

# HOUSE JOURNAL

## ALASKA STATE LEGISLATURE

### TWENTY-FOURTH LEGISLATURE - SECOND SESSION

Juneau, Alaska

Sunday

May 7, 2006

#### One Hundred Nineteenth Day

Pursuant to adjournment the House was called to order by Speaker Harris at 2:29 p.m.

Roll call showed 33 members present. Representatives Crawford, Gara, Gardner, Kelly, Moses, Ramras, and Salmon were absent and their presence was noted later.

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

Father God,

In these times of uncertainty and anxiety, guide us and grant us wisdom.

Today as we gather, I would like to acknowledge a few of the many blessings You have bestowed on us: our freedoms, our families, our rich diversities, our state and all of its richness and beauty, our faith and the diversity of that faith, the many ways to acknowledge You as supreme, our ability to have or create hope, our ability to love and bring together all that is good, and finally, Father God, thank You for the blessings of friends. Amen.

The Pledge of Allegiance was led by Representative Gatto.

**CERTIFICATION OF THE JOURNAL**

Representative Coghill moved and asked unanimous consent that the journal for the 118th legislative day be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

\* \* \* \* \*

Representative Weyhrauch introduced Tasher Brice, Guest Page, from Juneau.

**MESSAGES FROM THE SENATE****HB 307**

A message dated May 6, 2006, was read stating the Senate has passed:

CS FOR HOUSE BILL NO. 307(RES)  
"An Act creating the Knik River Public Use Area."

A Senate letter of intent was attached (Senate Journal page 3162).

CSHB 307(RES) was referred to the Chief Clerk for enrollment.

**HB 343**

A message dated May 6, 2006, was read stating the Senate has passed:

CS FOR HOUSE BILL NO. 343(JUD) am  
"An Act creating the crimes of harassment in the first and second degree, amending the crime of stalking, and adding a definition of 'medical professional' to the assault and harassment statutes."

CSHB 343(JUD) am was referred to the Chief Clerk for enrollment.

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

**HB 419**

A message dated May 6, 2006, was read stating the Senate has passed:

**HOUSE BILL NO. 419**

"An Act repealing the Board of Storage Tank Assistance, the underground storage tank revolving loan fund, and the tank cleanup loan program; repealing certain reporting requirements relating to underground petroleum storage tank systems; making conforming amendments; and providing for an effective date."

HB 419 was referred to the Chief Clerk for enrollment.

**HCR 30**

A message dated May 6, 2006, was read stating the Senate has passed CSHCR 30(FIN) am with the following amendment and it is transmitted for consideration:

SENATE CS FOR CS FOR HOUSE CONCURRENT  
RESOLUTION NO. 30(FIN)  
Creating an Alaska Climate Impact Assessment Commission.

CSHCR 30(FIN) am is under Unfinished Business.

**HJR 9**

A message dated May 6, 2006, was read stating the Senate has passed:

HOUSE JOINT RESOLUTION NO. 9 am  
Urging the United States Congress to honor the process and judgment of the federal courts in the case of the Exxon Valdez disaster and to refrain from enacting legislation that would affect the outcome of the courts' resolution of the case.

with the following amendment and it is transmitted for consideration:

SENATE CS FOR HOUSE JOINT RESOLUTION NO. 9(JUD)  
am S  
Urging the United States Congress to honor the process and judgment of the federal courts in the case of the Exxon Valdez disaster and to refrain from enacting legislation that would affect the outcome of the courts' resolution of the case; urging the United States Department of Justice and the Alaska Department of Law to identify all natural resource damages from the Exxon Valdez oil spill that were unanticipated at the time of the 1991 settlement, to

develop plans to remedy the damages, and to present the ExxonMobil Corporation with a request for the full \$100,000,000 that is available through the "Reopener for Unknown Injury" clause of the 1991 civil settlement to carry out these plans.

(SCR 32 - title change resolution)

HJR 9 am is under Unfinished Business.

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

**HB 83**

A message dated May 6, 2006, was read stating the Senate has passed CSHB 83(FIN) with the following amendment and it is transmitted for consideration:

SENATE CS FOR CS FOR HOUSE BILL NO. 83(FIN)  
"An Act relating to the Alaska Seismic Hazards Safety Commission; and providing for an effective date."

CSHB 83(FIN) is under Unfinished Business.

**HB 105**

A message dated May 6, 2006, was read stating the Senate has passed CSHB 105(FIN) with the following amendment and it is transmitted for consideration:

SENATE CS FOR CS FOR HOUSE BILL NO. 105(FIN)  
"An Act relating to coverage for adult dental services under Medicaid; and providing for an effective date."

The Senate adopted a Legislative letter of intent (page 3060).

CSHB 105(FIN) is under Unfinished Business.

**HB 258**

A message dated May 6, 2006, was read stating the Senate has passed:

CS FOR HOUSE BILL NO. 258(JUD)  
"An Act relating to aggravating factors at sentencing for sexual assault and sexual abuse."

with the following amendment and it is transmitted for consideration:

## SENATE CS FOR CS FOR HOUSE BILL NO. 258(JUD)

"An Act relating to sexual abuse of a minor in the second degree and to aggravating factors at sentencing for sexual assault and sexual abuse."

(SCR 30 - title change resolution)

CSHB 258(JUD) is under Unfinished Business.

**HB 326**

A message dated May 6, 2006, was read stating the Senate has passed:

CS FOR HOUSE BILL NO. 326(JUD) am

"An Act relating to the definition of the crime of harassment."

with the following amendment and it is transmitted for consideration:

SENATE CS FOR CS FOR HOUSE BILL NO. 326(JUD)

"An Act relating to the definition of the crime of harassment; and providing for an effective date."

(technical title change)

CSHB 326(JUD) am is under Unfinished Business.

**HB 399**

A message dated May 6, 2006, was read stating the Senate has passed CSHB 399(FIN) with the following amendment and it is transmitted for consideration:

SENATE CS FOR CS FOR HOUSE BILL NO. 399(STA)

"An Act establishing the office of elder fraud and assistance; and relating to fraud involving older Alaskans."

CSHB 399(FIN) is under Unfinished Business.

**FIRST READING AND REFERENCE  
OF SENATE RESOLUTIONS****SCR 30**

SENATE CONCURRENT RESOLUTION NO. 30 by the Senate Judiciary Committee:

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 258, relating to aggravating factors at sentencing for sexual assault and sexual abuse.

was read the first time.

**SCR 32**

SENATE CONCURRENT RESOLUTION NO. 32 by the Senate Judiciary Committee:

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Joint Resolution No. 9, urging the United States Congress to honor the process and judgment of the federal courts in the case of the Exxon Valdez disaster and to refrain from enacting legislation that would affect the outcome of the courts' resolution of the case.

was read the first time.

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

**REPORTS OF STANDING COMMITTEES****HB 316**

The Finance Committee has considered:

HOUSE BILL NO. 316

"An Act extending the termination date for the Board of Governors of the Alaska Bar Association; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 316(JUD)

(same title)

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

Do pass (6): Hawker, Foster, Joule, Kerttula, Stoltze, Meyer

No recommendation (4): Weyhrauch, Holm, Moses, Chenault

The following fiscal note(s) apply to CSHB 316(JUD):

1. Zero, Office of the Governor

HB 316 is on today's calendar.

### **SB 48**

The Finance Committee has considered:

CS FOR SENATE BILL NO. 48(HES)

"An Act relating to recommending or refusing psychotropic drugs or certain types of evaluations or treatments for children."

and recommends it be replaced with:

HOUSE CS FOR CS FOR SENATE BILL NO. 48(HES)  
(same title)

The report was signed by Representative Chenault, Co-chair, with the following individual recommendations:

Do pass (4): Weyhrauch, Holm, Foster, Chenault

No recommendation (4): Hawker, Joule, Kerttula, Stoltze

The following fiscal note(s) apply to HCS CSSB 48(HES):

2. Zero, Dept. of Health & Social Services
3. Zero, Dept. of Education & Early Development

CSSB 48(HES) was referred to the Rules Committee for placement on the calendar.

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

**SB 206**

The Finance Committee has considered:

CS FOR SENATE BILL NO. 206(FIN)

"An Act relating to contempt of court and to temporary detention and identification of persons."

and recommends it be replaced with:

HOUSE CS FOR CS FOR SENATE BILL NO. 206(FIN)

(same title)

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

Do pass (6): Hawker, Holm, Foster, Stoltze, Meyer, Chenault

No recommendation (2): Weyhrauch, Kerttula

The following fiscal note(s) apply to HCS CSSB 206(FIN):

5. Zero, Dept. of Administration
6. Zero, Dept. of Corrections
7. Zero, Dept. of Law
8. Zero, Dept. of Administration

CSSB 206(FIN) was referred to the Rules Committee for placement on the calendar.

**INTRODUCTION OF CITATIONS**

The following citations were introduced and referred to the Rules Committee for placement on the calendar:

Honoring - Darrel W. Hess  
By Representative Gara; Senator Ellis

In Memoriam - Dr. Glenn A. Olds  
By Representative Kohring; Senator Green

In Memoriam - Kenneth D. Vogt  
By Senator Ellis

### CONSIDERATION OF THE DAILY CALENDAR

### SECOND READING OF HOUSE BILLS

#### HB 316

The following was read the second time:

#### HOUSE BILL NO. 316

"An Act extending the termination date for the Board of Governors of the Alaska Bar Association; and providing for an effective date."

with the:	Journal Page
JUD RPT CS(JUD) 4DP	3717
FN1: ZERO(GOV)	3717
FIN RPT CS(JUD) 6DP 4NR	3778
FN1: ZERO(GOV)	3779

Representative Coghill moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original bill:

CS FOR HOUSE BILL NO. 316(JUD)  
(same title)

There being no objection, it was so ordered.

Representative Coghill moved and asked unanimous consent that CSHB 316(JUD) be considered engrossed, advanced to third reading, and placed on final passage. There being no objection, it was so ordered.

CSHB 316(JUD) was read the third time.

Representative Berkowitz placed a call of the House.

\*\*The presence of Representatives Kelly, Moses, and Ramras was noted.

The Speaker stated the call was satisfied.

The question being: "Shall CSHB 316(JUD) pass the House?" The roll was taken with the following result:

CSHB 316(JUD)

Third Reading

Final Passage

**YEAS: 40 NAYS: 0 EXCUSED: 0 ABSENT: 0**

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

And so, CSHB 316(JUD) 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 Stoltze gave notice of reconsideration of the vote on CSHB 316(JUD).

### **RECONSIDERATION**

#### **HB 316**

Representative Stoltze moved and asked unanimous consent that reconsideration of CSHB 316(JUD) be taken up on the same day. There being no objection, it was so ordered.

CSHB 316(JUD) was again before the House in third reading.

The question to be reconsidered: "Shall CSHB 316(JUD) pass the House?" The roll was taken with the following result:

CSHB 316(JUD)--RECONSIDERATION

Third Reading

Final Passage

**YEAS: 40 NAYS: 0 EXCUSED: 0 ABSENT: 0**

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

And so, CSHB 316(JUD) passed the House on reconsideration.

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.

CSHB 316(JUD) was referred to the Chief Clerk for engrossment.

**SECOND READING OF SENATE BILLS**

**SB 134**

The following was read the second time:

CS FOR SENATE BILL NO. 134(JUD)

"An Act relating to a pilot project to review and investigate certain complaints from victims of sexual assault in the first degree or sexual abuse of a minor in the first degree concerning actions of justice agencies."

with the:

Journal Page

STA RPT 5DP	3487
FN5: ZERO(LAW)	3487
FN6: ZERO(DPS)	3487
FN7: ZERO(ADM)	3487
JUD RPT HCS(JUD) 3DP 2NR 1AM	3719
FN5: ZERO(LAW)	3720

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FN6: ZERO(DPS)

3720

FN7: ZERO(ADM)

3720

Representative Coghill moved and asked unanimous consent that the following committee substitute be adopted in lieu of the original bill:

HOUSE CS FOR CS FOR SENATE BILL NO. 134(JUD)  
(same title)

There being no objection, it was so ordered.

Representative Coghill moved and asked unanimous consent that HCS CSSB 134(JUD) be considered engrossed, advanced to third reading, and placed on final passage. There being no objection, it was so ordered.

HCS CSSB 134(JUD) was read the third time.

The question being: "Shall HCS CSSB 134(JUD) pass the House?"  
The roll was taken with the following result:

HCS CSSB 134(JUD)

Third Reading

Final Passage

**YEAS: 39 NAYS: 0 EXCUSED: 0 ABSENT: 1**

Yeas: Anderson, Berkowitz, Chenault, Cissna, Coghill, Crawford, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Hawker, Holm, Joule, Kapsner, Kelly, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

Absent: Croft

And so, HCS CSSB 134(JUD) passed the House.

Representative Coghill later gave notice of reconsideration of the vote on HCS CSSB 134(JUD) and it was taken up then.

**SB 231**

The following is in the Finance Committee:

CS FOR SENATE BILL NO. 231(FIN) am

"An Act making appropriations, including capital appropriations, supplemental appropriations, reappropriations, and appropriations to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

**THIRD READING OF SENATE BILLS****SB 169**

The Speaker stated that, without objection, the following, which was advanced to third reading from the May 6, 2006, calendar (page 3737), would be moved to the bottom of the calendar:

HOUSE CS FOR CS FOR SENATE BILL NO. 169(FIN)

"An Act relating to release of information in individual workers' compensation records; and providing for an effective date."

**SB 171**

The following, which was held from the May 6, 2006, calendar (page 3739), was read the third time:

HOUSE CS FOR CS FOR SENATE BILL NO. 171(CRA)

"An Act amending the National Petroleum Reserve - Alaska special revenue fund to require allocation and deposit to the Alaska permanent fund and the public school fund of amounts in the percentages that are prescribed by law of the money obtained by the state as semiannual payments of a share of National Petroleum Reserve - Alaska sales, rentals, bonuses, and royalties received by the federal government that have not been appropriated from the state's special revenue fund for grants to municipalities, to authorize pro rata reductions in those fund allocations and deposits if amounts are insufficient to make those deposits in full, and, as to amounts received by the state in excess of amounts appropriated for grants to municipalities, to identify a priority of authorization for appropriations to offset past deficiencies in allocations and deposits of those funds before

appropriations to other state funds or for other purposes for which the state may use its share of these payments; and directing that appropriations from the fund made as grants for activities, services, and facilities shall be identified as capital appropriation items and that the amounts of each item shall be specified."

The question being: "Shall HCS CSSB 171(CRA) pass the House?"  
The roll was taken with the following result:

HCS CSSB 171(CRA)

Third Reading

Final Passage

**YEAS: 37 NAYS: 0 EXCUSED: 0 ABSENT: 3**

Yeas: Anderson, Berkowitz, Chenault, Cissna, Coghill, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Hawker, Holm, Joule, Kapsner, Kelly, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

Absent: Crawford, Kerttula, Weyhrauch

And so, HCS CSSB 171(CRA) passed the House.

