

**29TH ALASKA STATE LEGISLATURE
CONFERENCE COMMITTEE ON HB247**

Bill Ray Center
Juneau, Alaska
June 6, 2016
8:11 a.m.

MEMBERS PRESENT

Representative David Talerico, Chair
Representative Kurt Olson
Representative Geran Tarr

Senator Cathy Giessel, Chair
Senator John Coghill
Senator Peter Micciche

MEMBERS ABSENT

All members present

OTHER LEGISLATORS PRESENT

Representative Gabrielle LeDoux
Representative Les Gara
Representative Andy Josephson
Representative Paul Seaton
Representative Bob Herron
Representative Bryce Edgmon
Representative Sam Kito III
Representative Scott Kawasaki
Representative Harriet Drummond
Representative Lora Reinbold
Representative Louise Stutes
Representative Cathy Tilton
Representative Tammy Wilson
Representative Dan Ortiz

COMMITTEE CALENDAR

HOUSE BILL NO. 247

"An Act relating to confidential information status and public record status of information in the possession of the Department of Revenue; relating to interest applicable to delinquent tax; relating to disclosure of oil and gas production tax credit information; relating to refunds for the gas storage facility tax credit, the liquefied natural gas storage facility tax

credit, and the qualified in-state oil refinery infrastructure expenditures tax credit; relating to the minimum tax for certain oil and gas production; relating to the minimum tax calculation for monthly installment payments of estimated tax; relating to interest on monthly installment payments of estimated tax; relating to limitations for the application of tax credits; relating to oil and gas production tax credits for certain losses and expenditures; relating to limitations for nontransferable oil and gas production tax credits based on oil production and the alternative tax credit for oil and gas exploration; relating to purchase of tax credit certificates from the oil and gas tax credit fund; relating to a minimum for gross value at the point of production; relating to lease expenditures and tax credits for municipal entities; adding a definition for "qualified capital expenditure"; adding a definition for "outstanding liability to the state"; repealing oil and gas exploration incentive credits; repealing the limitation on the application of credits against tax liability for lease expenditures incurred before January 1, 2011; repealing provisions related to the monthly installment payments for estimated tax for oil and gas produced before January 1, 2014; repealing the oil and gas production tax credit for qualified capital expenditures and certain well expenditures; repealing the calculation for certain lease expenditures applicable before January 1, 2011; making conforming amendments; and providing for an effective date."

- MOVED CCS HB 247 OUT OF COMMITTEE

PREVIOUS COMMITTEE ACTION

BILL: HB 247

SHORT TITLE: TAX;CREDITS;INTEREST;REFUNDS;O & G

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/19/16	(H)	READ THE FIRST TIME - REFERRALS
01/19/16	(H)	RES, FIN
02/03/16	(H)	RES AT 1:00 PM BARNES 124
02/03/16	(H)	Heard & Held
02/03/16	(H)	MINUTE(RES)
02/05/16	(H)	RES AT 1:00 PM BARNES 124
02/05/16	(H)	-- MEETING CANCELED --
02/10/16	(H)	RES AT 1:00 PM BARNES 124
02/10/16	(H)	Heard & Held
02/10/16	(H)	MINUTE(RES)
02/12/16	(H)	RES AT 1:00 PM BARNES 124
02/12/16	(H)	Heard & Held

02/12/16	(H)	MINUTE(RES)
02/13/16	(H)	RES AT 1:00 PM BARNES 124
02/13/16	(H)	-- MEETING CANCELED --
02/22/16	(H)	RES AT 1:00 PM BARNES 124
02/22/16	(H)	Heard & Held
02/22/16	(H)	MINUTE(RES)
02/24/16	(H)	RES AT 1:00 PM BARNES 124
02/24/16	(H)	Heard & Held
02/24/16	(H)	MINUTE(RES)
02/25/16	(H)	RES AT 8:30 AM BARNES 124
02/25/16	(H)	Heard & Held
02/25/16	(H)	MINUTE(RES)
02/25/16	(H)	RES AT 1:00 PM BARNES 124
02/25/16	(H)	Heard & Held
02/25/16	(H)	MINUTE(RES)
02/26/16	(H)	RES AT 1:00 PM BARNES 124
02/26/16	(H)	Heard & Held
02/26/16	(H)	MINUTE(RES)
02/27/16	(H)	RES AT 10:00 AM BARNES 124
02/27/16	(H)	Heard & Held
02/27/16	(H)	MINUTE(RES)
02/29/16	(H)	RES AT 1:00 PM BARNES 124
02/29/16	(H)	Heard & Held
02/29/16	(H)	MINUTE(RES)
02/29/16	(H)	RES AT 6:00 PM BARNES 124
02/29/16	(H)	Heard & Held
02/29/16	(H)	MINUTE(RES)
03/01/16	(H)	RES AT 1:00 PM BARNES 124
03/01/16	(H)	Heard & Held
03/01/16	(H)	MINUTE(RES)
03/02/16	(H)	RES AT 1:00 PM BARNES 124
03/02/16	(H)	Heard & Held
03/02/16	(H)	MINUTE(RES)
03/02/16	(H)	RES AT 6:00 PM BARNES 124
03/02/16	(H)	Heard & Held
03/02/16	(H)	MINUTE(RES)
03/07/16	(H)	RES AT 1:00 PM BARNES 124
03/07/16	(H)	Heard & Held
03/07/16	(H)	MINUTE(RES)
03/07/16	(H)	RES AT 6:00 PM BARNES 124
03/07/16	(H)	Heard & Held
03/07/16	(H)	MINUTE(RES)
03/08/16	(H)	RES AT 1:00 PM BARNES 124
03/08/16	(H)	Heard & Held
03/08/16	(H)	MINUTE(RES)
03/09/16	(H)	RES AT 1:00 PM BARNES 124
03/09/16	(H)	Heard & Held

