

HOUSE FINANCE COMMITTEE
November 6, 2007
5:12 p.m.

CALL TO ORDER

Co-Chair Chenault called the House Finance Committee meeting to order at [5:12:52 PM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Kevin Meyer, Co-Chair
Representative Bill Stoltze, Vice-Chair
Representative Harry Crawford
Representative Richard Foster
Representative Les Gara
Representative Mike Hawker
Representative Reggie Joule
Representative Mike Kelly
Representative Mary Nelson
Representative Bill Thomas, Jr.

MEMBERS ABSENT

None

PRESENT VIA TELECONFERENCE

None

SUMMARY

HB 2001 "An Act relating to the production tax on oil and gas and to conservation surcharges on oil; relating to the issuance of advisory bulletins and the disclosure of certain information relating to the production tax and the sharing between agencies of certain information relating to the production tax and to oil and gas or gas only leases; amending the State Personnel Act to place in the exempt service certain state oil and gas auditors and their immediate supervisors; establishing an oil and gas tax credit fund and authorizing payment from that fund; providing for retroactive application of certain statutory and regulatory provisions relating to the production tax on oil and gas and conservation surcharges on oil; making conforming amendments; and providing for an effective date."

CSHB 2001 (RES) was heard and HELD in Committee for further consideration.

HOUSE BILL NO. 2001

"An Act relating to the production tax on oil and gas and to conservation surcharges on oil; relating to the issuance of advisory bulletins and the disclosure of certain information relating to the production tax and the sharing between agencies of certain information relating to the production tax and to oil and gas or gas only leases; amending the State Personnel Act to place in the exempt service certain state oil and gas auditors and their immediate supervisors; establishing an oil and gas tax credit fund and authorizing payment from that fund; providing for retroactive application of certain statutory and regulatory provisions relating to the production tax on oil and gas and conservation surcharges on oil; making conforming amendments; and providing for an effective date."

Co-Chair Chenault reviewed committee rules and etiquette.

Co-Chair Chenault noted that CSHB 2001 (RES), 25-GH0014\V, was before the committee. Due to the lateness of the reception of the bill, there will be no testimony until the following day. Public testimony will be held on November 8 at 5:30 PM. He urged the members to be diligent in their questioning due to the remaining time allotted to the special session.

[5:18:15 PM](#)

Co-Chair Meyer spoke to the Legislative Ethics Act - AS 24.60.010, which establishes standard of conduct for legislators. He read from the Act as it pertains to "part time citizen legislators". He discussed the perception of a conflict of interest due to his own employment and commented on how conflict of interest is defined in state law. He paraphrased AS 24.60.030(g): "A legislator may not vote on a question if a legislator has a substantial equity or ownership interest in a business, investment, real property, lease, or other enterprise, (2) the equity or ownership interest would be affected by the action to be voted on and, (3) the effect of the action on a legislator's interest would be greater than the effect on others in a legislator's or employee's profession, occupation, industry, or region."

Co-Chair Meyer noted that he is a Facility Support Coordinator with ConocoPhillips Alaska, but has no substantial equity or ownership interest in ConocoPhillips, nor involvement in decision making on oil and gas development, exploration, and investment in Alaska. He reported on being sensitive to a perceived conflict of interest and noted that he has always disclosed his perceived conflicts. He emphasized the importance of keeping the process open. He cited Uniform Rule 34 B and

asked permission of the committee to be excused from voting on this bill.

Representative Thomas objected. Co-Chair Chenault stated that Co-Chair Meyer would be required to participate in the House Finance Committee process.

[5:22:21 PM](#)

Representative Gara asked for more information regarding scheduling of witnesses. Co-Chair Chenault estimated that the bill would be moved out of committee by Friday or Saturday in order to allow the other body time for deliberation.

Representative Thomas asked if the CS should be adopted. Co-Chair Chenault noted that rules did not require adoption of the CS (RES) version.

Representative Nelson requested a side-by-side comparison of previous versions.

[5:24:39 PM](#)

Representative Hawker further commented on the code of ethics. He noted that his spouse is employed in the oil and gas industry and added that neither he nor his spouse have no direct pecuniary interest in the outcome of this legislation.

[5:25:46 PM](#)

Representative Gara MOVED to ADOPT CSHB 2001 (RES).

Representative Hawker OBJECTED and requested an explanation.

Representative Gara noted that there were rumors that the Oil and Gas version would be the one before the committee.

Representative Hawker WITHDREW his OBJECTION.

CSHB 2001 (RES) was heard and HELD in Committee for further consideration.

[5:27:08 PM](#)

ADJOURNMENT

The meeting was adjourned at 5:27 PM.