Representative Berkowitz gave notice of reconsideration of the vote on HCS CSSB 171(CRA).

**SB 209**

The following, which was advanced to third reading from the May 6, 2006, calendar (page 3737), was read the third time:

CS FOR SENATE BILL NO. 209(JUD)

"An Act relating to access by persons under 21 years of age to premises licensed to sell alcoholic beverages as clubs when alcoholic beverages are not present and, when alcoholic beverages are present, to premises of a patriotic organization licensed as a club if the person possesses a valid active duty military or armed forces identification card issued by the United States government."

The question being: "Shall CSSB 209(JUD) pass the House?" The roll was taken with the following result:

CSSB 209(JUD)  
Third Reading  
Final Passage

**YEAS: 34 NAYS: 1 EXCUSED: 0 ABSENT: 5**

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

Nays: Coghill

Absent: Chenault, Kohring, Salmon, Samuels, Weyhrauch

And so, CSSB 209(JUD) passed the House, was signed by the Speaker and Chief Clerk and returned to the Senate.

Representative Stoltze moved and asked unanimous consent that Representative Elkins be shown as first cross sponsor of CSSB 209(JUD). There being no objection, it was so ordered.

### RECONSIDERATION

#### **SB 134**

Representative Coghill gave notice of reconsideration of the vote on HCS CSSB 134(JUD) (page 3784).

Representative Coghill moved and asked unanimous consent that reconsideration of HCS CSSB 134(JUD) be taken up on the same day. There being no objection, it was so ordered.

The following was again before the House in third reading:

HOUSE CS FOR CS FOR SENATE BILL NO. 134(JUD)

"An Act relating to a pilot project to review and investigate certain complaints from victims of sexual assault in the first degree or

sexual abuse of a minor in the first degree concerning actions of justice agencies."

Representative Coghill moved and asked unanimous consent that HCS CSSB 134(JUD) be returned to second reading for the specific purpose of rescinding previous action in adopting the Judiciary House Committee Substitute. There being no objection, it was so ordered.

Representative Coghill moved that the House rescind previous action in adopting HCS CSSB 134(JUD).

The question being: "Shall the House rescind previous action in adopting HCS CSSB 134(JUD)?" The roll was taken with the following result:

**HCS CSSB 134(JUD)--RECONSIDERATION**

Second Reading

Rescind Previous Action

**YEAS: 33 NAYS: 3 EXCUSED: 0 ABSENT: 4**

Yeas: Berkowitz, Chenault, Coghill, Crawford, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Guttenberg, Harris, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Seaton, Stoltze, Thomas, Wilson

Nays: Cissna, Croft, Gruenberg

Absent: Anderson, Kelly, Samuels, Weyhrauch

And so, the motion passed.

Representative Coghill moved and asked unanimous consent that the motion to adopt HCS CSSB 134(JUD) be withdrawn. There being no objection, the following was before the House in third reading:

CS FOR SENATE BILL NO. 134(JUD)

(same title)

The question to be reconsidered: "Shall CSSB 134(JUD) pass the House?" The roll was taken with the following result:

## CSSB 134(JUD)--RECONSIDERATION

Third Reading

Final Passage

**YEAS: 37 NAYS: 0 EXCUSED: 0 ABSENT: 3**

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

Absent: Anderson, Samuels, Weyhrauch

And so, CSSB 134(JUD) passed the House on reconsideration, was signed by the Speaker and Chief Clerk and returned to the Senate.

**THIRD READING OF SENATE BILLS**

(continued)

**SB 305**

The Speaker stated that, without objection, the following, which was advanced to third reading from the May 6, 2006, calendar (page 3739), would be moved to the bottom of the calendar:

**HOUSE CS FOR CS FOR SENATE BILL NO. 305(FIN)**

"An Act repealing the oil production tax and the gas production tax and providing for a production tax on oil and gas; relating to the calculation of the gross value at the point of production of oil and gas and to the determination of the value of oil and gas for purposes of the production tax on oil and gas; providing for tax credits against the production tax on oil and gas; relating to the relationship of the production tax on oil and gas to other taxes, to the dates those tax payments and surcharges are due, to interest on overpayments of the tax, and to the treatment of the tax in a producer's settlement with the royalty owners; relating to flared gas, and to oil and gas used in the operation of a lease or property under the production tax; relating to the prevailing value of oil and gas under the production tax; relating to surcharges on oil; relating to statements or other information required to be filed with or furnished to the Department of Revenue, to the penalty for failure

to file certain reports for the tax, to the powers of the Department of Revenue, and to the disclosure of certain information required to be furnished to the Department of Revenue as applicable to the administration of the tax; relating to criminal penalties for violating conditions governing access to and use of confidential information relating to the tax, and to the deposit of tax money collected by the Department of Revenue; amending the definitions of 'gas,' 'oil,' and certain other terms for purposes of the production tax, and as the definition of the term 'gas' applies in the Alaska Stranded Gas Development Act, and adding further definitions; making conforming amendments; and providing for an effective date."

### **SENATE BILLS IN THIRD READING**

#### **SB 157**

The Speaker stated that, without objection, the following, which was held on reconsideration to April 20, 2006, and returned to the Rules Committee (page 3226), was again returned to the Rules Committee:

#### **HOUSE CS FOR CS FOR SENATE BILL NO. 157(FIN)**

"An Act relating to the maximum annual regulatory cost charge collected from certain regulated public utilities and pipeline carriers and to public utility liability associated with operating certain transmission lines under a Regulatory Commission of Alaska order for joint use and interconnection; and providing for an effective date."

### **SECOND READING OF HOUSE RESOLUTIONS**

#### **HCR 46**

The following was read the second time:

#### **HOUSE CONCURRENT RESOLUTION NO. 46**

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 171, relating to the National Petroleum Reserve - Alaska special revenue fund.

The question being: "Shall HCR 46 pass the House?" The roll was taken with the following result:

HCR 46

Second Reading

Final Passage

**YEAS: 31 NAYS: 0 EXCUSED: 0 ABSENT: 9**

Yeas: Berkowitz, Chenault, Cissna, Coghill, Crawford, Dahlstrom, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, Lynn, McGuire, Meyer, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Seaton, Thomas, Wilson

Absent: Anderson, Croft, Elkins, Hawker, Kelly, LeDoux, Samuels, Stoltze, Weyhrauch

And so, HCR 46 passed the House and was referred to the Chief Clerk for engrossment.

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

(continued)

#### **SB 169**

The following, which was moved to the bottom of the calendar (page 3785), was read the third time:

HOUSE CS FOR CS FOR SENATE BILL NO. 169(FIN)

"An Act relating to release of information in individual workers' compensation records; and providing for an effective date."

Representative Coghill moved and asked unanimous consent that HCS CSSB 169(FIN) be returned to second reading for the specific purpose of considering Amendment No. 1. There being no objection, it was so ordered.

Amendment No. 1 was offered by Representatives Coghill, Gara, McGuire, Dahlstrom, and Gruenberg:

Page 1, line 1, following "records;" (title amendment):

Insert "**relating to breaches of security involving personal information, credit report and credit score security freezes, consumer credit monitoring, credit accuracy, protection of social security numbers, disposal of records, identity theft, furnishing consumer credit header information, credit cards, and debit cards; amending Rule 60, Alaska Rules of Civil Procedure;**"

Page 2, line 9:

Delete all material and insert:

**\* Sec. 3.** AS 40.21.110 is amended to read:

**Sec. 40.21.110. Care of records.** Except for public records lawfully in the possession of a person other than the state, public records of existing or defunct agencies of the state, territorial, and Russian governments in Alaska are the property of the state and shall be created, maintained, preserved, stored, transferred, destroyed or disposed of, and otherwise managed in accordance with the provisions of this chapter **and AS 45.48.500 - 45.48.530**. Records shall be delivered by outgoing officials and employees to their successors, and may not be removed, destroyed or disposed of, except as provided in this chapter **and AS 45.48.500 - 45.48.530**.

**\* Sec. 4.** AS 44.64.030(a) is amended by adding a new paragraph to read:

(35) AS 45.48.060(c) (breach of security involving personal information).

**\* Sec. 5.** AS 45 is amended by adding a new chapter to read:

**Chapter 48. Personal Information Protection Act.**

**Article 1. Breach of Security Involving Personal Information.**

**Sec. 45.48.010. Disclosure of breach of security.** (a) If a person owns or uses personal information that includes personal information on a state resident, and a breach of the security of the information system containing the personal information occurs, the person shall, after discovering or being notified of the breach, disclose the breach to each state resident whose personal information was subject to the breach.

(b) An information collector shall make the disclosure required by (a) of this section in the most expeditious time possible and without unreasonable delay, except as provided in

AS 45.48.020 and as necessary to determine the scope of the breach and restore the reasonable integrity of the information system.

**Sec. 45.48.020. Allowable delay in notification.** An information collector may delay disclosing the breach under AS 45.48.010 if an appropriate law enforcement agency determines that disclosing the breach will interfere with a criminal investigation. However, the information collector shall disclose the breach to the state resident in the most expeditious time possible and without unreasonable delay after the law enforcement agency informs the information collector in writing that disclosure of the breach will no longer interfere with the investigation.

**Sec. 45.48.030. Methods of notice.** An information collector shall make the disclosure required by AS 45.48.010

(1) by a written document sent to the most recent address the information collector has for the state resident;

(2) by electronic means if making the disclosure by the electronic means is consistent with the provisions regarding electronic records and signatures required for notices legally required to be in writing under 15 U.S.C. 7001 et seq. (Electronic Signatures in Global and National Commerce Act); or

(3) if the information collector demonstrates that the cost of providing notice would exceed \$250,000, that the affected class of state residents to be notified exceeds 500,000, or that the information collector does not have sufficient contact information to provide notice, by

(A) electronic mail if the information collector has an electronic mail address for the state resident;

(B) conspicuously posting the disclosure on the Internet website of the information collector if the information collector maintains an Internet site; and

(C) providing a notice to major statewide media.

**Sec. 45.48.040. Notification of certain other agencies.** (a) If an information collector is required by AS 45.48.010 to notify more than 1,000 state residents of a breach, the information collector shall also notify without unreasonable delay all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis and provide the agencies with the timing, distribution, and content of the notices.

(b) This section may not be construed to require the

information collector to provide the consumer reporting agencies identified under (a) of this section with the names or other personal information of the state residents whose personal information was subject to the breach.

(c) This section does not apply to an information collector who is subject to 15 U.S.C. 6801 - 6827 (Gramm-Leach-Bliley Financial Modernization Act).

(d) In this section, "consumer reporting agency that compiles and maintains files on consumers on a nationwide basis" has the meaning given in 15 U.S.C. 1681a(p).

**Sec. 45.48.050. Exception for employees and agents.** In AS 45.48.010 - 45.48.090, the good faith acquisition of personal information by an employee or agent of an information collector for a legitimate purpose of the information collector is not a breach of the security of the information system if the employee or agent does not use the personal information for a purpose unrelated to a legitimate purpose of the information collector and does not make further unauthorized disclosure of the personal information.

**Sec. 45.48.060. Waivers.** A waiver of AS 45.48.010 - 45.48.090 is void and unenforceable.

**Sec. 45.48.070. Treatment of certain breaches.** (a) If a breach of the security of the information system containing personal information on a state resident that is maintained by an information recipient occurs, the information recipient is not required to comply with AS 45.48.010 - 45.48.030. However, immediately after the information recipient discovers the breach, the information recipient shall notify the information distributor who owns the personal information or who licensed the use of the personal information to the information recipient about the breach and cooperate with the information distributor as necessary to allow the information distributor to comply with (b) of this section. In this subsection, "cooperate" means sharing with the information distributor information relevant to the breach, except for confidential business information or trade secrets.

(b) If an information recipient notifies an information distributor of a breach under (a) of this section, the information distributor shall comply with AS 45.48.010 - 45.48.030 as if the breach occurred to the information system maintained by the information distributor.

**Sec. 45.48.080. Violations.** (a) If an information collector who is a governmental agency violates AS 45.48.010 - 45.48.090 with regard to the personal information of a state resident, the information collector

(1) is liable to the state for a civil penalty of up to \$500 for each state resident who was not notified under AS 45.48.010 - 45.48.090, but the total civil penalty may not exceed \$50,000; and

(2) may be enjoined from further violations.

(b) If an information collector who is not a governmental agency violates AS 45.48.010 - 45.48.090 with regard to the personal information of a state resident, the violation is an unfair or deceptive act or practice under AS 45.50.471 - 45.50.561. However, the information collector is not subject to the civil penalties imposed under AS 45.50.551 but is liable to the state for a civil penalty of up to \$500 for each state resident who was not notified under AS 45.48.010 - 45.48.090, except that the total civil penalty may not exceed \$50,000.

(c) The Department of Administration may enforce (a) of this section against a governmental agency. The procedure for review of an order or action of the department under this subsection is the same as the procedure provided by AS 44.62 (Administrative Procedure Act), except that the office of administrative hearings (AS 44.64.010) shall conduct the hearings in contested cases and the decision may be appealed under AS 44.64.030(c).

(d) In this section, "governmental agency" means a state or local governmental agency, except for an agency of the judicial branch.

**Sec. 45.48.090. Definitions.** In AS 45.48.010 - 45.48.090,

(1) "breach of the security" means unauthorized acquisition, or reasonable belief of unauthorized acquisition, of personal information that compromises the security, confidentiality, or integrity of the personal information maintained by the information collector; in this paragraph, "acquisition" includes acquisition by

(A) photocopying, facsimile, or other paper-based method;

(B) a device, including a computer, that can read, write, or store information that is represented in numerical form; or

(C) a method not identified by (A) or (B) of this

paragraph;

(2) "information collector" means a person who owns or uses personal information in any form if the personal information includes personal information on a state resident;

(3) "information distributor" means a person who is an information collector and who owns or licenses personal information to an information recipient;

(4) "information recipient" means a person who is an information collector but who does not own or have the right to license to another information collector the personal information received by the person from an information distributor;

(5) "personal information" means information in any form on an individual that is not encrypted or redacted, or is encrypted and the encryption key has been accessed or acquired, and that consists of a combination of

(A) an individual's name, address, or telephone number; in this subparagraph, "individual's name" means a combination of an individual's

(i) first name or first initial; and

(ii) last name; and

(B) one or more of the following information elements:

(i) the individual's social security number;

(ii) the individual's driver's license number or state identification card number;

(iii) the individual's account number, credit card account number, or debit card account number;

(iv) account passwords or personal identification numbers or other access codes.

**Article 2. Credit Report and Credit Score Security Freeze.**

**Sec. 45.48.100. Security freeze authorized.** A consumer may prohibit a consumer credit reporting agency from releasing all or a part of the consumer's credit report or credit score without the express authorization of the consumer by placing a security freeze on the consumer's credit report.