03/09/16	(H)	MINUTE(RES)
03/11/16	(H)	RES AT 1:00 PM BARNES 124
03/11/16	(H)	-- MEETING CANCELED --
03/14/16	(H)	RES AT 1:00 PM BARNES 124
03/14/16	(H)	Heard & Held
03/14/16	(H)	MINUTE(RES)
03/14/16	(H)	RES AT 6:00 PM BARNES 124
03/14/16	(H)	Heard & Held
03/14/16	(H)	MINUTE(RES)
03/16/16	(H)	RES AT 1:00 PM BARNES 124
03/16/16	(H)	Scheduled but Not Heard
03/18/16	(H)	RES AT 1:00 PM BARNES 124
03/18/16	(H)	Scheduled but Not Heard
03/19/16	(H)	RES AT 1:00 PM BARNES 124
03/19/16	(H)	Heard & Held
03/19/16	(H)	MINUTE(RES)
03/21/16	(H)	RES AT 1:00 PM BARNES 124
03/21/16	(H)	Heard & Held
03/21/16	(H)	MINUTE(RES)
03/21/16	(H)	RES AT 6:00 PM BARNES 124
03/21/16	(H)	-- MEETING CANCELED --
03/22/16	(H)	RES AT 1:00 PM BARNES 124
03/22/16	(H)	Heard & Held
03/22/16	(H)	MINUTE(RES)
03/22/16	(H)	RES AT 6:00 PM BARNES 124
03/22/16	(H)	Moved CSHB 247(RES) Out of Committee
03/22/16	(H)	MINUTE(RES)
03/23/16	(H)	RES RPT CS(RES) NT 5DP 1DNP 1NR 2AM
03/23/16	(H)	DP: CHENAULT, OLSON, JOHNSON, NAGEAK, TALERICO
03/23/16	(H)	DNP: TARR
03/23/16	(H)	NR: HERRON
03/23/16	(H)	AM: SEATON, JOSEPHSON
03/23/16	(H)	RES AT 1:00 PM BARNES 124
03/23/16	(H)	<Bill Hearing Canceled>
03/24/16	(H)	FIN AT 9:30 AM HOUSE FINANCE 519
03/24/16	(H)	Heard & Held
03/24/16	(H)	MINUTE(FIN)
03/25/16	(H)	RES AT 1:00 PM BARNES 124
03/25/16	(H)	<Bill Hearing Canceled>
03/31/16	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
03/31/16	(H)	Heard & Held
03/31/16	(H)	MINUTE(FIN)
03/31/16	(H)	FIN AT 5:00 PM HOUSE FINANCE 519
03/31/16	(H)	Heard & Held
03/31/16	(H)	MINUTE(FIN)
04/01/16	(H)	FIN AT 1:30 PM HOUSE FINANCE 519

04/01/16	(H)	Heard & Held
04/01/16	(H)	MINUTE(FIN)
04/01/16	(H)	FIN AT 5:00 PM HOUSE FINANCE 519
04/01/16	(H)	Heard & Held
04/01/16	(H)	MINUTE(FIN)
04/02/16	(H)	FIN AT 8:30 AM HOUSE FINANCE 519
04/02/16	(H)	-- Continued from 4/1/16 --
04/02/16	(H)	FIN AT 2:00 PM HOUSE FINANCE 519
04/02/16	(H)	-- Public Testimony --
04/04/16	(H)	FIN AT 8:30 AM HOUSE FINANCE 519
04/04/16	(H)	Heard & Held
04/04/16	(H)	MINUTE(FIN)
04/04/16	(S)	RES AT 3:30 PM BUTROVICH 205
04/04/16	(S)	<Pending Referral>
04/05/16	(H)	FIN AT 8:30 AM HOUSE FINANCE 519
04/05/16	(H)	Heard & Held
04/05/16	(H)	MINUTE(FIN)
04/05/16	(S)	RES AT 3:30 PM BUTROVICH 205
04/05/16	(S)	<Pending Referral> -- Invited Testimony Only --
04/06/16	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
04/06/16	(H)	Heard & Held
04/06/16	(H)	MINUTE(FIN)
04/06/16	(S)	RES AT 3:30 PM BUTROVICH 205
04/06/16	(S)	<Pending Referral> -- Invited Testimony Only --
04/07/16	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
04/07/16	(H)	<Bill Hearing Canceled>
04/07/16	(S)	RES AT 3:30 PM BUTROVICH 205
04/07/16	(S)	<Pending Referral> --Invited Testimony Only--
04/08/16	(H)	FIN AT 8:30 AM HOUSE FINANCE 519
04/08/16	(H)	-- MEETING CANCELED --
04/08/16	(H)	FIN AT 1:30 PM HOUSE FINANCE 519
04/08/16	(H)	Moved CSHB 247(FIN) Out of Committee
04/08/16	(H)	MINUTE(FIN)
04/08/16	(S)	RES AT 3:30 PM BUTROVICH 205
04/08/16	(S)	<Pending Referral> --Invited Testimony Only--
04/09/16	(H)	FIN RPT CS(FIN) NT 1DP 4DNP 2NR 4AM
04/09/16	(H)	DP: THOMPSON
04/09/16	(H)	DNP: PRUITT, WILSON, KAWASAKI, GATTIS
04/09/16	(H)	NR: SADDLER, NEUMAN
04/09/16	(H)	AM: GARA, GUTTENBERG, EDGMON, MUNOZ
04/09/16	(S)	RES AT 9:00 AM BUTROVICH 205
04/09/16	(S)	<Pending Referral> --Invited Testimony Only--

04/09/16	(S)	RES AT 2:30 PM BUTROVICH 205
04/09/16	(S)	<Pending Referral> --Invited Testimony Only--
04/11/16	(S)	RES AT 3:30 PM BUTROVICH 205
04/11/16	(S)	<Pending Referral> -- Invited Testimony Only --
04/13/16	(H)	BEFORE HOUSE IN THIRD READING
04/13/16	(H)	RETURNED TO RLS COMMITTEE
04/13/16	(S)	FIN AT 1:30 PM SENATE FINANCE 532
04/13/16	(S)	<Pending Referral> Invited Testimony
04/13/16	(S)	FIN AT 5:00 PM SENATE FINANCE 532
04/13/16	(S)	<Pending Referral> Invited Testimony
04/14/16	(S)	FIN AT 8:00 AM SENATE FINANCE 532
04/14/16	(S)	<Pending Referral>
04/14/16	(S)	FIN AT 1:30 PM SENATE FINANCE 532
04/14/16	(S)	<Pending Referral>
04/14/16	(S)	FIN AT 5:00 PM SENATE FINANCE 532
04/14/16	(S)	<Pending Referral>
04/20/16	(H)	RLS AT 2:00 PM GRUENBERG 120
04/20/16	(H)	-Postponed to a Call of the Chair on 4/21/16 TBD-
04/21/16	(H)	RLS AT 0:00 AM GRUENBERG 120
04/21/16	(H)	-Postponed to a Call of the Chair on 4/22/16 TBA-
04/22/16	(H)	RLS AT 0:00 AM GRUENBERG 120
04/22/16	(H)	-Postponed to a Call of the Chair on 4/23/16 TBA-
04/23/16	(H)	RLS AT 0:00 AM GRUENBERG 120
04/23/16	(H)	-Postponed to a Call of the Chair on 4/24/16 TBA-
04/24/16	(H)	RLS AT 0:00 AM GRUENBERG 120
04/24/16	(H)	-Postponed to a Call of the Chair on 4/25/16 TBA-
04/25/16	(H)	RLS AT 0:00 AM GRUENBERG 120
04/25/16	(H)	-Postponed to a Call of the Chair on 4/26/16 TBA-
04/26/16	(H)	RLS AT 0:00 AM GRUENBERG 120
04/26/16	(H)	-Postponed to a Call of the Chair on 4/27/16 TBA-
04/27/16	(H)	RLS AT 0:00 AM GRUENBERG 120
04/27/16	(H)	-Postponed to a Call of the Chair on 4/28/16 TBA-
04/28/16	(H)	RLS AT 0:00 AM GRUENBERG 120
04/28/16	(H)	-- Meeting Postponed to 5/2/16 --
05/02/16	(H)	RLS AT 9:30 AM BELTZ 105 (TSBldg)
05/02/16	(H)	-- Meeting Postponed to 5/3/16 at 9:30 a.m. --

