

**HOUSE JOURNAL**  
**ALASKA STATE LEGISLATURE**  
**TWENTY-FOURTH LEGISLATURE**  
**SECOND SPECIAL SESSION**

**Juneau, Alaska**

**Sunday**

**June 4, 2006**

**Twenty-sixth Day**

Pursuant to adjournment the House was called to order by Speaker Harris at 3:25 p.m.

Roll call showed 37 members present. Representatives Hawker, Holm, and McGuire were absent and their presence was noted later.

The invocation was offered by the Chaplain, Representative Meyer. Representative Dahlstrom moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

Let us pray.

Thank You, Heavenly Father, for the privilege of serving this great state in the House of Representatives. We pray that You will give us the strength and wisdom to make the right decisions for the people of Alaska who have placed their trust in us to represent them.

But let us not forget the children, the elderly, the poor, and those who are unable to communicate their needs to us.

Please provide us with guidance as we continue our deliberations. For we are simply 40 representatives with 40 different opinions who are trying to do our very best, for what is the best, for the state of Alaska.

Help us remember the importance of the work that we do in these chambers and in our committee rooms and how the decisions we make here today will mold the future of our state.

Thank You for the freedom that we enjoy in this country. Please provide strength, comfort, and courage to the men and women serving our country, inside and outside of her borders. Keep them safe and bring them home soon.

In Your name we pray. Amen.

The Pledge of Allegiance was led by Representative Moses.

### **CERTIFICATION OF THE JOURNAL**

Representative Coghill moved and asked unanimous consent that the journal for the 25th legislative day of the Second Special Session be approved as certified by the Assistant Chief Clerk. There being no objection, it was so ordered.

### **MESSAGES FROM THE GOVERNOR**

#### **SB 237**

A message dated June 3, 2006, was read stating the Governor has signed the following bill June 2 and is transmitting the engrossed and enrolled copies to the Lieutenant Governor's office for permanent filing:

CS FOR SENATE BILL NO. 237(FIN)

"An Act relating to the compensation of justices and judges, and to increasing the number of superior court judges designated for the third and fourth judicial districts; and providing for an effective date."

Chapter No. 51, SLA 2006  
Effective Date: July 1, 2006

**MESSAGES FROM THE SENATE**

A message dated June 4, 2006, was read stating the Senate has passed the following and it is transmitted for consideration:

**FIRST READING AND REFERENCE  
OF SENATE BILLS****SB 2002**

CS FOR SENATE BILL NO. 2002(JUD) by the Senate Judiciary Committee, entitled:

"An Act conferring original jurisdiction on the Alaska Supreme Court for the purpose of providing judicial review of a contract executed under the Alaska Stranded Gas Development Act, and setting the time in which a final agency decision of the commissioner of revenue made under that Act, the constitutionality of a law authorizing a contract enacted under that Act, or the enforceability of a contract executed under a law authorizing a contract enacted under that Act must be legally challenged and by whom; and providing for an effective date."

was referred to the Judiciary Committee. First reading of the title took place under Unfinished Business.

**REPORTS OF STANDING COMMITTEES****HB 2003**

The Judiciary Committee has considered:

**HOUSE BILL NO. 2003**

"An Act establishing the Alaska Natural Gas Pipeline Corporation to finance, own, and manage the state's interest in the Alaska North Slope natural gas pipeline project and relating to that corporation and to subsidiary entities of that corporation; relating to owner entities of the Alaska North Slope natural gas pipeline project, including provisions concerning Alaska North Slope natural gas pipeline project indemnities; establishing the gas pipeline project cash reserves fund in the corporation and establishing the Alaska natural gas pipeline construction loan fund

in the Department of Revenue; making conforming amendments; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 2003(JUD)  
(same title)

The report was signed by Representative McGuire, Chair, with the following individual recommendations:

Do pass (2): Anderson, Wilson

No recommendation (4): Coghill, Kott, Gruenberg, McGuire

Amend (1): Gara

The following fiscal note(s) apply to CSHB 2003(JUD):

1. Zero, Dept. of Natural Resources
2. Fiscal, Dept. of Revenue

HB 2003 was referred to the Finance Committee.

#### **HB 2004**

The Resources Committee has considered:

HOUSE BILL NO. 2004

"An Act relating to the Alaska Stranded Gas Development Act, including clarifications or provision of additional authority for the development of stranded gas fiscal contract terms; making a conforming amendment to the Revised Uniform Arbitration Act; relating to municipal impact money received under the terms of a stranded gas fiscal contract; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 2004(RES)  
(same title)

The report was signed by Representatives Samuels and Ramras, Co-chairs, with the following individual recommendations:

Do pass (1): Crawford

No recommendation (5): Kapsner, Olson, Seaton, Elkins, LeDoux

Amend (3): Gatto, Samuels, Ramras

The following fiscal note(s) apply to CSHB 2004(RES):

1. Zero, Dept. of Revenue
2. Indeterminate, Dept. of Natural Resources

HB 2004 was referred to the Judiciary Committee.