**Sec. 45.48.110. Placement of security freeze.** (a) To place a security freeze, a consumer shall make the request to the consumer credit reporting agency

(1) by certified mail to the address designated by the consumer credit reporting agency to receive security freeze

requests; or

(2) as allowed by (b) of this section.

(b) A consumer may make a request under (a) of this section by telephone or by fax, the Internet, or other electronic media if the consumer credit reporting agency has developed procedures for using the telephone or an electronic medium to receive and process the request in an expedited manner.

(c) A consumer credit reporting agency shall place a security freeze within five business days after receiving a request under (a) or (b) of this section and proper identification from the consumer.

**Sec. 45.48.120. Confirmation of security freeze.** (a) Within 10 business days after a consumer makes the request under AS 45.48.110, a consumer credit reporting agency shall send a written confirmation of the placement of the security freeze to the consumer.

(b) At the same time that the consumer credit reporting agency sends a confirmation under (a) of this section, the consumer credit reporting agency shall provide the consumer with a unique personal identification number, password, or similar device to be used by the consumer when the consumer authorizes the release of the consumer's credit report or credit score under AS 45.48.130.

**Sec. 45.48.130. Access and actions during security freeze.** (a) While a security freeze is in place, a consumer credit reporting agency shall allow a third party access to a consumer's credit report or credit score if the consumer requests that the consumer credit reporting agency allow the access.

(b) To make a request under (a) of this section, the consumer shall contact the consumer credit reporting agency by certified mail to the address designated by the consumer credit reporting agency to receive security freeze requests or as allowed by (c) of this section, authorize the consumer credit reporting agency to allow the access, and provide the consumer credit reporting agency with

(1) proper identification to verify the consumer's identity;

(2) the unique personal identification number, password, or similar device provided under AS 45.48.120(b); and

(3) the proper information necessary to identify the third party to whom the consumer credit reporting agency may allow the access or the time period during which the consumer credit

reporting agency may allow the access to third parties who request the access.

(c) In addition to certified mail, a consumer may make a request under (a) of this section by telephone or by fax, the Internet, or other electronic media if the consumer credit reporting agency has developed procedures for using the telephone or an electronic medium to receive and process the request in an expedited manner.

(d) A consumer credit reporting agency that receives a request from a consumer under (b) or (c) of this section shall comply with the request immediately after receiving the request by telephone or by an electronic medium or within three business days after receiving the request by certified mail.

(e) If a security freeze is in place, a consumer credit reporting agency may not release the credit report or credit score to a third party without the prior express authorization of the consumer.

(f) If a security freeze is in place on a consumer's credit report and credit score and if a third party applies to a consumer credit reporting agency to provide the third party with access to the consumer's credit report or credit score, the consumer credit reporting agency and, except as provided for insurers under (g) of this section, the third party may treat the third party's application as incomplete unless the consumer authorizes the access under (a) of this section.

(g) If an insurer requests access to a consumer report on which a security freeze is in place, unless the consumer authorizes access under (a) of this section, the insurer may, notwithstanding AS 21.36.460,

- (1) treat the consumer's application as incomplete;
- (2) decline the consumer's application if the consumer does not lift the security freeze for the insurer after a request by the insurer or the insurer's agent;
- (3) treat the consumer as if the consumer has a neutral credit rating;
- (4) exclude the use of credit information as a factor and use only underwriting criteria; or
- (5) treat the consumer in a manner that is otherwise approved by the division of insurance.

(h) If a security freeze is in place, a consumer credit reporting agency may not change the consumer's official information in the

credit report without sending a written statement of the change to the consumer within 30 days after the change is made. A consumer credit reporting agency is not required to send a written statement if the consumer credit reporting agency makes a technical change in the consumer's official information. If a consumer credit reporting agency makes a change, other than a technical change, in a consumer's address, the consumer credit reporting agency shall send the written statement to the consumer at both the new address and the former address. In this subsection,

(1) "official information" means name, birth date, social security number, and address;

(2) "technical change" means changing spelling, transposing numbers or letters, abbreviating a word, or spelling out an abbreviation.

(i) This section is not intended to prevent a consumer credit reporting agency from advising a third party that requests access to a consumer's credit report or credit score that a security freeze is in effect.

(j) The procedures used by a consumer credit reporting agency for implementing the provisions of this section may include the use of telephone, facsimile, or electronic means if making the disclosure by the electronic means is consistent with the provisions regarding electronic records and signatures required for notices legally required to be in writing under 15 U.S.C. 7001 et seq. (Electronic Signatures in Global and National Commerce Act), Internet, electronic mail, or another electronic method.

**Sec. 45.48.140. Removal of security freeze.** (a) Except as provided by AS 45.48.130, a consumer credit reporting agency may not remove a security freeze unless

(1) the consumer requests that the consumer credit reporting agency remove the security freeze under (b) of this section; or

(2) the consumer made a material misrepresentation of fact to the consumer credit reporting agency when the consumer requested the security freeze under AS 45.48.110; if a consumer credit reporting agency intends to remove a security freeze on a consumer's credit report under this paragraph, the consumer credit reporting agency shall notify the consumer in writing before removing the security freeze.

(b) A consumer credit reporting agency shall remove a

security freeze immediately after receiving a request for removal from the consumer who requested the security freeze.

(c) To make a request under (b) of this section, the consumer shall contact the consumer credit reporting agency by certified mail or as allowed by (d) of this section, authorize the consumer credit reporting agency to remove the security freeze, and provide the consumer credit reporting agency with

(1) proper identification to verify the consumer's identity; and

(2) the unique personal identification number, password, or similar device provided under AS 45.48.120(b).

(d) In addition to certified mail, a consumer may make a request under (b) of this section by telephone or by fax, the Internet, or other electronic media if the consumer credit reporting agency has developed procedures for using the telephone or an electronic medium to receive and process the request in an expedited manner.

**Sec. 45.48.150. Prohibition.** When dealing with a third party, a consumer credit reporting agency may not suggest, state, or imply that a consumer's security freeze reflects a negative credit score, history, report, or rating.

**Sec. 45.48.160. Charges.** (a) Except as provided by (b) of this section, a consumer credit reporting agency may not charge a consumer to place or remove a security freeze, to provide access under AS 45.48.130, or to take any other action, including the issuance of a personal identification number, password, or similar device under AS 45.48.120, that is related to the placement of, removal of, or allowing access to a credit report or credit score on which a security freeze has been placed.

(b) If a consumer fails to retain a personal identification number, password, or similar device issued under AS 45.48.120, a consumer credit reporting agency may charge the consumer up to \$5 for each time after the first time that the consumer credit reporting agency issues the consumer another personal identification number, password, or similar device because the consumer failed to retain the personal identification number, password, or similar device.

**Sec. 45.48.170. Notice of rights.** When a consumer credit reporting agency is required to give a consumer a summary of rights under 15 U.S.C. 1681g (Fair Credit Reporting Act), a

consumer credit reporting agency shall also give the consumer the following notice:

**Consumers Have the Right to Obtain a Security Freeze**

You may obtain a security freeze on your credit report and credit score at no charge to protect your privacy and ensure that credit is not granted in your name without your knowledge. You have a right to place a "security freeze" on your credit report and credit score under state law (AS 45.48.100 - 45.48.290).

The security freeze will prohibit a consumer credit reporting agency from releasing your credit score and any information in your credit report without your express authorization or approval.

The security freeze is designed to prevent credit, loans, and other services from being approved in your name without your consent. However, you should be aware that using a security freeze to take control over who gets access to the personal and financial information in your credit report and credit score may delay, interfere with, or prohibit the timely approval of any subsequent request or application you make regarding a new loan, credit, a mortgage, a governmental service, a governmental payment, rental housing, employment, an investment, a license, a cellular phone, a utility, a digital signature, an Internet credit card transaction, an extension of credit at point of sale, and other items and services.

When you place a security freeze on your credit report and credit score, within 10 business days you will be provided a personal identification number, password, or similar device to use if you choose to remove the freeze on your credit report and credit score or to temporarily authorize the release of your credit report and credit score to a specific third party or specific third parties or for a specific period of time after the freeze is in place. To provide that authorization, you must contact the consumer credit reporting agency and provide all of the following:

- (1) proper identification to verify your identity;

(2) the personal identification number, password, or similar device provided by the consumer credit reporting agency;

(3) proper information necessary to identify the third party or third parties who are authorized to receive the credit report and credit score or the specific period of time for which the credit report and credit score are to be available to third parties.

A consumer credit reporting agency that receives your request to temporarily lift a freeze on a credit report and credit score is required to comply with the request immediately after receiving your request if you make the request by telephone, or an electronic method if the agency provides an electronic method, or within three business days after receiving your request if you make the request by certified mail.

A security freeze does not apply to circumstances where you have an existing account relationship and a copy of your credit report and credit score are requested by your existing creditor or its agents or affiliates for certain types of account review, collection, fraud control, or similar activities.

If you are actively seeking credit, you should understand that the procedures involved in lifting a security freeze may slow your own applications for credit. You should plan ahead and lift a freeze, either completely if you are shopping around, or specifically for a certain creditor, days before actually applying for new credit.

You have a right to bring a civil action against someone who violates your rights under these laws on security freezes. The action can be brought against a consumer credit reporting agency.

**Sec. 45.48.180. Notification after violation.** If a consumer credit reporting agency violates a security freeze by releasing a consumer's credit report or credit score, the consumer credit reporting agency shall notify the consumer within five business days after the release, and the information in the notice must include an identification of the information released and of the third party who received the information.

**Sec. 45.48.190. Violations and penalties.** (a) A consumer who suffers damages as a result of a person's violation of AS 45.48.100 - 45.48.290 may bring an action in court against the person and recover, in the case of a violation where the person acted

(1) negligently, actual damages, including loss of wages, and, when applicable, damages for pain and suffering;

(2) knowingly,

(A) damages as described in (1) of this subsection;

(B) punitive damages that are not less than \$100 nor more than \$5,000 for each violation as the court determines to be appropriate; and

(C) other relief that the court determines to be appropriate.

(b) A consumer may bring an action in court against a person for a violation or threatened violation of AS 45.48.100 - 45.48.290 for injunctive relief, whether or not the consumer seeks another remedy under this section.

(c) Notwithstanding (a)(2) of this section, a person who knowingly violates AS 45.48.100 - 45.48.290 is liable in a class action for an amount that the court allows. When determining the amount of an award in a class action under this subsection, the court shall consider, among the relevant factors, the amount of any actual damages awarded, the frequency of the violations, the resources of the violator, and the number of consumers adversely affected.

(d) In this section, "knowingly" has the meaning given in AS 11.81.900.

**Sec. 45.48.200. Exemptions.** The provisions of AS 45.48.100 - 45.48.290 do not apply to the use of a credit report by

(1) a person, the person's subsidiary, affiliate, or agent, or the person's assignee with whom a consumer has or, before the assignment, had an account, contract, or debtor-creditor relationship if the purpose of the use is to review the consumer's account or to collect a financial obligation owing on the account, contract, or debt;

(2) a subsidiary, an affiliate, an agent, an assignee, or a prospective assignee of a person to whom access has been granted under AS 45.48.130 if the purpose of the use is to facilitate the extension of credit or another permissible use;

- (3) a person acting under a court order, warrant, or subpoena;
- (4) an agency of a state or municipality that administers a program for establishing and enforcing child support obligations;
- (5) the Department of Health and Social Services, its agents, or its assigns when investigating fraud;
- (6) the Department of Revenue, its agents, or its assigns when investigating or collecting delinquent taxes or unpaid court orders or when implementing its other statutory responsibilities;
- (7) a person if the purpose of the use is prescreening allowed under 15 U.S.C. 1681b(c) (Fair Credit Reporting Act);
- (8) a person administering a credit file monitoring subscription service to which the consumer has subscribed;
- (9) a person providing a consumer with a copy of the consumer's credit report or credit score at the consumer's request;
- (10) a consumer credit reporting agency if the data base or file of the consumer credit reporting agency consists entirely of information concerning and used solely for one or more of the following purposes:
  - (A) criminal record information;
  - (B) personal loss history information;
  - (C) fraud prevention or detection;
  - (D) tenant screening; or
  - (E) employment screening.
- (11) a person who acts only as a reseller of consumer information by assembling and merging information contained in the data bases of consumer credit reporting agencies and does not maintain a permanent data base of consumer information from which new consumer credit reports are produced.

**Sec. 45.48.290. Definitions.** In AS 45.48.100 - 45.48.290,

- (1) "account review" means activities related to account maintenance, account monitoring, credit line increases, and account upgrades and enhancements;
- (2) "consumer" means an individual who is the subject of a credit report or credit score;
- (3) "consumer credit reporting agency" has the meaning given in AS 45.48.990, but does not include a person who issues reports
  - (A) on incidents of fraud or authorizations for the purpose of approving or processing negotiable instruments,

electronic funds transfers, or similar methods of payments; or

(B) regarding account closures due to fraud, substantial overdrafts, automated teller machine abuse, or similar negative information regarding a consumer to inquiring banks or other financial institutions for use only in reviewing consumer requests for deposit accounts at the inquiring banks or financial institutions;

(4) "security freeze" means a prohibition against a consumer credit reporting agency from releasing all or a part of a consumer's credit report or credit score without the express authorization of the consumer;

(5) "third party" means a person who is not

(A) the consumer who is the subject of the consumer's credit report or credit score; or

(B) the consumer credit reporting agency that is holding the consumer's credit report or credit score.

**Article 3. Consumer Credit Monitoring; Credit Accuracy.**

**Sec. 45.48.300. Required disclosure.** A consumer credit reporting agency shall, if a consumer makes the request and the request is not covered by the free disclosure provision of 15 U.S.C. 1681j(a) - (d) (Fair Credit Reporting Act), clearly and accurately disclose to the consumer the information described under AS 45.48.310.

**Sec. 45.48.310. Information to be disclosed.** (a) The following information shall be disclosed under AS 45.48.300:

(1) all information in the consumer's file when the consumer makes the request, except that this paragraph may not be construed to require a consumer credit reporting agency to disclose information concerning credit scores, risk scores, or other predictors that are governed by 15 U.S.C. 1681g;

(2) the sources of the information described in (1) of this subsection;

(3) an identification of each person, including each end user identified under 15 U.S.C. 1681e, who procured a report on the consumer

(A) for employment purposes during the two-year period that precedes the date when the consumer's request is made; or

(B) for a purpose other than employment purposes during the one-year period that precedes the date when the

consumer's request is made;

(4) the dates, original payees, and amounts of any checks that

(A) provide the basis for an adverse characterization of the consumer; and

(B) are included in the file when the disclosure is made or can be inferred from the file;

(5) a record of all inquiries that were received by the consumer credit reporting agency during the one-year period that precedes the request and that identify the consumer in connection with a credit or insurance transaction that was not initiated by the consumer; and

(6) a statement that the consumer may request and obtain a credit score if the consumer requests the credit file and not the credit score.

