

CS FOR HOUSE BILL NO. 2004(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FOURTH LEGISLATURE - SECOND SPECIAL SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered: 6/4/06

Referred: Judiciary

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

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

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1.** AS 09.43.300(a) is amended to read:

8 (a) AS 09.43.300 - 09.43.595 govern an agreement to arbitrate made on or
9 after January 1, 2005, except as otherwise provided in a contract term developed
10 under AS 43.82.200(a)(5) and (b).

11 * **Sec. 2.** AS 43.82.010 is amended to read:

12 **Sec. 43.82.010. Purpose.** The purpose of this chapter is to

13 (1) encourage new investment to develop the state's stranded gas

1 resources by authorizing establishment of fiscal terms related to **oil and gas**
 2 **agreements and taxes for a qualified sponsor, the members of a qualified sponsor**
 3 **group, or a related party and related to their oil and gas business activity in the**
 4 **state** [THAT NEW INVESTMENT WITHOUT SIGNIFICANTLY ALTERING TAX
 5 AND ROYALTY METHODOLOGIES AND RATES ON EXISTING OIL AND
 6 GAS INFRASTRUCTURE AND PRODUCTION];

7 (2) allow the fiscal terms applicable to a qualified sponsor or the
 8 members of a qualified sponsor group, **or a related party**, with respect to a qualified
 9 project, to be tailored to the particular economic conditions of the project and to
 10 establish those fiscal terms in advance with as much certainty as the Constitution of
 11 the State of Alaska allows; and

12 (3) maximize the benefit to the people of the state of the development
 13 of the state's stranded gas resources.

14 * **Sec. 3.** AS 43.82.020 is amended to read:

15 **Sec. 43.82.020. Negotiation of contract terms** [CONTRACTS FOR
 16 **PAYMENTS IN LIEU OF OTHER TAXES AND FOR ROYALTY**
 17 **ADJUSTMENTS].** The commissioner may, under this chapter, negotiate terms for
 18 inclusion in a proposed contract with a qualified sponsor or qualified sponsor group
 19 providing for

20 (1) periodic payment in lieu of one or more taxes that otherwise would
 21 be imposed by the state or a municipality on the qualified sponsor, [OR] members of
 22 the qualified sponsor group, **or a related party**; [AS A CONSEQUENCE OF THE
 23 SPONSOR'S OR GROUP'S PARTICIPATION IN AN APPROVED QUALIFIED
 24 PROJECT UNDER THIS CHAPTER; AND]

25 (2) certain adjustments regarding **oil and gas lease agreements, unit**
 26 **agreements, and other agreements** [ROYALTY] under AS 43.82.220; **in this**
 27 **paragraph, "oil and gas lease agreements" includes royalty provisions of those**
 28 **agreements**;

29 **(3) payment of the gas production tax under AS 43.55, or payment**
 30 **in lieu of the gas production tax, by delivery of gas; and**

31 **(4) acquisition by the state of an ownership interest in the project**

1 **that is the subject of the proposed contract and terms relating to collateral**
 2 **agreements authorized under AS 43.82.437.**

3 * **Sec. 4.** AS 43.82.200 is amended to read:

4 **Sec. 43.82.200. Contract development.** If the commissioner approves an
 5 application and proposed project plan under AS 43.82.140, the commissioner may
 6 develop a contract that may include

7 (1) terms concerning **modifications of taxes on oil and gas, including**
 8 **terms providing for** periodic payment in lieu of one or more taxes as provided in
 9 AS 43.82.210, **and terms related to credits for investment in a project that is the**
 10 **subject of a contract developed under this chapter;**

11 (2) terms developed under AS 43.82.220 **concerning oil and gas**
 12 **leases, unit agreements, and other agreements under AS 38, including terms**
 13 relating to

14 (A) timing and notice of the state's right to take royalty in kind
 15 or in value; and

16 (B) royalty value;

17 (3) terms regarding the hiring of Alaska residents and contracting with
 18 Alaska businesses under AS 43.82.230;

19 (4) terms regarding periodic payment to, or an equity or other interest
 20 in a project for, municipalities under AS 43.82.500;

21 (5) terms regarding arbitration or alternative dispute resolution
 22 procedures;

23 (6) terms and conditions for [ADMINISTRATIVE] termination of a
 24 contract [UNDER AS 43.82.445]; and

25 (7) other terms or conditions that **the commissioner determines** are

26 (A) **reasonable and promote** [NECESSARY TO FURTHER]
 27 the purposes of this chapter, **including the implementation of AS 43.82.020 -**
 28 **43.82.270;** or

29 (B) in the best interests of the state.

