

HOUSE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

Juneau, Alaska

Thursday

March 31, 2011

Seventy-third Day

Pursuant to adjournment the House was called to order by Speaker Chenault at 10:36 a.m.

Roll call showed 38 members present. Representatives Cissna and Neuman had been excused from a call of the House today.

The invocation was offered by the Chaplain, Father Pat Travers, Pastor of St. Paul the Apostle Catholic Church. Representative P. Wilson moved and asked unanimous consent that the invocation be spread on the journal. There being no objection, it was so ordered.

In deepest respect for the religious beliefs of each person here,
I invite you to a time of prayer and reflection. Let us pray.

Almighty God, supreme lawmaker, we turn to you with confidence on behalf of our elected representatives, who gather now to consider the laws that should govern our state of Alaska. Grant them the wisdom and strength to enact laws that are just, promoting the freedom and the common good of all our people. Sustain them, especially in times of weariness or discouragement, as they confront the challenges of carrying out their great responsibilities. Bless them with a spirit of good will and common purpose to overcome the conflicts and obstacles that would prevent them from fulfilling their duties on behalf of all Alaskans. Bless also their family members and loved ones, who by many sacrifices so generously share in their service to our people.

We ask your blessings upon all the government leaders of our state and nation and of our local communities. Help them to serve with dedication and integrity the people they have been chosen to govern. Bless also all of the men and women in our armed forces, all police officers, firefighters, and other first responders, especially those who find themselves in harm's way today. May they and their families always enjoy your strength and protection.

We ask your blessings also on all the people of our state. Inspire and empower us to use the many gifts you have granted us to build a better society and a better world, working always for peace and justice here in our great land and throughout the earth. Grant us a spirit of solidarity with those peoples who have suffered so much from war, violence, terror, and natural disasters. May we affirm and celebrate our common humanity in a world in which we depend so much on one another. We make this prayer in your holy name. Amen.

The Pledge of Allegiance was led by Representative Saddler.

CERTIFICATION OF THE JOURNAL

Representative Austerman moved and asked unanimous consent that the journal for the 72nd legislative day be approved as certified by the Chief Clerk. There being no objection, it was so ordered.

REPORTS OF STANDING COMMITTEES

The Labor & Commerce Committee reviewed the qualifications of the following and recommends the appointments be forwarded to a joint session for consideration:

Andre Horton
Jeffrey Johnson

as members of the Alaska State Board of Public Accountancy.

Robert Klein
Marvin Yoder

as members of the Alcoholic Beverage Control Board.

Michael Bolivar

as a member of the Board of Barbers and Hairdressers.

Cheryl Fellenberg
Dr. Thomas Kovaleski
Dr. Paul Silveira
Dr. Robert Warren

as members of the Board of Dental Examiners.

Willard Askren
Aaron Isaacs, Jr.

as members of the Alaska Labor Relations Agency.

David Arzt
Robert Richmond
Tylan Schrock

as members of the Board of Marine Pilots.

Dr. Leon Webber
JoAnn Young

as members of the Board of Marital and Family Therapy.

Dr. Peggy Downing

as a member of the Board of Certified Direct-Entry Midwives.

Beth Farnstrom
Julie Gillette
Erin Pringle

as members of the Board of Nursing.

Dr. Paul Barney

as a member of the Board of Examiners in Optometry.

Lori DeVito
Dirk White

as members of the Board of Pharmacy.

Valerie Phelps

as a member of the State Physical Therapy and Occupational Therapy Board.

Dr. John DeRuyter

as a member of the Board of Psychologist and Psychological Associate Examiners.

L. April Moore

as a member of the Board of Certified Real Estate Appraisers.

Marianne Burke
Brad Cole
Charlene Flyum

as members of the Real Estate Commission.

Jen Syzdek

as a member of the Board of Social Work Examiners.

Jim Robison

as a member of the Workers' Compensation Appeals Commission.

Bradley Austin
Jeffrey Bizzarro
Charles Collins, Jr.
David Kester
Krista Lord
David Robinson
Arylis Scates
Zebulon Woodman

as members of the Alaska Workers' Compensation Board.

The report was signed by Representative Olson, Chair; and Representatives Saddler, Miller, Holmes, and Thompson.

The Resources Committee reviewed the qualifications of the following and recommends the appointments be forwarded to a joint session for consideration:

Kelly Vrem

as a member of the Big Game Commercial Services Board.

Benjamin Brown

as a member of the Alaska Commercial Fisheries Entry Commission.

The report was signed by Representatives Feige and Seaton, Co-chairs; and Representatives Gardner, Munoz, P. Wilson, Herron, Kawasaki, and Dick.

HB 5

The Education Committee considered:

HOUSE BILL NO. 5

"An Act requiring a standardized statewide history of American constitutionalism curriculum and a secondary school history of American constitutionalism examination in public schools in the state; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 5(EDC)

"An Act requiring school districts to develop and require completion of a history of American constitutionalism curriculum segment; and providing for an effective date."

The report was signed by Representative Dick, Chair, with the following individual recommendations:

Do pass (3): P. Wilson, Pruitt, Dick

Do not pass (1): Seaton

Amend (2): Kawasaki, Feige

The following fiscal note(s) apply to CSHB 5(EDC):

1. Zero, Dept. of Education & Early Development

HB 5 was referred to the Finance Committee.

HB 8

The Finance Committee considered:

HOUSE BILL NO. 8

"An Act relating to certain federal regulations and presidential executive orders; relating to the duties of the attorney general; and providing for an effective date."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 8(FIN)

"An Act relating to certain federal statutes, regulations, presidential executive orders, and secretarial orders; relating to the duties of the attorney general; and providing for an effective date."

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

Do pass (6): Fairclough, T. Wilson, Hawker, Costello, Stoltze, Thomas

Do not pass (1): Doogan

No recommendation (3): Gara, Joule, Edgmon

Amend (1): Guttenberg

The following fiscal note(s) apply to CSHB 8(FIN):

2. Zero, Dept. of Law

HB 8 was referred to the Rules Committee for placement on the calendar.

HB 15

The Education Committee considered:

HOUSE BILL NO. 15

"An Act relating to prevention and evaluation of and liability for traumatic brain injuries in student athletes."

and recommends it be replaced with:

CS FOR HOUSE BILL NO. 15(EDC)

"An Act relating to prevention and evaluation of and liability for concussions in student athletes."

The report was signed by Representative Dick, Chair, with the following individual recommendations:

Do pass (4): Pruitt, Seaton, Feige, Dick

Amend (2): P. Wilson, Kawasaki

The following fiscal note(s) apply to CSHB 15(EDC):

1. Zero, Dept. of Education & Early Development

The committee recommends an additional referral to the Judiciary Committee.

HB 15 was referred to the Health & Social Services Committee.

HB 105

The Finance Committee considered:

HOUSE BILL NO. 105

"An Act relating to the Southeast State Forest; and providing for an effective date."

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

Do pass (8): Fairclough, Guttenberg, Joule, Hawker, Costello, Doogan, Stoltze, Thomas

No recommendation (1): Gara

The following fiscal note(s) apply:

1. Zero, Dept. of Natural Resources

HB 105 was referred to the Rules Committee for placement on the calendar.

HB 173

The Resources Committee considered:

HOUSE BILL NO. 173

"An Act amending the termination date of the licensing of sport fishing operators and sport fishing guides; and providing for an effective date."

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

Do pass (7): Gardner, Foster, Munoz, P. Wilson, Herron, Feige, Seaton

No recommendation (2): Kawasaki, Dick

The following fiscal note(s) apply:

2. Fiscal, Dept. of Fish & Game

HB 173 was referred to the Finance Committee.

INTRODUCTION OF CITATIONS

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

Honoring – Patrick and Lorene Moore
By Representatives Dick, Tuck; Senator Kookesh

Honoring – Donna Gilbert
By Representatives T. Wilson, Thompson

Honoring – Aniak High School Halfbreeds, 2011 1A Boys State Basketball Champions
By Representative Dick; Senator Kookesh

Honoring – Hunter Park, 2011 Alaska State Spelling Bee Winner
By Senator Huggins; Representative Stoltze

Honoring – Daryn Colledge
By Senator Coghill; Representative T. Wilson

Honoring – Team Absolute Vorticity, Tsunami Bowl Champions
By Senator Egan; Representatives Kerttula, Munoz

In Memoriam – Walter M. Sperl
By Representatives Thomas, Kerttula, Munoz; Senator Egan

In Memoriam – Emma Petluska Aloysius
By Representative Herron; Senator Hoffman

In Memoriam – Mary Derendy Williams
By Representative Herron; Senator Hoffman

In Memoriam – Anesia S. Hoover
By Representative Herron; Senator Hoffman

In Memoriam – Gladys Prillman
By Representative Tuck

In Memoriam – George William Rogers
By Senator Egan; Representatives Kerttula, Munoz

In Memoriam – Don McKee
By Senator Coghill; Representative T. Wilson

INTRODUCTION, FIRST READING, AND REFERENCE OF HOUSE RESOLUTIONS

HJR 26

HOUSE JOINT RESOLUTION NO. 26 by Representatives P. Wilson, Thomas, and Austerman:

Urging federal agencies to work with the Alaska Department of Fish and Game, Southeast Alaska Native leaders, and other interested parties to establish strategies and plans for the sustainable management of the reintroduced sea otter population of Southeast Alaska.

was read the first time and referred to the Resources Committee.

