

SENATE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-FOURTH LEGISLATURE
SECOND SPECIAL SESSION

Juneau, Alaska

Monday

May 22, 2006

Thirteenth Day

Pursuant to adjournment the Senate was called to order by President Stevens at 1:11 p.m.

The roll showed nineteen members present. Senator Guess was excused from a call of the Senate.

The prayer was offered by the Chaplain, Senator Huggins. Senator Olson moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

Our most precious Heavenly Father, we pray and thank Thee for bringing us together today. We ask forgiveness of our trespasses and we ask for Thy guidance as we move forward in Thy daily business.

We ask for a special blessing for our young people, especially our graduating high school seniors who are our destiny and our future.

In Jesus' name I pray, Amen.

Senator Cowdery led the Senate in the Pledge of Allegiance.

Certification

Senator Gary Stevens moved and asked unanimous consent that the journal for the twelfth legislative day be approved as certified by the Secretary. Without objection, it was so ordered.

**Introduction and Reference of
Senate Resolutions**

SCR 201

SENATE CONCURRENT RESOLUTION NO. 201 BY THE
SENATE RULES COMMITTEE,

Authorizing the Senate or the House of
Representatives to recess for periods longer than
three days during special sessions.

was read the first time and was before the Senate on final passage.

The question being: "Shall SENATE CONCURRENT RESOLUTION
NO. 201 Authorizing the Senate or the House of Representatives to
recess for periods longer than three days during special sessions, pass
the Senate?" The roll was taken with the following result:

SCR 201

Final Passage

YEAS: 19 NAYS: 0 EXCUSED: 1 ABSENT: 0

Yeas: Bunde, Cowdery, Davis, Dyson, Ellis, Elton, French, Green,
Hoffman, Huggins, Kookesh, Olson, Seekins, Stedman, Stevens B,
Stevens G, Therriault, Wagoner, Wilken

Excused: Guess

and so, SENATE CONCURRENT RESOLUTION NO. 201 passed
the Senate.

Reconsideration of Senate Resolutions

SCR 201

Senator Gary Stevens gave notice of reconsideration on SENATE
CONCURRENT RESOLUTION NO. 201 and moved and asked
unanimous consent that it be taken up at this time. Without objection,
it was so ordered and the resolution was before the Senate on
reconsideration.

The question to be reconsidered: "Shall SENATE CONCURRENT RESOLUTION NO. 201 Authorizing the Senate or the House of Representatives to recess for periods longer than three days during special sessions, pass the Senate?" The roll was taken with the following result:

SCR 201

On Reconsideration

YEAS: 19 NAYS: 0 EXCUSED: 1 ABSENT: 0

Yeas: Bunde, Cowdery, Davis, Dyson, Ellis, Elton, French, Green, Hoffman, Huggins, Kookesh, Olson, Seekins, Stedman, Stevens B, Stevens G, Therriault, Wagoner, Wilken

Excused: Guess

and so, SENATE CONCURRENT RESOLUTION NO. 201 passed the Senate on reconsideration and was referred to the Secretary for engrossment.

Recess

Senator Gary Stevens moved and asked unanimous consent that the Senate stand in recess to 7:00 p.m.. Without objection, the Senate recessed at 1:16 p.m.

After Recess

The Senate reconvened at 7:07 p.m.

Consideration of the Calendar

Third Reading of Senate Bills

SB 2001

CS FOR SENATE BILL NO. 2001(FIN) "An Act relating to the production tax on oil and gas and to conservation surcharges on oil; relating to criminal penalties for violating conditions governing access to and use of confidential information relating to the production tax; amending the definition of 'gas' as that definition applies in the Alaska Stranded Gas Development Act; making conforming amendments; and providing for an effective date" was read the third time.

Senator French moved that the bill be returned to second reading for the purpose of a specific amendment, that being Amendment No. 1. Without objection, the bill was returned to second reading.