30 * **Sec. 5.** AS 43.82.200 is amended by adding a new subsection to read:

31 (b) Terms relating to arbitration and alternate dispute resolution may provide

1 for a waiver, with the concurrence of the attorney general, of the state's immunity from
 2 suit, including arbitration. The waiver may include waiver of the state's sovereign or
 3 other immunity and consent to entrance and enforcement of an arbitration award in
 4 any state court in the United States that has jurisdiction over the state. The authority to
 5 enter and enforce an arbitration award in a state other than Alaska is effective only
 6 after the arbitration award is entered and enforcement is sought in the superior court of
 7 the State of Alaska.

8 * **Sec. 6.** AS 43.82.210(a) is amended to read:

9 (a) If the commissioner approves an application and proposed project plan
 10 under AS 43.82.140, the commissioner may develop proposed terms for inclusion in a
 11 contract under AS 43.82.020 for periodic payment in lieu of one or more of the
 12 following taxes that otherwise would be imposed by the state or a municipality on the
 13 qualified sponsor, a [OR] member of a qualified sponsor group, or a related party
 14 [AS A CONSEQUENCE OF PARTICIPATING IN AN APPROVED QUALIFIED
 15 PROJECT]:

16 (1) oil and gas production taxes and oil surcharges under AS 43.55;

17 (2) oil and gas exploration, production, and pipeline transportation
 18 property taxes under AS 43.56;

19 (3) [REPEALED

20 (4)] Alaska net income tax under AS 43.20;

21 (4) [(5)] municipal sales and use tax under AS 29.45.650 - 29.45.710;

22 (5) [(6)] municipal property tax under AS 29.45.010 - 29.45.250 or
 23 29.45.550 - 29.45.600;

24 (6) [(7)] municipal special assessments under AS 29.46;

25 (7) [(8)] a comparable tax or levy imposed by the state or a
 26 municipality after June 18, 1998;

27 (8) [(9)] other state or municipal taxes or categories of taxes identified
 28 by the commissioner, except for a tax enacted by voter-approved initiative.

29 * **Sec. 7.** AS 43.82.220(a) is amended to read:

30 (a) Notwithstanding any contrary provisions of AS 38 or regulations adopted
 31 under that title, the commissioner of natural resources, with the concurrence of the

1 commissioner of revenue and, **if necessary**, the affected parties holding a state lease or
 2 unit agreement, may develop proposed terms for inclusion in a contract under
 3 AS 43.82.020 that modify [THE TIMING AND NOTICE] provisions of the applicable
 4 oil and gas leases, [AND] unit agreements, **and other agreements under AS 38,**
 5 **including provisions**

6 (1) pertaining to the state's rights to receive its royalty on gas in kind
 7 or in value if

8 (A) [(1)] the viability of the approved qualified project depends
 9 on long-term gas **shipping commitments** [PURCHASE AND SALE
 10 AGREEMENTS];

11 (B) [(2)] certainty over time regarding the quantity of royalty
 12 gas that the state may be taking in kind is needed to **enter into long-term gas**
 13 **shipping commitments or marketing agreements** [SECURE THE LONG-
 14 TERM PURCHASE AND SALE AGREEMENTS];

15 (3) THE SPECIFIED PERIOD OF THE STATE'S COMMITMENT
 16 TO TAKE ITS ROYALTY SHARE IN VALUE OR IN KIND DOES NOT EXCEED
 17 THE TERM OF THE PURCHASE AND SALE AGREEMENTS]; and

18 (C) [(4)] the modification does not impair the ability of the
 19 approved qualified project or the state to meet the reasonably foreseeable
 20 demand in this state for gas within economic proximity of the project during
 21 the term of the contract developed under AS 43.82.020; **and**

22 (2) **relating to lease or unit expenses for separation, cleaning,**
 23 **dehydration, gathering, salt water disposal, and preparation for transportation**
 24 **on or off the lease.**

25 * **Sec. 8.** AS 43.82.220(c) is amended to read:

26 (c) The commissioner of revenue shall include any proposed terms
 27 [RELATING TO ROYALTY] developed in accordance with this section in the
 28 proposed contract under AS 43.82.400.

