

SENATE FINANCE COMMITTEE  
March 11, 2014  
5:21 p.m.

[5:21:22 PM](#)

CALL TO ORDER

Co-Chair Kelly called the Senate Finance Committee meeting to order at 5:21 p.m.

MEMBERS PRESENT

Senator Pete Kelly, Co-Chair  
Senator Kevin Meyer, Co-Chair  
Senator Anna Fairclough, Vice-Chair  
Senator Click Bishop  
Senator Mike Dunleavy  
Senator Lyman Hoffman  
Senator Donny Olson

MEMBERS ABSENT

None

ALSO PRESENT

Bruce Campbell, Staff, Senator Pete Kelly; Joe Balash, Commissioner, Department of Natural Resources; Michael Pawlowski, Deputy Commissioner, Strategic Finance, Department of Revenue; Christine Marasigan, Staff, Senator Kevin Meyer; Jordon Shilling, Staff, Senator John Coghill.

SUMMARY

SB 64        OMNIBUS CRIME/CORRECTIONS BILL

SB 64 was HEARD and HELD in committee for further consideration.

SB 138       GAS PIPELINE; AGDC; OIL & GAS PROD. TAX

SB 138 was HEARD and HELD in committee for further consideration.

#sb138

SENATE BILL NO. 138

"An Act relating to the purposes of the Alaska Gasline Development Corporation to advance to develop a large-diameter natural gas pipeline project, including treatment and liquefaction facilities; establishing the large-diameter natural gas pipeline project fund; creating a subsidiary related to a large-diameter natural gas pipeline project, including treatment and liquefaction facilities; relating to the authority of the commissioner of natural resources to negotiate contracts related to North Slope natural gas projects, to enter into confidentiality agreements in support of contract negotiations and implementation, and to take custody of gas delivered to the state under an election to pay the oil and gas production tax in kind; relating to the sale, exchange, or disposal of gas delivered to the state under an election to pay the oil and gas production tax in kind; relating to the duties of the commissioner of revenue to direct the disposition of revenues received from gas delivered to the state in kind and to consult with the commissioner of natural resources on the custody and disposition of gas delivered to the state in kind; relating to the authority of the commissioner of natural resources to propose modifications to existing state oil and gas leases; making certain information provided to the Department of Natural Resources and the Department of Revenue exempt from inspection as a public record; making certain tax information related to an election to pay the oil and gas production tax in kind exempt from tax confidentiality provisions; relating to establishing under the oil and gas production tax a gross tax rate for gas after 2021; making the alternate minimum tax on oil and gas produced north of 68 degrees North latitude after 2021 apply only to oil; relating to apportionment factors of the Alaska Net Income Tax Act; authorizing a producer's election to pay the oil and gas production tax in kind for certain gas and relating to the authorization; relating to monthly installment payments of the oil and gas production tax; relating to interest payments on monthly installment payments of the oil and gas production tax; relating to settlements between producers and royalty owners for oil and gas production tax; relating to annual statements by producers and explorers; relating to annual production tax values; relating to lease expenditures; amending the definition of gross value

at the 'point of production' for gas for purposes of the oil and gas production tax; adding definitions related to natural gas terms; clarifying that credit may not be taken against the in-kind levy of the oil and gas production tax for gas for purposes of the exploration incentive credit, the oil or gas producer education credit, and the film production tax credit; making conforming amendments; and providing for an effective date."

Vice-Chair Fairclough MOVED to ADOPT the proposed committee substitute for CS SB 138 (FIN), Work Draft 28-GS2806\Y (Bullock, 3/9/14).

Co-Chair Kelly OBJECTED for discussion.

[5:23:11 PM](#)

BRUCE CAMPBELL, STAFF, SENATOR PETE KELLY, discussed the Proposed Changes in the Work Draft (copy on file):

**Title**

Page 1, lines 2-5

The CS adds title language related to the new direction to the Alaska Gasline Development Corporation (AGDC) to advance an Alaska liquefied natural gas project, and sets up a new fund within AGDC for that purpose. Also, conforming changes were added related to expedited review by state agencies of AGDC proposals. Creation of a new subsidiary was removed.

Page 2, line 21, to page 3, line S

The CS adds direction to the governor to establish an advisory board on municipal involvement in an Alaska liquefied natural gas project; and direction to Alaska Energy Authority (AEA) to develop an energy infrastructure plan.

Page 3, line 6

Finally, the title reflects the addition of local governments and Native corporations to those who may be able, along with Alaskans, to own part of a pipeline project through a plan to be developed by Department of Revenue.