05/03/16	(H)	RLS AT 9:30 AM BELTZ 105 (TSBldg)
05/03/16	(H)	-- MEETING CANCELED --
05/10/16	(H)	RLS AT 9:30 AM BILL RAY CENTER 208
05/10/16	(H)	Heard & Held
05/10/16	(H)	MINUTE(RLS)
05/11/16	(H)	RLS AT 9:00 AM BILL RAY CENTER 208
05/11/16	(H)	Heard & Held
05/11/16	(H)	MINUTE(RLS)
05/12/16	(H)	RLS RPT 2D CS(RLS) NT 3DP 2NR 1AM
05/12/16	(H)	DP: CHENAULT, OLSON, JOHNSON
05/12/16	(H)	NR: HERRON, TUCK
05/12/16	(H)	AM: KREISS-TOMKINS
05/12/16	(H)	BEFORE HOUSE IN THIRD READING
05/12/16	(H)	WITHDRAW AM NOS. 1,13 AS AM, 15, 16, 18
		AS AM, & 19 UC
05/12/16	(H)	WITHDRAW MOTION ADOPT FIN CS UC
05/12/16	(H)	RLS AT 9:30 AM BILL RAY CENTER 208
05/12/16	(H)	-- Continued at 9:40 a.m. from 5/11/16
		--
05/13/16	(H)	BEFORE HOUSE IN THIRD READING
05/13/16	(H)	TRANSMITTED TO (S)
05/13/16	(H)	VERSION: 2D CSHB 247(RLS) AM
05/14/16	(S)	READ THE FIRST TIME - REFERRALS
05/14/16	(S)	FIN
05/14/16	(S)	FIN AT 1:30 PM BILL RAY CENTER 230
05/14/16	(S)	Heard & Held
05/14/16	(S)	MINUTE(FIN)
05/15/16	(S)	FIN AT 9:00 AM BILL RAY CENTER 230
05/15/16	(S)	Heard & Held
05/15/16	(S)	MINUTE(FIN)
05/16/16	(S)	FIN AT 2:00 PM BILL RAY CENTER 230
05/16/16	(S)	-- MEETING CANCELED --
05/17/16	(S)	FIN RPT SCS 3DP 1NR 3AM NEW TITLE
05/17/16	(S)	DP: MACKINNON, HOFFMAN, MICCICHE
05/17/16	(S)	NR: KELLY
05/17/16	(S)	AM: BISHOP, DUNLEAVY, OLSON
05/17/16	(S)	FIN AT 9:00 AM BILL RAY CENTER 230
05/17/16	(S)	Moved SCS 2D CSHB 247(FIN) Out of
		Committee
05/17/16	(S)	MINUTE(FIN)
05/18/16	(S)	VERSION: SCS 2D CSHB 247(FIN) AM S
05/18/16	(H)	CONFERENCE COMMITTEE APPOINTED
05/18/16	(H)	TALERICO (CHAIR), OLSON, TARR
05/23/16	(H)	FOURTH SPECIAL SESSION BILL
05/23/16	(S)	FOURTH SPECIAL SESSION BILL - WITH
		PASSAGE OF HCR 401
05/24/16	(S)	BILL ENGROSSED ON 5/18/16

05/24/16	(S)	RECEDE MESSAGE READ AND HELD
05/24/16	(S)	TAKEN UP
05/24/16	(S)	CONFERENCE COMMITTEE APPOINTED
05/24/16	(S)	GIESSEL (CHAIR), COGHILL, MICCICHE
06/06/16	(H)	HB247 AT 8:00 AM BILL RAY CENTER 230

WITNESS REGISTER

No witnesses to record

ACTION NARRATIVE

[8:11:51 AM](#)

CHAIR DAVID TALERICO called the meeting of the Conference Committee on HB 247 to order at 8:11 a.m. Representatives Olson, Tarr, and Talerico, and Senators Coghill, Micciche, and Giessel were present at the call to order. Also present were Representatives LeDoux, Gara, Josephson, Seaton, Herron, Edgmon, Kito, Kawasaki, Drummond, Reinbold, Stutes, Tilton, Wilson, and Ortiz.

HB 247-TAX;CREDITS;INTEREST;REFUNDS;O & G

[8:12:32 AM](#)

CHAIR TALERICO announced that the only order of business before the Conference Committee on HB 247 would be 2d CS FOR HOUSE BILL NO. 247(RLS) am, "An Act amending the powers of the board of trustees of the Alaska Retirement Management Board to authorize purchase and sale of transferable tax credit certificates issued in conjunction with the production tax on oil and gas; relating to interest applicable to delinquent tax; relating to the oil and gas production tax, tax payments, and credits; relating to exploration incentive credits; relating to refunds for the gas storage facility tax credit, the liquefied natural gas storage facility tax credit, and the qualified in-state oil refinery infrastructure expenditures tax credit; relating to the confidential information status and public record status of information in the possession of the Department of Revenue; relating to oil and gas lease expenditures and production tax credits for municipal entities; requiring a bond or cash deposit with a business license application for an oil or gas business; establishing a legislative working group to study the fiscal regime and tax structure and rates for oil and gas produced south of 68 degrees North latitude; and providing for an effective date." and SENATE CS FOR 2d CS FOR HOUSE BILL NO.

