

SB

138

(FILE 2)

<TARGET><BILL>SB 138</BILL><SUBJECT>SB 138 (FILE
2)</SUBJECT><COMM>HRES28</COMM></TARGET>

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE PEGGY WILSON

TO: CSSB 138(FIN) am

- 1 Page 11, line 28:
- 2 Delete "10"
- 3 Insert "20"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 2, line 5, following "credit;":

2 Insert "**requiring the commissioner of revenue to provide a report to the**
3 **legislature on financing options for state ownership and participation in a North Slope**
4 **natural gas project;**"

5

6 Page 54, line 23:

7 Delete ". (a)"

8 Insert "; IDENTIFICATION OF AND REPORT ON FINANCING OPTIONS FOR
9 STATE OWNERSHIP AND PARTICIPATION IN A NORTH SLOPE NATURAL GAS
10 PROJECT. (a) The commissioner of revenue shall identify and report to the legislature on a
11 range of financing options for state acquisition of an ownership interest and participation in a
12 North Slope natural gas project. The report must include a description of the risk associated
13 with each option and the effect of each option on the bonding capacity and bond rating of the
14 state. In this subsection, "North Slope natural gas project" has the meaning given in
15 AS 38.05.965, as amended by sec. 23 of this Act.

16 (b) The commissioner shall make an interim draft of the report described in (a) of this
17 section available to the legislature on the first day of the First Regular Session of the Twenty-
18 Ninth Alaska State Legislature, and a final report at the time the commissioner of natural
19 resources submits the first agreement or contract to the legislature for approval under
20 AS 38.05.020(b)(11), enacted by sec. 14 of this Act."

21

22 Reletter the following subsections accordingly.

23

1 Page 54, line 28:

2 Delete "of"

3 Insert "and analysis by"

4

5 Page 55, line 21:

6 Delete "and"

7

8 Page 55, line 23, following "interest":

9 Insert ";

10 (8) whether the ownership interest held by a municipality, regional
11 corporation, or resident would be subject to project assessments;

12 (9) how cash calls for the project and the expansion of the project would be
13 managed;

14 (10) the income tax consequences to the holder of an ownership interest,
15 including the timing and recognition of income related to the ownership interest, including
16 differentiating income related to the ownership interest from the receipt of dividends or other
17 distributions;

18 (11) the risk that the receipt of a benefit from the project by a person other
19 than the state would make income received from the project by the state subject to federal
20 income tax; and

21 (12) constitutional issues that may be implicated by restricting ownership
22 interests under the plan to residents and municipalities in the state"

23

24 Page 55, following line 24:

25 Insert a new paragraph to read:

26 "(1) "municipality" has the meaning given in AS 01.10.060;"

27

28 Renumber the following paragraphs accordingly.

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE TARR

TO: CSSB 138(FIN) am

1 Page 18, following line 17:

2 Insert a new bill section to read:

3 *** Sec. 19.** AS 38.05.182(a) is amended to read:

4 (a) Any royalty provided for in AS 38.05.135 - 38.05.181 may be taken in
5 kind rather than in money if the commissioner determines that the taking in kind
6 would be in the best interest of the state. However, royalties on oil and gas shall be
7 taken in kind unless the commissioner determines that the taking in money would be
8 in the best interest of the state. **It is not in the best interest of the state to take**
9 **royalty on gas in money from a lessee transporting gas in the North Slope natural**
10 **gas project if the lessee has committed to dispose of or market the state's royalty**
11 **gas taken in kind on the same terms and conditions as the lessee markets or**
12 **disposes of the lessee's gas.**

13

14 Renumber the following bill sections accordingly.

15

16 Page 21, line 16:

17 Delete "sec. 27"

18 Insert "sec. 28"

19

20 Page 25, line 9:

21 Delete "sec. 30"

22 Insert "sec. 31"

23

- 1 Page 31, line 18:
- 2 Delete "sec. 37"
- 3 Insert "sec. 38"
- 4
- 5 Page 53, lines 24 - 25:
- 6 Delete "sec. 23"
- 7 Insert "sec. 24"
- 8
- 9 Page 56, line 6:
- 10 Delete "23 - 27, 29, 30, 37, 39, and 55 - 61"
- 11 Insert "24 - 28, 30, 31, 38, 40, and 56 - 62"
- 12
- 13 Page 56, line 8:
- 14 Delete "Section 38"
- 15 Insert "Section 39"
- 16
- 17 Page 56, line 9:
- 18 Delete "secs. 62 and 63"
- 19 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE HAWKER

TO: CSSB 138(FIN) am

1 Page 1, line 4, following "**projects;**":

2 Insert "**making certain contracts by the Department of Natural Resources and the**
3 **Department of Law not subject to the State Procurement Code;**"

4

5 Page 11, following line 19:

6 Insert a new bill section to read:

7 **** Sec. 13.** AS 36.30.850(b) is amended by adding new paragraphs to read:

8 (47) contracts for professional and technical services by the
9 Department of Natural Resources to support the development of agreements and
10 contracts under AS 38.05.020(b)(10) and (11);

11 (48) contracts of the Department of Law developed with client
12 participation for legal services related to an Alaska liquefied natural gas project as that
13 project is defined in AS 31.25.390, except that, to the extent practicable, the
14 Department of Law shall use the procurement process under AS 36.30.320 with the
15 participation of the client."

16

17 Renumber the following bill sections accordingly.

18

19 Page 14, line 3:

20 Delete "sec. 14"

21 Insert "sec. 15"

22

23 Page 17, line 24:

- 1 Delete "sec. 17"
- 2 Insert "sec. 18"
- 3
- 4 Page 21, line 16:
- 5 Delete "sec. 27"
- 6 Insert "sec. 28"
- 7
- 8 Page 25, line 9:
- 9 Delete "sec. 30"
- 10 Insert "sec. 31"
- 11
- 12 Page 31, line 18:
- 13 Delete "sec. 37"
- 14 Insert "sec. 38"
- 15
- 16 Page 53, lines 24 - 25:
- 17 Delete "sec. 23"
- 18 Insert "sec. 24"
- 19
- 20 Page 54, line 25:
- 21 Delete "sec. 14"
- 22 Insert "sec. 15"
- 23
- 24 Page 56, line 6:
- 25 Delete "Sections 1 - 14, 16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
- 26 Insert "Sections 1 - 15, 17, 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
- 27
- 28 Page 56, line 8:
- 29 Delete "Section 38"
- 30 Insert "Section 39"
- 31

- 1 Page 56, line 9:
- 2 Delete "secs. 62 and 63"
- 3 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 2, line 14, following "**project**";

2 Insert "**relating to the duties of the Oil and Gas Competitiveness Review Board**;"

3

4 Page 53, following line 13:

5 Insert a new bill section to read:

6 "*** Sec. 57.** AS 43.98.050 is amended to read:

7 **Sec. 43.98.050. Duties.** The duties of the board include the following:

8 (1) establish and maintain a salient collection of information related to
9 oil and gas exploration, development, and production in the state and related to tax
10 structures, rates, and credits in other regions with oil and gas resources;

11 (2) review historical, current, and potential levels of investment in the
12 state's oil and gas sector;

13 (3) identify factors that affect investment in oil and gas exploration,
14 development, and production in the state, including tax structure, rates, and credits;
15 royalty requirements; infrastructure; workforce availability; and regulatory
16 requirements;

17 (4) review the competitive position of the state to attract and maintain
18 investment in the oil and gas sector in the state as compared to the competitive
19 position of other regions with oil and gas resources;

20 (5) in order to facilitate the work of the board, establish procedures to
21 accept and keep confidential information that is beneficial to the work of the board,
22 including the creation of a secure data room and confidentiality agreements to be
23 signed by individuals having access to confidential information;

1 (6) make written findings and recommendations to the Alaska State
2 Legislature before

3 (A) January 31, 2015, or as soon thereafter as practicable,
4 regarding

5 (i) changes to the state's regulatory environment and
6 permitting structure that would be conducive to encouraging increased
7 investment while protecting the interests of the people of the state and
8 the environment;

9 (ii) the status of the oil and gas industry labor pool in
10 the state and the effectiveness of workforce development efforts by the
11 state;

12 (iii) the status of the oil-and-gas-related infrastructure of
13 the state, including a description of infrastructure deficiencies; and

14 (iv) the competitiveness of the state's fiscal oil and gas
15 tax regime when compared to other regions of the world;

16 (B) January 15, 2017, regarding

17 (i) the state's tax structure and rates on oil and gas
18 produced south of 68 degrees North latitude;

19 (ii) a tax structure that takes into account the unique
20 economic circumstances for each oil and gas producing area south
21 of 68 degrees North latitude;

22 (iii) a reduction in the gross value at the point of
23 production for oil and gas produced south of 68 degrees North
24 latitude that is similar to the reduction in gross value at the point of
25 production in AS 43.55.160(f) and (g);

26 (iv) other incentives for oil and gas production south
27 of 68 degrees North latitude;

28 (C) January 31, 2021, or as soon thereafter as practicable,
29 regarding

30 (i) changes to the state's fiscal regime that would be
31 conducive to increased and ongoing long-term investment in and

1 development of the state's oil and gas resources;
2 (ii) alternative means for increasing the state's ability to
3 attract and maintain investment in and development of the state's oil
4 and gas resources; and
5 (iii) a review of the current effectiveness and future
6 value of any provisions of the state's oil and gas tax laws that are
7 expiring in the next five years."
8

9 Renumber the following bill sections accordingly.

10

11 Page 56, line 6:

12 Delete "61"

13 Insert "62"

14

15 Page 56, line 9:

16 Delete "secs. 62 and 63"

17 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE HAWKER

TO: CSSB 138(FIN) am

1 Page 26, following line 24:

2 Insert a new bill section to read:

3 **** Sec. 33.** AS 43.20.144(d) is amended to read:

4 (d) The sales factor of a taxpayer subject to this section is a fraction,

5 (1) the numerator of which is the sum of the following for the tax
6 period:

7 (A) the tariffs allowed and received by or for the taxpayer for
8 transporting oil or gas by pipeline in this state, regardless of whether the tariffs
9 are paid by third parties or by entities within the taxpayer's consolidated
10 business; and

11 (B) the total sales of the taxpayer in this state, determined in
12 accordance with AS 43.19 (Multistate Tax Compact), but excluding

13 (i) those sales already included in the tariffs described
14 in (A) of this paragraph;

15 (ii) constructive sales or deemed sales of natural gas
16 delivered to the state as payment of tax under an election made by
17 the taxpayer under AS 43.55.014;

18 (iii) fees, allowed and received, that are paid
19 between entities within the consolidated business of the taxpayer
20 for transporting the taxpayer's natural gas; and

21 (2) the denominator of which is the sum of the following for the tax
22 period:

23 (A) the tariffs allowed and received by or for the taxpayer's

1 consolidated business for transporting oil or gas by pipeline everywhere,
 2 regardless of whether the tariffs are paid by third parties or by entities within
 3 the taxpayer's consolidated business; and

4 (B) the total sales of the taxpayer's consolidated business
 5 everywhere, determined in accordance with AS 43.19 (Multistate Tax
 6 Compact), but excluding

7 (i) those sales already included in the tariffs described
 8 in (A) of this paragraph;

9 (ii) constructive sales or deemed sales of natural gas
 10 delivered to the state as payment of tax under an election made by
 11 the taxpayer under AS 43.55.014 or delivered in another tax
 12 jurisdiction under a law comparable to AS 43.55.014;

13 (iii) fees, allowed and received, that are paid
 14 between entities within the consolidated business of the taxpayer
 15 for transporting the taxpayer's natural gas."

16
 17 Renumber the following bill sections accordingly.