29 * **Sec. 9.** AS 43.82.220 is amended by adding a new subsection to read:

30 (e) An agreement by the state to take royalty gas in kind as part of a contract
 31 developed under this chapter that satisfies (a)(1)(A) - (C) of this section is not subject

1 to the provisions of AS 38, or regulations adopted under that title, relating to decisions
2 to take royalty in kind.

3 * **Sec. 10.** AS 43.82.250 is amended to read:

4 **Sec. 43.82.250. Term of contract; effective date.** The term of a contract
5 developed under AS 43.82.020 [MAY BE FOR NO LONGER THAN IS
6 NECESSARY TO DEVELOP THE STRANDED GAS THAT IS SUBJECT TO THE
7 CONTRACT; HOWEVER, THE TERM OF THE CONTRACT] may not exceed 35
8 years from the commencement of commercial operations of the approved qualified
9 project, excluding suspensions of contract obligations that are covered by the
10 force majeure terms of any contract developed under this chapter. However, the
11 term of contract may not exceed 45 years from the effective date of a contract
12 approved under AS 43.82.435.

13 * **Sec. 11.** AS 43.82 is amended by adding a new section to read:

14 **Sec. 43.82.255. Terms of contract provisions related to oil.** (a) The
15 provisions of this section may apply to a contract developed under AS 43.82.020 that
16 provides for periodic payment in lieu of taxes on oil under AS 43.55.

17 (b) For the part of the contract term beginning immediately after the date of
18 full project funding or the date of issuance of a certificate of public convenience and
19 necessity for construction and initial operation of the Alaska Natural Gas Pipeline,
20 whichever date is later, and ending 12 years after that date, the commissioner may
21 develop a term for the contract that provides for payments in lieu of the taxes on oil set
22 out in AS 43.55. For the part of the contract term covered by this subsection, the
23 payments in lieu of taxes may be established with as much certainty as the
24 Constitution of the State of Alaska allows.

25 (c) Implementation of a contract provision authorized in this section may be
26 made subject to the dispute resolution procedures of the contract.

27 * **Sec. 12.** AS 43.82.270 is amended to read:

28 **Sec. 43.82.270. Project plans and work commitments.** A contract under
29 AS 43.82.020 must include provisions for implementation of the qualified project
30 plan approved under AS 43.82.140, as may be modified as a result of the
31 development of a contract under this chapter, and provisions for updating the plan

1 at reasonable intervals until the commencement of commercial operations of the
2 approved qualified project. The commissioner of revenue, in consultation with the
3 commissioner of natural resources, may, as a term in a contract under AS 43.82.020,
4 include work commitments or other obligations in the contract to be accomplished
5 before the commencement of commercial operations of the approved qualified project.

6 * **Sec. 13.** AS 43.82.435 is amended by adding a new subsection to read:

7 (b) A contract authorized by this section and executed by the governor may
8 contain provisions that provide for amendment of contract terms without further action
9 by the legislature, except that any term relating to taxes described in AS 43.82.210(a),
10 payments in lieu of those taxes, or credits under AS 43.82.200(1) may not be amended
11 without further legislative authorization under this section.

12 * **Sec. 14.** AS 43.82 is amended by adding a new section to read:

13 **Sec. 43.82.437. Collateral agreements.** (a) The commissioner of revenue,
14 with the concurrence of the commissioner of natural resources, may negotiate
15 collateral agreements that are required to implement the state's acquisition of an
16 ownership interest in the project and each project entity to be created to own and
17 operate any part of the project that is the subject of a proposed contract developed
18 under this chapter. Each collateral agreement shall be a condition subsequent to the
19 proposed contract developed under this chapter, shall be subject to review and
20 authorization to execute by the legislature, and, on approval, may be entered into by
21 the public corporation as provided in (b) of this section. The authority of the
22 commissioner of revenue to negotiate collateral agreements on behalf of the state
23 lapses 180 days after the effective date of the law authorizing the contract under
24 AS 43.82.435, except that, with respect to collateral agreements submitted by the
25 commissioner of revenue to the legislature within the 180-day time limit, the time
26 limit shall be extended to five days after authorization has been approved. Each
27 project entity collateral agreement to be negotiated must incorporate the following
28 minimum elements:

29 (1) if organized to do business in the state, the project entity shall be a
30 limited liability company organized under AS 10.50 (Alaska Revised Limited Liability
31 Company Act);

1 (2) for project entities organized under AS 10.50, the operating
2 agreement adopted under AS 10.50.095, or equivalent governing document for project
3 entities organized under other jurisdictions ("Operating Agreement"), must include the
4 limitation that the state's obligation to fund continuing capital and operating
5 obligations shall be subject to annual appropriation by the legislature, and that the
6 state's failure to appropriate a capital or operating obligation may not be considered a
7 default of the state's obligation, but shall be considered only to reduce the state's
8 ownership interest on a pro rata basis based on the amount of the failed appropriation
9 relative to the amount of the capital or operating obligations funded by the remaining
10 project owners;

11 (3) the Operating Agreement must provide that the managing members
12 and member representatives owe a duty to act in the best interest of the entity and
13 perform their duties in good faith toward the goal of implementation of the project;

14 (4) the Operating Agreement must provide that the entity may not
15 effect a material change or amendment to the Qualified Project Plan without the
16 review and authorization of the legislature;

17 (5) the Operating Agreement must provide that the members of the
18 governing body of any subsidiary entity organized by the entity shall be the members
19 of the governing board of the entity, unless otherwise authorized by the legislature;

20 (6) the Operating Agreement must provide that the state has the
21 unilateral right to initiate expansions of the project if the state funds or obtains third-
22 party funding from a creditworthy customer for the expansion or extension and must
23 include terms for voluntary expansion, including

24 (A) holding periodic binding or nonbinding open seasons to
25 assess market demand for expansion every three to five years;

26 (B) committing to satisfy all creditworthy demands for capacity
27 expansion in reasonable engineering increments;

28 (C) committing to expansion for creditworthy shippers in less
29 than reasonable engineering increments when the shippers commit to
30 contributions in aid of construction sufficient to keep the project entity whole,
31 including authorized return; and

1 (D) committing the project entity to propose and defend the use
2 of rolled-in pricing for all expansions;

3 (7) the Operating Agreement must provide that, in the event the entity
4 elects to contract with a vendor to operate the entity or implement the project, the
5 vendor shall be independent of and not an affiliate of the members of the entity;

6 (8) the Operating Agreement must provide that the state member shall
7 have the right to participate in all meetings of the governing board of the entity and
8 vote on all decisions of the entity, including decisions affecting tax allocations
9 between or among the taxpaying members of the entity;

10 (9) the Operating Agreement must provide that the state member shall
11 have the right to review all books and records of the entity, including all contracts, and
12 to audit the finances of the entity at any time and from time to time;

13 (10) the Operating Agreement must provide that, on termination,
14 liquidation, or dissolution of the entity, the state shall have a right of first refusal and
15 option to acquire all of the assets of the entity at the then fair value of the assets;

16 (11) the Operating Agreement must provide that, in the event a
17 member seeks to transfer or divest its ownership interest in the entity, the state shall
18 have a right of first refusal and option to acquire the member's ownership interest at
19 the then fair value of the interest;

20 (12) the Operating Agreement must provide that, in the event that the
21 entity seeks to transfer or divest any or all of the project assets, the state shall have a
22 right of first refusal and option to acquire the project assets at the then fair value of the
23 project assets;

24 (13) the Operating Agreement must include a right of first refusal and
25 option by which the state may acquire all or any part of the project assets at the then
26 fair value of the project assets in the event that the Federal Energy Regulatory
27 Commission, United States Department of Energy, the United States Department of
28 Justice, the Federal Trade Commission, or other applicable federal or state agency or
29 adjudicatory body orders one or more qualified sponsors, the qualified sponsor group,
30 or an affiliate of a qualified sponsor or sponsor group to divest any or all ownership
31 interest in the project;

