

HOUSE BILL NO. 79

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES RAMRAS, Millett

Introduced: 1/21/09

Referred: Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act establishing a gas royalty and production tax fund, describing its purpose, and**
2 **authorizing use of fund proceeds to support power cost equalization."**

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

4 *** Section 1.** AS 37.05 is amended by adding a new section to read:

5 **Sec. 37.05.535. Gas royalty and production tax fund.** (a) The gas royalty
6 and production tax fund is established in the general fund. Except for money deposited
7 in the budget reserve fund under art. IX, sec. 17(a), Constitution of the State of
8 Alaska, the fund consists of the proceeds

9 (1) from the sale, exchange, or other disposal of gas that is obtained by
10 the state as royalty under AS 38.05.182, whether taken in cash or in kind, from gas
11 production delivered into an in-state gas pipeline for consumption or use within the
12 state, excluding amounts deposited in the Alaska permanent fund under
13 AS 37.13.010(a)(1) or (2);

14 (2) received from the production tax under AS 43.55.011 for gas that is

1 exported from the state and for which the state does not receive royalties.

2 (b) The department shall separately account for the receipts described in (a) of
3 this section.

4 (c) The legislature may appropriate money in the gas royalty and production
5 tax fund to the power cost equalization endowment fund (AS 42.45.070), the power
6 cost equalization and rural electric capitalization fund (AS 42.45.100), or for any other
7 public purpose.

8 * **Sec. 2.** AS 42.45.070(a) is amended to read:

9 (a) The power cost equalization endowment fund is established as a separate
10 fund of the authority. The fund consists of

11 (1) legislative appropriations to the fund that are not designated for
12 annual expenditure for the purpose of power cost equalization;

13 (2) accumulated earnings of the fund;

14 (3) gifts, bequests, contributions of money and other assets, and federal
15 money given to the fund that are not designated for annual expenditure for power cost
16 equalization; and

17 (4) **legislative appropriations from the gas royalty and production**
18 **tax fund under AS 37.05.535** [REPEALED].

19 * **Sec. 3.** AS 42.45.100(b) is amended to read:

20 (b) The fund shall be administered by the authority as a fund distinct from the
21 other funds of the authority. The fund is composed of

22 (1) money appropriated to provide power cost equalization to eligible
23 electric utilities and to provide grants for utility improvements;

24 (2) money appropriated from the National Petroleum Reserve - Alaska
25 special revenue fund under AS 37.05.530(g);

26 (3) money appropriated from the power cost equalization endowment
27 fund (AS 42.45.070) under AS 42.45.085(a);

28 (4) gifts, bequests, contributions from other sources, and federal
29 money; [AND]

30 (5) interest earned on the fund balance; **and**

31 **(6) legislative appropriations from the gas royalty and production**

1 **tax fund under AS 37.05.535.**