18
 19 Page 31, line 18:

20 Delete "sec. 37"

21 Insert "sec. 38"

22
 23 Page 56, line 6:

24 Delete "37, 39, and 55 - 61"

25 Insert "38, 40, and 56 - 62"

26
 27 Page 56, line 8:

28 Delete "Section 38"

29 Insert "Section 39"

30
 31 Page 56, line 9:

- 1 Delete "secs. 62 and 63"
- 2 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSSB 138(FIN) am

1 Page 15, following line 30:

2 Insert a new bill section to read:

3 **** Sec. 16. AS 38.05 is amended by adding a new section to read:**

4 **Sec. 38.05.023. State access to data developed under contract. An**
5 **agreement or contract in which the state or an agent of the state is a party that is**
6 **negotiated under AS 38.05.020(b)(11) must include a requirement that, if the**
7 **commissioner determines that the North Slope natural gas project is not making**
8 **adequate progress toward a final investment decision, the state shall have access to**
9 **data developed under the agreement or contract in which the state has participated**
10 **financially. Access by the state to the data may not be on terms that are more**
11 **restrictive than the terms that are applicable for access by any other party in the North**
12 **Slope natural gas project."**

13

14 Renumber the following bill sections accordingly.

15

16 Page 17, line 24:

17 Delete "sec. 17"

18 Insert "sec. 18"

19

20 Page 21, line 16:

21 Delete "sec. 27"

22 Insert "sec. 28"

23

1 Page 25, line 9:

2 Delete "sec. 30"

3 Insert "sec. 31"

4

5 Page 31, line 18:

6 Delete "sec. 37"

7 Insert "sec. 38"

8

9 Page 53, lines 24 - 25:

10 Delete "sec. 23"

11 Insert "sec. 24"

12

13 Page 56, line 6:

14 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

15 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"

16

17 Page 56, line 8:

18 Delete "Section 38"

19 Insert "Section 39"

20

21 Page 56, line 9:

22 Delete "secs. 62 and 63"

23 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

TO: CSSB 138(FIN) am

1 Page 53, following line 14:

2 Insert a new bill section to read:

3 **** Sec. 58.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 AGREEMENTS AND CONTRACTS RELATING TO THE TRANSPORTATION
6 OF NATURAL GAS. (a) An agreement or contract entered into by the state or an agency of
7 the state for the transportation of natural gas may not allow a transporter to have an option to
8 participate in an in-state natural gas pipeline project that is primarily intended to make natural
9 gas, including propane and other hydrocarbons associated with natural gas other than oil,
10 available to Fairbanks, the Southcentral region of the state, and other communities in the state
11 at the lowest rates possible.

12 (b) In this section, "transporter" means a person providing gas treatment plant
13 processing and natural gas transportation services in natural gas pipelines and gas
14 transmission lines that are components of an Alaska liquefied natural gas project, as that term
15 is defined in AS 31.25.390(7), enacted by sec. 12 of this Act."
16

17 Renumber the following bill sections accordingly.
18

19 Page 56, line 6:

20 Delete "61"

21 Insert "62"
22

23 Page 56, line 9:

- 1 Delete "secs. 62 and 63"
- 2 Insert "secs. 63 and 64"

Rep. Tarr

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 1, line 7, following "on gas;":

2 Insert "relating to a report and recommendations by the commissioner of natural
3 resources regarding the delivery and availability of North Slope natural gas in the state,
4 including the identification of risks and recommendations for mitigation;"

5

6 Page 53, following line 14:

7 Insert a new bill section to read:

8 **** Sec. 58.** The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 REPORT AND RECOMMENDATIONS BY THE COMMISSIONER OF
11 NATURAL RESOURCES ON THE DELIVERY AND AVAILABILITY OF NORTH
12 SLOPE NATURAL GAS IN THE STATE; IDENTIFICATION OF RISKS AND
13 RECOMMENDATIONS FOR MITIGATION. (a) The commissioner of natural resources
14 shall prepare and make available to the legislature a report on a plan and alternatives to make
15 North Slope natural gas available for delivery and use in the state. The report must address

16 (1) the means by which North Slope natural gas may be delivered for use in
17 the state;

18 (2) the anticipated benefits, risks, and liabilities associated with the sale by the
19 state to utilities and other customers in the state of natural gas received by the state as royalty
20 in kind or as payment of tax;

21 (3) the effect and consequences, including the fiscal effect and liability to third
22 parties, of the state's transport of a reduced amount of natural gas south of an in-state delivery
23 point or underutilizing capacity in a liquefied natural gas plant; and

1 (4) other issues the commissioner of natural resources determines are relevant
2 to the delivery and use of North Slope natural gas in the state and should be considered by the
3 legislature.

4 (b) In conjunction with the report in (a) of this section, the commissioner of natural
5 resources shall recommend the means for eliminating or minimizing the risks and liabilities
6 identified in the report. The recommendations for minimizing risk and liabilities while still
7 allowing the state to meet the natural gas requirements of residents of the state may include
8 authorizing the commissioner of natural resources to

9 (1) negotiate agreements with other shippers to provide natural gas to the state
10 in proportion to the shipper's share of the capacity in a North Slope natural gas project for the
11 purposes of maintaining balance in the system downstream of a delivery point;

12 (2) acquire additional incremental transportation capacity on an as-needed
13 basis to meet demand for natural gas in the state; or

14 (3) make unused transportation capacity held by the state available to other
15 shippers subject to terms that do not reduce the state's receipt of revenue below the amount
16 the state would receive if the state's gas were not sold in the state.

17 (c) The commissioner of natural resources shall make the report and
18 recommendations required by this section available to the legislature on or before the date a
19 firm transportation services agreement in a North Slope natural gas project to which the state
20 is a party is submitted to the legislature for approval.

21 (d) In this section, "North Slope natural gas project" has the meaning given in
22 AS 38.05.965, as amended by sec. 23 of this Act."

23
24 Renumber the following bill sections accordingly.

25
26 Page 56, line 6:

27 Delete "61"

28 Insert "62"

29
30 Page 56, line 9:

31 Delete "secs. 62 and 63"

1

Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSSB 138(FIN) am

1 Page 15, following line 30:

2 Insert a new bill section to read:

3 **** Sec. 16.** AS 38.05 is amended by adding a new section to read:

4 **Sec. 38.05.023. Limitation on the application of a payment in lieu of**
5 **property tax.** A proposed agreement or contract associated with a North Slope natural
6 gas project may not include a provision that changes a payment in lieu of property tax
7 on property that was previously taxable under AS 43.56."

8

9 Renumber the following bill sections accordingly.

10

11 Page 17, line 24:

12 Delete "sec. 17"

13 Insert "sec. 18"

14

15 Page 21, line 16:

16 Delete "sec. 27"

17 Insert "sec. 28"

18

19 Page 25, line 9:

20 Delete "sec. 30"

21 Insert "sec. 31"

22

23 Page 31, line 18:

- 1 Delete "sec. 37"
- 2 Insert "sec. 38"
- 3
- 4 Page 53, lines 24 - 25:
- 5 Delete "sec. 23"
- 6 Insert "sec. 24"
- 7
- 8 Page 56, line 6:
- 9 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
- 10 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
- 11
- 12 Page 56, line 8:
- 13 Delete "Section 38"
- 14 Insert "Section 39"
- 15
- 16 Page 56, line 9:
- 17 Delete "secs. 62 and 63"
- 18 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 4, following line 24:

2 Insert new bill sections to read:

3 **"* Sec. 4.** AS 31.25.050 is amended to read:

4 **Sec. 31.25.050. Legal counsel.** Except as provided in (b) of this section, the
5 [THE] corporation shall retain legal counsel to advise the corporation in legal matters
6 and represent it in litigation.

7 *** Sec. 5.** AS 31.25.050 is amended by adding a new subsection to read:

8 (b) The attorney general shall

9 (1) be the legal counsel for the corporation for legal services related to
10 the development of contracts and agreements by the corporation that relate to an
11 Alaska liquefied natural gas project; and

12 (2) consult with the corporation when procuring outside counsel for
13 legal services related to an Alaska liquefied natural gas project."
14

15 Renumber the following bill sections accordingly.
16

17 Page 14, line 3:

18 Delete "sec. 14"

19 Insert "sec. 16"
20

21 Page 17, line 24:

22 Delete "sec. 17"

23 Insert "sec. 19"

1

2 Page 21, line 16:

3 Delete "sec. 27"

4 Insert "sec. 29"

5

6 Page 25, line 9:

7 Delete "sec. 30"

8 Insert "sec. 32"

9

10 Page 31, line 18:

11 Delete "sec. 37"

12 Insert "sec. 39"

13

14 Page 53, lines 24 - 25:

15 Delete "sec. 23"

16 Insert "sec. 25"

17

18 Page 54, line 25:

19 Delete "sec. 14"

20 Insert "sec. 16"

21

22 Page 56, line 6:

23 Delete "Sections 1 - 14, 16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

24 Insert "Sections 1 - 16, 18, 19, 25 - 29, 31, 32, 39, 41, and 57 - 63"

25

26 Page 56, line 8:

27 Delete "sec. 38"

28 Insert "sec. 40"

29

30 Page 56, line 9:

31 Delete "secs. 62 and 63"

1 Insert "secs. 64 and 65"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 30, lines 19 - 20:

2 Delete "upstream of the point of production of gas"

3 Insert "and, under AS 43.55.020(e), considered as gas produced from a lease or
4 property for the purpose of AS 43.55.011 - 43.55.180"

5

6 Page 30, line 21:

7 Delete "for"

8 Insert "in"

9

10 Page 30, line 22:

11 Delete "a reservoir"

12 Insert "and, under AS 43.55.020(e), considered as gas produced from a lease or
13 property for the purpose of AS 43.55.011 - 43.55.180"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 1, line 4, following "projects;":

2 Insert "making certain contracts and agreements by the Department of Natural
3 Resources not subject to the State Procurement Code;"

4

5 Page 11, following line 19:

6 Insert a new bill section to read:

7 "* Sec. 13. AS 36.30.850(b) is amended by adding a new paragraph to read:

8 (47) contracts for professional and technical services by the
9 Department of Natural Resources to support the development of agreements and
10 contracts under AS 38.05.020(b)(10) and (11)."

11

12 Renumber the following bill sections accordingly.

13

14 Page 14, line 3:

15 Delete "sec. 14"

16 Insert "sec. 15"

17

18 Page 17, line 24:

19 Delete "sec. 17"

20 Insert "sec. 18"

21

22 Page 21, line 16:

23 Delete "sec. 27"

- 1 Insert "sec. 28"
- 2
- 3 Page 25, line 9:
- 4 Delete "sec. 30"
- 5 Insert "sec. 31"
- 6
- 7 Page 31, line 18:
- 8 Delete "sec. 37"
- 9 Insert "sec. 38"
- 10
- 11 Page 53, lines 24 - 25:
- 12 Delete "sec. 23"
- 13 Insert "sec. 24"
- 14
- 15 Page 54, line 25:
- 16 Delete "sec. 14"
- 17 Insert "sec. 15"
- 18
- 19 Page 56, line 6:
- 20 Delete "Sections 1 - 14, 16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
- 21 Insert "Sections 1 - 15, 17, 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
- 22
- 23 Page 56, line 8:
- 24 Delete "Section 38"
- 25 Insert "Section 39"
- 26
- 27 Page 56, line 9:
- 28 Delete "secs. 62 and 63"
- 29 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 26, following line 24:

2 Insert a new bill section to read:

3 **** Sec. 33.** AS 43.20.144(d) is amended to read:

4 (d) The sales factor of a taxpayer subject to this section is a fraction,

5 (1) the numerator of which is the sum of the following for the tax
6 period:

7 (A) the tariffs allowed and received by or for the taxpayer for
8 transporting oil or gas by pipeline in this state, regardless of whether the tariffs
9 are paid by third parties or by entities within the taxpayer's consolidated
10 business; and

11 (B) the total sales of the taxpayer in this state, determined in
12 accordance with AS 43.19 (Multistate Tax Compact), but excluding

13 (i) those sales already included in the tariffs described
14 in (A) of this paragraph;

15 (ii) constructive sales or sales considered to be sales
16 of natural gas delivered to the state as payment of tax under an
17 election made by the taxpayer under AS 43.55.014;

18 (iii) fees, allowed and received, that are paid
19 between entities within the consolidated business of the taxpayer
20 for transporting the taxpayer's natural gas; and

21 (2) the denominator of which is the sum of the following for the tax
22 period:

23 (A) the tariffs allowed and received by or for the taxpayer's

1 consolidated business for transporting oil or gas by pipeline everywhere,
2 regardless of whether the tariffs are paid by third parties or by entities within
3 the taxpayer's consolidated business; and

4 (B) the total sales of the taxpayer's consolidated business
5 everywhere, determined in accordance with AS 43.19 (Multistate Tax
6 Compact), but excluding

7 (i) those sales already included in the tariffs described
8 in (A) of this paragraph;

9 (ii) constructive sales or sales considered to be sales
10 of natural gas delivered to the state as payment of tax under an
11 election made by the taxpayer under AS 43.55.014 or delivered in
12 another tax jurisdiction under a law comparable to AS 43.55.014;

13 (iii) fees, allowed and received, that are paid
14 between entities within the consolidated business of the taxpayer
15 for transporting the taxpayer's natural gas."