INTRODUCTION, FIRST READING, AND REFERENCE OF HOUSE BILLS

HB 217

HOUSE BILL NO. 217 by Representative Austerman, entitled:

"An Act relating to school construction bond debt reimbursement."

was read the first time and referred to the Finance Committee.

HB 218

HOUSE BILL NO. 218 by the House Health and Social Services Committee, entitled:

"An Act prohibiting an insurer from using a drug formulary system of specialty tiers under certain circumstances."

was read the first time and referred to the Health & Social Services and Labor & Commerce Committees.

HB 219

HOUSE BILL NO. 219 by Representative Feige, entitled:

"An Act exempting certain emergency medical and fire department services from regulation as insurance."

was read the first time and referred to the Community & Regional Affairs and State Affairs Committees.

HB 220

HOUSE BILL NO. 220 by Representatives Gardner, Gara, and Kerttula, entitled:

"An Act relating to the shared use of oil and gas facilities."

was read the first time and referred to the Resources and Finance Committees.

CONSIDERATION OF THE DAILY CALENDAR**THIRD READING OF HOUSE BILLS****HB 110**

The following, which was advanced to third reading from the March 30, 2011, calendar (page 643), was read the third time:

CS FOR HOUSE BILL NO. 110(FIN)

"An Act relating to the interest rate applicable to certain amounts due for fees, taxes, and payments made and property delivered to the Department of Revenue; relating to the oil and gas production tax rate; relating to monthly installment payments of the oil and gas production tax; relating to oil and gas production tax credits, including qualified capital credits for exploration, development, and production; relating to certain additional nontransferable oil and gas production tax credits; relating to the disclosure of certain tax information; making conforming amendments; and providing for an effective date."

The House Rules Committee submitted the following updated fiscal note:

6. Zero, Dept. of Natural Resources

Representative Doogan moved and asked unanimous consent that CSHB 110(FIN) be returned to second reading for the specific purpose of considering Amendment No. 1. There being no objection, it was so ordered.

The Speaker stated that, without objection, CSHB 110(FIN) would be returned to second reading for all amendments.

Amendment No. 1 was offered by Representative Doogan:

Page 1, lines 5 - 6 (title amendment):

Delete "**relating to certain additional nontransferable oil and gas production tax credits;**"

Page 1, following line 12:

Insert a new bill section to read:

"* **Sec. 2.** AS 05.15.095(c) is amended to read:

(c) A delinquent fee bears interest at the rate set by **AS 43.05.225** [AS 43.05.225(2)]."

Renumber the following bill sections accordingly.

Page 2, following line 5:

Insert a new bill section to read:

"* **Sec. 4.** AS 34.45.470(a) is amended to read:

(a) A person who fails to pay or deliver property within the time prescribed by this chapter may be required to pay to the department interest at the annual rate calculated under **AS 43.05.225** [AS 43.05.225(2)] on the property or the value of it from the date the property should have been paid or delivered."

Renumber the following bill sections accordingly.

Page 2, following line 17:

Insert a new bill section to read:

"* **Sec. 6.** AS 43.05.225 is amended to read:

Sec. 43.05.225. Interest. Unless otherwise provided,

(1) when a tax levied in this title becomes delinquent, it bears interest in a calendar quarter at the rate of **five** [THREE] percentage points above the annual rate charged member banks for advances by the 12th Federal Reserve District as of the first day of that calendar quarter, or at the annual rate of 11 percent, whichever is **greater** [LESSER], compounded quarterly as of the last day of that quarter;

(2) the interest rate is 12 percent a year for

(A) delinquent fees payable under AS 05.15.095(c);

and

(B) unclaimed property that is not timely paid or delivered, as allowed by AS 34.45.470(a)."

Renumber the following bill sections accordingly.

Page 2, following line 25:

Insert a new bill section to read:

"* **Sec. 8.** AS 43.20.046(i) is amended to read:

(i) The issuance of a refund under this section does not limit the department's ability to later audit or adjust the claim if the department determines, as a result of the audit, that the person that claimed the credit was not entitled to the amount of the credit. The tax liability of the person receiving the credit under this chapter is increased by the amount of the credit that exceeds that to which the person was entitled. If the tax liability is increased under this subsection, the increase bears interest under **AS 43.05.225** [AS 43.05.225(1)] from the date the refund was issued."

Renumber the following bill sections accordingly.

Page 3, following line 2:

Insert a new bill section to read:

"* **Sec. 10.** AS 43.50.570 is amended to read:

Sec. 43.50.570. Interest. A licensee who fails to pay an amount due for the purchase of stamps within the time required

(1) is considered to have failed to pay the cigarette taxes due under this chapter; and

(2) shall pay interest at the rate established under AS 43.05.225 [AS 43.05.225(1)] from the date on which the amount became due until the date of payment."

Renumber the following bill sections accordingly.

Page 3, following line 21:

Insert a new bill section to read:

"* **Sec. 12.** AS 43.55.011(e) is repealed and reenacted to read:

(e) There is levied on the producer of oil or gas a tax for all oil and gas produced each calendar year from each lease or property in the state, less any oil and gas the ownership or right to which is exempt from taxation or constitutes a landowner's royalty interest. Except as otherwise provided under (f), (j), (k), and (o) of this section, the tax is equal to the sum of

(1) the annual production tax value of the taxable oil and gas as calculated under AS 43.55.160(a)(1) multiplied by 25 percent; and

(2) the sum, over all months of the calendar year, of the tax amounts determined under (g) of this section."

Renumber the following bill sections accordingly.

Page 7, following line 25:

Insert a new bill section to read:

"* **Sec. 14.** AS 43.55.011(g) is repealed and reenacted to read:

(g) For each month of the calendar year for which the producer's average monthly production tax value under AS 43.55.160(a)(2) for each BTU equivalent barrel of the taxable oil and gas is more than \$30, the amount of tax for purposes of (e)(2) of this section is determined by multiplying the monthly

production tax value of the taxable oil and gas produced during the month by the tax rate calculated as follows:

(1) if the producer's average monthly production tax value for each BTU equivalent barrel of the taxable oil and gas for the month is not more than \$92.50, the tax rate is 0.4 percent multiplied by the number that represents the difference between that average monthly production tax value for each BTU equivalent barrel and \$30; or

(2) if the producer's average monthly production tax value for each BTU equivalent barrel of the taxable oil and gas for the month is more than \$92.50, the tax rate is the sum of 25 percent and the product of 0.1 percent multiplied by the number that represents the difference between the average monthly production tax value for each BTU equivalent barrel and \$92.50, except that the sum determined under this paragraph may not exceed 50 percent."

Renumber the following bill sections accordingly.

Page 10, following line 14:

Insert a new bill section to read:

"* **Sec. 16.** AS 43.55.020(a) is amended to read:

(a) For a calendar year, a producer subject to tax under AS 43.55.011(e) - (i) shall pay the tax as follows:

(1) an installment payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each month of the calendar year on the last day of the following month; except as otherwise provided under (2) of this subsection, the amount of the installment payment is the sum of the following amounts, less 1/12 of the tax credits that are allowed by law to be applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount of the installment payment may not be less than zero:

(A) for oil and gas produced from leases or properties in the state outside the Cook Inlet sedimentary basin but not subject to AS 43.55.011(o), other than leases or properties subject to AS 43.55.011(f), the greater of

(i) zero; or

(ii) the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g)

multiplied by [APPLICABLE TAX RATES IN AS 43.55.011(e), AS APPLICABLE, AND 43.55.011(g), AS APPLICABLE, APPLIED TO] the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production under AS 43.55.165 and 43.55.170 that are deductible for the leases or properties under AS 43.55.160 from the gross value at the point of production of the oil and gas produced from the leases or properties during the month for which the installment payment is calculated;

(B) for oil and gas produced from leases or properties subject to AS 43.55.011(f), the greatest of

(i) zero;

(ii) zero percent, one percent, two percent, three percent, or four percent, as applicable, of the gross value at the point of production of the oil and gas produced from all leases or properties during the month for which the installment payment is calculated; or

(iii) the **sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by** [APPLICABLE TAX RATES IN AS 43.55.011(e), AS APPLICABLE, AND 43.55.011(g), AS APPLICABLE, APPLIED TO] the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production under AS 43.55.165 and 43.55.170 that are deductible for those leases or properties under AS 43.55.160 from the gross value at the point of production of the oil and gas produced from those leases or properties during the month for which the installment payment is calculated;

(C) for oil and gas produced from each lease or property subject to AS 43.55.011(j), (k), or (o), the greater of

(i) zero; or

(ii) the **sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by** [APPLICABLE TAX RATES IN AS 43.55.011(e), AS APPLICABLE, AND 43.55.011(g), AS APPLICABLE, APPLIED TO] the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production

under AS 43.55.165 and 43.55.170 that are deductible under AS 43.55.160 for oil or gas, respectively, produced from the lease or property from the gross value at the point of production of the oil or gas, respectively, produced from the lease or property during the month for which the installment payment is calculated;

(2) an amount calculated under (1)(C) of this subsection for oil or gas produced from a lease or property subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the amount of taxable gas produced during the month for the amount of taxable gas produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or (2)(A), as applicable, the amount of taxable oil produced during the month for the amount of taxable oil produced during the calendar year;

(3) an installment payment of the estimated tax levied by AS 43.55.011(i) for each lease or property is due for each month of the calendar year on the last day of the following month; the amount of the installment payment is the sum of

(A) the applicable tax rate for oil provided under AS 43.55.011(i), multiplied by the gross value at the point of production of the oil taxable under AS 43.55.011(i) and produced from the lease or property during the month; and

(B) the applicable tax rate for gas provided under AS 43.55.011(i), multiplied by the gross value at the point of production of the gas taxable under AS 43.55.011(i) and produced from the lease or property during the month;

(4) any amount of tax levied by AS 43.55.011(e) or (i), net of any credits applied as allowed by law, that exceeds the total of the amounts due as installment payments of estimated tax is due on March 31 of the year following the calendar year of production."

