

SENATE JOURNAL
ALASKA STATE LEGISLATURE
TWENTY-EIGHTH LEGISLATURE

SECOND SESSION

Juneau, Alaska

Tuesday

March 18, 2014

Fifty-seventh Day

Pursuant to adjournment the Senate was called to order by President Huggins at 11:07 a.m.

The roll showed twenty members present.

The prayer was offered by the Chaplain, The Most Reverend Edward J. Burns, Bishop of the Catholic Diocese of Juneau. Senator Hoffman moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

Good and gracious God, we come before you confident in your love for us. We ask that you bless the members of this Senate of the State of Alaska. In their work, may they reflect your justice. In their decisions, may they reflect your wisdom. In their actions, may they reflect your love. And may all of us reflect that you have created us in your image.

Heavenly Father, we pray and support our legislators as they represent us in bringing forth the laws of this land. May they always strive for the common good in this state of Alaska. Guide them, protect their families, and may they always know your peace and presence in their lives. We ask, too, for your blessing upon the neediest in our world and in our state. In particular, we are mindful of our brothers and sisters who face the challenges of a harsh winter. We ask for your providential care for them.

Through our charitable works and acts of kindness,
may they know your presence and consolation. I offer
this prayer in your Name and to your glory forever
and ever. Amen.

Senator Ellis led the Senate in the Pledge of Allegiance.

Certification

Senator Coghill moved and asked unanimous consent that the journal for the fifty-sixth legislative day be approved as certified by the Secretary. Without objection, it was so ordered.

Messages from the House

Message dated March 17 was read stating the House passed and transmitted for consideration:

First Reading and Reference of House Bills

HB 212

HOUSE BILL NO. 212 BY REPRESENTATIVES ISAACSON, HUGHES, LEDOUX, Lynn, Keller, Gattis, Feige, entitled:

"An Act relating to an exemption from driver licensing requirements for spouses of members of the armed forces of the United States."

was read the first time and referred to the State Affairs Committee.

HB 297

CS FOR HOUSE BILL NO. 297(FIN) BY THE HOUSE FINANCE COMMITTEE, entitled:

"An Act recognizing the Alaska Housing Finance Corporation as the authorizing agency to approve home energy rating systems for the state; and providing for an effective date."

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

Standing Committee Reports**SB 108**

The Finance Committee considered SENATE BILL NO. 108 "An Act relating to the confidentiality of certain records of criminal cases; and providing for an effective date" and recommended the adoption of the Judiciary Committee Substitute offered on page 1886. Signing do pass: Senators Kelly, Meyer, Cochairs; Senators Dunleavy, Bishop. Signing no recommendation: Senators Hoffman, Fairclough, Olson.

The following fiscal information was published today:

Fiscal Note No. 5, Alaska Court System

Fiscal Note No. 6, zero, Department of Health and Social Services

The following previously published fiscal information applies:

Fiscal Note No. 1, zero, Department of Law

Fiscal Note No. 2, zero, Department of Administration

Fiscal Note No. 3, zero, Department of Administration

The bill was referred to the Rules Committee.

SB 187

The Judiciary Committee considered SENATE BILL NO. 187 "An Act relating to the crime of endangering the welfare of a child in the second degree; relating to the crime of misconduct involving confidential information in the first degree; amending Rule 16(d)(3), Alaska Rules of Criminal Procedure; and providing for an effective date" and recommended it be replaced with

CS FOR SENATE BILL NO. 187(JUD) "An Act relating to the crime of endangering the welfare of a child in the second degree; relating to the crime of misconduct involving confidential information in the first degree; amending Rule 16, Alaska Rules of Criminal Procedure; amending Rule 8, Alaska Child in Need of Aid Rules; and providing for an effective date."

Signing do pass: Senator Coghill, Chair; Senator Dyson. Signing no recommendation: Senator Olson.

The following fiscal information was published today:

- Fiscal Note No. 1, zero, Department of Corrections
- Fiscal Note No. 2, zero, Department of Law
- Fiscal Note No. 3, zero, Department of Administration
- Fiscal Note No. 4, zero, Department of Administration

The bill was referred to the Rules Committee.

HB 135

The Resources Committee considered HOUSE BILL NO. 135 "An Act relating to the reservation of certain mining claims from all uses incompatible with the purposes for establishing the Petersville Recreational Mining Area." Signing do pass: Senator Giessel, Chair; Senators Micciche, Bishop, McGuire, Dyson.

The following previously published fiscal information applies:

- Fiscal Note No. 1, zero, Department of Natural Resources

The bill was referred to the Rules Committee.

SCR 17

The State Affairs Committee considered SENATE CONCURRENT RESOLUTION NO. 17 Commemorating the 150th anniversary of the purchase of Alaska for \$7,200,000; urging Alaska communities to plan activities and events in 2017 to commemorate the Alaska Purchase; requesting that the Alaska Historical Commission coordinate events; and inviting Alaska communities, schools, universities, libraries, museums, businesses, civic and historical groups, and government agencies to participate in and support commemorative activities and events. Signing do pass: Senator Giessel, Vice Chair; Senators Wielechowski, Coghill.

The following fiscal information was published today:

- Fiscal Note No. 1, zero, Legislative Agency

The resolution was referred to the Rules Committee.

Consideration of the Calendar**Third Reading of Senate Bills****SB 138**

CS FOR SENATE BILL NO. 138(FIN) "An Act relating to the purposes, powers, and duties of the Alaska Gasline Development Corporation; relating to an in-state natural gas pipeline, an Alaska liquefied natural gas project, and associated funds; requiring state agencies and other entities to expedite reviews and actions related to natural gas pipelines and projects; relating to the authorities and duties of the commissioner of natural resources relating to a North Slope natural gas project, oil and gas and gas only leases, and royalty gas and other gas received by the state including gas received as payment for the production tax on gas; relating to the tax on oil and gas production, on oil production, and on gas production; relating to the duties of the commissioner of revenue relating to a North Slope natural gas project and gas received as payment for tax; relating to confidential information and public record status of information provided to or in the custody of the Department of Natural Resources and the Department of Revenue; relating to apportionment factors of the Alaska Net Income Tax Act; amending the definition of gross value at the 'point of production' for gas for purposes of the oil and gas production tax; clarifying that the exploration incentive credit, the oil or gas producer education credit, and the film production tax credit may not be taken against the gas production tax paid in gas; relating to the oil or gas producer education credit; requesting the governor to establish an interim advisory board to advise the governor on municipal involvement in a North Slope natural gas project; relating to the development of a plan by the Alaska Energy Authority for developing infrastructure to deliver affordable energy to areas of the state that will not have direct access to a North Slope natural gas pipeline and a recommendation of a funding source for energy infrastructure development; establishing the rural capital energy fund; requiring the commissioner of revenue to develop a plan and suggest legislation for municipalities, regional corporations, and residents of the state to acquire ownership interests in a North Slope natural gas pipeline project; making conforming amendments; and providing for an effective date" was read the third time.

Senator Meyer moved and asked unanimous consent to abstain from voting due to a conflict of interest. Senator Coghill objected. Senator Meyer was required to vote.

Senator Micciche moved and asked unanimous consent to abstain from voting due to a conflict of interest. Senator Coghill objected. Senator Micciche was required to vote.

Senator Coghill moved that the bill be returned to second reading for all amendments offered today. Without objection, the bill was returned to second reading.

Senators Dunleavy and Hoffman offered Amendment No. 1:

Page 2, line 11:

Delete "**rural capital**"
Insert "**Alaska affordable**"

Page 11, line 21:

Delete "**Rural capital**"
Insert "**Alaska affordable**"
Delete "rural capital"
Insert "Alaska affordable"

Page 12, line 1:

Delete "rural capital"
Insert "Alaska affordable"

Page 54, line 7, following "manner.":

Insert "For those citizens for whom there is no economically viable infrastructure available, the plan must recommend the means for directly underwriting the energy costs of the citizens to make their energy costs more affordable."

