

**SENATE JOURNAL**  
**ALASKA STATE LEGISLATURE**  
**THIRTY-FOURTH LEGISLATURE**  
**SECOND SPECIAL SESSION**

**Juneau, Alaska**

**Thursday**

**May 21, 2026**

**First Day**

Pursuant to adjournment the Senate was called to order by President Stevens at 10:41 a.m.

The roll showed sixteen members present. Senators Hoffman, Kiehl, Merrick, Olson were excused from a call of the Senate

The prayer was offered by the Chaplain, Pastor Mark Holman, Resurrection Lutheran Church. Senator Rauscher moved and asked unanimous consent the prayer be spread. Without objection, it was so ordered.

O Spirit of God, bless all who are gathered in these hallowed halls. Whatever my roles, tasks, duties, Grant me wisdom, that I might discern your path of selfless service.

In today's deliberations, bless Senators with your gifts of discernment, patience and respect for the other as they work for sound policy ensuring the common good.

And Creator of the earth and skies, be my compass as I strive always, "North to the Future." Amen.

Senator Myers led the Senate in the Pledge of Allegiance.

**Messages from the Governor**

## Executive Proclamation

Under the authority of Article II, Section 9, and Article III, Section 17, Constitution of the State of Alaska, and in the public interest, I call the Thirty-Fourth Legislature of the State of Alaska into its second special session in Juneau, Alaska, in the legislative chambers on May 21, 2026, at 10:00 a.m., to consider passage of bills on subjects germane to the title of the following bill while the bill was under consideration by the Thirty-Fourth Legislature during the second regular session:

HB 381 relating to the taxation of certain natural gas pipeline property; relating to municipal taxation limitations; establishing an alternative volumetric tax on natural gas throughput; and relating to the allocation of revenue from the alternative volumetric tax.

Dated this 19<sup>th</sup> day of May 2026 at 3:51 p.m.

/s/

Mike Dunleavy

Governor

**HB 26**

Letter dated May 20 was received:

Dear President Stevens:

Under the authority vested in me by Article II, Section 15 of the Alaska Constitution, I have vetoed the following bill:

## SCS CSHB 26(TRA)

“An Act relating to the duties of the Department of Transportation and Public Facilities; and relating to a statewide public and community transit plan.”

Enacting this legislation would result in no substantive changes to current transit planning and coordination, as all activities sought to be codified by this bill are already actively being conducted by the State. Furthermore, the bill’s language inappropriately seeks to elevate a

single mode of transportation above others within core state planning powers and duties. This creates an unhelpful imbalance in existing multi-modal planning activities.

Beyond its redundancy, the bill establishes misleading public expectations that cannot be fulfilled by its text or by the statements of its sponsor. It is being used as a pretext for additional funding that would ultimately require federal appropriations to realize—appropriations that are neither secured nor guaranteed by this language.

Finally, this measure is unnecessary, redundant, and it is in the best interest of the State to maintain our current, efficient planning processes rather than introducing duplicative and confusing statutory mandates.

For these reasons, I have vetoed this bill.

Sincerely,

/s/

Mike Dunleavy

Governor

### **Introduction and Reference of Senate Resolutions**

#### **SCR 201**

SENATE CONCURRENT RESOLUTION NO. 201 BY THE  
SENATE RULES COMMITTEE,

Authorizing the Senate and the House of  
Representatives to recess for a period of more than  
three days.

was read the first time. Senator Giessel moved and asked unanimous consent the resolution be taken up. Without objection, it was so ordered.

The question being, “Shall SENATE CONCURRENT RESOLUTION NO. 201 Authorizing the Senate and the House of Representatives to recess for a period of more than three days, pass the Senate?” The roll was taken with the following result:

SCR 201

Final Passage

**YEAS: 16 NAYS: 0 EXCUSED: 4 ABSENT: 0**

Yeas: Bjorkman, Claman, Cronk, Dunbar, Giessel, Gray-Jackson, Kaufman, Kawasaki, Myers, Rauscher, Stedman, Stevens, Tilton, Tobin, Wielechowski, Yundt

Excused: Hoffman, Kiehl, Merrick, Olson

and so, SENATE CONCURRENT RESOLUTION NO. 201 passed the Senate and was referred to the Secretary for engrossment.

