290, that are a result of the retroactivity of secs. 19 - 21 of this Act.

* **Sec. 32.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY OF REGULATIONS. Notwithstanding a contrary provision of AS 44.62.240, if the Department of Revenue expressly designates in a regulation that the regulation applies retroactively to a specific date, a regulation adopted by the Department of Revenue to implement, interpret, make specific, or otherwise carry out secs. 19 - 21 of this Act applies retroactively to that date.

* **Sec. 33.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY. Sections 19 - 21, 29, and 31 of this Act are retroactive to January 1, 2026."

Renumber the following bill sections of the amendment accordingly.

Page 22, line 7 of the amendment:

Delete "19 - 21, and 24"

Insert "22 - 24, and 27"

Page 22, line 9 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 23, lines 20 - 21 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 23, lines 25 - 26 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 24, line 5 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 31(a)"

Page 24, line 6 of the amendment:

Delete "sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24"

Insert "sec. 31 of this Act, secs. 1 - 4, 22 - 24, and 27"

Page 24, line 8 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 34(a)"

Page 24, line 9 of the amendment:

Delete "sec. 28"

Insert "sec. 35"

Page 24, line 13 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 34(a)"

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 36 and 37"

Representative Holland moved and asked unanimous consent that Amendment No. 22 to Amendment No. 2 as amended be adopted.

Representative McCabe objected.

The question being: "Shall Amendment No. 22 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 22 to Amendment No. 2 as amended

YEAS: 18 NAYS: 22 EXCUSED: 0 ABSENT: 0

Yeas: Carrick, Dibert, Edgmon, Eischeid, Fields, Foster, Galvin, Gray, Hall, Hannan, Himschoot, Holland, Jimmie, Josephson, Mears, Mina, Schrage, Story

Nays: Allard, Bynum, Costello, Coulombe, Elam, Frier, Johnson, Kopp, McCabe, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schwanke, St. Clair, Stapp, Stutes, Tomaszewski, Underwood, Vance

And so, Amendment No. 22 to Amendment No. 2 as amended was not adopted.

Amendment No. 23 to Amendment No. 2 as amended was not offered.

Amendment No. 24 to Amendment No. 2 as amended was moved to the bottom of the amendments.

Amendment No. 25 to Amendment No. 2 as amended was offered by Representative Holland:

Page 1, line 9 of the amendment, following "**fund**";

Insert "**relating to obligations created by agreements related to an Alaska liquefied natural gas project**";

Page 1, following line 23 of the amendment:

Insert a new bill section to read:

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

LEGISLATIVE INTENT. It is the intent of the legislature to clarify that prudent fiscal governance permits the state to participate in, support, or facilitate an Alaska liquefied natural gas project only in a manner that preserves the full discretion of the legislature over future appropriations and prevents project debt, cost overruns, project failure, or other project liabilities from becoming obligations of the state."

Renumber the following bill sections of the amendment accordingly.

Page 11, following line 19 of the amendment:

Insert new bill sections to read:

"* **Sec. 17.** AS 31.25.240 is amended by adding new subsections to read:

(c) An agreement related to an Alaska liquefied natural gas project may not

(1) pledge the faith and credit or taxing power of the state;

(2) obligate the state to guarantee, insure, or otherwise become liable for any financing obligation incurred by another person related to an Alaska liquefied natural gas project, including bonds, notes, loans, lease financing, synthetic leases, sale-leaseback, tax-equity financing, or credit agreements;

(3) bind the state to pay or reimburse a cost overrun, revenue shortfall, deficiency payment, completion cost, delay cost, termination payment, make-whole payment, or other contingent liability;

(4) create an obligation of the state to make payments beyond amounts appropriated for that purpose, including through take-or-pay, ship-or-pay, transportation services, capacity, tolling, availability payment, or similar agreement;

(5) provide credit support that requires, commits, pledges, or implies the use of state money beyond money appropriated for that purpose, including by letter of credit, surety bond, liquidity facility, debt service reserve, collateral support, completion support, keepwell agreement, or moral obligation pledge;

(6) covenant, represent, or otherwise agree that the legislature will appropriate money in the future;

(7) bind the state to an indemnification, hold harmless, or defense obligation in connection with environmental liability, tort liability, litigation, or regulatory action, except to the extent money is appropriated for that purpose;

(8) waive or limit the sovereign immunity of the state in connection with a financing, equity, operating, or commercial obligation;

(9) bind the state to a capital call, mandatory additional contribution, completion guarantee, cost-overrun guarantee, debt guarantee, revenue guarantee, indemnity, or other obligation related to an equity interest, except to the extent money is appropriated for that purpose;

(10) commit royalty gas, royalty-in-kind volumes, or other state-owned natural gas to a payment obligation of the state, including a firm transportation agreement, capacity reservation, ship-or-pay, take-or-pay, tolling, throughput-and-deficiency, minimum-bill, or similar agreement.

(d) A financing document, equity document, credit support document, offering document, or other agreement related to an Alaska liquefied natural gas project that creates, evidences, secures, supports, or describes a debt, financing obligation, equity investment, credit support, contingent liability, or other financial obligation of the corporation, a subsidiary of the corporation, or another public enterprise or public corporation of the state must contain on the face of the agreement a statement that states that the corporation, subsidiary of the corporation, or other public enterprise or public corporation is not

obligated to pay the obligation except from the revenue or assets of the corporation, subsidiary, or enterprise and that neither the faith and credit nor the taxing power of the state or of any political subdivision of the state is pledged to the payment of the obligation.

(e) A provision of agreement that violates this section is void and unenforceable.

* **Sec. 18.** AS 31.25 is amended by adding a new section to read:

Sec. 31.25.255. Reserved authority. The state reserves full authority to amend, modify, or repeal a tax, exemption, credit, regulatory authority, ratemaking methodology, or other provision of law relating to an Alaska liquefied natural gas project. A person who participates in, finances, owns, operates, or enters into a contract related to an Alaska liquefied natural gas project may not assert against the state a claim of detrimental reliance, promissory estoppel, implied contract, breach of an implied covenant of good faith and fair dealing, or impairment of contract based on the exercise of the authority reserved under this section."

Renumber the following bill sections of the amendment accordingly.

Page 21, line 15 of the amendment:

Delete "sec. 7"

Insert "sec. 8"

Page 21, line 16 of the amendment:

Delete "sec. 7"

Insert "sec. 8"

Page 21, line 17 of the amendment:

Delete "sec. 10"

Insert "sec. 11"

Page 21, line 18 of the amendment:

Delete "sec. 10"

Insert "sec. 11"

Page 21, line 19 of the amendment:

Delete "sec. 14"

Insert "sec. 15"

Page 21, line 20 of the amendment:

Delete "sec. 14"

Insert "sec. 15"

Page 21, line 21 of the amendment:

Delete "sec. 16"

Insert "sec. 19"

Page 21, line 22 of the amendment:

Delete "sec. 16"

Insert "sec. 19"

Page 21, line 23 of the amendment:

Delete "sec. 16"

Insert "sec. 19"

Page 21, line 27 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 21, line 30 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 22, line 2 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 22, line 3 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 22, line 7 of the amendment:

Delete "Sections 1 - 4, 19 - 21, and 24"

Insert "Sections 1, 3 - 5, 22 - 24, and 27"

Page 22, line 9 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 23, lines 20 - 21 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 23, lines 25 - 26 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 23, line 30 of the amendment:

Delete "Section 18"

Insert "Section 21"

Page 24, line 5 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 30(a)"

Page 24, line 6 of the amendment:

Delete "sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24"

Insert "sec. 30 of this Act, secs. 1, 3 - 5, 22 - 24, and 27"

Page 24, line 8 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 30(a)"

Page 24, line 9 of the amendment:

Delete "sec. 28 of this Act, sec. 18"

Insert "sec. 31 of this Act, sec. 21"

Page 24, line 13 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 30(a)"

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 32 and 33"

Representative Holland moved and asked unanimous consent that Amendment No. 25 to Amendment No. 2 as amended be adopted.

Representative Ruffridge objected.

The question being: "Shall Amendment No. 25 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 25 to Amendment No. 2 as amended

YEAS: 17 NAYS: 23 EXCUSED: 0 ABSENT: 0

Yeas: Carrick, Dibert, Edgmon, Eischeid, Foster, Frier, Gray, Hall, Hannan, Himschoot, Holland, Jimmie, Josephson, Mears, Mina, Schrage, Story

Nays: Allard, Bynum, Costello, Coulombe, Elam, Fields, Galvin, Johnson, Kopp, McCabe, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schwanke, St. Clair, Stapp, Stutes, Tomaszewski, Underwood, Vance

And so, Amendment No. 25 to Amendment No. 2 as amended was not adopted.