Senator Dunleavy moved for the adoption of Amendment No. 1. Senator French objected, then withdrew his objection. There being no further objection, Amendment No. 1 was adopted.

Senators French, Ellis, Gardner, Wielechowski offered Amendment No. 2:

Page 13, line 19, following "unless":

Insert new material to read:

"(A) the agreement or negotiated contract provides that the state is the majority owner of the Alaska liquefied natural gas project defined in AS 31.25.390; and (B)"

Page 15, line 13, following "unless":

Insert new material to read:

"(A) the agreement or negotiated contract provides that the state is the majority owner of the Alaska liquefied natural gas project defined in AS 31.25.390; and
(B)"

Page 24, following line 1:

Insert new bill sections to read:

**** Sec. 30.** AS 42.08.220(b) is amended to read:

- (b) The commission may
 - (1) review and approve recourse tariffs filed by an in-state natural gas pipeline carrier under this chapter;
 - (2) review and approve contracts;
 - (3) investigate, on its own motion or after receiving a formal complaint, a dispute
 - (A) related to rules, regulations, services, practices, and facilities that are not subject to the dispute resolution provisions in an in-state natural gas pipeline carrier's contracts or recourse tariff;
 - (B) presented by a complainant that does not have a contract with the in-state natural gas pipeline carrier;
 - (C) related to the conduct of an in-state natural gas pipeline carrier's open season under AS 42.08.300; to resolve the dispute, the commission may order an expansion of an in-state natural gas pipeline or order an open season under the terms provided for an expansion or open season in this chapter or AS 38.35.121(a)(4) [AND (c)]; or
 - (D) related to an unreasonable diminution in quantity or quality in the provision of service to a public utility that
 - (i) is a violation of the in-state natural gas pipeline carrier's tariff or contract with the public utility;
 - (ii) has not been resolved by the in-state natural gas pipeline carrier; and

(iii) will result in immediate injury, loss, or damage to the peace, health, safety, or general welfare of the public as clearly demonstrated by specific facts shown by affidavit or verified complaint;

(4) adopt regulations that are necessary and proper to the performance of the duties of the commission under this chapter, including regulations governing practices and procedures of the commission; regulations adopted by the commission may not be inconsistent with state law;

(5) initiate, intervene in, and appear personally or by counsel and offer evidence in and participate in, proceedings before an officer, department, board, commission, or court of this state involving an in-state natural gas pipeline carrier and affecting the interests of the state; and

(6) appoint a qualified, unbiased, and impartial administrative law judge with experience in the general practice of law to conduct hearings under this chapter; the administrative law judge may perform other duties in connection with the administration of this chapter and other laws; an administrative law judge hired to conduct hearings under this chapter shall have been admitted to practice law for at least five years immediately before appointment under this paragraph.

* **Sec. 31.** AS 42.08.300(d) is amended to read:

(d) An in-state natural gas pipeline carrier shall conduct an open season for an expansion of its pipeline system when it has received one or more requests for firm transportation service from potential shippers that meet the pipeline's creditworthiness requirements and that, in the aggregate, would enable the expansion of the pipeline's system on a commercially reasonable basis. [AN EXPANSION OF THE PIPELINE SYSTEM IS NOT COMMERCIALY REASONABLE IF THE EXPANSION WOULD CAUSE THE PIPELINE TO BE A COMPETING NATURAL GAS PIPELINE PROJECT FOR PURPOSES OF AS 43.90.]

* **Sec. 32.** AS 42.08.370(a) is amended to read:

(a) A contract entered into by an in-state natural gas pipeline carrier may provide for expansion [UNLESS THE EXPANSION WOULD CAUSE THE PIPELINE TO BE A COMPETING NATURAL GAS PIPELINE PROJECT FOR PURPOSES OF AS 43.90]."

Page 25, line 9:

Delete "sec. 30"

Insert "sec. 33"

Page 31, line 18:

Delete "sec. 37"

Insert "sec. 40"

Page 53, line 14:

Delete "AS 31.25.080(f) is"

Insert "AS 31.25.080(c), 31.25.080(f); and AS 38.35.121(c) are"

Page 56, line 4:

Delete "30, 37, 39, and 55 - 61"

Insert "33, 40, 42, and 50 - 64"

Page 56, line 6:

Delete "Section 38"

Insert "Section 41"

Page 56, line 7:

Delete "secs. 62 and 63"

Insert "secs. 65 and 66"

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

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

CSSB 138(FIN) am
Second Reading
Amendment No. 2

YEAS: 4 NAYS: 16 EXCUSED: 0 ABSENT: 0

Yeas: Ellis, French, Gardner, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens

and so, Amendment No. 2 failed.

Senators Wielechowski, Ellis, French, Gardner offered Amendment No. 3:

Page 2, line 7, following "**project;**":

Insert "**relating to oil and gas or gas only leasing; requiring that a minimum work commitment be included in each oil and gas and gas only lease and that a proposed plan of development be included in an application for an oil and gas or gas only lease;**"

Page 15, following line 30:

Insert a new bill section to read:

"* **Sec. 16.** AS 38.05.180(h) is amended to read:

(h) The commissioner **shall** [MAY] include terms in any lease **that impose** [IMPOSING] a minimum work commitment on the lessee **to implement the plan of development submitted by the lessee under (jj) of this section.** Except as provided in (m) of this section, these terms must be made public before the sale, and may include appropriate penalty provisions to take effect in the event the lessee does not fulfill the minimum work commitment. If it is demonstrated that a lease has been proven unproductive by actions of adjacent lease holders, the commissioner may set aside a work commitment. The commissioner may waive for a period not to exceed one two-year period any term of a minimum work commitment if the commissioner makes a written finding either that conditions preventing drilling or exploration were beyond the lessee's reasonable ability to foresee or control or that the lessee has demonstrated through good faith efforts an intent and ability to drill or develop the lease during the term of the waiver."

Re-number the following bill sections accordingly.

Page 16, following line 15:

Insert a new bill section to read:

"* **Sec. 18.** AS 38.05.180(x) is amended to read:

(x) A lessee conducting or permitting any exploration for, or development or production of, oil or gas on state land shall provide the commissioner access to all noninterpretive data obtained from that lease; **shall provide the commissioner access to all information necessary to perform an economic analysis under (kk)(2) of this section, including the capital, operating,**

production, and development costs and an estimate of total reserves; and shall provide copies of that data **and information,** as the commissioner may request. The confidentiality provisions of AS 38.05.035 apply to the information obtained under this subsection."

Renumber the following bill sections accordingly.

Page 17, following line 23:

Insert new subsections to read:

"(jj) The commissioner shall require each bidder for an oil and gas lease or gas only lease and each lessee applying for an extension or renewal of an oil and gas lease or gas only lease to submit a plan of development for exploring, developing, and producing from the lease within the period of the lease or the extension or renewal of the lease. The commissioner shall review each plan of development and determine whether the proposed plan of development is reasonably expected to develop the lease in the best interest of the state. The plan of development shall be included in a lease along with penalties for failing to comply with the plan of development and other terms of the lease. A bidder may not be a "qualified bidder" for the purposes of (f)(1) of this section if the commissioner finds that the bidder has not submitted a proposed plan of development that is in the best interest of the state or that the person that submitted the plan of development is not reasonably capable of implementing the plan.