(b) The information to be disclosed under (a)(3) of this section must include

(1) the name of the person or, if applicable, the full trade name under which the person conducts business; and

(2) the address and telephone number of the person if requested by the consumer.

(c) A consumer credit reporting agency is not required to disclose the information described in (a)(3) of this section if

(1) the end user is an agency of the United States government and procures the consumer's credit report from the consumer credit reporting agency to determine the eligibility of the consumer to receive access or continued access to classified information; in this paragraph, "classified information" has the meaning given in 15 U.S.C. 1681b; and

(2) the individual who is in charge of the end user makes a written finding as prescribed under 15 U.S.C. 1681b(b)(4)(A).

**Sec. 45.48.320. Cost of disclosure.** (a) A consumer credit reporting agency may impose a reasonable charge on a consumer for making a disclosure under AS 45.48.300. The charge may not exceed

(1) \$2 for each of the first 12 requests from the consumer in a calendar year;

(2) \$8 for each request beyond the 12 requests covered by (1) of this subsection in a calendar year.

(b) The consumer credit reporting agency shall disclose the

charge to the consumer before making the disclosure under AS 45.48.300.

**Sec. 45.48.330. Form of disclosure.** (a) A consumer may make the request under AS 45.48.300 in writing, in person, by telephone if the consumer has made a written request for the disclosure, by electronic means if the consumer credit reporting agency offers electronic access for any other purpose, or by any other reasonable means that is available from the consumer credit reporting agency.

(b) To make a request in person under (a) of this section, the consumer shall, after reasonable notice to the consumer credit reporting agency, appear during normal business hours at the consumer credit reporting agency's place of business where the consumer credit reporting agency normally provides disclosures under AS 45.48.300.

**Sec. 45.48.340. Timing of disclosure.** A consumer credit reporting agency shall provide a consumer with the disclosure under AS 45.48.300 within

(1) 24 hours after the date on which the request is made if the disclosure is made by electronic means under AS 45.48.330(a); or

(2) five days after the date on which the request is made if the disclosure is made in writing, in person, by telephone, or by any other reasonable means that is available from the consumer credit reporting agency, except by electronic means.

**Sec. 45.48.350. Credit accuracy.** (a) A person who does business in the state by distributing information about an individual's credit history, score, or ranking shall, when notified that the information that the person is distributing is inaccurate, immediately stop distributing the information until the accuracy of the information can be verified or the inaccuracies in the information corrected.

(b) If a person who does business in the state by distributing information about an individual's credit history, score, or ranking releases information about an individual that is inaccurate, the person shall, as quickly as possible after discovering that inaccurate information is being distributed,

(1) repair, to the extent possible, the damage to the individual caused by the release of the inaccurate information; and

(2) pay fair and reasonable compensation to the

individual for the damage caused to the individual by the release of the inaccurate information.

(c) If a person fails to comply with (b) of this section, an individual may bring an action in court to compel the person to comply with (b) of this section.

(d) In this section, "does business in the state" means engages in activities that provide at least the minimum contacts required by substantive due process for the state to exercise jurisdiction over the person who is engaging in the activities.

**Article 4. Protection of Social Security Number.**

**Sec. 45.48.400. Use of social security number.** A person may not

(1) intentionally communicate or otherwise make available to the general public an individual's social security number;

(2) print an individual's social security number on a card required for the individual to access products or services provided by the person;

(3) require an individual to transmit the individual's social security number over the Internet unless the Internet connection is secure or the social security number is encrypted;

(4) require an individual to use the individual's social security number to access an Internet site unless a password, a unique personal identification number, or another authentication device is also required in order to access the site; or

(5) print an individual's social security number on material that is mailed to the individual unless

(A) local, state, or federal law, including a regulation adopted under AS 45.48.470, expressly authorizes placement of the social security number on the material; or

(B) the social security number is included on an application or other form, including a document sent as a part of an application process or an enrollment process, sent by mail to establish, amend, or terminate an account, a contract, or a policy, or to confirm the accuracy of the social security number; however, a social security number allowed to be mailed under this subparagraph may not be printed, in whole or in part, on a postcard or other mailer that does not require an envelope, or in a manner that makes the social security number visible on the envelope or without the envelope's

being opened.

**Sec. 45.48.410. Request and collection.** (a) A person who does business in the state, including the business of government, may not request or collect an individual's social security number. This subsection does not prohibit a person from asking for another form of identification from the individual.

(b) The prohibition in (a) of this section does not apply

(1) if the person is expressly authorized by local, state, or federal law, including a regulation adopted under AS 45.48.470, to demand proof of the individual's social security number, to collect the individual's social security number, or to submit the individual's social security number to the local, state, or federal government;

(2) to a financial institution that is regulated by 15 U.S.C. 6801 - 6827 (Gramm-Leach-Bliley Financial Modernization Act) if the financial institution requests or collects the individual's social security number to facilitate a transaction of the individual;

(3) to a communication to or from a consumer reporting agency; in this paragraph, "consumer reporting agency" has the meaning given in 15 U.S.C. 1681a (Fair Credit Reporting Act); or

(4) if the request or collection is for a background check on the individual, law enforcement purposes, or the individual's employment, including employment benefits.

**Sec. 45.48.420. Sale, lease, loan, trade, or rental.** (a) A person may not sell, lease, loan, trade, or rent an individual's social security number to a third party.

(b) The prohibition in (a) of this section does not apply if the sale, lease, loan, trade, or rental is

(1) expressly authorized by local, state, or federal law, including a regulation adopted under AS 45.48.470;

(2) part of a report prepared by a consumer credit reporting agency in response to a request by a person and the person submits the social security number as part of the request to the consumer credit reporting agency for the preparation of the report.

**Sec. 45.48.430. Disclosure.** (a) A person doing business including the business of government, may not disclose an individual's social security number to a third party.

(b) The prohibition in (a) of this section does not apply if

(1) the disclosure is expressly authorized by local, state,

or federal law, including a regulation adopted under AS 45.48.470;

(2) the third party is a financial institution that is regulated by 15 U.S.C. 6801 - 6827 (Gramm-Leach-Bliley Financial Modernization Act), and the disclosure is to facilitate a transaction of the individual;

(3) the disclosure is part of a report prepared by a consumer credit reporting agency in response to a request by a person and the person submits the social security number as part of the request to the consumer credit reporting agency for the preparation of the report; or

(4) the disclosure is for a background check on the individual, law enforcement purposes, or the individual's employment, including employment benefits.

**Sec. 45.48.440. Interagency disclosure.** Notwithstanding the other provisions of AS 45.48.400 - 45.48.480, a state or local governmental agency may disclose an individual's social security number to another state or local governmental agency or to an agency of the federal government if the disclosure is required in order for the agency to carry out the agency's duties and responsibilities.

**Sec. 45.48.450. Exception for employees, agents, and independent contractors.** (a) Notwithstanding the other provisions of AS 45.48.400 - 45.48.480, a person may disclose an individual's social security number to an employee or agent of the person for a legitimate purpose established by and as directed by the person, but the employee or agent may not use the social security number for another purpose or make an unauthorized disclosure of the individual's personal information.

(b) Notwithstanding the other provisions of AS 45.48.400 - 45.48.480, and except as provided for an agent under (a) of this section, a person may disclose an individual's social security number to an independent contractor of the person to facilitate the purpose or transaction for which the individual initially provided the social security number to the person, but the independent contractor may not use the social security number for another purpose or make an unauthorized disclosure of the individual's personal information.

**Sec. 45.48.460. Employment-related exception.** The provisions of AS 45.48.400 - 45.48.480 may not be construed to

restrict a person's use or exchange of an individual's social security number

(1) in the course of the administration of a claim, benefit, or procedure related to the individual's employment by the person, including the individual's termination from employment, retirement from employment, and injury suffered during the course of employment; or

(2) to check on an unemployment insurance claim of the individual.

**Sec. 45.48.470. Agency regulations.** If the regulations are necessary in order for the state agency to carry out the state agency's duties and responsibilities, a state agency may adopt regulations under AS 44.62 (Administrative Procedure Act) to establish when the state agency or a person regulated by the state agency may

(1) print an individual's social security number on material that is mailed to the individual;

(2) demand proof from an individual of the individual's social security number, collect from an individual the individual's social security number, or submit an individual's social security number to a local, state, or federal agency;

(3) ask an individual to provide the state agency with the individual's social security number;

(4) disclose an individual's social security number to a third party;

(5) sell, lease, loan, trade, or rent an individual's social security number to a third party.

**Sec. 45.48.480. Penalties.** (a) A person who knowingly violates AS 45.48.400 - 45.48.430 is liable to the state for a civil penalty not to exceed \$3,000.

(b) An individual may bring a civil action in court against a person who knowingly violates AS 45.48.400 - 45.48.430 and may recover actual damages or \$5,000, whichever amount is greater, and court costs and attorney fees allowed by the rules of court.

(c) A person who knowingly violates AS 45.48.400 - 45.48.430 is guilty of a class A misdemeanor.

(d) In this section, "knowingly" has the meaning given in AS 11.81.900.

#### **Article 5. Disposal of Records.**

**Sec. 45.48.500. Disposal of records.** (a) When disposing of records that contain personal information, a business and a governmental agency shall take all reasonable measures necessary to protect against unauthorized access to or use of the records.

(b) Notwithstanding (a) of this section, if a business or governmental agency has otherwise complied with the provisions of AS 45.48.500 - 45.48.590 in the selection of a third party engaged in the business of record destruction, the business or governmental agency is not liable for the disposal of records under AS 45.48.500 - 45.48.590 after the business or governmental agency has relinquished control of the records to the third party for the destruction of the records.

(c) A business or governmental agency is not liable for the disposal of records under AS 45.48.500 - 45.48.590 after the business or governmental agency has relinquished control of the records to the individual to whom the records pertain.

**Sec. 45.48.510. Measures to protect access.** The measures that may be taken to comply with AS 45.48.500 include

(1) implementing and monitoring compliance with policies and procedures that require the burning, pulverizing, or shredding of paper documents containing personal information so that the personal information cannot practicably be read or reconstructed;

(2) implementing and monitoring compliance with policies and procedures that require the destruction or erasure of electronic media and other nonpaper media containing personal information so that the personal information cannot practicably be read or reconstructed;

(3) after due diligence, entering into a written contract with a third party engaged in the business of record destruction to dispose of records containing personal information in a manner consistent with AS 45.48.500 - 45.48.590.

**Sec. 45.48.520. Due diligence.** In AS 45.48.510(3), due diligence ordinarily includes performing one or more of the following:

(1) reviewing an independent audit of the third party's operations and its compliance with AS 45.48.500 - 45.48.590;

(2) obtaining information about the third party from several references or other reliable sources and requiring that the third party be certified by a recognized trade association or similar

organization with a reputation for high standards of quality review;

(3) reviewing and evaluating the third party's information security policies and procedures, or taking other appropriate measures to determine the competency and integrity of the third party.

**Sec. 45.48.530. Policy and procedures.** A business or governmental agency shall adopt written policies and procedures that relate to the adequate destruction and proper disposal of records containing personal information and that are consistent with AS 45.48.500 - 45.48.590.

**Sec. 45.48.540. Exemptions.** (a) A business or a governmental agency is not required to comply with AS 45.48.500 - 45.48.530 if federal law requires that the business or governmental agency act in a way that does not comply with AS 45.48.500 - 45.48.530.

(b) A business is not required to comply with AS 45.48.500 - 45.48.530 if

(1) the business is subject to and in compliance with 15 U.S.C. 6801 - 6827 (Gramm-Leach-Bliley Financial Modernization Act); or

(2) the manner of the disposal of the records of the business is subject to 15 U.S.C. 1681w (Fair Credit Reporting Act) and the business is complying with 15 U.S.C. 1861w.

**Sec. 45.48.550. Civil penalty.** An individual, a business, or a governmental agency that knowingly violates AS 45.48.500 - 45.48.590 is liable to the state for a civil penalty not to exceed \$3,000. In this section, "knowingly" has the meaning given in AS 11.81.900.

**Sec. 45.48.560. Court action.** An individual who is damaged by a violation of AS 45.48.500 - 45.48.590 may bring a civil action in court to enjoin further violations and to recover damages for the violation and court costs and attorney fees allowed by the rules of court.

**Sec. 45.48.590. Definitions.** In AS 45.48.500 - 45.48.590,

(1) "business" means a person who conducts business in the state or a person who conducts business and maintains or otherwise possesses personal information on state residents; in this paragraph,

(A) "conducts business" includes engaging in

activities as a financial institution organized, chartered, or holding a license or authorization certificate under the laws of this state, another state, the United States, or another country;

(B) "possesses" includes possession for the purpose of destruction;

(2) "dispose" means

(A) the discarding or abandonment of records containing personal information;

(B) the sale, donation, discarding, or transfer of

(i) any medium, including computer equipment or computer media, that contains records of personal information;

(ii) nonpaper media, other than that identified under (i) of this subparagraph, on which records of personal information are stored; and

(iii) equipment for nonpaper storage of information;

(3) "governmental agency" means a state or local governmental agency, except for an agency of the judicial branch;

(4) "personal information" means information that identifies, relates to, describes, or is capable of being associated with a particular individual, and includes a name, signature, social security number, fingerprint, photograph, computerized image, physical characteristic, physical description, address, telephone number, passport number, driver's license, state identification number, date of birth, medical information, bank account number, credit card number, debit card number, and financial information;

(5) "records" means material on which information that is written, drawn, spoken, visual, or electromagnetic is recorded or preserved, regardless of physical form or characteristics, but does not include publicly available directories containing names, addresses, telephone numbers, or other information an individual has voluntarily consented to have publicly disseminated or listed.

**Article 6. Factual Declaration of Innocence after Identity Theft; Right to File Police Report Regarding Identity Theft.**

**Sec. 45.48.600. Factual declaration of innocence after identity theft.** (a) A victim of identity theft may petition the superior court for a determination that the victim is factually innocent of a crime if

(1) the perpetrator of the identity theft was arrested for,

cited for, or convicted of the crime using the victim's identity;

(2) a criminal complaint has been filed against the perpetrator in the victim's name; or

(3) the victim's identity has been mistakenly associated with a record of a conviction for a crime.

(b) In addition to a petition by a victim under (a) of this section, the department may petition the superior court for a determination under (a) of this section, or the superior court may, on its own motion, make a determination under (a) of this section.

**Sec. 45.48.610. Basis for determination.** A determination of factual innocence under AS 45.48.600 may be heard and made on declarations, affidavits, police reports, or other material, relevant, and reliable information submitted by the parties or ordered to be made a part of the record by the court.

**Sec. 45.48.620. Criteria for determination; court order.** (a) A court shall determine that a victim is factually innocent of a crime if the court finds that the petition or motion brought under AS 45.48.600 is meritorious and that

(1) there is not a reasonable cause to believe that the victim committed the crime for which the perpetrator of the identity theft was arrested, cited, convicted, or subject to a criminal complaint in the victim's name; or

(2) the victim's identity has been mistakenly associated with a record of a conviction of a crime.