**Intent Language**

Page 4, line 24

The CS modifies the intent language added in Senate Resources. On page 4, line 21 and line 24, the word "maximum" is removed before "benefit", for clarity. Also, the term "project labor agreements" is amended to read "labor agreements." (SENATE AMENDMENT)

5:24:26 PM

Co-Chair Kelly remarked that the language concerning labor agreements would be removed and replaced with a letter of intent.

Mr. Campbell continued:

**AGDC Sections**

The CS makes extensive changes relating to AGDC, including removal of language creating a new subsidiary corporation to do a liquefied natural gas project, giving that duty instead to AGDC.

5:25:37 PM

AT EASE

5:26:24 PM

RECONVENED

Mr. Campbell continued to discuss the changes:

Page 4, line 30, to page 5, line 9

Adds new overall direction to AGDC, giving AGDC the primary state role in advancing an Alaska liquefied natural gas project. Clarifies that AGDC's overriding mission is to develop projects that benefit the state and Alaskans, including delivering gas instate, providing economic benefits, and providing revenue to the state. Also, adds that AGDC's work developing projects should assist the Department of Revenue and Department of Natural Resources in their duties to maximize the value of the state's royalty gas and gas delivered as production tax.

Page 5, lines 18-25

Modifies original direction to participate in an Alaska liquefied natural gas project; adds that AGDC can't charge a state entity more for gas services than it costs to provide those services.

Page 6, lines 7-8

Adds to AGDC's structure that it is created to act in the best interests of the state, based on its purpose.

Page 6, lines 24-28

In clarifying the relationship between AGDC and state departments also directly involved in a gas project, prohibits the commissioners of Revenue and Natural Resources from serving on AGDC's board. Originally, HB 4 prohibited the commissioners from board service while AGIA (Alaska Gasline Inducement Act) was in effect.

Page 6, line 29 to page 7, line 6

Adds a new subsection directing AGDC's board, to the maximum extent possible, to maximize the efficient use of state resources and to establish appropriate firewalls and separations within the corporation to protect commercially sensitive information.

Page 7, Section 6

Makes conforming changes. The prior version created a subsidiary to work on an Alaska liquefied natural gas project. This version removes creation of a statutory subsidiary, and instead directs the corporation to work on an Alaska liquefied natural gas project and adds distinctions in AGDC's duties and responsibilities between an instate natural gas pipeline and an "Alaska liquefied natural gas project."

Page 9, lines 6-7

Conforming; adds the new "Alaska liquefied natural gas project fund."

Page 9, lines 18-24

Adds a new ability to ACDC to acquire an ownership role in an Alaska liquefied natural gas project, including liquefaction facilities. Later, on page 10, lines 7-10, adds a new subsection that restricts a part of AGDC working on an instate gas pipeline from exercising the new powers related to a liquefaction project.

Page 9, lines 26-27

Conforming; only an instate natural gas pipeline regulated by the Regulatory Commission of Alaska is

required to hold an open season. An Alaska liquefied natural gas project would not have to, and so would not have to disclose results.

Page 10, lines 11-15

Adds a new subsection directing AGDC to provide information relevant to royalty and tax paid with gas contracts to DNR and DOR, subject to confidentiality agreements.

Page 11, lines 27-30

Clarifies that AGDC can create subsidiaries incorporated as nonprofits, or otherwise.

Page 12, section 13

Conforming; adds the new Alaska liquefied natural gas project fund explicitly to AGOC's annual fund reporting requirements under the Executive Budget Act.

Page 12, line 29, to page 13, line 31

Removes changes to the definition of "instate natural gas pipeline." Adds new term, "Alaska liquefied natural gas project," and defines it in the same terms as in the Heads of Agreement for the AK LNG project.

Mr. Campbell noted a possible typo in the outline.

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AT EASE

[5:31:27 PM](#)

RECONVENED

[5:31:32 PM](#)

Mr. Campbell announced that the outline did not contain a mistake. He continued to discuss the proposed changes:

Page 56, line 14

Repeals 31.25.080(f), which previously directed AGDC to accommodate a larger project on certain infrastructure. As this direction is now more fully articulated in AGDC's purpose and the new Section 5, 31.25.080(f) is no longer required.

**DNR authority sections**

Page 15, lines 7-8

Clarifies that agreements to be entered into by the Department of Natural Resources Commissioner include, but are not limited to, balancing, marketing, disposition of gas, and offtake agreements. (FAIRCLOUGH AMENDMENT)

Page 15, lines 21-23

Conforming to legislative drafting style; re-words the requirement that the commissioner may share confidential information with the legislature only in executive sessions or under confidentiality agreements.