Senators French, Ellis, Elton, Olson offered Amendment No. 1:

Page 4, line 31:

Delete "April 1"

Insert "January 1"

Page 5, line 4:

Delete "April 1"

Insert "January 1"

Page 5, line 7:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 5, lines 8 - 9:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 5, line 11:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 5, line 15:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 5, line 16:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 11, line 9:

Delete "April 1"

Insert "January 1"

Page 11, line 16:

Delete "April 1"

Insert "January 1"

May 22, 2006

3485

Page 11, line 17:
Delete "April 1"
Insert "January 1"

Page 11, line 18:
Delete "April 1"
Insert "January 1"

Page 11, line 19:
Delete "April 1"
Insert "January 1"

Page 11, line 22:
Delete "April 1"
Insert "January 1"

Page 11, line 23:
Delete "April 1"
Insert "January 1"

Page 12, line 7:
Delete "April 30"
Insert "January 31"

Page 12, line 12:
Delete "April 1"
Insert "January 1"

Page 21, line 1:
Delete "April 1"
Insert "January 1"

Page 23, line 25:
Delete "April 1"
Insert "January 1"

Page 23, line 28:
Delete "April 1"
Insert "January 1"

Page 25, line 13:
Delete "April 1"
Insert "January 1"

Page 27, line 1:

Delete "March 31, 2016"

Insert "December 31, 2015"

Page 27, line 5:

Delete "April 1"

Insert "January 1"

Page 32, line 15:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 32, line 20, through page 33, line 10:

Delete all material.

Page 33, line 11:

Delete "(e)"

Insert "TRANSITIONAL PROVISIONS. (a)"

Delete "April 1"

Insert "January 1"

Reletter the following subsections accordingly.

Page 33, line 12:

Delete "April 1"

Insert "January 1"

Page 33, line 15:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 33, line 19:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 33, line 28:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 34, line 1:

Delete "(f)(1)"

Insert "(b)(1)"

May 22, 2006

3487

Page 34, line 2:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 34, line 3:

Delete "(f)(2)"

Insert "(b)(2)"

Page 34, line 7:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 34, line 10:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 34, line 19:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 34, line 21:

Delete "(h)(1)"

Insert "(d)(1)"

Page 34, line 23:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 34, line 24:

Delete "(h)(2)"

Insert "(d)(2)"

Page 34, line 27:

Delete "(f)(1)"

Insert "(b)(1)"

Page 34, line 28:

Delete "(g)(1)"

Insert "(c)(1)"

Page 34, lines 29 - 30:

Delete "March 31, 2006"

Insert "December 31, 2005"

Page 35, lines 5 - 6:

Delete "April 1"

Insert "January 1"

Page 35, line 24:

Delete "April 1"

Insert "January 1"

Senator French moved for the adoption of Amendment No. 1. Senator Gary Stevens objected.

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

CSSB 2001(FIN)

Second Reading

Amendment No. 1

YEAS: 6 NAYS: 12 EXCUSED: 1 ABSENT: 1

Yeas: Davis, Ellis, Elton, French, Kookesh, Olson

Nays: Bunde, Cowdery, Dyson, Green, Hoffman, Huggins, Seekins, Stedman, Stevens B, Stevens G, Wagoner, Wilken

Excused: Guess

Absent: Therriault

and so, Amendment No. 1 failed.

CS FOR SENATE BILL NO. 2001(FIN) was automatically in third reading.

Senator French moved that the bill be returned to second reading for the purpose of a specific amendment, that being Amendment No. 2. Without objection, the bill was returned to second reading.

Senators French, Ellis, Elton, Olson offered Amendment No. 2:

Page 3, line 9:

Delete "22.5 percent"

Insert "25 percent"

Page 3, line 30:

Delete "22.5 percent"

Insert "25 percent"

Senator French moved for the adoption of Amendment No. 2. Senator Green objected.

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

CSSB 2001(FIN)

Second Reading

Amendment No. 2

YEAS: 6 NAYS: 13 EXCUSED: 1 ABSENT: 0

Yeas: Davis, Ellis, Elton, French, Kookesh, Olson

Nays: Bunde, Cowdery, Dyson, Green, Hoffman, Huggins, Seekins, Stedman, Stevens B, Stevens G, Therriault, Wagoner, Wilken

Excused: Guess

and so, Amendment No. 2 failed.

CS FOR SENATE BILL NO. 2001(FIN) was automatically in third reading.

Senator French moved that the bill be returned to second reading for the purpose of a specific amendment, that being Amendment No. 3. Without objection, the bill was returned to second reading.