247(FIN) am S, "An Act relating to the exploration incentive credits; relating to the powers and duties of the Alaska Oil and Gas Conservation Commission; relating to interest applicable to delinquent tax; relating to the oil and gas production tax, tax payments, and credits; relating to tax credit certificates; relating to refunds for the gas storage facility tax credit, the liquefied natural gas storage facility tax credit, and the qualified in-state oil refinery infrastructure expenditures tax credit; relating to oil and gas lease expenditures and production tax credits for municipal entities; requiring a bond or cash deposit with a business license application for an oil or gas business; and providing for an effective date."

CHAIR TALERICO stated that the conference committee was operating under Uniform Rule 42 and public testimony would not be taken. Furthermore, the adoption of a conference committee report would require an affirmative vote by the majority of the membership from each house.

[8:13:07 AM](#)

REPRESENTATIVE OLSON moved to adopt 2d CSHB 247(RLS) am, labeled 29-GH2609\C.A, as the working document.

SENATOR GIESSEL objected.

SENATOR MICCICHE stated for the record that when the version of the bill is ultimately moved out of the Conference Committee on HB 247 and arrives on the Senate floor, he will ask to be recused from voting due to a perceived conflict, as he is employed in the [oil and gas] industry.

[8:13:52 AM](#)

A roll call vote was taken. Representatives Olson and Tarr voted in favor of the motion to adopt 2d CSHB 247(RLS) am, and Representative Talerico voted against it. Senators Coghill, Micciche, and Giessel voted against the motion to adopt 2d CSHB 247(RLS) am. Therefore, the motion failed by a vote of 2:1 (House) and 0:3 (Senate).

[8:14:43 AM](#)

SENATOR GIESSEL moved to adopt SCS 2d CSHB 247(FIN) am S, labeled 29-GH2609\AA.A, as the working document.

REPRESENTATIVE TARR objected.

[8:15:06 AM](#)

A roll call vote was taken. Representative Olson voted in favor of the motion to adopt SCS 2d CSHB 247(FIN) am S, and Representatives Tarr and Talerico voted against it. Senators Coghill and Giessel voted in favor of the motion for the committee to adopt SCS 2d CSHB 247(FIN) am S, and Senator Micciche voted against it. Therefore, the motion failed by a vote of 1:2 (House) and 2:1 (Senate).

[8:15:50 AM](#)

[Due to technical difficulties, this portion of the meeting is not captured completely on the audio recording.]

[8:17:08 AM](#)

The committee took a brief at ease at 8:17 a.m.

[8:17:29 AM](#)

SENATOR GIESSEL moved to rescind the committee's action in failing to adopt SCS 2d CSHB 247(FIN) am S. There being no objection, SCS 2d CSHB 247(FIN) am S was before the committee.

[8:17:52 AM](#)

SENATOR GIESSEL moved to adopt SCS 2d CSHB 247(FIN) am S, labeled 29-GH2609\AA.A, as the working document.

A roll call vote was taken. Representatives Olson, Tarr, and Talerico voted against the motion to adopt SCS 2d CSHB 247(FIN) am S. Senators Coghill, Micciche, and Giessel voted in favor of the motion to adopt SCS 2d CSHB 247(FIN) am S. Therefore, the motion failed by a vote of 0:3 (House) and 3:0 (Senate).

[8:18:47 AM](#)

CHAIR TALERICO directed attention to a document entitled, "HB 247 - House/Senate Comparison," included in the committee packet, which showed the differences in the bills that passed the House and the Senate. Chair Talerico stated he "would like to use the Senate version as our working document," and noted there are four Legislative Legal and Research Services amendments, and conceptual amendments offered by Representative Tarr, for consideration. The four amendments from Legislative

Legal and Research Services deal with refinery tax credits, local hire, confidentiality tax credit purchases, and a six-month extension of the Frontier Basins exploration [tax] credits, all of which will be discussed and acted upon. He reminded members that the conference committee does not have limited powers of free conference or powers of a Free Conference Committee. Thus, everything acted on must be "mirrored" language from one bill to the other.

REPRESENTATIVE TARR stated that she would like the chair to affirm that she can offer conceptual amendments, because due to timing constraints, Legislative Legal and Research Services were unable to prepare [the amendments].

CHAIR TALERICO responded that the committee would hear the [conceptual] amendments. He then advised that the committee needs a working document and entertained a motion to adopt the Senate version of the bill.

[8:21:07 AM](#)

SENATOR GIESSEL moved to adopt [SCS 2d CSHB 247(FIN) am S, labeled 29-GH2609\AA.A], as the working document.

[8:21:18 AM](#)

REPRESENTATIVE TARR objected, and opined the House version moves the conference committee closer to the compromise necessary for a bill to pass. She expressed concern that the conference committee would not reach a compromise using the Senate version, but said she will offer amendments to various points. Representative Tarr then removed her objection.

There being no further objection, Version AA.A was before the committee.

[8:22:14 AM](#)

REPRESENTATIVE OLSON moved to adopt Amendment 1, labeled 29-GH2609\AA.A.6, Nauman/Shutts, 6/6/16, which read:

Page 4, lines 18 - 23:

Delete all material and insert:

"* **Sec. 9.** AS 43.05.230 is amended by adding a new subsection to read:

(1) For tax credit certificates purchased by the department in the preceding calendar year under

AS 43.55.028, the department shall make the following information public by April 30 of each year:

(1) the name of each person from whom the department purchased a transferable tax credit certificate; and

(2) the aggregate amount of the tax credit certificates purchased from the person in the preceding calendar year."

[8:22:17 AM](#)

SENATOR GIESSEL objected for discussion purposes.

REPRESENTATIVE OLSON informed the committee that Amendment 1 adopts the House version confidentially language regarding purchase tax credits, and requires the Department of Revenue (DOR) to make public the names of the companies that sold credits to the state and the amount of credits purchased in the previous calendar year; the Senate version only requires an aggregate amount of all credits purchased in the previous calendar year, without a breakdown by company, [to be made public].

REPRESENTATIVE TARR stated the importance of the amendment in "terms of transparency" and in order to provide the public information on where state funds are going, without violating tax confidentiality provisions. She expressed her support for the amendment.

SENATOR GIESSEL, in response to Chair Talerico, maintained her objection.

[8:23:27 AM](#)

A roll call vote was taken. Representatives Olson, Tarr, and Talerico voted in favor of Amendment 1. Senators Coghill, Micciche, and Giessel voted in favor of Amendment 1. Therefore, Amendment 1 was adopted by a vote of 3:0 (House) and 3:0 (Senate).

[8:24:07 AM](#)

SENATOR COGHILL moved to adopt Amendment 2, labeled 29-GH2609\AA.A.7, Nauman/Shutts, 6/6/16, which read:

Page 5, lines 17 - 30:
Delete all material.

