

**ALASKA STATE LEGISLATURE  
HOUSE LABOR AND COMMERCE STANDING COMMITTEE**

July 23, 2008

3:35 p.m.

**MEMBERS PRESENT**

Representative Kurt Olson, Chair  
Representative Mark Neuman, Vice Chair  
Representative Carl Gatto  
Representative Gabrielle LeDoux  
Representative Jay Ramras  
Representative Robert L. "Bob" Buch  
Representative Berta Gardner

**MEMBERS ABSENT**

All members present

**OTHER LEGISLATORS PRESENT**

Representative John Harris

**COMMITTEE CALENDAR**

HOUSE BILL NO. 4004

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

- MOVED CSHB 4004(L&C) OUT OF COMMITTEE

**PREVIOUS COMMITTEE ACTION**

BILL: HB4004

SHORT TITLE: SUSPENDING MOTOR FUEL TAX

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

07/09/08	(H)	READ THE FIRST TIME - REFERRALS
07/09/08	(H)	L&C, FIN
07/11/08	(H)	L&C AT 9:00 AM CAPITOL 120
07/11/08	(H)	Heard & Held
07/11/08	(H)	MINUTE(L&C)
07/23/08	(H)	L&C AT 3:00 PM CAPITOL 120

**WITNESS REGISTER**

RANDY RUARO, Special Staff Assistant

Office of the Governor  
Juneau, Alaska

**POSITION STATEMENT:** Provided comments and answered questions on HB 4004.

MICHAEL WALLERI, General Counsel  
Tanana Chiefs Conference (TCC)  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified on HB 4004.

JOHANNA BALES, Excise Audit Manager  
Anchorage Office  
Tax Division

Department of Revenue (DOR)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified and answered questions on HB 4004.

CLYDE (ED) SNIFFEN, JR., Senior Assistant Attorney General  
Commercial/Fair Business Section  
Department of Law (DOL)  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions on HB 4004.

DEBORAH WILLIAMS, President  
Alaska Conservation Solutions  
Anchorage, Alaska

**POSITION STATEMENT:** Testified on HB 4004.

#### **ACTION NARRATIVE**

**CHAIR KURT OLSON** called the House Labor and Commerce Standing Committee meeting to order at [3:35:37 PM](#). Representatives Buch, Gatto, Gardner, LeDoux, and Olson were present at the call to order. Representatives Neuman and Ramras arrived as the meeting was in progress.

#### HB4004-SUSPENDING MOTOR FUEL TAX

[3:35:44 PM](#)

CHAIR OLSON announced that the only order of business would be HOUSE BILL NO. 4004, "An Act suspending the motor fuel tax; and providing for an effective date."

[3:36:22 PM](#)

RANDY RUARO, Special Staff Assistant, Office of the Governor, explained that not only will ordinary Alaskans obtain significant savings from the motor fuel tax suspension that other groups of Alaskans will also benefit, including commercial fishermen, charter fishermen, regional air carriers, and that Alaskans will benefit from lower barge and air costs.

[3:37:12 PM](#)

REPRESENTATIVE GARDNER referred to a letter in members' packets dated July 21, 2008 from Mr. Ruaro to paragraph 3, which offers that tender vessels that transport fish would save approximately \$25,000 from the motor fuel tax suspension. She inquired as to how many tender vessels are owned by Alaskans.

MR. RUARO answered that he did not know how many tender vessel owners were Alaskans. He related that he attempted to address the benefits and savings that would primarily affect Alaskan fishermen. He explained that negotiations often occur between the catcher and processor vessels to set fish prices. Thus, savings can be passed on to Alaskan fishermen, whether the fish processor is a non-resident owned or partially owned processor. Furthermore, sometimes the profit margin can be as little as \$.005 or \$.01 per pound since the fish processors deal with large quantities of fish. Therefore, the \$.08 cents addressed in the bill could result in significant savings.

REPRESENTATIVE GARDNER inquired as to whether Mr. Ruaro is confident that the savings would benefit local fishermen and not just the vessel owner.