16
17 Renumber the following bill sections accordingly.

18
19 Page 31, line 18:

20 Delete "sec. 37"

21 Insert "sec. 38"

22
23 Page 56, line 6:

24 Delete "37, 39, and 55 - 61"

25 Insert "38, 40, and 56 - 62"

26
27 Page 56, line 8:

28 Delete "Section 38"

29 Insert "Section 39"

30
31 Page 56, line 9:

- 1 Delete "secs. 62 and 63"
- 2 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 30, lines 12 - 17:

2 Delete all material and insert:

3 "(d) An assessment under AS 43.05.245 against a producer for an
4 underpayment of a tax levied by this section may be made in terms of an amount of
5 gas or an amount of money, as determined under regulations adopted by the
6 department. If the assessment is made in terms of money, the amount for a month of
7 production for an oil and gas lease subject to an effective election under (a) of this
8 section is the product of the number of units of gas by which the producer's delivery to
9 the state was less than the amount required by (b) of this section, multiplied by the
10 gross value at the point of production for each unit of the gas other than gas that was
11 not subject to tax or gas that was delivered to the state under (b) of this section. The
12 department may allow a credit or refund under AS 43.05.275 for an overpayment of a
13 tax levied by this section that may be issued in the form of gas or money, as
14 determined under regulations adopted by the department. If the refund is allowed in
15 terms of money, the amount of the credit or refund for a month of production for an oil
16 and gas lease subject to an effective election under (a) of this section is the product of
17 the number of units of gas by which the producer's delivery to the state was more than
18 the amount required under (b) of this section, multiplied by the gross value at the point
19 of production for each unit of the gas other than gas that was not subject to tax or gas
20 that was delivered to the state under (b) of this section. Interest that is determined as a
21 percentage of the amount of a tax underpayment or overpayment and a penalty that is
22 a percentage of the amount of a tax underpayment are calculated as a percentage of the
23 amount of money determined in this subsection. An amount of gas that was less than

1 the amount required to be delivered to the state under (b) of this section or an amount
2 of gas that was more than the amount required to be delivered to the state under (b) of
3 this section that is adjusted as provided by a gas balancing agreement to which the
4 state is a party under AS 38.05.020(b)(11) is not subject to assessment under
5 AS 43.05.245 or a credit or refund under AS 43.05.275. In this subsection, "unit"
6 means a unit of measurement for gas identified by the department under regulations
7 adopted by the department and may be expressed as 1,000 cubic feet, 1,000,000
8 British thermal units, or another appropriate unit of measurement specified by the
9 department under regulations adopted by the department."

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 47, line 23:

2 Delete "oil or gas"

3 Insert "oil and gas"

4

5 Page 48, line 1:

6 Delete "oil or gas"

7 Insert "oil and gas"

8

9 Page 48, lines 2 - 3:

10 Delete "oil or gas"

11 Insert "oil and gas"

12

13 Page 48, lines 8 - 9:

14 Delete "oil or gas"

15 Insert "oil and gas"

16

17 Page 48, line 17:

18 Delete "oil or gas"

19 Insert "oil and gas"

20

21 Page 48, line 18:

22 Delete "oil or gas"

23 Insert "oil and gas"

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

- 1 Page 52, line 15, following "transporting":
2 Insert "the"
3
4 Page 52, line 19, following "gas":
5 Insert "after completion of mechanical separation"
6
7 Page 52, line 21:
8 Delete "gas"
9 Insert "the gas after mechanical separation"
10
11 Page 52, line 24:
12 Following "the":
13 Insert "gas processing"
14 Following "pipeline":
15 Insert "downstream of the gas processing plant"
16
17 Page 52, line 25, following "system":
18 Insert "downstream of the gas processing plant"
19
20 Page 52, line 26, following "transporting":
21 Insert "the"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 13, line 28, following "**confidential**":

2 Insert "**and must be made available to the public at least 90 days before the**
3 **proposed effective date for the terms**"

4

5 Page 13, following line 31:

6 Insert a new paragraph to read:

7 "**(13) consult with the Alaska Gasline Development Corporation in**
8 **the development of agreements or contracts under (10) or (11) of this subsection**
9 **for project services related to a gas treatment plant, pipeline, liquefaction facility,**
10 **marine terminal, or marine transportation services necessary to transport**
11 **natural gas to market;**"

12

13 Renumber the following paragraph accordingly.

14

15 Page 15, line 22, following "confidential":

16 Insert "and must be made available to the public at least 90 days before the proposed
17 effective date for the terms"

18

19 Page 15, following line 25:

20 Insert a new paragraph to read:

21 "(13) consult with the Alaska Gasline Development Corporation in the
22 development of agreements or contracts under (10) or (11) of this subsection for
23 project services related to a gas treatment plant, pipeline, liquefaction facility, marine

1 terminal, or marine transportation services necessary to transport natural gas to
2 market;"

3

4 Renumber the following paragraphs accordingly.

5

6 Page 30, line 10:

7 Delete "AS 38.05.020(b)(13)"

8 Insert "AS 38.05.023(b)(14)"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 2, line 5, following "**credit**";:

2 Insert "**requiring the commissioner of revenue to provide a report to the**
3 **legislature on financing options for state ownership and participation in a North Slope**
4 **natural gas project;**"

5

6 Page 53, following line 14:

7 Insert a new bill section to read:

8 **"* Sec. 58.** The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 IDENTIFICATION OF AND REPORT ON FINANCING OPTIONS FOR STATE
11 OWNERSHIP AND PARTICIPATION IN A NORTH SLOPE NATURAL GAS PROJECT.

12 (a) The commissioner of revenue shall identify and report to the legislature on a range of
13 financing options for state acquisition of an ownership interest and participation in a North
14 Slope natural gas project. The report must include a description of the risk associated with
15 each option and the effect of each option on the bonding capacity and bond rating of the state.
16 In this subsection, "North Slope natural gas project" has the meaning given in AS 38.05.965,
17 as amended by sec. 23 of this Act.

18 (b) The commissioner shall make the report described in (a) of this section available
19 to the legislature on the first day of the First Regular Session of the Twenty-Ninth Alaska
20 State Legislature."

21

22 Renumber the following bill sections accordingly.

23

1 Page 56, line 6:

2 Delete "61"

3 Insert "62"

4

5 Page 56, line 9:

6 Delete "secs. 62 and 63"

7 Insert "secs. 63 and 64"

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 13, line 30:

2 Delete "the legislature only"

3 Insert "members of the legislature under confidentiality agreements, either"

4

5 Page 13, line 31:

6 Delete "under confidentiality agreements":

7 Insert "with any member of the legislature individually"

8

9 Page 15, line 24:

10 Delete "the legislature only"

11 Insert "members of the legislature under confidentiality agreements, either"

12

13 Page 15, line 25:

14 Delete "under confidentiality agreements":

15 Insert "with any member of the legislature individually"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 53, line 18, following "BOARD.":

2 Insert "(a)"

3

4 Page 53, line 20, following "project.":

5 Insert "The board shall review available information, hold public meetings, and
6 provide to the governor by December 15 of each year annual reports that

7 (1) review the potential effects and benefits of new infrastructure for North
8 Slope natural gas development, whether designed to provide natural gas for in-state sale or for
9 export, or both, on communities in the state, including consideration of tax structure under
10 AS 29.45 and AS 43.56, and consideration of other payments before construction of new
11 infrastructure associated with North Slope natural gas development;

12 (2) provide recommendations for changes to the oil and gas exploration,
13 production, and pipeline transportation property taxes under AS 43.56 related to infrastructure
14 for commercialization of natural gas that would facilitate development of a major natural gas
15 project and mitigate financial effects on communities from development of a North Slope
16 natural gas project;

17 (3) provide recommendations for changes to AS 29.45.080 related to the
18 commercialization of natural gas that would facilitate development of a North Slope natural
19 gas project and mitigate financial effects on communities from a North Slope natural gas
20 project;

21 (4) provide recommendations for legislative or other options to minimize the
22 financial effects on communities in proximity to North Slope natural gas project infrastructure
23 during construction of a natural gas pipeline and associated infrastructure; and

- 1 (5) provide recommendations on the effects on and benefits to communities
- 2 not in proximity to a North Slope natural gas project.
- 3 (b)"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSSB 138(FIN) am

1 Page 15, following line 30:

2 Insert a new bill section to read:

3 **"* Sec. 16.** AS 38.05 is amended by adding a new section to read:

4 **Sec. 38.05.023. Access and use of project assets.** An agreement or contract in
5 which the state is a party and that is associated with a North Slope natural gas project
6 must include a requirement that, if the commissioner determines that the project is not
7 making adequate progress toward a final investment decision, the state shall have
8 access to and the authority to use all engineering designs, contracts, permits, and other
9 data related to the project without further payment by the state. The right of the state in
10 this section does not diminish the right of another party in the project to use the
11 engineering designs, contracts, permits, and other data related to the project."
12

13 Renumber the following bill sections accordingly.
14

15 Page 17, line 24:

16 Delete "sec. 17"

17 Insert "sec. 18"

18

19 Page 21, line 16:

20 Delete "sec. 27"

21 Insert "sec. 28"

22

23 Page 25, line 9:

- 1 Delete "sec. 30"
- 2 Insert "sec. 31"
- 3
- 4 Page 31, line 18:
- 5 Delete "sec. 37"
- 6 Insert "sec. 38"
- 7
- 8 Page 53, lines 24 - 25:
- 9 Delete "sec. 23"
- 10 Insert "sec. 24"
- 11
- 12 Page 56, line 6:
- 13 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
- 14 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
- 15
- 16 Page 56, line 8:
- 17 Delete "Section 38"
- 18 Insert "Section 39"
- 19
- 20 Page 56, line 9:
- 21 Delete "secs. 62 and 63"
- 22 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 4, line 21:

2 Delete "shall"

3 Insert "may"

4

5 Page 4, line 22, following "The":

6 Insert "board may appoint a separate program director for an in-state natural gas
7 pipeline as described in the July 1, 2011, project plan prepared under former AS 38.34.040
8 and defined in AS 31.25.390. A"

9

10 Page 4, line 24:

11 Delete "the board and"

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

- 1 Page 47, line 15:
- 2 Delete "a new subsection"
- 3 Insert "new subsections"
- 4
- 5 Page 47, line 23:
- 6 Delete "or gas"
- 7
- 8 Page 48, line 1:
- 9 Delete "or gas"
- 10
- 11 Page 48, lines 2 - 3:
- 12 Delete "or gas"
- 13
- 14 Page 48, lines 8 - 9:
- 15 Delete "or gas"
- 16
- 17 Page 48, line 17:
- 18 Delete "or gas"
- 19
- 20 Page 48, line 18:
- 21 Delete "or gas"
- 22
- 23 Page 48, following line 22:

1 Insert a new subsection to read:

2 "(i) For purposes of (h) of this section, for a lease or property that produces
3 both oil and gas, the portion of the

4 (1) operating costs that are lease expenditures attributable to oil
5 incurred to explore for, develop, or produce an oil and gas deposit is a fraction the
6 numerator of which is the production of oil expressed in BTU equivalent barrels and
7 the denominator of which is the total production of oil and gas expressed in BTU
8 equivalent barrels; and

9 (2) capital costs that are lease expenditures attributable to oil incurred
10 to explore for, develop, or produce an oil and gas deposit is a fraction the numerator of
11 which is the total proven reserves of oil of the lease or property expressed in barrels
12 and the denominator of which is the total proven reserves of oil and gas of the lease or
13 property expressed in BTU equivalent barrels."