(b) If a court finds under this section that the victim is factually innocent of a crime, the court shall issue an order indicating this determination of factual innocence and shall provide the victim with a copy of the order.

**Sec. 45.48.630. Orders regarding records.** After a court issues an order under AS 45.48.620, the court may order the name and associated personal information of the victim that is contained in the files, indexes, and other records of the court that are accessible by the public deleted, sealed, or labeled to show that the name and personal information is impersonated and does not reflect the defendant's identity.

**Sec. 45.48.640. Vacation of determination.** A court that has issued an order under AS 45.48.620 may, at any time, vacate the order if the petition or motion, or any information submitted in support of the petition or motion, is found to contain a material misrepresentation or fraudulent material.

**Sec. 45.48.650. Court form.** The supreme court of the state may develop a form to be used for the order under AS 45.48.620.

**Sec. 45.48.660. Data base.** The department may establish and maintain a data base of individuals who have been victims of identity theft and who have received an order under AS 45.48.620. The department shall provide a victim or the victim's authorized representative access to a data base established under this section in order to establish that the individual has been a victim of identity theft. Access to the a data base established under this section is limited to criminal justice agencies, victims of identity theft, and individuals and agencies authorized by the victims.

**Sec. 45.48.670. Toll-free telephone number.** The department may establish and maintain a toll-free telephone number to provide access to information in a data base established under AS 45.48.660.

**Sec. 45.48.680. Right to file police report regarding identity theft.** (a) Even if the local law enforcement agency does not have jurisdiction over the theft of an individual's identity, if an individual who has learned or reasonably suspects the individual has been the victim of identity theft contacts, for the purpose of filing a complaint, a local law enforcement agency that has jurisdiction over the individual's actual place of residence, the local law enforcement agency shall make a report of the matter and provide the individual with a copy of the report. The local law enforcement agency may refer the matter to a law enforcement agency in a different jurisdiction.

(b) This section is not intended to interfere with the discretion of a local law enforcement agency to allocate its resources to the investigation of crime. A local law enforcement agency is not required to count a complaint filed under (a) of this section as an open case for purposes that include compiling statistics on its open cases.

**Sec. 45.48.690. Definitions.** In AS 45.48.600 - 45.48.690,

- (1) "crime" has the meaning given in AS 11.81.900;
- (2) "department" means the Department of Law;
- (3) "identity theft" means the theft of the identity of an individual;
- (4) "perpetrator" means the person who perpetrated the theft of an individual's identity;
- (5) "victim" means an individual who is the victim of

identity theft.

**Article 7. Consumer Credit Header Information.**

**Sec. 45.48.700. Consumer credit header information.** (a) A consumer credit reporting agency may not furnish by a written, an oral, or another method of communication a consumer's credit header information to a person unless

(1) the person has a permissible purpose under 15 U.S.C. 1681b (Fair Credit Protection Act) to obtain the consumer's credit report; or

(2) the disclosure is part of a report prepared by the consumer credit reporting agency in response to a request by a person and the person submits the social security number as part of the request to the consumer credit reporting agency for the preparation of the report.

(b) In this section, "credit header information" means the social security number of a consumer, or a derivative of the social security number, the maiden name of the mother of the consumer, the birth date of the consumer, and other personally identifiable information of a consumer that is derived from nonpublic personal information, except the name, address, and telephone number of the consumer listed in a residential telephone directory available in the locality of the consumer.

**Article 8. Truncation of Card Information.**

**Sec. 45.48.750. Truncation of card information.** (a) A person who accepts credit cards or debit cards for the transaction of business may not print more than the last five digits of the card number or the expiration date on any receipt provided to the cardholder at the point of the sale or transaction.

(b) This section applies only to receipts that are electronically printed and does not apply to transactions in which the sole means of recording a credit card or debit card account number is by handwriting or by an imprint or copy of the card.

(c) An individual may bring a civil action in court against a person who knowingly violates this section and may recover actual damages or \$5,000, whichever is greater, and court costs and attorney fees allowed by the rules of court.

(d) A person who knowingly violates this section is liable to the state for a civil penalty not to exceed \$3,000.

(e) A person who knowingly violates this section is guilty of a class A misdemeanor.

(f) In this section,

(1) "credit" means the right granted by a creditor to a debtor to defer payment of debt, to incur debts and defer payment of the debt, or to purchase property or services and defer payment of the purchase; in this paragraph, "creditor" means a person who regularly extends, renews, or continues credit, a person who regularly arranges for the extension, renewal, or continuation of credit, or an assignee of an original creditor who participates in the decision to extend, renew, or continue credit;

(2) "credit card" means a card, plate, coupon book, or other credit device existing for the purpose of obtaining money, property, labor, or services on credit;

(3) "debit card" means a card issued by a financial institution to a consumer for use in initiating an electronic fund transfer from the account of the consumer at the financial institution for the purpose of transferring money between accounts or obtaining money, property, labor, or services;

(4) "knowingly" has the meaning given in AS 11.81.900.

**Article 9. General Provisions.**

**Sec. 45.48.990. Definitions.** In this chapter, unless the context indicates otherwise,

(1) "consumer" means an individual;

(2) "consumer credit reporting agency" means a person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing credit reports to third parties;

(3) "credit report" means a written, oral, or other communication of information by a consumer credit reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living if the communication is used or expected to be used or collected in whole or in part to serve as a factor in establishing the consumer's eligibility for

(A) credit or insurance to be used primarily for personal, family, or household purposes;

(B) employment purposes; or

(C) any other permissible purpose authorized under section 15 U.S.C. 1681b;

(4) "information system" means any information system, including a system consisting of digital data bases and a system consisting of pieces of paper;

(5) "person" has the meaning given in AS 01.10.060 and includes a state or local governmental agency, except for an agency of the judicial branch;

(6) "state resident" means an individual who satisfies the residency requirements under AS 01.10.055.

**Sec. 45.48.995. Short title.** This chapter may be cited as the Alaska Personal Information Protection Act.

\* **Sec. 6.** AS 45.50.471(b) is amended by adding a new paragraph to read:

(52) an information collector, other than a governmental agency, violating AS 45.48.010 - 45.48.090 (breach of security involving personal information); in this paragraph,

(A) "governmental agency" has the meaning given in AS 45.48.080;

(B) "information collector" has the meaning given in AS 45.48.090.

\* **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to read:

INDIRECT COURT RULE AMENDMENT. AS 45.48.640, enacted by sec. 5 of this Act, has the effect of changing Rule 60(b), Alaska Rules of Civil Procedure, by allowing a court to vacate an order on its own motion and at any time and by establishing a specific criterion for vacating the order under AS 45.48.640.

\* **Sec. 8.** Sections 1 and 2 and AS 45.48.470, enacted by sec. 5 of this Act, take effect immediately under AS 01.10.070(c)."

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

There was objection.

Representative McGuire placed a call of the House.

The call was satisfied.

The objection was withdrawn. There being no further objection, Amendment No. 1 was adopted, and the new title follows:

HCS FOR CS FOR SENATE BILL NO. 169(FIN) am H

"An Act relating to release of information in individual workers' compensation records; relating to breaches of security involving personal information, credit report and credit score security freezes, consumer credit monitoring, credit accuracy, protection of social security numbers, disposal of records, identity theft, furnishing consumer credit header information, credit cards, and debit cards; amending Rule 60, Alaska Rules of Civil Procedure; and providing for an effective date."

(HCR 49 - title change resolution)

The question being: "Shall HCS CSSB 169(FIN) am H pass the House?" The roll was taken with the following result:

HCS CSSB 169(FIN) am H

Third Reading

Final Passage

**YEAS: 40 NAYS: 0 EXCUSED: 0 ABSENT: 0**

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

And so, HCS CSSB 169(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 Coghill moved and asked unanimous consent that the roll call on the passage of the bill be considered the roll call on the court rule change. There being no objection, it was so ordered.

Representative Stoltze gave notice of reconsideration of the vote on HCS CSSB 169(FIN) am H.

**SPECIAL ORDER OF BUSINESS****HCR 49**

Representative Coghill moved and asked unanimous consent that the following by the House Judiciary Committee be taken up as a Special Order of Business:

**HOUSE CONCURRENT RESOLUTION NO. 49**

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning Senate Bill No. 169, relating to information in workers' compensation records.

There being no objection, it was so ordered.

The question being: "Shall HCR 49 pass the House?" The roll was taken with the following result:

HCR 49

Special Order of Business

**YEAS: 39 NAYS: 0 EXCUSED: 0 ABSENT: 1**

Yeas: Anderson, Berkowitz, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Foster, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Hawker, Holm, Joule, Kapsner, Kelly, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

Absent: Gara

And so, HCR 49 passed the House and was referred to the Chief Clerk for engrossment.

**THIRD READING OF SENATE BILLS**

(continued)

**SB 305**

The following, which was moved to the bottom of the calendar (page 3789), was read the third time:

## HOUSE CS FOR CS FOR SENATE BILL NO. 305(FIN)

"An Act repealing the oil production tax and the gas production tax and providing for a production tax on oil and gas; relating to the calculation of the gross value at the point of production of oil and gas and to the determination of the value of oil and gas for purposes of the production tax on oil and gas; providing for tax credits against the production tax on oil and gas; relating to the relationship of the production tax on oil and gas to other taxes, to the dates those tax payments and surcharges are due, to interest on overpayments of the tax, and to the treatment of the tax in a producer's settlement with the royalty owners; relating to flared gas, and to oil and gas used in the operation of a lease or property under the production tax; relating to the prevailing value of oil and gas under the production tax; relating to surcharges on oil; relating to statements or other information required to be filed with or furnished to the Department of Revenue, to the penalty for failure to file certain reports for the tax, to the powers of the Department of Revenue, and to the disclosure of certain information required to be furnished to the Department of Revenue as applicable to the administration of the tax; relating to criminal penalties for violating conditions governing access to and use of confidential information relating to the tax, and to the deposit of tax money collected by the Department of Revenue; amending the definitions of 'gas,' 'oil,' and certain other terms for purposes of the production tax, and as the definition of the term 'gas' applies in the Alaska Stranded Gas Development Act, and adding further definitions; making conforming amendments; and providing for an effective date."

The Speaker stated that, without objection, HCS CSSB 305(FIN) would be returned to second reading for all amendments.

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

Representative Berkowitz placed a call of the House on the bill.

The call was satisfied.

Representatives Meyer and Crawford moved and asked unanimous consent that they be allowed to abstain from voting because of a conflict of interest. Objection was heard, and the members were required to vote.

Amendment No. 10 was offered by Representative Crawford:

Page 1, line 1, through Page 2, line 9 (title amendment):

Delete all material.

Insert **""An Act relating to oil and gas, the oil and gas properties production (severance) tax as it applies to oil; providing for an adjustment to increase the tax collected when oil prices exceed \$20 per barrel and to reduce the tax collected when oil prices fall below \$16 per barrel; providing for relief from the tax when the price per barrel is low or when the taxpayer demonstrates that a reduction in the tax is necessary to establish or reestablish production from an oil field or pool that would not otherwise be economically feasible; delaying until July 1, 2016, the deadline for certain exploration expenditures that form the basis for a credit against the tax on oil and gas produced from a lease or property in the state; and amending the powers and duties of the Alaska Oil and Gas Conservation Commission.""**

Page 2, line 11, through Page 35, line 14:

Delete all material and insert:

**\*\* Section 1.** AS 31.05.030(d) is amended to read:

(d) The commission may require

(1) identification of ownership of wells, producing leases, tanks, plants and drilling structures;

(2) the making and filing of reports, well logs, drilling logs, electric logs, lithologic logs, directional surveys, and all other subsurface information on a well drilled for oil or gas, or for the discovery of oil or gas, or for geologic information, and the required reports and information shall be filed within 30 days after the completion, abandonment, or suspension of the well;

(3) the drilling, casing, and plugging of wells in a manner that will prevent the escape of oil or gas out of one stratum into another, the intrusion of water into an oil or gas stratum, the pollution of fresh water supplies by oil, gas, or salt water, and prevent blowouts, cavings, seepages and fires;

(4) the furnishing of a reasonable bond with sufficient surety conditions for the performance of the duty to plug each dry or abandoned well or the repair of wells causing waste;

(5) the operation of wells with efficient gas-oil and water-oil ratios, and may fix these ratios;

(6) the gauging or other measuring of oil and gas to determine the quality and quantity of oil and gas;

(7) every person who produces oil or gas in the state to keep and maintain for a period of five years in the state complete and accurate records of the quantities of oil and gas produced, which shall be available for examination by the Department of Natural Resources or its agents at all reasonable times;

(8) the measuring and monitoring of oil and gas pool pressures;

(9) the filing and approval of a plan of development and operation for a field or pool in order to prevent waste, **ensure** [INSURE] a greater ultimate recovery of oil and gas, and protect the correlative rights of persons owning interests in the tracts of land affected.

**(10) working interest owners to provide, at a commercially reasonable rate of return, not to exceed costs plus 10 percent, access to production and other facilities whenever necessary; the commission may act under this paragraph**

**(A) to**

**(i) maximize the economic and physical recovery of the state's oil and gas resources;**

**(ii) maximize competition among parties seeking to explore and develop the state's oil and gas resources;**

**(iii) minimize the adverse affects of exploration, development, production, and transportation activity; or**

**(iv) otherwise protect the best interest of the state; and**

**(B) only if the commission finds that the facility has excess capacity and that directing the working interest owner to provide access by or for the benefit of others would not materially interfere with the owner's paramount use of the facility.**

\* **Sec. 2.** AS 36.30.850(b)(33) is amended to read:

(33) contracts between the Department of Natural Resources **or the Department of Revenue, as appropriate,** and contractors qualified to evaluate hydrocarbon development, production, transportation, and economics, to assist the commissioner of natural resources **or the commissioner of revenue, as appropriate,** in evaluating applications for

**(A) royalty increases or decreases or other royalty adjustments, and evaluating the related financial and technical data, entered into under AS 38.05.180(j); or**

**(B) tax reductions, and evaluating the related financial and technical data, as authorized by AS 43.55.011(i) and (j);**

\* **Sec. 3.** AS 43.55.011(a) is amended to read:

(a) There is levied upon the producer of oil a tax for all oil produced from each lease or property in the state, less any oil the ownership or right to which is exempt from taxation. The tax is equal to,

**(1) in the case of North Slope oil,** either the percentage-of-value amount calculated under **(b)(1)** [(b)] of this section or the cents-per-barrel amount calculated under **(c)(1)** [(c)] of this section, whichever is greater; **if** [, MULTIPLIED BY THE ECONOMIC LIMIT FACTOR DETERMINED FOR THE OIL PRODUCTION OF THE LEASE OR PROPERTY UNDER AS 43.55.013. IF] the amounts calculated under **(b)(1) and (c)(1)** [(b) AND (c)] of this section are equal, the amount calculated under **(b)(1)** [(b)] of this section shall be treated as if it were the greater for purposes of this section;

**(2) in the case of oil that is not North Slope oil, either the percentage-of-value amount calculated under (b)(2) of this section or the cents-per-barrel amount calculated under (c)(2) of this section, whichever is greater, multiplied by the economic limit factor determined for the oil production of the lease or property under AS 43.55.013; if the amounts calculated under (b)(2) and (c)(2) of this section are equal, the amount calculated under (b)(2) of this section shall be treated as if it were the greater for purposes of this section.**

\* **Sec. 4.** AS 43.55.011(b) is amended to read:

(b) The percentage-of-value amount equals,

**(1) in the case of North Slope oil, the tax rate set out**

**in (e) of this section multiplied by the gross value at the point of production of taxable oil produced from the lease or property;**

**(2) in the case of oil that is not North Slope oil,** 12.25 percent of the gross value at the point of production of taxable oil produced on or before June 30, 1981, from the lease or property and 15 percent of the gross value at the point of production of taxable oil produced from the lease or property after June 30, 1981; except that, for a lease or property coming into commercial oil production after June 30, 1981, the percentage-of-value amount equals 12.25 percent of the gross value at the point of production of taxable oil produced from the lease or property in the first five years after the start of commercial oil production and equals 15 percent of the gross value at the point of production of taxable oil produced [THEREAFTER] from the lease or property.