Renumber the following bill sections accordingly.

Page 10, following line 26:

Insert a new bill section to read:

"* **Sec. 18.** AS 43.55.020(g) is amended to read:

(g) Notwithstanding any contrary provision of AS 43.05.225, an unpaid amount of an installment payment required under (a)(1) - (3) of this section that is not paid when due bears interest (1) at the rate provided for an underpayment under 26 U.S.C. 6621 (Internal Revenue Code), as amended, compounded daily, from the date the installment payment is due until March 31 following the calendar year of production, and (2) as provided for a delinquent tax under **AS 43.05.225** [AS 43.05.225(1)] after that March 31. Interest accrued under (1) of this subsection that remains unpaid after that March 31 is treated as an addition to tax that bears interest under (2) of this subsection. An unpaid amount of tax due under (a)(4) of this section that is not paid when due bears interest as provided for a delinquent tax under **AS 43.05.225** [AS 43.05.225(1)]."

Renumber the following bill sections accordingly.

Page 11, following line 13:

Insert a new bill section to read:

"* **Sec. 20.** AS 43.55.023(a) is amended to read:

(a) A producer or explorer may take a tax credit for a qualified capital expenditure as follows:

(1) notwithstanding that a qualified capital expenditure may be a deductible lease expenditure for purposes of calculating the production tax value of oil and gas under AS 43.55.160(a), unless a credit for that expenditure is taken under AS 38.05.180(i), AS 41.09.010, AS 43.20.043, or AS 43.55.025, a producer or explorer that incurs a qualified capital expenditure may also elect to apply a tax credit against a tax levied by AS 43.55.011(e) in the amount of 20 percent of that expenditure; **however, not more than half of the tax credit may be applied for a single calendar year;**

(2) a producer or explorer may take a credit for a qualified capital expenditure incurred in connection with geological or geophysical exploration or in connection with an exploration well only if the producer or explorer

(A) agrees, in writing, to the applicable provisions of AS 43.55.025(f)(2);

(B) submits to the Department of Natural Resources

all data that would be required to be submitted under AS 43.55.025(f)(2)."

Renumber the following bill sections accordingly.

Page 12, following line 8:

Insert a new bill section to read:

"* **Sec. 22.** AS 43.55.023(d) is amended to read:

(d) Except as limited by (i) of this section, a person that is entitled to take a tax credit under this section that wishes to transfer the unused credit to another person or obtain a cash payment under AS 43.55.028 may apply to the department for [A] transferable tax credit **certificates** [CERTIFICATE]. An application under this subsection must be in a form prescribed by the department and must include supporting information and documentation that the department reasonably requires. The department shall grant or deny an application, or grant an application as to a lesser amount than that claimed and deny it as to the excess, not later than 120 days after the latest of (1) March 31 of the year following the calendar year in which the qualified capital expenditure [, WELL LEASE EXPENDITURE,] or carried-forward annual loss for which the credit is claimed was incurred; (2) the date the statement required under AS 43.55.030(a) or (e) was filed for the calendar year in which the qualified capital expenditure [, WELL LEASE EXPENDITURE,] or carried-forward annual loss for which the credit is claimed was incurred; or (3) the date the application was received by the department. If, based on the information then available to it, the department is reasonably satisfied that the applicant is entitled to a credit, the department shall issue the applicant **two** [A] transferable tax credit **certificates, each for half of** [CERTIFICATE FOR] the amount of the credit. **The credit shown on one of the two certificates is available for immediate use. The credit shown on the second of the two certificates may not be applied against a tax for a calendar year earlier than the calendar year following the calendar year in which the certificate is issued, and the certificate must contain a conspicuous statement to that effect.** A certificate issued under this subsection does not expire."

Renumber the following bill sections accordingly.

Page 13, following line 5:

Insert a new bill section to read:

"* **Sec. 25.** AS 43.55.023(g) is amended to read:

(g) The issuance of a transferable tax credit certificate under (d) of this section, [OR] former (m) of this section, **or (p) of this section,** or the purchase of a certificate under AS 43.55.028 does not limit the department's ability to later audit a tax credit claim to which the certificate relates or to adjust the claim if the department determines, as a result of the audit, that the applicant was not entitled to the amount of the credit for which the certificate was issued. The tax liability of the applicant under AS 43.55.011(e) and 43.55.017 - 43.55.180 is increased by the amount of the credit that exceeds that to which the applicant was entitled, or the applicant's available valid outstanding credits applicable against the tax levied by AS 43.55.011(e) are reduced by that amount. If the applicant's tax liability is increased under this subsection, the increase bears interest under **AS 43.05.225** [AS 43.05.225(1)] from the date the transferable tax credit certificate was issued. For purposes of this subsection, an applicant that is an explorer is considered a producer subject to the tax levied by AS 43.55.011(e)."

Renumber the following bill sections accordingly.

Page 13, line 9:

Delete "**2021**"

Insert "**2015**"

Page 14, line 1:

Delete "**2020**"

Insert "**2014**"

Delete "2021"

Insert "2015"

Page 14, line 10, following "expenditure;":

Insert "**a tax credit under this paragraph may be applied for a single calendar year;**"

Page 15, line 4, following "(l)":

Insert "**and (p)**"

Page 15, following line 16:

Insert a new bill section to read:

"* **Sec. 30.** AS 43.55.023 is amended by adding a new subsection to read:

(p) For a lease expenditure incurred in the state south of 68 degrees North latitude after December 31, 2014, that qualifies for tax credits under (a) and (b) of this section, and for a well lease expenditure incurred in the state south of 68 degrees North latitude that qualifies for a tax credit under (l) of this section, the department shall issue transferable tax credit certificates to the person entitled to the credit for the full amount of the credit. The transferable tax credit certificates do not expire."

Renumber the following bill sections accordingly.

Page 15, line 17, through page 17, line 17:

Delete all material.

Renumber the following bill sections accordingly.

Page 18, following line 7:

Insert a new bill section to read:

"* **Sec. 32.** AS 43.55.028(e) is amended to read:

(e) The department, on the written application of a person to whom a transferable tax credit certificate has been issued under AS 43.55.023(d), [OR] former AS 43.55.023(m), **or AS 43.55.023(p)**, or to whom a production tax credit certificate has been issued under AS 43.55.025(f), may use available money in the oil and gas tax credit fund to purchase, in whole or in part, the certificate if the department finds that

(1) the calendar year of the purchase is not earlier than the first calendar year for which the credit shown on the certificate would otherwise be allowed to be applied against a tax;

(2) the applicant does not have an outstanding liability to the state for unpaid delinquent taxes under this title;

(3) the applicant's total tax liability under AS 43.55.011(e), after application of all available tax credits, for

the calendar year in which the application is made is zero;

(4) the applicant's average daily production of oil and gas taxable under AS 43.55.011(e) during the calendar year preceding the calendar year in which the application is made was not more than 50,000 BTU equivalent barrels; and

(5) the purchase is consistent with this section and regulations adopted under this section."

Renumber the following bill sections accordingly.

Page 18, following line 16:

Insert a new bill section to read:

"* **Sec. 34.** AS 43.55.028(g) is amended to read:

(g) The department may adopt regulations to carry out the purposes of this section, including standards and procedures to allocate available money among applications for purchases under this chapter and claims for refunds under AS 43.20.046 when the total amount of the applications for purchase and claims for refund exceed the amount of available money in the fund. The regulations adopted by the department may not, when allocating available money in the fund under this section, distinguish an application for the purchase of a credit certificate issued under former AS 43.55.023(m) **or AS 43.55.023(p)** or a claim for refund under AS 43.20.046."

Renumber the following bill sections accordingly.

Page 19, following line 13:

Insert a new bill section to read:

"* **Sec. 36.** AS 43.55.890 is amended to read:

Sec. 43.55.890. Disclosure of tax information.