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

TO: CSSB 138(FIN) am

1 Page 55, following line 30:

2 Insert a new bill section to read:

3 **"* Sec. 61.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 LEGISLATIVE BRIEFINGS. Before the first flow of gas in a North Slope natural gas
6 project developed under the authority of this Act, the parties to the project shall, at least once
7 each calendar quarter, provide briefings to interested legislators, legislative staff, and
8 legislative consultants on the progress of a North Slope natural gas project developed under
9 the authority of this Act. A briefing under this section must be accompanied by a written
10 report provided by the Department of Natural Resources of the amount of money the state
11 may be obligated to pay a third party under an agreement or contract under
12 AS 38.05.020(b)(10) or (11) if a North Slope natural gas project is terminated before the first
13 flow of gas in the project."

14

15 Renumber the following bill sections accordingly.

16

17 Page 56, line 6:

18 Delete "61"

19 Insert "62"

20

21 Page 56, line 9:

22 Delete "secs. 62 and 63"

23 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

TO: CSSB 138(FIN) am

1 Page 53, following line 14:

2 Insert a new bill section to read:

3 **"* Sec. 58.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 AGREEMENTS AND CONTRACTS RELATING TO THE TRANSPORTATION
6 OF NATURAL GAS. (a) An agreement or contract entered into by the state or an agency of
7 the state for the transportation of natural gas may not allow a transporter to have an option to
8 participate in an in-state natural gas pipeline project as described in AS 31.25.005(4) that is
9 designed to transport more than 2,000,000,000 cubic feet of North Slope natural gas a day.

10 (b) In this section, "transporter" means a person providing gas treatment plant
11 processing and natural gas transportation services in natural gas pipelines and gas
12 transmission lines that are components of an Alaska liquefied natural gas project, as that term
13 is defined in AS 31.25.390(7), enacted by sec. 12 of this Act."

14

15 Renumber the following bill sections accordingly.

16

17 Page 56, line 6:

18 Delete "61"

19 Insert "62"

20

21 Page 56, line 9:

22 Delete "secs. 62 and 63"

23 Insert "secs. 63 and 64"

A M E N D M E N T

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSSB 138(FIN) am

1 Page 1, line 7, following "gas;":

2 Insert "relating to legislative approval of agreements and contracts associated
3 with a North Slope natural gas project;"

4

5 Page 15, following line 30:

6 Insert a new bill section to read:

7 **** Sec. 16. AS 38.05 is amended by adding a new section to read:**

8 **Sec. 38.05.023. Legislative approval of agreements and contracts**
9 **associated with a North Slope natural gas project; effect of failing to approve. (a)**

10 The commissioner shall deliver proposed agreements and contracts associated with a
11 North Slope natural gas project negotiated under the authority of AS 38.05.020(b)(11)
12 along with supporting documentation to the presiding officer of each house of the
13 legislature for action as provided in this section and provide a copy of each proposed
14 agreement or contract to each member of the legislature, regardless of whether the
15 legislature is in session. If the commissioner proposes more than one agreement or
16 contract for legislative approval, the commissioner shall

17 (1) combine agreements and contracts for delivery so that the
18 legislature does not consider agreements or contracts negotiated under
19 AS 38.05.020(b)(11) more than twice in a calendar year; and

20 (2) provide an explanation as to the effect of the legislature's approving
21 or failing to approve each agreement or contract as that agreement or contract relates
22 to all agreements and contracts presented for approval.

23 (b) After the presiding officer of each house of the legislature receives

1 proposed agreements and contracts from the commissioner under (a) of this section,
 2 the rules committee of each house of the legislature shall introduce a bill in the
 3 committee's respective chamber that provides for the approval of the proposed
 4 agreements and contracts.

5 (c) If a bill approving one or more of the proposed agreements or contracts
 6 passes the legislature within 90 days after the last date a presiding officer receives one
 7 or more proposed agreements or contracts from the commissioner under (a) of this
 8 section, the commissioner may execute each agreement or contract approved by the
 9 legislature.

10 (d) Notwithstanding a legislative rule that prohibits the carryover of a bill after
 11 the end of a special session or after the end of a regular session of a legislature, a bill
 12 introduced under (b) of this section that is not passed or not withdrawn, defeated,
 13 vetoed, or indefinitely postponed shall be carried over to any subsequent regular or
 14 special legislative session convened during the 90-day period described in (c) of this
 15 section in the same reading or status it was in at the time of adjournment. However, a
 16 bill introduced under (b) of this section may not be carried over to the first regular
 17 session of a legislature.

18 (e) If the legislature fails to approve a proposed agreement or contract, the
 19 commissioner

20 (1) may not execute the agreement or contract the legislature fails to
 21 approve;

22 (2) may not resubmit to the legislature an agreement or contract that
 23 the legislature fails to approve; and

24 (3) may renegotiate a new agreement or contract under
 25 AS 38.05.020(b)(11) and submit the new agreement or contract for approval under (a)
 26 of this section."
 27

28 Renumber the following bill sections accordingly.

29
 30 Page 17, line 24:

31 Delete "sec. 17"

1 Insert "sec. 18"

2

3 Page 21, line 16:

4 Delete "sec. 27"

5 Insert "sec. 28"

6

7 Page 25, line 9:

8 Delete "sec. 30"

9 Insert "sec. 31"

10

11 Page 31, line 18:

12 Delete "sec. 37"

13 Insert "sec. 38"

14

15 Page 53, lines 24 - 25:

16 Delete "sec. 23"

17 Insert "sec. 24"

18

19 Page 54, line 25:

20 Delete "AS 38.05.020(b)(11), enacted by sec. 14"

21 Insert "AS 38.05.023, enacted by sec. 16"

22

23 Page 56, line 6:

24 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

25 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"

26

27 Page 56, line 8:

28 Delete "Section 38"

29 Insert "Section 39"

30

31 Page 56, line 9:

- 1 Delete "secs. 62 and 63"
- 2 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSSB 138(FIN) am

1 Page 15, following line 30:

2 Insert a new bill section to read:

3 **** Sec. 16. AS 38.05 is amended by adding a new section to read:**

4 **Sec. 38.05.023. Timing of state investment in a North Slope natural gas**
5 **project. An agreement or contract negotiated under AS 38.05.020(b)(11) or other**
6 **agreement or contract in which the state is a party and that is associated with a North**
7 **Slope natural gas project may not require an investment by the state in the project until**
8 **a final investment decision is made to construct the project."**

9

10 Renumber the following bill sections accordingly.

11

12 Page 17, line 24:

13 Delete "sec. 17"

14 Insert "sec. 18"

15

16 Page 21, line 16:

17 Delete "sec. 27"

18 Insert "sec. 28"

19

20 Page 25, line 9:

21 Delete "sec. 30"

22 Insert "sec. 31"

23

- 1 Page 31, line 18:
- 2 Delete "sec. 37"
- 3 Insert "sec. 38"
- 4
- 5 Page 53, lines 24 - 25:
- 6 Delete "sec. 23"
- 7 Insert "sec. 24"
- 8
- 9 Page 56, line 6:
- 10 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
- 11 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
- 12
- 13 Page 56, line 8:
- 14 Delete "Section 38"
- 15 - Insert "Section 39"
- 16
- 17 Page 56, line 9:
- 18 Delete "secs. 62 and 63"
- 19 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 4, following line 11:

2 Insert a new bill section to read:

3 **** Sec. 3.** AS 31.25.020 is amended by adding a new subsection to read:

4 (e) A public member appointed by the governor under (b) of this section shall
5 be a citizen of the United States. Notwithstanding AS 39.05.100, a person appointed
6 under (b) of this section is not required to be or have been a registered voter in the
7 state and is not required to reside in the state."

8

9 Renumber the following bill sections accordingly.

10

11 Page 14, line 3:

12 Delete "sec. 14"

13 Insert "sec. 15"

14

15 Page 17, line 24:

16 Delete "sec. 17"

17 Insert "sec. 18"

18

19 Page 21, line 16:

20 Delete "sec. 27"

21 Insert "sec. 28"

22

23 Page 25, line 9:

- 1 Delete "sec. 30"
- 2 Insert "sec. 31"
- 3
- 4 Page 31, line 18:
- 5 Delete "sec. 37"
- 6 Insert "sec. 38"
- 7
- 8 Page 53, lines 24 - 25:
- 9 Delete "sec. 23"
- 10 Insert "sec. 24"
- 11
- 12 Page 54, line 25:
- 13 Delete "sec. 14"
- 14 Insert "sec. 15"
- 15
- 16 Page 56, line 6:
- 17 Delete "Sections 1 - 14, 16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
- 18 Insert "Sections 1 - 15, 17, 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
- 19
- 20 Page 56, line 8:
- 21 Delete "Section 38"
- 22 Insert "Section 39"
- 23
- 24 Page 56, line 9:
- 25 Delete "secs. 62 and 63"
- 26 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 13, line 14, following "revenue":

2 Insert "and the Alaska Gasline Development Corporation (AS 31.25)"

3

4 Page 15, line 8, following "revenue":

5 Insert "and the Alaska Gasline Development Corporation (AS 31.25)"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 55, following line 30:

2 Insert a new bill section to read:

3 **** Sec. 61.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 PRIVATE LETTER RULING. Before the final investment decision enabling a natural
6 gas project under this Act, the Alaska Gasline Development Corporation (AS 31.25) shall
7 obtain a private letter ruling from chief counsel of the federal Internal Revenue Service
8 regarding taxability of the corporation and its activities related to a natural gas project
9 developed under this Act in the state."