Amendment No. 26 to Amendment No. 2 as amended was not offered.

Amendment No. 27 to Amendment No. 2 as amended was offered by Representative Tomaszewski:

Page 2, following line 10 of the amendment:

Insert a new bill section to read:

**** Sec. 4.** AS 29.45.050 is amended by adding a new subsection to read:

(aa) A municipality may by ordinance exempt or partially exempt from taxation a spur line. In this subsection, "spur line" means a natural gas transmission or lateral line that branches from a main gas pipeline for the primary purpose of delivering natural gas to a local community or utility distribution system."

Renumber the following bill sections of the amendment accordingly.

Page 12, following line 30 of the amendment:

Insert a new bill section to read:

**** Sec. 21.** AS 43.56.020(b) is amended to read:

(b) There is exempt from state taxes levied or authorized

under AS 43.56.010(a),

(1) before the construction commencement date, property that is committed by contract or other agreement for use in this state primarily for the production or pipeline transportation of gas or unrefined oil, or in the operation or maintenance of facilities for the production or pipeline transportation of gas or unrefined oil; **and**

(2) a spur line; in this paragraph, "spur line" means a natural gas transmission or lateral line that branches from a main gas pipeline for the primary purpose of delivering natural gas to a local community or utility distribution system."

Renumber the following bill sections of the amendment accordingly.

Page 21, line 15 of the amendment:

Delete "sec. 7"

Insert "sec. 8"

Page 21, line 16 of the amendment:

Delete "sec. 7"

Insert "sec. 8"

Page 21, line 17 of the amendment:

Delete "sec. 10"

Insert "sec. 11"

Page 21, line 18 of the amendment:

Delete "sec. 10"

Insert "sec. 11"

Page 21, line 19 of the amendment:

Delete "sec. 14"

Insert "sec. 15"

Page 21, line 20 of the amendment:

Delete "sec. 14"

Insert "sec. 15"

Page 21, line 21 of the amendment:

Delete "sec. 16"

Insert "sec. 17"

Page 21, line 22 of the amendment:

Delete "sec. 16"

Insert "sec. 17"

Page 21, line 23 of the amendment:

Delete "sec. 16"

Insert "sec. 17"

Page 21, line 27 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 21, line 30 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 22, line 2 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 22, line 3 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 22, line 7 of the amendment:

Delete "Sections 1 - 4, 19 - 21, and 24"

Insert "Sections 1 - 5, 20 - 23, and 26"

Page 22, line 9 of the amendment:

Delete "sec. 21"

Insert "sec. 23"

Page 23, lines 20 - 21 of the amendment:

Delete "sec. 21"

Insert "sec. 23"

Page 23, lines 25 - 26 of the amendment:

Delete "sec. 21"

Insert "sec. 23"

Page 23, line 30 of the amendment:

Delete "Section 18"

Insert "Section 19"

Page 24, line 5 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 29(a)"

Page 24, line 6 of the amendment:

Delete "sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24"

Insert "sec. 29 of this Act, secs. 1 - 5, 20 - 23, and 26"

Page 24, line 8 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 29(a)"

Page 24, line 9 of the amendment:

Delete "sec. 28 of this Act, sec. 18"

Insert "sec. 30 of this Act, sec. 19"

Page 24, line 13 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 29(a)"

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 31 and 32"

Representative Tomaszewski moved and asked unanimous consent that Amendment No. 27 to Amendment No. 2 as amended be adopted.

Representative Fields objected.

Representative McCabe placed a call of the House for all amendments to HCS CSSB 180(L&C).

The Speaker stated the call was satisfied.

The question being: "Shall Amendment No. 27 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 27 to Amendment No. 2 as amended

YEAS: 7 NAYS: 33 EXCUSED: 0 ABSENT: 0

Yeas: Carrick, Dibert, Frier, Holland, Schwanke, Stapp, Tomaszewski

Nays: Allard, Bynum, Costello, Coulombe, Edgmon, Eischeid, Elam, Fields, Foster, Galvin, Gray, Hall, Hannan, Himschoot, Jimmie, Johnson, Josephson, Kopp, McCabe, Mears, Mina, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schrage, St. Clair, Story, Stutes, Underwood, Vance

And so, Amendment No. 27 to Amendment No. 2 as amended was not adopted.

Amendment No. 28 to Amendment No. 2 as amended was offered by Representative Tomaszewski:

Page 14, following line 29 of the amendment:

Insert a new subsection to read:

"(i) Throughput under (e) of this section does not include natural gas that is intended for residential use. In determining whether natural gas is intended for residential use, the department shall accept a notarized affidavit from the taxpayer attesting to the intended use of the natural gas. Natural gas not included in throughput under this section remains exempt from taxation under AS 43.56.010 and AS 29.45.080."

Reletter the following subsections of the amendment accordingly.

Representative Tomaszewski moved and asked unanimous consent that Amendment No. 28 to Amendment No. 2 as amended be adopted.

Representative Kopp objected.

Representative McCabe lifted the call.

The question being: "Shall Amendment No. 28 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 28 to Amendment No. 2 as amended

YEAS: 6 NAYS: 33 EXCUSED: 0 ABSENT: 1

Yeas: Carrick, Dibert, Frier, Gray, Stapp, Tomaszewski

Nays: Allard, Bynum, Costello, Coulombe, Edgmon, Eischeid, Elam, Fields, Foster, Galvin, Hall, Hannan, Himschoot, Holland, Jimmie, Josephson, Kopp, McCabe, Mears, Mina, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schrage, Schwanke, St. Clair, Story, Stutes, Underwood, Vance

Absent: Johnson

And so, Amendment No. 28 to Amendment No. 2 as amended was not adopted.

Amendment No. 29 to Amendment No. 2 as amended was offered by Representative Tomaszewski:

Page 20, lines 12 - 13 of the amendment:

Delete ", except that money may not be distributed to a municipality benefiting from a spur line"

Representative Tomaszewski moved and asked unanimous consent that Amendment No. 29 to Amendment No. 2 as amended be adopted.

Representative Kopp objected.

The question being: "Shall Amendment No. 29 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 29 to Amendment No. 2 as amended

YEAS: 8 NAYS: 32 EXCUSED: 0 ABSENT: 0

Yeas: Carrick, Dibert, Frier, Mears, Schrage, Schwanke, Stapp, Tomaszewski

Nays: Allard, Bynum, Costello, Coulombe, Edgmon, Eischeid, Elam, Fields, Foster, Galvin, Gray, Hall, Hannan, Himschoot, Holland, Jimmie, Johnson, Josephson, Kopp, McCabe, Mina, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, St. Clair, Story, Stutes, Underwood, Vance

And so, Amendment No. 29 to Amendment No. 2 as amended was not adopted.

Amendment No. 30 to Amendment No. 2 as amended was offered by Representative Josephson:

Page 16, line 30 of the amendment:

Delete "**status.**"

Insert "**status; application. (a)**"

Page 17, following line 2 of the amendment:

Insert a new subsection to read:

"(b) A natural gas project that does not meet the conditions of (a) of this section and for which the alternative volumetric tax under AS 43.59.020 does not apply is subject to all other state and municipal taxes on taxable property, including taxes levied under AS 29.45.080 and AS 43.56.010."

Representative Josephson moved and asked unanimous consent that Amendment No. 30 to Amendment No. 2 as amended be adopted.

Objection was heard and withdrawn. There being no further objection, Amendment No. 30 to Amendment No. 2 as amended was adopted.

Amendment No. 31 to Amendment No. 2 as amended was offered by Representative Fields:

Page 16, line 21 of the amendment, following "borough":

Insert ", except that after making the calculation of total proportions attributable to each municipality and the unorganized borough, the department shall deduct 2.5 percent each from the total proportion attributable to the Kenai Peninsula Borough, the North Slope Borough, the Denali Borough, and the Matanuska-Susitna Borough, and increase by five percent each the total proportional attributable to the Municipality of Anchorage and Fairbanks North Star Borough"

Representative Fields moved and asked unanimous consent that Amendment No. 31 to Amendment No. 2 as amended be adopted.

Representative McCabe objected.

The question being: "Shall Amendment No. 31 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 31 to Amendment No. 2 as amended

YEAS: 15 NAYS: 25 EXCUSED: 0 ABSENT: 0

Yeas: Allard, Costello, Coulombe, Dibert, Edgmon, Fields, Galvin, Gray, Hall, Holland, Josephson, D.Nelson, Saddler, Schrage, Tomaszewski

Nays: Bynum, Carrick, Eischeid, Elam, Foster, Frier, Hannan, Himschoot, Jimmie, Johnson, Kopp, McCabe, Mears, Mina, Moore, G.Nelson, Prax, Ruffridge, Schwanke, St. Clair, Stapp, Story, Stutes, Underwood, Vance

And so, Amendment No. 31 to Amendment No. 2 as amended was not adopted.