Notwithstanding any contrary provision of AS 40.25.100, and regardless of whether the information is considered under AS 43.05.230(e) to constitute statistics classified to prevent the identification of particular returns or reports, the department may publish the following information under this chapter, if aggregated among three or more producers or explorers, showing, by month or calendar year and by lease or property, unit, or area of the state:

- (1) the amount of oil or gas production;
- (2) the amount of taxes levied under this chapter or paid

under this chapter;

- (3) the effective tax rates under this chapter;
- (4) the gross value of oil or gas at the point of production;
- (5) the transportation costs for oil or gas;
- (6) qualified capital expenditures, as defined in AS 43.55.023;
- (7) exploration expenditures under AS 43.55.025;
- (8) production tax values of oil or gas under AS 43.55.160;
- (9) lease expenditures under AS 43.55.165;
- (10) adjustments to lease expenditures under AS 43.55.170;
- (11) tax credits applicable or potentially applicable against taxes levied by this chapter [; THE INFORMATION RELATING TO TAX CREDITS UNDER THIS PARAGRAPH, TO THE EXTENT THE INFORMATION IS AVAILABLE TO THE DEPARTMENT, MUST INCLUDE THE STATUTORY AUTHORITY FOR EACH TYPE OF CREDIT TAKEN, THE AMOUNT OF CREDITS TAKEN UNDER EACH STATUTE AUTHORIZING A TAX CREDIT, AND WHETHER THE CREDIT IS FOR AN EXPENDITURE RELATED TO OIL OR GAS EXPLORATION, DEVELOPMENT, OR PRODUCTION, INCLUDING THE DRILLING OF WELLS; PERFORMING WORK ON EXISTING WELLS; CONDUCTING GEOLOGICAL OR GEOPHYSICAL EXPLORATION; ACQUIRING, CONSTRUCTING, OR INSTALLING NEW FACILITIES OR EQUIPMENT; AND MAINTAINING, REPAIRING, OR REPLACING EXISTING FACILITIES OR EQUIPMENT]."

Renumber the following bill sections accordingly.

Page 19, following line 18:

Insert a new bill section to read:

"* **Sec. 38.** AS 43.56.160 is amended to read:

Sec. 43.56.160. Interest and penalty. When the tax levied by AS 43.56.010(a) becomes delinquent, a penalty of 10 percent shall be added. Interest on the delinquent taxes, exclusive of penalty, shall be assessed at a rate of eight percent a year [THE RATE

SPECIFIED IN AS 43.05.225(1)]."

Renumber the following bill sections accordingly.

Page 19, following line 29:

Insert a new bill section to read:

"* **Sec. 40.** AS 43.77.020(d) is amended to read:

(d) A person subject to the tax under this chapter shall make quarterly payments of the tax estimated to be due for the year, as required under regulations adopted by the department. A taxpayer will be subject to an estimated tax penalty, determined by applying the interest rate specified in AS 43.05.225 [AS 43.05.225(1)] to the underpayment for each quarter, unless the taxpayer makes estimated tax payments in equal installments that total either

(1) at least 90 percent of the taxpayer's tax liability under this chapter for the tax year; or

(2) at least 100 percent of the taxpayer's tax liability under this chapter for the prior tax year."

Renumber the following bill sections accordingly.

Page 20, following line 2:

Insert a new bill section to read:

"* **Sec. 42.** AS 43.90.430 is amended to read:

Sec. 43.90.430. Interest. When a payment due to the state under this chapter becomes delinquent, the payment bears interest at the rate applicable to a delinquent tax under AS 43.05.225 [AS 43.05.225(1)]."

Renumber the following bill sections accordingly.

Page 20, line 6:

Delete "Sections 10 - 12, 14, 16, and 28"

Insert "Sections 19, 21, 23, 26, 28, and 43"

Page 20, line 8:

Delete "Sections 6 - 8"

Insert "Sections 11, 13, and 15"

Page 20, line 9:

Delete "Sections 15 and 17"

Insert "Sections 20, 22, 25, 27, 29, and 30"

Page 20, line 10:

Delete "2020"

Insert "2014"

Page 20, following line 10:

Insert a new subsection to read:

"(d) Sections 12, 14, and 16 of this Act apply to oil and gas produced after December 31, 2014."

Page 20, line 19:

Delete "Sections 10 - 12, 14, 16, 22, 23, and 28"

Insert "Sections 19, 21, 23, 26, 28, 31, 33, and 43"

Page 20, line 21:

Delete "Section 24"

Insert "Section 35"

Page 20, line 22:

Delete "Sections 6 - 8 and 29(b)"

Insert "Sections 11, 13, 15, and 44(b)"

Page 20, line 23:

Delete "Sections 15, 17, and 29(c)"

Insert "Sections 2, 4, 6, 8, 10, 12, 14, 16, 18, 20, 22, 25, 27, 29, 30, 32, 34, 36, 38, 40, 42, and 44(c)"

Delete "2021"

Insert "2015"

Page 20, line 24:

Delete "Sections 10 - 12, 14, 16, 22, 23, 28, 29(a), and 31"

Insert "Sections 19, 21, 23, 26, 28, 31, 33, 43, 44(a), and 46"

Page 20, line 26:

Delete "secs. 32 - 35"

Insert "secs. 47 - 50"

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

Representative Fairclough objected.

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

CSHB 110(FIN)
Second Reading
Amendment No. 1

YEAS: 11 NAYS: 26 EXCUSED: 2 ABSENT: 1

Yeas: Doogan, Gara, Gardner, Gruenberg, Guttenberg, Holmes, Kawasaki, Kerttula, Miller, Petersen, Tuck

Nays: Austerman, Chenault, Costello, Dick, Edgmon, Fairclough, Feige, Foster, Gatto, Hawker, Herron, Johansen, Johnson, Joule, Lynn, Millett, Munoz, Olson, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, P.Wilson, T.Wilson

Excused: Cissna, Neuman

Absent: Keller

And so, Amendment No. 1 was not adopted.

Amendment No. 2 was offered by Representative Miller:

Page 3, lines 3 - 21:

Delete all material and insert:

**** Sec. 6.** AS 43.55.011(e) is amended to read:

(e) There is levied on the producer of oil or gas a tax for all oil and gas produced each calendar year from each lease or property in the state, less any oil and gas the ownership or right to which is exempt from taxation or constitutes a landowner's royalty interest. Except as otherwise provided under (f), (j), (k), and (o) of this section,

(1) and except as provided in (2) of this subsection, the tax is equal to the sum of [(1)] the annual production tax value of the taxable oil and gas

(A) produced from a lease or property not

described in (B) of this paragraph as calculated under AS 43.55.160(a)(1) multiplied by 25 percent, and the sum, over all months of the calendar year, of the tax amounts determined under (g)(1) of this section; and

(B) produced during the first seven consecutive years after the start of sustained production or produced during the first seven years after the effective date of this bill section, whichever is later, from a lease or property containing land that was not or previously had not been within a unit or in commercial production as of December 31, 2008, as calculated under AS 43.55.160(a)(1) multiplied by 15 percent, and [(2)] the sum, over all months of the calendar year, of the tax amounts determined under (g)(2) [(g)] of this section;

(2) the tax is equal to the annual production tax value of the taxable oil and gas as calculated under AS 43.55.160(a)(1) multiplied by 25 percent added to the sum, over all months of the calendar year, of the tax amounts determined under (g)(3) of this section, for a producer that

(A) produces oil or gas after December 31, 2016, and before January 1, 2018, and produced or whose predecessor produced oil or gas after December 31, 2009, and before January 1, 2011, but produced less than 10 percent more oil or gas during the period after December 31, 2016, and before January 1, 2018, than the producer or the predecessor to the producer produced after December 31, 2009, and before January 1, 2011; or

(B) is not included in (A) of this paragraph and produces oil or gas after December 31, 2016, or a producer described in (A) of this paragraph that produces oil or gas after December 31, 2017, but fails to produce two percent more oil or gas than the person or the predecessor to the person produced during the immediately preceding calendar year."

Page 3, line 26:

Delete "(e)(1)"

Insert "(e)(1)(A)"

Page 5, line 26:

Delete "(e)(2)"

Insert "(e)(1)(B)"

Page 7, line 25, following "\$92.50":

Insert ";

(3) of (e)(2) of this section is determined by multiplying the monthly production tax value of the taxable oil and gas produced during the month by the tax rate calculated as follows:

(A) if the producer's average monthly production tax value of a BTU equivalent barrel of the taxable oil and gas for the month is not more than \$92.50, the tax rate is 0.4 percent multiplied by the number that represents the difference between that average monthly production tax value of a BTU equivalent barrel and \$30; or

(B) if the producer's average monthly production tax value of a BTU equivalent barrel of the taxable oil and gas for the month is more than \$92.50, the tax rate is the sum of 25 percent and the product of 0.1 percent multiplied by the number that represents the difference between the average monthly production tax value of a BTU equivalent barrel and \$92.50, except that the sum determined under this subparagraph may not exceed 50 percent"

Page 7, following line 25:

Insert a new bill section to read:

"* **Sec. 8.** AS 43.55.011 is amended by adding a new subsection to read:

(p) For purposes of (e) of this section,

(1) "sustained production" has the meaning given in AS 43.55.025(l); and

(2) production during the applicable periods is measured in BTU equivalent barrels."

Renumber the following bill sections accordingly.

Page 20, line 6:

Delete "Sections 10 - 12, 14, 16, and 28"

Insert "Sections 11 - 13, 15, 17, and 29"

Page 20, line 8:

Delete "Sections 6 - 8"

Insert "AS 43.55.011(e)(1), as enacted by sec. 6 of this Act, and secs. 7 - 9"

Page 20, following line 8:

Insert a new subsection to read:

"(c) AS 43.55.011(e)(2), enacted by sec. 6 of this Act, applies to oil and gas produced after December 31, 2016."

Reletter the following subsection accordingly.