10

11 Renumber the following bill sections accordingly.

12

13 Page 56, line 6:

14 Delete "61"

15 Insert "62"

16

17 Page 56, line 9:

18 Delete "secs. 62 and 63"

19 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 2, line 14, following "projects;":

2 Insert "**relating to the duties of the Oil and Gas Competitiveness Review Board;**"

3

4 Page 53, following line 13:

5 Insert a new bill section to read:

6 **** Sec. 57.** AS 43.98.050 is amended to read:

7 **Sec. 43.98.050. Duties.** The duties of the board include the following:

8 (1) establish and maintain a salient collection of information related to
9 oil and gas exploration, development, and production in the state and related to tax
10 structures, rates, and credits in other regions with oil and gas resources;

11 (2) review historical, current, and potential levels of investment in the
12 state's oil and gas sector;

13 (3) identify factors that affect investment in oil and gas exploration,
14 development, and production in the state, including tax structure, rates, and credits;
15 royalty requirements; infrastructure; workforce availability; and regulatory
16 requirements;

17 (4) review the competitive position of the state to attract and maintain
18 investment in the oil and gas sector in the state as compared to the competitive
19 position of other regions with oil and gas resources;

20 (5) in order to facilitate the work of the board, establish procedures to
21 accept and keep confidential information that is beneficial to the work of the board,
22 including the creation of a secure data room and confidentiality agreements to be
23 signed by individuals having access to confidential information;

1 (6) make written findings and recommendations to the Alaska State
2 Legislature before

3 (A) January 31, 2015, or as soon thereafter as practicable,
4 regarding

5 (i) changes to the state's regulatory environment and
6 permitting structure that would be conducive to encouraging increased
7 investment while protecting the interests of the people of the state and
8 the environment;

9 (ii) the status of the oil and gas industry labor pool in
10 the state and the effectiveness of workforce development efforts by the
11 state;

12 (iii) the status of the oil-and-gas-related infrastructure of
13 the state, including a description of infrastructure deficiencies; [AND]

14 (iv) the competitiveness of the state's fiscal oil and gas
15 tax regime when compared to other regions of the world; **and**

16 **(v) a review of the state's tax structure and rates on**
17 **oil and gas produced from deposits south of 68 degrees North**
18 **latitude;**

19 (B) January 31, 2021, or as soon thereafter as practicable,
20 regarding

21 (i) changes to the state's fiscal regime that would be
22 conducive to increased and ongoing long-term investment in and
23 development of the state's oil and gas resources;

24 (ii) alternative means for increasing the state's ability to
25 attract and maintain investment in and development of the state's oil
26 and gas resources; and

27 (iii) a review of the current effectiveness and future
28 value of any provisions of the state's oil and gas tax laws that are
29 expiring in the next five years."
30

31 Page 56, line 6:

- 1 Delete "61"
- 2 Insert "62"
- 3
- 4 Page 56, line 9:
- 5 Delete "secs. 62 and 63"
- 6 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE PEGGY WILSON

TO: CSSB 138(FIN) am

1 Page 2, line 11, following "fund;":

2 Insert "establishing the transportation project fund;"

3

4 Page 11, line 20:

5 Delete "a new section"

6 Insert "new sections"

7

8 Page 12, following line 8:

9 Insert a new section to read:

10 "Sec. 37.05.620. Transportation project fund. (a) The transportation project
11 fund is created as a special account in the general fund. The fund consists of the
12 amount determined and deposited in the fund under (b) of this section and interest
13 earned on the fund balance. The purpose of the fund is to provide a source from which
14 the legislature may appropriate money to the transportation infrastructure fund in art.
15 IX, sec. 18, Constitution of the State of Alaska.

16 (b) The amount to be deposited in (a) of this section is ~~ten~~ percent of the
17 revenue received from the state's royalty gas transported in an Alaska liquefied natural
18 gas project that remains after the payment to the Alaska permanent fund under
19 AS 37.13.010.

20 (c) The legislature may make appropriations from the transportation project
21 fund for the purpose described in (a) of this section.

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

23 (e) In this section, "Alaska liquefied natural gas project" has the meaning

1 given in AS 31.25.390."

2

3 Page 56, following line 5:

4 Insert a new bill section to read:

5 **"* Sec. 62. The uncodified law of the State of Alaska is amended by adding a new section to**
6 **read:**

7 **CONDITIONAL EFFECT. AS 37.05.620, enacted by sec. 13 of this Act, takes effect**
8 **only if an amendment to the Constitution of the State of Alaska establishing the transportation**
9 **infrastructure fund as a dedicated fund is approved by the voters."**

10

11 Renumber the following bill sections accordingly.

12

13 Page 56, line 6:

14 Delete "14"

15 Insert "12, 14"

16 Following "Act":

17 Insert "and AS 37.05.610, enacted by sec. 13 of this Act,"

18

19 Page 56, following line 7:

20 Insert a new bill section to read:

21 **"* Sec. 64. If AS 37.05.620, enacted by sec. 13 of this Act, takes effect, it takes effect on the**
22 **effective date of the constitutional amendment described in sec. 62 of this Act."**

23

24 Renumber the following bill sections accordingly.

25

26 Page 56, line 9:

27 Delete "secs. 62 and 63"

28 Insert "secs. 63 - 65"

TARR

28-GS2806I.A.25
Nauman/Bullock
4/1/14

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 1, line 7, following "on gas;":

2 Insert "relating to an option for the state to acquire an ownership interest in a
3 North Slope natural gas project;"

4

5 Page 15, following line 30:

6 Insert a new bill section to read:

7 **** Sec. 16.** AS 38.05 is amended by adding a new section to read:

8 **Sec. 38.05.023. State option to acquire an ownership interest in a North**
9 **Slope natural gas project.** (a) An agreement or contract associated with a North
10 Slope natural gas project that includes an option for the state to acquire an ownership
11 interest in a gas pipeline or gas treatment plant may not require the state to exercise
12 the option before December 31, 2016.

13 (b) In this section, "gas pipeline" and "gas treatment plant" have the meanings
14 given in AS 31.25.390."

15

16 Renumber the following bill sections accordingly.

17

18 Page 17, line 24:

19 Delete "sec. 17"

20 Insert "sec. 18"

21

22 Page 21, line 16:

23 Delete "sec. 27"

- 1 Insert "sec. 28"
- 2
- 3 Page 25, line 9:
- 4 Delete "sec. 30"
- 5 Insert "sec. 31"
- 6
- 7 Page 31, line 18:
- 8 Delete "sec. 37"
- 9 Insert "sec. 38"
- 10
- 11 Page 53, lines 24 - 25:
- 12 Delete "sec. 23"
- 13 Insert "sec. 24"
- 14
- 15 Page 56, line 6:
- 16 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
- 17 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
- 18
- 19 Page 56, line 8:
- 20 Delete "Section 38"
- 21 Insert "Section 39"
- 22
- 23 Page 56, line 9:
- 24 Delete "secs. 62 and 63"
- 25 Insert "secs. 63 and 64"

TARR

28-GS2806I.A.27
Bullock
4/1/14

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 53, following line 14:

2 Insert a new bill section to read:

3 **** Sec. 58.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 SUBMISSION OF AGREEMENTS AND CONTRACTS FOR LEGISLATIVE
6 APPROVAL AND THE AUTHORITY TO EXECUTE. (a) The commissioner of natural
7 resources may not submit an agreement or contract associated with a North Slope natural gas
8 project for legislative approval and the authority to execute before the license issued under
9 AS 43.90 (Alaska Gasline Inducement Act) has been revoked or abandoned.

10 (b) At the time an agreement or contract associated with a North Slope natural gas
11 project is submitted for legislative approval and the authority to execute under
12 AS 38.05.020(b)(11), enacted by sec. 14 of this Act, the commissioner of natural resources
13 shall certify in writing that the license issued under AS 43.90 (Alaska Gasline Inducement
14 Act) has been revoked or abandoned."

15

16 Renumber the following bill sections accordingly.

17

18 Page 56, line 6:

19 Delete "61"

20 Insert "62"

21

22 Page 56, line 9:

23 Delete "secs. 62 and 63"

1 Insert "secs. 63 and 64"

TARR

28-GS2806\LA.28
Bullock
4/2/14

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 15, following line 30:

2 Insert a new bill section to read:

3 **"* Sec. 16.** AS 38.05 is amended by adding a new section to read:

4 **Sec. 38.05.023. Limitation relating to the toll structure for transporting**
5 **natural gas.** An agreement or contract associated with a North Slope natural gas
6 project that provides for the state to pay a person for transporting natural gas under a
7 firm transportation services agreement may not include a toll structure that bases a
8 charge for transportation on a return on equity of more than 15 percent, including any
9 adjustment to a base rate determined at the time of the final investment decision."
10

10

11 Renumber the following bill sections accordingly.

12

13 Page 17, line 24:

14 Delete "sec. 17"

15 Insert "sec. 18"

16

17 Page 21, line 16:

18 Delete "sec. 27"

19 Insert "sec. 28"

20

21 Page 25, line 9:

22 Delete "sec. 30"

23 Insert "sec. 31"

- 1
- 2 Page 31, line 18:
- 3 Delete "sec. 37"
- 4 Insert "sec. 38"
- 5
- 6 Page 53, lines 24 - 25:
- 7 Delete "sec. 23"
- 8 Insert "sec. 24"
- 9
- 10 Page 56, line 6:
- 11 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
- 12 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
- 13
- 14 Page 56, line 8:
- 15 Delete "Section 38"
- 16 Insert "Section 39"
- 17
- 18 Page 56, line 9:
- 19 Delete "secs. 62 and 63"
- 20 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 **Page 1, line 1:**

2 **Delete "purposes, powers, and duties of the"**

3

4 **Page 4, following line 11:**

5 **Insert a new bill section to read:**

6 **** Sec. 3. AS 31.25.020(a) is amended to read:**

7 **(a) The corporation shall be governed by a board of directors consisting of**

8 **(1) five public members; and**

9 **(2) two individuals designated by the governor that are each the head**
10 **of a principal department of the state, except that the commissioner of natural**
11 **resources and the commissioner of revenue may not be designated to serve on the**
12 **board [UNLESS THE PROJECT FOR WHICH A LICENSE IS ISSUED UNDER**
13 **AS 43.90 HAS BEEN ABANDONED OR IS NO LONGER RECEIVING THE**
14 **INDUCEMENTS IN AS 43.90.110(a) OR THE COMMISSIONER OF NATURAL**
15 **RESOURCES AND THE COMMISSIONER OF REVENUE ARE NO LONGER**
16 **SIGNATORIES ON A VALID CONTRACT UNDER AS 43.90]."**

17

18 **Renumber the following bill sections accordingly.**

19

20 **Page 14, line 3:**

21 **Delete "sec. 14"**

22 **Insert "sec. 15"**

23

1 Page 17, line 24:

2 Delete "sec. 17"

3 Insert "sec. 18"

4

5 Page 21, line 16:

6 Delete "sec. 27"

7 Insert "sec. 28"

8

9 Page 25, line 9:

10 Delete "sec. 30"

11 Insert "sec. 31"

12

13 Page 31, line 18:

14 Delete "sec. 37"

15 Insert "sec. 38"

16

17 Page 53, lines 24 - 25:

18 Delete "sec. 23"

19 Insert "sec. 24"

20

21 Page 54, line 25:

22 Delete "sec. 14"

23 Insert "sec. 15"

24

25 Page 56, line 6:

26 Delete "Sections 1 - 14, 16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

27 Insert "Sections 1 - 15, 17, 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"

28

29 Page 56, line 8:

30 Delete "Section 38"

31 Insert "Section 39"

1

2 Page 56, line 9:

3 Delete "secs. 62 and 63"

4 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

TO: CSSB 138(FIN) am

1 Page 2, line 11, following "**fund**";:

2 Insert "**establishing the Railbelt electrical generation and transmission upgrade**
3 **fund**;"

4

5 Page 11, line 20:

6 Delete "a new section"

7 Insert "new sections"

8

9 Page 12, following line 8:

10 Insert a new section to read:

11 "**Sec. 37.05.620. Railbelt electrical generation and transmission upgrade**
12 **fund.** (a) The Railbelt electrical generation and transmission upgrade fund is created
13 as a special account in the general fund. The fund consists of the amount determined
14 and deposited in the fund under (b) of this section and interest earned on the fund
15 balance. The purpose of the fund is to provide a source from which the legislature may
16 appropriate money to replace and upgrade electrical generation and transmission
17 infrastructure in the Railbelt that is approaching the end of its useful and economic
18 life.

19 (b) The amount to be deposited in (a) of this section is 10 percent of the
20 revenue received from the state's royalty gas transported in an Alaska liquefied natural
21 gas project that remains after the payment to the Alaska permanent fund under
22 AS 37.13.010.

23 (c) The legislature may make appropriations from the Railbelt electrical

1 generation and transmission upgrade fund for the purposes described in (a) of this
2 section or for any other public purpose.

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

4 (e) In this section,

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

7 (2) "Railbelt" means the area of the state between Fairbanks and
8 Homer that is connected by road or railroad."