Amendment Nos. 32 and 33 to Amendment No. 2 as amended were not offered.

Amendment No. 34 to Amendment No. 2 as amended was offered by Representative Holland:

Page 1, line 8 of the amendment, following "**throughput**";:

Insert "**establishing an Alaska startup accelerator grant program**";"

Page 12, line 20 of the amendment:

Delete "and"

Page 12, following line 20 of the amendment:

Insert a new paragraph to read:

"(2) appropriations to the Department of Commerce, Community, and Economic Development under AS 45.81.300; and"

Renumber the following paragraph of the amendment accordingly.

Page 19, line 20 of the amendment, following "year,":

Insert "after the appropriations to the Department of Commerce, Community, and Economic Development under AS 45.81.300,"

Page 20, following line 23 of the amendment:

Insert a new bill section to read:

**** Sec. 23.** AS 45.81 is amended by adding new sections to read:

Article 4. Alaska startup accelerator grant program.

Sec. 45.81.300. Natural gas project tax revenue. The Department of Revenue shall separately account for the tax collected and retained by the state arising from or relating to a natural gas project. The legislature may appropriate a portion of the tax revenue, not to exceed \$500,000, to the Department of Commerce, Community, and Economic Development for the funding and operation of the Alaska startup accelerator grant program established in AS 45.81.310. In addition to other appropriations and funding sources, the department shall use the tax revenue appropriated under this section to provide grants in accordance with AS 45.81.310.

Sec. 45.81.310. Alaska startup accelerator grant program.

(a) The Alaska startup accelerator grant program is established in the department for the purpose of improving the ability of in-state business entities to attract private investment, increase revenue, develop or market products or services, create jobs in the state, and capture business opportunities arising in the state, including opportunities that may arise from or relate to a natural gas project. The department shall administer the program in accordance with this section.

(b) Subject to appropriation, the department shall annually award grants to eligible nongovernmental entities operating startup accelerator programs in the state. The department shall determine grant amounts to be awarded under this section, except that the department shall award at least \$500,000 total in grants and the amount of each grant must be at least \$250,000. If insufficient funds are appropriated to award each grant recipient at least \$250,000, the department shall provide as many grants of at least \$250,000 as the department is able to provide with the money appropriated. If insufficient funds are appropriated to

award at least one grant of \$250,000, the department shall award one grant equal to the amount appropriated.

(c) To be eligible for a grant under this section, a nongovernmental entity must operate a startup accelerator program that

(1) provides services primarily to in-state business entities that develop novel products or services, including products or services relating to large or rapidly growing market opportunities with a unique value proposition;

(2) uses published selection criteria designed to identify in-state business entities that demonstrate a clear path to rapid growth by

(A) raising venture capital or other institutional risk capital within two years after admission to the nongovernmental entity's startup accelerator program; or

(B) achieving not less than \$1,000,000 in annual revenue within five years after admission to the nongovernmental entity's startup accelerator program and demonstrating potential to exceed \$10,000,000 in annual revenue;

(3) provides structured mentorship, customer development, business model validation, investor readiness, commercialization assistance, industry connections, technical assistance, or similar services to in-state business entities; and

(4) demonstrates the ability to create and operate an outreach program that provides information about the startup accelerator program to in-state business entities whose products, services, processes, technology, logistics, workforce solutions, energy solutions, supply-chain solutions, or other business activities may support, benefit from, or otherwise relate to a natural gas project.

(d) A grant recipient may use money awarded under this section for program operations, entrepreneur support services, technical assistance, mentorship, investor readiness programming, market validation, commercialization assistance, and other costs approved by the department that the department determines are necessary to operate a startup accelerator program.

Sec. 45.81.320. Definitions. In AS 45.81.300 and 45.81.310,

(1) "department" means the Department of Commerce, Community, and Economic Development;

(2) "gas pipeline"

(A) means a main natural gas pipeline from the outlet flange of the gas treatment plant on the North Slope to the inlet flange of the liquefied natural gas plant located in the Southcentral region of the state;

(B) does not include any gas lines downstream of any offtake point between a gas treatment plant and a liquefied natural gas plant;

(3) "gas treatment plant" means a facility and the related activities required to receive natural gas from a Prudhoe Bay unit gas transmission line, a Point Thomson unit gas transmission line, or other facilities to treat the natural gas to pipeline specifications, to dispose of or deliver byproducts, to deliver liquid products for further transportation, and to deliver treated natural gas for transportation through a gas pipeline;

(4) "in-state business entity" means a corporation, limited liability company, partnership, sole proprietorship, or another business entity that maintains the entity's principal place of business in the state or conducts a substantial portion of the entity's management, product development, research, commercialization, or revenue-generating activities in the state;

(5) "liquefied natural gas plant" means a facility for liquefying natural gas and includes structures, equipment, underlying land rights, and other associated systems, storage, and facilities for off-loading liquefied natural gas;

(6) "marine terminal" means a terminal and those facilities required to receive liquefied natural gas from the boundary of the liquefied natural gas plant for marine transportation, including auxiliary vessels used in the operation of the terminal;

(7) "natural gas project" means a natural gas project that includes, collectively, a Prudhoe Bay unit gas transmission line, a Point Thomson unit gas transmission line, a gas pipeline, a gas treatment plant, a liquefied natural gas plant, and a marine terminal;

(8) "Point Thomson unit gas transmission line" means a natural gas transmission line from the outlet flange of the Point Thomson unit production facility to the inlet flange of the gas treatment plant;

(9) "Prudhoe Bay unit gas transmission line" means a

natural gas transmission line from the outlet flange of the Prudhoe Bay unit central gas facility to the inlet flange of the gas treatment plant."

Renumber the following bill sections of the amendment accordingly.

Page 22, line 7 of the amendment:

Delete "24"

Insert "25"

Page 24, line 5 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 6 of the amendment:

Delete "sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24"

Insert "sec. 28 of this Act, secs. 1 - 4, 19 - 21, and 25"

Page 24, line 8 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 9 of the amendment:

Delete "sec. 28"

Insert "sec. 29"

Page 24, line 13 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 28(a)"

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 30 and 31"

Representative Holland moved and asked unanimous consent that Amendment No. 34 to Amendment No. 2 as amended be adopted.

Representative McCabe objected.

The question being: "Shall Amendment No. 34 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 34 to Amendment No. 2 as amended

YEAS: 18 NAYS: 22 EXCUSED: 0 ABSENT: 0

Yeas: Carrick, Dibert, Edgmon, Fields, Foster, Frier, Galvin, Gray, Himschoot, Holland, Jimmie, Josephson, Mears, Mina, Moore, Schrage, Stapp, Story

Nays: Allard, Bynum, Costello, Coulombe, Eischeid, Elam, Hall, Hannan, Johnson, Kopp, McCabe, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schwanke, St. Clair, Stutes, Tomaszewski, Underwood, Vance

And so, Amendment No. 34 to Amendment No. 2 as amended was not adopted.

Amendment No. 35 to Amendment No. 2 as amended was offered by Representative Frier:

Page 1, following line 23 of the amendment:

Insert

"(3) Nothing in this Act may be construed to establish, modify, impair, limit, waive, or otherwise affect the tax treatment, assessment methodology, valuation, taxing authority, or applicability of taxes imposed under AS 43.56 or AS 29.45 with respect to any other property, project, facility, infrastructure, or taxpayer. It is the intent of the legislature that this Act be narrowly construed and not serve as precedent, guidance, or interpretive authority for the taxation of any other property subject to taxation under AS 43.56 or AS 29.45."

Representative Frier moved and asked unanimous consent that Amendment No. 35 to Amendment No. 2 as amended be adopted.

Objection was heard and withdrawn. There being no further objection, Amendment No. 35 to Amendment No. 2 as amended was adopted.

Amendment No. 36 to Amendment No. 2 as amended was offered by Representative Dibert:

Page 23, following line 18 of the amendment:

Insert a new paragraph to read:

"(1) "economically viable gas sales contract" means a contract, precedent agreement, memorandum of understanding, tariff-supported sales arrangement, or other commercially reasonable arrangement for the sale, delivery, transportation, or distribution of natural gas to serve current or reasonably projected residential, commercial, institutional, utility, or industrial demand in the City of Fairbanks, the Fairbanks North Star Borough, or the surrounding Interior area of the state, including demand aggregated by a public utility, gas distribution utility, local government, state agency, or other entity serving customers in the Interior area of the state; the gas sales contract need not demonstrate that the spur line alone will recover all capital, financing, construction, operation, or maintenance costs solely from customers in the Interior area of the state;"

Renumber the following paragraphs of the amendment accordingly.