\* **Sec. 5.** AS 43.55.011(c) is amended to read:

(c) The cents-per-barrel amount equals,

**(1) in the case of North Slope oil, \$0.80 per barrel of taxable crude oil produced from the lease or property, as adjusted by AS 43.55.012, multiplied by the economic limit factor determined for oil production of the lease or property under AS 43.55.013 and by the price adjustment factor set out in (e)(2)(D) of this section;**

**(2) in the case of oil that is not North Slope oil,** \$0.60 per barrel of taxable old crude oil produced from the lease or property, and \$0.80 per barrel for all other taxable oil produced from the lease or property, both as adjusted by AS 43.55.012.

\* **Sec. 6.** AS 43.55.011 is amended by adding new subsections to read:

(e) This subsection and (f) - (k) of this section apply only to North Slope oil. Except as provided in (h) of this section for heavy oil, the tax rate is the lesser of

(1) 25 percent; or

(2) the product of the volume adjusted tax rate multiplied by the price adjustment factor; for purposes of

(A) this paragraph, the volume adjusted tax rate is the greater of

(i) the applicable tax rate, not to exceed five percent, determined under (C) of this paragraph, except that, if during a month in which the West Coast prevailing

value for oil under AS 43.55.020(f) is less than \$12, the applicable tax rate is zero and the volume adjusted tax rate is determined only by the application of (ii) of this subparagraph; or

(ii) the economic limit factor determined for the oil production of the lease or property under AS 43.55.013 multiplied by the nominal tax rate;

(B) subparagraph (A) of this paragraph, the nominal tax rate is

(i) 12.25 percent during the first five years from the date that is the start of commercial oil production; and

(ii) 15 percent after the first five years from the date that is the start of commercial oil production;

(C) sub-subparagraph (A)(i) of this paragraph, during each month in which the West Coast prevailing value for oil under AS 43.55.020(f) averages

(i) at least \$16, the applicable rate is five percent;

(ii) at least \$15 but not \$16, the applicable rate is four percent;

(iii) at least \$14 but not \$15, the applicable rate is three percent;

(iv) at least \$13 but not \$14, the applicable rate is two percent; and

(v) at least \$12 but not \$13, the applicable rate is one percent; and

(D) this paragraph and for the purpose of determining the cents-per-barrel amount under (c) of this section, the price adjustment factor is one, except that the price adjustment factor is the West Coast prevailing value divided by

(i) 16 during each month in which the West Coast prevailing value for oil under AS 43.55.020(f) averages less than \$16 per barrel;

(ii) 20 during each month in which the West Coast prevailing value for oil under AS 43.55.020(f) averages more than \$20 per barrel.

(f) During a month in which the West Coast prevailing value for oil determined under AS 43.55.020(f) on which tax is due under this chapter averages less than \$10 per barrel, the payment

of

(1) one-half of the tax due and payable under this chapter is waived; and

(2) the remaining one-half of the tax due and payable under this chapter is deferred, subject to the following:

(A) the amount of tax payment that is deferred under this paragraph is payable by the taxpayer

(i) during each month in which the West Coast prevailing value for oil on which tax is due under this chapter averages at least \$16 per barrel; and

(ii) sequentially on a month-for-month basis in the order in which the tax payment was deferred based on payment of one month's deferred tax during each month that the West Coast prevailing value for oil on which tax is due under this chapter averages at least \$16 per barrel; and

(B) amounts due and payable because of a payment deferral under this paragraph bear interest at the rate of a 10-year note of the United States treasury at the time of the deferral.

(g) On and after July 1, 2006, the commissioner shall

(1) annually revise the dollar prices described in (e) and (f) of this section and the related denominators set out in (e)(2)(D)(i) and (ii) of this section to reflect inflation as defined by regulation adopted by the department; and

(2) promptly report the application of the revisions to all taxpayers subject to the tax levied and collected under this chapter.

(h) Notwithstanding (e) of this section, the tax rate for heavy oil is the volume adjusted tax rate. The volume adjusted tax rate for heavy oil is determined by multiplying the economic limit factor determined for the oil production of the lease or property under AS 43.55.013 by the nominal tax rate set out in (e)(2)(A)(i) and (ii) of this section. In this subsection, "heavy oil" means oil equal to or less than 20 degrees API gravity.

(i) A producer of oil that is North Slope oil may apply for a reduction of the tax due under (e), (j), and (k) of this section on the production of the oil

(1) if and to the extent that the amount calculated under (A) of this paragraph is greater than the amount calculated under

(B) of this paragraph, but a reduction of the tax may not result in collection of tax due under this section that is less than the amount calculated under (B) of this paragraph:

(A) the amount of tax on the production of the oil that results from applying the provisions of (e) of this section;

(B) the amount of tax on the production of the oil that would result from not applying the provisions of (e) of this section; and

(2) if the commissioner determines that the application meets the requirements of AS 38.05.180(j)(1)(A), (j)(1)(B), or (j)(1)(C).

(j) When the commissioner receives an application under (i) of this section, the commissioner

(1) may not approve a tax reduction

(A) unless the applicant makes a clear and convincing showing that the tax reduction meets the requirements of (i) of this section and this subsection and is in the best interests of the state;

(B) that reduces the amount of the tax recovered to less than the amount determined under (i)(1)(B) of this section;

(C) without including an explicit condition that the tax reduction is not assignable without the prior written approval, which may not be unreasonably withheld, by the commissioner; the commissioner shall, in the preliminary and final findings and determinations, set out the conditions under which the tax reduction may be assigned;

(2) shall require the applicant to submit, with the application for the tax reduction, financial and technical data that demonstrate that the requirements of (i) of this section and this subsection are met; the commissioner

(A) may require disclosure of only the financial and technical data related to development, production, and transportation of oil and gas or gas only from the field or pool that are reasonably available to the applicant; and

(B) shall keep the data confidential under AS 38.05.035(a)(9) at the request of the applicant; the confidential data may be disclosed by the commissioner to legislators and to the legislative auditor and as directed by the chair or vice-chair of the Legislative Budget and Audit

Committee to the director of the division of legislative finance, the permanent employees of their respective divisions who are responsible for evaluating a tax reduction, and to agents or contractors of the legislative auditor or the legislative finance director who are engaged under contract to evaluate the tax reduction, if they sign an appropriate confidentiality agreement;

(3) may require the applicant for the tax reduction under (i) of this section and this subsection to pay for the services of an independent contractor, selected by the applicant from a list of qualified consultants compiled by the commissioner, to evaluate hydrocarbon development, production, transportation, and economics and to assist the commissioner in evaluating the application and financial and technical data; if, under this paragraph, the commissioner requires payment for the services of an independent contractor, the total cost of the services to be paid for by the applicant may not exceed \$150,000 for each application, and the commissioner shall determine the relevant scope of the work to be performed by the contractor; selection of an independent contractor under this paragraph is not subject to AS 36.30;

(4) shall make and publish a preliminary findings and determination on the tax reduction application, give reasonable public notice of the preliminary findings and determination, and invite public comment on the preliminary findings and determination during a 30-day period for receipt of public comment;

(5) shall offer to appear before the Legislative Budget and Audit Committee, on a day that is not earlier than 10 days and not later than 20 days after giving public notice under (4) of this subsection, to provide the committee a review of the commissioner's preliminary findings and determination on the tax reduction application and administrative process; if the Legislative Budget and Audit Committee accepts the commissioner's offer, the committee shall give notice of the committee's meeting to all members of the legislature;

(6) shall make copies of the preliminary findings and determination available to

(A) the presiding officer of each house of the legislature;

(B) the chairs of the legislature's standing committees on resources; and

(C) the chairs of the legislature's special committees on oil and gas, if any; and

(7) shall, within 30 days after the close of the public comment period under (4) of this subsection,

(A) prepare a summary of the public response to the commissioner's preliminary findings and determination;

(B) make a final findings and determination; the commissioner's final findings and determination prepared under this subparagraph regarding a tax reduction is final and not appealable to the court;

(C) transmit a copy of the final findings and determination to the lessee; and

(D) make copies of the final findings and determination available to each person who submitted comment under (4) of this subsection and who has filed a request for the copies.

(k) In this section, "North Slope oil" means oil produced from a portion of a reservoir located north of 68 degrees North latitude.

\* **Sec. 7.** AS 43.55.012(b) is amended to read:

(b) The cents-per-barrel amount set out in **AS 43.55.011(c)(1) and (2)** [AS 43.55.011(c)] applies to oil of 27 degrees API gravity. For each degree of API gravity less than 27 degrees, the cents-per-barrel amount shall be reduced by \$.005 and for each degree of API gravity greater than 27 degrees the cents-per-barrel amount shall be increased by \$.005 except that oil above 40 degrees API gravity shall be taxed as 40 degree oil. In applying the gravity adjustment under this subsection, fractional degrees of API gravity shall be disregarded.

\* **Sec. 8.** AS 43.55.025(b) is amended to read:

(b) To qualify for the production tax credit under (a) of this section, an exploration expenditure must be incurred for work performed on or after July 1, 2003, and before July 1, **2016** [2007], except that an exploration expenditure for a Cook Inlet prospect must be incurred for work performed on or after July 1, 2005, [AND BEFORE JULY 1, 2010, AND EXCEPT THAT AN EXPLORATION EXPENDITURE, IN WHOLE OR IN PART, SOUTH OF 68 DEGREES, 15 MINUTES, NORTH LATITUDE,

AND NOT PART OF A COOK INLET PROSPECT MUST BE INCURRED FOR WORK PERFORMED ON OR AFTER JULY 1, 2003, AND BEFORE JULY 1, 2010,] and

(1) may be for seismic or geophysical exploration costs not connected with a specific well;

(2) if for an exploration well,

(A) must be incurred by an explorer that holds an interest in the exploration well for which the production tax credit is claimed;

(B) may be for either an oil or gas discovery well or a dry hole; and

(C) must be for goods, services, or rentals of personal property reasonably required for the surface preparation, drilling, casing, cementing, and logging of an exploration well, and, in the case of a dry hole, for the expenses required for abandonment if the well is abandoned within 18 months after the date the well was spudded;

(3) may not be for testing, stimulation, or completion costs; administration, supervision, engineering, or lease operating costs; geological or management costs; community relations or environmental costs; bonuses, taxes, or other payments to governments related to the well; or other costs that are generally recognized as indirect costs or financing costs; and

(4) may not be incurred for an exploration well or seismic exploration that is included in a plan of exploration or a plan of development for any unit on May 13, 2003."

Representative Crawford moved and asked unanimous consent that Amendment No. 10 be adopted.

Representative Samuels objected.

The question being: "Shall Amendment No. 10 be adopted?" The roll was taken with the following result:

HCS CSSB 305(FIN)

Second Reading

Amendment No. 10

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

Yeas: Berkowitz, Cissna, Crawford, Croft, Gara, Gardner, Gruenberg, Guttenberg, Joule, Kapsner, Kerttula, Salmon

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

And so, Amendment No. 10 was not adopted.

Representative Berkowitz lifted the call.

The Speaker stated that, without objection, the House would recess to 7:00 p.m.; and so, the House recessed at 5:58 p.m.

### AFTER RECESS

The Speaker called the House back to order at 7:17 p.m.

### THIRD READING OF SENATE BILLS

(continued)

#### **SB 305**

HCS CSSB 305(FIN) was again before the House in second reading (page 3822).

Amendment No. 2 was offered by Representative Kelly:

Page 11, line 16:

Delete "April 1"

Insert "January 1"

Page 11, line 23:

Delete "April 1"

Insert "January 1"

Page 11, line 24:

Delete "April 1"

Insert "January 1"

Page 11, line 25:

Delete "April 1"  
Insert "January 1"

Page 11, line 26:

Delete "April 1"  
Insert "January 1"

Page 11, line 29:

Delete "April 1"  
Insert "January 1"

Page 11, line 30:

Delete "April 1"  
Insert "January 1"

Page 12, line 14:

Delete "April 30, 2013"  
Insert "January 31, 2013"

Page 12, line 19:

Delete "April 1"  
Insert "January 1"

Page 20, line 22:

Delete "April 1"  
Insert "January 1"

Page 23, line 15:

Delete "April 1"  
Insert "January 1"

Page 23, line 18:

Delete "April 1"  
Insert "January 1"

Page 24, line 18:

Delete "April 1"  
Insert "January 1"

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Page 32, line 3:

Delete "April 1"

Insert "January 1"

Page 32, line 8, through Page 33, line 1:

Delete all material and insert:

"TRANSITIONAL PROVISIONS."

Reletter the following subsections accordingly.

Page 33, line 3:

Delete "April 1"

Insert "January 1"

Page 33, line 7:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 33, line 16:

Delete "April 1"

Insert "January 1"

Page 33, line 20:

Delete "(f)(1)"

Insert "(a)(1)"

Page 33, line 21:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 33, line 22:

Delete "(f)(2)"

Insert "(a)(2)"

Page 33, line 26:

Delete "April 1"

Insert "January 1"

Page 33, line 29:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 34, line 7:

Delete "April 1"

Insert "January 1"

Page 34, line 10:

Delete "(h)(1)"

Insert "(c)(1)"

Page 34, line 12:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 34, line 13:

Delete "(h)(2)"

Insert "(c)(2)"

Page 34, line 16:

Delete "(f)(1)"

Insert "(a)(1)"

Page 34, line 17:

Delete "(g)(1)"

Insert "(b)(1)"

Page 34, lines 18 - 19:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 34, line 23, following "AS 44.62.240,":

Insert "if, under sec. 40 of this Act, this Act takes effect on or after July 1, 2006,"

Page 34, line 25:

Delete "April 1"

Insert "January 1"

Page 35, line 12:

Delete "Sections"

Insert "If, under sec. 40 of this Act, this Act takes effect on or after July 1, 2006, secs."