Renumber the following bill sections accordingly.

Page 29, line 12:

Delete "sec. 13"

Insert "sec. 12"

Page 29, line 13:

Delete "sec. 24"

Insert "sec. 23"

Page 29, line 14:

Delete "sec. 26"

Insert "sec. 25"

Page 29, line 16:

Delete "sec. 25"

Insert "sec. 24"

Page 29, line 17:

Delete "13, and 24 - 26"

Insert "12, and 23 - 25"

Page 29, line 18:

Delete "sec. 15"

Insert "sec. 14"

Page 29, line 19:

Delete "sec. 15"

Insert "sec. 14"

Page 29, line 23:

Delete "sec. 30"

Insert "sec. 29"

Page 29, line 24:

Delete "sec. 35"

Insert "sec. 34"

Page 29, line 27:

Delete "sec. 35"

Insert "sec. 34"

Page 30, line 22:

Delete "Sections 23, 38, and 39"

Insert "Sections 22, 37, and 38"

Page 30, line 24:

Delete "Sections 30, 35, and 37"

Insert "Sections 29, 34, and 36"

Page 30, line 25:

Delete "secs. 40 and 41"

Insert "secs. 39 and 40"

[8:24:13 AM](#)

SENATOR GIESSEL objected for discussion purposes.

SENATOR COGHILL explained that the Senate version of the bill added language "stepping down the refinery credits"; however, Amendment 2 removes that language from the Senate version and returns the bill to the "status quo." Senator Coghill added that Alaska businesses, especially in his district, rely on tax credits and opined it is not good timing for a change.

REPRESENTATIVE TARR expressed her support for Amendment 2. She stated it is appropriate to remove this language as the related provisions were never discussed by a House committee, thus members of the House may not have a full understanding of the impact of the provisions.

SENATOR GIESSEL recalled that the Senate considered the tax credit reform bill in terms of all tax credits including refinery credits, commercial fishing credits, education credits, and others. However, refinery credits are the subject matter of the bill, and some Alaska refineries are reconfiguring to process and produce asphalt, which is a key commodity for the state. She expressed her support for Amendment 2, which would return refinery credits to their present level, and allow Alaska refineries to become more productive.

[8:27:19 AM](#)

SENATOR GIESSEL, in response to Chair Talerico, removed her objection to Amendment 2. There being no further objection, Amendment 2 was adopted.

[8:27:36 AM](#)

REPRESENTATIVE OLSON moved to adopt Amendment 3, [labeled 29-GH2609\AA.A.8, Nauman/Shutts, 6/6/16,] which read:

Page 22, line 18, following "department":

Insert ", when allocating available money in the fund under this section,"

Page 22, lines 19 - 20:

Delete ", when allocating available money in the fund under this section,"

Insert "[, WHEN ALLOCATING AVAILABLE MONEY IN THE FUND UNDER THIS SECTION,]"

Page 22, lines 23 - 25:

Delete "must grant a preference to an applicant if at least 75 percent of the applicant's workforce in the state in the previous calendar year was composed of resident workers"

Insert "must grant a preference, between two applicants, to the applicant with a higher percentage of resident workers in the applicant's workforce, including workers employed by the applicant's direct contractors, in the state in the previous calendar year"

Page 22, line 26, through page 23, line 2:

Delete ";

(3) must provide for the purchase of the amount equal to the first 50 percent of the credit repurchase limit per person under (e) of this section at a rate of 100 percent of the value of the certificate or portion of the certificate requested to be purchased and the amount equal to the next 50 percent of the credit repurchase limit per person under (e) of this section at a rate of 75 percent of the value of the certificate or portion of the certificate requested to be purchased"

SENATOR GIESSEL objected for discussion purposes.

REPRESENTATIVE OLSON informed the committee that Amendment 3 adopts the House version of local hire language and requires DOR to grant preference to the applicant with the higher percentage of resident workforce including workers employed by the applicants' direct contractors in the state in the previous calendar year.

[8:28:12 AM](#)

SENATOR MICCICHE advised that the Senate Finance Committee evaluated the cash outlays by the state and intended to

incentivize waiting to collect credits by putting the first \$35 million at full value and the second \$35 million - for companies that wish to get paid for credits in the same year - at 75 percent. Therefore, if Amendment 3 is adopted, "the cash outlay for the state is only \$61 million, so it's a savings of \$9 million per company for the repurchase caps and the credit as well."

[8:29:01 AM](#)

SENATOR GIESSEL, in response to Chair Talerico, removed her objection. There being no further objection, Amendment 3 was adopted.

[8:29:17 AM](#)

CHAIR TALERICO moved to adopt Amendment 4, labeled 29-GH2609\AA.A.9, Nauman/Shutts, 6/6/16, which read:

Page 20, line 18:
Delete "January"
Insert "July"

Page 20, line 19:
Delete "January"
Insert "July"

SENATOR GIESSEL objected for discussion purposes.

CHAIR TALERICO explained that Amendment 4 conforms the bill to the House version, related to the date of the Frontier Basins exploration credits, and would change the date from January 1, 2017, to July 1, 2017. This is an extension of six months for the Frontier Basins - also known as "middle earth" - tax credits.

REPRESENTATIVE TARR recalled that the date set by the House version reflected a recognition of opportunities currently underway, and she expressed her support for Amendment 4.

[8:30:22 AM](#)

SENATOR GIESSEL spoke in support of Amendment 4, noting that the Frontier Basins may not be "massive" resource discoveries, but can provide energy for rural areas in Alaska. In this regard, the Senate referred to the Interior Energy Plan (IEP) and acknowledged that work underway near Nenana could provide a gas

supply to Fairbanks, in accordance with the intent of IEP, which is to access the least expensive energy.

SENATOR GIESSEL, in response to Chair Talerico, removed her objection. There being no further objection, Amendment 4 was adopted.

[8:32:32 AM](#)

REPRESENTATIVE TARR moved to adopt [Conceptual] Amendment 5 which read [original punctuation provided]:

Restore Section 13 of House Bill 247, Version 29-GH2609\C.A

Restore levies on oil and gas taxes in the Cook Inlet Basin as outlined by Section 13 of the above-noted version.

Restore Section 60 of House Bill 247, Version 29GH2609\C.A.

Restores creation of a bi-partisan Working Group to explore proper rates to set in the Cook Inlet, effective 2019.

Repeal Section 15 of the Senate Version, Version 29-GH2609\AA.A (passed by the Senate on the Floor).