Page 20, line 9:

Delete "Sections 15 and 17"

Insert "Sections 16 and 18"

Page 20, line 19:

Delete "Sections 10 - 12, 14, 16, 22, 23, and 28"

Insert "Sections 11 - 13, 15, 17, 23, 24, and 29"

Page 20, line 21:

Delete "Section 24"

Insert "Section 25"

Page 20, line 22:

Delete "Sections 6 - 8 and 29(b)"

Insert "Sections 6 - 9, 30(b), and 30(c)"

Page 20, line 23:

Delete "Sections 15, 17, and 29(c)"

Insert "Sections 16, 18, and 30(d)"

Page 20, line 24:

Delete "Sections 10 - 12, 14, 16, 22, 23, 28, 29(a), and 31"

Insert "Sections 11 - 13, 15, 17, 23, 24, 29, 30(a), and 32"

Page 20, line 26:

Delete "secs. 32 - 35"

Insert "secs. 33 - 36"

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

Representative Fairclough objected.

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

CSHB 110(FIN)
Second Reading
Amendment No. 2

YEAS: 13 NAYS: 24 EXCUSED: 2 ABSENT: 1

Yeas: Doogan, Gara, Gardner, Gruenberg, Guttenberg, Holmes, Kawasaki, Kerttula, Miller, Munoz, Petersen, Seaton, Tuck

Nays: Austerman, Chenault, Costello, Dick, Edgmon, Fairclough, Feige, Foster, Gatto, Hawker, Herron, Johansen, Johnson, Joule, Lynn, Millett, Olson, Pruitt, Saddler, Stoltze, Thomas, Thompson, P.Wilson, T.Wilson

Excused: Cissna, Neuman

Absent: Keller

And so, Amendment No. 2 was not adopted.

Amendment No. 3 was offered by Representative Gardner:

Page 18, following line 16:

Insert new bill sections to read:

"* Sec. 24. AS 43.55.030(a) is amended to read:

(a) A producer that produces oil or gas from a lease or property in the state during a calendar year, whether or not any tax payment is due under AS 43.55.020(a) for that oil or gas, shall file with the department on March 31 of the following year a statement, under oath, in a form prescribed by the department, giving, with other information required **by the department under a regulation adopted by the department**, the following:

(1) a description of each lease or property from which oil or gas was produced, by name, legal description, lease number, or accounting codes assigned by the department;

(2) the names of the producer and, if different, the person paying the tax, if any;

(3) the gross amount of oil and the gross amount of gas produced from each lease or property, and the percentage of the gross amount of oil and gas owned by the producer;

(4) the gross value at the point of production of the oil and of the gas produced from each lease or property owned by the producer and the costs of transportation of the oil and gas;

(5) the name of the first purchaser and the price received for the oil and for the gas, unless relieved from this requirement in whole or in part by the department;

(6) the producer's qualified capital expenditures, as defined in AS 43.55.023, other lease expenditures under AS 43.55.165, and adjustments or other payments or credits under AS 43.55.170;

(7) the production tax values of the oil and gas under AS 43.55.160;

(8) any claims for tax credits to be applied; [AND]

(9) calculations showing the amounts, if any, that were or are due under AS 43.55.020(a) and interest on any underpayment or overpayment; **and**

(10) for each expenditure that is the basis for a credit claimed under AS 43.55.023 or 43.55.025, a description of the expenditure, a detailed description of the purpose of the expenditure, and a description of the lease or property for which the expenditure was incurred; notwithstanding AS 43.05.230(a), information submitted under this paragraph may be disclosed to the public and shall be disclosed to the legislature in a report submitted within 10 days after the convening of the next regular legislative session following the date a statement is filed under this section.

* **Sec. 25.** AS 43.55.030(e) is amended to read:

(e) An explorer or producer that incurs a lease expenditure under AS 43.55.165 or receives a payment or credit under AS 43.55.170 during a calendar year but does not produce oil or gas from a lease or property in the state during the calendar year shall file with the department on March 31 of the following year a statement, under oath, in a form prescribed by the department, giving, with other information required **by the department under a regulation adopted by the department**, the following:

(1) the producer's qualified capital expenditures, as defined in AS 43.55.023, other lease expenditures under AS 43.55.165, and adjustments or other payments or credits under AS 43.55.170; [AND]

(2) if the explorer or producer receives a payment or credit under AS 43.55.170, calculations showing whether the explorer or producer is liable for a tax under AS 43.55.160(d) or 43.55.170(b) and, if so, the amount; **and**

(3) for each expenditure that is the basis for a credit claimed under this chapter, a description of the expenditure, a detailed description of the purpose of the expenditure, and a description of the lease or property for which the expenditure was incurred; notwithstanding AS 43.05.230(a), information submitted under this paragraph may be disclosed to the public and shall be disclosed to the legislature in a report submitted within 10 days after the convening of the next regular legislative session following the date a statement is filed under this section."

Renumber the following bill sections accordingly.

Page 20, line 6:

Delete "Sections 10 - 12, 14, 16, and 28"

Insert "Sections 10 - 12, 14, 16, and 30"

Page 20, line 19:

Delete "Sections 10 - 12, 14, 16, 22, 23, and 28"

Insert "Sections 10 - 12, 14, 16, 22, 23, and 30"

Page 20, line 21:

Delete "Section 24"

Insert "Section 26"

Page 20, line 22:

Delete "Sections 6 - 8 and 29(b)"

Insert "Sections 6 - 8 and 31(b)"

Page 20, line 23:

Delete "Sections 15, 17, and 29(c)"

Insert "Sections 15, 17, and 31(c)"

Page 20, line 24:

Delete "Sections 10 - 12, 14, 16, 22, 23, 28, 29(a), and 31"

Insert "Sections 10 - 12, 14, 16, 22, 23, 30, 31(a), and 33"

Page 20, line 26:

Delete "secs. 32 - 35"

Insert "secs. 34 - 37"

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

Representative Hawker objected.

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

CSHB 110(FIN)

Second Reading

Amendment No. 3

YEAS: 11 NAYS: 26 EXCUSED: 2 ABSENT: 1

Yeas: Doogan, Gara, Gardner, Gruenberg, Guttenberg, Holmes, Kawasaki, Kerttula, Miller, Petersen, Tuck

Nays: Austerman, Chenault, Costello, Dick, Edgmon, Fairclough, Feige, Foster, Gatto, Hawker, Herron, Johansen, Johnson, Joule, Lynn, Millett, Munoz, Olson, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, P.Wilson, T.Wilson

Excused: Cissna, Neuman

Absent: Keller

And so, Amendment No. 3 was not adopted.

Amendment No. 4 was offered by Representative Gara:

Page 1, lines 1 - 8 (title amendment):

Delete all material and insert:

""An Act relating to a tax credit applicable to the oil and gas production tax based on capital expenditures; relating to the

alternative tax credit for oil and gas exploration; and providing for an effective date.'"

Page 1, line 10, through page 20, line 26:

Delete all material and insert:

"* Section 1. AS 43.55.023(a) is amended to read:

(a) A producer or explorer may take a tax credit for a qualified capital expenditure as follows:

(1) **except as limited by (p) of this section,** notwithstanding that a qualified capital expenditure may be a deductible lease expenditure for purposes of calculating the production tax value of oil and gas under AS 43.55.160(a), unless a credit for that expenditure is taken under AS 38.05.180(i), AS 41.09.010, AS 43.20.043, or AS 43.55.025, a producer or explorer that incurs a qualified capital expenditure may also elect to apply a tax credit against a tax levied by AS 43.55.011(e) in the amount of 20 percent of that expenditure; however, not more than half of the tax credit may be applied for a single calendar year;

(2) a producer or explorer may take a credit for a qualified capital expenditure incurred in connection with geological or geophysical exploration or in connection with an exploration well only if the producer or explorer

(A) agrees, in writing, to the applicable provisions of AS 43.55.025(f)(2);

(B) submits to the Department of Natural Resources all data that would be required to be submitted under AS 43.55.025(f)(2).

*** Sec. 2.** AS 43.55.023(d) is amended to read:

(d) Except as limited by (i) **and (p)** of this section, a person that is entitled to take a tax credit under this section that wishes to transfer the unused credit to another person or obtain a cash payment under AS 43.55.028 may apply to the department for transferable tax credit certificates. An application under this subsection must be in a form prescribed by the department and must include supporting information and documentation that the department reasonably requires. The department shall grant or deny an application, or grant an application as to a lesser amount than that claimed and deny it as to the excess, not later than 120 days after the latest of (1) March 31 of the year following the calendar year in which the qualified capital expenditure or carried-

forward annual loss for which the credit is claimed was incurred; (2) the date the statement required under AS 43.55.030(a) or (e) was filed for the calendar year in which the qualified capital expenditure or carried-forward annual loss for which the credit is claimed was incurred; or (3) the date the application was received by the department. If, based on the information then available to it, the department is reasonably satisfied that the applicant is entitled to a credit, the department shall issue the applicant two transferable tax credit certificates, each for half of the amount of the credit. The credit shown on one of the two certificates is available for immediate use. The credit shown on the second of the two certificates may not be applied against a tax for a calendar year earlier than the calendar year following the calendar year in which the certificate is issued, and the certificate must contain a conspicuous statement to that effect. A certificate issued under this subsection does not expire.

* **Sec. 3.** AS 43.55.023 is amended by adding a new subsection to read:

(p) The amount of credit for a capital expenditure under (a) of this section for an expenditure that is also a lease expenditure under AS 43.55.165 is reduced by the amount necessary so that the tax benefit percentage is not more than 85 percent of the capital expenditure. The amount of credit for a capital expenditure under (a) of this section that may not be taken because of the limitation in this subsection may not be applied in a later calendar year under (c) of this section and may not be included in an application for a tax credit certificate under (d) of this section. In this subsection, "tax benefit percentage" means the sum of the average monthly tax rate under AS 43.55.011(e) for the calendar year in which the credit is taken and the percentage of the capital expenditure that may be taken as a credit under (a) of this section.