Page 18. line 8, to page 20. line 9

Re-works sections 18 and 19 (related to the commissioner's ability to modify leases) for greater clarity, (ADMINISTRATION AMENDMENT)

Page 18, lines 29-31

Modifications to net profit shares and sliding scale royalty rates have to yield a value to the state that is no less than the value the state would have received before a modification. Previously, the lower threshold for modifications was set at 12.5 percent. (ADMINISTRATION AMENDMENT)

Page 20, lines 14-15; 23-24; and 30-31, and page 21. lines 9-11

Conforming changes for clarity.

Page 21, lines 23-28

Adds and defines new term, "initial project term." (ADMINISTRATION AMENDMENT)

Page 22, line 4-24

Adds three new sections with conforming changes. House Bill 369 of 2010 gave special treatment to permits, authorizations and rights-of-way issued to an instate natural gas pipeline project. The changes make those provisions apply to any project under AGDC. (ADMINISTRATION AMENDMENT)

**Public information sections**

No changes

**DOR authority sections**

Page 28-MISSING SECTION, MISSING (15)

**Tax sections**

Page 28, line 9. to page 29, line 5

The original bill amended the extraction factor used in calculating corporate income tax to accommodate the new concept of taking gas as production tax. This section is new, and amends the sales factor, which is also used in calculating corporate income tax, to incorporate the new tax as gas concept. (ADMINISTRATION AMENDMENT) (Currently duplicated as drafting error as new section 34, page 29, line 6 to page 30, line 1- this needs to be deleted.)

Page 30, line 10 and lines 19-20

Clarifies that reinjected gas is not included in calculations for determining corporate income tax due.

Page 31, line 11

Increases the tax on gas from 10.5 percent to 13 percent (KELLY AMENDMENT)

Page 33, line 6

Removes the qualifier "irrevocable" from the election a producer can make to pay tax with gas. (KELLY AMENDMENT)

[5:36:37 PM](#)

Page 33, line 12 and line 15

Conforms to the prior change increasing the gas tax to 13 percent.

Page 34, line 21, to page 35, line 3

Conforming change related to the conforming changes already in the prior version related to the educational tax credit.

Page 42, line 11

Conforming to the new 13 percent gas tax.

Page 56, lines 6-7

The bill changes the definition of "point of production." As the term is used in the Alaska Gasline Inducement Act, this new section 57 clarifies that point of production for purposes of AGIA is defined as it was when AGIA was enacted. (ADMINISTRATION AMENDMENT)

**Technical sections**

Page 56, lines 15-25

Adds new direction to the governor to establish an advisory board on municipal involvement in a North Slope gas project. (OLSON AMENDMENT)

Page 56, line 26, to page 57, line 16

Adds new direction to the Alaska Energy Authority to develop a plan to extend energy infrastructure to parts of the state without direct access to a North Slope natural gas pipeline. AEA is to consult with AGDC, AIDEA and the Department of Revenue in developing the plan, which is due to the legislature in January 2017. (HOFFMAN AMENDMENT)

Page 57, lines 19-20, line 24, line 27, and page 58 lines 4, 7-8, 11, 12 and 18

In the section requiring the Department of Revenue to develop a plan for Alaskans to participate in owning part of a North Slope natural gas pipeline, adds that the plan should include ways for local governments and Native corporations to also participate. (FAIRCLOUGH/OLSON AMENDMENTS)

Page 59. lines 4-5 and lines 7-8

Makes conforming changes to the effective dates.

Page 59, line 6

Sets an effective date of Jan. 1, 2021, for section 40, which is the conforming section related to the education tax credit.

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AT EASE

[5:42:56 PM](#)

RECONVENED

Senator Kelly REMOVED his OBJECTION. There being NO further OBJECTION, the proposed committee substitute was adopted.

Senator Fairclough MOVED to ADOPT Amendment 10 (copy on file).

Page 6:

Delete lines 18-28 (Section 4)

Co-Chair Kelly OBJECTED for discussion.

JOE BALASH, COMMISSIONER, DEPARTMENT OF NATURAL RESOURCES, testified that Page 6, line 18, section 4 was a provision that had not been in the original bill. He stated that current law held that the board of directors for AGDG should be comprised of 5 public members and 2 cabinet members; however there was a restriction on DOR and DNR employees from serving on the board as long as the AGIA license was in place. The original bill had not included the proposed language because it had been expected that the enabling legislation would pass, the AGIA license would be concluded, and the governor would have full freedom to appoint to the AGDC board whichever cabinet member he wanted. The language being added in Section 4 would restrict the governor's discretion in which cabinet member's he permanently appointed to the board.