MR. RUARO pointed out that the motor fuel tax suspension would benefit both the local fishermen and vessel owners. However, certainly fishermen would be aware of any motor fuel tax suspension and could factor that into their negotiations with the fish processors, he stated.

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CHAIR OLSON recalled several issues were raised at the July 11, 2008, House Labor and Commerce Standing Committee meeting. He referred to a July 15, 2008 memorandum from Donald M. Bullock, Jr., legislative counsel, that addresses the legal issues previously raised. He noted that one issue related to whether an antitrust issue arises if fuel dealers do not pass on the tax reduction to consumers. The other legal issue related to

whether or not highway matching funds would be jeopardized, he further noted.

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MR. RUARO, in response to Representative Gatto, clarified that the motor fuel tax on vehicles is currently set at \$.08 and for marine fuels [used in and on watercraft] is currently set at \$.05.

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MICHAEL WALLERI, General Counsel, Tanana Chiefs Conference (TCC), stated that TCC generally supports the concept behind the bill, but has two concerns and recommends the committee amend the bill. He stated that at the current time the bill does not ensure that the reduction of taxes is necessarily passed on to the end user. He opined that to be meaningful in terms of addressing high energy costs, the savings must be passed on to the consumer. He recalled past fuel abatement programs that resulted in the tax savings not being passed through to the consumer. At the current time, TCC is developing a discounted fuel program to assist villages in obtaining discounts on bulk fuel purchase prices. He highlighted that under the program vendors must agree to pass on the discount to consumers. He offered that problems have plagued and undermined similar programs in other states. He suggested that HB 4004 be amended to add a provision to ensure retailers pass on the tax savings to consumers. He opined that HB 4004 requires substantial reporting requirements including a requirement that invoices be attached to the report, which may be difficult for rural vendors to comply. He suggested that the [Department of Revenue] commissioner be given the appropriate flexibility to adopt regulations that would allow vendors to summarize sales in the required reports for compliance and to ensure that consumers receive the benefits of the suspended motor fuel tax.

MR. RUARO agreed that Mr. Walleri is correct that HB 4004 does not contain specific language to guarantee that the benefit is passed on to consumers. He opined that the market is competitive and that legal counsel, Mr. Sniffen, has advised his belief that significant savings would be passed on to consumers. He referred to a six-month suspension of a gas tax in Indiana and Illinois in 2000. He referred to a study completed by the Massachusetts Institute of Technology (MIT) that determined that 60 to 80 percent of the tax savings were passed on to consumers. He opined that the competitive market will help ensure that a

significant amount of "pass through" would occur. Additionally, the administration has also prepared an amendment for the committee to consider that would require specific signage to provide notice to consumers.

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REPRESENTATIVE LEDOUX made a motion to adopt Amendment 1, labeled 25-GH4060\A.4, which read:

Page 1, line 1, following "**tax;**":

Insert "**requiring a retail dealer of motor fuel to post a sign notifying a consumer of the tax suspension and providing a penalty for failing to post the sign;**"

Page 1, following line 2:

Insert a new bill section to read:

"\* **Section 1.** AS 45.50.471(b) is amended by adding a new paragraph to read:

(53) failing to post a sign on a pump notifying a consumer that the motor fuel tax has been suspended during the period of a suspension."

Page 1, line 3:

Delete "**Section 1**"

Insert "**Sec. 2**"

Renumber the following bill sections accordingly.

Page 1, line 7:

Delete "a period beginning August 1, 2008, and ending July 31, 2009"

Insert "the 12 consecutive calendar months immediately following the month of the effective date of this Act"

Page 2, following line 2:

Insert a new subsection to read:

"(c) During the period described in (a) of this section during which the motor fuel tax is suspended and may not be collected, a retail dealer that sells or transfers motor fuel for highway use shall post a sign on each pump that (1) describes the period during which the tax is suspended; (2) states that the amount of tax that would otherwise be collected during the suspension is eight cents a gallon; and (3) states

that the price for the motor fuel on the pump reflects the elimination of the tax during the period of suspension. The Department of Revenue shall determine the specific language that must be included on the sign. The sign must be four inches by eight inches and easily and clearly visible to the consumer. Failure to post the sign on each pump is a violation of AS 45.50.471, and the retail dealer is subject to a fine of up to \$5,000 a pump for each day on which the sign required under this subsection is not posted on a pump."