[8:33:03 AM](#)

SENATOR GIESSEL objected for discussion purposes.

REPRESENTATIVE TARR reminded the committee that the current system for Cook Inlet oil and gas tax utilizes a "cap" that is set to sunset in 2022; the House version of the bill moved the sunset to 2019, and created a Cook Inlet working group that would develop "the right oil and gas tax system for Cook Inlet" to propose to both bodies of the legislature. She relayed that she and other House members have not had an opportunity to discuss Section 15 of the Senate version that "removes the 2022 tax cap and provides that the tax may not exceed \$1 per barrel." Further, the aforementioned provision "came in ... at the eleventh hour in the Senate Finance Committee ... that's going to be a really important change going forward to make sure we can have stability for our Southcentral gas supply." Although there are contracts in place for a ten-year supply of gas,

Representative Tarr stressed that she seeks a plan with durability for her constituents; in addition, the focus of HB 247 was to address [tax] credits in Cook Inlet, middle earth, and the North Slope, and not on tax policy. She opined that the amendment is a compromise between the House and Senate by ensuring some revenue in the near-term, and reinstating the working group that would hear from all of the interested parties and stakeholders.

[8:36:20 AM](#)

SENATOR MICCICHE said the oil that has not been taxed for some time in Cook Inlet is about \$5 million per year. He pointed out that the legislature has removed several hundred million dollars per year of credits out of Cook Inlet, which is "a pretty big hit to the industry, [and] a pretty big hit to my district" Senator Micciche said, "Do I think that the taxes are going to be seventeen and a-half cents per M post-2022, or a dollar a barrel for oil? Probably not." Further, the legislature can impanel a working group at any time. He stated he would not support the amendment, and said he had confidence that work will be done before 2022 on "what Cook Inlet should look like."

SENATOR GIESSEL spoke in opposition to [Conceptual] Amendment 5. She said the Senate version of the bill recognizes that in the past few years, 50 percent or more of the tax credits have gone to Cook Inlet. Although Cook Inlet basin provides energy security for 50 percent of the state's population, in the next eighteen months - the relevant time period - the basin will become less constrained and open to more buyers for its gas. It is the legislature's hope that demand will increase; for example, new demand for natural gas may come from the [Donlin Gold] mine, the [Agrium Inc. ammonia plant in Kenai], and the Alaska LNG project (AKLNG). Lastly, she relayed that the Regulatory Commission of Alaska (RCA) consent agreement in effect in Cook Inlet, which constrains the price of gas, will be gone within the next eighteen months. She remarked, "... putting in place a working group communicates instability, it communicates yet more deliberation on, on the tax-taking by government. And so, as the Senate considered this, understanding that there's been no tax on oil in Cook Inlet for at least a decade, but there's been a very small tax on gas, we felt it appropriate to ... put a tax in place on oil so that the state can begin to regain some revenue from all of the tax credits we've placed in Cook Inlet, and make it comparable to the seventeen and a-half cents per MCF that has been on gas"

8:40:38 AM

REPRESENTATIVE TARR pointed out that the timeline of the Senate version sets an effective date of January 1, 2017; the House version establishes a working group for the interim, so that the legislature could adopt an oil and gas tax system during the next session, between January and March or April, 2017. Thus, the benefit of adopting this amendment is, "The House members won't be asked to vote on something that they've actually never seen before." Representative Tarr opined that House members will have many questions, and the conceptual amendment allows for vigorous review by members, and significant input by stakeholders, to result in a workable system that could stay in place for ten years, without changes. She suggested this would avoid justifiable criticism from the industry about the state "making changes all the time, and this is setting us up for having to make more near-term changes"

8:42:45 AM

SENATOR GIESSEL, in response to Chair Talerico, maintained her objection.

8:42:46 AM

A roll call vote was taken. Representative Tarr voted in favor of Conceptual Amendment 5. Representatives Olson and Talerico voted against it. Senators Coghill, Micciche, and Giessel voted against Conceptual Amendment 5. Therefore, Conceptual Amendment 5 failed by a vote of 1:2 (House) and 0:3 (Senate).

8:43:20 AM

REPRESENTATIVE TARR moved to adopt [Conceptual] Amendment 6, which read [original punctuation provided]:

Adopt House Version of language limiting state payment of 35% for company losses to non-producing North Slope companies and small producers with 15,000 barrels or less of North Slope Production. Do not accept Senate changes requiring state to pay losses incurred by large North Slope producers

SENATOR COGHILL objected.

REPRESENTATIVE TARR observed that one of the perceived deficiencies of the Senate version of the bill is the lack of changes to the North Slope net operating loss credit "situation." At the time the legislature crafted [Senate Bill 21, passed in the 28th Alaska State Legislature and signed into law on 6/24/13] it did not anticipate that the three major companies on the North Slope would have net operating losses, and that the state would lose revenue "against their tax liability." She continued to say, "The under 50,000 are the people we're paying cash payments to, to the tune of \$700 million" The House version of the bill limits which companies qualify for net operating losses by lowering the threshold from 50,000 barrels to 15,000 barrels, thereby protecting the state during periods of low oil prices. In order to limit the state's future liability, the conceptual amendment directs that only companies producing 15,000 barrels or less would qualify for net operating losses.

[8:45:20 AM](#)

SENATOR GIESSEL expressed her opposition to the conceptual amendment, stating that multiple consultants and DOR have pointed out that the state has a net tax system, and net operating losses are a key element in the state's system. She characterized the amendment as a progressive step away from the state's net tax system that allows companies to deduct losses. Furthermore, DOR has advised that when oil prices are above \$45-\$46 per barrel, there are no net operating losses accrued by companies on the North Slope, and she questioned why the state would seek to modify a net tax system into a gross tax system when, "the problem is, is going away, over time." She restated her opposition to the amendment, and pointed out that the credits that are under consideration for the next fiscal year total \$500 million, and the additional \$200 million in credits were vetoed by the governor for this fiscal year.

[8:47:33 AM](#)

REPRESENTATIVE TARR encouraged the committee to "deal with [the problem] now." The legislative record shows that during the debate of Senate Bill 21, models of oil prices under \$60 per barrel were not discussed and/or anticipated. She remarked, "So now, we've learned, that at these low prices, this is a system that does not work and, and means significant liability to the state. And just, where the \$700 million comes from, ... if you're including the almost [\$]300 million that we'll lose for the net operating losses against tax liability, then you get

well over \$700 million, [and] when you add last year's we get closer to a billion." Representative Tarr concluded that tax credits for corporations that make "record profits in Alaska" are unnecessary. Predicting the price of oil is uncertain - the legislature passed a budget based on approximately \$105 per barrel. Although oil is close to \$49 [per barrel] today, the price could return to \$30 [per barrel] next week, which is why choosing not to address this problem is fiscally irresponsible. In fact, net operating losses can be carried forward and the state will be losing money in fiscal years 2018-2020, and beyond. Because the situation is known and can be prevented, she urged the committee to discuss what happens when the price of oil falls below \$60 [per barrel], and complete the work that has not been completed after months of study.