**SCR 202**

SENATE CONCURRENT RESOLUTION NO. 202 BY THE SENATE RULES COMMITTEE,

Suspending Rules 47 and 55, Uniform Rules of the Alaska State Legislature, relating to the carry-over of bills to a special session.

was read the first time. Senator Giessel moved and asked unanimous consent the resolution be taken up. Without objection, it was so ordered.

The question being, “Shall SENATE CONCURRENT RESOLUTION NO. 202 Suspending Rules 47 and 55, Uniform Rules of the Alaska State Legislature, relating to the carry-over of bills to a special session, pass the Senate?” The roll was taken with the following result:

SCR 202

Final Passage

**YEAS: 16 NAYS: 0 EXCUSED: 4 ABSENT: 0**

Yeas: Bjorkman, Claman, Cronk, Dunbar, Giessel, Gray-Jackson, Kaufman, Kawasaki, Myers, Rauscher, Stedman, Stevens, Tilton, Tobin, Wielechowski, Yundt

Excused: Hoffman, Kiehl, Merrick, Olson

and so, SENATE CONCURRENT RESOLUTION NO. 202 passed the Senate and was referred to the Secretary for engrossment.

### **Introduction and Reference of Senate Bills**

#### **SB 2001**

SENATE BILL NO. 2001 BY THE SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR, entitled:

"An Act relating to the taxation of certain natural gas project property and related facilities; relating to the determination of the value of taxable real and personal property for purposes of calculating 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 an alternative volumetric tax on natural gas throughput; relating to agreements and payments related to a natural gas project; relating to community impact grants; 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; and providing for an effective date."

was read the first time and referred to the Finance Committee.

The following fiscal information was published today:

Fiscal Note No. 1, Department of Revenue

Fiscal Note No. 2, Department of Commerce, Community, and Economic Development

Fiscal Note No. 3, zero, Department of Commerce, Community, and Economic Development

Governor's transmittal letter dated May 20:

Dear President Stevens:

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the taxation of certain natural gas pipeline property, municipal taxation limitations, the establishment of an alternative volumetric tax on natural gas throughput, and the allocation of revenue from that tax for the Alaska Liquefied Natural Gas (AKLNG) Project.

This legislation builds on the bill transmitted earlier this year and reflects the most recent negotiated framework developed during the regular session. It preserves the central purpose of the original proposal: replacing a property-tax structure that creates front-end costs and uncertainty with a volume-based tax structure that is tied to project performance, while adding provisions intended to address local community impacts, revenue allocation, labor stability, and in-state energy access.

The AKLNG Project remains one of the most significant economic and energy-infrastructure opportunities in Alaska's history. For decades, Alaska has sought a way to deliver abundant North Slope natural gas to market while ensuring affordable and reliable energy for Alaskans. The need for action is urgent. Cook Inlet gas supplies are declining, energy costs remain a serious burden for families and businesses, and Alaska must make the necessary decisions to secure its long-term energy future.

Development of the AKLNG Project will help lower long-term energy costs for Alaska families and businesses, provide long-term energy security for communities across the state, and enable the responsible development of North Slope oil and gas resources that might otherwise remain stranded. The project will generate thousands of construction jobs, long-term operations employment, and significant economic activity. In addition, the project will provide substantial stable new revenue for state and local governments while supporting long-term economic growth across multiple sectors of Alaska's economy.

The project includes a 739-mile natural gas pipeline in Phase One, and completion of the pipeline, compressor stations, a North Slope gas treatment facility, and an LNG export facility in Cook Inlet in subsequent phases. Phase One is key to bringing affordable energy to Alaskans. Access to North Slope natural gas will help stabilize and lower long-term energy costs for homes, businesses, and utilities throughout Alaska.

Under the existing annual 20 mill, or two percent, property tax on oil and gas property, investors have indicated that the AKLNG Project would face a tax structure that imposes significant costs before the project is fully operational. To deliver energy at the lowest possible cost to Alaskans and improve the project's ability to attract private investment, this bill adopts an alternative method of taxation based on natural gas throughput rather than assessed infrastructure value.