1 (14) the Operating Agreement must provide that the project entity shall
2 use project financing supported by federal guarantee instruments as defined in the
3 Alaska Natural Gas Pipeline Act to the maximum extent available from the United
4 States Treasury and must limit the equity portion of project capitalization to not more
5 than 20 percent of total capital;

6 (15) for the purposes of the provisions required by this subsection, the
7 Operating Agreement must define "fair value" as the value as agreed to by the affected
8 members or as determined under the dispute resolution process if agreement cannot be
9 reached; "fair value" shall be determined based on original cost less depreciation,
10 comparable sales, or income approach valuation methodologies.

11 (b) A collateral agreement negotiated by the commissioner on behalf of a
12 public corporation that is established by law to enter into agreements to acquire an
13 ownership interest in the project to be developed under the authorized contract may be
14 executed and implemented by the board of directors of the public corporation.
15 Notwithstanding any other provision of law, the commissioner members of the board
16 constitute a quorum for doing the business of the corporation for the first 120 days
17 following the effective date of a law establishing the public corporation. During this
18 transition period, actions by the board must be approved (A) by unanimous
19 commissioner member approval, or (B) if some or all of the public members of the
20 board have been appointed at the time of the action, by a majority of all the board
21 members existing on the date the action is taken.

22 (c) A collateral agreement executed by the members of the board of a public
23 corporation under (b) of this section is binding only on the public corporation and does
24 not make the state a party to the collateral agreement.

25 (d) Except as provided in this section and in AS 43.82.310, a collateral
26 agreement necessary to implement a contract that has been authorized by the
27 legislature under the terms of AS 43.82.435 is not subject to any of the provisions of
28 this chapter.

29 (e) In this section, "collateral agreement" includes an agreement between
30 either the state or an entity established by the state, and a qualified sponsor or
31 qualified sponsor group, or an affiliate of those entities, to form limited liability

1 companies, limited liability partnerships, or any other recognized form of business
 2 association, whether incorporated or unincorporated, that would own or operate any
 3 portion of the project that is the subject of a proposed contract developed under this
 4 chapter.

5 * **Sec. 15.** AS 43.82.500 is amended to read:

6 **Sec. 43.82.500. Obligation to share payments with municipalities.** If the
 7 commissioner develops a contract under AS 43.82.020 that includes terms that exempt
 8 a **qualified sponsor, the members of a qualified sponsor group, or a related** party
 9 to the contract, and the property, gas, products, and activities associated with the
 10 approved qualified project that is subject to the contract, from a municipal tax or
 11 assessment in accordance with AS 29.45.810 or AS 29.46.010(b), or AS 43.82.200
 12 and 43.82.210, the commissioner shall include a term in the contract that **provides for**
 13 [THE PARTY PAY] a portion of the periodic payments **to be made payable** [DUE
 14 UNDER THE CONTRACT] to the revenue-affected municipality.

15 * **Sec. 16.** AS 43.82.505 is amended to read:

16 **Sec. 43.82.505. Payments to economically affected municipalities.** If the
 17 commissioner executes a contract under AS 43.82.020 that will produce one or more
 18 economically affected municipalities, the commissioner shall include a term in the
 19 contract that provides for [A PORTION OF THE] periodic **impact** payments to **the**
 20 **state that may be appropriated to the Alaska natural gas pipeline construction**
 21 **impact fund established in (c) of this section to benefit** the economically affected
 22 municipalities under the principles in AS 43.82.520.

23 * **Sec. 17.** AS 43.82.505 is amended by adding new subsections to read:

24 (b) A special account is established in the general fund into which the
 25 Department of Revenue shall deposit impact payments received by the state under (a)
 26 of this section.

27 (c) The Alaska natural gas pipeline construction impact fund is established in
 28 the Department of Commerce, Community, and Economic Development. The
 29 legislature may appropriate money deposited in the special account established in (b)
 30 of this section, as well as any additional money considered necessary, to the Alaska
 31 natural gas pipeline construction impact fund to address the economic and social

1 impacts incurred by an economically affected municipality, or incurred by a nonprofit
2 organization serving the unorganized borough, during the construction of a project that
3 is the subject of a proposed contract developed under this chapter.