[8:50:48 AM](#)

SENATOR COGHILL, in response to Chair Talerico, maintained his objection.

[8:50:53 AM](#)

A roll call vote was taken. Representative Tarr voted in favor of Conceptual Amendment 6. Representatives Olson and Talerico voted against it. Senators Coghill, Micciche, and Giessel voted against Conceptual Amendment 6. Therefore, Conceptual Amendment 6 failed by a vote of 1:2 (House) and 0:3 (Senate).

[8:51:23 AM](#)

REPRESENTATIVE TARR moved to adopt [Conceptual] Amendment 7 which read [original punctuation provided]:

Adopt House Version to Reduce North Slope payment by state to small producers for losses (Net Operating Losses) from 35% of loss to 25% of loss.

SENATOR GIESSEL and Representative Olson objected.

REPRESENTATIVE TARR explained that [Conceptual Amendment 7] also addresses net operating losses. She observed that both the Senate and House versions of the bill included a "step down" [related to a reduction in the percentage of payment for net operating losses], and that the provision in the House version of the bill is more appropriate and would cause less disruption.

SENATOR GIESSEL, in response to Chair Talerico, maintained her objection.

[8:52:29 AM](#)

A roll call vote was taken. Representative Tarr voted in favor of Conceptual Amendment 7. Representatives Olson and Talerico voted against it. Senators Coghill, Micciche, and Giessel voted against Conceptual Amendment 7. Therefore, Conceptual Amendment 7 failed by a vote of 1:2 (House) and 0:3 (Senate).

[8:53:05 AM](#)

REPRESENTATIVE TARR moved to adopt [Conceptual] Amendment 8, which read [original punctuation provided]:

Adopt House Version of language preventing companies claiming state payment for company Net Operating Losses so they may not be carried forward into future years.

[8:53:07 AM](#)

SENATOR GIESSEL objected.

REPRESENTATIVE TARR characterized the provision addressed by Conceptual Amendment 8 as one of the most important provisions, which would limit the ability of companies to carry forward net operating losses. The House version of the bill would eliminate net operating losses from the budget by 2021; however, the Senate version extends [payment] for net operating losses to 2023. During a time when essential state services are being cut, she opined it is irresponsible to continue payments in the amount of "hundreds of millions ... of Alaskan dollars." Referring to a net profit system, she said, "You take the price, you deduct the transportation costs, you also deduct capital expenditures, you also deduct operating expenditures, all before you even get to taxing the company at all, so it's a very generous tax system" Again, this is a provision not fully addressed in Senate Bill 21.

[8:55:04 AM](#)

SENATOR GIESSEL said the amendment is a "significant rewrite of our state tax policy. This bill and the subjects being addressed this session [are] reform of the tax credits, not a complete rewrite of our tax system." She directed attention to

a document submitted by the Tax Division of DOR, dated 1/20/16, [document not provided] that listed six major goals of HB 247, and she read major goal 2.) as follows:

Protect net operating loss credit as essential playing field leveler between incumbent producers and newcomers.

Senator Giessel opined the foregoing summarizes the fact that [a change to] net operating loss is not intended to be the subject of the proposed legislation; in fact, the amendment would change tax policy and affect companies, resulting in the loss of "thousands of Alaskan jobs."

8:56:36 AM

SENATOR MICCICHIE recalled that during the change from previous [state] tax policy to the existing policy, the legislature sought to correct the "20 percent CAPEX credit." According to [public] records the state paid out \$918 million in credits in 2013. The legislature wanted to correct the 20 percent CAPEX credit, but retain companies' ability to write-off expenses. The state has a net tax, profit tax system, although in the future changes could be made to the system. The administration indicated in the spring forecast, with oil prices at \$38 per barrel, the state is not "in a net operating loss scenario, so the hundreds of millions [of dollars] they're talking about going in the 'out' years, is not an expected burden on the state." Senator Micciche acknowledged that should oil prices fall for an extended period of time, he would be interested in evaluating "a better way." He said he was not in support of the amendment, and reminded members that "our heaviest credit years" are in the past, and under a prior tax policy.

8:58:50 AM

REPRESENTATIVE TARR opined that that the proposed bill violated the governor's goal of not rewriting tax policy by the inclusion of the Senate's change in tax policy for Cook Inlet, which is inconsistent with the aforementioned point that the bill is not intended to affect tax policy. In addition, predicting the price of oil is fraught with difficulty, as demonstrated by last year's budget that required \$105 per barrel oil. She restated her desire to correct problems now - and protect the state from future losses - because companies will continue to earn losses one year, taxes will be due the next year, and the impact will be felt in the future.

[9:00:42 AM](#)

SENATOR GIESSEL, in response to Chair Talerico, maintained her objection.

[9:00:46 AM](#)

A roll call vote was taken. Representative Tarr voted in favor of Conceptual Amendment 8. Representatives Olson and Talerico voted against it. Senators Coghill, Micciche, and Giessel voted against Conceptual Amendment 8. Therefore, Conceptual Amendment 8 failed by a vote of 1:2 (House) and 0:3 (Senate).

[9:01:16 AM](#)

REPRESENTATIVE TARR moved to adopt [Conceptual] Amendment 9 which read [original punctuation provided]:

Reinstate 5% minimum tax at \$70/barrel per House
Version

[9:01:20 AM](#)

SENATOR GIESSEL objected.

REPRESENTATIVE TARR informed the committee that Senate Bill 21 did not address "the way the minimum tax could be pierced," even though the legislature believed it had established a 4 percent minimum tax. She recalled that a working group chaired by Senator Giessel recommended "hardening the floor ... that provision was in some ways adopted by not allowing the [gross value reduction (GVR)] to interact with the net operating loss, - the per barrel credit originally was made so that couldn't be done - but we really didn't fully address the hardening of the floor." The governor's original bill included a 5 percent minimum tax increase at all prices; the House version compromised by looking at the range at which companies are comfortably profitable, and thus established a 5 percent minimum tax, starting at \$70 per barrel. She said Conceptual Amendment 9 is a compromise provision originally addressed by the governor's bill.

