

CS FOR SENATE BILL NO. 3001(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - THIRD SPECIAL SESSION

BY THE SENATE FINANCE COMMITTEE

Offered: 11/2/15

Referred: Today's Calendar

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 **"An Act making supplemental appropriations; making appropriations to capitalize**
2 **funds; and providing for an effective date."**

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

4 * **Section 1.** LEGISLATIVE INTENT. (a) It is the intent of the legislature that the
5 appropriations made in secs. 2 - 4 of this Act be accounted for separately from the unrestricted
6 general fund.

7 (b) It is the intent of the legislature that the appropriation made in sec. 5(a) of this Act
8 be paid in an expedited manner, resulting in a successful state acquisition of the interest in the
9 Alaska liquefied natural gas project currently held by TransCanada Alaska Midstream
10 Limited Partnership by December 1, 2015.

11 * **Sec. 2.** DEPARTMENT OF LAW. The sum of \$10,100,000 is appropriated from the
12 general fund to the Department of Law, civil division, oil, gas, and mining, for contractual
13 services with law firms to assist the Department of Natural Resources in drafting and
14 reviewing contracts related to the Alaska liquefied natural gas project and to provide legal and

1 regulatory support for state participation in the Alaska liquefied natural gas project for the
 2 fiscal year ending June 30, 2016. Money may be expended from the appropriation made in
 3 this section only for work completed during the fiscal year ending June 30, 2016.

4 * **Sec. 3.** DEPARTMENT OF NATURAL RESOURCES. The sum of \$1,849,500 is
 5 appropriated from the general fund to the Department of Natural Resources, administration
 6 and support services, North Slope gas commercialization, for a marketing lead position, a
 7 marketing analyst position, work related to Federal Energy Regulatory Commission resource
 8 reporting reviews and drafting, facilities review for commercial aspects, commercial analysis
 9 and support, and audits associated with the termination of the agreement with TransCanada
 10 Alaska Midstream Limited Partnership for the fiscal year ending June 30, 2016. Money may
 11 be expended from the appropriation made in this section only for work completed during the
 12 fiscal year ending June 30, 2016.

13 * **Sec. 4.** DEPARTMENT OF REVENUE. The sum of \$1,045,500 is appropriated from the
 14 general fund to the Department of Revenue, administration and support, natural gas
 15 commercialization, for personal services for work on financial analysis, project financing,
 16 governance, and the revenue aspects of marketing and taxes; for travel; for contractual review
 17 of project financing; and for other costs related to performing work for the Alaska liquefied
 18 natural gas project for the fiscal year ending June 30, 2016. Money may be expended from the
 19 appropriation made in this section only for work completed during the fiscal year ending
 20 June 30, 2016.

21 * **Sec. 5.** FUND CAPITALIZATION. (a) The amount necessary, estimated to be
 22 \$68,455,000, is appropriated from the general fund to the Alaska liquefied natural gas project
 23 fund (AS 31.25.110) to acquire the interest currently held by TransCanada Alaska Midstream
 24 Limited Partnership in the Alaska liquefied natural gas project.

25 (b) The sum of \$75,600,000 is appropriated from the general fund to the Alaska
 26 liquefied natural gas project fund (AS 31.25.110) to fund the state's share of preliminary
 27 front-end engineering and design work for the Alaska liquefied natural gas project.

28 (c) The statutory designated program receipts received as reimbursement for costs of
 29 field work paid from the Alaska liquefied natural gas project fund (AS 31.25.110) during the
 30 fiscal year ending June 30, 2016, estimated to be \$2,900,000, are appropriated to the Alaska
 31 liquefied natural gas project fund (AS 31.25.110).

1 (d) The statutory designated program receipts received as reimbursement for costs of
2 field work paid from the in-state natural gas pipeline fund (AS 31.25.100) during the fiscal
3 year ending June 30, 2016, estimated to be \$1,300,000, are appropriated to the in-state natural
4 gas pipeline fund (AS 31.25.100).

5 * **Sec. 6.** LAPSE OF APPROPRIATIONS. The appropriations made in sec. 5 of this Act are
6 for the capitalization of funds and do not lapse.

7 * **Sec. 7.** RETROACTIVITY. If secs. 2 - 5 of this Act take effect after November 15, 2015,
8 secs. 2 - 5 of this Act are retroactive to November 15, 2015.

9 * **Sec. 8.** CONTINGENCY. The appropriations made in secs. 2 - 4, and 5(b) of this Act are
10 contingent on adoption of a work program and budget for the Alaska liquefied natural gas
11 project for calendar year 2016 by the Alaska Gasline Development Corporation, ExxonMobil
12 Alaska LNG LLC, ConocoPhillips Alaska LNG Company, and BP Alaska LNG LLC by
13 December 31, 2015.

14 * **Sec. 9.** This Act takes effect immediately under AS 01.10.070(c).