Senators French, Kookesh, Ellis, Elton, Davis offered Amendment No. 3:

Page 9, line 1, following "month":

Insert "so long as it is applied within 10 years after the credit was first claimed"

Page 9, line 18:

Delete "does not expire"

Insert "is valid for 10 years after the date the certificate is issued"

Page 9, line 21:

Delete "(a) - (c)"

Insert "(a) - (d)"

Page 10, line 5, following "if":

Insert "that the certificate is still valid and"

Senator French moved for the adoption of Amendment No. 3. Senator Gary Stevens objected.

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

CSSB 2001(FIN)

Second Reading

Amendment No. 3

YEAS: 6 NAYS: 13 EXCUSED: 1 ABSENT: 0

Yeas: Davis, Ellis, Elton, French, Kookesh, Olson

Nays: Bunde, Cowdery, Dyson, Green, Hoffman, Huggins, Seekins, Stedman, Stevens B, Stevens G, Therriault, Wagoner, Wilken

Excused: Guess

and so, Amendment No. 3 failed.

CS FOR SENATE BILL NO. 2001(FIN) was automatically in third reading.

Senator French moved that the bill be returned to second reading for the purpose of a specific amendment, that being Amendment No. 4. Without objection, the bill was returned to second reading.

Senators French, Ellis, Elton, Kookesh, Olson offered Amendment No. 4:

Page 8, line 29, through page 9, line 1:

Delete all material and insert:

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

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

(A) five percent of the gross value at the point of production for oil and gas produced in the area of the state lying north of 68 degrees 15 minutes North latitude for producers of more than 75,000 barrels of oil equivalent a day; or

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

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

Page 20, line 8:

Delete "zero"

Insert "five percent of the gross value at the point of production for oil and gas produced in the state north of 68 degrees 15 minutes North latitude for producers of more than 75,000 barrels of oil equivalent a day, or less than zero for all other regions and producers in the state"

Page 26, following line 18:

Insert a new paragraph to read:

"(1) "barrel of oil equivalent" means one barrel, in the case of oil, or 6,000 cubic feet, in the case of gas;"

Renumber the following paragraphs accordingly.

Senator French moved for the adoption of Amendment No. 4. Senator Gary Stevens objected.

The question being: "Shall Amendment No. 4 be adopted?" The roll was taken with the following result:

CSSB 2001(FIN)

Second Reading

Amendment No. 4

YEAS: 6 NAYS: 13 EXCUSED: 1 ABSENT: 0

Yeas: Davis, Ellis, Elton, French, Kookesh, Olson

Nays: Bunde, Cowdery, Dyson, Green, Hoffman, Huggins, Seekins, Stedman, Stevens B, Stevens G, Therriault, Wagoner, Wilken

Excused: Guess

and so, Amendment No. 4 failed.

CS FOR SENATE BILL NO. 2001(FIN) was automatically in third reading.

Senator French moved that the bill be returned to second reading for the purpose of a specific amendment, that being Amendment No. 5. Without objection, the bill was returned to second reading.

Senators French, Ellis, Elton, Olson, Davis, Kookesh offered Amendment No. 5:

Page 22, line 7, following "gas;":

Insert "however, the activity must be within the state;"

Senator French moved for the adoption of Amendment No. 5. Senator Gary Stevens objected.

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

CSSB 2001(FIN)
Second Reading
Amendment No. 5

YEAS: 6 NAYS: 13 EXCUSED: 1 ABSENT: 0

Yeas: Davis, Ellis, Elton, French, Kookesh, Olson

Nays: Bunde, Cowdery, Dyson, Green, Hoffman, Huggins, Seekins, Stedman, Stevens B, Stevens G, Therriault, Wagoner, Wilken

Excused: Guess

and so, Amendment No. 5 failed.

CS FOR SENATE BILL NO. 2001(FIN) was automatically in third reading.

Senator French moved that the bill be returned to second reading for the purpose of a specific amendment, that being Amendment No. 6. Without objection, the bill was returned to second reading.