Representative Dibert moved and asked unanimous consent that Amendment No. 36 to Amendment No. 2 as amended be adopted.

Objection was heard and withdrawn. There being no further objection, Amendment No. 36 to Amendment No. 2 as amended was adopted.

Amendment No. 37 to Amendment No. 2 as amended was offered by Representative Carrick:

Page 22, line 8 of the amendment, following "if,":

Insert "(1)"

Page 22, line 11 of the amendment:

Delete "(1)"

Insert "(A)"

Page 22, line 13 of the amendment:

Delete "(A)"

Insert "(i)"

Page 22, line 16 of the amendment:

Delete "(B)"

Insert "(ii)"

Delete "(A) of this paragraph"
Insert "(i) of this subparagraph"

Page 22, line 19 of the amendment:

Delete "(C)"
Insert "(iii)"

Page 22, lines 19 - 20 of the amendment:

Delete "(B) of this paragraph"
Insert "(ii) of this subparagraph"

Page 22, line 21 of the amendment:

Delete "(D)"
Insert "(iv)"

Page 22, line 23 of the amendment:

Delete "(2)"
Insert "(B)"

Page 22, line 24 of the amendment:

Delete "paragraph"
Insert "subparagraph"

Page 22, line 29 of the amendment:

Delete "(3)"
Insert "(C)"
Delete "paragraph"
Insert "subparagraph"

Page 22, line 31 of the amendment:

Delete "(A)"
Insert "(i)"

Page 23, line 5 of the amendment:

Delete "(i)"

Page 23, lines 5 - 6 of the amendment:

Delete "; and
(ii)"
Insert "and"

Page 23, line 12 of the amendment:

Delete "(B)"

Insert "(ii)"

Page 23, lines 13 - 14 of the amendment:

Delete "(A) of this paragraph"

Insert "(i) of this subparagraph"

Page 23, line 14 of the amendment, following "paragraph":

Insert "; and

(2) House Bill 78, as passed by the Thirty-Fourth Alaska State Legislature during the Second Regular Session, is enacted into law"

Page 24, following line 5 of the amendment:

Insert a new bill section to read:

"* **Sec. 29.** The uncodified law of the State of Alaska is amended by adding a new section to read:

CONDITIONAL EFFECT: ENACTMENT OF HB 78. Sections 5 - 17, 22, 23, 25, and 26 of this Act take effect only if House Bill 78, as passed by the Thirty-Fourth Alaska State Legislature during the Second Regular Session, is enacted into law."

Renumber the following bill sections of the amendment accordingly.

Page 24, following line 13 of the amendment:

Insert a new bill section to read:

"* **Sec. 32.** If, under sec. 29 of this Act, secs. 5 - 17, 22, 23, 25, and 26 of this Act take effect, they take effect immediately under AS 01.10.070(c)."

Renumber the following bill section of the amendment accordingly.

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 30 - 32"

Representative Carrick moved and asked unanimous consent that Amendment No. 37 to Amendment No. 2 as amended be adopted.

There was objection.

Representative Carrick moved and asked unanimous consent to withdraw Amendment No. 37 to Amendment No. 2 as amended.

Representative Stapp objected and withdrew the objection.

There being no further objection, Amendment No. 37 to Amendment No. 2 as amended was withdrawn.

Amendment No. 38 to Amendment No. 2 as amended was offered by Representative Stapp:

Page 1, line 6 After "**Corporation;**"

Insert "**relating to the royalty rate for leases within the Cook Inlet sedimentary basin; relating to a report on leases receiving royalty relief;**"

Page 12, following line 26

Insert "**Sec 19** AS 38.05.180 is amended by adding new subsections to read:

(mm) Under (j) of this section, beginning January 1, 2026, the commissioner shall modify the leases within the Kitchen Lights Unit so that the royalty rate for leases within the Kitchen Lights Unit is three percent if the lessee can demonstrate that the royalty rate, as modified under this subsection, will result in cost savings to end users of natural gas. Royalty calculations may be audited by the department at any time. The royalty modification under this subsection may be terminated if the commissioner determines that the royalty modification was assigned without approval of the commissioner, consistent with (j)(5) of this section. In this subsection, "Kitchen Lights Unit" means leases with division of lands numbers 389196, 389197, 389198, 389507, 389514, 389515, and 389923.

(nn) Under (j) of this section, beginning January 1, 2027, the commissioner shall modify the leases within the Cook Inlet sedimentary basin so that the royalty rate for leases within the Cook Inlet sedimentary basin is five percent if the lessee can demonstrate that the royalty rate, as modified under this subsection, will result in cost savings to end users of natural gas. Royalty calculations may be audited by the department at any time. The royalty modification under

this subsection may be terminated if the commissioner determines that the royalty modification was assigned without approval of the commissioner, consistent with (j)(5) of this section. This subsection does not apply to leases modified under (mm) of this section.

(oo) Every five years, the commissioner shall prepare a report on the leases receiving royalty relief under this section. Every five years, beginning January 1, 2031, the commissioner shall deliver the report not later than the first day of the regular session of the legislature to the senate secretary and the chief clerk of the house of representatives and notify the legislature that the report is available. The commissioner shall certify the accuracy of the information in the report and certify that the report is consistent with information reported to other agencies of the state. The state may audit information published in the report. The report must set out:

(1) the amount of oil and gas produced from the leases in the preceding five-year period, including the cumulative amounts of oil and gas produced over the five-year period and the annual amount of oil and gas produced for each year covered by the report;

(2) unless the information is otherwise confidential, financial and operational information for the leases for the preceding five-year period, including capital expenditures, operating expenditures, average cost of production, average realized sales price for oil and gas produced from the leases, and development activity occurring in the leases, including the number of wells drilled, completed, and producing and other significant capital projects or enhanced recovery efforts occurring in the leases;

(3) the amount of royalty revenue received from the leases during the preceding five years;

(4) a discussion of the effects on the state of the royalty modification under this section, including the total amount of royalty revenue received by the state under the modified royalty rate, an estimate of royalty revenue that would have been received without the modification, and an analysis of the extent to which the royalty modification has affected production, investment, and continued operation of the leases;

(5) a description of the future of the unit, including anticipated production over the next five years, planned development activities, and conditions necessary for continued operation of the leases; and

(6) an analysis of the effects on energy costs for state residents resulting from royalty modification under this section and from

production from the leases, including, if practicable, the effect on regional energy prices."

Page 24, following line 5

Insert "**Section 29.** The uncodified law of the State of Alaska is amended by adding a new section to read: RETROACTIVITY. AS 38.05.180(mm), enacted by sec. 19 of this Act, is retroactive to January 1, 2026."

Renumber sections accordingly

Representative Stapp moved and asked unanimous consent that Amendment No. 38 to Amendment No. 2 as amended be adopted.

Representative Josephson objected.

Representative McCabe placed a call of the House for HCS CSSB 180(L&C).

Representative Stapp moved and asked unanimous consent to withdraw Amendment No. 38 to Amendment No. 2 as amended. There being no objection, the amendment was withdrawn.

Amendment No. 21 to Amendment No. 2 as amended was offered by Representative Frier:

Page 1, line 6 of the amendment, following "taxes":

Insert "**and equity ownership agreements**"

Page 2, lines 9 - 20 of the amendment:

Delete all material and insert:

"(B) does not include

(i) tax revenue resulting from property taxes on a gas treatment plant, carbon capture facility, or liquefied natural gas facility related to a natural gas project, as defined in AS 43.59.100;

(ii) appropriations of revenue received by a municipality under AS 43.59.030;

* **Sec. 4.** AS 29.45.050 is amended by adding a new subsection to read:

(aa) A municipality may by ordinance partially or totally exempt from taxation or provide an alternate tax rate for all or some property related to a natural gas project for a designated period. A municipality may by ordinance permit deferral of payment of taxes on a natural gas project for a designated period. A municipality may apply an exemption or deferral under this subsection to taxes levied for special services in a service area that is supervised by an elected service area board under AS 29.35.460 unless the elected service area board objects to the exemption or deferral by resolution adopted not later than 60 days after the effective date of the municipal ordinance enacting the tax exemption or deferral. A municipality may adopt an ordinance under this subsection only if, before it is adopted, copies of the proposed ordinance made available at a public hearing on it contain written notice that the ordinance, if adopted, may be repealed by the voters through referendum. An ordinance adopted under this subsection must include specific eligibility requirements and require a written application for each exemption or deferral. In this subsection, "natural gas project" has the meaning given in AS 43.59.100.

