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Alaska State Legislature



During Session:
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House of Representatives

Sponsor Statement for HB 168

"An Act requiring the amount of the security given by a party seeking an injunction or order vacating or staying the operation of a permit affecting an industrial operation to include an amount for the payment of wages and benefits for employees and payments to contractors and subcontractors that may be lost if the industrial operation is wrongfully enjoined."

Over the past years there have been several cases where courts have issued injunctions or stays against companies engaged in the development of resource extraction and other construction projects. These court actions have had the effect of delaying worthwhile projects and curtailing employment within the state of Alaska. Thousands of jobs have not come to fruition and economic development of the states resources have been hindered. More often than not, the litigation has failed or had an extremely limited effect in hand with the stated objectives of the original suit. The overall objective is not often what is stated in the suit but merely to delay a project or prevent it from coming to fruition.

HB 168 seeks to impose a penalty on frivolous suits. By requiring a bond to be posted in the event of a stay or injunction, the cost to the party bringing the suit is increased. Under current law the cost to bring a public litigant lawsuit against a project is in effect zero. There is very little risk in bringing a suit. All the risk currently is borne by the defendants. This bill seeks to level the legal playing field without infringing on any parties right to bring a legitimate issue to court.