(kk) The commissioner shall

(1) review each oil and gas lease or gas only lease each year for the purpose of determining whether a lease is being developed in the best interest of the state, whether the lessee is complying with the plan of development applicable to the lease, and whether revision of a development plan, including the planned rate of development, would provide the maximum benefit to the people of the state;

(2) every five years, perform an economic analysis on each participating area and determine whether the participating area is capable of increased production in paying quantities over the current rate of production or plan of development;

(3) enforce the terms of each oil and gas lease or gas only lease, including imposing any applicable penalty or other remedy

for noncompliance, within a reasonable time after finding that a lessee is out of compliance with the terms of the lease;

(4) submit a report to the legislature before the first day of each regular session that lists each oil and gas or gas only lessee that is found to be out of compliance and the action by the commissioner to bring the lessee back into compliance or to terminate the lease.

(ll) For the purposes of (jj) and (kk) of this section, a plan of development for a cooperative or unit under (p) of this section is the plan of development for a lease within the cooperative or unit, except where a different plan of development is established for a lease within the cooperative or unit.

(mm) For purposes of (kk) of this section,

(1) "participating area" means that part of an oil and gas lease unit area to which production is allocated in the manner described in a unit agreement;

(2) "production in paying quantities" means production in quantities sufficient to yield a return in excess of drilling, development, and operating costs."

Page 17, line 24:

Delete "sec. 17"

Insert "sec. 19"

Page 21, line 16:

Delete "sec. 27"

Insert "sec. 29"

Page 25, line 9:

Delete "sec. 30"

Insert "sec. 32"

Page 31, line 18:

Delete "sec. 37"

Insert "sec. 39"

Page 53, following line 14:

Insert a new bill section to read:

"* **Sec. 60.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. AS 38.05.180(h), as amended by sec. 16 of this Act, and AS 38.085.180(jj), enacted by sec. 19 of this Act, apply to a proposed lease sale and the renewal or extension of a lease on or after the effective date of secs. 16 and 19 of this Act."

Renumber the following bill sections accordingly.

Page 53, lines 24 - 25:

Delete "sec. 23"

Insert "sec. 25"

Page 56, line 4:

Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

Insert "17, 19, 25 - 29, 31, 32, 39, 41, and 57 - 64"

Page 56, line 6:

Delete "Section 38"

Insert "Section 40"

Page 56, line 7:

Delete "secs. 62 and 63"

Insert "secs. 65 and 66"

Senator Wielechowski moved for the adoption of Amendment No. 3.
Senator Coghill objected.

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

CSSB 138(FIN) am

Second Reading

Amendment No. 3

YEAS: 5 NAYS: 15 EXCUSED: 0 ABSENT: 0

Yeas: Ellis, French, Gardner, Hoffman, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens

and so, Amendment No. 3 failed.

Senators French, Ellis, Gardner, Wielechowski offered Amendment No. 4:

Page 13, line 18, following "**project**":

Insert "**the licensee receiving the license issued under AS 43.90 or an affiliate of the licensee that received the license under AS 43.90 may not, without competitive bidding, be a party to a contract under this paragraph that takes effect after the effective date of this paragraph and provides for the state to acquire an equity interest in a North Slope natural gas project or for the transportation of natural gas received by the state as royalty-in-kind or under AS 43.55.014;**"

Page 15, line 11, following "project;":

Insert "the licensee receiving the license issued under AS 43.90 or an affiliate of the licensee that received the license under AS 43.90 may not, without competitive bidding, be a party to a contract under this paragraph that takes effect after the effective date of this paragraph and provides for the state to acquire an equity interest in a North Slope natural gas project or for the transportation of natural gas received by the state as royalty-in-kind or under AS 43.55.014;"

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

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

CSSB 138(FIN) am
Second Reading
Amendment No. 4

YEAS: 7 NAYS: 12 EXCUSED: 0 ABSENT: 1

Yeas: Egan, Ellis, French, Gardner, Olson, Stedman, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Stevens

Absent: Dyson

and so, Amendment No. 4 failed.

Recess

Senator Coghill moved and asked unanimous consent that the Senate stand in recess to a call of the Chair. Without objection, the Senate recessed at 12:30 p.m.

After Recess

The Senate reconvened at 1:16 p.m.

SB 138

Senators Gardner, Ellis, French, Wielechowski offered Amendment No. 5:

Page 55, following line 28:

Insert a new bill section to read:

"* **Sec. 61.** The uncodified law of the State of Alaska is amended by adding a new section to read:

LIMIT ON COSTS. The commissioner of natural resources may not agree to reimburse TransCanada Alaska Development Inc. or an affiliate of TransCanada Alaska Development Inc. for its costs, as described in the December 12, 2013, Memorandum of Understanding between TransCanada Alaska Company, LLC, Foothills Pipe Lines Ltd., TransCanada Alaska Development Inc., and the State of Alaska, if the final investment decision enabling the North Slope natural gas project is not made because the state is the only party to the project that does not agree to go forward with the project."

Page 56, line 4:

Delete "61"

Insert "62"

Page 56, line 7:

Delete "secs. 62 and 63"

Insert "secs. 63 and 64"

Senator Gardner moved for the adoption of Amendment No. 5. Senator Fairclough objected.

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

CSSB 138(FIN) am
Second Reading
Amendment No. 5

YEAS: 5 NAYS: 15 EXCUSED: 0 ABSENT: 0

Yeas: Ellis, French, Gardner, Stedman, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stevens

and so, Amendment No. 5 failed.

Senators Wielechowski, Ellis, French, Gardner offered Amendment No. 6:

Page 1, line 7, following "**on gas**";:

Insert "**relating to an option for the state to acquire an ownership interest in a North Slope natural gas project**";

Page 15, following line 30:

Insert a new bill section to read:

**** Sec. 16.** AS 38.05 is amended by adding a new section to read:

Sec. 38.05.023. State option to acquire an ownership interest in a North Slope natural gas project. (a) An agreement or contract associated with a North Slope natural gas project that includes an option for the state to acquire an ownership interest in a gas pipeline or gas treatment plant may not require the state to exercise the option before the final investment decision is made to commence the construction of a North Slope natural gas project.

(b) In this section, "gas pipeline" and "gas treatment plant" have the meanings given in AS 31.25.390."

Renumber the following bill sections accordingly.

Page 17, line 24:

Delete "sec. 17"

Insert "sec. 18"

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Page 21, line 16:

Delete "sec. 27"

Insert "sec. 28"

Page 25, line 9:

Delete "sec. 30"

Insert "sec. 31"

Page 31, line 18:

Delete "sec. 37"

Insert "sec. 38"

Page 53, lines 24 - 25:

Delete "sec. 23"

Insert "sec. 24"

Page 56, line 4:

Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"

Page 56, line 6:

Delete "Section 38"

Insert "Section 39"

Page 56, line 7:

Delete "secs. 62 and 63"

Insert "secs. 63 and 64"

Senator Wielechowski moved for the adoption of Amendment No. 6.
Senator Coghill objected.

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

CSSB 138(FIN) am
Second Reading
Amendment No. 6

YEAS: 7 NAYS: 13 EXCUSED: 0 ABSENT: 0

Yeas: Egan, Ellis, French, Gardner, Olson, Stedman, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Dyson, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Stevens

and so, Amendment No. 6 failed.

Senators Wielechowski, Ellis, French, Gardner offered Amendment No. 7:

Page 1, line 7, following "**on gas**";:

Insert "**relating to contracts associated with a North Slope natural gas project**";

Page 15, following line 30:

Insert a new bill section to read:

*** Sec. 16.** AS 38.05 is amended by adding a new section to read:

Sec. 38.05.023. Agreements and contracts associated with a North Slope natural gas project. (a) An agreement or contract associated with a North Slope natural gas project to which the state is a party must require that a party to the agreement or contract that has an equity interest of five percent or more in the Alaska liquefied natural gas project or a component of the Alaska liquefied natural gas project expand the Alaska liquefied natural gas project or a component of the Alaska liquefied natural gas project in reasonable engineering increments when there is sufficient commercial interest in the expansion. The requirement to expand in this subsection is subject to the limitation that a party is not required to pay a cost of expansion that increases the tariff, cost of service, or cost of transportation, as applicable to that part of the North Slope natural gas project that is expanded, by more than 15 percent.