* **Sec. 4.** AS 43.55.025(a) is amended to read:

(a) Subject to the terms and conditions of this section **and except as limited by (n) of this section**, a credit against the production tax levied by AS 43.55.011(e) is allowed for exploration expenditures that qualify under (b) of this section in an amount equal to **50** [ONE OF THE FOLLOWING:

(1) 30] percent of the total exploration expenditures **except that the amount of the credit is** [THAT QUALIFY ONLY UNDER (b) AND (c) OF THIS SECTION;

(2) 30 PERCENT OF THE TOTAL EXPLORATION EXPENDITURES THAT QUALIFY ONLY UNDER (b) AND (d) OF THIS SECTION;

(3) 40 PERCENT OF THE TOTAL EXPLORATION EXPENDITURES THAT QUALIFY UNDER (b), (c), AND (d) OF THIS SECTION;

(4) 40 PERCENT OF THE TOTAL EXPLORATION EXPENDITURES THAT QUALIFY ONLY UNDER (b) AND (e) OF THIS SECTION; OR

(5) 80, 90, or 100 percent, or a lesser amount described in (l) of this section, of the total exploration expenditures described in (b)(1) and (2) of this section and not excluded by (b)(3) and (4) of this section that qualify only under (l) of this section.

* **Sec. 5.** 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 after June 30, 2008, and before July 1, **2021** [2016], and

(1) may be for seismic or other 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 a well that encounters an oil or gas deposit or a dry hole;

(C) must be for a well that has been completed, suspended, or abandoned at the time the explorer claims the tax credit under (f) of this section; and

(D) 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 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; costs,

including repairs and replacements, arising from or associated with fraud, wilful misconduct, gross negligence, criminal negligence, or violation of law, including a violation of 33 U.S.C. 1319(c)(1) or 1321(b)(3) (Clean Water Act); 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 before May 14, 2003.

* **Sec. 6.** AS 43.55.025(k) is amended to read:

(k) Subject to the terms and conditions of this section, if a claim is filed under (f)(1) of this section before January 1, 2021 [2016], a credit against the production tax levied by AS 43.55.011(e) is allowed in an amount equal to five percent of an eligible expenditure under this subsection incurred for seismic exploration performed before July 1, 2003. To be eligible under this subsection, an expenditure must

(1) have been for seismic exploration that

(A) obtained data that the commissioner of natural resources considers to be in the best interest of the state to acquire for public distribution; and

(B) was conducted outside the boundaries of a production unit; however, the amount of the expenditure that is otherwise eligible under this section is reduced proportionately by the portion of the seismic exploration activity that crossed into a production unit; and

(2) qualify under (b)(3) of this section.

* **Sec. 7.** AS 43.55.025 is amended by adding a new subsection to read:

(n) Except for a credit for an exploration expenditure described in (l) of this section, the amount of credit for an exploration expenditure under (a) of this section for an expenditure that is also a lease expenditure under AS 43.55.165 is reduced by the amount necessary so that the tax benefit percentage is not more than 85 percent of the exploration expenditure. Except for a credit, other than a credit for an exploration expenditure described in (l) of this section, the amount of credit for an exploration expenditure under (a) of this section that may not be taken because of the limitation in this subsection may not be transferred, conveyed, or sold under (g) of this section. In this subsection, "tax benefit percentage" means the sum of the average

monthly tax rate under AS 43.55.011(e) for the calendar year in which the credit is taken and the percentage of the exploration expenditure, other than an exploration expenditure described in (l) of this section, that may be taken as a credit under (a) of this section.

* **Sec. 8.** AS 43.55.025(d), 43.55.025(e), and 43.55.025(m) are repealed.

* **Sec. 9.** This Act takes effect January 1, 2012."

Representative Gara moved and asked unanimous consent that Amendment No. 4 be adopted.

Representative Millett objected.

The Speaker stated that, without objection, the House would recess until 5:00 p.m.; and so, the House recessed at 12:08 p.m.

AFTER RECESS

The Speaker called the House back to order at 5:06 p.m.

THIRD READING OF HOUSE BILLS

(continued)

HB 110

The following was before the House with Amendment No. 4 (page 683) moved and pending:

CS FOR HOUSE BILL NO. 110(FIN)

"An Act relating to the interest rate applicable to certain amounts due for fees, taxes, and payments made and property delivered to the Department of Revenue; relating to the oil and gas production tax rate; relating to monthly installment payments of the oil and gas production tax; relating to oil and gas production tax credits, including qualified capital credits for exploration, development, and production; relating to certain additional nontransferable oil and gas production tax credits; relating to the disclosure of certain tax information; making conforming amendments; and providing for an effective date."

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

CSHB 110(FIN)

Second Reading

Amendment No. 4

YEAS: 11 NAYS: 27 EXCUSED: 2 ABSENT: 0

Yeas: Doogan, Gara, Gardner, Gruenberg, Guttenberg, Holmes, Kawasaki, Kerttula, Miller, Petersen, Tuck

Nays: Austerman, Chenault, Costello, Dick, Edgmon, Fairclough, Feige, Foster, Gatto, Hawker, Herron, Johansen, Johnson, Joule, Keller, Lynn, Millett, Munoz, Olson, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, P.Wilson, T.Wilson

Excused: Cissna, Neuman

And so, Amendment No. 4 was not adopted.

Amendment No. 5 was offered by Representative Gara:

Page 1, lines 1 - 8 (title amendment):

Delete all material and insert:

""An Act providing for a tax credit applicable to the oil and gas production tax based on capital expenditures for a production facility for new oil and gas production; and providing for an effective date.""

Page 1, line 10, through page 20, line 26:

Delete all material and insert:

*** Section 1.** AS 43.20.043(g) is amended to read:

(g) A taxpayer that obtains a credit for a qualified capital investment or cost incurred for qualified services under this section may not also claim a tax credit or royalty modification for the same qualified capital investment or cost incurred for qualified services under AS 38.05.180(i), AS 41.09.010, AS 43.55.023, [OR] 43.55.025, **or 43.55.026**. However, a taxpayer may elect not to obtain a credit under this section in order to qualify for a credit provided under AS 38.05.180(i), AS 41.09.010, AS 43.55.023, [OR] 43.55.025, **or 43.55.026**.

*** Sec. 2.** AS 43.55.023(a) is amended to read:

(a) A producer or explorer may take a tax credit for a qualified capital expenditure as follows:

(1) **except as limited by (p) of this section,** notwithstanding that a qualified capital expenditure may be a deductible lease expenditure for purposes of calculating the production tax value of oil and gas under AS 43.55.160(a), unless a credit for that expenditure is taken under AS 38.05.180(i), AS 41.09.010, AS 43.20.043, [OR] AS 43.55.025, **or 43.55.026,** a producer or explorer that incurs a qualified capital expenditure may also elect to apply a tax credit against a tax levied by AS 43.55.011(e) in the amount of 20 percent of that expenditure; however, not more than half of the tax credit may be applied for a single calendar year;

(2) a producer or explorer may take a credit for a qualified capital expenditure incurred in connection with geological or geophysical exploration or in connection with an exploration well only if the producer or explorer

(A) agrees, in writing, to the applicable provisions of AS 43.55.025(f)(2);

(B) submits to the Department of Natural Resources all data that would be required to be submitted under AS 43.55.025(f)(2).

* **Sec. 3.** AS 43.55.023(d) is amended to read:

(d) Except as limited by (i) **and (p)** of this section, a person that is entitled to take a tax credit under this section that wishes to transfer the unused credit to another person or obtain a cash payment under AS 43.55.028 may apply to the department for transferable tax credit certificates. An application under this subsection must be in a form prescribed by the department and must include supporting information and documentation that the department reasonably requires. The department shall grant or deny an application, or grant an application as to a lesser amount than that claimed and deny it as to the excess, not later than 120 days after the latest of (1) March 31 of the year following the calendar year in which the qualified capital expenditure or carried-forward annual loss for which the credit is claimed was incurred; (2) the date the statement required under AS 43.55.030(a) or (e) was filed for the calendar year in which the qualified capital expenditure or carried-forward annual loss for which the credit is claimed was incurred; or (3) the date the application was received

by the department. If, based on the information then available to it, the department is reasonably satisfied that the applicant is entitled to a credit, the department shall issue the applicant two transferable tax credit certificates, each for half of the amount of the credit. The credit shown on one of the two certificates is available for immediate use. The credit shown on the second of the two certificates may not be applied against a tax for a calendar year earlier than the calendar year following the calendar year in which the certificate is issued, and the certificate must contain a conspicuous statement to that effect. A certificate issued under this subsection does not expire.

* **Sec. 4.** AS 43.55.023 is amended by adding a new subsection to read:

(p) The amount of credit for a capital expenditure under (a) of this section for an expenditure that is also a lease expenditure under AS 43.55.165 is reduced by the amount necessary so that the tax benefit percentage is not more than 85 percent of the capital expenditure. The amount of credit for a capital expenditure under (a) of this section that may not be taken because of the limitation in this subsection may not be applied in a later calendar year under (c) of this section and may not be included in an application for a tax credit certificate under (d) of this section. In this subsection, "tax benefit percentage" means the sum of the average monthly tax rate under AS 43.55.011(e) for the calendar year in which the credit is taken and the percentage of the capital expenditure that may be taken as a credit under (a) of this section.