Co-Chair Kelly REMOVED his OBJECTION to Amendment 10. There being NO OBJECTION, it was so ordered.

[5:46:35 PM](#)

Co-Chair Kelly directed committee attention to Page 18, lines 29-31, which discussed modifications to net profit shares and sliding scale royalty rates.

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Commissioner Balash stated that the section would allow for the modification of existing leases; in particular, the switching rights currently enjoyed by the department. He noted additional provision concerning the taking of leases with a net profit share component, or sliding scale royalty component, and developing a modification that would establish a fixed addition to the base royalty rate.

Co-Chair Kelly solicited further questions from the committee.

[5:49:05 PM](#)

Vice-Chair Fairclough looked at Page 18, line 28 of the bill. She noted that the previously fixed number had been replaced with language and requested clarification as to whether there was a 25 percent cap.

Commissioner Balash replied that the language crafted by the Senate Resources Committee had established 12.5 percent as the floor and the concern had been identified that some of the leases in question had a higher royalty rate than 12.5 percent; some Port Thomson leases, in particular. He shared that establishing 12.5 percent as the floor would give the department room to lower base royalty rates and would not be in line with the intent of the legislation.

[5:50:02 PM](#)

Vice-Chair Fairclough understood that there would still be a combined rate cap of 25 percent under the legislation.

Mr. Pawlowski responded that the 13 percent tax rate that the committee substitute amended; in combination with section 18, would lead to the approximate 25 percent rate.

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Vice-Chair Fairclough looked at page 56, and wondered how the definition of point of production from the previous committee substitute was different than under AS 43.55.900.

Mr. Pawlowski stated that that the substantive changes to the point of production proposed in the legislation could be found on Page 55, but the section began on Page 54, line 30. He noted that in the calculation of the production tax, the expenditures upstream from the point of production were deductible lease expenditures, while expenditures downstream from the point of production were recovered through tariffs or fees on the infrastructure. The change on Page 55, line 12, was to push the point of production upstream to the farthest upstream of the inlet than any pipeline transporting the gas to a gas treatment plant. He said that setting that point of production as far upstream within the definition of the Alaska LNG project as possible had been key discussions in the Senate Resource Committee. As the project was currently conceived, the inlet of the transmission line for Point Thomson would be as the gas was leaving Point Thomson; in Prudhoe Bay it would be the transmission line from the Prudhoe Bay unit into the gas treatment plant. He explained that expenditures downstream would not be included as deductible lease expenditures and would not have direct impact on the upstream fiscal system. He furthered that the change on Page 56 had been recommended by legislative legal. Inducements offered AGIA

had been tied to the point of production; the amendment was a clarifying amendment generated by the change made by the committee substitute.

Senator Hoffman WITHDREW Amendment 1, 28-GS2806\Y.1, Nauman/Bullock, 3/9/14 (copy on file). There being NO OBJECTION, it was so ordered.

Senator Olson WITHDREW Amendment 2, 28-GS2806\Y.2, Nauman/Bullock, 3/9/14 (copy on file). There being NO OBJECTION, it was so ordered.

Senator Olson MOVED to ADOPT Amendment 3, 28-GS2806\Y.3, Nauman/Bullock, 3/9/14 (copy on file).

Page 3, line 7, following "project;"  
Insert "relating to a restriction on employment after leaving state service for a public officer who negotiates a contract or develops terms for inclusion in a proposed contract associated with a North Slope natural gas project;"

Page 56, 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:  
Restrictions on employment after leaving state service for certain public officers. (a) Notwithstanding AS 39.52.180, a public officer who leaves state service may not, for 10 years after leaving state service, represent, advise, assist for compensation, or accept employment from a person or an affiliate of a person that was a party to a contract negotiated under the authority of AS 38.05.020(b)(11), enacted by sec. 15 of the Act, that was under consideration or negotiated by the administrative unit served by that public officer, and in which the public officer participated personally and substantially through the exercise of official action.  
(b) This section does not prohibit an agency from contracting with a former public officer to act on a matter of on behalf of the state.  
(c) The application of (a) of the section may not be waived.  
(d) In this section, "administrative unit," "agency," and public officer" have the meanings given in AS 39.52.960."