(b) In this section,

(1) "Alaska liquefied natural gas project" has the meaning given in AS 31.25.390;

(2) "component" means a gas pipeline, gas treatment plant, liquefied natural gas plant, marine terminal, Point Thomson unit gas transmission line, or Prudhoe Bay unit gas transmission line, as those parts of the Alaska liquefied natural gas project are described in AS 31.25.390;

(3) "cost of expansion" means the cost to a party of expanding the Alaska liquefied natural gas project or a component of the Alaska liquefied natural gas project when an expansion is required under an agreement or contract."

Renumber the following bill sections accordingly.

Page 17, line 24:

Delete "sec. 17"

Insert "sec. 18"

Page 21, line 16:

Delete "sec. 27"

Insert "sec. 28"

Page 25, line 9:

Delete "sec. 30"

Insert "sec. 31"

Page 31, line 18:

Delete "sec. 37"

Insert "sec. 38"

Page 53, lines 24 - 25:

Delete "sec. 23"

Insert "sec. 24"

Page 56, line 4:

Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"

Page 56, line 6:

Delete "Section 38"

Insert "Section 39"

Page 56, line 7:

Delete "secs. 62 and 63"

Insert "secs. 63 and 64"

Senator Wielechowski moved for the adoption of Amendment No. 7.
Senator Coghill objected.

The question being: "Shall Amendment No. 7 be adopted?" The roll was taken with the following result:

CSSB 138(FIN) am
Second Reading
Amendment No. 7

YEAS: 5 NAYS: 15 EXCUSED: 0 ABSENT: 0

Yeas: Ellis, French, Gardner, Hoffman, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens

and so, Amendment No. 7 failed.

Senators Gardner, Ellis, French, Wielechowski offered Amendment No. 8:

Page 13, line 18, following "**paragraph**":
Insert "**(A)**"

Page 13, line 20, following "**contract**":
Insert "**and**

(B) must include a provision that requires that each party to the agreement or contract pay, in proportion to the party's ownership interest in the North Slope natural gas project, the costs of infrastructure south of 68 degrees North latitude that are directly related to the North Slope natural gas project; in this subparagraph, "costs of infrastructure" includes the costs of construction, improvement, and maintenance of roads, bridges, port facilities, and utilities;

Page 15, line 12, following "paragraph":
Insert "(A)"

Page 15, line 14, following "contract;":
Insert "and

(B) must include a provision that requires that each party to the agreement or contract pay, in proportion to the party's ownership interest in the North Slope natural gas project, the costs of

infrastructure south of 68 degrees North latitude that are directly related to the North Slope natural gas project; in this subparagraph, "costs of infrastructure" includes the costs of construction, improvement, and maintenance of roads, bridges, port facilities, and utilities;"

Senator Gardner moved for the adoption of Amendment No. 8. Senator Coghill objected.

The question being: "Shall Amendment No. 8 be adopted?" The roll was taken with the following result:

CSSB 138(FIN) am
Second Reading
Amendment No. 8

YEAS: 5 NAYS: 15 EXCUSED: 0 ABSENT: 0

Yeas: Egan, Ellis, French, Gardner, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Dyson, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens

and so, Amendment No. 8 failed.

Senators Wielechowski, Ellis, French, Gardner offered Amendment No. 9:

Page 47, line 15:
Delete "a new subsection"
Insert "new subsections"

Page 47, line 23:
Delete "or gas"

Page 48, line 1:
Delete "or gas"

Page 48, lines 2 - 3:
Delete "or gas"

Page 48, lines 8 - 9:
Delete "or gas"

Page 48, line 17:
Delete "or gas"

Page 48, line 18:
Delete "or gas"

Page 48, following line 22:

Insert a new subsection to read:

"(i) For purposes of (h) of this section, for a well that produces both oil and gas, the portion of the costs attributable to oil incurred to explore for, develop, or produce an oil and gas deposit is a fraction the numerator of which is the production of oil expressed in BTU equivalent barrels and the denominator of which is the total production of oil and gas expressed in BTU equivalent barrels."

Senator Wielechowski moved for the adoption of Amendment No. 9.
Senator Coghill objected.

The question being: "Shall Amendment No. 9 be adopted?" The roll was taken with the following result:

CSSB 138(FIN) am
Second Reading
Amendment No. 9

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

Yeas: Ellis, French, Gardner, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Stedman, Stevens

Absent: Olson

and so, Amendment No. 9 failed.

Senators Ellis, French, Gardner, Wielechowski offered Amendment No. 10:

Page 25, line 8, following "**project**":

Insert "**the commissioner shall ensure that a contract negotiated under this paragraph does not authorize payments in lieu of taxes to a municipality**"

Page 26, line 15, following "project":

Insert "; the commissioner shall ensure that a contract negotiated under this paragraph does not authorize payments in lieu of taxes to a municipality"

Senator Ellis moved for the adoption of Amendment No. 10. Senator Coghill objected.

The question being: "Shall Amendment No. 10 be adopted?" The roll was taken with the following result:

CSSB 138(FIN) am
Second Reading
Amendment No. 10

YEAS: 5 NAYS: 15 EXCUSED: 0 ABSENT: 0

Yeas: Egan, Ellis, French, Gardner, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Dyson, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens

and so, Amendment No. 10 failed.

Senators Gardner, Ellis, French, Wielechowski offered Amendment No. 11:

Page 1, line 12, following "**Revenue**";:

Insert "**relating to the review by the Regulatory Commission of Alaska of a precedent agreement or related contract for an in-state natural gas pipeline**;"

Page 24, following line 1:

Insert a new bill section to read:

** **Sec. 30.** AS 42.08.320(e) is amended to read:

(e) **The** [IF A PRECEDENT AGREEMENT OR RELATED CONTRACT IS NOT ARM'S LENGTH, THE] commission shall determine whether the precedent agreement or related contract is

just and reasonable using the standards applied under AS 42.06.140 [NORMALLY APPLIED UNDER AS 42.06.140. IF THE COMMISSION IS REVIEWING A PRECEDENT AGREEMENT UNDER (c)(2) OF THIS SECTION, THE COMMISSION MAY CONSIDER THE IN-STATE NATURAL GAS PIPELINE CARRIER'S APPROVED RECOURSE TARIFF, INCLUDING THE COST DATA UNDERLYING THE TARIFF]. When considering whether to approve a contract as just and reasonable under this subsection, the commission shall consider the consequences of failing to approve the contract."

Renumber the following bill sections accordingly.

Page 25, line 9:

Delete "sec. 30"
Insert "sec. 31"

Page 31, line 18:

Delete "sec. 37"
Insert "sec. 38"

Page 56, line 4:

Delete "29, 30, 37, 39, and 55 - 61"
Insert "29 - 31, 38, 40, and 56 - 62"

Page 56, line 6:

Delete "Section 38"
Insert "Section 39"

Page 56, line 7:

Delete "secs. 62 and 63"
Insert "secs. 63 and 64"

Senator Gardner moved for the adoption of Amendment No. 11.
Senator Coghill objected.

The question being: "Shall Amendment No. 11 be adopted?" The roll was taken with the following result:

CSSB 138(FIN) am
Second Reading
Amendment No. 11

YEAS: 5 NAYS: 15 EXCUSED: 0 ABSENT: 0

Yeas: Ellis, French, Gardner, Hoffman, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens

and so, Amendment No. 11 failed.