Page 35, line 13:

Delete "April 1"

Insert "January 1"

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

Representative Hawker objected.

Representative Samuels placed a call of the House on the bill.

The call was satisfied.

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

HCS CSSB 305(FIN)

Second Reading

Amendment No. 2

**YEAS: 18 NAYS: 22 EXCUSED: 0 ABSENT: 0**

Yeas: Berkowitz, Cissna, Crawford, Dahlstrom, Elkins, Gara, Gardner, Gruenberg, Guttenberg, Joule, Kapsner, Kelly, Kerttula, McGuire, Ramras, Salmon, Stoltze, Weyhrauch

Nays: Anderson, Chenault, Coghill, Croft, Foster, Gatto, Harris, Hawker, Holm, Kohring, Kott, LeDoux, Lynn, Meyer, Moses, Neuman, Olson, Rokeberg, Samuels, Seaton, Thomas, Wilson

And so, Amendment No. 2 was not adopted.

### **RECONSIDERATION**

#### **SB 169**

Representative McGuire moved and asked unanimous consent that reconsideration of HCS CSSB 169(FIN) am H (page 3820) be taken up on the same day.

There was objection.

The question being: "Shall reconsideration of HCS CSSB 169(FIN) am H be taken up on the same day?" The roll was taken with the following result:

HCS CSSB 169(FIN) am H--RECONSIDERATION

Third Reading

Take up Reconsideration on the Same Day

**YEAS: 25 NAYS: 15 EXCUSED: 0 ABSENT: 0**

Yeas: Anderson, Berkowitz, Cissna, Coghill, Crawford, Croft, Gara, Gardner, Gruenberg, Guttenberg, Harris, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, LeDoux, Lynn, McGuire, Olson, Salmon, Samuels, Weyhrauch, Wilson

Nays: Chenault, Dahlstrom, Elkins, Foster, Gatto, Kelly, Kott, Meyer, Moses, Neuman, Ramras, Rokeberg, Seaton, Stoltze, Thomas

And so, lacking the necessary 27 votes, the motion failed, and reconsideration of HCS CSSB 169(FIN) am H will be available on May 8, 2006.

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

(continued)

#### **SB 305**

HCS CSSB 305(FIN) was again before the House in second reading (page 3822).

Amendment No. 1 was offered by Representatives Kelly and Holm:

Page 3, line 29:

Delete "20"

Insert "22.5"

Page 4, line 19:

Delete "20"

Insert "22.5"

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

Representative Hawker objected.

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

Delete "22.5"  
Insert "25"

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

Representative Hawker objected.

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

HCS CSSB 305(FIN)  
Second Reading  
Amendment to Amendment No. 1

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

Yeas: Berkowitz, Cissna, Coghill, Crawford, Croft, Dahlstrom, Gara, Gardner, Gruenberg, Guttenberg, Kerttula, Weyhrauch

Nays: Anderson, Chenault, Elkins, Foster, Gatto, Harris, Hawker, Holm, Joule, Kapsner, Kelly, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

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 305(FIN)  
Second Reading  
Amendment No. 1

**YEAS: 19 NAYS: 21 EXCUSED: 0 ABSENT: 0**

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Yeas: Berkowitz, Cissna, Coghill, Dahlstrom, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Holm, Kelly, Kerttula, LeDoux, McGuire, Neuman, Olson, Seaton, Stoltze

Nays: Anderson, Chenault, Crawford, Croft, Elkins, Foster, Hawker, Joule, Kapsner, Kohring, Kott, Lynn, Meyer, Moses, Ramras, Rokeberg, Salmon, Samuels, Thomas, Weyhrauch, Wilson

And so, Amendment No. 1 was not adopted.

Amendment No. 20 was offered by Representative Seaton:

Page 3, line 29:  
Delete "20"  
Insert "21.5"

Page 4, line 19:  
Delete "20"  
Insert "21.5"

Representative Seaton moved and asked unanimous consent that Amendment No. 20 be adopted.

There was objection.

The question being: "Shall Amendment No. 20 be adopted?" The roll was taken with the following result:

HCS CSSB 305(FIN)  
Second Reading  
Amendment No. 20

**YEAS: 21 NAYS: 19 EXCUSED: 0 ABSENT: 0**

Yeas: Berkowitz, Cissna, Coghill, Dahlstrom, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Harris, Holm, Kelly, Kerttula, LeDoux, Lynn, McGuire, Neuman, Olson, Seaton, Stoltze, Weyhrauch

Nays: Anderson, Chenault, Crawford, Croft, Elkins, Foster, Hawker, Joule, Kapsner, Kohring, Kott, Meyer, Moses, Ramras, Rokeberg, Salmon, Samuels, Thomas, Wilson

LeDoux changed from "Nay" to "Yea".

And so, Amendment No. 20 was adopted.

Representative Kott moved that the House rescind previous action in adopting Amendment No. 20.

The question being: "Shall the House rescind previous action in adopting Amendment No. 20?" The roll was taken with the following result:

HCS CSSB 305(FIN) am H

Second Reading

Rescind Previous Action/Amendment No. 20

**YEAS: 22 NAYS: 18 EXCUSED: 0 ABSENT: 0**

Yeas: Anderson, Chenault, Coghill, Crawford, Croft, Elkins, Foster, Harris, Hawker, Joule, Kapsner, Kohring, Kott, Meyer, Moses, Ramras, Rokeberg, Salmon, Samuels, Thomas, Weyhrauch, Wilson

Nays: Berkowitz, Cissna, Dahlstrom, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Holm, Kelly, Kerttula, LeDoux, Lynn, McGuire, Neuman, Olson, Seaton, Stoltze

And so, the motion passed.

Amendment No. 20 was before the House.

Amendment to Amendment No. 20 was offered by Representative Berkowitz:

Delete "21.5"

Insert "22.6"

Representative Berkowitz moved and asked unanimous consent that Amendment to Amendment No. 20 be adopted.

Representative Rokeberg objected.

The question being: "Shall Amendment to Amendment No. 20 be adopted?" The roll was taken with the following result:

HCS CSSB 305(FIN)

Second Reading

Amendment to Amendment No. 20

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

Yeas: Berkowitz, Cissna, Crawford, Croft, Dahlstrom, Gara, Gardner, Gruenberg, Guttenberg, Kelly, Kerttula, LeDoux

Nays: Anderson, Chenault, Coghill, Elkins, Foster, Gatto, Harris, Hawker, Holm, Joule, Kapsner, Kohring, Kott, Lynn, McGuire, Meyer, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

And so, Amendment to Amendment No. 20 was not adopted.

The question being: "Shall Amendment No. 20 be adopted?" The roll was taken with the following result:

HCS CSSB 305(FIN) am H

Second Reading

Amendment No. 20

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

Yeas: Berkowitz, Cissna, Coghill, Dahlstrom, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Holm, Kelly, Kerttula, LeDoux, Lynn, McGuire, Neuman, Olson, Seaton, Stoltze, Wilson

Nays: Anderson, Chenault, Crawford, Croft, Elkins, Foster, Harris, Hawker, Joule, Kapsner, Kohring, Kott, Meyer, Moses, Ramras, Rokeberg, Salmon, Samuels, Thomas, Weyhrauch

And so, Amendment No. 20 was not adopted.

Amendment No. 3 was offered by Representative Kelly:

Page 19, line 25:

Delete "one-third"

Insert "two-thirds"

Page 19, line 27, following "state,":

Insert "less one-third of the gross value at the point of production of the gas taxable under AS 43.55.011(e) and (g) and produced from all leases or properties in the Cook Inlet sedimentary basin and less one-sixth of the gross value at the point of production of the gas taxable under AS 43.55.011(e) and (g) and produced by the producer from all leases or properties in the state located south of 68 degrees North latitude outside the Cook Inlet sedimentary basin,"

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

Representative Croft objected.

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

Following "degrees":

Insert ", 15 minutes"

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

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

HCS CSSB 305(FIN)

Second Reading

Amendment No. 3 as amended

**YEAS: 30 NAYS: 10 EXCUSED: 0 ABSENT: 0**

Yeas: Berkowitz, Chenault, Cissna, Coghill, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Harris, Joule, Kapsner, Kelly, Kerttula, Kohring, Kott, Lynn, McGuire, Meyer, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Wilson

Nays: Anderson, Crawford, Croft, Foster, Guttenberg, Hawker, Holm, LeDoux, Thomas, Weyhrauch

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

Amendment No. 11 was offered by Representatives Kapsner, Thomas, Joule, Elkins, Wilson, LeDoux, Salmon, Moses, and Kerttula:

Page 4, line 31, following "section.":

Insert "The legislature may appropriate amounts from the annual estimated balance of the account maintained under AS 37.05.142 for deposits into the general fund of the proceeds of the tax levied under this subsection to the high energy cost offset fund established by AS 43.55.420."

Page 29, following line 4:

Insert a new bill section to read:

**\*\* Sec. 30.** AS 43.55 is amended by adding a new section to read:

**Article 4. High Energy Cost Impact Fund.**

**Sec. 43.55.420. High energy cost offset fund.** (a) The high energy cost offset fund is established as a separate fund in the general fund. The fund consists of all money appropriated to it.

(b) The high energy cost offset fund shall be invested by the Department of Revenue so as to yield competitive market rates, as provided in AS 37.10.071. Money in the fund may be appropriated to provide cost offsets for higher energy costs of consumers.

(c) Nothing in this section creates a dedication of funds."

Renumber the following bill sections accordingly.

Representative Kapsner moved and asked unanimous consent that Amendment No. 11 be adopted.

There was objection.

The question being: "Shall Amendment No. 11 be adopted?" The roll was taken with the following result:

HCS CSSB 305(FIN) am H

Second Reading

Amendment No. 11

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

Yeas: Berkowitz, Cissna, Crawford, Croft, Elkins, Foster, Gara, Gardner, Gruenberg, Guttenberg, Harris, Hawker, Holm, Joule, Kapsner, Kerttula, Kott, LeDoux, McGuire, Moses, Ramras, Salmon, Samuels, Seaton, Thomas, Wilson

Nays: Anderson, Chenault, Coghill, Dahlstrom, Gatto, Kelly, Kohring, Lynn, Meyer, Neuman, Olson, Rokeberg, Stoltze, Weyhrauch

And so, Amendment No. 11 was adopted.

Amendment No. 9 was offered by Representative Chenault:

Page 20, line 23:

Delete "and ordinary"

Insert ", ordinary, and necessary"

Page 20, line 26:

Delete "and ordinary"

Insert ", ordinary, and necessary"

Page 20, line 29:

Delete "and ordinary"

Insert ", ordinary, and necessary"

Page 25, line 27:

Delete ""ordinary" has the meaning given to "ordinary""

Insert ""ordinary and necessary" has the meaning given to "ordinary and necessary""

Page 26, line 17:

Delete "July 31, 2016"

Insert "March 31, 2016"

Page 26, line 21:

Delete "July 1, 2006"

Insert "April 1, 2006"

Representative Chenault moved and asked unanimous consent that Amendment No. 9 be adopted.

Objection was heard and withdrawn. There being no further objection, Amendment No. 9 was adopted.

Amendment No. 6 was offered by Representative Weyhrauch:

Page 4, line 31, following "section.":

Insert "However, application of this subsection may not, when added to the tax levied under (e) of this section, impose a total tax levy of more than 50 percent of the production tax value of taxable oil and gas as calculated under AS 43.55.160."

Representative Weyhrauch moved and asked unanimous consent that Amendment No. 6 be adopted.

Representative Berkowitz objected.

Representative Weyhrauch moved and asked unanimous consent to withdraw Amendment No. 6. There being no objection, it was so ordered.

Amendment No. 7 was offered by Representative Weyhrauch:

Page 23, line 23, following "oil":

Insert ";

(Q) losses or damages resulting from an unpermitted oil discharge or costs to contain, clean up, or remediate an unpermitted oil discharge to the extent that those costs exceed the routine costs of operation for a producer or explorer that would otherwise be incurred as lease expenditures in the absence of the unpermitted oil discharge; this subparagraph does not apply to the cost of developing and maintaining an oil discharge prevention and contingency plan under AS 46.04.030"

Representative Weyhrauch moved and asked unanimous consent that Amendment No. 7 be adopted. There being no objection, it was so ordered.

Amendment No. 13 was offered by Representative Guttenberg:

Page 7, line 24:

Delete "A"

Insert "Subject to (k) of this section, a"

Page 8, line 30:

Delete "A"

Insert "Subject to (k) of this section, a"

Page 9, line 30, following "(c)":

Insert "and (k)"

Page 12, following line 17:

Insert a new subsection to read:

"(k) A person that is a party to contract under AS 43.82.020 may not take a tax credit under this section if the person fails to comply with the provisions of the contract provided for under AS 43.82.230."

Reletter the following subsection accordingly.

Representative Guttenberg moved and asked unanimous consent that Amendment No. 13 be adopted.

Representative Samuels objected.

The question being: "Shall Amendment No. 13 be adopted?" The roll was taken with the following result:

HCS CSSB 305(FIN) am H

Second Reading

Amendment No. 13

**YEAS: 18 NAYS: 22 EXCUSED: 0 ABSENT: 0**

Yeas: Berkowitz, Cissna, Crawford, Croft, Dahlstrom, Gara, Gardner, Gruenberg, Guttenberg, Joule, Kapsner, Kerttula, Lynn, Moses, Salmon, Stoltze, Thomas, Wilson

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

And so, Amendment No. 13 was not adopted.

Amendment No. 15 was offered by Representatives Seaton, Weyhrauch, and Kelly:

Page 2, line 8, following "**amendments;**" (title amendment):

Insert "**amending the powers of the board of trustees of the Alaska Retirement Management Board to authorize purchase and sale of transferable tax credit certificates issued in conjunction with the production tax on oil and gas;**"

Page 2, line 13:

Delete "sec. 11"  
Insert "sec. 12"

Page 2, line 22:

Delete "secs. 27 and 29"  
Insert "secs. 26 and 28"

Page 2, following line 25:

Insert a new bill section to read:

"\* **Sec. 2.** AS 37.10.220(b) is amended to read:

(b) The board may

- (1) employ outside investment advisors to review investment policies;
- (2) enter into an agreement with the fiduciary of another state fund in order to assume the management and investment of those assets;
- (3) contract for other services necessary to execute the board's powers and duties;
- (4) enter into confidentiality agreements that would exempt records from AS 40.25.110 and 40.25.120 if the records contain information that could affect the value of investment by the board or that could impair the ability of the board to acquire, maintain, or dispose of investments;

**(5) purchase transferable tax credit certificates issued**

**under AS 43.55.024 for 92 percent of the face value of a certificate, and sell transferable tax credit certificates to the Department of Revenue under AS 43.55.024(f) for a cash refund of the full face value of the certificate; the board may, under this paragraph, sell a transferable tax credit only if the commissioner of revenue determines that economic conditions are acceptable for the state to purchase and pay for the credit; the board shall apply the proceeds from a sale made under this paragraph to defray the unfunded pension liabilities of the systems for which the board has responsibility.**"

Renumber the following bill sections accordingly.