\*\*The presence of Representative Holm was noted.

### **CONSIDERATION OF THE DAILY CALENDAR**

#### **SECOND READING OF HOUSE BILLS**

##### **HB 2002**

The following is in the Judiciary Committee:

##### **HOUSE BILL NO. 2002**

"An Act conferring original jurisdiction on the Alaska Supreme Court for the purpose of providing judicial review of a contract executed under the Alaska Stranded Gas Development Act, and setting the time in which a contract developed under that Act, or a statute of limitations regarding that contract, must be legally challenged; and providing for an effective date."

#### **THIRD READING OF SENATE BILLS**

##### **SB 2001**

The following, which was advanced to third reading from the June 3, 2006, calendar (page 4124), was read the third time:

## HOUSE CS FOR CS FOR SENATE BILL NO. 2001(FIN)

"An Act relating to the production tax on oil and gas and to conservation surcharges on oil; relating to criminal penalties for violating conditions governing access to and use of confidential information relating to the production tax; amending the definition of 'gas' as that definition applies in the Alaska Stranded Gas Development Act; making conforming amendments; and providing for an effective date."

Representative Meyer moved and asked unanimous consent that he be allowed to abstain from voting because of a conflict of interest. Objection was heard, and Representative Meyer was required to vote.

The Speaker stated that Representative Hawker previously declared a conflict of interest on this issue and would be required to vote.

Representatives Joule and Chenault moved and asked unanimous consent that they be allowed to abstain from voting because of a conflict of interest. Objection was heard. The Speaker stated that all members would be required to vote.

\*\*The presence of Representative Hawker was noted.

Representative Kelly moved and asked unanimous consent that HCS CSSB 2001(FIN) be returned to second reading for the specific purpose of considering Amendment No. 2.

The Speaker stated that, without objection, HCS CSSB 2001(FIN) would be returned to second reading for all amendments.

Representative Hawker objected to taking up Amendment No. 2 first.

Representative Kelly moved and asked unanimous consent to withdraw the motion. There being no objection, it was so ordered.

Amendment No. 1 was offered by Representatives Kelly, Berkowitz, Seaton, Gara, and Gardner:

Page 3, line 9:

Delete "20 percent"

Insert "23.5 percent"

Page 3, line 30:

Delete "20 percent"

Insert "23.5 percent"

Representative Kelly moved and asked unanimous consent that Amendment No. 1 be adopted.

There was objection.

Representative Kelly placed a call of the House.

\*\*The presence of Representative McGuire was noted.

Amendment to Amendment No. 1 was offered by Representative Samuels:

Delete "23.5"

Insert "21.75"

The call was satisfied.

The question being: "Shall Amendment to Amendment No. 1 be adopted?" The roll was taken with the following result:

HCS CSSB 2001(FIN)

Second Reading

Amendment to Amendment No. 1

**YEAS: 14 NAYS: 26 EXCUSED: 0 ABSENT: 0**

Yeas: Chenault, Hawker, Joule, Kapsner, Kohring, Kott, Lynn, McGuire, Meyer, Olson, Rokeberg, Samuels, Weyhrauch, Wilson

Nays: Anderson, Berkowitz, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Holm, Kelly, Kerttula, LeDoux, Moses, Neuman, Ramras, Salmon, Seaton, Stoltze, Thomas

And so, Amendment to Amendment No. 1 was not adopted.

The question being: "Shall Amendment No. 1 be adopted?" The roll was taken with the following result:

HCS CSSB 2001(FIN)

Second Reading

Amendment No. 1

**YEAS: 23 NAYS: 17 EXCUSED: 0 ABSENT: 0**

Yeas: Berkowitz, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Holm, Kelly, Kerttula, LeDoux, Moses, Neuman, Salmon, Seaton, Stoltze, Thomas

Nays: Anderson, Chenault, Foster, Hawker, Joule, Kapsner, Kohring, Kott, Lynn, McGuire, Meyer, Olson, Ramras, Rokeberg, Samuels, Weyhrauch, Wilson

And so, Amendment No. 1 was adopted.

Amendment No. 2 was offered by Representatives Kelly, Berkowitz, Seaton, Stoltze, Kerttula, and Gara:

Page 4, line 9:

Delete ".175 percent"

Insert ".25 percent"

Page 4, line 16:

Delete "45"

Insert "35"

Representative Weyhrauch moved and asked unanimous consent that the House adjourn sine die.