Senators Wielechowski, Ellis, French, Gardner offered Amendment No. 12:

Page 28, line 8, through page 29, line 25:

Delete all material and insert:

**** Sec. 35.** AS 43.55.011(f) is repealed and reenacted to read:

(f) Except for oil subject to (i) of this section of this section, the provisions of this subsection apply to oil produced from each lease or property within a unit or nonunitized reservoir that has cumulatively produced 1,000,000,000 barrels of oil by the close of the most recent calendar year and from which the average daily oil production from the unit or nonunitized reservoir during the most recent calendar year exceeded 100,000 barrels. Notwithstanding any contrary provision of law, a producer may not apply tax credits to reduce its total tax liability under (e) of this section for oil produced from all leases or properties within the unit or nonunitized reservoir below 15 percent of the total gross value at the point of production of that oil. If the amount of tax calculated by multiplying the tax rate in (e) of this section by the total production tax value of the oil under (e) of this section produced from all of the producer's leases or properties within the unit or nonunitized reservoir is less than 15 percent of the total gross value at the point of production of that oil, the tax levied by (e) of this section for that oil is equal to 15 percent of the total gross value at the point of production of that oil."

Page 35, line 24:

Delete "and gas"

Insert "[AND GAS]"

Page 35, lines 25 - 29:

Delete "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"

Insert "**greater** [GREATEST] of

(i) **15 percent of the gross value at the point of production of the oil** [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]"

Page 35, line 31:

Delete "(iii)"

Insert "**ii** [(iii)]"

Page 37, line 17:

Delete "**greatest**"

Insert "**greater**"

Page 37, lines 18 - 20:

Delete "**zero;**

(ii) zero percent, one percent, two percent, three percent, or four percent, as applicable."

Insert "**15 percent**"

Page 37, line 24:

Delete "**iii**"

Insert "**ii**"

Page 39, lines 19 - 20:

Delete "**(5)(B)(ii), and (7)(A)(ii)**"

Page 39, line 21:

Delete "**AS 43.55.011(f)(1) or (2)**"

Insert "**AS 43.55.011(f) as that subsection read on December 31, 2013,**"

Page 39, line 23:

Delete "AS 43.55.011(f)(1) or (2)"
Insert "AS 43.55.011(f) as that subsection read on
December 31, 2013,"

Page 56, following line 3:

Insert a new bill section to read:
"* **Sec. 62.** The uncodified law of the State of Alaska is amended by
adding a new section to read:
RETROACTIVITY. The repeal and reenactment of
AS 43.55.011(f) by sec. 35 of this Act, and the amendment to
AS 43.55.020(a)(5)(B) by sec. 40 of this Act are retroactive to
January 1, 2014."

Renumber the following bill sections accordingly.

Page 56, line 7:

Delete "secs. 62 and 63"
Insert "secs. 63 and 64"

Senator Wielechowski moved for the adoption of Amendment No. 12.
Senator Coghill objected.

The question being: "Shall Amendment No. 12 be adopted?" The roll
was taken with the following result:

CSSB 138(FIN) am
Second Reading
Amendment No. 12

YEAS: 5 NAYS: 14 EXCUSED: 0 ABSENT: 1

Yeas: Ellis, French, Gardner, Stedman, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Egan, Fairclough, Giessel,
Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stevens

Absent: Dyson

and so, Amendment No. 12 failed.

Senators French, Ellis, Gardner, Wielechowski offered Amendment
No. 13:

Page 13, line 19, following "**party**":

Insert

"(A) must include a provision that requires the parties to the contract to negotiate, before construction, a project labor agreement to the maximum extent permitted by law; in this subparagraph, "project labor agreement" means a comprehensive collective bargaining agreement between the licensee or its agent and the appropriate labor representatives to ensure expedited construction with labor stability for the project by qualified residents of the state;

(B)"

Page 15, line 12, following "party":

Insert

"(A) must include a provision that requires the parties to the contract to negotiate, before construction, a project labor agreement to the maximum extent permitted by law; in this subparagraph, "project labor agreement" means a comprehensive collective bargaining agreement between the licensee or its agent and the appropriate labor representatives to ensure expedited construction with labor stability for the project by qualified residents of the state;

(B)"

Senator French moved for the adoption of Amendment No. 13.
Senator Coghill objected.

The question being: "Shall Amendment No. 13 be adopted?" The roll was taken with the following result:

CSSB 138(FIN) am
Second Reading
Amendment No. 13

YEAS: 6 NAYS: 14 EXCUSED: 0 ABSENT: 0

Yeas: Egan, Ellis, French, Gardner, Olson, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Dyson, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Stedman, Stevens

and so, Amendment No. 13 failed.

Senator Coghill called the Senate. The call was satisfied.

Senators Gardner, Ellis, French, Wielechowski offered Amendment No. 14:

Page 13, line 18, following "**project;**":

Insert "**the commissioner shall provide public notice and the opportunity to comment on a proposed agreement or contract to which the state is a party for at least 90 days before submitting the proposed agreement or contract to the legislature for approval;**"

Page 15, line 11, following "project;":

Insert "the commissioner shall provide public notice and the opportunity to comment on a proposed agreement or contract to which the state is a party for at least 90 days before submitting the proposed agreement or contract to the legislature for approval;"

Senator Gardner moved for the adoption of Amendment No. 14. Senator Coghill objected.

The question being: "Shall Amendment No. 14 be adopted?" The roll was taken with the following result:

CSSB 138(FIN) am
Second Reading
Amendment No. 14

YEAS: 5 NAYS: 15 EXCUSED: 0 ABSENT: 0

Yeas: Ellis, French, Gardner, Stedman, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stevens

and so, Amendment No. 14 failed.

Senators Wielechowski, Ellis, French, Gardner offered Amendment No. 15:

Page 1, line 7, following "**on gas;**":

Insert "**relating to disputes related to a North Slope natural gas project;**"

Page 15, following line 30:

Insert a new bill section to read:

"* **Sec. 16.** AS 38.05 is amended by adding a new section to read:

Sec. 38.05.023. Disputes related to a North Slope natural gas project. An agreement or contract associated with a North Slope natural gas project to which the state is a party must

(A) prohibit arbitration of a dispute related to the agreement or contract;

(B) state that the agreement or contract shall be governed by and construed in accordance with the laws of the state, not including the state's choice of law provisions, and subject to federal law that is applicable in the state; and

(C) require that any action related to the agreement or contract be brought in a state court that has jurisdiction over the claim."

Renumber the following bill sections accordingly.

Page 17, line 24:

Delete "sec. 17"

Insert "sec. 18"

Page 21, line 16:

Delete "sec. 27"

Insert "sec. 28"

Page 25, line 9:

Delete "sec. 30"

Insert "sec. 31"

Page 31, line 18:

Delete "sec. 37"

Insert "sec. 38"

Page 53, lines 24 - 25:

Delete "sec. 23"

Insert "sec. 24"

Page 56, line 4:

Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"

Page 56, line 6:

Delete "Section 38"

Insert "Section 39"

Page 56, line 7:

Delete "secs. 62 and 63"

Insert "secs. 63 and 64"

Senator Wielechowski moved for the adoption of Amendment No. 15.
Senator Coghill objected.

The question being: "Shall Amendment No. 15 be adopted?" The roll was taken with the following result:

CSSB 138(FIN) am

Second Reading

Amendment No. 15

YEAS: 5 NAYS: 15 EXCUSED: 0 ABSENT: 0

Yeas: Ellis, French, Gardner, Micciche, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Olson, Stedman, Stevens

and so, Amendment No. 15 failed.

Senators French, Ellis, Gardner, Wielechowski offered Amendment No. 16:

Page 1, line 7, following "on gas;":

Insert "**relating to marketing and marine shipping contracts for natural gas transported in a North Slope natural gas project;**"

Page 15, following line 30:

Insert a new bill section to read:

"* **Sec. 16.** AS 38.05 is amended by adding a new section to read:

Sec. 38.05.023. Marketing and marine shipping contracts.