This modified proposal continues to provide tax relief during construction and initial operations, while establishing clear conditions for when the alternative volumetric tax begins. The alternative tax structure applies when the project reaches the throughput threshold or the applicable initial operating period has concluded, as provided in the bill. This approach gives the project a predictable path through construction and start-up while ensuring that public revenues are tied to actual project performance.

The bill establishes an alternative volumetric tax structure for major components of the AKLNG Project, including the pipeline, gas treatment and related facilities, and LNG facilities. By tying the tax to throughput, the legislation aligns public revenue with the volume of gas moving through the project, provides greater predictability for investors, reduces the risk of repeated valuation disputes, and supports the short- and long-term economic viability of the project.

This version also incorporates additional protections and commitments developed through the legislative process. The bill provides for the allocation of revenue between the State and affected municipalities, recognizes the impacts on communities that will host or support project infrastructure, and includes a community impact fund to help address construction-related effects. It also includes provisions related to a Fairbanks spur line commitment and project labor agreements to support in-state energy access, labor stability, and timely construction.

The bill further provides that the alternative tax structure will not remain available indefinitely if the project does not move forward. If the project does not meet the construction and development requirements established in the bill, the tax structure will terminate and the project will revert to the existing oil and gas property tax framework. This ensures that tax relief is tied to actual project advancement.

This legislation provides a clear, predictable, and performance-based tax structure for the AKLNG Project while incorporating additional community, labor, and revenue protections. It advances a project that can deliver affordable energy to Alaskans, strengthen Alaska's energy security, support economic growth, create jobs, and unlock the full potential of North Slope natural gas resources.

I urge your prompt and favorable action on this measure.

Sincerely,

/s/

Mike Dunleavy

Governor

### **Unfinished Business**

Senator Giessel moved and asked unanimous consent to amend a prior excusal (page 2492) in order to be excused from a call of the Senate from May 27 through June 5. Without objection, Senator Giessel was excused.

Senator Giessel moved and asked unanimous consent to be excused from a call of the Senate on the following dates:

June 8 through June 11

June 17

June 21 through June 25

Without objection, Senator Giessel was excused.

**Announcements**

Rule 23(d) of the Alaska State Legislature Uniform Rules is currently in effect.

Announcements are at the end of the journal.

**Engrossment****SCR 201**

SENATE CONCURRENT RESOLUTION NO. 201 Authorizing the Senate and the House of Representatives to recess for a period of more than three days, was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

**SCR 202**

SENATE CONCURRENT RESOLUTION NO. 202 Suspending Rules 47 and 55, Uniform Rules of the Alaska State Legislature, relating to the carry-over of bills to a special session, was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

**Adjournment**

Senator Giessel moved and asked unanimous consent the Senate stand in adjournment until 11:00 a.m., June 4, 2026. Without objection, the Senate adjourned at 10:53 a.m.

Liz Clark  
Secretary of the Senate

**Announcements**

Americans with Disabilities Act Notice - Persons with disabilities who require special accommodation or alternative communication formats to access committee meetings may contact the appropriate committee office or the Legislative Information Office in their community. Reasonable advance notice is needed to accommodate the request. For further information, call the ADA Coordinator at 465-3854 Voice/465-4980 TDD.

**STANDING COMMITTEES**

+ indicates teleconference

= indicates bill previously heard/scheduled

**FINANCE**

**May 27      Wednesday                      Senate Finance 532                      9:00 AM**

+ SB2001 GAS PIPELINE VOLUMETRIC TAX; AGDC; RCA  
Presentation: GaffneyCline  
\*\*Streamed live on AKL.tv\*\*

**May 28      Thursday                                  Senate Finance 532                      9:00 AM**

+ SB2001 GAS PIPELINE VOLUMETRIC TAX; AGDC; RCA  
Presentation: GaffneyCline  
\*\*Streamed live on AKL.tv\*\*

**May 29      Friday    Senate Finance 532                      9:00 AM**

+ SB2001 GAS PIPELINE VOLUMETRIC TAX; AGDC; RCA  
\*\*Streamed live on AKL.tv\*\*