



NEWS FROM THE ALASKA CAPITOL

City of Whittier

The supplemental budget (HB 289) has been a central focus of the first half of the legislative session. Following extensive advocacy from Alaskans across the state, the Legislature passed the bill nearly unanimously on Wednesday. The final version includes the \$70 million in matching funds required to leverage nearly \$700 million in federal highway dollars, critical funding for ongoing disaster relief in Western Alaska following Typhoon Halong last fall, and other key investments.

With oil prices currently elevated, the budget is expected to be funded entirely from the General Fund rather than the Constitutional Budget Reserve. Should prices decline, the Legislature would need to revisit the funding source. The bill now awaits the Governor's signature. Prompt action is encouraged so that projects can be put out to bid, closing the book on the FY 2026 budget and allowing focus to shift to the FY 2027 operating budget.

On Wednesday, the Senate narrowly passed an amendment 11-8 to House Bill 194 that would tax oil and gas S-corps and other pass-through entities with taxable income exceeding \$1 million, significantly altering the bill's original scope. The underlying legislation, introduced by the Governor and passed by the House last year, would renew a three-year oil royalty agreement with Marathon Petroleum Corporation, which now carries its own complications. The amended bill passed 12-7. Senator Hoffman of Bethel filed for reconsideration of his vote, meaning the bill will return to the Senate floor early this week.

Governor Dunleavy has proposed eliminating property taxes for the Alaska LNG project to incentivize development of the \$46 billion gas line and export facilities (SB 381/HB 280). Introduced to the Legislature on March 20, the bills would exempt the project from local property and sales taxes during its development phase, replacing them with a volume-based tax once the pipeline reaches significant production capacity. The Alaska Department of Revenue estimates the proposal would result in a 90% reduction in property tax revenue at full capacity. Municipal governments stand to be most affected:

under current tax law, they would collect an estimated \$13 billion in additional revenue through 2062, or approximately \$360 million annually.

The House passed Senate Bill 64 on Monday by a 23-16 bipartisan vote. The elections bill is designed to streamline Alaska's voting process and update voter rolls. If signed into law, it would implement a new ballot tracking system, provide prepaid postage for absentee mail-in ballots, and introduce provisions to accelerate election results, among other changes.

House Finance is scheduled to take up amendments to the FY 2027 Operating Budget this week.

COMMITTEE HEARINGS OF INTEREST

Apr 01, 2026

House RESOURCES

01:00pm | BARNES 124

[Committee Page](#)

OIL & GAS PROPERTY TAX; MUNI TAX; -- Testimony --; Nick Fulford, GaffneyCline Energy Advisory

Bills:

- [HB 381](#)

How to Watch Live Committee Meetings

1. Go to AKLEG.GOV at the time of your desired committee hearing
2. Click on the 5th tab to the right, "Live Now"
3. Scroll down to your meeting and select "Watch Now"

Call-In Numbers

- From Anchorage and Juneau: (907) 586-9085
- From anywhere else around the state (toll free): 1-844-586-9085
- Let the operator know which committee hearing you need to be connected to.

How to Watch Previous Committee Meetings

1. Go to AKLEG.GOV
2. Click on 4th tab to the right, "Meetings"
3. Click on "Both Schedule" from the menu on the left
4. Make sure your date range is properly reflected in the date boxes on the right side of the screen.
5. Scroll down, find your meeting and click on the "Audio/Video" option on the right side of the screen.