

**SENATE JOURNAL**  
**ALASKA STATE LEGISLATURE**  
**THIRTIETH LEGISLATURE**  
**SECOND SPECIAL SESSION**

**Juneau, Alaska**

**Saturday**

**July 15, 2017**

**Thirtieth Day**

Pursuant to adjournment the Senate was called to order by President Kelly at 10:21 a.m.

The roll showed eighteen members present. Senators Begich, Costello were absent.

Senator Micciche moved and asked unanimous consent Senator Costello be excused from a call of the Senate today. Without objection, Senator Costello was excused.

The prayer was offered by the Chaplain, Jacob Pennell, Senate Page. Senator Hoffman moved and asked unanimous consent that the prayer be spread. Without objection, it was so ordered.

Dear Lord,

Thank You for the life that inhabits this incredible planet and thank You for allowing us to be among it. May You bless us and give us the wisdom to appreciate all that we have. Amen.

Senator Dunleavy led the Senate in the Pledge of Allegiance.

**Certification**

Senator Micciche moved and asked unanimous consent that the journal for the twenty-ninth legislative day of the second special session be approved as certified by the Secretary. Without objection, it was so ordered.

**Communications**

Disclosure letters received from the Select Committee on Legislative Ethics, in accordance with AS 24.60, will be published in Senate Journal Supplement No. 6.

**Consideration of the Calendar****Citations**

Senator Micciche moved and asked unanimous consent that the following citations be made a special order of business. Without objection, it was so ordered.

**Special Order of Business**

Honoring - Annie Route

Senator(s) Costello, Kelly, Begich, Bishop, Coghill, Dunleavy, Egan, Gardner, Giessel, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski

Honoring - Colin Arnold

Representative(s) Kreiss-Tomkins

Senator(s) Kelly, Begich, Bishop, Coghill, Costello, Dunleavy, Egan, Gardner, Giessel, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski

Honoring - Dr. Karen O'Neill

Representative(s) Foster

Senator(s) Kelly, Begich, Bishop, Coghill, Costello, Dunleavy, Egan, Gardner, Giessel, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski, Wilson

In Memoriam - William Bush

Senator(s) Coghill, Kelly, Begich, Bishop, Costello, Dunleavy, Egan, Gardner, Giessel, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski, Wilson

In Memoriam - Kenneth Gene Zerkel

Senator(s) Costello, Kelly, Begich, Bishop, Coghill, Dunleavy, Egan, Gardner, Giessel, Hoffman, Hughes, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski, Wilson

Senator Micciche 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**

Senator Meyer moved and asked unanimous consent to be excused from a call of the Senate from July 23 through July 26. Without objection, Senator Meyer was excused.

Senator Gardner moved and asked unanimous consent to be excused from a call of the Senate from morning plane time, November 1 through evening plane time, November 30. Without objection, Senator Gardner was excused.

Senator Stedman moved and asked unanimous consent to be excused from a call of the Senate from September 15 through October 31. Without objection, Senator Stedman was excused.

### **Recess**

Senator Kelly, Acting Majority Leader, moved and asked unanimous consent that the Senate stand in recess to a call of the Chair. Without objection, the Senate recessed at 10:34 a.m.

### **After Recess**

The Senate reconvened at 10:33 p.m.

Senator Micciche moved and asked unanimous consent the Senate return to Reports of Special Committees. Without objection, the Senate returned to:

### **Special Committee Reports**

#### **HB 111**

July 15, 2017

Mr. President:

Mr. Speaker:

The Conference Committee considering CS FOR HOUSE BILL NO. 111(FIN)(efd fld) "An Act relating to the oil and gas production tax, tax payments, and credits; relating to interest applicable to delinquent oil and gas production tax; relating to carried-forward lease expenditures based on losses and limiting those lease expenditures to an amount equal to the gross value at the point of production of oil and gas produced from the lease or property where the lease expenditure was incurred; relating to information concerning tax credits, lease expenditures, and oil and gas taxes; relating to the disclosure of that information to the public; relating to an adjustment in the gross value at the point of production; and relating to a legislative working group"

and

SENATE CS FOR CS FOR HOUSE BILL NO. 111(FIN) "An Act relating to credits against the oil and gas production tax; relating to the applicability of certain credits earned under the oil and gas production tax to the tax on corporations; relating to tax credit certificates against the oil and gas production tax and the issuance and assignment of those certificates; relating to interest applicable to delinquent taxes; relating to lease expenditures; relating to the oil and gas tax credit fund; and providing for an effective date"

requests limited powers of free conference on the following specific points:

Sections 1, 2, 3, 16, 26, 27, 29, 30, 36, 37 (House)

Sections 1, 4, 5, 6, 7, 14, 17, 18, 20, 24, 27, 30, 33,  
38, 39-43 (Senate)

Additionally, the committee requests that Uniform Rule 42(a) and (b) be suspended to allow for free conference powers on the following specific points:

Addition of transition language relating to tax credits eligible for purchase by the state during calendar year 2017.

Signing the report: Senator Giessel, Chair, Senators Stedman, Olson; Representative Tarr, Chair, Representatives Josephson, Talerico.

President Kelly granted the Senate conferees limited powers of free conference on the specific points as requested.

Senator Micciche moved and asked unanimous consent the Senate waive Uniform Rule 42(a) and (b), and that the President grant the Senate conferees powers of free conference under Uniform Rule 42(b) for the limited purpose of including:

Addition of transition language relating to tax credits eligible for purchase by the state during calendar year 2017.

Without objection, Uniform Rule 42(a) and (b) was waived and President Kelly granted the Senate conferees powers of free conference as requested.

The Secretary was requested to notify the House.

**HB 111**

The following report was received and distributed at 9:52 p.m., July 15:

Mr. President:

Mr. Speaker:

The Conference Committee with limited powers of free conference and powers of free conference considered

CS FOR HOUSE BILL NO. 111(FIN)(efd fld) "An Act relating to the oil and gas production tax, tax payments, and credits; relating to interest applicable to delinquent oil and gas production tax; relating to carried-forward lease expenditures based on losses and limiting those lease expenditures to an amount equal to the gross value at the point of production of oil and gas produced from the lease or property where the lease expenditure was incurred; relating to information concerning tax credits, lease expenditures, and oil and gas taxes; relating to the disclosure of that information to the public; relating to an adjustment in the gross value at the point of production; and relating to a legislative working group"

and

SENATE CS FOR CS FOR HOUSE BILL NO. 111(FIN) "An Act relating to credits against the oil and gas production tax; relating to the applicability of certain credits earned under the oil and gas production tax to the tax on corporations; relating to tax credit certificates against the oil and gas production tax and the issuance and assignment of those certificates; relating to interest applicable to delinquent taxes; relating to lease expenditures; relating to the oil and gas tax credit fund; and providing for an effective date" and recommends

CONFERENCE CS FOR HOUSE BILL NO. 111  
"An Act relating to credits against the oil and gas production tax; relating to the applicability of certain credits earned under the oil and gas production tax to the tax on corporations; relating to tax credit certificates against the oil and gas production tax and the issuance and assignment of those certificates; relating to interest applicable to delinquent taxes; relating to lease expenditures;

relating to the oil and gas tax credit fund; relating to a legislative working group; and providing for an effective date"  
(Title Change SCR 12)

be adopted.

The following fiscal information was published today:  
Fiscal Note No. 7, Department of Revenue

Signing the report: Senator Giessel, Chair, Senators Stedman, Olson; Representative Tarr, Chair, Representatives Josephson, Talerico.

Senator Micciche moved that the Senate adopt the Conference Committee Report.

The question being: "Shall the Senate adopt the Conference Committee Report?" The roll was taken with the following result:

CCS HB 111

Shall the Senate Adopt the Conference  
Committee Report on HB 111? Effective Dates

**YEAS: 18 NAYS: 0 EXCUSED: 1 ABSENT: 1**

Yeas: Bishop, Coghill, Dunleavy, Egan, Gardner, Giessel, Hoffman, Hughes, Kelly, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski, Wilson

Excused: Costello

Absent: Begich

and so, the report was adopted, thus adopting:

CONFERENCE CS FOR HOUSE BILL NO. 111  
"An Act relating to credits against the oil and gas production tax; relating to the applicability of certain credits earned under the oil and gas production tax to the tax on corporations; relating to tax credit certificates against the oil and gas production tax and the issuance and assignment of those certificates; relating to interest applicable to delinquent taxes;

relating to lease expenditures; relating to the oil and gas tax credit fund; relating to a legislative working group; and providing for an effective date."