Renumber the following bill sections accordingly.

Page 59, line 4:

Delete "63"

Insert "64"

Page 59, line 7:

Delete "secs. 64 and 65"

Insert "secs. 65 and 66"

Co-Chair Kelly OBJECTED for discussion.

5:55:56 PM

Senator Olson stated he was open to amending the 10 year time period.

5:56:13 PM

Vice-Chair Fairclough MOVED to AMEND Amendment 3:

Line 12:

Delete "10"

Insert "3"

There being NO OBJECTION, it was so ordered.

Vice-Chair Fairclough REMOVED her OBJECTION to Amendment 3. There being NO further OBJECTION, Amendment 3 was adopted as amended.

5:57:54 PM

AT EASE

5:58:12 PM

RECONVENED

Co-Chair Kelly WITHDREW Amendment 4, 28-GS2806\Y.4, Nauman/Bullock, 3/9/14 (copy on file). There being NO OBJECTION, it was so ordered.

Co-Chair Kelly gave a brief explanation as to why he was withdrawing Amendment 4.

Co-Chair Kelly WITHDREW Amendment 5, 28-GS2806\Y.5, Nauman/Bullock, 3/9/14 (copy on file). There being NO OBJECTION, it was so ordered.

5:59:35 PM

AT EASE

6:00:36 PM

RECONVENED

Co-Chair Kelly explained why he was withdrawing Amendment 5.

6:01:07 PM

AT EASE

6:01:18 PM

RECONVENED

6:01:27 PM

Co-Chair Kelly MOVED to ADOPT Amendment 6, 28-GS2806\Y.6, Nauman/Bullock, 3/9/14 (copy on file).

Page 6, line 29:

Delete "a new subsection"

Insert "new subsections"

Page 7, following line 6:

Insert a new subsection to read:

"(d) The board shall appoint a program director for an Alaska liquefied natural gas project. The program director appointed under this section shall

(1) serve at the pleasure of the board; and

(2) report to the board and the executive director of the corporation."

Vice-Chair Fairclough OBJECTED for the purpose of discussion.

Commissioner Balash explained that the provision was an effort on the part of the department to reconcile where the statutory subsidiary had begun in the original bill. He felt that specific concerns had been addressed; however, the work that AGDC had be narrowly focused. With the amendment, AGDC would continue to pursue that as-soon-as-possible effort with the addition of holding and investing the state's interest in liquefaction.

Vice-Chair Fairclough REMOVED her OBJECTION. There being NO further OBJECTION, Amendment 6 was ADOPTED.

6:03:30 PM

AT EASE

6:04:46 PM

RECONVENED

Co-Chair Kelly MOVED to ADOPT Amendment 7, 28-GS2806\Y.7, Nauman/Bullock, 3/9/14 (copy on file).

Page 9, line 24, following "project":

Insert ":

(24) after consultation with the commissioner of revenue and the commissioner of natural resources, enter into contracts relating to an Alaska liquefied natural gas project, including contracts for services related to operation, marketing, transportation, gas treatment, marine terminal operation or liquefaction"

Vice-Chair Fairclough OBJECTED for discussion.

6:05:04 PM

Commissioner Balash explained that the amendment would add to the list of powers and duties of the corporation a provision that, after consultation with the commissioner of DOR and the commissioner of DNR, enter into contracts for the Alaska LNG project. He said that this was in an effort to flag the role that DOR and DNR would play in the arrangement. He stated that AGDC would be signing the equity agreements with the other project sponsors, that that they would be doing so on behalf of the two departments. The amendment would provide that the departments received proper consultation.

Vice-chair Fairclough REMOVED her OBJECTION. There being NO OBJECTION, Amendment 7 was ADOPTED.

Co-Chair Kelly MOVED to ADOPT Amendment 8 (copy on file).

Page 5, line 1:

Delete "that benefits the state and the"

Insert "for the maximum benefit of the"

Vice-Chair Fairclough OBJECTED for discussion.

Co-Chair Kelly stated that the amendment would edit the purpose language of AGDC to match the Alaska State

Constitution, Article 8, section 2, "for the maximum benefit of the people."

Vice-Chair Fairclough REMOVED her OBJECTION. There being NO further OBJECTION, Amendment 8 was ADOPTED.

[6:06:26 PM](#)

Co-Chair Kelly MOVED to ADOPT Amendment 9 (copy on file).

Page 3, line 10, through page 4, line 26:  
Section 1: Delete all  
(This amendment would delete all intent language.)

Vice-Chair Fairclough OBJECTED for discussion.