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

TO: CSSB 138(FIN) am

1 Page 55, following line 30:

2 Insert a new bill section to read:

3 **** Sec. 61.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 LEGISLATIVE BRIEFINGS. Before the first flow of gas in an Alaska liquefied
6 natural gas project developed under this Act, the parties to the project shall, at least once each
7 calendar quarter, provide briefings to interested legislators, legislative staff, and legislative
8 consultants on the progress of an Alaska liquefied natural gas project developed under the
9 authority of this Act. A briefing under this section must be accompanied by a written report
10 of the amount of money the state may be liable to pay a third party if an Alaska liquefied
11 natural gas project is terminated before the first flow of gas in the project."
12

13 Renumber the following bill sections accordingly.
14

15 Page 56, line 6:

16 Delete "61"

17 Insert "62"

18

19 Page 56, line 9:

20 Delete "secs. 62 and 63"

21 Insert "secs. 63 and 64"

JARR

28-GS2806I.A.37
Nauman/Bullock
4/2/14

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

- 1 Page 47, line 15:
- 2 Delete "a new subsection"
- 3 Insert "new subsections"
- 4
- 5 Page 47, line 23:
- 6 Delete "or gas"
- 7
- 8 Page 48, line 1:
- 9 Delete "or gas"
- 10
- 11 Page 48, lines 2 - 3:
- 12 Delete "or gas"
- 13
- 14 Page 48, lines 8 - 9:
- 15 Delete "or gas"
- 16
- 17 Page 48, line 17:
- 18 Delete "or gas"
- 19
- 20 Page 48, line 18:
- 21 Delete "or gas"
- 22
- 23 Page 48, following line 22:

1 Insert a new subsection to read:

2 "(i) For purposes of (h) of this section, for a well that produces both oil and
3 gas, the portion of the costs attributable to oil incurred to explore for, develop, or
4 produce an oil and gas deposit is a fraction the numerator of which is the production of
5 oil expressed in BTU equivalent barrels and the denominator of which is the total
6 production of oil and gas expressed in BTU equivalent barrels."

Kawasaki

28-GS2806I.A.38
Nauman/Bullock
4/2/14

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 25, line 8, following "project":

2 Insert "**; the commissioner of revenue may not authorize payments in lieu of taxes**
3 **to a municipality in a contract negotiated under this paragraph unless amounts collected**
4 **as payments in lieu of taxes to a municipality are not less than the amount the**
5 **municipality would have collected under AS 29.45 and AS 43.56 over the period of the**
6 **agreement between the municipality and the taxpayer for the payment in lieu of taxes**"

7

8 Page 26, line 15, following "project":

9 Insert "; the commissioner of revenue may not authorize payments in lieu of taxes to a
10 municipality in a contract negotiated under this paragraph unless amounts collected as
11 payments in lieu of taxes to a municipality are not less than the amount the municipality
12 would have collected under AS 29.45 and AS 43.56 over the period of the agreement between
13 the municipality and the taxpayer for the payment in lieu of taxes"

Kawasaki

28-GS2806V.A.39
Bullock
4/3/14

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 53, following line 14:

2 Insert a new bill section to read:

3 **** Sec. 58.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 REOPENER PROVISION IN A FIRM TRANSPORTATION SERVICES
6 AGREEMENT. If the commissioner of natural resources or another person acting on behalf
7 of the state enters into a firm transportation services agreement for the transportation of
8 natural gas received by the state as royalty in kind or as payment of tax, the firm
9 transportation services agreement must include a provision providing that the agreement may
10 be reopened for modification if a sales contract for the natural gas that is transported provides
11 that the sales contract may be reopened for renegotiation."
12

13 Renumber the following bill sections accordingly.
14

15 Page 56, line 6:

16 Delete "61"

17 Insert "62"

18

19 Page 56, line 9:

20 Delete "secs. 62 and 63"

21 Insert "secs. 63 and 64"

Kawasaki

28-GS2806 I.A.40
Nauman/Bullock
4/3/14

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 55, following line 30:

2 Insert a new bill section to read:

3 **** Sec. 61.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 STATE ADVISORY ROLE. The state may not become an equity partner or hold an
6 ownership interest in an Alaska liquefied natural gas project, as defined in AS 31.25.390,
7 unless the state is given a significant and meaningful advisory role regarding the assets of and
8 management of the project, that includes reasonable access to information about the project
9 and input into the management of the project."

10

11 Renumber the following bill sections accordingly.

12

13 Page 56, line 6:

14 Delete "61"

15 Insert "62"

16

17 Page 56, line 9:

18 Delete "secs. 62 and 63"

19 Insert "secs. 63 and 64"

TARR

28-GS2806I.A.41
Bullock
4/3/14

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 53, following line 14:

2 Insert a new bill section to read:

3 **** Sec. 58.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 RESERVATION RATE IN AN AGREEMENT FOR THE TRANSPORTATION OF
6 NATURAL GAS. A firm transportation services agreement or other agreement or contract for
7 the transportation of natural gas received by the state as royalty in kind or as payment of tax
8 may not include a provision that requires the state to pay, during periods when no natural gas
9 is being transported, an amount greater than the amount necessary to capture depreciation
10 recovery, return on equity, cost of debt, income taxes, fixed operation and maintenance costs,
11 and other taxes that are not related to income."

12

13 Renumber the following bill sections accordingly.

14

15 Page 56, line 6:

16 Delete "61"

17 Insert "62"

18

19 Page 56, line 9:

20 Delete "secs. 62 and 63"

21 Insert "secs. 63 and 64"

Kawasaki

28-GS2806 I.A.42
Bullock
4/3/14

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 53, following line 14:

2 Insert a new bill section to read:

3 **** Sec. 58.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 CONTINUING OBLIGATION TO ACQUIRE GAS FOR THE PEOPLE OF THE
6 STATE. Notwithstanding an agreement or contract associated with a North Slope natural gas
7 project that provides for the state to receive natural gas as royalty in kind or as payment of
8 tax, the commissioner of natural resources shall continue to negotiate the acquisition of
9 natural gas for in-state delivery with leaseholders and producers that are participants in a
10 North Slope natural gas project. In this section, "North Slope natural gas project" has the
11 meaning given in AS 38.05.965 as amended by sec. 23 of this Act."

12

13 Renumber the following bill sections accordingly.

14

15 Page 56, line 6:

16 Delete "61"

17 Insert "62"

18

19 Page 56, line 9:

20 Delete "secs. 62 and 63"

21 Insert "secs. 63 and 64"

TARR

28-GS2806I.A.44
Nauman/Bullock
4/3/14

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 1, line 4, following "projects;":

2 Insert "relating to the investments of the Alaska Housing Finance Corporation,
3 the Alaska Retirement Management Board, the constitutional budget reserve fund, and
4 the Alaska permanent fund;"

5

6 Page 2, following line 15:

7 Insert a new bill section to read:

8 **** Section 1.** AS 18.56.090 is amended by adding a new subsection to read:

9 (g) Funds of the corporation may not be invested in an Alaska liquefied
10 natural gas project, as defined in AS 31.25.390, unless specifically authorized by the
11 legislature."

12

13 Page 2, line 16:

14 Delete "Section 1"

15 Insert "Sec. 2"

16

17 Renumber the following bill sections accordingly.

18

19 Page 12, following line 8:

20 Insert new bill sections to read:

21 **** Sec. 15.** AS 37.10 is amended by adding a new section to read:

22 **Sec. 37.10.225. Limitation on investment.** Notwithstanding AS 37.10.220,
23 the board may not invest in an Alaska liquefied natural gas project, as defined in

1 AS 31.25.390, unless specifically authorized by the legislature.

2 * Sec. 16. AS 37.10.430(c) is amended to read:

3 (c) A special subaccount is established in the budget reserve fund (art. IX, sec.
4 17, Constitution of the State of Alaska). Money in the subaccount shall be invested to
5 yield higher returns than might be feasible to obtain with other money in the budget
6 reserve fund. In establishing or modifying the investment policy for the subaccount in
7 the constitutional budget reserve fund, the commissioner of revenue shall assume that
8 those funds will not be needed for at least five years. Income earned on money in the
9 subaccount shall be retained in the subaccount by the department. Funds of the
10 subaccount may not be invested in an Alaska liquefied natural gas project, as
11 defined in AS 31.25.390, unless specifically authorized by the legislature.

12 * Sec. 17. AS 37.13.120 is amended by adding a new subsection to read:

13 (f) The board may not invest money from the fund in an Alaska liquefied
14 natural gas project, as defined in AS 31.25.390, unless specifically authorized by the
15 legislature."
16

17 Page 14, line 3:

18 Delete "sec. 14"

19 Insert "sec. 18"

20

21 Page 17, line 24:

22 Delete "sec. 17"

23 Insert "sec. 21"

24

25 Page 21, line 16:

26 Delete "sec. 27"

27 Insert "sec. 31"

28

29 Page 25, line 9:

30 Delete "sec. 30"

31 Insert "sec. 34"

- 1
- 2 Page 31, line 18:
 - 3 Delete "sec. 37"
 - 4 Insert "sec. 41"
 - 5
- 6 Page 53, lines 24 - 25:
 - 7 Delete "sec. 23"
 - 8 Insert "sec. 27"
 - 9
- 10 Page 54, line 25:
 - 11 Delete "sec. 14"
 - 12 Insert "sec. 18"
 - 13
- 14 Page 56, line 6:
 - 15 Delete "Sections 1 - 14, 16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
 - 16 Insert "Sections 1 - 18, 20, 21, 27 - 31, 33, 34, 41, 43, and 59 - 65"
 - 17
- 18 Page 56, line 8:
 - 19 Delete "Section 38"
 - 20 Insert "Section 42"
 - 21
- 22 Page 56, line 9:
 - 23 Delete "secs. 62 and 63"
 - 24 Insert "secs. 66 and 67"

TARR

28-GS2806\I.A.45
Nauman/Bullock
4/2/14

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

- 1 Page 13, line 29:
2 Delete "may"
3 Insert "shall"
4
5 Page 13, line 30:
6 Delete "the legislature only"
7 Insert "members of the legislature"
8
9 Page 13, line 31:
10 Delete "under confidentiality agreements"
11 Insert "with any member of the legislature under a confidentiality agreement"
12
13 Page 15, line 23:
14 Delete "may"
15 Insert "shall"
16
17 Page 15, line 24:
18 Delete "the legislature only"
19 Insert "members of the legislature"
20
21 Page 15, line 25:
22 Delete "under confidentiality agreements"
23 Insert "with any member of the legislature under a confidentiality agreement"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SADDLER

TO: CSSB 138(FIN) am

1 Page 53, following line 14:

2 Insert a new bill section to read:

3 **** Sec. 58.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 AGREEMENTS AND CONTRACTS RELATING TO THE TRANSPORTATION
6 OF NATURAL GAS. (a) An agreement or contract entered into by the state or an agency of
7 the state for the transportation of natural gas may not allow the transporter to have an option
8 to participate in an in-state natural gas pipeline project as described in AS 31.25.005(4).

9 (b) In this section,

10 (1) "Alaska liquefied natural gas project" has the meaning given in
11 AS 31.25.390(7), enacted by sec. 12 of this Act;

12 (2) "transporter" means a person providing gas treatment plant processing and
13 natural gas transportation services in natural gas pipelines and gas transmission lines that are
14 components of an Alaska liquefied natural gas project."