The commissioner shall make an agreement or contract to which the state is a party for the marketing or marine shipment of natural gas transported in a North Slope natural gas project available to the public and to the legislature at the same time that contracts authorized under AS 38.05.020(b)(11) are submitted to the legislature for approval."

Renumber the following bill sections accordingly.

Page 17, line 24:

Delete "sec. 17"
Insert "sec. 18"

Page 21, line 16:

Delete "sec. 27"
Insert "sec. 28"

Page 25, line 9:

Delete "sec. 30"
Insert "sec. 31"

Page 31, line 18:

Delete "sec. 37"
Insert "sec. 38"

Page 53, lines 24 - 25:

Delete "sec. 23"
Insert "sec. 24"

Page 56, line 4:

Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"
Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"

Page 56, line 6:

Delete "Section 38"
Insert "Section 39"

Page 56, line 7:

Delete "secs. 62 and 63"
Insert "secs. 63 and 64"

Senator French moved for the adoption of Amendment No. 16.
Senator Coghill objected.

The question being: "Shall Amendment No. 16 be adopted?" The roll was taken with the following result:

CSSB 138(FIN) am
Second Reading
Amendment No. 16

YEAS: 4 NAYS: 16 EXCUSED: 0 ABSENT: 0

Yeas: Ellis, French, Gardner, Wielechowski

Nays: Bishop, Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens

and so, Amendment No. 16 failed.

Senators French, Ellis, Gardner, Wielechowski offered Amendment No. 17:

Page 13, line 19, following "**party**":

Insert

"(A) may not include a provision relating to the tax rate applicable to the oil and gas production tax under AS 43.55 as it relates to the production of oil; and (B)"

Page 15, line 12, following "party":

Insert

"(A) may not include a provision relating to the tax rate applicable to the oil and gas production tax under AS 43.55 as it relates to the production of oil; and (B)"

Page 25, line 8, following "**project**":

Insert **"; the commissioner shall ensure that a contract negotiated under this paragraph does not include a provision relating to the tax rate applicable to the oil and gas production tax under AS 43.55 as it relates to the production of oil"**

Page 26, line 15, following "project":

Insert "; the commissioner shall ensure that a contract negotiated under this paragraph does not include a provision relating to the tax rate applicable to the oil and gas production tax under AS 43.55 as it relates to the production of oil"

Senator French moved for the adoption of Amendment No. 17.
Senator Coghill objected.

The question being: "Shall Amendment No. 17 be adopted?" The roll was taken with the following result:

CSSB 138(FIN) am
Second Reading
Amendment No. 17

YEAS: 7 NAYS: 13 EXCUSED: 0 ABSENT: 0

Yeas: Bishop, Ellis, French, Gardner, Hoffman, Stedman, Wielechowski

Nays: Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stevens

and so, Amendment No. 17 failed.

CS FOR SENATE BILL NO. 138(FIN) am was automatically in third reading.

The question being: "Shall CS FOR SENATE BILL NO. 138(FIN) am "An Act relating to the purposes, powers, and duties of the Alaska Gasline Development Corporation; relating to an in-state natural gas pipeline, an Alaska liquefied natural gas project, and associated funds; requiring state agencies and other entities to expedite reviews and actions related to natural gas pipelines and projects; relating to the authorities and duties of the commissioner of natural resources relating to a North Slope natural gas project, oil and gas and gas only leases, and royalty gas and other gas received by the state including gas received as payment for the production tax on gas; relating to the tax on oil and gas production, on oil production, and on gas production; relating to the duties of the commissioner of revenue relating to a North Slope natural gas project and gas received as payment for tax;

relating to confidential information and public record status of information provided to or in the custody of the Department of Natural Resources and the Department of Revenue; relating to apportionment factors of the Alaska Net Income Tax Act; amending the definition of gross value at the 'point of production' for gas for purposes of the oil and gas production tax; clarifying that the exploration incentive credit, the oil or gas producer education credit, and the film production tax credit may not be taken against the gas production tax paid in gas; relating to the oil or gas producer education credit; requesting the governor to establish an interim advisory board to advise the governor on municipal involvement in a North Slope natural gas project; relating to the development of a plan by the Alaska Energy Authority for developing infrastructure to deliver affordable energy to areas of the state that will not have direct access to a North Slope natural gas pipeline and a recommendation of a funding source for energy infrastructure development; establishing the Alaska affordable energy fund; requiring the commissioner of revenue to develop a plan and suggest legislation for municipalities, regional corporations, and residents of the state to acquire ownership interests in a North Slope natural gas pipeline project; making conforming amendments; and providing for an effective date" pass the Senate?" The roll was taken with the following result:

CSSB 138(FIN) am
Third Reading - Final Passage

YEAS: 15 NAYS: 5 EXCUSED: 0 ABSENT: 0

Yeas: Bishop, Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stevens

Nays: Ellis, French, Gardner, Stedman, Wielechowski

and so, CS FOR SENATE BILL NO. 138(FIN) am passed the Senate.

Senator Coghill moved and asked unanimous consent that the vote on the passage of the bill be considered the vote on the effective date clauses. Senator French objected.

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

CSSB 138(FIN) am
Effective Date Clauses

YEAS: 16 NAYS: 4 EXCUSED: 0 ABSENT: 0

Yeas: Bishop, Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens

Nays: Ellis, French, Gardner, Wielechowski

and so, the effective date clauses were adopted.

Senator Coghill moved and asked unanimous consent that the Finance Committee Letter of Intent offered on page 1958 be adopted as a Senate Letter of Intent. Without objection, the Senate Letter of Intent was adopted.

Reconsideration of Senate Bills

SB 138

Senator Coghill gave notice of reconsideration on CS FOR SENATE BILL NO. 138(FIN) am and moved and asked unanimous consent that it be taken up. Senator French objected.

The question being: "Shall reconsideration be taken up the same day?"
The roll was taken with the following result:

CSSB 138(FIN) am
Reconsideration Same Day?

YEAS: 14 NAYS: 6 EXCUSED: 0 ABSENT: 0

Yeas: Bishop, Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stevens

Nays: Ellis, French, Gardner, Hoffman, Stedman, Wielechowski

and so, CS FOR SENATE BILL NO. 138(FIN) am was before the Senate on reconsideration.

The question to be reconsidered: "Shall CS FOR SENATE BILL NO. 138(FIN) am "An Act relating to the purposes, powers, and duties of the Alaska Gasline Development Corporation; relating to an in-state natural gas pipeline, an Alaska liquefied natural gas project, and associated funds; requiring state agencies and other entities to expedite reviews and actions related to natural gas pipelines and projects; relating to the authorities and duties of the commissioner of natural resources relating to a North Slope natural gas project, oil and gas and gas only leases, and royalty gas and other gas received by the state including gas received as payment for the production tax on gas; relating to the tax on oil and gas production, on oil production, and on gas production; relating to the duties of the commissioner of revenue relating to a North Slope natural gas project and gas received as payment for tax; relating to confidential information and public record status of information provided to or in the custody of the Department of Natural Resources and the Department of Revenue; relating to apportionment factors of the Alaska Net Income Tax Act; amending the definition of gross value at the 'point of production' for gas for purposes of the oil and gas production tax; clarifying that the exploration incentive credit, the oil or gas producer education credit, and the film production tax credit may not be taken against the gas production tax paid in gas; relating to the oil or gas producer education credit; requesting the governor to establish an interim advisory board to advise the governor on municipal involvement in a North Slope natural gas project; relating to the development of a plan by the Alaska Energy Authority for developing infrastructure to deliver affordable energy to areas of the state that will not have direct access to a North Slope natural gas pipeline and a recommendation of a funding source for energy infrastructure development; establishing the Alaska affordable energy fund; requiring the commissioner of revenue to develop a plan and suggest legislation for municipalities, regional corporations, and residents of the state to acquire ownership interests in a North Slope natural gas pipeline project; making conforming amendments; and providing for an effective date" pass the Senate?" The roll was taken with the following result:

CSSB 138(FIN) am
Third Reading - On Reconsideration

YEAS: 15 NAYS: 5 EXCUSED: 0 ABSENT: 0

Yeas: Bishop, Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stevens

Nays: Ellis, French, Gardner, Stedman, Wielechowski

and so, CS FOR SENATE BILL NO. 138(FIN) am passed the Senate on reconsideration.

