

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES LEGISLATIVE AFFAIRS AGENCY STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

January 20, 2009

SUBJECT: Sectional Summary of HB 68 (Work Order No. 26-LS0262\E)

TO: Representative Les Gara
Attn: Katie Conway

FROM: Brian J. Kane *BJK*
Legislative Counsel

You have requested a sectional summary of HB 68, a bill making sales of and offers to sell certain energy resources by a refiner at prices that are exorbitant or excessive an unlawful act or practice under the Alaska Unfair Trade Practices and Consumer Protection Act.

Please note that a sectional summary of a bill is not an authoritative interpretation of a bill. The bill itself is the best statement of its contents.

Section 1 of the bill amends AS 45.50.471(b) to add the violation created by sec. 2 of the bill to be included on the list of "unfair methods of competition" and "unfair or deceptive acts or practices."

Section 2 of the bill relates to sales of certain energy resources by Alaska refiners.

Subsection (a) states that a refiner may not sell or offer to sell an energy resource at an exorbitant or excessive price.

Subsection (b) states the types of fuel to which the section applies.

Subsection (c) states that it is prima facie evidence that a price is exorbitant or excessive if the price exceeds by more than 10 percent the average wholesale price of the comparable energy resource charged by refiners in the state of Washington and the refiner may rebut the presumption by providing evidence that the price charged was due to reasonable costs incurred by the refiner.

Subsection (d) states that the attorney general may initiate an investigation if he believes subsection (a) has been violated.

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Subsection (e) lists the maximum amount the attorney general can recover in civil penalties.

Subsection (f) provides a definition for the term "refiner."

BJK:ljw
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cc: Representative "Pete" Petersen