There was objection.

The question being: "Shall the House adjourn sine die?" The roll was taken with the following result:

Adjourn sine die

**YEAS: 6 NAYS: 34 EXCUSED: 0 ABSENT: 0**



Yeas: Anderson, Chenault, Kohring, Kott, Meyer, Weyhrauch

Nays: Berkowitz, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Hawker, Holm, Joule, Kapsner, Kelly, Kerttula, LeDoux, Lynn, McGuire, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

And so, the motion failed.

Representative Kelly moved and asked unanimous consent that Amendment No. 2 be adopted.

Representative Hawker objected.

The question being: "Shall Amendment No. 2 be adopted?" The roll was taken with the following result:

HCS CSSB 2001(FIN) am H

Second Reading

Amendment No. 2

**YEAS: 23 NAYS: 17 EXCUSED: 0 ABSENT: 0**

Yeas: Berkowitz, Cissna, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gruenberg, Guttenberg, Harris, Holm, Joule, Kapsner, Kelly, Kerttula, LeDoux, Moses, Neuman, Salmon, Seaton, Stoltze, Thomas

Nays: Anderson, Chenault, Coghill, Foster, Gatto, Hawker, Kohring, Kott, Lynn, McGuire, Meyer, Olson, Ramras, Rokeberg, Samuels, Weyhrauch, Wilson

And so, Amendment No. 2 was adopted.

Amendment No. 3 was offered by Representatives Kelly, Berkowitz, Seaton, Stoltze, and Gardner:

Page 10, lines 13 - 16:

Delete all material and insert:

"(c) A credit or portion of a credit under this section

(1) may not be used to reduce a person's tax liability under AS 43.55.011(e) for any month below

(A) four percent of the gross value at the point of production for oil and gas produced in the area of the state lying north of 68 degrees North latitude for producers of over 75,000 of oil equivalent a day; or

(B) zero for all regions and producers other than those described in (A) of this paragraph; and

(2) not used under (1) of this subsection may be applied in a later month."

Representative Kelly moved and asked unanimous consent that Amendment No. 3 be adopted.

Representative Kott objected.

Amendment to Amendment No. 3 was offered by Representative Kelly:

Following "75,000":

Insert "barrels"

Representative Kelly moved and asked unanimous consent that Amendment to Amendment No. 3 be adopted. There being no objection, Amendment to Amendment No. 3 was adopted.

The question being: "Shall Amendment No. 3 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 2001(FIN) am H

Second Reading

Amendment No. 3 as amended

**YEAS: 23 NAYS: 17 EXCUSED: 0 ABSENT: 0**

Yeas: Berkowitz, Cissna, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gruenberg, Guttenberg, Holm, Joule, Kapsner, Kelly, Kerttula, LeDoux, Lynn, McGuire, Moses, Neuman, Salmon, Seaton, Stoltze

Nays: Anderson, Chenault, Coghill, Foster, Gatto, Harris, Hawker, Kohring, Kott, Meyer, Olson, Ramras, Rokeberg, Samuels, Thomas, Weyhrauch, Wilson

Ramras changed from "Yea" to "Nay".

And so, Amendment No. 3 as amended was adopted.

Amendment No. 4 was offered by Representative Chenault:

Page 37, line 10:

Delete "of the subsection"

Insert "of this subsection"

Representative Chenault moved and asked unanimous consent that Amendment No. 4 be adopted. There being no objection, it was so ordered.

Amendment No. 5 was offered by Representatives Ramras and Gara:

Page 9, line 1:

Delete "A"

Insert "Except as provided in (l) of this section, a"

Page 12, line 29, following "section,":

Insert "and except as provided in (l) of this section,"

Page 14, following line 9:

Insert a new subsection to read:

"(l) A person engaged in the production of gas in the Point Thomson Unit may not take a credit under this section for a qualified capital expenditure upstream from the point of production of gas from the Point Thomson Unit for a gas processing plant or a gas treatment facility."

Reletter the following subsection accordingly.

Page 14, line 10, following "section,":

Insert

"(1) "Point Thomson Unit" means the land identified by the Department of Natural Resources as the "Point Thomson Unit";

(2)"

Page 14, line 13:

Delete "(1)"

Insert "(A)"

Page 14, line 14:

Delete "(2)"

Insert "(B)"

Page 14, line 17:

Delete "(A)"

Insert "(i)"

Page 14, line 19:

Delete "(B)"

Insert "(ii)"

Page 25, line 22, following "AS 38.05.132":

Insert ";

(19) costs related to a gas processing plant or a gas treatment facility upstream from the point of production of gas from the Point Thomson Unit"

Page 28, following line 10:

Insert a new paragraph to read:

"(3) "Point Thomson Unit" means the land identified by the Department of Natural Resources as the "Point Thomson Unit";"

Renumber the following paragraph accordingly.