Senator Coghill moved for the adoption of the effective date clauses. Senator French objected.

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

CSSB 138(FIN) am
Effective Date Clauses

YEAS: 16 NAYS: 4 EXCUSED: 0 ABSENT: 0

Yeas: Bishop, Coghill, Dunleavy, Dyson, Egan, Fairclough, Giessel, Hoffman, Huggins, Kelly, McGuire, Meyer, Micciche, Olson, Stedman, Stevens

Nays: Ellis, French, Gardner, Wielechowski

and so, the effective date clauses were adopted and the bill was referred to the Secretary for engrossment with a Senate Letter of Intent.

The call was lifted.

Citations

Honoring - Carl Rose

Representative(s) Millett, Tuck, Kito III

Senator(s) Meyer, McGuire, Huggins, Bishop, Coghill, Dunleavy, Dyson, Egan, Ellis, Fairclough, French, Gardner, Giessel, Hoffman, Kelly, Micciche, Olson, Stedman, Stevens, Wielechowski

Honoring - Sitka High School Drama, Debate and Forensics Team

Representative(s) Kreiss-Tomkins

Senator(s) Stedman, Huggins, Bishop, Coghill, Dunleavy, Dyson, Egan, Ellis, Fairclough, French, Gardner, Giessel, Hoffman, Kelly, McGuire, Meyer, Micciche, Olson, Stevens, Wielechowski

Honoring - Courtney Stroh Region 10 President's Environmental Youth Award

Representative(s) Olson

Senator(s) Micciche, Huggins, Bishop, Coghill, Dunleavy, Dyson, Egan, Ellis, Fairclough, French, Gardner, Giessel, Hoffman, Kelly, McGuire, Meyer, Olson, Stedman, Stevens, Wielechowski

In Memoriam - George Becker Erickson Jr.

Representative(s) Kreiss-Tomkins

Senator(s) Stedman, Huggins, Bishop, Coghill, Dunleavy, Dyson, Egan, Ellis, Fairclough, Gardner, Giessel, Hoffman, Kelly, McGuire, Meyer, Micciche, Olson, Stevens, Wielechowski

Senator Coghill moved and asked unanimous consent that the citations be adopted. Without objection, the citations were adopted and referred to the Secretary for transmittal.

Unfinished Business

SB 173

President Huggins removed the Finance Committee referral from SENATE BILL NO. 173 "An Act relating to a prohibition on the offer, display, marketing, advertising for sale, or sale of illicit synthetic drugs."

The bill was referred to the Rules Committee.

HB 298

The reconsideration on SENATE CS FOR HOUSE BILL NO. 298(FIN) "An Act relating to confidentiality of performance review records and reports of the legislative audit division; and providing for an effective date" was not taken up this legislative day and the bill was referred to the Secretary for engrossment.

Announcements**SB 107**

Senator Stevens, Chair, moved and asked unanimous consent that Uniform Rule 23 be waived for an Education Committee meeting on March 21 to consider the Governor's appointments to the University of Alaska Board of Regents, Board of Education and Early Development and Professional Teaching Practices Commission; and SENATE BILL NO. 107 "An Act relating to school and school district accountability; relating to the duties of the Department of Education and Early Development; and establishing a reading program for public school students enrolled in grades kindergarten through three." Without objection, it was so ordered.

Announcements are at the end of the journal.

Engrossment**SB 138**

CS FOR SENATE BILL NO. 138(FIN) am "An Act relating to the purposes, powers, and duties of the Alaska Gasline Development Corporation; relating to an in-state natural gas pipeline, an Alaska liquefied natural gas project, and associated funds; requiring state agencies and other entities to expedite reviews and actions related to natural gas pipelines and projects; relating to the authorities and duties of the commissioner of natural resources relating to a North Slope natural gas project, oil and gas and gas only leases, and royalty gas and other gas received by the state including gas received as payment for the production tax on gas; relating to the tax on oil and gas production, on oil production, and on gas production; relating to the duties of the commissioner of revenue relating to a North Slope natural gas project and gas received as payment for tax; relating to confidential information and public record status of information provided to or in the custody of the Department of Natural Resources and the Department of Revenue; relating to apportionment factors of the Alaska Net Income Tax Act; amending the definition of gross value at the 'point of production' for gas for purposes of the oil and gas production tax; clarifying that the exploration incentive credit, the oil or gas producer education credit, and the film production tax credit

may not be taken against the gas production tax paid in gas; relating to the oil or gas producer education credit; requesting the governor to establish an interim advisory board to advise the governor on municipal involvement in a North Slope natural gas project; relating to the development of a plan by the Alaska Energy Authority for developing infrastructure to deliver affordable energy to areas of the state that will not have direct access to a North Slope natural gas pipeline and a recommendation of a funding source for energy infrastructure development; establishing the Alaska affordable energy fund; requiring the commissioner of revenue to develop a plan and suggest legislation for municipalities, regional corporations, and residents of the state to acquire ownership interests in a North Slope natural gas pipeline project; making conforming amendments; and providing for an effective date" was engrossed, signed by the President and Secretary and transmitted to the House for consideration with a Senate Letter of Intent.

HB 298

SENATE CS FOR HOUSE BILL NO. 298(FIN) "An Act relating to confidentiality of performance review records and reports of the legislative audit division; and providing for an effective date" was engrossed, signed by the President and Secretary and returned to the House for consideration.

Adjournment

Senator Coghill moved and asked unanimous consent that the Senate stand in adjournment until 11:00 a.m., March 19, 2014. Without objection, the Senate adjourned at 6:05 p.m.

Liz Clark
Secretary of the Senate

Announcements

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

STANDING COMMITTEES

+ indicates teleconference

= indicates bill previously heard/scheduled

COMMUNITY & REGIONAL AFFAIRS

Mar 18 Tuesday Butrovich 205 3:30 PM
No Meeting Scheduled

Mar 20 Thursday Butrovich 205 3:30 PM
+ SB 213 MUNICIPAL ELECTION BOARDS

EDUCATION

Mar 19 Wednesday Beltz 105 (tsbldg) 8:00 AM
No Meeting Scheduled

Mar 21 Friday Beltz 105 (tsbldg) 8:00 AM
Uniform Rule 23 Waived
Confirmation Hearing:
Professional Teaching Practices Commission
State Board of Education & Early Development
Kenneth Gallahorn - Kotzebue
Barbara Thompson - Juneau
Kathleen Yarr - Ketchikan
University of Alaska Board of Regents
= SB 107 ESTABLISH K THROUGH 3 READING PROGRAM
Uniform Rule 23 Waived

FINANCE**Mar 18 Tuesday Senate Finance 532 9:00 AM**

- + SCR 16 REQ GOV TO INVESTIGATE COAL RESOURCES
- + HB 23 KNIK ARM CROSSING; AHFC
- + Bills Previously Heard/Scheduled
- = SB 80 OUT-OF-STATE PHYSICIAN LICENSE
- = SB 108 LIMIT PUBLIC ACCESS TO CRIMINAL RECORDS