* **Sec. 5.** AS 29.45 is amended by adding a new section to read:

Sec. 29.45.085. Alternative volumetric tax election; equity option. (a) A municipality may by ordinance elect to exempt from municipal taxation under AS 29.45.010 - 29.45.560 a gas treatment plant, carbon capture facility, or liquefied natural gas plant.

(b) If a municipality by ordinance elects to exempt property from tax under (a) of this section, the municipality may by ordinance elect to enter into an agreement with the owner of the gas treatment plant, carbon capture facility, or liquefied natural gas plant to receive an equity interest in the gas treatment plant, carbon capture facility, or liquefied natural gas plant.

(c) An equity interest accrued under (b) of this section

(1) may be structured as an ownership interest, revenue interest, or other equivalent participation;

(2) must be in proportion to the value determined as if the property were subject to municipal property tax;

(3) must entitle the municipality to distributions, participation, voting and governance rights, contractual rights, and options, consistent with other equity holders.

(d) An equity interest accrued under this section is exempt from the limitations in AS 29.45.080(c) - (f) and 29.45.090.

(e) In this section, "carbon capture facility," "gas treatment plant," and "liquefied natural gas plant" mean a "carbon capture facility," "gas treatment plant," or "liquefied natural gas plant" associated with a natural gas project, as defined in AS 43.59.100."

Renumber the following bill sections of the amendment accordingly.

Page 12, following line 30 of the amendment:

Insert a new bill section to read:

** **Sec. 21.** AS 43.56.010(b) is amended to read:

(b) A municipality may levy and collect a tax under AS 29.45.080 at the rate of taxation that applies to other property taxed by the municipality. The tax shall be levied at a rate **not** [NO] higher than the rate applicable to other property taxable by the municipality. **Except as provided in this section and AS 29.45.085, a** [A] municipality may not exempt from taxation property authorized to be taxed under this chapter. Exemptions shall be limited to those in AS 29.45.030, 29.45.050, and AS 43.56.020."

Renumber the following bill sections of the amendment accordingly.

Page 13, following line 12 of the amendment:

Insert a new bill section to read:

** **Sec. 23.** AS 43.56.210(5) is amended to read:

(5) "taxable property"

(A) means real and tangible personal property used or committed by contract or other agreement for use within this state primarily in the exploration for, production of, or pipeline transportation of gas or unrefined oil (except for property used solely for the retail distribution or liquefaction of natural gas), or in the operation or maintenance of facilities used in the exploration for, production of, or pipeline transportation of gas or unrefined oil; "taxable property" includes

(i) machinery, appliances, supplies, and equipment;

(ii) drilling rigs, wells (whether producing or

not), gathering lines and transmission lines, pumping stations, compressor stations, power plants, topping plants, and processing units;

(iii) roads, tank farms, tanker terminals, docks and other port facilities, and air strips;

(iv) aircraft and motor vehicles owned by a person whose principal business in the state is the exploration for, production of, or pipeline transportation of gas or unrefined oil and whose operation of the aircraft or motor vehicle directly relates to the conduct of that business;

(v) maintenance equipment and facilities, and maintenance camps and other related facilities; and

(vi) communications facilities owned by a person whose principal business in the state is the exploration for, production of, or pipeline transportation of gas or unrefined oil and whose operation of the communications facilities directly relates to the conduct of that business;

(B) does not include

(i) permanent residences;

(ii) office buildings requiring substantial local government services;

(iii) oil and gas pipeline systems owned and operated by a public utility that is certificated under AS 42.05.221 and is regulated by the Regulatory Commission of Alaska;

(iv) aircraft and motor vehicles, except aircraft and motor vehicles taxable under (A)(iv) of this paragraph; [AND]

(v) communications facilities, except communications facilities taxable under (A)(vi) of this paragraph; **and**

(vi) property related to a gas treatment plant, as defined in AS 43.59.100;"

Renumber the following bill sections accordingly.

Page 13, line 30, through page 14, line 21 of the amendment:

Delete all material and insert:

"(b) The volumetric tax is \$0.09 for each 1,000 cubic feet of natural gas transported through a gas pipeline.

(c) Beginning the first year the tax applies to throughput of a gas pipeline, the rate of tax for throughput under this section shall be adjusted on January 1 of each year for inflation, using 100 percent of the average change each year over the preceding five calendar years in the Consumer Price Index for all urban consumers for urban Alaska, as determined by the United States Department of Labor, Bureau of Labor Statistics."

Reletter the following subsections of the amendment accordingly.

Page 14, line 31, through page 15, line 1 of the amendment:

Delete "and with each municipality collecting tax under this section"

Page 15, line 13 of the amendment:

Delete "or a municipality"

Page 16, lines 14 - 21 of the amendment:

Delete all material and insert:

"Sec. 43.59.030. Allocation of alternative tax. (a) The department shall levy and collect the alternative volumetric tax imposed by this chapter.

(b) The department shall separately account for the tax collected by the state under AS 43.59.020. Each year, the legislature may appropriate

(1) 50 percent of the tax collected under AS 43.59.020 to the portion of the state through which a gas pipeline runs, with appropriations proportionately divided among the municipalities and unorganized borough through which the gas pipeline runs; to determine the proportional distribution under this paragraph, the length of pipeline in a municipality is divided by the total length of the pipeline; the state shall retain the portions of the tax for the proportion of the pipeline in the unorganized borough that is also outside a municipality; and

(2) 50 percent of the tax collected under AS 43.59.020 to municipalities, reserves, and communities in the unorganized borough, distributed on a per capita basis."

Page 17, lines 3 - 12 of the amendment:

Delete "**Reporting; regulations.** (a) The owner of property subject to tax under this section shall, at the request of the department, provide to the department the information necessary to calculate the tax under this section, including capital expenditures made by the owner. Notwithstanding AS 40.25.100(a) and AS 43.05.230, the department shall hold confidential proprietary information provided to the department under this subsection at the request of the owner. In this subsection "proprietary information" means information that, if publicly disclosed, would adversely affect the competitive position of the owner or materially diminish the commercial value of the information to the owner.

(b)"

Insert "**Regulations.**"

Page 17, lines 17 - 18 of the amendment:

Delete "; and

(4) reporting and verifying capital expenditures for the purpose of the calculations under AS 43.59.020(d) and adopting regulations under AS 43.59.030"

Page 17, lines 20 - 22 of the amendment:

Delete all material.

Renumber the following paragraphs of the amendment accordingly.

Page 21, line 15 of the amendment:

Delete "sec. 7"

Insert "sec. 8"

Page 21, line 16 of the amendment:

Delete "sec. 7"

Insert "sec. 8"

Page 21, line 17 of the amendment:

Delete "sec. 10"

Insert "sec. 11"

Page 21, line 18 of the amendment:

Delete "sec. 10"

Insert "sec. 11"

Page 21, line 19 of the amendment:

Delete "sec. 14"

Insert "sec. 15"

Page 21, line 20 of the amendment:

Delete "sec. 14"

Insert "sec. 15"

Page 21, line 21 of the amendment:

Delete "sec. 16"

Insert "sec. 17"

Page 21, line 22 of the amendment:

Delete "sec. 16"

Insert "sec. 17"

Page 21, line 23 of the amendment:

Delete "sec. 16"

Insert "sec. 17"

Page 21, line 27 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 21, line 30 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 22, line 2 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 22, line 3 of the amendment:

Delete "sec. 12"

Insert "sec. 13"

Page 22, line 7 of the amendment:

Delete "Sections 1 - 4, 19 - 21, and 24"

Insert "Sections 1 - 5, 20 - 24, and 27"

Page 22, line 9 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 23, lines 20 - 21 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 23, lines 25 - 26 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 23, line 30 of the amendment:

Delete "Section 18"

Insert "Section 19"

Page 24, line 5 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 30(a)"

Page 24, line 6 of the amendment:

Delete "sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24"

Insert "sec. 29 of this Act, secs. 1 - 5, 20 - 24, and 27"

Page 24, line 8 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 30(a)"

Page 24, line 9 of the amendment:

Delete "sec. 28 of this Act, sec. 18"

Insert "sec. 31 of this Act, sec. 19"

Page 24, line 13 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 29(a)"

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 31 and 32"

Representative Frier moved and asked unanimous consent that Amendment No. 21 to Amendment No. 2 as amended be adopted.

Representative Kopp objected.

