

SB

158

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
APR 06 2001
SENATE FINANCE COMMITTEE

DATE: 3/29/01

FURTHER:

DATE TURNED IN TO OFFICE: 6 April 2001

Finance Committee considered **SENATE BILL NO. 158**

REPORT: STATE PARTICIPATION IN NATURAL GAS PIPELINE

"An Act directing the commissioner of revenue to prepare a report to the legislature relating to the state's participation in owning or financing a gas pipeline project; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
 - new title
- House Bill:**
- same title
 - technical title
 - new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
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<i>[Signature]</i>				
COCHAIR: <i>[Signature]</i>				
COCHAIR: <i>[Signature]</i>				

ALASKA STATE LEGISLATURE

Senator John Torgerson, Chair
Senator Drue Pearce, Vice Chair
Senator Rick Halford
Senator Pete Kelly
Senator Robin Taylor
Senator Kim Elton
Senator Georgianna Lincoln



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SENATE RESOURCES COMMITTEE

Sponsor Statement

SB 158

Preparation of an Export Report on State Participation in a Gas Pipeline Project

Commercialization of North Slope natural gas has been one of the legislature's priorities. Potential benefits of commercialization include short and long-term employment, additional state and municipal revenues, opportunities for new industries, and cheap, clean energy for the state. This bill would direct the Commissioner of the Department of Revenue to retain a financial expert to examine whether the state should participate in either ownership or financing of a natural gas pipeline project. The expert would examine any benefit or detriment to a project caused by the state's participation. In the past, the state has retained financial experts to advise it on the possibility of the state participating in a project. Those reports need to be updated.

The bill would ensure that the legislature participates in the preparation of the report by:

- (1) requiring that the chairs of the Senate and House Resources Committees periodically meet with the expert to review data and information about the report; and
- (2) requiring that the commissioner provide progress reports to the chairs every 60 days. The bill would require the commissioner to prepare a comprehensive report, with recommendations, addressing the state's options by January 31, 2002 and submit it to the legislature and the governor.

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SENATE RESOURCES COMMITTEE

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Sectional Analysis

SB 158

"Report: State Participation in Natural Gas Pipeline"

Section 1 - directs the commissioner of the Department of Revenue to retain a financial expert to examine whether the state should participate in either ownership or financing of a natural gas pipeline project and, if so, how the state should participate. The expert would examine any benefit or detriment to a project caused by the state's participation. The legislature will participate in the preparation of the report through the requirements that: (1) the chairs of Senate and House Resource Committees periodically meet with the expert to review data and information about the report; and (2) the commissioner provide progress reports to the chairs every 60 days. The commissioner must prepare a comprehensive report, with recommendations, addressing the state's options by January 31, 2002 and submit it to the legislature and the governor.