Senator Micciche moved and asked unanimous consent that the vote on the adoption of the Conference Committee Report be considered the vote on the effective date clauses. Without objection, it was so ordered.

The Secretary was requested to notify the House.

### **Introduction and Reference of Senate Resolutions**

#### **SR 201**

SENATE RESOLUTION NO. 201 BY SENATOR GIESSEL,

Supporting the ongoing review of and the gathering of information related to the state's oil and gas fiscal policy; and expressing an intention, in a good faith effort with the House of Representatives, to evaluate and act on the recommendations of the oil and gas fiscal policy experts recently retained by the Legislative Budget and Audit Committee.

was read the first time.

Senator Micciche moved and asked unanimous consent the Senate take up SENATE RESOLUTION NO. 201. Without objection, the resolution was before the Senate on final passage.

The question being: "Shall SENATE RESOLUTION NO. 201 Supporting the ongoing review of and the gathering of information related to the state's oil and gas fiscal policy; and expressing an intention, in a good faith effort with the House of Representatives, to evaluate and act on the recommendations of the oil and gas fiscal policy experts recently retained by the Legislative Budget and Audit Committee, pass the Senate?" The roll was taken with the following result:



SR 201

Final Passage

**YEAS: 18 NAYS: 0 EXCUSED: 1 ABSENT: 1**

Yeas: Bishop, Coghill, Dunleavy, Egan, Gardner, Giessel, Hoffman, Hughes, Kelly, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wielechowski, Wilson

Excused: Costello

Absent: Begich

and so, SENATE RESOLUTION NO. 201 passed the Senate and was referred to the Secretary for engrossment and enrollment.

**SB 23**

Pursuant to AS 24.05.100, Senator Micciche moved and asked unanimous consent the Thirtieth Legislature convene a third special session to consider SENATE BILL NO. 23 APPROPRIATION: CAPITAL BUDGET.

The question being: "Shall the Thirtieth Legislature convene in a third special session?" The roll was taken with the following result:

Shall the 30th Legislature Convene in a  
Third Special Session?  
(Pursuant to AS 24.05.100)

**YEAS: 17 NAYS: 1 EXCUSED: 1 ABSENT: 1**

Yeas: Bishop, Coghill, Dunleavy, Egan, Gardner, Giessel, Hoffman, Hughes, Kelly, MacKinnon, Meyer, Micciche, Olson, Stedman, Stevens, von Imhof, Wilson

Nays: Wielechowski

Excused: Costello

Absent: Begich

and so, seventeen Senators voted affirmatively to convene a third special session.

The Secretary was requested to notify the House.

**Announcements**

Rule 23(d) of the Alaska State Legislature Uniform Rules is currently in effect.

Announcements are at the end of the journal.

**Adjournment**

Senator Micciche moved and asked unanimous consent that the Second Special Session of the Thirtieth Alaska State Senate adjourn sine die. Without objection, the Senate adjourned at 11:58 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.

**JOINT COMMITTEES****LEGISLATIVE BUDGET & AUDIT**

**Jul 25            Tuesday                            Anch Lio Conf Rm            9:30 AM**  
 + Preliminary Audit Reports - EXECUTIVE SESSION  
 a. Real Estate Commission (Sunset)  
 b. Board of Marital and Family Therapy (Sunset)  
 c. Board of Professional Counselors (Sunset)  
 d. FY 16 Single Audit

**CONFERENCE COMMITTEES****CONFERENCE COMMITTEE ON HB 111**

**Jul 15            Saturday                            Barnes 124            1:00 PM**  
 += HB 111 OIL & GAS PRODUCTION TAX;PAYMENTS;CREDITS  
 -- Testimony <Invitation Only> --  
 \*\*Streamed live on AKL.tv\*\*