Senators French, Ellis, Elton, Kookesh, Olson offered Amendment No. 6:

Page 1, line 9:

Delete "sec. 11"

Insert "sec. 12"

Page 2, line 5:

Delete "secs. 26 and 28"

Insert "secs. 27 and 29"

Page 3, line 5:

Delete "There"

Insert "Except as provided in AS 43.55.014, there"

Page 3, line 11:

Delete "There"

Insert "Except as provided in AS 43.55.014, there"

Page 5, following line 17:

Insert a new bill section to read:

"* Sec. 6. AS 43.55 is amended by adding a new section to read:

Sec. 43.55.014. Production tax for Point Thompson Unit.

(a) Notwithstanding another provision of law, for the production of oil and the production of gas from the Point Thompson Unit, the provisions of AS 43.55, and regulations that were in effect on March 31, 2006, apply except as provided in (b) of this section.

(b) The provisions of AS 43.55.017(a) and 43.55.020(f), and the regulations interpreting those subsections, that were in effect on April 1, 2006, apply to the production of oil and the production of gas from the Point Thompson Unit.

(c) In this section, "Point Thompson Unit" means the land identified by the Department of Natural Resources as the Point Thompson Unit."

Renumber the following bill sections accordingly.

Page 32, line 13:

Delete "Sections 5, 7 - 10, 12, 13, 15 - 18, 20, 24, 26 - 29, and 30 - 34"

Insert "Sections 5, 6, 8 - 11, 13, 14, 16 - 19, 21, 25, 27 - 30, and 31 - 35"

Page 32, line 14:

Delete "sec. 25"

Insert "sec. 26"

Page 32, line 16:

Delete "Section 11"

Insert "Section 12"

Page 32, line 17:

Delete "sec. 11"

Insert "sec. 12"

Page 32, line 21:

Delete "sec. 12"

Insert "sec. 13"

Page 32, line 23:

Delete "sec. 12"

Insert "sec. 13"

Page 32, line 26:

Delete "sec. 12"

Insert "sec. 13"

Page 32, line 28:

Delete "sec. 12"

Insert "sec. 13"

Page 32, line 30:

Delete "sec. 12"

Insert "sec. 13"

Page 33, line 1:

Delete "sec. 12"

Insert "sec. 13"

Page 33, line 3:

Delete "sec. 12"

Insert "sec. 13"

Page 33, line 5:

Delete "sec. 25"

Insert "sec. 26"

May 22, 2006

3495

Page 33, line 8:

Delete "sec. 25"

Insert "sec. 26"

Page 33, line 15:

Delete "sec. 7"

Insert "sec. 8"

Page 33, line 16:

Delete "sec. 7"

Insert "sec. 8"

Page 33, line 23:

Delete "sec. 7"

Insert "sec. 8"

Page 33, lines 27 - 28:

Delete "sec. 18"

Insert "sec. 19"

Page 33, line 29:

Delete "sec. 18"

Insert "sec. 19"

Page 34, line 6:

Delete "sec. 26"

Insert "sec. 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"

Delete "sec. 28"

Insert "sec. 29"

Page 34, line 16:

Delete "secs. 26 and 28"

Insert "secs. 27 and 29"

Page 34, line 18:

Delete "sec. 28"

Insert "sec. 29"

Page 34, line 20:

Delete "secs. 26 and 28"

Insert "secs. 27 and 29"

Page 34, line 25:

Delete "sec. 26"

Insert "sec. 27"

Page 34, line 26:

Delete "sec. 28"

Insert "sec. 29"

Page 35, lines 4 - 5:

Delete "secs. 5, 7 - 10, 12, 13, 15 - 18, 20, 24 - 29, 30 - 34, and 36"

Insert "secs. 5, 6, 8 - 11, 13, 14, 16 - 19, 21, 25 - 30, 31 - 35, and 37"

Page 35, lines 23 - 24:

Delete "Sections 5, 7 - 10, 12, 13, 15 - 18, 24 - 29, and 30 - 38"

Insert "Sections 5, 6, 8 - 11, 13, 14, 16 - 19, 25 - 30, and 31 - 39"

Senator French moved for the adoption of Amendment No. 6. Senator Green objected.