[9:02:56 AM](#)

SENATOR GIESSEL advised that the amendment creates a "significant tax increase; it is not merely 1 percent as some

have opined." She stressed that the legislature is tasked with protecting Alaskans, which is what the Senate version has done by maintaining the 4 percent minimum tax as currently exists. As the law stands, opportunities for good-paying jobs in the oil industry - and in directly-related or indirectly-related industries - are protected. Government plays a powerful role in the economy, and raising the tax, without thoroughly vetting an increase, is not advisable.

REPRESENTATIVE TARR expressed her understanding that the provision addressed by the amendment was included in the original bill in response to recommendations from the working group. Since the working group included stakeholders, she said she was surprised that "we're moving away from that recommendation." She restated several factors of a net tax system, and concluded, "... they take away about \$50 of the value, before we ever tax any of it, so they're well within the profit range, at \$70 per barrel"

[9:06:12 AM](#)

SENATOR GIESSEL, in response to Chair Talerico, maintained her objection.

[9:06:17 AM](#)

A roll call vote was taken. Representative Tarr voted in favor of Conceptual Amendment 9. Representatives Olson and Talerico voted against it. Senators Coghill, Micciche, and Giessel voted against Conceptual Amendment 9. Therefore, Conceptual Amendment 9 failed by a vote of 1:2 (House) and 0:3 (Senate).

CHAIR TALERICO opened discussion on the bill, as amended.

[9:07:04 AM](#)

REPRESENTATIVE TARR remarked:

... I was disappointed that here we are on day fourteen - this is the first meeting of this conference committee - I think it [has] been made aware of everyone what an important piece of legislation this is for many of us; that this is the first step in any fiscal plan, moving forward. I noticed the other five members around the table here all have the same script, highlighted for different things, so clearly, there was some coordination and

discussion that I was never privy to. Perhaps that's the process, as everyone understands it, that's certainly a disappointment to me.

REPRESENTATIVE TARR continued to note the lack of sufficient discussion regarding the most important and contentious aspects of the bill, and sufficient effort to resolve contentious matters. She opined the public will view the passage of the bill as a failure of this legislature. Although the bill may pass with a slim margin, its passage may prevent the completion of a fiscal plan [by the 29th Alaska State Legislature]. Representative Tarr restated her perception of a lack of communication and stated, "We could have done a better job, and I'm dissatisfied with the work product today."

[9:09:21 AM](#)

REPRESENTATIVE OLSON expressed his belief that Alaskans responded to this issue two years ago by defeating [the 2014 Alaska Oil Tax Cuts Veto Referendum, Ballot Measure 1]. He said, "I don't think it's proper to change it [in] less than two years."

SENATOR COGHILL stated that oil and gas companies in Alaska - who support Alaska's economy - are under stress from the international downturn of the market, and have made changes, such as laying-off workers. In response, the state has provided incentives, mostly in Cook Inlet, which have secured a gas supply for the Cook Inlet area and thereby for a large part of the population of Alaska. Although the "credit issue" is not sustainable, and must be changed, the state is changing its incentives because the downturn in the value and price of oil has affected the whole world. Regarding communication [between members of the conference committee], Senator Coghill said there have been many House and Senate committee meetings dedicated to the legislation, and there have been study and communications, and acknowledged he had not talked with [Representative Tarr]. The legislation will affect Alaskans, and citizens need to know that after any compromise "everybody is going to walk away unhappy" He closed by saying, "So, I'm going to support going forward with this, as unhappy as I am."

[9:12:36 AM](#)

SENATOR MICCICHE, referring to "the conspiracy theory," noted he received [amendment] documents about 30 minutes before meeting, which is common for a conference committee. He relayed his

experience as a member of the operating budget conference committee. Turning to the subject of "floor hardening," he said the Senate was concerned about making changes and then having oil prices improve sometime in the future. It is known that net operating losses are not likely to be an issue, and he cautioned about "losing votes on [the Senate] side," as some senators are unwilling to talk about any of the issues; however, the Senate did address a ballot initiative, made changes to the GVR, and worked on issues related to Senate Bill 21, including removing hundreds of millions of dollars' worth of credits in Cook Inlet. Senator Micciche said if the conference committee adopted the House version, it would not pass the Senate and "we're trying to compromise in the middle, we've adopted a lot of the (indisc.) of the House version, it may not go as far as some of you wanted it to go, but it goes further than some of the folks in the Senate wanted to go. We're still trying to maintain a bill that can pass both bodies, [and] I'm hopeful it does"

9:15:09 AM

SENATOR GIESSEL thanked the House for its work on the legislation. Between the House and Senate, there have been over 70 committee meetings, extensive public testimony, and lots of modeling. Although not a perfect bill, the bill is very good, and [the bill's] passage by a slim margin would demonstrate the level of difficulty in making decisions on an issue that affects the state's economy. Senator Giessel said the bill protects Alaskans today and in the future by reducing the state's tax credit outlay, but retaining a stable tax structure to ensure a major gas project in the future.

REPRESENTATIVE TARR said Senator Micciche's comments would have been appreciated earlier in the special session, and would have provided a better understanding of the views of members of the Senate. She observed that there is limited time for resolving differences if the bill does not pass, and understanding one and another's viewpoint is helpful. Representative Tarr said she did not agree that the bill would provide stability, because problem areas still exist and will need to be addressed. Regarding the [defeat of the 2014 Alaska Oil Tax Cuts Veto Referendum, Ballot Measure 1] referendum, the vote was close and the issue remains contentious within the state.

CHAIR TALERICO expressed his appreciation to the members of the committee for their service.

9:19:58 AM

SENATOR GIESSEL moved that the Conference Committee on HB 247 recommend that the House and Senate adopt the conference committee substitute (CCS) for HB 247, Version 29-GH2609\AA.A, as amended, with Senate fiscal notes.

[9:20:20 AM](#)

REPRESENTATIVE TARR objected.

[9:20:23 AM](#)

A roll call vote was taken. Representatives Olson and Talerico voted in favor of the motion to recommend that the House and Senate adopt CCS HB 247, Version 29-GH2609\AA.A, as amended, with Senate fiscal notes. Representative Tarr voted against it. Senators Coghill, Micciche, and Giessel voted in favor of the motion to recommend that the House and Senate adopt CCS HB 247, Version 29-GH2609\AA.A, as amended. Therefore, the motion passed by a vote of 2:1 (House) and 3:0 (Senate).

[9:21:06 AM](#)

ADJOURNMENT

There being no further business before the committee, the meeting of the Conference Committee on HB 247 was adjourned at 9:21 a.m.