15

16 Renumber the following bill sections accordingly.

17

18 Page 56, line 6:

19 Delete "61"

20 Insert "62"

21

22 Page 56, line 9:

23 Delete "secs. 62 and 63"

1 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE HAWKER

TO: CSSB 138(FIN) am

- 1 Page 9, line 2, following "fund":
- 2 Insert "of the state"

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 54, line 28:

2 Delete "of"

3 Insert "and analysis by"

4

5 Page 55, line 21:

6 Delete "and"

7

8 Page 55, line 23, following "interest":

9 Insert ";

10 (8) whether the ownership interest held by a municipality, regional
11 corporation, or resident would be subject to project assessments;

12 (9) how cash calls for the project and the expansion of the project would be
13 managed;

14 (10) the income tax consequences to the holder of an ownership interest,
15 including the timing and recognition of income related to the ownership interest, including
16 differentiating income related to the ownership interest from the receipt of dividends or other
17 distributions;

18 (11) the risk that the receipt of a benefit from the project by a person other
19 than the state would make income received from the project by the state subject to federal
20 income tax; and

21 (12) constitutional issues that may be implicated by restricting ownership
22 interests under the plan to residents and municipalities in the state"

23

1 Page 55, following line 24:

2 Insert a new paragraph to read:

3 "(1) "municipality" means a municipality in the state;"

4

5 Renumber the following paragraphs accordingly.

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 15, following line 30:

2 Insert a new bill section to read:

3 **** Sec. 16. AS 38.05 is amended by adding a new section to read:**

4 **Sec. 38.05.023. Limitation on a provision related to a payment in lieu of**
5 **property tax. An agreement or contract associated with a North Slope natural gas**
6 **project may not authorize a payment in lieu of a property tax to a municipality before**
7 **a final investment decision is made for the project."**

8

9 Renumber the following bill sections accordingly.

10

11 Page 17, line 24:

12 Delete "sec. 17"

13 Insert "sec. 18"

14

15 Page 21, line 16:

16 Delete "sec. 27"

17 Insert "sec. 28"

18

19 Page 25, line 9:

20 Delete "sec. 30"

21 Insert "sec. 31"

22

23 Page 31, line 18:

- 1 Delete "sec. 37"
- 2 Insert "sec. 38"
- 3
- 4 Page 53, lines 24 - 25:
- 5 Delete "sec. 23"
- 6 Insert "sec. 24"
- 7
- 8 Page 56, line 6:
- 9 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
- 10 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
- 11
- 12 Page 56, line 8:
- 13 Delete "Section 38"
- 14 Insert "Section 39"
- 15
- 16 Page 56, line 9:
- 17 Delete "secs. 62 and 63"
- 18 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE
TO: CSSB 138(FIN)

BY REPRESENTATIVE SEATON

1 Page 15, following line 30:

2 Insert a new bill section to read:

3 **** Sec. 16. AS 38.05 is amended by adding a new section to read:**

4 **Sec. 38.05.023. Limitation on the application of a payment in lieu of**
5 **property tax. An agreement or contract associated with a North Slope natural gas**
6 **project may not include a provision that authorizes a payment in lieu of property tax to**
7 **a municipality on property that was taxable under AS 43.56 before the agreement or**
8 **contract was executed."**

9

10 Renumber the following bill sections accordingly.

11

12 Page 17, line 24:

13 Delete "sec. 17"

14 Insert "sec. 18"

15

16 Page 21, line 16:

17 Delete "sec. 27"

18 Insert "sec. 28"

19

20 Page 25, line 9:

21 Delete "sec. 30"

22 Insert "sec. 31"

23

1 Page 31, line 18:

2 Delete "sec. 37"

3 Insert "sec. 38"

4

5 Page 53, lines 24 - 25:

6 Delete "sec. 23"

7 Insert "sec. 24"

8

9 Page 56, line 6:

10 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

11 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"

12

13 Page 56, line 8:

14 Delete "Section 38"

15 Insert "Section 39"

16

17 Page 56, line 9:

18 Delete "secs. 62 and 63"

19 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE
TO: CSSB 138(FIN)

BY REPRESENTATIVE SEATON

- 1 Page 4, line 1:
- 2 Delete "and government instrumentality"
- 3
- 4 Page 4, line 2, following "AS 31.25.005.":
- 5 Insert "[AND GOVERNMENT INSTRUMENTALITY]"

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

April 2, 2014

SUBJECT: Title Change in Second Body (CSSB 138(FIN) am, Work Order No. 28-GS2806I.A.54)

TO: Representative Mike Hawker
Attn: Rena Delbridge

FROM: Emily Nauman *KN for ELN*
Legislative Counsel

The enclosed amendment has the effect of changing the title in the second house of referral for this bill. Note that now that the personal bill deadline is past, a title change resolution may only come from a standing committee of the legislature (Uniform Rule 44). If you would like a title change resolution prepared, please contact me.

ELN:lem
14-168.lem

Enclosure

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE HAWKER

TO: CSSB 138(FIN) am

1 Page 2, line 14, following "project;":

2 Insert "requiring the Department of Revenue to deliver a report and
3 recommendations relating to a reduction in gross value at the point of production or
4 creation of other incentives for production of oil and gas in the state south of the North
5 Slope;"

6

7 Page 55, following line 30:

8 Insert a new bill section to read:

9 **** Sec. 61.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 **STUDY AND REPORT ON OIL AND GAS PRODUCTION INCENTIVES.** The
12 Department of Revenue shall study the effect of providing a reduction in the gross value at the
13 point of production for oil and gas produced in the state south of 68 degrees North latitude
14 that is similar to the reduction in gross value at the point of production in AS 43.55.160(f) and
15 (g), as amended by secs. 48 and 49 of this Act, for certain areas north of 68 degrees North
16 latitude. The study must take into account the unique economic circumstance of each
17 producing area south of 68 degrees North latitude, and estimate the additional production that
18 could be achieved by authorizing a reduction in gross value at the point of production. Before
19 January 15, 2017, the department shall deliver a report to the legislature that includes the
20 results of the study and a proposal to create an incentive for oil and gas production south of 68
21 degrees North latitude in the form of a reduction in the gross value at the point of production
22 or by other means."

23

1 Renumber the following bill sections accordingly.

2

3 Page 56, line 6:

4 Delete "61"

5 Insert "62"

6

7 Page 56, line 9:

8 Delete "secs. 62 and 63"

9 Insert "secs. 63 and 64"

Kawasaki

28-GS28061.A.55
Bullock
4/3/14

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 1, line 7, following "on gas;":

2 Insert "relating to marketing and marine shipping contracts for natural gas
3 transported in a North Slope natural gas project;"

4

5 Page 15, following line 30:

6 Insert a new bill section to read:

7 ** Sec. 16. AS 38.05 is amended by adding a new section to read:

8 Sec. 38.05.023. Marketing and marine shipping contracts. (a) The
9 commissioner shall make an agreement or contract for the marketing or marine
10 shipment of natural gas received by the state as royalty in kind or payment of tax and
11 transported in a North Slope natural gas project available to the public and to the
12 legislature at the same time that contracts authorized under AS 38.05.020(b)(11) are
13 submitted to the legislature for approval.

14 (b) The commissioner or another person acting on behalf of the state in
15 negotiating an agreement or contract described in (a) of this section shall negotiate the
16 agreement or contract before the commissioner modifies a lease under
17 AS 38.05.180(hh) and (ii)."

18

19 Renumber the following bill sections accordingly.

20

21 Page 17, line 24:

22 Delete "sec. 17"

23 Insert "sec. 18"

1

2 Page 21, line 16:

3 Delete "sec. 27"

4 Insert "sec. 28"

5

6 Page 25, line 9:

7 Delete "sec. 30"

8 Insert "sec. 31"

9

10 Page 31, line 18:

11 Delete "sec. 37"

12 Insert "sec. 38"

13

14 Page 53, lines 24 - 25:

15 Delete "sec. 23"

16 Insert "sec. 24"

17

18 Page 56, line 4:

19 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

20 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"

21

22 Page 56, line 6:

23 Delete "Section 38"

24 Insert "Section 39"

25

26 Page 56, line 7:

27 Delete "secs. 62 and 63"

28 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSSB 138(FIN) am

1 Page 15, following line 30:

2 Insert a new bill section to read:

3 **** Sec. 16. AS 38.05 is amended by adding a new section to read:**

4 **Sec. 38.05.023. Prohibited agreement or contract term relating to the tax**
5 **on oil production. An agreement or contract negotiated under AS 38.05.020(b)(11) or**
6 **other agreement or contract in which the state is a party and that is associated with a**
7 **North Slope natural gas project may not include a provision that reduces or requires**
8 **future compensation to a producer for changes in the tax levied on oil production**
9 **under AS 43.55.011."**

10

11 **Renumber the following bill sections accordingly.**

12

13 **Page 17, line 24:**

14 **Delete "sec. 17"**

15 **Insert "sec. 18"**

16

17 **Page 21, line 16:**

18 **Delete "sec. 27"**

19 **Insert "sec. 28"**

20

21 **Page 25, line 9:**

22 **Delete "sec. 30"**

23 **Insert "sec. 31"**

1

2 Page 31, line 18:

3 Delete "sec. 37"

4 Insert "sec. 38"

5

6 Page 53, lines 24 - 25:

7 Delete "sec. 23"

8 Insert "sec. 24"

9

10 Page 56, line 6:

11 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

12 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"

13

14 Page 56, line 8:

15 Delete "Section 38"

16 Insert "Section 39"

17

18 Page 56, line 9:

19 Delete "secs. 62 and 63"

20 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE PEGGY WILSON

TO: CSSB 138(FIN) am

1 Page 2, line 11, following "fund;":

2 Insert "establishing the rural transportation project fund;"

3

4 Page 11, line 20:

5 Delete "a new section"

6 Insert "new sections"

7

8 Page 12, following line 8:

9 Insert a new section to read:

10 "Sec. 37.05.620. Rural transportation project fund. (a) The rural
11 transportation project fund is created as a special account in the general fund. The fund
12 consists of the amount determined and deposited in the fund under (b) of this section
13 and interest earned on the fund balance. The purpose of the fund is to provide a source
14 from which the legislature may appropriate money to the transportation infrastructure
15 fund in art. IX, sec. 18, Constitution of the State of Alaska.

16 (b) The amount to be deposited in (a) of this section is 10 percent of the
17 revenue received from the state's royalty gas transported in an Alaska liquefied natural
18 gas project that remains after the payment to the Alaska permanent fund under
19 AS 37.13.010.

20 (c) The legislature may make appropriations from the rural transportation
21 project fund for the purpose described in (a) of this section.

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

23 (e) In this section, "Alaska liquefied natural gas project" has the meaning

1 given in AS 31.25.390."

2

3 Page 56, following line 5:

4 Insert a new bill section to read:

5 **"* Sec. 62. The uncodified law of the State of Alaska is amended by adding a new section to**
6 **read:**

7 **CONDITIONAL EFFECT. AS 37.05.620, enacted by sec. 13 of this Act, takes effect**
8 **only if an amendment to the Constitution of the State of Alaska establishing the transportation**
9 **infrastructure fund as a dedicated fund is approved by the voters."**

10

11 Renumber the following bill sections accordingly.

12

13 Page 56, line 6:

14 Delete "14"

15 Insert "12, 14"

16 Following "Act":

17 Insert "and AS 37.05.610, enacted by sec. 13 of this Act,"

18

19 Page 56, following line 7:

20 Insert a new bill section to read:

21 **"* Sec. 64. If AS 37.05.620, enacted by sec. 13 of this Act, takes effect, it takes effect on the**
22 **effective date of the constitutional amendment described in sec. 62 of this Act."**

23

24 Renumber the following bill sections accordingly.

25

26 Page 56, line 9:

27 Delete "secs. 62 and 63"

28 Insert "secs. 63 - 65"

JARR

28-GS2806\LA.61
Bullock
4/3/14

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 1, line 7, following "on gas;":

2 Insert "relating to marketing and marine shipping contracts for natural gas
3 transported in a North Slope natural gas project;"

4

5 Page 15, following line 30:

6 Insert a new bill section to read:

7 **** Sec. 16.** AS 38.05 is amended by adding a new section to read:

8 **Sec. 38.05.023. Marketing and marine shipping contracts.** If the
9 commissioner makes an agreement or contract with a producer for the marketing or
10 marine shipment of natural gas received by the state as royalty in kind or payment of
11 tax and transported in a North Slope natural gas project, the agreement or contract
12 must require the producer to sell the natural gas and provide marine shipment at the
13 same price and terms that apply to the natural gas of the producer."