Reletter the following subsection accordingly.

Page 2, line 5:

Delete all material and insert:

"\* **Sec. 3.** AS 45.50.471(b)(53) is repealed the first day immediately following the last day of the period described in sec. 2(a) of this Act during which the motor fuel tax is suspended and may not be collected."

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REPRESENTATIVE GARDNER related her understanding that Amendment 1 relates to motor fuel, which is set at \$.08 per gallon. She pointed out that the bill also applies to aviation fuel and motor boat fuels. She inquired as to whether a provision should also be made for those fuels. She said that it seems to her that one area in which consumers notice fuel tax increases is for fuel surcharges on airline tickets. She wondered whether under the bill those surcharges would also be reduced for Alaskan travelers.

MR. RUARO acknowledged that the airline industry benefits significantly from HB 4004 since the industry purchases large amounts of aviation jet fuel in-state, particularly in Anchorage. He offered that if the tax is suspended, the industry would have the ability to pass on some savings to consumers. In further response to Representative Gardner, Mr. Ruaro stated that the definition of motor fuels includes all the subtypes of fuels and would also apply to aviation and motor boat fuel.

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MR. WALLERI referred to the MIT study previously mentioned and noted other studies showed that consumers benefited less than the 60 percent referenced in MIT study. He pointed out that competition "makes sense in Chicago", but does not make sense in rural Alaska since rural villages often only have one vendor in the community. Thus, competition will not assure that savings will be passed on since no competition exists. He said that TCC feels strongly that [the state] cannot rely on theoretical competition and must ensure that gas savings are passed on to consumers and that it does very little as a practical matter to rely upon competition to provide benefits of the motor fuel tax suspension in rural areas.

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REPRESENTATIVE LEDOUX, with respect to Representative Gardner's concern that the airlines pass on savings to consumers, noted that airlines such as Alaska Airline would be considered "the consumer" when they purchase the aviation gas. Thus, under the bill airlines would not be required to pass on their fuel cost savings to customers.

MR. RUARO noted his agreement that since the airlines are not fuel retailers, but use the fuel in the service they provide. He further agreed that the airlines are not bound to pass on the savings to its customers. However, he pointed out that the airlines would have the ability to voluntarily do so.

REPRESENTATIVE LEDOUX surmised that competition for airline customers would also apply in the free market system.

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REPRESENTATIVE GATTO, with respect to aviation jet fuel, noted that the airlines may purchase the fuel in Anchorage, but may "burn it elsewhere." However, he noted that the airlines will receive the benefits from a motor fuel tax suspension on aviation gas. He inquired as to whether that raises an issue that should be considered by the committee.

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JOHANNA BALES, Excise Audit Manager, Anchorage Office, Tax Division, Department of Revenue (DOR), stated that the motor fuel tax is applied nationwide at the point in which aviation gas is purchased. Thus, the state in which the aviation gas is purchased benefits from the fuel tax. She offered that fuel

that is purchased in the state of Washington is not specifically used in that state. Ms. Bales acknowledged that Representative Gatto is correct, that the fuel would not be burned solely in Alaska, but that providing the cost savings also will benefit the airline businesses that operate in Alaska and largely employ Alaskans. She further noted that the department hopes that the motor fuel tax suspension will also benefit consumers.

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REPRESENTATIVE GARDNER referred to the fiscal note that indicates the approximate \$40 million reduction in revenues from the motor fuel tax suspension. She inquired as to whether Ms. Bales could separate out the amount of revenues by the type of fuel, such as fuel used for vehicles, fishing boats and aircraft.

MS. BALES answered that of the motor fuel tax collected in FY 2007, \$29 million was collected from highway fuel taxed at \$.08 per gallon, \$5.5 million was collected from marine fuel taxed at \$.05 per gallon, \$4.1 million was collected for jet fuel taxed at \$.032 per gallon, and \$685,000 was collected for aviation gasoline - used in smaller aircraft - taxed at \$.047 per gallon. She recapped that the bulk of the tax collected is from highway vehicle use.

