

HOUSE FINANCE COMMITTEE
July 28, 2008
4:21 p.m.

CALL TO ORDER

Vice-Chair Bill Stoltze called the House Finance Committee meeting to order at [4:21:36 PM](#).

MEMBERS PRESENT

Representative Bill Stoltze, Vice-Chair
Representative Les Gara
Representative Mike Hawker
Representative Mike Kelly
Representative Bill Thomas Jr.

MEMBERS ABSENT

Representative Mike Chenault, Co-Chair
Representative Harry Crawford
Representative Kevin Meyer, Co-Chair
Representative Richard Foster
Representative Reggie Joule
Representative Mike Kelly
Representative Mary Nelson

ALSO PRESENT

PRESENT VIA TELECONFERENCE

Paul Vinsel, Executive Director, United Fishermen of Alaska;
Paul D. Kendall, Anchorage; Jerry McCutcheon, Anchorage;
Deborah Williams, President, Alaska Conservation Solutions.

GENERAL SUBJECT(S):

The following overview was taken in log note format. Handouts will be on file with the House Finance Committee through the 25th Legislative Session, contact 465-6814. After the 25th Legislative Session they will be available through the Legislative Library at 465-3808.

#hb4004

HOUSE BILL NO. 4004

"An Act suspending the motor fuel tax; and providing for an effective date."

TIME	SPEAKER	DISCUSSION
4:21:52 PM	PAUL VINSEL EXECUTIVE DIR. UNITED FISHERMEN OF ALASKA (UFA)	Spoke in favor of HB 4004. He described SE Alaska Fishermen's Alliance petition which calls for emergency federal income tax credit for the high cost of fuel so that fishermen could get out on the fishing grounds. There have been 1853 signatures.
4:25:50 PM	Representative Thomas	Testified to the high cost of fishing because of fuel costs and suggested taking the petition to local municipalities.
4:26:32 PM	Mr. Vinsel	He talked about taking the petitions to local municipalities.
4:26:41 PM	Vice-Chair Stoltze	Suggested putting a moratorium on local governments regarding fuel taxes to provide relief.
4:27:46 PM	PAUL D. KENDALL, ANCHORAGE testified via teleconference	Suggested converting Alaskan infrastructure to all-electric, including electric vehicles. He spoke about a summit meeting. He thought leadership was key. He spoke to the pipeline and AGIA and the need to move away from fossil fuels. He was opposed to HB 4004 as a short gap measure.
4:34:17 PM	JERRY MCCUTCHEON, ANCHORAGE testified via teleconference	Spoke in opposition to HB 4004. He testified that there is not enough taxes to make a difference. It gives a tax break to those who don't need it. It would mean undoing accounting systems. Finally, at some future date the state will want to reinstate the tax which will be expensive.
4:35:39 PM	DEBORAH WILLIAMS, PRESIDENT, ALASKA CONSERVATION SOLUTIONS testified via teleconference , (ACS)	Testified in opposition to HB 4004. She thought the relief offered should benefit the consumers. She referred to ACS documents delineating the reasons they are opposed to the legislation (On File). ACS thought the situation was a good opportunity to find more creative solutions. The quick fix will hurt Alaskans in the long run. She listed the six reasons the legislation would not lower the price of motor fuel to the full extent of the suspension: <ul style="list-style-type: none"> • Will not result in actually lowering prices for consumers. According to recent findings about doing a similar thing at the federal level, eliminating federal tax would only transfer revenue from the government to companies.

		<ul style="list-style-type: none"> • Alaska already has the lowest prices in the country. • Will be politically difficult to reinstate the tax, which makes the suspension indefinite. • All vehicles impose wear and tear on infrastructure and ought to contribute to maintain it. • Taxes are collected from visitors; suspension would lose that income. • Eight cents represents only 1.7 percent of what consumers pay. <p>Ms. Williams suggested other methods of saving the money.</p>
4:44:55 PM	Representative Gara	Noted how difficult it was to bring back the state income tax once it was suspended. He thought that could be avoided by only suspending the tax when oil is over a certain amount per barrel.
4:46:30 PM	Ms. Williams	Thought that approach would be complex and awkward. She reiterated her concerns and urged energy conservation, energy efficiency, and renewable energy.
4:48:12 PM	Vice-Chair Stoltze	Acknowledged that HB 4004 would not save a lot of money but still thought it was a step in the right direction.
4:48:29 PM	Representative Thomas	Discussed a lottery for hybrid cars which would lower the carbon footprint.
4:49:24 PM	RECESS	
5:09:43 PM	RECONVENE	
# <u>ADJOURNMENT</u>		The meeting was adjourned at 5:09 PM.