* **Sec. 5.** AS 43.55 is amended by adding a new section to read:

Sec. 43.55.026. Production facility cost credit. (a) This section applies to a credit for a qualified production facility expenditure incurred before the date of production of oil or gas in paying quantities for a lease or property that is taxable under AS 43.55.011(e) and that contains land that, as of December 31, 2010, is not or previously had not been within a unit or produced oil or gas in paying quantities.

(b) Except as limited by (g) of this section, the amount of the credit under this section is equal to 50 percent of the qualified production facility expenditures that are incurred after the completion of the first well drilled that discovers a pool capable of commercial production from the lease or property and before the commencement of production in paying quantities. The

department, in consultation with the

(1) Alaska Oil and Gas Conservation Commission, shall determine the date on which the first well drilled discovered a pool capable of production from a lease or property for which the credit is taken; and

(2) Department of Natural Resources, shall determine the date of the commencement of production in paying quantities from the lease or property for which the credit is taken.

(c) The credit under this section may be applied against the tax due under AS 43.55.011(e) during the two-year period immediately following the date of the commencement of production in paying quantities.

(d) A qualified production facility expenditure that is taken as a credit under this section may not be used as an expenditure for which a credit may be taken under AS 43.20.043 or AS 43.55.023. A credit under AS 43.55.023 for a qualified production facility expenditure may not be taken against the tax due under AS 43.55.011(e) during the same month in which a credit is taken or purchased by the department under this section.

(e) A credit or portion of a credit under this section may not be used to reduce a taxpayer's tax liability under AS 43.55.011(e) below zero for any calendar month. A person eligible for the credit under this section that does not take the credit within the two-year period immediately following the date of the commencement of production in paying quantities may apply to the department for a cash payment under AS 43.55.028. An application under this subsection must be in a form prescribed by the department and must include supporting information and documentation that the department reasonably requires. The department shall grant or deny an application, or grant an application as to a lesser amount than that claimed and deny it as to the excess, not later than 120 days after the date the department receives the application. If, based on the information then available to it, the department is reasonably satisfied that the applicant is entitled to a payment, the department shall issue the cash payment or a lesser amount after applying all or a portion of the credit to any outstanding unpaid balance of a tax owed by the applicant under this title.

(f) The department shall adopt regulations describing the procedures for determining the amount of the credit, record

keeping, verification of the accuracy of the credit claimed, and other regulations necessary to administer this section.

(g) The amount of credit for a qualified production facility expenditure under this section for an expenditure that is also a lease expenditure under AS 43.55.165 is reduced by the amount necessary so that the tax benefit percentage is not more than 85 percent of the qualified production facility expenditure. The amount of credit for a qualified production facility expenditure under this section that may not be taken because of the limitation in this subsection may not be included in an application for a cash payment under (e) of this section. In this subsection, "tax benefit percentage" means the sum of the average monthly tax rate under AS 43.55.011(e) for the calendar year in which the credit is taken and the percentage of the qualified production facility expenditure that may be taken as a credit under this section.

(h) In this section,

(1) "production facility" means a facility that is upstream from the point of production and is a flow station, a gathering center, a pump station, a storage tank, and a related appurtenance, or other facility that gathers, cleans, dehydrates, conditions, or stores crude oil, natural gas, or associated hydrocarbons and that is located on a lease or property leased from the state;

(2) "production in paying quantities" means production of oil and gas in quantities sufficient to recover the cost of operating, although the quantity may be insufficient to recover the cost of drilling;

(3) "qualified production facility expenditure" means an expenditure for a production facility that may be recognized as a qualified capital expenditure as defined in AS 43.55.023.

* **Sec. 6.** AS 43.55.028(a) is amended to read:

(a) The oil and gas tax credit fund is established as a separate fund of the state. The purpose of the fund is to purchase transferable tax credit certificates issued under AS 43.55.023 and production tax credit certificates issued under AS 43.55.025 and to pay **for unused credits under AS 43.55.026 that qualify for a cash payment and** refunds claimed under AS 43.20.046.

* **Sec. 7.** AS 43.55.028(g) is amended to read:

(g) The department may adopt regulations to carry out the purposes of this section, including standards and procedures to allocate available money among applications for purchases **and**

payments for unused credits under this chapter and claims for refunds under AS 43.20.046 when the total amount of the applications for purchase and claims for refund exceed the amount of available money in the fund. The regulations adopted by the department may not, when allocating available money in the fund under this section, distinguish an application for the purchase of a credit certificate issued under AS 43.55.023(m), **a payment for an unused credit that qualifies for a cash payment under AS 43.55.026**, or a claim for refund under AS 43.20.046.

* **Sec. 8.** AS 43.55.028 is amended by adding a new subsection to read:

(j) The department, on the written application of a person for the payment of an unused credit that qualifies for a cash payment under AS 43.55.026 after the end of the two-year period immediately following the date of the commencement of production in paying quantities, may use available money in the oil and gas tax credit fund to purchase, in whole or in part, the certificate if the department finds that

(1) the applicant does not have an outstanding liability to the state for unpaid delinquent taxes under this title;

(2) the applicant's total tax liability under AS 43.55.011(e) for the calendar year in which the application is made, after application of all available tax credits, is zero; and

(3) the purchase is consistent with this section and regulations adopted under this section.

* **Sec. 9.** AS 43.55.180(a) is amended to read:

(a) The department shall study

(1) the effects of the provisions of this chapter on oil and gas exploration, development, and production in the state, on investment expenditures for oil and gas exploration, development, and production in the state, on the entry of new producers into the oil and gas industry in the state, on state revenue, and on tax administration and compliance, giving particular attention to the tax rates provided under AS 43.55.011, the tax credits provided under **AS 43.55.023 - 43.55.026** [AS 43.55.023 - 43.55.025], and the deductions for and adjustments to lease expenditures provided under AS 43.55.160 - 43.55.170; and

(2) the effects of the tax rates under AS 43.55.011(i) on state revenue and on oil and gas exploration, development, and production on private land, and the fairness of those tax rates for

private landowners.

* **Sec. 10.** This Act takes effect January 1, 2012."

Representative Gara moved and asked unanimous consent that Amendment No. 5 be adopted.

Representative Millett objected.

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

CSHB 110(FIN)

Second Reading

Amendment No. 5

YEAS: 11 NAYS: 27 EXCUSED: 2 ABSENT: 0

Yeas: Doogan, Gara, Gardner, Gruenberg, Guttenberg, Holmes, Kawasaki, Kerttula, Miller, Petersen, Tuck

Nays: Austerman, Chenault, Costello, Dick, Edgmon, Fairclough, Feige, Foster, Gatto, Hawker, Herron, Johansen, Johnson, Joule, Keller, Lynn, Millett, Munoz, Olson, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, P.Wilson, T.Wilson

Excused: Cissna, Neuman

Gardner changed from "Nay" to "Yea".

And so, Amendment No. 5 was not adopted.

Amendment No. 6 was offered by Representatives Herron, Edgmon, and Joule:

Page 5, line 13, following "\$92.50":

Insert "but not more than \$105"

Page 5, following line 25:

Insert new material to read:

"(G) if the producer's average monthly production tax value of a BTU equivalent barrel of the taxable oil and gas for the month is more than \$105 but not more than \$117.50, the tax rates are

(i) 2.5 percent on the first \$12.50 of monthly production tax value for each BTU equivalent barrel that is greater than \$30;

(ii) 7.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel;

(iii) 12.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel;

(iv) 17.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel;

(v) 22.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel;

(vi) 25 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel; and

(vii) 30 percent of the monthly production tax value for each BTU equivalent barrel that is greater than \$105;

(H) if the producer's average monthly production tax value of a BTU equivalent barrel of the taxable oil and gas for the month is more than \$117.50, the tax rates are

(i) 2.5 percent on the first \$12.50 of monthly production tax value for each BTU equivalent barrel that is greater than \$30;

(ii) 7.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel;

(iii) 12.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel;

(iv) 17.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel;

(v) 22.5 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel;

(vi) 25 percent of the next higher \$12.50 of

monthly production tax value for each BTU equivalent barrel;

(vii) 30 percent of the next higher \$12.50 of monthly production tax value for each BTU equivalent barrel; and

(viii) 35 percent of the monthly production tax value for each BTU equivalent barrel that is greater than \$117.50;"

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

Representative Kerttula objected.

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

CSHB 110(FIN)

Second Reading

Amendment No. 6

YEAS: 14 NAYS: 24 EXCUSED: 2 ABSENT: 0

Yeas: Dick, Edgmon, Foster, Gara, Gatto, Herron, Holmes, Joule, Kawasaki, Munoz, Petersen, Seaton, Thomas, T.Wilson

Nays: Austerman, Chenault, Costello, Doogan, Fairclough, Feige, Gardner, Gruenberg, Guttenberg, Hawker, Johansen, Johnson, Keller, Kerttula, Lynn, Miller, Millett, Olson, Pruitt, Saddler, Stoltze, Thompson, Tuck, P.Wilson

Excused: Cissna, Neuman

And so, Amendment No. 6 was not adopted.