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REPRESENTATIVE NEUMAN recalled prior discussions with Mr. Ruaro about various methods to implement and extend the motor fuel tax suspension. He inquired as to whether Mr. Ruaro had compiled information for a proposal to adjust the motor fuel tax based on the current oil taxes due to ANS West Coast pricing on oil. Additionally, Representative Neuman offered that an inflation rate of 4 percent would be used in the model.

MR. RUARO highlighted that he discussed the concept and has considered drafting language, but that at this time he does not yet have any specific information to pass on. He inquired as to whether Ms. Bales could discuss the feasibility of administering such a scenario.

MS. BALES also recalled the discussion with Representative Neuman. She opined that not only would it be administratively burdensome for DOR, but that it would be difficult for the taxpayer to monitor since fuel is purchased at different rates and the fuel is comingled. She noted that as the prices

fluctuate that to track and separate out the inventory at the retail level would be difficult and burdensome. She related a scenario in which a distributor purchases fuel with a motor fuel tax rate of \$.08 per gallon, but two weeks later the cost of a barrel of oil increases. Subsequently, the distributor purchases additional fuel. However, the prior fuel is not yet completely sold, but the tax rate has changed. She maintained her concern that the retailer may not be able to easily separate out the tax. Additionally, she opined that the chances of passing on the tax savings to consumers would be greatly reduced since the retailer would need to continually adjust the rates and track his/her inventory.

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REPRESENTATIVE NEUMAN asked the agencies to continue to look for ways to adjust the tax based on current oil prices. He referred to the fiscal note of \$36 million reduction of revenues. He inquired as to what it will cost to post notices on fuel pumps.

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CLYDE (ED) SNIFFEN, JR., Senior Assistant Attorney General, Commercial/Fair Business Section, Department of Law (DOL), related that he was not certain if the department or the retailers would absorb the cost of the posting notices at the pump since the bill is silent on that matter. He explained that the intent of the amendment is to require notice in the form of a "pump sticker" to provide pressure on retail gas station owners to pass on the motor fuel tax savings to consumers. He offered this is the approach that Illinois used and referred to the MIT study that showed a 60 to 80 percent pass through to consumers. He acknowledged that in rural Alaska that one can't rely on competitive forces to affect prices. Still, in monopolistic markets the owners can currently charge what prices they want to charge, he stated. He noted that the amendment would provide pressure on some owners to advise the public that they passed on savings to the motor fuel tax savings to consumers. He also noted that if a gas station did not pass on savings, that the matter could be litigated through the DOL or in class action litigation.

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REPRESENTATIVE NEUMAN offered that retail gas stations are required to make quarterly reports. He recalled from a prior discussion with Ms. Bales, that the DOR could verify that the

tax was passed on to consumers and that it would not be administratively burdensome to do so.

MS. BALES recalled her initial discussion with Representative Neuman, but noted that she later discovered that retailers do not use a standard mark-up for fuel. Thus, she pointed out that it could be significantly burdensome for DOR to calculate the mark-up costs. She related that only the qualified dealers are licensed and pay the motor fuel tax and that the retail gas stations are not. Ms. Bales explained that currently retail gas stations are not required to file reports with the DOR. Thus, it would require a change to implement new reporting requirements and the department would have to develop the mark-up costs used by individual retailers in order to determine if the motor fuel tax cost savings had been passed on to consumers. Furthermore, she related that she discussed the matter with the DOL. She noted that retailers can mark-up prices for various reasons, not just for increases in the motor fuel tax.

REPRESENTATIVE NEUMAN commented that he was not sure how the notice in the form of stickers on the pump would be implemented and whether a state employee would post the notice and then need to verify that the notice is posted.