Co-Chair Kelly explained that the amendment would remove Section 1 and replace the section with a letter of intent.

Vice-Chair Fairclough REMOVED her objection. There being NO OBJECTION, Amendment 9 was ADOPTED.

[6:07:38 PM](#)

AT EASE

[6:07:55 PM](#)

RECONVENED

[6:07:59 PM](#)

Co-Chair Kelly discussed housekeeping concerning SB 138. SB 138 was HEARD and HELD in committee for further consideration.

[6:10:50 PM](#)

AT EASE

[6:15:14 PM](#)

RECONVENED

#sb64

SENATE BILL NO. 64

"An Act establishing the Alaska Sentencing Commission; relating to jail-time credit for offenders in court-ordered treatment programs; allowing a reduction of penalties for offenders successfully completing court-

ordered treatment programs for persons convicted of driving while under the influence or refusing to submit to a chemical test; relating to court termination of a revocation of a person's driver's license; relating to limitation of drivers' licenses; relating to conditions of probation and parole; and providing for an effective date."

[6:15:54 PM](#)

Vice-Chair Fairclough MOVED to ADOPT the proposed committee substitute for CS SB 65 (FIN), Work Draft 28-LS0116/S (Gardner, 3/10/14). There being NO OBJECTION, it was so ordered.

[6:16:53 PM](#)

CHRISTINE MARASIGAN, STAFF, SENATOR KEVIN MEYER, explained the changes in the CS. She referred to a document that outlined the changes (copy on file):

SFIN CS for S8 64 (JUO) makes the following changes:

- Increases the felony theft level from \$750 to \$1,200  
There was consensus to move the felony theft level.

- Moves the 24/7 Sobriety testing program from Department of Corrections to the Department of Health and Social Services\*

There is a pilot program currently in Health and Social Services, a three year pilot project for 24/7 alcohol/drug testing in the communities of Anchorage/Matsu/Fairbanks

- Moves the Recidivism Reduction Fund from Department of Corrections to the Department of Health and Social Services\* As we heard in public testimony from the Department of Corrections, they do not have granting/receipt authority to do this and would have to ramp up some infrastructure to do so. The program will be a better fit in HSS.

- Completely removes the Alaska Criminal Justice Commission\* After committee discussion it was pointed out that some of the same outcomes could be accomplished with a taskforce or some other means rather than have another ongoing commission, which

costs money that could be better used in programming. There are several organizations that could be tasked with evaluating or studying recidivism in Alaska-in fact some already have: UAA Justice Center, Alaska Native Justice Center, Alaska Immigration Justice Project, the Recidivism Working Group, or ISER.

- Adds language to correctional screening for fetal alcohol syndrome, fetal alcohol spectrum disorder or another brain-based disorder. This was done in consultation with both co-chairs, the vice chair and the Alaska Mental Trust Authority.

- Changes should result in a substantially reduced fiscal note from the Department of Corrections, a new fiscal note from the Department of Health and Social Services that while it will note costs, will be less than what the Department of Corrections proposed. It is anticipated that the Alaska Court System would submit a zero fiscal note.

[6:20:05 PM](#)

Co-Chair Meyer noted that the new fiscal note for the current bill version had yet to be presented to the committee.

Ms. Marasigan replied that new fiscal notes would reflect savings as a result of the work done in conjunction with the Department of Health and Social Services (DHSS) and Department of Corrections (DOC). She noted that staff from each finance member's office contributed to providing the language necessary to realize cost savings. She understood that the elimination of the Alaska Criminal Justice Commission would result in a zero fiscal note from the court system.

Co-Chair Meyer stated that the fiscal notes would be available in the morning.

[6:22:16 PM](#)

Co-Chair Kelly requested information regarding the necessary language needed to separate property crimes from the \$500 theft level.

[6:23:30 PM](#)

JORDON SHILLING, STAFF, SENATOR JOHN COGHILL, referred to a graph that illustrated the breakdown of the number of charges under specific statutes. He said he would provide further information on the subject.

[6:24:24 PM](#)

Ms. Marasigan interjected that she had done some research which had revealed that the number of crimes that were committed that involved property damage, and reached the \$500 threshold, were substantially lower than theft.

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Co-Chair Kelly asked if the property crime level had been moved up as well as the theft.

Mr. Shilling replied in the affirmative.

SB 64 was HEARD and HELD in committee for further consideration.

#

ADJOURNMENT

[6:26:08 PM](#)

The meeting was adjourned at 6:26 p.m.