The question being: "Shall Amendment No. 21 to Amendment No. 2 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Amendment No. 21 to Amendment No. 2 as amended

YEAS: 21 NAYS: 19 EXCUSED: 0 ABSENT: 0

Yeas: Carrick, Dibert, Edgmon, Eischeid, Fields, Foster, Frier, Galvin, Gray, Hall, Hannan, Himschoot, Jimmie, Johnson, Josephson, Mears, Mina, Moore, Schrage, Stapp, Story

Nays: Allard, Bynum, Costello, Coulombe, Elam, Holland, Kopp, McCabe, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schwanke, St. Clair, Stutes, Tomaszewski, Underwood, Vance

Allard changed from "YEA" to "NAY"

Galvin changed from "NAY" to "YEA"

And so, Amendment No. 21 to Amendment No. 2 as amended was adopted.

Amendment No. 24 to Amendment No. 2 as amended was offered by Representative Frier:

Page 2, following line 10 of the amendment:

Insert new bill sections to read:

*** Sec. 4.** AS 29.45.050 is amended by adding a new subsection to read:

(aa) A municipality may by ordinance partially or totally exempt from taxation or provide an alternate tax rate for all or some property related to a gas transmission line for a designated period. A municipality may by ordinance permit deferral of

payment of taxes on a gas transmission line for a designated period. A municipality may apply an exemption or deferral under this subsection to taxes levied for special services in a service area that is supervised by an elected service area board under AS 29.35.460 unless the elected service area board objects to the exemption or deferral by resolution adopted not later than 60 days after the effective date of the municipal ordinance enacting the tax exemption or deferral. A municipality may adopt an ordinance under this subsection only if, before it is adopted, copies of the proposed ordinance made available at a public hearing on it contain written notice that the ordinance, if adopted, may be repealed by the voters through referendum. An ordinance adopted under this subsection must include specific eligibility requirements and require a written application for each exemption or deferral. In this subsection, "gas transmission line" means a Point Thomson unit gas transmission line or a Prudhoe Bay unit gas transmission line, as those terms are defined in AS 29.45.085.

* **Sec. 5.** AS 29.45 is amended by adding a new section to read:

Sec. 29.45.085. Alternative volumetric tax election; equity option. (a) If a municipality by ordinance elects to exempt or partially exempt a gas transmission line from tax under AS 29.45.050(c), the municipality may by ordinance elect to enter into an agreement with the owner of the gas transmission line to receive an equity interest in the gas transmission line or a related natural gas project.

(b) An equity interest accrued under (a) of this section

(1) may be structured as an ownership interest, revenue interest, or other equivalent participation;

(2) must be in proportion to the value determined as if the property were subject to municipal property tax;

(3) must entitle the municipality to distributions, participation, voting and governance rights, contractual rights, and options, consistent with other equity holders.

(c) An equity interest accrued under this section is exempt from the limitations in AS 29.45.080(c) - (f) and 29.45.090.

(d) In this section,

(1) "gas transmission line" means a Point Thomson unit gas transmission line or a Prudhoe Bay unit gas transmission line;

(2) "natural gas project" has the meaning given in

AS 43.59.100;

(3) "Point Thomson unit gas transmission line" means a natural gas transmission line from the outlet flange of the Point Thomson unit production facility to the inlet flange of the gas treatment plant;

(4) "Prudhoe Bay unit gas transmission line" means a natural gas transmission line from the outlet flange of the Prudhoe Bay unit central gas facility to the inlet flange of the gas treatment plant."

Renumber the following bill sections of the amendment accordingly.

Page 13, following line 12 of the amendment:

Insert a new bill section to read:

"* **Sec. 23.** AS 43.56.210(5) is amended to read:

(5) "taxable property"

(A) means real and tangible personal property used or committed by contract or other agreement for use within this state primarily in the exploration for, production of, or pipeline transportation of gas or unrefined oil (except for property used solely for the retail distribution or liquefaction of natural gas), or in the operation or maintenance of facilities used in the exploration for, production of, or pipeline transportation of gas or unrefined oil; "taxable property" includes

(i) machinery, appliances, supplies, and equipment;

(ii) drilling rigs, wells (whether producing or not), gathering lines and transmission lines, pumping stations, compressor stations, power plants, topping plants, and processing units;

(iii) roads, tank farms, tanker terminals, docks and other port facilities, and air strips;

(iv) aircraft and motor vehicles owned by a person whose principal business in the state is the exploration for, production of, or pipeline transportation of gas or unrefined oil and whose operation of the aircraft or motor vehicle directly relates to the conduct of that business;

(v) maintenance equipment and facilities, and

maintenance camps and other related facilities; and

(vi) communications facilities owned by a person whose principal business in the state is the exploration for, production of, or pipeline transportation of gas or unrefined oil and whose operation of the communications facilities directly relates to the conduct of that business;

(B) does not include

(i) permanent residences;

(ii) office buildings requiring substantial local government services;

(iii) oil and gas pipeline systems owned and operated by a public utility that is certificated under AS 42.05.221 and is regulated by the Regulatory Commission of Alaska;

(iv) aircraft and motor vehicles, except aircraft and motor vehicles taxable under (A)(iv) of this paragraph; [AND]

(v) communications facilities, except communications facilities taxable under (A)(vi) of this paragraph; **and**

(vi) property related to a Point Thomson unit gas transmission line or a Prudhoe Bay unit gas transmission line, as those terms are defined in AS 29.45.085;

Renumber the following bill sections of the amendment accordingly.

Page 14, following line 24 of the amendment:

Insert a new subsection to read:

"(h) The alternative volumetric tax under this section and the tax abatement under AS 43.59.010 do not apply to a Point Thomson unit gas transmission line or a Prudhoe Bay unit gas transmission line. A Point Thomson unit gas transmission line or a Prudhoe Bay unit gas transmission line remains subject to taxation under AS 29.45. In this subsection, "Point Thomson unit gas transmission line" and "Prudhoe Bay unit gas transmission line" have the meanings given in AS 29.45.085."

Reletter the following subsections of the amendment accordingly.

Page 18, lines 2 - 3 of the amendment:

Delete "Prudhoe Bay unit gas transmission line, a Point Thomson unit"

Page 18, line 6 of the amendment, following "pipeline":

Insert "associated with a natural gas project"

Page 18, lines 11 - 12 of the amendment:

Delete "a Prudhoe Bay unit gas transmission line, a Point Thomson unit gas transmission line,"

Page 18, line 14 of the amendment:

Delete "(A)"

Page 18, lines 18 - 23 of the amendment:

Delete all material.

Page 21, line 15 of the amendment:

Delete "sec. 7"

Insert "sec. 9"

Page 21, line 16 of the amendment:

Delete "sec. 7"

Insert "sec. 9"

Page 21, line 17 of the amendment:

Delete "sec. 10"

Insert "sec. 12"

Page 21, line 18 of the amendment:

Delete "sec. 10"

Insert "sec. 12"

Page 21, line 19 of the amendment:

Delete "sec. 14"

Insert "sec. 16"

Page 21, line 20 of the amendment:

Delete "sec. 14"

Insert "sec. 16"

Page 21, line 21 of the amendment:

Delete "sec. 16"

Insert "sec. 18"

Page 21, line 22 of the amendment:

Delete "sec. 16"

Insert "sec. 18"

Page 21, line 23 of the amendment:

Delete "sec. 16"

Insert "sec. 18"

Page 21, line 27 of the amendment:

Delete "sec. 12"

Insert "sec. 14"

Page 21, line 30 of the amendment:

Delete "sec. 12"

Insert "sec. 14"

Page 22, line 2 of the amendment:

Delete "sec. 12"

Insert "sec. 14"

Page 22, line 3 of the amendment:

Delete "sec. 12"

Insert "sec. 14"

Page 22, line 7 of the amendment:

Delete "Sections 1 - 4, 19 - 21, and 24"

Insert "Sections 1 - 6, 21 - 24, and 27"

Page 22, line 9 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 23, lines 20 - 21 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 23, lines 25 - 26 of the amendment:

Delete "sec. 21"

Insert "sec. 24"

Page 23, line 30 of the amendment:

Delete "Section 18"

Insert "Section 20"

Page 24, line 5 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 30(a)"

Page 24, line 6 of the amendment:

Delete "sec. 27 of this Act, secs. 1 - 4, 19 - 21, and 24"

Insert "sec. 29 of this Act, secs. 1 - 6, 21 - 24, and 27"

Page 24, line 8 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 30(a)"

Page 24, line 9 of the amendment:

Delete "sec. 28 of this Act, sec. 18"

Insert "sec. 31 of this Act, sec. 20"

Page 24, line 13 of the amendment:

Delete "sec. 27(a)"

Insert "sec. 30(a)"

Page 24, line 14 of the amendment:

Delete "secs. 29 and 30"

Insert "secs. 32 and 33"

Representative Frier moved and asked unanimous consent that Amendment No. 24 to Amendment No. 2 as amended be adopted.

Representative Kopp objected.