14

15 Renumber the following bill sections accordingly.

16

17 Page 17, line 24:

18 Delete "sec. 17"

19 Insert "sec. 18"

20

21 Page 21, line 16:

22 Delete "sec. 27"

23 Insert "sec. 28"

- 1
- 2 Page 25, line 9:
 - 3 Delete "sec. 30"
 - 4 Insert "sec. 31"
 - 5
- 6 Page 31, line 18:
 - 7 Delete "sec. 37"
 - 8 Insert "sec. 38"
 - 9
- 10 Page 53, lines 24 - 25:
 - 11 Delete "sec. 23"
 - 12 Insert "sec. 24"
 - 13
- 14 Page 56, line 4:
 - 15 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
 - 16 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
 - 17
- 18 Page 56, line 6:
 - 19 Delete "Section 38"
 - 20 Insert "Section 39"
 - 21
- 22 Page 56, line 7:
 - 23 Delete "secs. 62 and 63"
 - 24 Insert "secs. 63 and 64"

A M E N D M E N T

OFFERED IN THE HOUSE

TO: CSSB 138(RES) am

1 Page 13, line 18, following "paragraph":

2 Insert "(A)"

3

4 Page 13, line 20, following "contract":

5 Insert "and

6

7

8

9

10

11

12 Page 15, line 12, following "paragraph":

13 Insert "(A)"

14

15 Page 15, line 14, following "contract;":

16 Insert "and

17

18

19

20

21

(B) may not change the taxation of property taxable under AS 29.45 or AS 43.56 that is used exclusively for a North Slope natural gas project unless the change is developed through a process that allows for full participation and consent by each municipality that has property used exclusively for a North Slope natural gas project;

(B) may not change the taxation of property taxable under AS 29.45 or AS 43.56 that is used exclusively for a North Slope natural gas project unless the change is developed through a process that allows for full participation and consent by each municipality that has property used exclusively for a North Slope natural gas project;"

Kawasaki

28-GS2806\I.A.63
Bullock
4/3/14

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 53, following line 14:

2 Insert a new bill section to read:

3 **** Sec. 58.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 **AGREEMENTS AND CONTRACTS TO MAKE CAPACITY AVAILABLE.** When
6 the commissioner of natural resources negotiates agreements and contracts associated with a
7 North Slope natural gas project, the commissioner shall work to include a provision that the
8 producers make transportation capacity available to the state for in-state needs on a prorated
9 or shared basis so long as the capacity made available to the state does not require adding
10 compressor stations, expanding the gas treatment plant or liquefaction facility, or result in an
11 insufficient volume of natural gas to satisfy the producer's contractual commitments for
12 delivery. In this section, "North Slope natural gas project" has the meaning given in
13 AS 38.05.965, as amended by sec. 23 of this Act."

14

15 Renumber the following bill sections accordingly.

16

17 Page 56, line 6:

18 Delete "61"

19 Insert "62"

20

21 Page 56, line 9:

22 Delete "secs. 62 and 63"

23 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 13, line 18, following "paragraph":

2 Insert "(A)"

3

4 Page 13, line 20, following "contract":

5 Insert "and

6

7

8

9

10

11

12

13

14

15 Page 15, line 12, following "paragraph":

16 Insert "(A)"

17

18 Page 15, line 14, following "contract":

19 Insert "and

20

21

22

23

(B) must include a provision that requires that each party to the agreement or contract pay, in proportion to the party's ownership interest in the North Slope natural gas project, the costs of that portion of infrastructure downstream from the point of production that are directly related to the North Slope natural gas project; the state may not pay for any costs of infrastructure upstream of the point of production; infrastructure costs include the costs of construction, improvement, and maintenance of roads, bridges, port facilities, and utilities;

(B) must include a provision that requires that each party to the agreement or contract pay, in proportion to the party's ownership interest in the North Slope natural gas project, the costs of that portion of infrastructure downstream from the point of production that are directly related to the North

1 Slope natural gas project; the state may not pay for any costs of infrastructure
2 upstream of the point of production; infrastructure costs include the costs of
3 construction, improvement, and maintenance of roads, bridges, port facilities,
4 and utilities;"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSSB 138(FIN) am

1 Page 15, following line 30:

2 Insert a new bill section to read:

3 **** Sec. 16. AS 38.05 is amended by adding a new section to read:**

4 **Sec. 38.05.023. Expansion of a North Slope natural gas project. An**
5 **agreement or contract negotiated under AS 38.05.020(b)(11) or other agreement or**
6 **contract in which the state is a party and that is associated with a North Slope natural**
7 **gas project may allow all parties the benefit of cost savings that result from the**
8 **expansion of the project. However, the agreement or contract must provide that an**
9 **expansion that results in an increase in the cost of transportation may not, for a party**
10 **that does not participate in the expansion, increase the transportation cost for each**
11 **1000 cubic feet of natural gas above the highest cost of transportation for that party**
12 **before the expansion."**

13

14 Renumber the following bill sections accordingly.

15

16 Page 17, line 24:

17 Delete "sec. 17"

18 Insert "sec. 18"

19

20 Page 21, line 16:

21 Delete "sec. 27"

22 Insert "sec. 28"

23

- 1- Page 25, line 9:
- 2 Delete "sec. 30"
- 3 Insert "sec. 31"
- 4
- 5 Page 31, line 18:
- 6 Delete "sec. 37"
- 7 Insert "sec. 38"
- 8
- 9 Page 53, lines 24 - 25:
- 10 Delete "sec. 23"
- 11 Insert "sec. 24"
- 12
- 13 Page 56, line 6:
- 14 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
- 15 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
- 16
- 17 Page 56, line 8:
- 18 Delete "Section 38"
- 19 Insert "Section 39"
- 20
- 21 Page 56, line 9:
- 22 Delete "secs. 62 and 63"
- 23 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE SEATON

TO: CSSB 138(FIN) am

1 Page 15, following line 30:

2 Insert a new bill section to read:

3 **** Sec. 16. AS 38.05 is amended by adding a new section to read:**

4 **Sec. 38.05.023. Access and use of project assets. An agreement or contract in**
5 **which the state is a party and that is associated with a North Slope natural gas project**
6 **must include a requirement that, if the final investment decision is that the project not**
7 **go forward, the state shall have access to and the authority to use all engineering**
8 **designs, contracts, permits, and other data related to the project without further**
9 **payment by the state."**

10

11 Renumber the following bill sections accordingly.

12

13 Page 17, line 24:

14 Delete "sec. 17"

15 Insert "sec. 18"

16

17 Page 21, line 16:

18 Delete "sec. 27"

19 Insert "sec. 28"

20

21 Page 25, line 9:

22 Delete "sec. 30"

23 Insert "sec. 31"

- 1
- 2 Page 31, line 18:
 - 3 Delete "sec. 37"
 - 4 Insert "sec. 38"
 - 5
- 6 Page 53, lines 24 - 25:
 - 7 Delete "sec. 23"
 - 8 Insert "sec. 24"
 - 9
- 10 Page 56, line 6:
 - 11 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
 - 12 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
 - 13
- 14 Page 56, line 8:
 - 15 Delete "Section 38"
 - 16 Insert "Section 39"
 - 17
- 18 Page 56, line 9:
 - 19 Delete "secs. 62 and 63"
 - 20 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 4, following line 24:

2 Insert new bill sections to read:

3 **"* Sec. 4.** AS 31.25.050 is amended to read:

4 **Sec. 31.25.050. Legal counsel. Except as provided in (b) of this section, the**
5 **[THE] corporation shall retain legal counsel to advise the corporation in legal matters**
6 **and represent it in litigation.**

7 *** Sec. 5.** AS 31.25.050 is amended by adding a new subsection to read:

8 (b) The attorney general shall

9 (1) be the legal counsel for the corporation for legal services related to
10 the development of contracts and agreements by the corporation that relate to an
11 Alaska liquefied natural gas project; and

12 (2) consult with the corporation when procuring outside counsel for
13 legal services related to an Alaska liquefied natural gas project."

14

15 Renumber the following bill sections accordingly.

16

17 Page 14, line 3:

18 Delete "sec. 14"

19 Insert "sec. 16"

20

21 Page 17, line 24:

22 Delete "sec. 17"

23 Insert "sec. 19"

1

2 Page 21, line 16:

3 Delete "sec. 27"

4 Insert "sec. 29"

5

6 Page 25, line 9:

7 Delete "sec. 30"

8 Insert "sec. 32"

9

10 Page 31, line 18:

11 Delete "sec. 37"

12 Insert "sec. 39"

13

14 Page 53, lines 24 - 25:

15 Delete "sec. 23"

16 Insert "sec. 25"

17

18 Page 54, line 25:

19 Delete "sec. 14"

20 Insert "sec. 16"

21

22 Page 56, line 6:

23 Delete "Sections 1 - 14, 16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

24 Insert "Sections 1 - 16, 18, 19, 25 - 29, 31, 32, 39, 41, and 57 - 63"

25

26 Page 56, line 8:

27 Delete "sec. 38"

28 Insert "sec. 40"

29

30 Page 56, line 9:

31 Delete "secs. 62 and 63"

1

Insert "secs. 64 and 65"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 1, line 4, following "projects;":

2 Insert "making certain contracts and agreements by the Department of Natural
3 Resources not subject to the State Procurement Code;"

4

5 Page 11, following line 19:

6 Insert a new bill section to read:

7 "* Sec. 13. AS 36.30.850(b) is amended by adding a new paragraph to read:

8 (47) contracts for professional and technical services by the
9 Department of Natural Resources to support the development of agreements and
10 contracts under AS 38.05.020(b)(10) and (11)."

11

12 Renumber the following bill sections accordingly.

13

14 Page 14, line 3:

15 Delete "sec. 14"

16 Insert "sec. 15"

17

18 Page 17, line 24:

19 Delete "sec. 17"

20 Insert "sec. 18"

21

22 Page 21, line 16:

23 Delete "sec. 27"

- 1 Insert "sec. 28"
- 2
- 3 Page 25, line 9:
- 4 Delete "sec. 30"
- 5 Insert "sec. 31"
- 6
- 7 Page 31, line 18:
- 8 Delete "sec. 37"
- 9 Insert "sec. 38"
- 10
- 11 Page 53, lines 24 - 25:
- 12 Delete "sec. 23"
- 13 Insert "sec. 24"
- 14
- 15 Page 54, line 25:
- 16 Delete "sec. 14"
- 17 Insert "sec. 15"
- 18
- 19 Page 56, line 6:
- 20 Delete "Sections 1 - 14, 16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
- 21 Insert "Sections 1 - 15, 17, 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
- 22
- 23 Page 56, line 8:
- 24 Delete "Section 38"
- 25 Insert "Section 39"
- 26
- 27 Page 56, line 9:
- 28 Delete "secs. 62 and 63"
- 29 Insert "secs. 63 and 64"

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FEIGE

TO: CSSB 138(FIN) am

1 Page 2, line 5, following "**credit**";

2 Insert "**requiring the commissioner of revenue to provide a report to the**
3 **legislature on financing options for state ownership and participation in a North Slope**
4 **natural gas project;**"

5

6 Page 53, following line 14:

7 Insert a new bill section to read:

8 "*** Sec. 58.** The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 IDENTIFICATION OF AND REPORT ON FINANCING OPTIONS FOR STATE
11 OWNERSHIP AND PARTICIPATION IN A NORTH SLOPE NATURAL GAS PROJECT.

12 (a) The commissioner of revenue shall identify and report to the legislature on a range of
13 financing options for state acquisition of an ownership interest and participation in a North
14 Slope natural gas project. The report must include a description of the risk associated with
15 each option and the effect of each option on the bonding capacity and bond rating of the state.
16 In this subsection, "North Slope natural gas project" has the meaning given in AS 38.05.965,
17 as amended by sec. 23 of this Act.

18 (b) The commissioner shall make the report described in (a) of this section available
19 to the legislature on the first day of the First Regular Session of the Twenty-Ninth Alaska
20 State Legislature."

21

22 Renumber the following bill sections accordingly.

23

1 Page 56, line 6:

2 Delete "61"

3 Insert "62"

4

5 Page 56, line 9:

6 Delete "secs. 62 and 63"

7 Insert "secs. 63 and 64"