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DEBORAH WILLIAMS, President, Alaska Conservation Solutions, referred to her previously submitted document labeled, "Six Reasons Not to Suspend the Motor Fuel Tax." She highlighted the six reasons not to suspend motor fuel tax. She offered the first reason is that based on economic theory and experience, the motor fuel tax suspension may not result in lowering the price of motor fuel to the full extent of the motor fuel tax suspension. She opined that the reason to reduce state revenues by \$40 million is to pass on fuel savings on to consumers. She offered her belief that it does not make sense to proceed unless evidence exists that all or most of the benefits will pass through to consumers. She opined that the evidence is lacking in that regard. She highlighted that several presidential candidates proposed suspending the motor fuel tax this summer. However, she noted that the proposal was denounced by economists including Nobelist Joseph Stiglitz who do not believe that the savings will be transferred to the consumers. She highlighted that much discussion has ensued at the federal and at state level, but that generally this approach has been rejected since consumer savings cannot be substantiated.

MS. WILLIAMS stated that her second point is that in comparing motor fuel taxes with taxes "paid at the pump" that no correlation exists between motor fuel taxes imposed by the state and prices that consumers pay. She opined that this is due to many factors. She offered an example in which consumers in Seattle pay a motor fuel tax of \$.375. However, Seattle consumers pay less at the pump than Alaskans pay, she noted.

MS. WILLIAMS further opined that if the legislature chooses to suspend the motor fuel tax that it will be difficult to re-impose the tax especially if oil prices remain high.

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MS. WILLIAMS continued by stating that most people believe that "cost causers should be cost payers." Thus, she related her fourth point that the consumers of motor fuels ought to contribute to the maintenance costs of the highways and other forms of infrastructure their vehicles use.

MS. WILLIAMS brought up her fifth point and noted that motor fuel taxes are collected, in part, from visitors to the state. Suspending the motor fuel tax will result in loss of revenues collected from non-residents, she noted.

MS. WILLIAMS opined that instead of the approximately \$40 million revenue loss due to a motor fuel tax suspension, that the revenues from the motor fuel tax could be used to invest in public transit or other programs that would proactively reduce energy costs and greenhouse gas emissions. She characterized the long term remedy as the means to help Alaskans reduce their costs and reduce their consumption. Thus, if the legislature can invest \$40 million in ways that will help reduce consumer energy usage, it will provide benefits for many years to come. She urged the legislature to first examine other possibilities such as to provide loans for marine engine efficiency conversion, expanding the use of bio fuels especially from fish waste, and carpooling will benefit individuals in the long term instead of suspending the motor fuel taxes.

CHAIR OLSON pointed out that automatic reinstatement of the motor fuel tax in one year.

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CHAIR OLSON, after first determining that no one else wished to testify, closed public testimony on HB 4004.

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REPRESENTATIVE GATTO stated that he calculated the \$.08 per gallon savings using a scenario in which a person drives a vehicle 15,000 miles per year, based on a vehicle that obtains 20 miles per gallon, which would use 750 gallons total per year. He offered that the savings in suspending the motor fuel tax of \$ .08 per gallon would result in a total savings of about \$55 per year, which he opined is not a substantial amount of savings. He acknowledged that commuters "take biggest beating." He inquired as to whether the requirement to post the sign on the pump might prove difficult. He surmised that the sign only needs to be visible to the consumer. He also wondered if it is it reasonable to post the sign on or adjacent to the pump. He inquired as to whether the sign needs to be on the pump at all.

CHAIR OLSON pointed out that currently notices are posted on pumps to notify consumers when the measuring device for the pump was last tested for accuracy.

REPRESENTATIVE GATTO expressed concern over the specific size and dimensions of the proposed posting.

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MR. RUARO stated that the weights and measures stickers are smaller than the proposed sign in the bill. He noted that currently each pump must have a sticker posted showing that it has met the state's requirements for accurate fuel dispensing.

REPRESENTATIVE GATTO agreed. He maintained his concern that the bill would require adding a second sign on the pump.

MR. RUARO noted his agreement.

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REPRESENTATIVE RAMRAS recalled prior legislation with respect to documentation.

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REPRESENTATIVE NEUMAN commented that he is contemplating an amendment to remove the provision for signage. He offered that the consumers will be aware of the motor fuel tax suspension, and that the requirement to providing the noticing at the pump

will add a fiscal note. He suggested that one consideration for an amendment could be to delete lines 2 and 3 of Amendment 1.