Representative Frier moved and asked unanimous consent to table Amendment No. 24 to Amendment No. 2 as amended. There being no objection, the amendment was tabled.

Representative Kopp moved and asked unanimous consent that the House rescind previous action in adopting Amendment No. 21 to Amendment No. 2 as amended.

There was objection.

The question being: "Shall the House rescind previous action in adopting Amendment No. 21 to Amendment No. 2 as amended?" The roll was taken with the following result:

HCS CSSB 180(L&C)

Second Reading

Rescind Previous Action in adopting Amendment No. 21 to Amendment No. 2

YEAS: 20 NAYS: 20 EXCUSED: 0 ABSENT: 0

Yeas: Allard, Bynum, Costello, Coulombe, Elam, Kopp, McCabe, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schwanke, St. Clair, Stapp, Stutes, Tomaszewski, Underwood, Vance

Nays: Carrick, Dibert, Edgmon, Eischeid, Fields, Foster, Frier, Galvin, Gray, Hall, Hannan, Himschoot, Holland, Jimmie, Johnson, Josephson, Mears, Mina, Schrage, Story

And so, the motion failed.

The Speaker stated that, without objection, HCS CSSB 180(L&C) with Amendment No. 2 as amended pending would be moved to the bottom of the calendar.

Representative McCabe lifted the call.

SB 9

The following was read the second time:

CS FOR SENATE BILL NO. 9(JUD)

"An Act relating to the surrender of infants; and providing for an effective date."

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with the:

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JUD RPT HCS(JUD) NEW TITLE 3DP 3NR	2304
FN5: ZERO(DOH)	2304
FN6: ZERO(DPS)	2304
FN7: ZERO(DFC)	2304

Representative Kopp moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original bill:

HOUSE CS FOR CS FOR SENATE BILL NO. 9(JUD)

"An Act relating to the surrender of infants; relating to civil history; and providing for an effective date."

There being no objection, it was so ordered.

Representative Kopp moved and asked unanimous consent that HCS CSSB 9(JUD) be considered engrossed, advanced to third reading, and placed on final passage. There being no objection, it was so ordered.

HCS CSSB 9(JUD) was read the third time.

The question being: "Shall HCS CSSB 9(JUD) pass the House?" The roll was taken with the following result:

HCS CSSB 9(JUD)

Third Reading

Final Passage

YEAS: 35 NAYS: 5 EXCUSED: 0 ABSENT: 0

Yeas: Allard, Bynum, Carrick, Costello, Coulombe, Dibert, Edgmon, Eischeid, Elam, Foster, Frier, Galvin, Gray, Hannan, Himschoot, Holland, Jimmie, Johnson, Josephson, Kopp, McCabe, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schwanke, St. Clair, Stapp, Story, Stutes, Tomaszewski, Underwood, Vance

Nays: Fields, Hall, Mears, Mina, Schrage

And so, HCS CSSB 9(JUD) passed the House.

Representative Kopp moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. There being no objection, it was so ordered.

HCS CSSB 9(JUD) was referred to the Chief Clerk for engrossment.

SPECIAL ORDER OF BUSINESS

HCR 14

Representative Kopp moved and asked unanimous consent that the following be taken up as a Special Order of Business:

HOUSE CONCURRENT RESOLUTION NO. 14

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 9, relating to the surrender of infants.

There being no objection, it was so ordered.

The question being: "Shall HCR 14 pass the House?" The roll was taken with the following result:

HCR 14

Second Reading

Final Passage

Special Order of Business

YEAS: 40 NAYS: 0 EXCUSED: 0 ABSENT: 0

Yeas: Allard, Bynum, Carrick, Costello, Coulombe, Dibert, Edgmon, Eischeid, Elam, Fields, Foster, Frier, Galvin, Gray, Hall, Hannan, Himschoot, Holland, Jimmie, Johnson, Josephson, Kopp, McCabe, Mears, Mina, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schrage, Schwanke, St. Clair, Stapp, Story, Stutes, Tomaszewski, Underwood, Vance

And so, HCR 14 passed the House and was referred to the Chief Clerk for engrossment.

SECOND READING OF SENATE BILLS**SB 21**

The following was read the second time:

CS FOR SENATE BILL NO. 21(FIN)

"An Act establishing the Alaska Work and Save Program in the Department of Revenue; and providing for an effective date."

with the:	Journal Page
L&C RPT HCS(L&C) NEW TITLE 3DP 3NR 1AM	2433
FN3: INDETERMINATE(REV)	2433
FN5: (REV)	2433
FIN RPT HCS(L&C) NEW TITLE 5DP 3NR	2693
FN6: (REV)	2693
FN7: ZERO(REV)	2693

Representative Kopp moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original bill:

HOUSE CS FOR CS FOR SENATE BILL NO. 21(L&C)

"An Act establishing the Alaska Work and Save Program in the Department of Revenue; relating to depositing permanent fund dividends into investment accounts; and providing for an effective date."

There being no objection, it was so ordered.

Representative Kopp moved and asked unanimous consent that HCS CSSB 21(L&C) be considered engrossed, advanced to third reading, and placed on final passage. There being no objection, it was so ordered.

HCS CSSB 21(L&C) was read the third time.

The question being: "Shall HCS CSSB 21(L&C) pass the House?"
The roll was taken with the following result:

HCS CSSB 21(L&C)

Third Reading

Final Passage

YEAS: 31 NAYS: 9 EXCUSED: 0 ABSENT: 0

Yeas: Bynum, Carrick, Costello, Coulombe, Dibert, Edgmon, Eischeid, Fields, Foster, Frier, Galvin, Gray, Hall, Hannan, Himschoot, Holland, Jimmie, Johnson, Josephson, Kopp, McCabe, Mears, Mina, D.Nelson, Saddler, Schrage, Stapp, Story, Stutes, Tomaszewski, Underwood

Nays: Allard, Elam, Moore, G.Nelson, Prax, Ruffridge, Schwanke, St. Clair, Vance

And so, HCS CSSB 21(L&C) passed the House.

Representative Kopp moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. There being no objection, it was so ordered.

HCS CSSB 21(L&C) was referred to the Chief Clerk for engrossment.

SPECIAL ORDER OF BUSINESS

HCR 18

Representative Kopp moved and asked unanimous consent that the following be taken up as a Special Order of Business:

HOUSE CONCURRENT RESOLUTION NO. 18

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 21, establishing the Alaska Work and Save Program in the Department of Revenue.

There being no objection, it was so ordered.

The question being: "Shall HCR 18 pass the House?" The roll was taken with the following result:

HCR 18

Second Reading

Final Passage

Special Order of Business

YEAS: 40 NAYS: 0 EXCUSED: 0 ABSENT: 0

Yeas: Allard, Bynum, Carrick, Costello, Coulombe, Dibert, Edgmon, Eischeid, Elam, Fields, Foster, Frier, Galvin, Gray, Hall, Hannan, Himschoot, Holland, Jimmie, Johnson, Josephson, Kopp, McCabe, Mears, Mina, Moore, D.Nelson, G.Nelson, Prax, Ruffridge, Saddler, Schrage, Schwanke, St. Clair, Stapp, Story, Stutes, Tomaszewski, Underwood, Vance

And so, HCR 18 passed the House and was referred to the Chief Clerk for engrossment.

SECOND READING OF SENATE BILLS

SB 24

The following was read the second time:

CS FOR SENATE BILL NO. 24(FIN)

"An Act relating to tobacco, tobacco products, electronic smoking products, nicotine, and products containing nicotine; raising the minimum age to purchase, exchange, or possess tobacco, a product containing nicotine, or an electronic smoking product; relating to the tobacco use education and cessation fund; relating to the taxation of electronic smoking products and vapor products; and providing for an effective date."

with the:

Journal Page

FIN RPT HCS(FIN) 6DP 2NR 2AM	2760
FN10: (REV)	2760
FN11: ZERO(ADM)	2760
FN12: ZERO(ADM)	2760
FN13: ZERO(CED)	2760
FN14: ZERO(DOH)	2760
FN15: ZERO(LAW)	2760
FN16: ZERO(DPS)	2760
FN17: ZERO(AJS)	2760

Representative Kopp moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original bill:

HOUSE CS FOR CS FOR SENATE BILL NO. 24(FIN)
(same title)

Representative Johnson objected and withdrew the objection. There being no further objection, HCS SB 24(FIN) was adopted.

Amendment No. 1 was not offered.

Amendment No. 2 was offered by Representatives Bynum and Jimmie:

Page 1, lines 2 - 3 (title amendment):

Delete ", **exchange, or possess tobacco,**"

Page 2, lines 7 - 22:

Delete all material.

Renumber the following bill sections accordingly.