Mar 19 Wednesday Senate Finance 532 9:00 AM

- + HB 266 APPROP: OPERATING BUDGET/LOANS/FUNDS
- + HB 267 APPROP: MENTAL HEALTH BUDGET
- + Subcommittee Reports to Full Committee
- <Above Item Removed from Agenda>
- + Bills Previously Heard/Scheduled

Mar 20 Thursday Senate Finance 532 9:00 AM

- + HB 266 APPROP: OPERATING BUDGET/LOANS/FUNDS
- + HB 267 APPROP: MENTAL HEALTH BUDGET
- Statewide Public Testimony
- <Public Testimony may be limited to no more than 3 minutes>
- 9:00 am Bethel, Nome, Kotzebue
- 9:30 am Barrow, Tok, Delta Junction
- 10:00 am Ketchikan, Wrangell, Petersburg
- 10:30 - 11:00 am Sitka, Cordova, Valdez

Mar 20 Thursday Senate Finance 532 1:30 PM

- + HB 266 APPROP: OPERATING BUDGET/LOANS/FUNDS
- + HB 267 APPROP: MENTAL HEALTH BUDGET
- + Continuation of Statewide Public Testimony
- <Public Testimony may be limited to no more than 3 minutes>
- 1:30 pm Fairbanks, Mat-Su
- 2:30 pm Anchorage, Unalaska
- 4:00 pm Glennallen, Seward, Homer
- Bills Previously Heard/Scheduled

Mar 21 Friday Senate Finance 532 9:00 AM

- + HB 244 ADVISORY COMMISSION ON FEDERAL MGT AREAS
- + SB 182 PUBLIC EMPLOYEE SALARY DIFFERENTIALS

FINANCE (continued)

Mar 21 Friday Senate Finance 532 1:30 PM
 += HB 266 APPROP: OPERATING BUDGET/LOANS/FUNDS
 += HB 267 APPROP: MENTAL HEALTH BUDGET
 + Continuation of Statewide Public Testimony
 <Public Testimony may be limited to no more than
 3 minutes>
 1:30 pm Juneau
 2:00 pm Kenai, Kodiak, Dillingham
 2:30 pm Statewide Teleconference - Offnet Sites
 + Bills Previously Heard/Scheduled

Mar 22 Saturday Senate Finance 532 10:00 AM
 + Bills Previously Heard/Scheduled

HEALTH & SOCIAL SERVICES

Mar 19 Wednesday Butrovich 205 1:30 PM
 + HJR 25 VIETNAM VETS: SERVICE-RELATED DISEASES
 Bills Previously Heard/Scheduled

Mar 21 Friday Butrovich 205 1:30 PM
 Bills Previously Heard/Scheduled

JUDICIARY

Mar 19 Wednesday Beltz 105 (tsbldg) 1:30 PM
 -- Teleconference --
 SB 180 POLICE STANDARDS COUNCIL
 -- Public Testimony --
 HB 292 2014 REVISOR'S BILL
 Bills Previously Heard/Scheduled

Mar 21 Friday Beltz 105 (tsbldg) 1:30 PM
 -- Teleconference --
 Bills Previously Heard/Scheduled

LABOR & COMMERCE

Mar 18 Tuesday Beltz 105 (tsbldg) 1:30 PM

-- MEETING CANCELED --

- + SB 193 CONTRACTORS: BONDS; LICENSING
- + SB 189 EXEMPTION: LICENSING OF CONTRACTORS
- + SB 190 DELEGATION OF GUIDE-OUTFITTER DUTIES
- + SB 156 DIRECT-ENTRY MIDWIVES
- + SB 99 AIDEA: DEVELOPMENT LOANS
- + Bills Previously Heard/Scheduled

Mar 20 Thursday Beltz 105 (tsbldg) 1:30 PM

Confirmation of Governors Appointments

- + SB 183 EXTEND EMERGING ENERGY TECHNOLOGY FUND
- + Bills Previously Heard/Scheduled

RESOURCES

Mar 19 Wednesday Butrovich 205 3:30 PM

- + SB 160 DNR: HUNTING GUIDES, CONCESSION PROGRAM
- + HB 135 PETERSVILLE RECREATIONAL MINING AREA
- + Bills Previously Heard/Scheduled

Mar 21 Friday Butrovich 205 3:30 PM

- + HB 161 AUCTIONS FOR BIG GAME HARVEST PERMITS
- Testimony <Invitation Only> --
- + Bills Previously Heard/Scheduled

STATE AFFAIRS

Mar 18 Tuesday Butrovich 205 9:00 AM

- + SCR 17 150TH ANNIVERSARY OF ALASKA PURCHASE
- + SB 206 VEHICLE REGIS/LICENSING/ACCIDENT REPORTS
- + SB 174 LEASES FOR LEGISLATIVE OFFICE SPACE

Mar 20 Thursday Butrovich 205 9:00 AM

- + HJR 20 MEDICAL DEVICE TAX
- + HB 262 PROCUREMENT EXEMPTION: PDA, OPA
- + Bills Previously Heard/Scheduled

TRANSPORTATION

Mar 18 Tuesday Butrovich 205 1:30 PM
 -- MEETING CANCELED --
 Executive Session
 + Bills Previously Heard/Scheduled
 Including But Not Limited to:
 += SB 178 PASSENGER VEHICLE RENTAL TAX
 += SB 211 STATE LAND AND MATERIALS
 <Bill Hearing Postponed>

Mar 20 Thursday Butrovich 205 1:30 PM
 Executive Session
 <Rescheduled from 3/18/14>
 Bills Previously Heard/Scheduled
 Including But Not Limited to:
 += SB 178 PASSENGER VEHICLE RENTAL TAX
 += SB 211 STATE LAND AND MATERIALS
 <Bill Hearing Canceled>
 += SB 94 RIGHTS-OF-WAY
 <Bill Hearing Canceled>
 += SB 197 NATURALLY OCCURRING ASBESTOS
 <Bill Hearing Canceled>
 + HJR 10 CONST. AM: TRANSPORTATION FUND
 <Bill Hearing Canceled>

FINANCE SUBCOMMITTEES

CORRECTIONS

Mar 18 Tuesday Beltz 105 (tsbldg) 5:00 PM
 -- MEETING CANCELED --
 Wrap-up
 Draft Close-out

Mar 19 Wednesday H Conf Rm 102 Tsb 8:30 AM
 Close-out

Mar 20 Thursday Beltz 105 (tsbldg) 5:00 PM
 -- MEETING CANCELED --
 Close-out

FISH & GAME

Mar 19 **Wednesday** **Senate Finance 532** **8:00 AM**
 Close-out

GOVERNOR

Mar 19 **Wednesday** **Senate Finance 532** **8:30 AM**
 FY15 Budget Close-out

LEGISLATURE

Mar 19 **Wednesday** **Senate Finance 532** **8:45 AM**
 FY15 Budget Close-out

JOINT COMMITTEES**LEGISLATIVE BUDGET & AUDIT**

Mar 20 **Thursday** **Senate Finance 532** **12:00 PM**
 -- Subcommittee Meeting --
 + Presentation: "Indirect Cost Allocations"
 Streamed live on AKL.TV

OTHER MEETINGS**JOINT SESSION**

Apr 11 **Friday** **House Chamber** **11:00 AM**
 Confirmation of Governor's Appointees

MISCELLANEOUS MEETING

Mar 19 **Wednesday** **Butrovich 205** **12:00 PM**
Lunch and Learn
Arctic Oil Spill Research and Education
UAF Presenters:
Mark Myers, Vice Chancellor for Research
Nettie La Belle-Hamer, Associate Vice Chancellor
for Research
Sponsored by the Alaska Arctic Policy Commission
Sen. McGuire and Rep. Herron