CSHB 110(FIN) was automatically in third reading.

The question being: "Shall CSHB 110(FIN) pass the House?" The roll was taken with the following result:

CSHB 110(FIN)

Third Reading

Final Passage

YEAS: 22 NAYS: 16 EXCUSED: 2 ABSENT: 0

Yeas: Chenault, Costello, Dick, Fairclough, Feige, Foster, Gatto, Hawker, Johansen, Johnson, Keller, Lynn, Millett, Munoz, Olson, Pruitt, Saddler, Stoltze, Thomas, Thompson, P.Wilson, T.Wilson

Nays: Austerman, Doogan, Edgmon, Gara, Gardner, Gruenberg, Guttenberg, Herron, Holmes, Joule, Kawasaki, Kerttula, Miller, Petersen, Seaton, Tuck

Excused: Cissna, Neuman

And so, CSHB 110(FIN) passed the House.

Representative Austerman moved the effective date clause.

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

CSHB 110(FIN)

Third Reading

Effective Date

YEAS: 36 NAYS: 0 EXCUSED: 2 ABSENT: 2

Yeas: Austerman, Chenault, Costello, Dick, Doogan, Edgmon, Fairclough, Feige, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Herron, Holmes, Johansen, Johnson, Kawasaki, Keller, Kerttula, Lynn, Miller, Millett, Munoz, Olson, Petersen, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, Tuck, P.Wilson

Excused: Cissna, Neuman

Absent: Joule, T.Wilson

And so, the effective date clause was adopted.

Representative Kerttula gave notice of reconsideration of the vote on CSHB 110(FIN).

LEGISLATIVE CITATIONS

Representative Austerman 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 – Dr. Jerry and Carol Prevo's 40 Years of Service

By Representatives Pruitt, Chenault, Cissna, Costello, Dick, Edgmon, Fairclough, Feige, Foster, Gara, Gatto, Gruenberg, Guttenberg, Hawker, Herron, Holmes, Johansen, Johnson, Joule, Kawasaki, Keller, Kerttula, Lynn, Millett, Munoz, Neuman, Olson, Petersen, Saddler, Seaton, Stoltze, Thomas, Thompson, Tuck, P. Wilson, T. Wilson; Senator Davis

Honoring – Bartlett High School Boys Basketball Team, 2011 4A Alaska State Champions

By Representatives Pruitt, Chenault, Austerman, Cissna, Costello, Dick, Doogan, Edgmon, Fairclough, Feige, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Herron, Holmes, Johansen, Johnson, Joule, Kawasaki, Keller, Kerttula, Lynn, Miller, Millett, Munoz, Neuman, Olson, Petersen, Saddler, Seaton, Stoltze, Thomas, Thompson, Tuck, P. Wilson, T. Wilson; Senator Wielechowski

Honoring – William J. Haller

By Senator Huggins; Representatives Neuman, Chenault, Cissna, Costello, Dick, Doogan, Edgmon, Fairclough, Feige, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Herron, Holmes, Johansen, Johnson, Joule, Kawasaki, Keller, Kerttula, Lynn, Miller, Millett, Munoz, Olson, Petersen, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, Tuck, P. Wilson, T. Wilson

In Memoriam – Mark Allen Hufford

By Representatives Fairclough, Chenault, Cissna, Costello, Dick, Doogan, Edgmon, Feige, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Herron, Holmes, Johansen, Johnson, Joule, Kawasaki, Keller, Kerttula, Lynn, Miller, Millett, Munoz, Neuman, Olson, Petersen, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, Tuck, P. Wilson, T. Wilson; Senator Dyson

In Memoriam – Gordon Clodfelter

By Representatives Austerman, Chenault, Cissna, Costello, Dick, Doogan, Edgmon, Fairclough, Feige, Foster, Gara, Gardner, Gatto, Gruenberg, Hawker, Herron, Holmes, Johansen, Johnson, Joule, Kawasaki, Keller, Kerttula, Lynn, Miller, Millett, Munoz, Neuman, Olson, Petersen, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, Tuck, P. Wilson, T. Wilson; Senator Stevens

In Memoriam – Sandra McGarry

By Representatives Austerman, Chenault, Cissna, Costello, Dick, Doogan, Edgmon, Fairclough, Feige, Foster, Gara, Gardner, Gatto, Gruenberg, Hawker, Herron, Holmes, Johansen, Johnson, Joule, Kawasaki, Keller, Kerttula, Lynn, Miller, Millett, Munoz, Neuman, Olson, Petersen, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, Tuck, P. Wilson, T. Wilson; Senator Stevens

In Memoriam – Elaine Damm

By Representatives Austerman, Chenault, Cissna, Costello, Dick, Doogan, Edgmon, Fairclough, Feige, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Herron, Holmes, Johansen, Johnson, Joule, Kawasaki, Keller, Kerttula, Lynn, Miller, Millett, Munoz, Neuman, Olson, Petersen, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, Tuck, P. Wilson, T. Wilson; Senator Stevens

In Memoriam – Jean Francois Franquelin

By Representatives Austerman, Chenault, Cissna, Costello, Dick, Doogan, Edgmon, Fairclough, Feige, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Herron, Holmes, Johansen, Johnson, Joule, Kawasaki, Keller, Kerttula, Lynn, Miller, Millett, Munoz, Neuman, Olson, Petersen, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, Tuck, P. Wilson, T. Wilson; Senator Stevens

In Memoriam – Ronald Arthur "Ronnie" Fadaoff

By Representatives Austerman, Chenault, Cissna, Costello, Dick, Doogan, Edgmon, Fairclough, Feige, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Herron, Holmes, Johansen, Johnson, Joule, Kawasaki, Keller, Kerttula, Lynn, Miller, Millett, Munoz, Neuman, Olson, Petersen, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, Tuck, P. Wilson, T. Wilson; Senator Stevens

In Memoriam – Reverend Richard K. Heacock Jr.

By Representatives Kawasaki, Chenault, Cissna, Costello, Dick, Doogan, Edgmon, Fairclough, Feige, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Herron, Holmes, Johansen, Johnson, Joule, Keller, Kerttula, Lynn, Miller, Millett, Munoz, Neuman, Olson, Petersen, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, Tuck, P. Wilson, T. Wilson

In Memoriam – Rickarla "Ricki" Chagnon

By Representatives Kawasaki, Chenault, Cissna, Costello, Dick, Doogan, Edgmon, Fairclough, Feige, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Herron, Holmes, Johansen, Johnson, Joule, Keller, Kerttula, Lynn, Miller, Millett, Munoz, Neuman, Olson, Petersen, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, Tuck, P. Wilson, T. Wilson

In Memoriam – Melbourne "Mel" Alvin Booth

By Senator Kookesh; Representatives Thomas, Chenault, Cissna, Costello, Dick, Doogan, Edgmon, Fairclough, Feige, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Herron, Holmes, Johansen, Johnson, Joule, Kawasaki, Keller, Kerttula, Lynn, Miller, Millett, Munoz, Neuman, Olson, Petersen, Pruitt, Saddler, Seaton, Stoltze, Thompson, Tuck, P. Wilson, T. Wilson

In Memoriam – Emma M. "Pat" Cook

By Senator Paskvan; Representatives Kawasaki, Chenault, Cissna, Costello, Dick, Doogan, Edgmon, Fairclough, Feige, Foster, Gara, Gardner, Gatto, Gruenberg, Guttenberg, Hawker, Herron, Holmes, Johansen, Johnson, Joule, Keller, Kerttula, Lynn, Miller, Millett, Munoz, Neuman, Olson, Petersen, Pruitt, Saddler, Seaton, Stoltze, Thomas, Thompson, Tuck, P. Wilson, T. Wilson

UNFINISHED BUSINESS

HB 200

Representative Gatto moved and asked unanimous consent to withdraw the following:

HOUSE BILL NO. 200

"An Act relating to restricting collective bargaining by certain public employees."

There being no objection, HB 200 was withdrawn.

HB 15

The Speaker removed the Health & Social Services Committee referral and added a Judiciary Committee referral for the following:

HOUSE BILL NO. 15

"An Act relating to prevention and evaluation of and liability for traumatic brain injuries in student athletes."

HB 15 was removed from the Health & Social Services Committee and referred to the Judiciary Committee.

HB 49

Representative Joule added his name as cosponsor to:

HOUSE BILL NO. 49

"An Act establishing in the Department of Education and Early Development a voluntary parent and early childhood education program for pre-elementary aged children."

HB 87

Representative P. Wilson added her name as cosponsor to:

HOUSE BILL NO. 87

"An Act relating to penalties for antitrust violations."

HB 180

Representative Petersen added his name as cosponsor to:

HOUSE BILL NO. 180

"An Act authorizing the Department of Administration to note a person's status as a veteran on the person's driver's license and to provide certain information to the Department of Military and Veterans' Affairs."

SB 1

Representative Kawasaki added his name as cross sponsor to:

CS FOR SENATE BILL NO. 1(EDC)

"An Act requiring the state Board of Education and Early Development to provide an annual report to the legislature."

ANNOUNCEMENTS

House committee schedules are published under separate cover.

ADJOURNMENT

Representative Austerman moved and asked unanimous consent that the House adjourn until 10:30 a.m., April 1, 2011. There being no objection, the House adjourned at 8:46 p.m.

Suzi Lowell
Chief Clerk