Representative Ramras moved and asked unanimous consent that Amendment No. 5 be adopted.

There was objection.

Amendment to Amendment No. 5 was offered by Representative Ramras:

Under Page 25, line 22, following "(19)":

Insert "capital"

Representative Ramras moved and asked unanimous consent that Amendment to Amendment No. 5 be adopted. There being no objection, it was so ordered.

The question being: "Shall Amendment No. 5 as amended be adopted?" The roll was taken with the following result:

HCS CSSB 2001(FIN) am H  
Second Reading  
Amendment No. 5 as amended

**YEAS: 20 NAYS: 20 EXCUSED: 0 ABSENT: 0**

Yeas: Berkowitz, Cissna, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gruenberg, Guttenberg, Harris, Joule, Kapsner, Kelly, Kerttula, LeDoux, Lynn, Ramras, Salmon, Thomas

Nays: Anderson, Chenault, Coghill, Foster, Gatto, Hawker, Holm, Kohring, Kott, McGuire, Meyer, Moses, Neuman, Olson, Rokeberg, Samuels, Seaton, Stoltze, Weyhrauch, Wilson

And so, Amendment No. 5 as amended was not adopted.

HCS CSSB 2001(FIN) am H was automatically in third reading.

The question being: "Shall HCS CSSB 2001(FIN) am H pass the House?" The roll was taken with the following result:

HCS CSSB 2001(FIN) am H  
Third Reading  
Final Passage

**YEAS: 28 NAYS: 12 EXCUSED: 0 ABSENT: 0**

Yeas: Berkowitz, Coghill, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Harris, Hawker, Holm, Joule, Kapsner, Kelly, LeDoux, Lynn, McGuire, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

Nays: Anderson, Chenault, Cissna, Crawford, Croft, Foster, Guttenberg, Kerttula, Kohring, Kott, Meyer, Weyhrauch

And so, HCS CSSB 2001(FIN) am H passed the House.

Representative Coghill moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the effective date clause. There being no objection, it was so ordered.

Representative Rokeberg gave notice of reconsideration of the vote on HCS CSSB 2001(FIN) am H.

### RECONSIDERATION

#### SB 2001

Representative Dahlstrom moved and asked unanimous consent that reconsideration of HCS CSSB 2001(FIN) am H be taken up on the same day.

There was objection.

The question being: "Shall reconsideration of HCS CSSB 2001(FIN) am H be taken up on the same day?" The roll was taken with the following result:

HCS CSSB 2001(FIN) am H--RECONSIDERATION

Third Reading

Take up Reconsideration on the Same Day

**YEAS: 12 NAYS: 28 EXCUSED: 0 ABSENT: 0**

Yeas: Berkowitz, Cissna, Crawford, Croft, Dahlstrom, Gara, Guttenberg, Joule, Kapsner, Kerttula, Moses, Salmon

Nays: Anderson, Chenault, Coghill, Elkins, Foster, Gardner, Gatto, Gruenberg, Harris, Hawker, Holm, Kelly, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

Gardner changed from "Yea" to "Nay".

Gruenberg changed from "Yea" to "Nay".

Seaton changed from "Yea" to "Nay".

Holm changed from "Yea" to "Nay".

Kelly changed from "Yea" to "Nay".

Weyhrauch changed from "Yea" to "Nay".

Neuman changed from "Yea" to "Nay".

And so, lacking the necessary 27 votes, the motion failed, and reconsideration of HCS CSSB 2001(FIN) am H will be available on June 5, 2006.

### **UNFINISHED BUSINESS**

#### **SB 2002**

The title of the following, which was introduced and referred to the Judiciary Committee, (page 4131) was read the first time:

#### **CS FOR SENATE BILL NO. 2002(JUD)**

"An Act conferring original jurisdiction on the Alaska Supreme Court for the purpose of providing judicial review of a contract executed under the Alaska Stranded Gas Development Act, and setting the time in which a final agency decision of the commissioner of revenue made under that Act, the constitutionality of a law authorizing a contract enacted under that Act, or the enforceability of a contract executed under a law authorizing a contract enacted under that Act must be legally challenged and by whom; and providing for an effective date."

### **ANNOUNCEMENTS**

House committee schedules are published under separate cover.

### **ADJOURNMENT**

Representative Coghill moved and asked unanimous consent that the House adjourn until 2:00 p.m., June 5, 2006. There being no objection, the House adjourned at 5:29 p.m.

Stephanie Hall  
Assistant Chief Clerk