Page 2, line 23:

Delete "AS 11.76.105"

Insert "AS 11.76.105(c)"

Page 2, line 24, through page 3, line 15:

Delete all material.

Page 3, line 17:

Delete "**person under 21 years of age** [MINOR]"

Insert "minor"

Page 3, lines 21 - 28:

Delete all material.

Renumber the following bill sections accordingly.

Page 5, line 24:

Delete "**21** [19]"

Insert "19"

Page 6, lines 3 - 6:

Delete all material.

Renumber the following bill sections accordingly.

Page 22, line 29:

Delete "sec. 28"

Insert "sec. 25"

Page 23, line 29, through page 24, line 26:

Delete all material.

Renumber the following bill sections accordingly.

Page 25, line 2:

Delete all material.

Renumber the following paragraphs accordingly.

Page 25, line 3:

Delete "AS 11.76.105, as amended by sec. 3"

Insert "AS 11.76.105(c), as amended by sec. 2"

Page 25, line 4:

Delete all material.

Renumber the following paragraphs accordingly.

Page 25, line 5:

Delete "sec. 5"

Insert "sec. 3"

Page 25, line 6:

Delete "sec. 6"

Insert "sec. 4"

Page 25, line 7:

Delete "sec. 7"

Insert "sec. 5"

Page 25, line 8:

Delete "sec. 8"

Insert "sec. 6"

Page 25, line 9:
Delete "sec. 9"
Insert "sec. 7"

Page 25, line 10:
Delete "sec. 10"
Insert "sec. 8"

Page 25, line 11:
Delete "sec. 20 of this Act;"
Insert "sec. 17 of this Act; and"

Page 25, line 12:
Delete "sec. 23 of this Act; and"
Insert "sec. 20 of this Act."

Page 25, line 13:
Delete all material.

Page 25, line 14:
Delete "Sections 13, 16, 19, and 25"
Insert "Sections 10, 13, 20, and 26"

Page 25, line 15:
Delete all material.

Representative Bynum moved and asked unanimous consent that Amendment No. 2 be adopted.

Representative Josephson objected.

The House adjourned.

HCS SB 24(FIN) will be held in second reading to the May 19 calendar with Amendment No. 2 moved and pending.

SB 146

The following was not taken up this legislative day and will be on the May 19 calendar:

SENATE BILL NO. 146

"An Act relating to the regional educational attendance area and small municipal school district fund; relating to Mt. Edgecumbe High School; and relating to teacher housing."

SB 211

The following was not taken up this legislative day and will be on the May 19 calendar:

CS FOR SENATE BILL NO. 211(L&C)

"An Act extending the termination date of the Board of Professional Counselors; extending the termination date of the Board of Marital and Family Therapy; extending the termination date of the Board of Psychologist and Psychological Associate Examiners; extending the termination date of the Real Estate Commission; extending the termination date of the Board of Certified Real Estate Appraisers; extending the termination date of the Board of Social Work Examiners; relating to reports on the Board of Psychologist and Psychological Associate Examiners and the Board of Certified Real Estate Appraisers; and providing for an effective date."

SB 239

The following was not taken up this legislative day and will be on the May 19 calendar:

SENATE BILL NO. 239

"An Act relating to the registration and titling of legally imported motor vehicles; and providing for an effective date."

SENATE BILLS IN SECOND READING**SB 23**

The following, which had been held from the May 17 calendar (page 2739), was not taken up this legislative day and will be on the May 19 calendar:

HOUSE CS FOR CS FOR SENATE BILL NO. 23(EDC)

"An Act relating to civics education, civics assessments, and secondary school graduation requirements; and providing for an effective date."

THIRD READING OF SENATE BILLS**SB 181**

The following, which had been advanced to third reading from the May 17 calendar (page 2699), was not taken up this legislative day and will be on the May 19 calendar:

SENATE BILL NO. 181

"An Act relating to disclosure of information obtained by the Department of Labor and Workforce Development to other state agencies."

SB 200

The following, which had been advanced to third reading from the May 17 calendar (page 2709), was not taken up this legislative day and will be on the May 19 calendar:

HOUSE CS FOR CS FOR SENATE BILL NO. 200(CRA) am H

"An Act relating to service areas; relating to municipal assessments of farm or agricultural land; and providing for an effective date."

SB 282

The following, which had been advanced to third reading from the May 17 calendar (page 2708), was not taken up this legislative day and will be on the May 19 calendar:

HOUSE CS FOR CS FOR SENATE BILL NO. 282(STA)

"An Act relating to the Joint Armed Services Committee; and providing for an effective date."

SECOND READING OF SENATE RESOLUTIONS**SCR 17**

The following, which had been held from the May 17 calendar (page 2739), was not taken up this legislative day and will be on the May 19 calendar:

SENATE CONCURRENT RESOLUTION NO. 17

Recognizing the 50th anniversary of the state's regional

educational attendance areas; and celebrating the enduring contributions of the state's regional educational attendance areas to public education, local leadership, and community life in rural areas of the state.

SJR 20

The following, which had been held from the May 17 calendar (page 2740), was not taken up this legislative day and will be on the May 19 calendar:

SENATE JOINT RESOLUTION NO. 20

Supporting federal, state, and local efforts to clean up and remove marine debris from the state; urging the National Oceanic and Atmospheric Administration and the Environmental Protection Agency to provide additional funding for those efforts and to remove barriers faced by tribes and rural communities in accessing those funds; and urging the Alaska Congressional delegation to advocate for increased federal funding and support for marine debris prevention, clean up, removal, backhaul, and education.

SJR 29

The following, which had been held from the May 17 calendar (page 2740), was not taken up this legislative day and will be on the May 19 calendar:

SENATE JOINT RESOLUTION NO. 29

Proposing an amendment to the Constitution of the State of Alaska relating to a public education fund.

SECOND READING OF SENATE BILLS**SB 180**

The following, which was moved to the bottom of the calendar (page 2874), will be in second reading on the May 19 calendar with Amendment No. 2 as amended moved and pending:

HOUSE CS FOR CS FOR SENATE BILL NO. 180(L&C)

"An Act relating to the development of the Susitna River power project by the Alaska Energy Authority; relating to the regulation of liquefied natural gas import facilities by the Regulatory Commission of Alaska; and providing for an effective date."

UNFINISHED BUSINESS**SB 9**

Representatives Josephson, D. Nelson, and Underwood added as cross sponsors to:

HOUSE CS FOR CS FOR SENATE BILL NO. 9(JUD)

"An Act relating to the surrender of infants; relating to civil history; and providing for an effective date."

SB 21

Representatives Josephson, Bynum, Underwood, Holland, Gray, Mears, Eischeid, and Dibert added as cross sponsors to:

HOUSE CS FOR CS FOR SENATE BILL NO. 21(L&C)

"An Act establishing the Alaska Work and Save Program in the Department of Revenue; relating to depositing permanent fund dividends into investment accounts; and providing for an effective date."

SB 24

Representatives Mears, Gray, and Carrick added as cross sponsors to:

HOUSE CS FOR CS FOR SENATE BILL NO. 24(FIN)

"An Act relating to tobacco, tobacco products, electronic smoking products, nicotine, and products containing nicotine; raising the minimum age to purchase, exchange, or possess tobacco, a product containing nicotine, or an electronic smoking product; relating to the tobacco use education and cessation fund; relating to the taxation of electronic smoking products and vapor products; and providing for an effective date."

SB 214

The following, which was engrossed and signed by the Speaker and Chief Clerk (page 2687), was transmitted to the Senate for consideration.

HOUSE CS FOR CS FOR SENATE BILL NO. 214(FIN) am H

"An Act making appropriations, including capital appropriations, supplemental appropriations, and reappropriations; making appropriations to capitalize funds; amending appropriations; and providing for an effective date."

ENGROSSMENT

HCR 14

HCR 14 was engrossed, signed by the Speaker and Chief Clerk, and transmitted to the Senate for consideration.

HCR 18

HCR 18 was engrossed, signed by the Speaker and Chief Clerk, and transmitted to the Senate for consideration.

SB 9

HCS CSSB 9(JUD) was engrossed, signed by the Speaker and Chief Clerk, and transmitted to the Senate for consideration.

SB 21

HCS CSSB 21(L&C) was engrossed, signed by the Speaker and Chief Clerk, and transmitted to the Senate for consideration.

ANNOUNCEMENTS

With appointment of the Conference Committee on the operating budget, Rule 23(d) of the Uniform Rules is in effect as of May 11.

House committee schedules are published under separate cover.

ADJOURNMENT

Representative Kopp moved and asked unanimous consent that the House adjourn (page 2882) until 10:00 a.m., May 19. The House adjourned at 10:38 p.m.

Crystaline Jones
Chief Clerk