MR. RUARO noted his agreement. He offered that he has discussed the issue with a larger retailer in Anchorage who advised him that the retailer would pass on savings due to the competitive nature of the urban market.

[4:19:28 PM](#)

REPRESENTATIVE GARDNER referred to her prior question with respect to the \$25,000 savings to the fishing vessels mentioned in the letter of July 21, 2008 from Mr. Ruaro. She noted that the \$25,000 savings to large processors is significant. Additionally, she noted that a newsletter in members' packets from Senator Lisa Murkowski that advises that she is working on a bill that would provide tax allowances for Alaska fishermen. Representative Gardner pointed out that the newsletter also mentions that fish prices are set by the seafood processor sector and are tied to prices in the global seafood market. Furthermore, the global market pricing also indicates very little fluctuation exists due to local costs. She said, "I'm really dubious that the \$25,000 savings of these seafood processing vessels that may or may not be Alaskans, are going to be passed on to fishermen. So that's a concern of mine."

MR. RUARO recalled that the statement in Senator Murkowski's press release relates to the seafood retail price that the processor charges on the open market. He suggested that his remarks were directed at the wholesale price that the processors pay the fishermen, which is subject to negotiations. He commented that if the collective group of fishermen is aware that the processor obtains "a break" on the fuel prices, the fisherman can factor that knowledge into their negotiations.

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REPRESENTATIVE GARDNER stated that she hopes that is so. However, she opined that she does not have confidence in that assessment. She expressed her concern over the requirement in HB 4004 that requires that invoices must be attached to the report and submitted to the department. She inquired as to whether sales tax must also be reported. She further opined that the reporting requirement might be burdensome for the small gas stations throughout the state. She pointed out that the bill has a provision that would impose a \$5,000 penalty for failure to provide the monthly report or supporting invoices.

MS. BALES explained that only about 100 qualified dealers in the state would be required to report under HB 4004. She noted that the dealers are comprised of wholesalers and large distributors. She explained that the "mom and pop" gas stations are not subject to the reporting requirement since they are not considered dealers under the statutory definition of a "qualified motor fuel dealer" in the state. Although the approximate 100 dealers currently report to the state, they are not currently required to attach invoices. However, the DOR wants invoices submitted for review to ensure that the tax is not included when the fuel is sold to retailers, she noted. Ms. Bales referred to the penalty provision in HB 4004 and pointed out that while the bill allows the DOR to assess a penalty up to \$5,000, that the department would clarify the penalty provisions in regulation. She surmised that the penalty provision would be imposed on those dealers that continually failed to meet the reporting requirements.

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REPRESENTATIVE GARDNER inquired as to whether a service station owner who purchases fuel from a dealer is allowed to set his/her own price.

MS. BALES answered that the independent retailer sets his/her own price.

REPRESENTATIVE GARDNER surmised that consumers and the state would have no way of knowing for certain that the price of fuel was reduced by the \$.08 motor fuel tax suspension.

MS. BALES noted her agreement.

REPRESENTATIVE GARDNER surmised that the reports required in HB 4004 do not provide the information the state needs to make that assessment.

MS. BALES answered that the reports allow the DOR to meet the federal highway requirements to ensure that the federal highway funds continue to come to the state during the period of suspension. Also, the reports help to ensure that the dealers have not charged the dealers the \$.08 motor fuel tax suspension.

REPRESENTATIVE GARDNER related her understanding that whether the retailer passes on the motor fuel tax savings to the customer is not known.

MS. BALES noted her agreement.

[4:26:56 PM](#)

REPRESENTATIVE NEUMAN made a motion to adopt Conceptual Amendment 1 to Amendment 1, to delete lines 2-10, after page 1, line 1, following "**tax;**", which read:

Insert "**requiring a retail dealer of motor fuel to post a sign notifying a consumer of the tax suspension and providing a penalty for failing to post the sign;**"

Page 1, following line 2:

Insert a new bill section to read:

"\* **Section 1.** AS 45.50.471(b) is amended by adding a new paragraph to read:

(53) failing to post a sign on a pump notifying a consumer that the motor fuel tax has been suspended during the period of a suspension."

