

SENATE JOINT RESOLUTION NO. 15

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FIRST LEGISLATURE - SECOND SESSION

BY SENATORS WIELECHOWSKI, Gray-Jackson, Begich, Kiehl

Introduced: 2/5/20
Referred: Resources

A RESOLUTION

1 **Requesting the United States Congress to repeal sec. 20001(b)(5) of the Tax Cuts and**
2 **Jobs Act to honor the Alaska Statehood Act with respect to the state's share of bonuses,**
3 **royalties, and rentals from exploration and development in the coastal plain of the**
4 **Arctic National Wildlife Refuge.**

5 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 **WHEREAS**, in 1957 and 1958, when considering the admission of Alaska into the
7 Union as the 49th state, the United States Congress acknowledged significant concerns that
8 Alaska's geographical challenges and low population would make the new state susceptible to
9 financial instability; and

10 **WHEREAS**, during its deliberations, the United States Congress also acknowledged
11 concern that previous land reservations and withdrawals had involved some of the most
12 resource-rich and valuable tracts in the territory, including acreage that is now part of the
13 Arctic National Wildlife Refuge; and

14 **WHEREAS**, to counteract potential detrimental effects on the state's finances and to
15 bolster revenue, the United States Congress considered a federal-state revenue sharing

1 division that would provide the state with 90 percent of the income derived from mineral
2 leasing on federal land; and

3 **WHEREAS**, in 1957, the United States Congress amended the Mineral Leasing Act
4 of 1920 (30 U.S.C. 191) to provide Alaska with the same federal revenue sharing arrangement
5 provided to existing states by granting the Territory of Alaska 90 percent of the gross
6 proceeds from oil and gas leases on federal land in the territory; and

7 **WHEREAS** the United States Congress, in sec. 28 of the Alaska Statehood Act of
8 1958 (P.L. 85-508), confirmed the right of the state to receive 90 percent of the income
9 derived from mineral leasing collected from the development of federal land in the state; and

10 **WHEREAS** the Mineral Leasing Act of 1920 (30 U.S.C. 191), as amended, provides
11 that "[a]ll money received from the sales, bonuses, royalties . . . and rentals of [certain
12 federal] public lands . . . shall be paid into the Treasury of the United States; and . . . 90 per
13 centum thereof shall be paid to the State of Alaska for disposition by the legislature thereof,"
14 which is consistent with the provisions of the Alaska Statehood Act with respect to the share
15 of profits obtained from leasing, exploration, and development of federal land within the
16 state's borders to which the State of Alaska is entitled; and

17 **WHEREAS** sec. 20001 of the Tax Cuts and Jobs Act of 2017 (P.L. 115-97) provides
18 for the leasing of land for the development and extraction of resources, including in portions
19 of the coastal plain of the Arctic National Wildlife Refuge; and

20 **WHEREAS**, under the Tax Cuts and Jobs Act of 2017 (P.L. 115-97), the United
21 States Department of the Interior is required to hold two lease sales by 2025, offering at least
22 400,000 acres for each lease sale; and

23 **WHEREAS** sec. 20001(b)(5) of the Tax Cuts and Jobs Act of 2017 (P.L. 115-97)
24 provides for the state to receive a 50 percent share of the adjusted bonus, rental, and royalty
25 receipts derived from leasing, exploration, and development of federal land in the state, in
26 contravention of the percentage shares required under the Alaska Statehood Act; and

27 **WHEREAS** the Congressional Budget Office has estimated that gross receipts from
28 the lease bonus bids alone could generate proceeds of up to \$2,200,000,000 over a decade;
29 and

30 **WHEREAS**, because the United States Department of the Interior issued a final
31 environmental impact statement in 2019 and plans the first lease sale within the coastal plain

1 of the Arctic National Wildlife Refuge as soon as possible, which could occur during calendar
 2 year 2020, an injury to the state's finances is imminent;

3 **BE IT RESOLVED** that the Alaska State Legislature urges the United States
 4 Congress to repeal sec. 20001(b)(5) of the Tax Cuts and Jobs Act (P.L. 115-97) to honor the
 5 Alaska Statehood Act, which provides that the State of Alaska receive a 90 percent share of
 6 all bonuses, royalties, and rentals under leases received by the federal government for
 7 exploration and development in the coastal plain of the Arctic National Wildlife Refuge; and
 8 be it

9 **FURTHER RESOLVED** that, if the federal government receives income from the
 10 exploration and development of the coastal plain of the Arctic National Wildlife Refuge
 11 before the repeal of sec. 20001(b)(5) of the Tax Cuts and Jobs Act of 2017 (P.L. 115-97), the
 12 Alaska State Legislature urges the United States Congress to ensure that the state retroactively
 13 receive a 90 percent share of the bonuses, royalties, and rentals received under leases issued
 14 by the federal government for exploration and development of the Arctic National Wildlife
 15 Refuge.

16 **COPIES** of this resolution shall be sent to the Honorable Mitch McConnell, Majority
 17 Leader of the U.S. Senate; the Honorable Nancy Pelosi, Speaker of the U.S. House of
 18 Representatives; and the Honorable Lisa Murkowski and the Honorable Dan Sullivan, U.S.
 19 Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska
 20 delegation in Congress.