The question being: "Shall Amendment No. 6 be adopted?" The roll was taken with the following result:

CSSB 2001(FIN)

Second Reading

Amendment No. 6

YEAS: 6 NAYS: 13 EXCUSED: 1 ABSENT: 0

Yeas: Davis, Ellis, Elton, French, Kookesh, Olson

Nays: Bunde, Cowdery, Dyson, Green, Hoffman, Huggins, Seekins, Stedman, Stevens B, Stevens G, Therriault, Wagoner, Wilken

Excused: Guess

and so, Amendment No. 6 failed.

CS FOR SENATE BILL NO. 2001(FIN) was automatically in third reading.

The question being: "Shall CS FOR SENATE BILL NO. 2001(FIN) "An Act relating to the production tax on oil and gas and to conservation surcharges on oil; relating to criminal penalties for violating conditions governing access to and use of confidential information relating to the production tax; amending the definition of 'gas' as that definition applies in the Alaska Stranded Gas Development Act; making conforming amendments; and providing for an effective date" pass the Senate?" The roll was taken with the following result:

CSSB 2001(FIN)

Third Reading - Final Passage

YEAS: 15 NAYS: 4 EXCUSED: 1 ABSENT: 0

Yeas: Bunde, Cowdery, Davis, Dyson, Green, Hoffman, Huggins, Olson, Seekins, Stedman, Stevens B, Stevens G, Therriault, Wagoner, Wilken

Nays: Ellis, Elton, French, Kookesh

Excused: Guess

and so, CS FOR SENATE BILL NO. 2001(FIN) passed the Senate.

Senator Gary Stevens moved for the adoption of the effective date clause.

The question being: "Shall the effective date clause be adopted?" The roll was taken with the following result:

CSSB 2001(FIN)

Effective Date Clause

YEAS: 19 NAYS: 0 EXCUSED: 1 ABSENT: 0

Yeas: Bunde, Cowdery, Davis, Dyson, Ellis, Elton, French, Green, Hoffman, Huggins, Kookesh, Olson, Seekins, Stedman, Stevens B, Stevens G, Therriault, Wagoner, Wilken

Excused: Guess

and so, the effective date clause was adopted.

Senator Ellis gave notice of reconsideration.

Unfinished Business

Senator Davis moved and asked unanimous consent to be excused from a call of the Senate on May 31. Without objection, Senator Davis was excused.

Senator French moved and asked unanimous consent to be excused from a call of the Senate to morning plane time on May 31. Without objection, Senator French was excused.

Senator Olson moved and asked unanimous consent to be excused from a call of the Senate from June 19 through June 21. Without objection, Senator Olson was excused.

Announcements

Announcements are at the end of the journal.

Engrossment

SCR 201

SENATE CONCURRENT RESOLUTION NO. 201 Authorizing the Senate or the House of Representatives to recess for periods longer than three days during special sessions, was engrossed, signed by the President and Secretary and transmitted to the House for consideration.

Adjournment

Senator Gary Stevens moved and asked unanimous consent that the Senate stand in adjournment until 8:00 a.m., May 23, 2006. Without objection, the Senate adjourned at 7:49 p.m.

Kirsten Waid
Secretary of the Senate

May 2006

Announcements

Americans with Disabilities Act Notice - Persons with disabilities who require special accommodation or alternative communication formats to access committee meetings may contact the appropriate committee office or the Legislative Information Office in their community. Reasonable advance notice is needed to accommodate the request. For further information, call the ADA Coordinator at 465-3854 Voice/465-4980 TDD.

STANDING COMMITTEES

+ indicates teleconference

= indicates bill previously heard/scheduled

FINANCE

May 22	Monday	Senate Finance 532	2:00 PM
	-- Meeting Canceled --		
	-- Time Change --		
+ = SB2001	OIL AND GAS TAX		
	-- Testimony <Invitation Only> --		

JOINT COMMITTEES**LEGISLATIVE COUNCIL**

May 22	Monday	House Finance 519	3:30 PM
	Approval of Minutes		
	Anchorage Office Space		
	Other Business		

OTHER MEETINGS**MISCELLANEOUS MEETINGS**

May 22	Monday	Centennial Hall	9:00 AM
	Presentation on Proposed Gas Pipeline Contract		
May 23	Tuesday	Centennial Hall	9:00 AM
	Presentation on Proposed Gas Pipeline Contract		
May 23	Tuesday	Centennial Hall	1:30 PM
	Presentation on Proposed Gas Pipeline Contract		