REPRESENTATIVE NEUMAN explained that he offers a Conceptual Amendment to Amendment 1 since the amendment would add additional bureaucracy. Further, he expressed his concern over the fiscal impact of requirement for posting signs.

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There being no objection, Conceptual Amendment 1 to Amendment 1 was adopted.

CHAIR OLSON noted that Amendment 1, as amended, was before the committee and asked if there was any objection to it.

REPRESENTATIVE GARDNER objected.

REPRESENTATIVE GARDNER explained that HB 4004 does not require that a person selling the fuel must pass the tax savings along to consumers.

MR. RUARO clarified that the bill does not guarantee that the tax savings will be passed on. However, he noted that if the tax is not suspended that Alaskans will continue to pay the motor fuel tax.

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REPRESENTATIVE GARDNER referred to Amendment 1 [as amended] page 2, line 5-6, which she read, as follows:

...(3) states that the price for the motor fuel on the pump reflects the elimination of the tax during the period of suspension.

REPRESENTATIVE GARDNER said, "So, if a retailer does not want to give his/her customers the benefit of the \$.08 per gallon tax savings, that the retailer is still required..."

CHAIR OLSON interjected that the Conceptual Amendment to Amendment 1 that was adopted is "conceptual in nature" and thus the drafter would remove any language that related to posting signs since the requirement was removed by the Conceptual Amendment to Amendment 1.

REPRESENTATIVE GARDNER related her understanding that Conceptual Amendment 1 to Amendment 1 that was just adopted also removes the requirement on page 2, lines 5-6, since the posting of a sign at the pump is no longer required. Representative Gardner paused, and then removed her objection.

[4:29:10 PM](#)

CHAIR OLSON reiterated for members that Conceptual Amendment 1 to Amendment 1 that was previously adopted was a "conceptual amendment" and would delete all references to the signage. Chair Olson announced that Amendment 1 [as amended] is now before the committee.

[4:29:24 PM](#)

REPRESENTATIVE GATTO pointed out that deleting lines 1-10 in Amendment 1 still leaves a reference to the penalty, which is no longer necessary. He inquired as to whether the language on page 2 of Amendment 1 [as amended], relative to the penalty, would also be removed.

[4:29:53 PM](#)

REPRESENTATIVE NEUMAN asked to call for the vote if an objection is pending.

REPRESENTATIVE GARDNER offered that she had previously removed her objection.

There being no further objection, Amendment 1 [as amended] was adopted.

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The committee took an at-ease from 4:30 p.m. to 4:31 p.m.

[4:31:01 PM](#)

REPRESENTATIVE NEUMAN made a motion to rescind the committee's action [in adopting Amendment 1 as amended.]

CHAIR OLSON clarified that the remaining language in Amendment 1 [as amended] would change the effective date of the bill.

There being no objection, the motion to adopt Amendment 1 [as amended] was rescinded.

[4:31:18 PM](#)

REPRESENTATIVE NEUMAN made a motion to adopt Amendment 2, labeled 25-GH4060\A.3, Bullock, 7/11/09, as follows:

Page 1, line 7:

Delete "a period beginning August 1, 2008, and ending July 31, 2009"

Insert "the 12 consecutive calendar months immediately following the month of the effective date of this Act"

Page 2, line 5:

Delete all material.

Renumber the following bill section accordingly.

There being no objection, Amendment 2 was adopted.

[4:31:24 PM](#)

REPRESENTATIVE NEUMAN moved to report HB 4004, as amended, out of committee with individual recommendations and accompanying fiscal notes.

REPRESENTATIVE GARDNER objected.

[4:31:45 PM](#)

A roll call vote was taken. Representatives Gatto, Neuman, Olson, and Ramras voted in favor of moving HB 4004, as amended, from committee. Representatives Buch and Gardner voted against it. Therefore, CSHB 4004(L&C) was reported from the House Labor and Commerce Standing Committee by a vote of 4-2.

**ADJOURNMENT**

There being no further business before the committee, the House Labor and Commerce Standing Committee meeting was adjourned at 4:32 p.m.