

Introduced: 02/03/26
Public Hearing: 02/17/26
Amended: 02/17/26
Adopted: 02/17/26

**MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 26-009**

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY SUPPORTING
A PAYMENT IN LIEU OF TAXES FOR THE PIPELINE INFRASTRUCTURE OF THE
ALASKA NATURAL GAS (AK-LNG) PROJECT.

WHEREAS, the Alaska Natural Gas (AK-LNG) project will commercialize and monetize natural gas from Alaska's North Slope to the global markets; and

WHEREAS, the AK-LNG project will provide natural gas for Alaska's in-state use to benefit the residents of Alaska; and

WHEREAS, the AK-LNG project will support hundreds of construction and engineering jobs during its construction; and

WHEREAS, the AK-LNG project will support many local communities in Alaska by supplying much-needed energy and jobs; and

WHEREAS, the AK-LNG project is estimated to cost \$44 billion in construction costs alone; and

WHEREAS, the AK-LNG project will also have ongoing operations and maintenance costs; and

WHEREAS, one of the ongoing costs of the AK-LNG project is the taxes to be paid on the infrastructure; and

WHEREAS, the AK-LNG pipeline represents about one-third of the total cost of the project; and

WHEREAS, the AK-LNG pipeline will be 806 miles long with 180 miles (or 22.3%) of the pipeline in the Matanuska-Susitna Borough; and

WHEREAS, the AK-LNG project will benefit from fiscal certainty as to tax payments as part of the ongoing operational costs; and

WHEREAS, tax payments on property often lead to litigation because of disagreements over valuation; and

WHEREAS, litigation is not productive, not collaborative, and drains resources; and

WHEREAS, litigation should not be the goal of any municipality; and

WHEREAS, fiscal certainty will help the AK-LNG project move forward; and

WHEREAS, a Payment in Lieu of Taxes ("PILT") is another option for infrastructure to contribute to the community in which it is located; and

WHEREAS, a PILT can remove uncertainty and risk while also ensuring fairness to all involved; and

WHEREAS, a PILT can ensure that no one region receives a windfall at the expense of others; and

WHEREAS, a PILT can be fair and equitable; and

WHEREAS, under current law, the physical value of the pipeline within the Matanuska-Susitna Borough will be counted in the

determination of the full and true value of all taxable property within the Matanuska-Susitna Borough; and

WHEREAS, this total value number has a large impact on the Matanuska-Susitna Borough because the Required Local Contribution ("RLC") to the School District is 2.65 mills multiplied by the full and true value of all taxable property in the Matanuska-Susitna Borough; and

WHEREAS, while a PILT provides certainty for all, if the value of the pipeline is included in the full and true value of all property, it will dramatically raise the RCL without a corresponding increase in revenue sufficient to pay the increase in the RLC while also providing funding to the Matanuska-Susitna Borough to address other impacts of the pipeline; and

WHEREAS, if a PILT is enacted, it must also specify that the value of the pipeline is not to be included in the property to be calculated by AS 14.17.410(b)(2) and AS 14.17.510; and

WHEREAS, the intent of establishing a threshold for a PILT is intended to avoid taxing in-state gas, if and until gas exports begin; and

WHEREAS, Southcentral Alaska consumes approximately 60 billion cubic feet (BCF) annually and the State has discussed a 1 BCF per day threshold for payments; and

WHEREAS, the current proposal assumes that PILTs are split with the State of Alaska and the State is seeking tax reform to lower project costs.

NOW, THEREFORE, BE IT RESOLVED, the Matanuska-Susitna Borough Assembly supports a PILT for the pipeline infrastructure of the Alaska Natural Gas Project.

BE IT FURTHER RESOLVED, that the Matanuska-Susitna Borough Assembly encourages the Alaska Legislature to enact laws allowing for a Payment in Lieu of Taxes for the pipeline infrastructure of the Alaska Natural Gas Project rather than relying on the current oil and gas real property tax mechanism; and

BE IT FURTHER RESOLVED, the support for a PILT is conditional upon also enacting a provision of law that the value of the pipeline is not to be included in the property to be calculated by AS 14.17.410(b)(2) and AS 14.17.510; and

BE IT FURTHER RESOLVED, a PILT should apply once throughput exceeds 250 million cubic feet (MMCF) per day and, regardless of throughput, payments should apply to all throughput volume after 10 years following completion of the pipeline; and

BE IT FURTHER RESOLVED, the Assembly supports eliminating all PILT costs shared with the state of Alaska, leaving the full payment in organized Boroughs to the local municipality.

ADOPTED by the Matanuska-Susitna Borough Assembly this 17 day
of February, 2026.


EDNA DeVRIES, Borough Mayor

ATTEST:


LONNIE R. McKECHNIE, CMC, Borough Clerk

(SEAL)



PASSED UNANIMOUSLY: Bowles, Nowers, McKee, Sumner, Gamble, Fonov,
and Bernier