4 (d) The Department of Commerce, Community, and Economic Development
5 shall adopt regulations under which economically affected municipalities and
6 nonprofit organizations may apply for and be eligible to receive grants to alleviate
7 impact caused by construction of a gas pipeline. The department shall give priority in
8 the allocation of grants to municipalities and organizations that are experiencing or
9 will experience the most direct or severe impact from gas pipeline construction. The
10 department shall finance, under (e) of this section, all meritorious grant applications
11 each year, to the extent money is available in the Alaska natural gas pipeline
12 construction impact fund. Within 10 days after the convening of each regular session
13 of the legislature, the department shall submit to the legislature a list of all
14 municipalities and organizations that have received grants, a list of all municipalities
15 and organizations determined by the department to be eligible for further grants, a
16 recommendation of the amount of money to be granted for those additional
17 applications, and written justification of each past and potential grant.

18 (e) The commissioner of commerce, community, and economic development,
19 in consultation with the relevant municipal advisory group established under
20 AS 43.82.510, shall use money appropriated to the Alaska natural gas pipeline
21 construction impact fund to make grants to municipalities, and to nonprofit
22 organizations serving the unorganized borough, for impacts on transportation,
23 infrastructure, law enforcement, emergency services, health and human services,
24 education, the labor force, population, wages, and subsistence and for sociocultural
25 impacts, brought about by the construction of the gas pipeline. In determining whether
26 an expenditure or proposed expenditure by a municipality or nonprofit organization is
27 eligible for a grant under this subsection and in allocating available money among
28 grant proposals, the commissioner shall consider the recommendations of the relevant
29 municipal advisory group established under AS 43.82.510 and whether the proposed
30 expenditure meets the purposes of this section.

31 (f) Grant money received under this section may not be used for the retirement

1 of municipal debt.

2 (g) Amounts appropriated to the Alaska natural gas pipeline construction
3 impact fund under (c) of this section for a fiscal year that are not used for grants to
4 municipalities and organizations under (d) and (e) of this section shall be retained in
5 the Alaska natural gas pipeline construction impact fund and remain available for
6 distribution as grants under this section in succeeding fiscal years.

7 (h) Nothing in this chapter exempts money deposited into the special account
8 in the general fund established in (b) of this section from the requirements of AS 37.07
9 (Executive Budget Act) or dedicates that money, or money appropriated to the Alaska
10 natural gas pipeline construction impact fund, for a specific purpose.

11 * **Sec. 18.** AS 43.82.510(c) is amended to read:

12 (c) Each municipal advisory group serves until the later of 90 days after
13 final distribution of impact payment money under AS 43.82.505, or
14 commencement of operations of the qualified project. Expenses of a municipal
15 advisory group are eligible for reimbursement under a grant made under
16 AS 43.82.505 [A FINAL ACTION IS TAKEN ON THE APPLICATION FOR
17 WHICH THE GROUP WAS APPOINTED].

18 * **Sec. 19.** AS 43.82.900 is amended by adding a new paragraph to read:

19 (14) "related party" means an entity, including a limited liability
20 company or similar incorporated or unincorporated entity, that

21 (A) is affiliated with a qualified sponsor or qualified sponsor
22 group;

23 (B) owns or operates a qualified project or any segment of a
24 qualified project; and

25 (C) is an intended beneficiary of the fiscal terms included in a
26 contract developed under this chapter.

27 * **Sec. 20.** AS 43.82.445 is repealed.

28 * **Sec. 21.** The uncodified law of the State of Alaska is amended by adding a new section to
29 read:

30 REVISOR'S INSTRUCTION. The revisor of statutes is instructed to change the
31 section heading of AS 43.82.220 from "Contract terms relating to royalty" to "Contract terms

1 relating to oil and gas lease, royalty provisions, and other agreements."

2 * **Sec. 22.** The uncodified law of the State of Alaska is amended by adding a new section to
3 read:

4 **RETROACTIVITY.** (a) Sections 2 - 15 and 18 - 20 of this Act are retroactive to
5 January 1, 2004.

6 (b) Section 1 of this Act is retroactive to January 1, 2005.

7 * **Sec. 23.** This Act takes effect immediately under AS 01.10.070(c).