Page 10, lines 8 - 29:

Delete all material and insert:

"(f) Under standards established in regulations adopted by the department and subject to availability of taxes paid under this chapter, the department may issue a cash refund for the full value of a transferable tax credit certificate acquired and held by the Alaska Retirement Management Board."

Page 32, line 1:

Delete "Sections 5, 7 - 10, 12, 13, 15 - 18, 20, 24, and 26 - 34"

Insert "Sections 5, 6, 8 - 11, 13, 14, 16 - 19, 21, 25, and 27 - 35"

Page 32, line 2:

Delete "sec. 25"

Insert "sec. 26"

Page 32, line 4:

Delete "Section 11"

Insert "Section 12"

Page 32, line 5:

Delete "sec. 11"

Insert "sec. 12"

Page 32, line 9:  
Delete "sec. 12"  
Insert "sec. 13"

Page 32, line 11:  
Delete "sec. 12"  
Insert "sec. 13"

Page 32, line 14:  
Delete "sec. 12"  
Insert "sec. 13"

Page 32, line 16:  
Delete "sec. 12"  
Insert "sec. 13"

Page 32, line 18:  
Delete "sec. 12"  
Insert "sec. 13"

Page 32, line 22:  
Delete "sec. 12"  
Insert "sec. 13"

Page 32, line 24:  
Delete "sec. 25"  
Insert "sec. 26"

Page 32, line 27:  
Delete "sec. 25"  
Insert "sec. 26"

Page 33, line 3:  
Delete "sec. 7"  
Insert "sec. 8"

Page 33, line 4:  
Delete "sec. 7"  
Insert "sec. 8"

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Page 33, line 11:

Delete "sec. 5"

Insert "sec. 6"

Delete "sec. 7"

Insert "sec. 8"

Page 33, line 13:

Delete "sec. 5"

Insert "sec. 6"

Page 33, line 16:

Delete "sec. 18"

Insert "sec. 19"

Page 33, line 17:

Delete "sec. 18"

Insert "sec. 19"

Page 33, line 23:

Delete "sec. 18"

Insert "sec. 19"

Page 33, line 25:

Delete "sec. 26"

Insert "sec. 27"

Delete "sec. 28"

Insert "sec. 29"

Page 33, line 27:

Delete "secs. 26 and 28"

Insert "secs. 27 and 29"

Page 34, line 2:

Delete "sec. 26"

Insert "sec. 27"

Delete "sec. 28"

Insert "sec. 29"

Page 34, line 4:

Delete "secs. 26 and 28"

Insert "secs. 27 and 29"

Page 34, line 6:

Delete "26"

Insert "27"

Delete "sec. 28"

Insert "sec. 29"

Page 34, line 8:

Delete "secs. 26 and 28"

Insert "secs. 27 and 29"

Page 34, line 14:

Delete "sec. 26"

Insert "sec. 27"

Page 34, line 15:

Delete "sec. 28"

Insert "sec. 29"

Page 34, lines 24 - 25:

Delete "secs. 5, 7 - 10, 12, 13, 15 - 18, 20, 24 - 34, and 36"

Insert "secs. 5, 6, 8 - 11, 13, 14, 16 - 19, 21, 25 - 35, and 37"

Page 35, lines 12 - 13:

Delete "secs. 5, 7 - 10, 12, 13, 15 - 18, 20, 24 - 36"

Insert "secs. 5, 6, 8 - 11, 13, 14, 16 - 19, 21, 25 - 37"

Representative Seaton moved and asked unanimous consent that Amendment No. 15 be adopted.

Representative Samuels objected.

The question being: "Shall Amendment No. 15 be adopted?" The roll was taken with the following result:

HCS CSSB 305(FIN) am H  
Second Reading  
Amendment No. 15

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

Yeas: Berkowitz, Cissna, Gara, Gatto, Gruenberg, Guttenberg, Kelly, Kerttula, Seaton, Thomas, Weyhrauch, Wilson

Nays: Anderson, Chenault, Coghill, Crawford, Croft, Dahlstrom, Elkins, Foster, Gardner, Harris, Hawker, Holm, Joule, Kapsner, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Moses, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Stoltze

And so, Amendment No. 15 was not adopted.

Amendment No. 16 was offered by Representative Seaton:

Page 6, line 6:

Delete "Ninety-five percent of the"  
Insert "The"

Page 6, lines 8 - 11:

Delete "The remaining portion of the tax levied under AS 43.55.011(e) - (g), net of any credits applied under this chapter, is due on March 31 of the year following the calendar year during which the oil and gas were produced."

Page 6, lines 15 - 16:

Delete "the later of (1) the March 31 described in this subsection, or (2)"

Page 6, line 17:

Following "(e)":  
Insert "is"  
Delete "on or before that March 31 is filed"

Page 16, line 28:

Delete "or a portion of the tax"

Page 33, lines 2 - 23:

Delete all material.

Renumber the following subsections accordingly.

Page 34, line 10:

Delete "(h)(1)"

Insert "(f)(1)"

Page 34, line 13:

Delete "(h)(2)"

Insert "(f)(2)"

Page 34, lines 16 - 19:

Delete all material.

Representative Seaton moved and asked unanimous consent that Amendment No. 16 be adopted.

Representative Hawker objected.

Representative Berkowitz moved and asked unanimous consent that the question be divided.

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

Representative Seaton moved and asked unanimous consent to withdraw Amendment No. 16. There being no objection, it was so ordered.

Amendment Nos. 4, 5, 8, 12, 14, 17 -19, and 21 were not offered.

HCS CSSB 305(FIN) am H was automatically in third reading.

The Speaker stated that, without objection, HCS CSSB 305(FIN) am H would be held to tomorrow's calendar.

**LEGISLATIVE CITATIONS**

Representative Coghill moved and asked unanimous consent that the House approve the citations on the calendar. There being no objection, the following citations were approved and sent to enrolling:

Honoring - Bill Jeffress

By Representatives Berkowitz, Harris, Anderson, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, McGuire, Meyer, Neuman, Olson, Ramras, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

Honoring - Robert Loeffler

By Representatives Berkowitz, Harris, Anderson, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

Honoring - Marty Rutherford

By Representatives Berkowitz, Harris, Anderson, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

Honoring - Mark Myers

By Representatives Crawford, Harris, Anderson, Berkowitz, Chenault, Cissna, Coghill, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

Honoring - Nancy Welch

By Representatives Crawford, Harris, Anderson, Berkowitz, Chenault, Cissna, Coghill, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

Honoring - Richard A. LeFebvre

By Representatives Cissna, Harris, Anderson, Berkowitz, Chenault, Coghill, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Salmon, Samuels, Seaton, Stoltze, Thomas, Wilson

Honoring - Patricia Lillian

By Representatives Gardner, Harris, Anderson, Berkowitz, Chenault, Cissna, Crawford, Croft, Dahlstrom, Elkins, Gara, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson; Senator Ellis

Honoring - Claralene Williams

By Representatives Gardner, Harris, Anderson, Berkowitz, Chenault, Cissna, Crawford, Croft, Dahlstrom, Elkins, Gara, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson; Senator Ellis

Honoring - Dr. Steven A. Aufrecht

By Representatives Gardner, Harris, Anderson, Berkowitz, Chenault, Cissna, Crawford, Croft, Dahlstrom, Elkins, Gara, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson; Senator Ellis

Honoring - Wasilla High School Boys' Varsity Basketball Team, 2006 Region III Champions

By Representatives Kohring, Harris, Anderson, Berkowitz, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kelly, Kerttula, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson; Senator Green

## Honoring - Boys' and Girls' Club of Homer

By Representatives Seaton, Harris, Anderson, Berkowitz, Chenault, Cissna, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Stoltze, Thomas, Weyhrauch, Wilson; Senator Gary Stevens

## Honoring - Boys' and Girls' Club of Seward

By Representatives Seaton, Harris, Anderson, Berkowitz, Chenault, Cissna, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Stoltze, Thomas, Weyhrauch, Wilson; Senator Gary Stevens

## Honoring - Stacie J. Stigar

By Senator Green; Representatives Stoltze, Harris, Anderson, Berkowitz, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Thomas, Weyhrauch, Wilson

## Honoring - Dr. Catherine Mormile

By Senator Green; Representatives Harris, Anderson, Berkowitz, Chenault, Cissna, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

## Honoring - Frances Dinkel

By Senator Green; Representatives Stoltze, Harris, Anderson, Berkowitz, Chenault, Cissna, Crawford, Croft, Dahlstrom, Elkins, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Thomas, Weyhrauch, Wilson

In Memoriam - Kenneth Terry

By Representatives Crawford, Harris, Anderson, Berkowitz, Chenault, Cissna, Coghill, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

In Memoriam - Myrl E. Thompson, Sr.

By Representatives Crawford, Harris, Anderson, Berkowitz, Chenault, Cissna, Coghill, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

In Memoriam - Scott Powell

By Representatives Crawford, Harris, Anderson, Berkowitz, Chenault, Cissna, Coghill, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

In Memoriam - Leland G. Walker

By Representatives Crawford, Harris, Anderson, Berkowitz, Chenault, Cissna, Coghill, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

In Memoriam - Nina D. Mollett

By Representatives Kerttula, Guttenberg, Harris, Anderson, Berkowitz, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Hawker, Holm, Joule, Kapsner, Kohring, Kott, LeDoux, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

## In Memoriam - Colonel Norman Vaughan

By Representatives Berkowitz, Harris, Anderson, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

## In Memoriam - Lloyd Schade

By Representatives Seaton, Harris, Anderson, Berkowitz, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Stoltze, Thomas, Weyhrauch, Wilson; Senator Gary Stevens

## In Memoriam - Dr. John Berg Fenger, M.D.

By Representatives Seaton, Harris, Anderson, Berkowitz, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Stoltze, Thomas, Weyhrauch, Wilson; Senator Gary Stevens

## In Memoriam - Margaret Branson

By Representatives Seaton, Harris, Anderson, Berkowitz, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Stoltze, Thomas, Weyhrauch, Wilson

## In Memoriam - Spc. Jacob Eugene Melson

By Senator Green; Representatives Harris, Anderson, Berkowitz, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

In Memoriam - Ronald E. Rebarck

By Senator Green; Representatives Harris, Anderson, Berkowitz, Chenault, Cissna, Coghill, Crawford, Croft, Dahlstrom, Elkins, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Holm, Joule, Kapsner, Kerttula, Kohring, Kott, LeDoux, Lynn, McGuire, Meyer, Neuman, Olson, Ramras, Rokeberg, Salmon, Samuels, Seaton, Stoltze, Thomas, Weyhrauch, Wilson

### RECONSIDERATION

#### SB 216

The Speaker stated that, without objection, reconsideration of the following (page 3740), be held one legislative day:

HOUSE CS FOR CS FOR SENATE BILL NO. 216(FIN)

"An Act relating to bail and unlawful evasion; and providing for an effective date."

#### SB 271

The Speaker stated that, without objection, reconsideration of the following (page 3742), be held one legislative day:

SENATE BILL NO. 271

"An Act authorizing the commissioner of transportation and public facilities to participate in certain federal highway programs and relating to that authorization; relating to powers of the attorney general to waive immunity from suit in federal court related to those programs; and providing for an effective date."

#### SB 289

The Speaker stated that, without objection, reconsideration of the following (page 3747), be held one legislative day:

CS FOR SENATE BILL NO. 289(FIN)

"An Act relating to the payment of insurer examination expenses, to the regulation of managed care insurance plans, to actuarial opinions and supporting documentation for an insurer, to insurance firms, managing general agents, and third-party administrators, to eligibility of surplus lines insurers, to prompt payment of health care insurance claims, to required notice by an

insurer, to individual deferred annuities, to mental health benefits under a health care insurance plan, to the definitions of 'title insurance limited producer' and of other terms used in the title regulating the practice of the business of insurance, and to small employer health insurance; repealing the Small Employer Health Reinsurance Association; making conforming amendments; and providing for an effective date."

**SB 300**

The Speaker stated that, without objection, reconsideration of the following (page 3748), be held one legislative day:

CS FOR SENATE BILL NO. 300(L&C)

"An Act relating to the handling of negative equity in motor vehicle transactions; and relating to the contents of retail installment contracts."

**UNFINISHED BUSINESS****SB 134**

Representatives Lynn, Gardner, Dahlstrom, Croft, and LeDoux added their names as cross sponsors to:

CS FOR SENATE BILL NO. 134(JUD)

"An Act relating to a pilot project to review and investigate certain complaints from victims of sexual assault in the first degree or sexual abuse of a minor in the first degree concerning actions of justice agencies."

**SB 169**

Representatives Dahlstrom, Croft, and Gardner added their names as cross sponsors to:

HCS FOR CS FOR SENATE BILL NO. 169(FIN) am H

"An Act relating to release of information in individual workers' compensation records; relating to breaches of security involving personal information, credit report and credit score security freezes, consumer credit monitoring, credit accuracy, protection of social security numbers, disposal of records, identity theft, furnishing consumer credit header information, credit cards, and

debit cards; amending Rule 60, Alaska Rules of Civil Procedure; and providing for an effective date."

**SB 209**

Representatives Elkins (page 3787), Dahlstrom, Gardner, and Thomas added their names as cross sponsors to:

CS FOR SENATE BILL NO. 209(JUD)

"An Act relating to access by persons under 21 years of age to premises licensed to sell alcoholic beverages as clubs when alcoholic beverages are not present and, when alcoholic beverages are present, to premises of a patriotic organization licensed as a club if the person possesses a valid active duty military or armed forces identification card issued by the United States government."

**ENGROSSMENT****HCR 46**

HCR 46 was engrossed, signed by the Speaker and Chief Clerk and transmitted to the Senate for consideration.

**HCR 49**

HCR 49 was engrossed, signed by the Speaker and Chief Clerk and transmitted to the Senate for consideration.

**HB 316**

CSHB 316(JUD) was engrossed, signed by the Speaker and Chief Clerk and transmitted to the Senate for consideration.

**ANNOUNCEMENTS**

With appointment of the Conference Committee on the operating budget, Rule 23(d) of the Uniform Rules is in effect as of April 24, 2006.

House committee schedules are published daily under separate cover.

The following meeting today has been changed as indicated:

Finance Committee

RECONVENE:

upon adjournment

**ADJOURNMENT**

Representative Coghill moved and asked unanimous consent that the House adjourn until 10:00 a.m., May 8, 2006. There being no objection, the House adjourned at 10:37 p.m.

Suzi Lowell  
Chief Clerk